

Addison Airport

3rd Quarter Update – Fiscal Year 2022

August 9, 2022

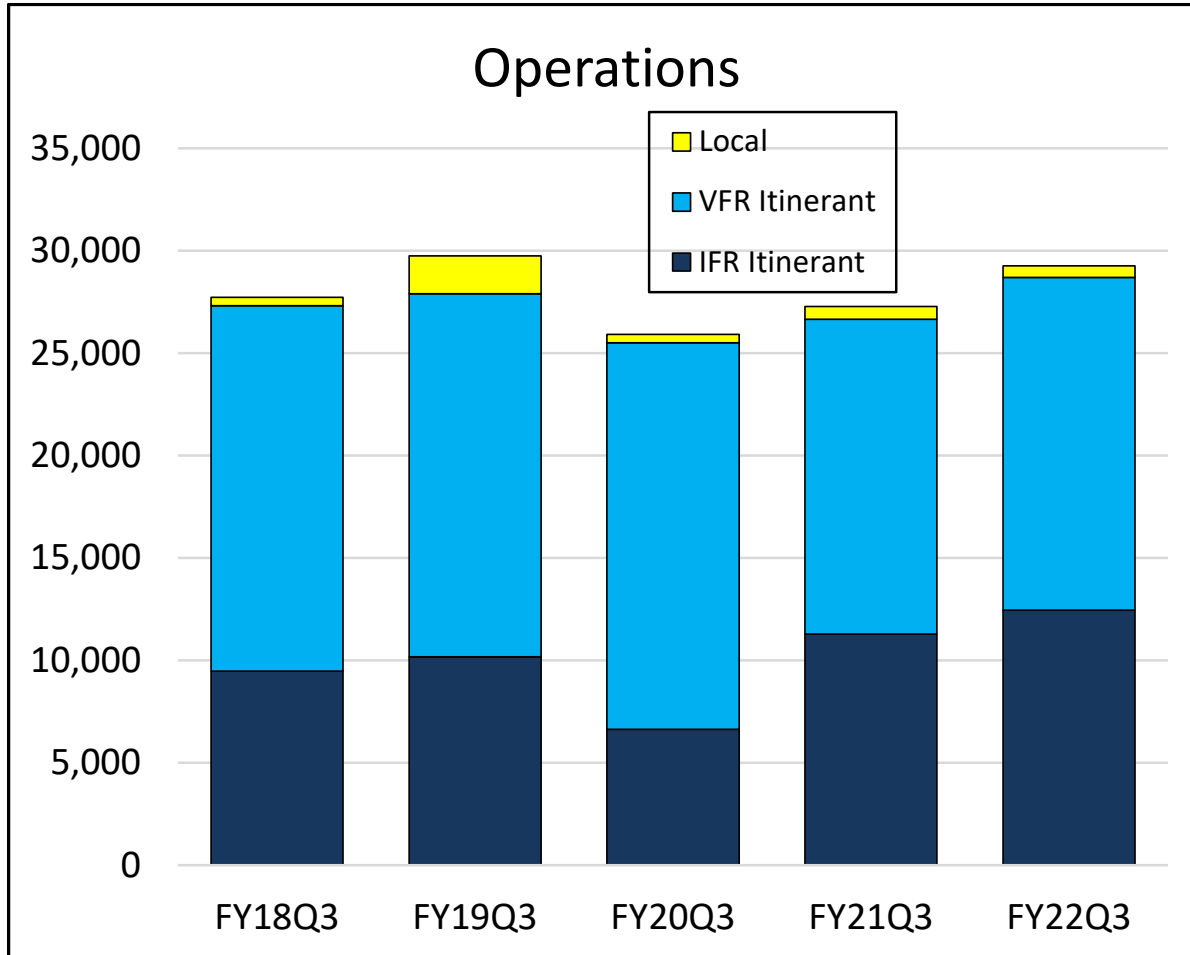
The logo for Addison Airport, featuring the word "ADDISON" in blue capital letters inside a white circle, which is set against a blue background with a white diagonal line.

