

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

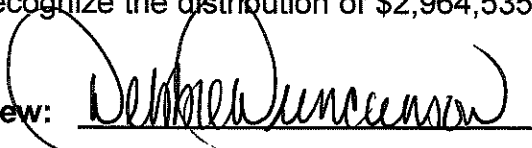
Fiscal Years	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	<u>\$2,964,535</u>	_____	_____	_____	_____
External Revenues (Grants)	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u><u>\$2,964,535</u></u>	_____	_____	_____	_____
# ADDITIONAL FTE	_____	_____	_____	_____	_____
POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes x No _____
 Does this item include the use of federal funds? Yes X No _____
 Does this item include the use of state funds? Yes _____ No X

Budget Account No: Fund 4100 Department 120 Unit 1110 Object 8201
 Reporting Category _____

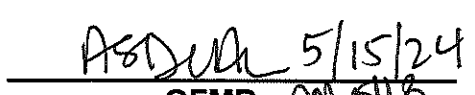
B. Recommended Sources of Funds/Summary of Fiscal Impact:

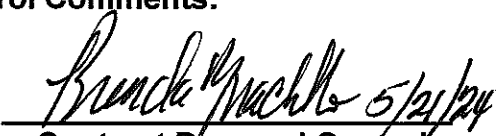
Approval of this item will recognize the distribution of \$2,964,535 in grant funding from the FAA to concessionaires at PBI.

C. Departmental Fiscal Review: 

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

 5/15/24
 OFMB 5115
 KK
 5/15

 5/21/24
 Contract Dev. and Control
 5/20/24

B. Legal Sufficiency:

 5.22.24
 Assistant County Attorney

C. Other Department Review:

 Department Director

REVISED 11/17

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA) Allocation Award Summary

ARPA RECAPITULATION: AIRPORT (PA1)
 Concession Block Type - American Rescue Plan Act

Date(s) of Concession with ARPA Concessions: 4/11/2021; 12/1/2021; 8/26/2022; 11/29/2022; 7/1/2023; 9/8/2023; 10/8/2023; 10/8/2023; 11/19/2024; 2/6/2024; 2/6/2024

Rent Relief: Provided
 Yes (CMSA)
 Rent Relief: Applied as Credit for Rent Due After 3/31/22
 Yes (CMSA)

Bidding Period: December 1, 2019 to February 29, 2020

There are no special commitments and no conditions were required in exchange for rental relief.

Concession Type	Concession Name	ACORE or Joint Venture	Maximum Award	Actual Concession/Percentage Fees	Concessions Fee for Barriers	Donor Barriers	TOTAL	TOTAL Concession Percentage of Rental	Rental Allocation	Performance of period of award	Rental Relief	Adjusted to not	Taxing PPP	Second Draw	Purpose of ARPA Second	Concession	Dates of	Concession	ARPA for	Comments or
Large Concession Companies	Drift Chamber Reporters, Inc. a Partnership Reporting Company	Drift Chamber Reporters, Inc. a Partnership Reporting Company	\$10,000.00	\$91,204.79	\$18,204.79	\$3,326.94	\$112,736.53	100.00%	\$91,204.79	To be issued after 3/31/2021	No	No	No	No	No	NA	10/10/23	YES	None	
Large Concession Companies	Drift Chamber Reporters, Inc. a Partnership Reporting Company	Drift Chamber Reporters, Inc. a Partnership Reporting Company	\$10,000.00	\$92,204.79	\$18,204.79	\$3,326.94	\$112,736.53	100.00%	\$92,204.79	To be issued after 3/31/2021	No	No	No	No	No	NA	10/10/23	YES	None	
Small Concession Companies	Community, Inc.	Community, Inc.	\$1,750,000	\$2,628.20	\$9,018.80	\$0.00	\$9,018.80	0.50%	\$1,752,628.20	to be issued after 3/31/2021	No	YES	NO	YES	NO	PAID FOR COSTS	10/10/23	YES	None	None
Small Concession Companies	Common Use Lounge	Common Use Lounge	\$16,250.00	\$0.00	\$16,250.00	\$0.00	\$16,250.00	0.00%	\$16,250.00	to be issued after 3/31/2021	No	YES	NO	NO	NO	PAID FOR COSTS	10/10/23	YES	None	None
Food & Beverage	Hot/Terra Enterprises Joint Venture, as a Partnership	Hot/Terra Enterprises Joint Venture, as a Partnership	\$158,350.60	\$231,602.24	\$991,950.84	\$3,029.10	\$994,979.94	18.53%	\$994,979.94	to be issued after 3/31/2021	No	NO	NO	NO	NO	PROTECT EXPENSE	10/10/23	YES	None	None
Food & Beverage	Produce From Beach, LLC	Produce From Beach, LLC	\$702,913.88	\$381,542.22	\$1,027,256.08	\$52,070.82	\$1,079,326.90	60.07%	\$1,471,658.92	to be issued after 3/31/2021	No	NO	NO	NO	NO	PROTECT EXPENSE	10/11/23	YES	None	None
Small Concession Company Totals			\$1,999,152.48	\$558,472.26	\$2,499,574.73	\$58,059.86	\$2,557,634.59	100.00%	\$2,557,634.59	to be issued after 3/31/2021	No	NO	NO	NO	NO	PROTECT EXPENSE	10/11/23	YES	None	None

