

Airport

Department Purpose: The St. Pete-Clearwater International Airport (PIE) is responsible for operating and maintaining the runways, taxiways, buildings, equipment, and vehicles belonging to the airport, and providing aviation fire protection services. The airport provides a full range of customer, aviation, and facility services to support the transportation and commerce infrastructure used by airlines, passengers, airport customers, tenants, the Transportation Security Administration (TSA), and the U.S. Customs and Border Protection. The annual \$1.0B economic impacts are associated with the tenants/businesses located at the airport and on-airport construction projects, as well as the spending from visitors arriving via the airport to the Tampa Bay area. PIE is entirely self-supported by user fees, leases and concessions, and federal and state grant revenue. No Pinellas County property tax revenue is used for the operations of PIE.

Executive Summary: The COVID-19 pandemic caused a drastic decrease in air travel globally, and St. Pete-Clearwater International Airport (PIE) was no exception. PIE served 1.59M passengers in FY20, compared to 2.27M in FY19 (a 30.0% passenger reduction), and is projected to serve an estimated 1.60M passengers in FY21 and 1.63M passengers in FY22. As a leisure destination, PIE has experienced less of an impact compared to airports that primarily serve business travelers. With the exception of News and Gifts Concessionaire Revenue, all other concessionaire revenue decreased in FY20 and into FY21 due to the dwindling passenger numbers and temporary business closures. Airport analysts project full airport industry recovery between Calendar Year 2023 (CY23) and CY25.

Staffing Summary:

Program Name	FY18	FY19	FY20	FY21	FY22
Airport Real Estate	1.0	1.0	1.0	1.0	1.0
Aviation Services	60.6	61.5	63.5	60.0	62.6
Total FTE	61.6	62.5	64.5	61.0	63.6

Staffing Changes

- Addition of 2.6 FTE from FY21 to FY22
 - o 2.5 FTE increase is due to five positions being budgeted for a full year; These positions were budgeted for only the second half of FY21.
 - o 0.1 FTE increase is attributed to system rounding.
- Reduction of 3.5 FTE from FY20 to FY21
 - o 2.5 FTE decrease is due to five positions being budgeted for only the second half of FY21 in anticipation of COVID-19 impacts.
 - o 1.0 FTE decrease due to not participating in the internship program.

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- Addition of 2.0 FTE from FY19 to FY20
 - o 2.0 FTE increase to support facility and ground maintenance.
 - o 0.5 FTE increase to support airport security badging.
 - o FTE increases were offset with the removal of a double encumbered position for succession management.
- Addition of 0.9 FTE from FY18 to FY19
 - o 0.9 FTE increase is due to converting a part-time traffic assistant position to full-time and double encumbering a position for succession management.

Budget Summary:

- **Revenues:**

	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Estimate	FY22 Request	Budget to Budget Change	Budget to Budget % Change
Intergovernmental Revenue	327	84,696	2,780,427	5,737,830	5,998,770	11,807,410	6,069,580	105.8%
Charges for Services	4,161,643	4,228,624	3,880,062	2,536,010	3,640,480	3,662,160	1,126,150	44.4%
Interest Earnings	536,549	1,215,990	899,422	638,610	353,000	332,500	(306,110)	-47.9%
Rents, Surplus and Refunds	13,561,740	13,351,084	10,945,121	10,877,540	10,290,920	10,052,210	(825,330)	-7.6%
Miscellaneous Revenues	10,445	11,974	16,753	3,800	3,800	3,610	(190)	-5.0%
Non-Operating Revenue Sources	11,301,974	19,499,128	17,274,220	10,896,900	11,139,070	4,835,500	(6,061,400)	-55.6%
Revenues Total	29,572,678	38,391,496	35,796,004	30,690,690	31,426,040	30,693,390	2,700	0.0%