ADDISON

- **Statistics: FY22 Q3**
 - Aircraft Operations
 - International Operations
 - Fuel Flowage
 - Revenue
 - Real Estate Portfolio
- **Projects and Progress**



FY22 Q3 Statistics – Aircraft Operations



Definitions

- An **Aircraft Operation** is either a takeoff or a landing
- **Local Operations** are typically aircraft remaining in the local traffic pattern
- **Itinerant Operations** are aircraft that arrive from outside the airport area or depart and leave the airport area
- VFR is “**Visual Flight Rules**” (looking out the windows)
- IFR is “**Instrument Flight Rules**” (relying on the flight instruments)

FY22 Q3 Statistics – Aircraft Operations (con't.)

Instrument (IFR) Operations

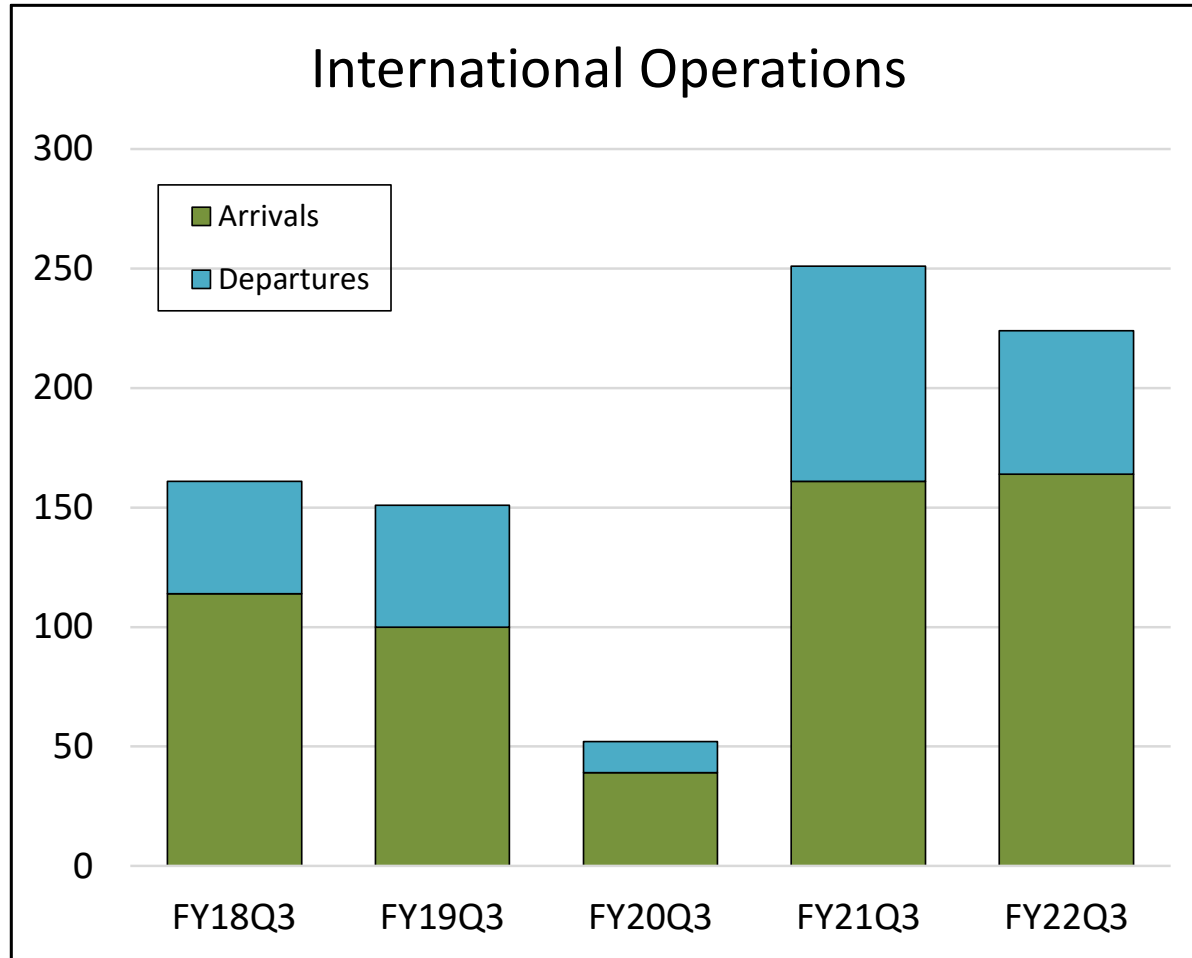
- Up 10.3% over Q3 of FY21
- Up 87.4% over Q3 of FY20