Approve: *Justin B. ...* Date: 10/24/24
 Director of Airport

Large Co. Grant Award: \$592,207.00
 Small Co. Grant Award: \$2,371,628.00
 TOTAL ARPA Grant Award: \$2,963,835.00

PALM BEACH COUNTY
BOARD OF COUNTY
COMMISSIONERS
Maria Sachs, Mayor
Maria G. Marino, Vice Mayor
Gregg K. Weiss
Michael A. Barnett
Marci Woodward
Sara Baxter
Mack Bernard

Palm Beach

INTERNATIONAL AIRPORT

COUNTY ADMINISTRATOR
Verdenia C. Baker
DEPARTMENT OF AIRPORTS



February 29, 2024

To: Debbie Duncanson, Deputy Director – Finance & Administration

From: Ray Walter, Deputy Director – Real Estate & Concessions *RW*

CC: Laura Beebe, Director of Airports *LB*
Gary Sypek, Senior Deputy Director of Airports

RE: Recommended Concession Relief Plan under the American Rescue Plan Act of 2021 (“ARPA”)

This memorandum outlines the recommended plan for concession relief allocations pursuant to the American Rescue Plan Act of 2021 (“ARPA”). Separate concession relief allocations were provided in 2022 under the Coronavirus Response and Relief Supplemental Appropriation Act, 2021 (“CRRSA”). ARPA relief follows a similar analysis as CRRSA but there are important distinctions, including separate allocations for “eligible small airport concessions” and “eligible large airport concessions”. An airport sponsor must account for proportionality on 100% of the grant allocation, and unlike CRRSA, administrative expenses are not provided under ARPA. On January 7, 2022, the County executed FAA Airport Coronavirus Relief Grant Program (ACRGP) Concessions Relief Addendum No. 3-12-0085-070-2022, which provided for concession relief in the following amounts:

\$ 592,907	ARPA Large Concessions Relief
<u>\$2,371,628</u>	ARPA Small Concessions Relief
\$2,964,535	Total ARPA Concessions Relief Grant

I recommend that award be made by rent credit to each concession, in the amounts detailed in this summary, to be applied against payments due to the County on a first-due basis following the date the credit is issued until the entire credit is depleted. As such, the ARPA relief will cover payments of rental or MAG for periods of occupancy and/or commercial-use after March 11, 2021. Delegation of authority to provide this economic relief was approved by the Board on August 17, 2021 (R2021-1028). Allocations have been calculated based on guidance from the Federal Aviation Administration (“FAA”) including information in “Frequently Asked Questions” (FAQ) bulletins, the most recent issued March 27, 2023 (FAQs for concession relief, or “CR”, are contained in pages 17-25 of the FAA guidance). Additionally, on March 16, 2023, the FAA’s CARES team responded to specific questions we posed based on circumstances at PBI. Both of these sources are attached, and a narrative summary of each concession, whether eligible or ineligible, is detailed on the following pages.

