



DEPARTMENT OF AIRPORTS

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DEPARTMENT SUMMARY

MISSION STATEMENT

Provide for air transportation and related services that are safe, secure, comfortable, convenient, and efficient.

Department Overview

The Palm Beach County Department of Airports owns and operates Palm Beach International Airport (PBIA) and three general aviation airports located in Palm Beach Gardens, Lantana, and Pahokee. The PBIA McCampbell Terminal serves six million passengers a year with 12 or more airlines. PBIA is also home to three fixed base operators: Jet, Signature and Atlantic Aviation serving general aviation customers making PBIA one of the busiest general aviation airports in the country. Total estimated annual economic activity for PBIA is \$5.6 billion with over 48,000 aviation and support activity jobs. The County's three general aviation airports generate an estimated annual economic activity of \$141.3 million while providing for over 1,000 jobs. The Department of Airports receives no Ad Valorem support; revenues are generated from tenants, users, concession providers, Passenger Facility Charges, Federal Aviation Grants, and State Aviation Transportation Grants.

Airports Operations Division

Provides 24/7 safety, security, and operational communications for the four Palm Beach County Airport facilities. Operations carries out this mission with a core staff of field officers, communications/dispatch staff, and with contract services provided by the Palm Beach Sheriff's Office (PBSO) and Palm Beach County Fire Rescue (PBCFR), both of which have full time units at PBIA on a 24/7 basis. Plans and coordinates with the Federal Transportation Security Administration and U.S. Immigration and Customs Enforcement staff located on-site for daily processing of all passengers through the airport. Staff has the overall responsibility for the development and execution of the Airport Safety Plan which defines the protocols for various security and safety events and the appropriate response of each entity. Provides public parking facilities 24/7 via contract services, lost and found inventory, access control, security identification and background checks, tenant communications, and customer assistance.

Airports Maintenance Division

Provides services to the four Palm Beach County Airport facilities through staff and various contract services. Critical elements include airfield lighting, uninterrupted power supply to PBIA, HVAC service at PBIA via five multi-ton chillers, ground power and pre-conditioned air services to commercial aircraft, janitorial services to PBIA, as well as continuous elevator/escalator services. Maintenance provides for all landscape and greenspace maintenance, including airfield and public areas. Maintenance also provides for 24/7 staffing or contractual manpower to maintain critical systems to ensure uninterrupted airport operations and insure safety/security systems remain operational.

Airports Administrative Division

Includes various functions: planning, property management and compliance, marketing, air service development, noise abatement, information technology, accounts receivable/billing, budgeting, accounting, debt management and compliance, and finance. These functions are responsible for the long term planning and management of the facility and business development through direct construction and partnering with private enterprise to provide necessary aviation and related customer services.

FY 2020 Highlights & Accomplishments

- Palm Beach International Airport (PBI) was voted third best airport in the United States in the globally recognized Conde Nast Traveler's 2020 Readers' Choice Awards (October 2020); second highest among medium-sized airports in the 2020 J.D. Power North America Airport Satisfaction Study (September 2020); and ninth in Travel + Leisure Magazine's Best Domestic Airport: World's Best Awards (July 2020).
- Allegiant Airlines returned to PBI with service to six new markets: Pittsburgh, Indianapolis, Cincinnati, Asheville, Knoxville, and Concorde (Charlotte, NC). United Airlines commenced new service to Dulles Airport (Washington, DC).
- Successfully completed Phase II of the third level renovations in the McCampbell terminal at PBI, including new terrazzo flooring, increased ceiling height, and new lighting.
- Drive Shack completed the build out of an entertainment complex at PBI and officially opened in October 2019. A new Home2 Suites by Hilton also opened on Airport property in December 2019. The new hotel consists of 120-rooms with direct access from Interstate 95 direct-connect and is located adjacent to Drive Shack.
- Airport Logistics Park broke ground on its facility on 39 acres land just west of the Airport at the end of 2019. The development will consist of 600,000 square feet of warehouse space, which will add commercial value to the County and provide the Department with additional ground rent revenue.
- Gulfstream Product Support Corporation completed construction of a maintenance, repair, and overhaul facility at PBI, which consists of more than 160,000 square feet of space. The operation is expected to create approximately 50 jobs, which is a nearly 50% increase in the size of the current Gulfstream workforce.
- The construction of service animal relief areas within the secure area of Concourses B and C has been completed.
- The planning and pre-design efforts for the expansion of Concourse B to provide for additional gate capacity, passenger queuing and seating, and opportunities for enhanced concessions commenced in FY 2020.
- JetBlue announced daily nonstop service from PBI to Los Angeles International Airport (LAX) on JetBlue, to commence November 19, 2020.
- In response to the COVID-19 pandemic, the Department published the PBI Comprehensive Guide: Pandemic Preparedness and Response, which is a detailed plan for ensuring the health and safety of the traveling public and airport employees.
- PBI became the first airport in Florida, and the second in the United States, to achieve the Global BioRisk Advisory Council's GBAC STAR facility accreditation, to ensure that PBI maintains the highest standards of cleaning and disinfection.

