



City of Long Beach

Working Together to Serve

Memorandum

Date: June 28, 2017

To: Patrick H. West, City Manager *PW*

From: Jess L. Romo, Director, Long Beach Airport *JLR*

For: Mayor and Members of the City Council

Subject: Long Beach Airport Sponsorships

To enable all City Council Districts to more effectively plan their event budgets, the Long Beach Airport (Airport) has allocated \$2,500 in sponsorships for each Council District for Fiscal Year 2018. This is an increase of \$500 from previous years, due to the Airport Enterprise Fund's strong financial position and an expectation that enplanements will continue to experience positive growth, given the recent addition of supplemental slots and new service. The Airport will continue to review the budget process for sponsorships annually and adjust as necessary. Please note that all sponsorships must still follow Federal Aviation Administration rules for airport expenditures and show a direct airport benefit (see attachment).

If you have any questions, please contact Stephanie Montuya-Morisky, Airport Public Affairs Officer, at (562) 570-2679.

ATTACHMENT

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
DOUGLAS HAUBERT, CITY PROSECUTOR
TOM MODICA, ASSISTANT CITY MANAGER
KEVIN J. JACKSON, DEPUTY CITY MANAGER
REBECCA JIMENEZ, ASSISTANT TO THE CITY MANAGER
JOHN GROSS, DIRECTOR OF FINANCIAL MANAGEMENT

FAA Rules on Sponsorships

Promotion of the Airport. Sponsors may use their airport revenue to promote public and industry awareness of the airport's facilities and services. Airport revenue may be used to promote new air service and competition at the airport, but it may not directly subsidize air carrier operations. A sponsor may use its revenue to pay the salary and expenses of airport or sponsor employees engaged in efforts to promote air service at the airport. The sponsor may participate in cooperative advertising where the airport advertises new services with or without matching funds. The name of the airport must be prominently featured in the marketing and promotional material. The sponsor may pay a share of promotional expenses designed to increase use of the airport. The promotion must include specific information about the airport. In addition, the sponsor may support promotional events, such as a Super Bowl hospitality tent for corporate aircraft at a sponsor-owned general aircraft terminal. The sponsor may use airport revenue to pay for promotional items bearing airport logos distributed at various aviation industry events. The *Revenue Use Policy* does not prohibit a sponsor from spending airport revenue from one airport for promotion of another within that sponsor's airport system.

Community Activities. A sponsor may use airport revenue to support community activities and to participate in community events if such expenditures are directly and substantially related to the operation of the airport. For example, it may purchase tickets for an annual community luncheon at which the airport director delivers a speech reviewing the state of the airport. The airport may also contribute to a golf tournament sponsored by a "friends of the airport" committee. The FAA also recognizes that contributions for community or charitable purposes can provide a direct benefit to the airport through enhanced community acceptance and that a benefit of that nature is intangible and not quantifiable. Consequently, where the amount of contribution is minimal, the FAA will not question the value of the benefit so long as there is a reasonable connection between the recipient organization and the benefit of local community acceptance for the airport. An example of a permitted expenditure in this category is a \$250 fee for a booth focusing on the operation of the airport and career opportunities in aviation at a local school fair. An airport may use its revenue to support a community's use of airport property if the expenditures are directly and substantially related to the operation of the airport.