ARPA requires airport sponsors to provide relief to each airport concession in an amount that reflects each eligible airport concession’s proportional share of the total amount of rent and minimum annual guarantee (MAG) of all eligible concessions at the airport. This is a set of ratios of each eligible concession’s contribution to the total amount of rent and MAG income remitted to the airport by all members of the eligible population of remitting concessions during an appropriate baseline time period of a sufficient length (generally one-quarter), and which pre-dates the onset of Coronavirus. The baseline time period used in this analysis is December 1, 2019, through February 29, 2020. Separate analyses were completed for both “Small” and “Large” concessions.

846 PALM BEACH INTERNATIONAL AIRPORT
West Palm Beach, Florida 33406-1470
(561) 471-7400 FAX: (561) 471-7427 www.pbia.org

PALM BEACH COUNTY GLADES AIRPORT
Pahokee

PALM BEACH COUNTY PARK AIRPORT
Lantana

NORTH COUNTY GENERAL AVIATION AIRPORT
Palm Beach Gardens

“An Equal Opportunity-Affirmative Action Employer”

We have consulted with each concession and explained the program eligibility requirements and methodology to determine the amount of recommended relief awards. ACDBE concessions have received one-on-one consultation. An airport concession must certify it has not received a second draw or assistance for a covered loan under section 7(a)(37) of the Small Business Act (15 U.S.C. 637(a)(37)) that has been applied toward rent or MAG. Signed certification forms have been received by all airport concessions and are included in this recommendation; no concessions were found to be ineligible based on certification. Two concession companies provided certifications indicating they received a PPP second-draw payment. We have concluded that neither company is disqualified from ARPA relief:

- Communitel indicated a PPP second-draw payment was received which was applied payroll costs, and provided a certification that this payment was not for rent or minimum annual guarantee costs. As such, this does not disqualify Communitel from receipt of ARPA relief.
- GTMS indicated a PPP second-draw payment was received which was applied to rent at GTMS' home office and not at PBI, which does not disqualify GTMS from receipt of ARPA relief.

An "**eligible small airport concession**" is a concession (as defined in 49 CFR § 23.3) that is in-terminal and either a small business with gross receipts, averaged over the previous 3 fiscal years, of less than \$56,420,000 or a joint venture (as defined in 49 CFR § 23.3). A concession that operates locations at several airports should use the entity's total gross receipts rather than gross receipts for an individual location. Joint ventures with one or more Airport Concession Disadvantaged Business Enterprise ("ACDBE") partners are a small airport concession regardless of gross receipts. A "**joint venture**" is defined in defined in 49 CFR § 23.3 as an association of an ACDBE firm and one or more other firms to carry out a single, for-profit business enterprise, for which the parties combine their property, capital, efforts, skills and knowledge, and in which the ACDBE is responsible for a distinct, clearly defined portion of the work of the contract and whose shares in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with its ownership interest. Joint venture entities are not certified as ACDBEs.

An "**eligible large airport concession**" is a concession (as defined in 49 CFR § 23.3) that is in-terminal and has gross receipts, averaged over the previous 3 fiscal years, of more than \$56,420,000. A concession that operates locations at several airports should use the entity's total gross receipts across all of its locations.

Following is the recommended plan for allocations for eligible concession companies at PBI:

Large Concession Companies:

Concession Type	Concession Name	Allocation of Grant Relief
Advertising	Clear Channel Airports, Inc., a Pennsylvania corporation, formerly In-Ter-Space Services, Inc., d/b/a Clear Channel Airports	\$592,907.00
Large Concession Company Totals		\$592,907.00

Small Concession Companies:

Concession Type	Concession Name	Allocation of Grant Relief
ATM	Communitel, Inc.	\$11,858.14
Common-Use Lounge	Gideon Toal Management Services, LLC d/b/a American Express Escape Lounge	\$21,344.65
Food & Beverage	Host/Tarra Enterprises Joint Venture, as sublessee to Host International, Inc.	\$913,788.27
Retail	Paradies-Palm Beach, LLC d/b/a the Paradies Shops	\$1,424,636.94
Small Concession Company Totals		\$2,371,628.00

Total ARPA Grant Award: \$2,964,535.00

Following is a summary of those concession companies deemed eligible for ARPA relief:

