



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District B

Item Creation Date: 11/9/2015

HAS - International Facilities Agreement with Air New Zealand Limited at IAH

Agenda Item#:

Background:

RECOMMENDATION:

Enact an ordinance approving and authorizing the execution of an International Facilities Agreement with Air New Zealand Limited (ANZ) at George Bush Intercontinental Airport/Houston (IAH).

SPECIFIC EXPLANATION:

The International Facilities Agreement (IFA) defines the terms and conditions by which the airlines may use the airfield for aircraft operations, lease space in Terminal D and have common use of aircraft gates and the Federal Inspection Services (FIS) area at George Bush Intercontinental Airport/Houston (IAH) from which to conduct their passenger service business.

The IFA with Air New Zealand Limited (ANZ) is similar to IFAs previously approved by City Council on the following dates: ABC Aerolineas, S.A. de C.V. (Interjet), Concesionaria Vuela Compania de Aviacion S.A.B. de C.V. (Volaris) and EVA Airways Corporation (EVA) (7/8/2015); Scandinavian Airlines of North America, Inc. (7/9/2014); Korean Air Lines Co. (5/7/2014); Air China Limited and Turkish Airlines (10/23/2013); Atlas Air Inc. and Aeroenlaces Nacionales, S.A. de C.V. (VivaAerobus) (10/19/2011); Emirates, Singapore Airlines Limited and Qatar Airways Q.C.S.C. (1/20/2010); Aerovias de Mexico S.A. de C.V. (Aeromexico), Societe Air France, British Airways, PLC, Deutsche Lufthansa AG and TACA International Airlines, S.A. (4/18/2007); KLM Royal Dutch Airlines (8/16/2006); and United Airlines, Inc. (8/17/2005).

The pertinent terms and conditions of the IFA are as follows:

- 1) **Leased Premises** - All Terminal D airlines have common use of aircraft gates, FIS area, ticket counters, baggage make-up and security checkpoint pursuant to access and assignment procedures. Additionally, ANZ will lease approximately 425 square feet of exclusive operations/administrative space.
- 2) **Rental** - Rental is charged for exclusive operations/administrative space; gate, ticket counter, baggage make-up, automated people mover (APM) charge, security checkpoint, and FIS area common use; and landing fees. The estimated rates and charges for ANZ is \$1,788,432 per year.
- 3) **Term** - Month to Month; however in no event shall this agreement extend beyond June 30, 2020. The Director or airline may terminate this agreement at any time without cause upon thirty (30) days' advance written notice to the other party.

On September 16, 2015, City Council passed a new Carrier Incentive Program for the Houston Airport System. Under the Carrier Incentive Program, ANZ is eligible to receive various incentives, which may include abatement of landing fees, turn charges (terminal rental charges), and FIS charges, as well as marketing support.

Director's Signature:

Mario C. Diaz
Houston Airport System

Prior Council Action:

7/8/2015 (O) 2015-648; 7/9/2014 (O) 2014-693; 5/7/2014 (O) 2014-408; 10/23/2013 (O) 2013-953; 10/19/2011 (O) 2011-883; 1/20/2010 (O) 2010-31; 4/18/2007 (O) 2007-483; 8/16/2006 (O) 2006-856; 8/17/2005 (O) 2005-967

Amount of Funding:

REVENUE: \$1,788,432 annually

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