



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.	
COUNCIL MEETING	03/25/08
APPROVED BY	
DEPARTMENT DIRECTOR	<i>Russell C. Widmar</i>
CITY MANAGER	

March 25, 2008

FROM: RUSSELL C. WIDMAR, AAE
Director of Aviation

SUBJECT: APPROVE ADDITION OF STORAGE SPACE TO SKYWEST'S FRESNO YOSEMITE INTERNATIONAL (FYI) AIRPORT OPERATIONS AGREEMENT

KEY RESULT AREA
One Fresno

RECOMMENDATION

That the Council approve the addition of 250 square feet of terminal building space to SkyWest Airlines' Fresno Yosemite International Airport Operations Agreement effective March 17, 2008 -- for the storage of commissary items -- at the rental rate as provided in the City's Master Fee Schedule [currently \$35 per square foot per year, resulting in \$ 8,750 per year additional rent to the Airports Department]. There will be no impact to the General Fund from this action.

EXECUTIVE SUMMARY

SkyWest is FYI's largest airline with about 45 percent of FYI's passenger enplanements. They fly 50 - 70 passenger regional jets (RJs) to Salt Lake City as "Delta Connection" under contract with Delta Air Lines; and, as "United Express" they fly 35 seat turboprops to Los Angeles and San Francisco under contract with United Airlines -- as well as RJs to Denver. Only snacks and beverages are offered on these relatively short flights in relatively small aircraft. SkyWest self-caters these snacks and beverages and needs more space to receive, store and dispense such "commissary" items, which also include plastic cups and utensils, swizzle sticks, inflight magazines, sick sacks, garbage bags, extra oxygen masks, seat belts, life jackets and more. The space to be rented is available, suitable, adequate and conveniently located in FYI's passenger terminal.

KEY OBJECTIVE BALANCE

The addition of this space to SkyWest's Airport Operations Agreement will allow SkyWest to better manage their operations at FYI (Customer Satisfaction) and make work easier for their employees (Employee Satisfaction) and result in incremental revenues to the Airports Department (Financial Management).

FISCAL IMPACT

There will be no impact to the General Fund from this action.

AMENDMENT NO. 4

To

AIRLINE OPERATIONS AGREEMENT

Between

CITY OF FRESNO, CALIFORNIA

And

SKYWEST AIRLINES, INC.
A UTAH CORPORATION

THIS AMENDMENT NO. 4, effective as of March 17, 2008, is entered by and between the CITY OF FRESNO, CALIFORNIA, a Municipal Corporation ("City") and SkyWest Airlines, Inc., a Utah corporation with principal offices located at 444 S. River Road, St. George UT 84790 ("Airline").

WHEREAS City and Airline (the "Parties") have heretofore entered an Airline Operating Agreement dated October 25, 2002 (the "AOA") covering space occupancy and use, and airfield user privileges, at the Fresno Yosemite International Airport, and

WHEREAS the Parties have heretofore amended the AOA three successive times, and

WHEREAS the Parties desire to further amend the AOA to add space thereto,

NOW, THEREFORE, in consideration of the premises and of the mutual promises herein, it is hereby agreed as follows:

Room number C127 of 250 square feet as shown on Exhibit A page 1 of 15, which exhibit is already attached to and a part of the AOA, is added to Airline's Exclusive Use Space.

Except as expressly set forth herein, the AOA shall otherwise remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 4 to be signed by their duly authorized representatives as of the date first above provided.

CITY OF FRESNO, CALIFORNIA
A Municipal Corporation

SKYWEST AIRLINES, INC.
A Utah Corporation

By: _____
Russell C. Widmar, AAE

By: _____

Title: Director of Aviation

Title: _____

APPROVED AS TO FORM

James C. Sanchez
City Attorney
City of Fresno

By: _____
(Deputy)

ATTEST

Rebecca A. Klisch
City Clerk
City of Fresno

By: _____
(Deputy)