Total Operations

- Up 7.3% over Q3 of FY21
- Up 12.9% from Q3 of FY20

		OPERATIONS			
		IFR Itin	VFR Itin	Local	TOTAL
FY18 Q3	Apr-18	3,045	5,209	108	8,362
	May-18	3,274	6,415	165	9,854
	Jun-18	3,169	6,201	147	9,517
TOTAL		9,488	17,825	420	27,733
FY19 Q3	Apr-19	3,398	5,447	473	9,318
	May-19	3,616	5,603	809	10,028
	Jun-19	3,171	6,659	567	10,397
TOTAL		10,185	17,709	1,849	29,743
FY20 Q3	Apr-20	1,391	5,367	67	6,825
	May-20	2,322	6,654	137	9,113
	Jun-20	2,934	6,849	199	9,982
TOTAL		6,647	18,870	403	25,920
FY21 Q3	Apr-21	3,440	4,777	205	8,422
	May-21	3,885	4,480	219	8,584
	Jun-21	3,969	6,113	189	10,271
TOTAL		11,294	15,370	613	27,277
FY22 Q3	Apr-22	3,893	4,176	157	8,226
	May-22	4,471	5,173	209	9,853
	Jun-22	4,090	6,897	189	11,176
TOTAL		12,454	16,246	555	29,255

FY22 Q3 Statistics – International Operations



International operations are reported monthly to the airport by the CBP Officer assigned to Addison.

Not all aircraft are required to file notice with the CBP Officer at the departure airport for international departures, so the international departure counts provided to Addison by CBP are generally undercounts.

