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**Title:** Approve an Airline Operating Agreement with Frontier Airlines, Inc. for new passenger airline service at Fresno Yosemite International Airport (Council District 4)

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| 4/19/2018 | 1    | City Council | approved |        |

**REPORT TO THE CITY COUNCIL**

**April 19, 2018**

**FROM:** KEVIN R. MEIKLE, Director of Aviation  
Airports Department

**SUBJECT**

Approve an Airline Operating Agreement with Frontier Airlines, Inc. for new passenger airline service at Fresno Yosemite International Airport (Council District 4)

**RECOMMENDATION**

Staff recommends Council authorize the Director of Aviation to execute an Airline Operating Agreement (AOA) with Frontier Airlines, Inc. (Frontier), for passenger airline service at Fresno Yosemite International Airport (FAT).

**EXECUTIVE SUMMARY**

AOAs address airline lease and operating parameters related to providing scheduled commercial air service at airports. The Frontier Airlines AOA is consistent with other airline AOAs at FAT and will be effective through June 30, 2020.

**BACKGROUND**

AOAs define common use privileges of the airport (ticketing, baggage claim, gate areas, etc.), lease of exclusive use space (office and operation areas), rules and regulations associated with airport operations, and term and termination clauses. AOAs are also viewed by Bond Rating Agencies as important contractual documents that can lead to favorable credit ratings, which is significant because the ratings are directly tied to FAT's ability to meet its future capacity needs. The AOA has a sixty-day Termination for Convenience clause.

Frontier Airlines is scheduled to begin new service from Fresno to Denver on May 22, 2018, with three flights weekly using an A320 aircraft with a 185 passenger capacity.

The City Attorney has reviewed and approved the AOA as to form.

### **ENVIRONMENTAL FINDINGS**

This is not a "project" pursuant to CEQA Guidelines Section 15378.

### **LOCAL PREFERENCE**

Local preference is not applicable because the AOA is not a purchase or services agreement.

### **FISCAL IMPACT**

There is no impact to the General Fund from this action. There are no changes in landing fees, terminal rents or any other fees to the airlines with this action, which are identified in the City's Master Fee Schedule. AOAs enable airlines to operate in a cost and operationally efficient manner, which supports FAT as a regional transportation center and driver of economic development.

#### Attachments:

- Frontier Airlines AOA