FY 2021 Emerging Issues

- Continue to monitor budget impacts of the COVID-19 pandemic, including impacts on airline rates and charges. Passenger demand and available airline capacity have significantly declined as a result of the COVID-19 pandemic, resulting in declines in certain revenue streams tied to passenger demand and activity.
- Focus will continue to be on safety, security, and maintaining integrity of existing facilities due to budget constraints.

	<u>Actual</u> <u>FY 2019</u>	<u>Budget</u> <u>FY 2020</u>	<u>Goal</u> <u>FY 2021</u>
<u>OBJECTIVES & PERFORMANCE MEASUREMENTS</u>			
<i>Finance & Administration</i>			
<ul style="list-style-type: none"> Achieve Airline Cost Per Enplanement (CPE) at \$10.00 or less. This value is established as the benchmark for medium hub airports per the most recent Airports Council International (ACI) Benchmarking survey 			
<i>Airline Cost Per Enplanement (\$10.00 or less = The Cost for Airlines to operate at PBI divided by PBI Enplanements)</i>	4.72	5.37	8.92
<i>Maintenance</i>			
<ul style="list-style-type: none"> Achieve timely and effective completion of corrective work orders. This measurement is established by increasing the ratio of closed (completed) vs open corrective work orders 			
<i>Maintenance Department: Ratio of closed vs open corrective work orders.</i>	83.25	85	95
<ul style="list-style-type: none"> Achieve timely and effective completion of preventive work orders. This measurement is established by increasing the ratio of closed (completed) vs open preventive work orders 			
<i>Maintenance Department: Ratio of closed vs open preventive work orders.</i>	85.25	85	95
<i>Operations</i>			
<ul style="list-style-type: none"> Complete minimum required airfield safety self inspections and regulatory inspections of airfield per mandated regulations 			
<i>Number of completed airfield safety and regulatory inspections</i>	1,292	1,140	1,200

DEPARTMENT FINANCIAL SUMMARY

				<u>Change (FY 20 - FY 21)</u>	
	FY 19 Actual	FY 20 Budget	FY 21 Budget	\$	%
<u>Non-Ad Valorem Revenues</u>					
Charges for Services	\$ 71,222,842	\$ 75,016,275	\$ 58,224,180	\$ (16,792,095)	(22%)
Grants	480,314	-	-	-	-
Licenses & Permits	81,157	86,700	81,675	(5,025)	(6%)
Other	1,152,953	843,700	656,700	(187,000)	(22%)
Interfund Transfers	3,979,717	1,728,000	1,222,000	(506,000)	(29%)
Fund Balance	24,947,552	25,431,152	16,609,578	(8,821,574)	(35%)
SubTotal	\$ 101,864,535	\$ 103,105,827	\$ 76,794,133	\$ (26,311,694)	(26%)
<u>Appropriations</u>					
Personal Services	\$ 14,323,912	\$ 13,813,999	\$ 14,442,246	\$ 628,247	5%
Operating Expenses	36,135,911	44,309,711	43,059,570	(1,250,141)	(3%)
Transfers	24,391,602	33,454,026	9,235,109	(24,218,917)	(72%)
Charge Offs	(185,834)	(240,003)	(240,003)	-	-
Reserves	-	11,768,094	10,297,211	(1,470,883)	(12%)
SubTotal	\$ 74,665,591	\$ 103,105,827	\$ 76,794,133	\$ (26,311,694)	(26%)
Ad Valorem Funding	\$ -	\$ -	\$ -	\$ -	-
Positions	158	161	163	2	1%

SIGNIFICANT CHANGES

Non-Ad Valorem Revenues

Due to the COVID-19 pandemic the Department of Airports (DOA) saw a dramatic decrease in the number of passengers, which in turn has led to the decrease in revenues across the board. DOA had to reprioritize the whole operating budget. The DOA has received \$36,781,068 in CARES Act funding for the County's Airports System (R-2020-1434; R-2020-1435; R-2020-1436; R-2020-1437), which has been used to stabilize the current operation. The County also allocated an additional \$800,000 in CARES Act funding to DOA, which has been used to implement additional safety measures at PBI, including the purchase of safety supplies, personal protection equipment such as masks for passengers and employees and safety/educational signage; increased janitorial services at PBI, including electrostatic spraying; the purchase of equipment to provide for social distancing between work groups; modifications to air conditioning systems; and other similar safety measures.

Based on consultant projections, DOA does not anticipate returning to pre-COVID-19 levels until FY 2025. DOA will continue to prioritize operating and capital to maintain the level of services that are safe, secure, comfortable, convenient, and efficient.

Appropriations

Positions - 2

Budget Process - 2: Addition of one System Administrator III and an Airports Senior Deputy Director.