International Arrivals

- Up 1.9% over Q3 FY21
- Up 320.5% over Q3 FY20

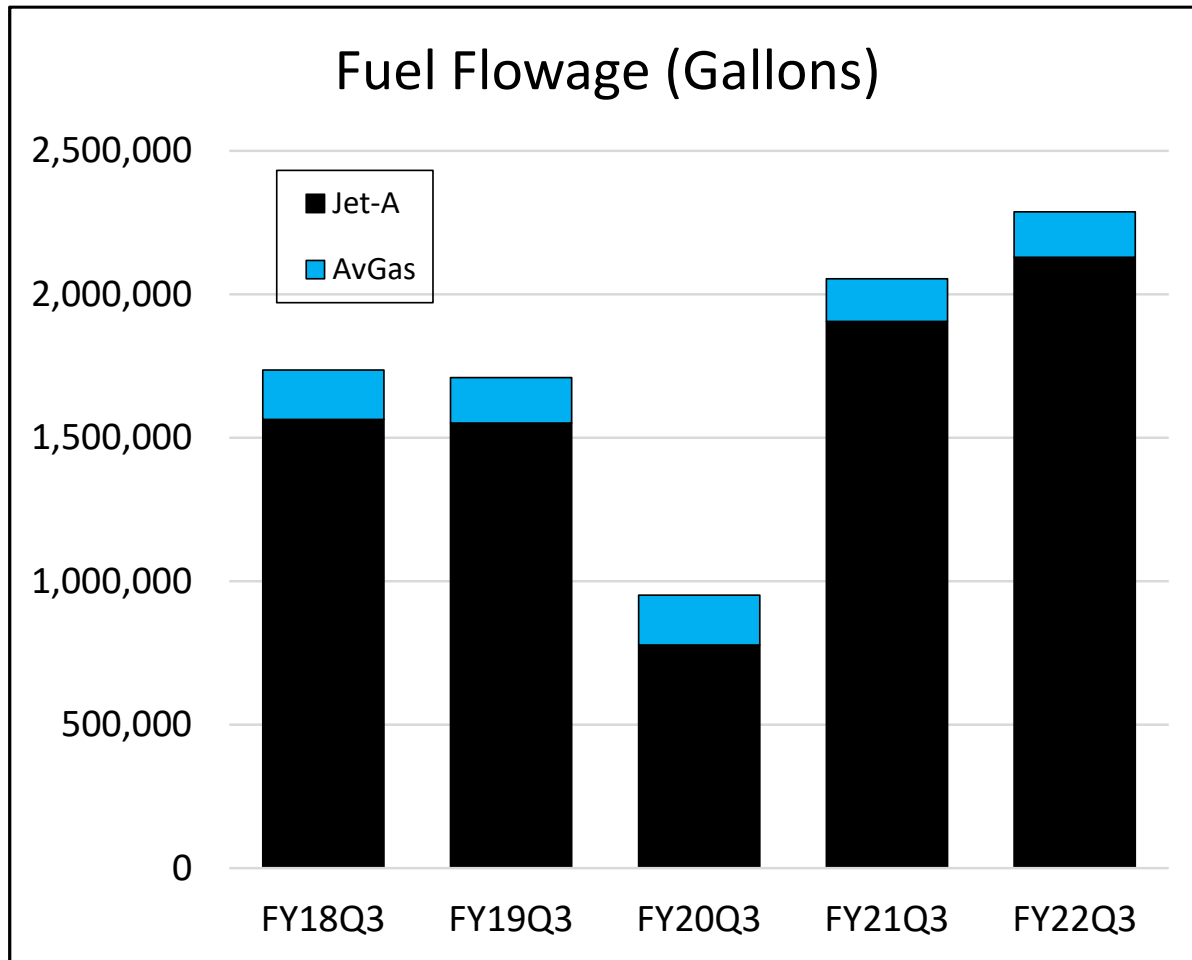
International Departures*

- Down 33.3% from Q3 of FY21
- Up 361.5% over Q3 of FY20

* As noted on the previous slide, international departures are undercounted because certain types of operations are not required to file with CBP at the departure airport (although they are still required to file with CBP).

		International Operations		
		arrivals	departures	TOTAL
FY18 Q3	Apr-18	45	22	67
	May-18	35	15	50
	Jun-18	34	10	44
	TOTAL	114	47	161
FY19 Q3	Apr-19	40	23	63
	May-19	35	16	51
	Jun-19	25	12	37
	TOTAL	100	51	151
FY20 Q3	Apr-20	5	6	11
	May-20	12	1	13
	Jun-20	22	6	28
	TOTAL	39	13	52
FY21 Q3	Apr-21	64	26	90
	May-21	39	24	63
	Jun-21	58	40	98
	TOTAL	161	90	251
FY22 Q3	Apr-22	42	21	63
	May-22	47	14	61
	Jun-22	75	25	100
	TOTAL	164	60	224

FY22 Q3 Statistics – Fuel Flowage



Jet-A is the aviation fuel commonly used in the United States for most jet and turbo-prop aircraft.

AvGas – 100 octane Low Lead Aviation Gasoline – is the most widely used aviation fuel for piston-engine aircraft.

The airport collects flowage fees on aviation fuels delivered into the airport's bulk fuel storage facility:

- **FBOs** pay a fuel flowage fee of **\$0.14/gallon** received (for both Jet-A and AvGas).
- **'Non-public'** fuelers pay a fuel flowage fee of **\$0.22/gallon** received.

FY22 Q3 Statistics – Fuel Flowage (con't.)