- **Expenditures:**

	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Estimate	FY22 Request	Budget to Budget Change	Budget to Budget % Change
Personal Services	5,317,907	5,692,707	5,637,745	6,120,780	5,942,450	6,481,950	361,170	5.9%
Operating Expenses	7,025,805	7,417,033	6,893,202	8,601,840	8,629,610	8,918,890	317,050	3.7%
Capital Outlay*	14,779,070	28,746,773	22,014,637	15,432,960	12,815,220	8,595,270	(6,837,690)	-44.3%
Grants and Aids	0	279,020	69,561	18,000	18,000	18,000	0	0.0%
Transfers to Other Funds	950,000	0	0	0	0	0	0	0.0%
Expenditures Total	28,072,782	42,135,532	34,615,145	30,173,580	27,405,280	24,014,110	(6,159,470)	-20.4%
Capital Outlay*								
CIP	14,660,908	28,446,410	21,613,138	14,768,000	12,281,920	8,584,200	(6,183,800)	-41.9%
Capital Purchases	118,162	300,362	401,499	664,960	533,300	11,070	(653,890)	-98.3%

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Budget Highlights:

Revenues

- Total operating revenues are increasing by \$6.1M, or 30.6% from FY21 Adopted Budget
 - FY22 revenues include the balance of the \$11.8M for COVID-19 relief funding grants.
 - Coronavirus Response & Relief Supplemental Appropriation Act - \$4.8M
 - \$4.6M provides reimbursement for airport employee payroll and operational expenses to combat COVID-19, while the remaining \$244,904 provides relief from rent and minimum annual guarantees to airport concessionaires.
 - American Rescue Plan Act of 2021 - \$7.0M (estimated)
 - Similar to the Coronavirus Response & Relief Supplemental Appropriation Act Grant, this grant reimburses costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments, as well as provides relief from rent and minimum annual guarantees to airport concessionaires.
 - The Coronavirus Aid, Relief, and Economic Security (CARES) Act funding drawdown is expected to be completed in FY21, and was included in the FY21 Adopted Budget - \$5.7M.
 - Charges for Services – Airline Revenues are based on current level of carriers and projected passenger numbers.
 - These revenues were budgeted at \$2.5M in FY21, however, St. Pete-Clearwater Airport (PIE) is now projected to collect \$3.6M in FY21. PIE is also budgeting \$3.6M in FY22 based on the expected passenger totals.
 - In FY19, PIE served 2.27M passengers and collected \$4.2M in airline revenues. Passenger numbers began to decrease significantly at the start of the COVID-19 pandemic in March 2020 (Quarter III FY20) and ended FY20 with 1.59M passengers served. PIE is expected to increase the total passengers served to 1.60M passengers in FY21 and 1.63M in FY22, however, a full recovery is not expected until as late as 2025.
 - Interest earnings
 - FY21 Budget - \$638,610 and projected to collect \$353,000 in FY21.
 - FY22 Budget - \$332,500.
 - Rents, Surplus and Refunds
 - Concession Income is based on concessionaire agreements and the Customer Facility Charge is a rental car fee of \$4 per day for each vehicle.
 - The decrease in Concession Income and Customer Facility Charges are related to food and beverage, parking, and rental car

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concessionaire revenue decreases in the second half of FY20 and into FY21. Concessionaire revenue decreased due to the drop in passenger traffic. News and gifts concessionaire revenue was the only concessionaire to increase in FY20 and FY21 because those businesses were newly completed and remained open throughout the pandemic. The food and beverage concessionaire must still open three (3) more locations (Dunkin' kiosk, 3 Daughters Brewing Café, and The District) and ceased construction of their locations at the onset of the pandemic.