ELIGIBLE LARGE CONCESSION COMPANIES:

Clear Channel Airports, Inc., formerly In-Ter-Space Services, Inc., d/b/a Clear Channel Airports (Clear Channel) operates the Advertising Concession Agreement dated April 16, 2019, (R2019-0502), and meets the criteria of a “large concession”. During the Baseline Period, Clear Channel paid a total of \$170,541.75, equal to 100% of eligible large concession company payments. **The recommended ARPA grant allocation to Clear Channel is \$592,907.00.**

ELIGIBLE SMALL CONCESSION COMPANIES:

Communitel, Inc. (Communitel) is a 100% ACDBE concession and meets the criteria for a “small concession”. Communitel operates the Automated Teller Machine Concession Agreement dated July 2, 2019, (R2019-0950, as amended). The agreement has been amended since COVID, but the amendment terms do not make Communitel ineligible for ARPA relief. During the Baseline Period, Communitel paid a total of \$9,019.80, equal to 0.50% of eligible small concession company payments. Communitel received a second Paycheck Protection Program (PPP) second draw loan, which was used for payroll costs and was not used for rent or MAG. A completed Certification was provided by Communitel on October 10, 2023. Communitel is eligible for concessions relief under ARPA. **The recommended ARPA grant allocation to Communitel is \$11,858.14.**

Gideon Toal Management Services, LLC (GTMS) d/b/a American Express Escape Lounge is a 100% ACDBE concession and meets the criteria for a “small concession”. GTMS operates the Common Use Airport Lounge Concession Agreement dated September 18, 2018 (R2018-1360). During the Baseline Period, GTMS paid a total of \$16,250.01, equal to 0.90% of eligible small concession company payments. GTMS received a second Paycheck Protection Program (PPP) second draw loan, which was used for payroll costs, utilities, covered operations expenditures and covered worker protection expenditures, and was not used for rent or MAG. A completed Certification was provided by GTMS on October 10, 2023. GTMS is eligible for concessions relief under ARPA. **The recommended ARPA grant allocation to GTMS is \$21,344.65.**

Host/Tarra Enterprises Joint Venture, as sublessee to Host International, Inc. (Host/Tarra) operates the food and beverage concessionaire pursuant to a sublease of the Lease and Concession Agreement dated August 18, 1998 (R98-1293D, as amended). The agreement is between Palm Beach County and Host International, Inc.; however, the entirety of the operation is subleased to the joint venture. The Members of the Host/Tarra Enterprises Joint Venture are Host International, Inc. (holding a 75% interest in the joint venture) and Tarra Enterprises, Inc. (an ACDBE holding a 25% interest in the joint venture). The joint venture agreement and the sublease were both made on December 15, 2002. The concession is in-terminal and the joint venture meets the definition of a “joint venture” under 49 CFR 23.3, whereby the parties combine their property, capital, efforts, skills and knowledge, and each ACDBE is responsible for a distinct, clearly defined portion of the work of the contract and shares in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with each ACDBE’s ownership interest, and as such Host is an “eligible large airport concession” under ARPA. During the Baseline Period, Host paid a total of \$696,039.94, equal to 38.53% of eligible small concession company payments. Host did not receive a second Paycheck Protection Program (PPP) second draw loan. A completed Certification was provided by Host on February 28, 2024. Host is eligible for concessions relief under ARPA. **The recommended ARPA grant allocation to Host is \$913,788.27.**

Paradies-Palm Beach, LLC (d/b/a Paradies Shops) (Paradies) operates the Retail Concession Agreement dated November 6, 2007 (R2007-2052, as amended). The concession is operated as a joint venture with ACDBE members. The Members of the joint venture are The Paradies Shops, LLC (holding a 75% interest in the joint venture) Tito Enterprises, LLC (an ACDBE holding a 12.5% interest in the joint venture) and Bryant Retail Consultant Enterprise, LLC (an ACDBE holding a 12.5% interest in the joint venture). The joint venture operating agreement was initially made on February 14, 2008, and superseded by the Amended & Restated