Jet-A

- Up 11.8% over Q3 FY21
- Up 173.6% over Q3 FY20

AvGas

- Up 6.5% over Q3 FY21
- Down 8.0% from Q3 FY20

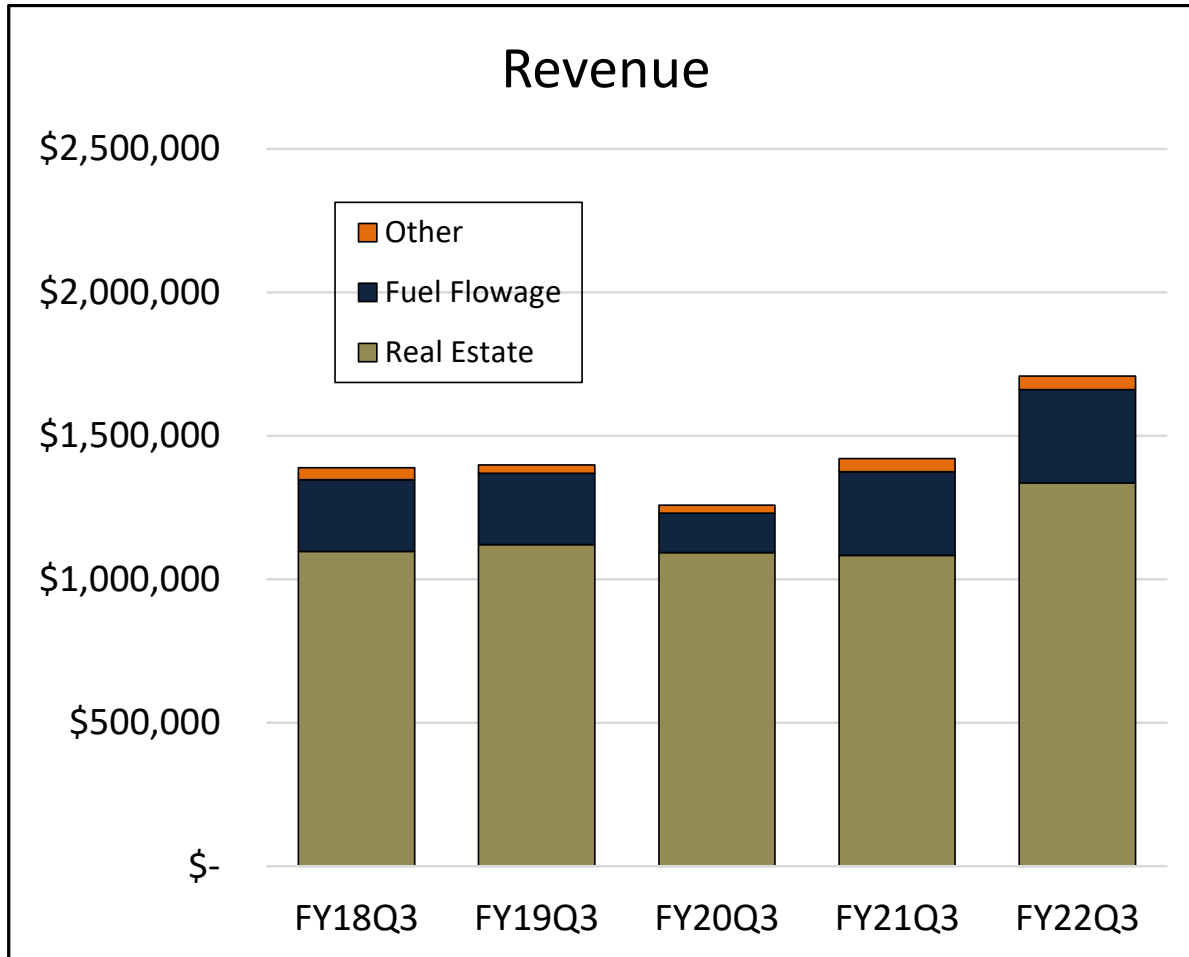
Total Fuel Flowage

- Up 11.4% over Q3 of FY21
- Up 140.5% over Q3 of FY20

		FUEL FLOWAGE (gallons)		
		Jet-A	AvGas	TOTAL
FY18 Q3	Apr-18	490,653	44,136	534,789
	May-18	525,621	66,701	592,322
	Jun-18	547,460	62,423	609,883
TOTAL		1,563,734	173,260	1,736,994
FY19 Q3	Apr-19	546,360	47,750	594,110
	May-19	545,831	46,847	592,678
	Jun-19	459,955	63,342	523,297
TOTAL		1,552,146	157,939	1,710,085
FY20 Q3	Apr-20	106,650	40,679	147,329
	May-20	239,109	59,885	298,994
	Jun-20	432,590	72,482	505,072
TOTAL		778,349	173,046	951,395
FY21 Q3	Apr-21	584,646	48,506	633,152
	May-21	604,767	48,673	653,440
	Jun-21	715,873	52,415	768,288
TOTAL		1,905,286	149,594	2,054,880
FY22 Q3	Apr-22	626,717	51,551	678,268
	May-22	821,711	48,173	869,884
	Jun-22	680,783	59,556	740,339
TOTAL		2,129,211	159,280	2,288,491

Note: Runway 13L/31R at DAL closed beginning 4/27/2021; Runway 13L/31R re-opened 6/29/2022.

FY22 Q3 Statistics – Revenue



Real Estate revenue includes:

- ground leases
- leases of airport-owned commercial hangars
- leases of airport-owned commercial office space and signs
- T-hangar and patio hangar leases
- aircraft tie-down / ramp space
- bulk fuel storage tank leases
- through-the-fence (“TTF”) access permit fees

Fuel Flowage Fee revenue

- \$0.14/gallon for FBOs
- \$0.22/gallon for non-public fuelers
- based on gallons received at the bulk fuel storage facility (the “fuel farm”)

