



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/14/2018

District B

Item Creation Date: 10/30/2018

HAS - International Facilities Agreement with Spirit Airlines, Inc. - IAH

Agenda Item#: 53.

Background:

RECOMMENDATION:

Enact an ordinance to approve an International Facilities Agreement (IFA) with Spirit Airlines, Inc. (NK) for use of Terminal D and the FIS 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 ticket counters, aircraft gates, and the Federal Inspection Services (FIS) area at George Bush Intercontinental Airport/Houston (IAH) from which to conduct their passenger service businesses.

In the current IFA for Terminal D and the FIS, Airlines lease their private offices and operations areas exclusively. They use in common with others the ticket counters, queuing areas, the aircraft gates, holdrooms, and aircraft apron areas. All Terminal D airlines also have use of the baggage make-up area, the FIS, and the security checkpoint pursuant to access and assignment procedures.

The IFA with Spirit is similar to IFAs previously approved by City Council on the following dates: All Nippon Airways, Turkish Airlines, Inc., Taca International Airlines, S.A. (3/8/2017); EVA Airways Corporation, ABC Aerolineas S.A. de C.V. d/b/a Interjet, Concesionaria Vuela Compania de Aviacion S.A.P.I. de C.V. d/b/a Volaris (7/8/2015); Scandinavian Airlines of North America, Inc. (7/9/2014); Korean Air Lines Co. (5/7/2014); Air China Limited (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 (4/18/2007); KLM Royal Dutch Airlines (8/16/2006); and United Airlines, Inc. (8/17/2005).

Spirit desires to utilize the FIS for its arriving International flights and requests to execute the IFA for Terminal D and the FIS at George Bush Intercontinental Airport/Houston to accommodate its international passenger growth in Houston.

The pertinent terms and conditions of the IFA are listed below:

- 1) **Leased Premises** - Spirit operates from Terminal A and does not plan to lease any operational space in Terminal D at this time.
- 2) **Rental** - Terminal D and the FIS are common use facilities with rates and charges established per the IFA and shared by all users of the facilities. Rental and use rates are calculated annually per the IFA and are charged for operations and administrative space, gates, ticket counters, baggage make-up area, APM charge, FIS, security checkpoint, landing fees, and common use areas.

Annual Rent \$ 641,336.00

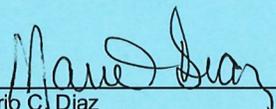
While Spirit does not plan on leasing any space in Terminal D, Spirit will be charged for its use of the FIS in common with other airlines.

- 3) **Term** - The term of the IFA is 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 written notice to the other party.

Fiscal Note:

Funding for this item was included in the FY2019 Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Director's Signature:



 Mario C. Diaz
 Houston Airport System

Estimated Revenue

DEPARTMENT	FY2019	OUT YEARS	TOTAL
Houston Airport System	\$641,336.00	\$0.00	\$641,336.00

Amount of Funding:

REVENUE: \$ 641,336.00 HAS-Revenue Fund (8001)

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