Operating Agreement of Paradies-Palm Beach, LLC, effective as of November 1, 2011. Paradies is an in-terminal concession and the joint venture meets the definition of a "joint venture" under 49 CFR 23.3, whereby the parties combine their property, capital, efforts, skills and knowledge, and each ACDBE is responsible for a distinct, clearly defined portion of the work of the contract and shares in the capital contribution, control, management, risks, and profits of the joint venture are commensurate with each ACDBE's ownership interest, and as such Paradies is an "eligible small airport concession" under ARPA. During the Baseline Period, Paradies paid a total of \$1,085,024.96, equal to 60.07% of eligible small concession company payments. Paradies did not receive a second Paycheck Protection Program (PPP) second draw loan. A completed Certification was provided by Paradies on October 10, 2023. Paradies is eligible for concessions relief under ARPA. **The recommended ARPA grant allocation to Paradies is \$1,424,636.94.**

Ineligible Concession Companies:

The following concession companies at PBI are not eligible for ARPA relief, as explained below:

Retail Vending Machine Concessionaire. NewZoom, LLC (d/b/a ZoomSystems) operated the Retail Vending Machine Concession Agreement dated September 10, 2019, (R2019-1291), which was terminated April 14, 2022, due to a default by ZoomSystems. ZoomSystems no longer operates at PBI and is not eligible for ARPA relief.

Airport Baggage Cart Concession Agreement: Smarte Carte, Inc. operated the Airport Baggage Cart Concession Agreement dated July 20, 2010 (R2010-1108, as amended) until the agreement expired September 30, 2022. A new solicitation was issued for the period commencing October 1, 2022, which is believed to have considered the impacts of COVID. As such, Smarte Carte is not eligible for ARPA relief.

Registered Traveler Concession Agreement: Alclear, LLC d/b/a CLEAR, operates the Registered Traveler Concession Agreement dated November 16, 2021 (R2021-1710). This agreement commenced after March 11, 2021; as such, CLEAR is not eligible for ARPA relief.

Airport Rental Car Lease and Concession Agreements. The following companies operated Airport Rental Car Lease and Concession Agreements but are considered not eligible for ARPA relief. Each agreement contained a "MAG abatement" provision whereby beginning March, 2020, no MAG payments were due, and only percentage payment but terminal rental was paid for the counter/queue space. The initial term of each agreement expired June 30, 2021, with month-to-month renewals thereafter to June 30, 2022, during which time only percentage payments were made, with no MAG. Amendments further extended the term from July 1, 2022 to September 30, 2022, at which time each agreement did expire. A new solicitation was issued for the period commencing October 1, 2022, which is believed to have considered the impacts of COVID. As such, each rental car operator listed below is not eligible for ARPA relief:

- Avis Budget Car Rental, LLC (d/b/a Avis Rent A Car System, Inc. and Zipcar, Inc.); Airport Rental Car Lease and Concession Agreement dated December 4, 2018 (R2018-1856, as amended).
- Avis Budget Car Rental, LLC (d/b/a Budget Rent A Car System, Inc. and Payless Car Rental, Inc.); Airport Rental Car Lease and Concession Agreement dated December 4, 2018 (R2018-1857, as amended).
- Enterprise Leasing Company of Florida, LLC (d/b/a Enterprise Rent-A Car); Airport Rental Car Lease and Concession Agreement dated December 4, 2018 (R2018-1859, as amended).
- Enterprise Leasing Company of Florida, LLC (d/b/a Alamo Rent A Car and National Car Rental); Airport Rental Car Lease and Concession Agreement dated December 4, 2018 (R2018-1858, as amended).

Recommended ARPA Concession Relief Allocations

February 29, 2024

Page 5 of 5

- The Hertz Corporation (d/b/a Hertz); Airport Rental Car Lease and Concession Agreement dated December 18, 2018 (R2018-1983, as amended).
- The Hertz Corporation (d/b/a Dollar Rent A Car and Thrifty Car Rental); Airport Rental Car Lease and Concession Agreement dated December 18, 2018 (R2018-1984, as amended).
- Sixt Rent A Car, LLC d/b/a Sixt Rent A Car; Airport Rental Car Lease and Concession Agreement dated December 4, 2018 (R2018-1860, as amended).