

Reports/Informational Items: 21

**Report to La Quinta City Council  
Palm Springs International Airport Commission Meeting  
February 19, 2014**

**Budget:** Although revenue lags by a month in this part of the season, it is still up by 6.5% from last year. Expenses remain under budget, and unrestricted cash is at \$5.04 million – a good start on our goal of \$6-7M at year-end.

The budget committee for next fiscal year has met with the staff, and a committee meeting is planned for April 16. The committee is planning to present a proposed budget to the Palm Springs City Council in May.

**Passenger Activity:** January was an all time record for passenger activity; up 5% from last year.

**General:**

1. The Starbucks lobby store design has been approved, and construction should start soon. It is planned to be open in June.
2. The Wine Bar has received its liquor license, substantially increasing revenue.
3. The new cell phone lot continues to receive compliments.
4. Our landscape improvement plan is complete and specified, but the cost seems high. It will be submitted for review, and receive an effort to reduce the cost.
5. The new restaurant is open on the east side of the runway at Atlantic Flight Services.
6. Now that the new tower is fully operational, the old one is being disassembled. A crane will be on site soon to complete the task.
7. The FAA has approved our Capital Improvement Program. The Commissioners plan the Runway Improvement Project design scope for review at the April meeting.

**Airline Activities**

1. Delta has added a Seattle route, giving us two carriers for that destination.
2. American has added a second Chicago flight.
3. United Air Lines is now phasing in new, larger aircraft, with some 757s coming to Palm Springs.
4. Delta is adding some test market flights to Atlanta.
5. American is phasing out the old MD-80s, and will need 510 new aircraft to replace their fleet. 83 new planes will be added in 2014.

6. With the recently increased industry consolidation, 80% of the market will be controlled by 4 airlines. Flights are at a record high level of full seats. The result of all this is unknown, but we need to keep an eye on the situation and adjust as the picture emerges. Palm Springs is fortunate in that we are represented by all but Southwest.

Submitted: \_\_\_\_\_

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