- Currently, the rental car and food/beverage/retail concessionaires are only paying percentages of their gross revenues, rather than the Minimum Annual Guarantees (MAGs) that they bid, due to the loss of customer traffic and their contractual language that allows a temporary cessation of MAG payments during business downturns. The concession partners are anticipated to begin paying their MAG fees in FY23.
- Revenues were budgeted at \$6.9M in FY21, but are projected to only generate \$6.1M.
- With passenger totals expected to experience minimal growth in FY22, these revenues are budgeted at \$6.0M.
- Terminal and Industrial Revenues were budgeted at \$4.0M in FY21. It is projected that PIE's terminal and industrial (non-aeronautical) revenue will collect \$4.2M in FY21. This is primarily due to a scheduled rent escalation for Pinellas County's Criminal Court, Sheriff Technical Services, Fleet, and Juvenile Court buildings and the Clerk's warehouse on 49th Street, and there were also rent escalations for two tenant lessees on 140th Street.
 - These revenues are budgeted at \$4.1M in the FY22 Budget.
 - These revenues sources were not impacted by COVID-19 and generated \$4.0M in FY20 and \$3.8M in FY19.
 - 15 tenants requested rent relief through PIE's deferred rent program in FY20, however, all tenants have paid their deferred rent.
 - No user fee changes are proposed for FY22.
- Non-operating revenues are decreasing \$6.1M, or 55.6% primarily due to the completion of the Runway 18/36 Rehabilitation project, which received federal funding.

Expenditures

- Total expenses, which include the St. Pete-Clearwater International Airport's (PIE) Operating and Capital Improvement Program (CIP) budget, decreased by \$6.2M, or 20.4%

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from FY21 Budget. PIE's FY22 Operating Budget Request reflects an increase of \$24,330 compared to the FY21 Operating Budget.

- Personal services reflect an increase of \$361,170, or 5.9%.
 - Increase of \$172,440 related to returning the five positions that were budgeted for only the second half of FY21 (due to anticipated COVID-19 impacts) to full-year positions.
 - Increase of \$188,730 is attributed to the inflationary increases.
 - Air carriers have consistently stayed above the 85% target for noise abatement while utilizing Runway 18-36 since tracking the measure began in 2018. This program is managed by Airport Operations employees.
- Operating expenditures increased by \$317,050, or an increase of 3.7%.
 - This increase is primarily due to the addition of six new general engineering consultant (GEC) contracts with negotiated fees, which enable PIE to get smaller non-CIP projects underway quickly - \$316,400.
 - Examples of GEC work include a parking demand study; runway incursion mitigation study; rental car concessionaire bid consultant; water intrusion investigation; jetbridge maintenance planning and freight elevator destructive testing.
 - PIE passed Federal Aviation Administration (FAA) inspections and did not receive any FAA monetary fines in FY20 or FY21. PIE has not had a FAA monetary fine since tracking the measure in 2017. Incurred fines would be paid from PIE's operating expenditure budget.
- Capital Purchases within Capital Outlay decreased by \$653,980; or 98.3% because no new capital equipment or automotive purchases are budgeted in FY22.

Capital Improvement Program

- The proposed CIP is \$140.5M, which is an increase of \$9.1M from the current total CIP. Proposed total includes the new Cell Phone Lot Restrooms project request. Increase mainly due to the inclusion of budget for FY27 in the proposed multiyear CIP for the Passenger Terminal Improvements Project (PID 003343A) and the Construction of Airco Access Roads Project (PID 004569A).
- Six CIP projects are anticipated to be completed in FY21:
 - PID 000031A New Maintenance Facility
 - PID 000035A Runway 18/36 Rehabilitation Airport
 - PID 001546A Airport Landside Improvements
 - PID 001548A Airport Master Plan Update
 - PID 002111A Ticketing "A" In-Line Baggage
 - PID 004086A Airport 350-ton Chiller Replacement
- New CIP Project - Cell Phone Lot Restrooms – Total project cost \$250,000 (FY22)

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Related Supporting Documents:

- Attachment 1 – Airport Organization Chart
- Attachment 2 – Airport Revenue & Expenditure Summary
- Attachment 3 – Airport CIP Budget
- Attachment 4 – Airport Performance Dashboard
- Attachment 5 – Airport Fund Forecast
- Attachment 6 – Airport User Fees