‘Other’ revenue includes:

- U.S. Customs and Regulated Garbage fees
- Utility billing pass-through
- Miscellaneous income

FY22 Q3 Statistics – Revenue (con't.)

Real Estate Revenue

- Up 23.3% over Q3 FY21
- Up 22.3% over Q3 FY20

Fuel Flowage Fees

- Up 11.5% over Q3 of FY21
- Up 135.8% over Q3 of FY20

Total Revenue

- Up 20.2% over Q3 of FY21
- Up 35.9% over Q3 of FY21

		REVENUE			
		Real Estate	FFF	Other	TOTAL
FY18 Q3	Apr-18	\$ 364,132	\$ 76,778	\$ 14,475	\$ 455,385
	May-18	\$ 368,924	\$ 84,448	\$ 8,618	\$ 461,990
	Jun-18	\$ 364,563	\$ 88,853	\$ 18,029	\$ 471,445
TOTAL		\$1,097,619	\$250,080	\$ 41,121	\$1,388,820
FY19 Q3	Apr-19	\$ 376,077	\$ 86,203	\$ 11,933	\$ 474,213
	May-19	\$ 372,820	\$ 84,925	\$ 11,362	\$ 469,107
	Jun-19	\$ 372,805	\$ 76,426	\$ 6,668	\$ 455,899
TOTAL		\$1,121,702	\$247,554	\$ 29,963	\$1,399,219
FY20 Q3	Apr-20	\$ 356,126	\$ 21,959	\$ 13,546	\$ 391,631
	May-20	\$ 366,576	\$ 43,415	\$ 6,709	\$ 416,699
	Jun-20	\$ 370,382	\$ 72,691	\$ 6,511	\$ 449,584
TOTAL		\$1,093,083	\$138,065	\$ 26,766	\$1,257,914
FY21 Q3	Apr-21	\$ 363,624	\$ 89,947	\$ 22,052	\$ 475,622
	May-21	\$ 364,450	\$ 92,139	\$ 10,042	\$ 466,632
	Jun-21	\$ 355,916	\$109,827	\$ 13,740	\$ 479,483
TOTAL		\$1,083,990	\$291,913	\$ 45,833	\$1,421,737
FY22 Q3	Apr-22	\$ 419,538	\$ 96,889	\$ 20,210	\$ 536,637
	May-22	\$ 445,946	\$123,091	\$ 12,526	\$ 581,562
	Jun-22	\$ 470,937	\$105,568	\$ 14,220	\$ 590,725
TOTAL		\$1,336,421	\$325,548	\$ 46,955	\$1,708,925

FY22 Q3 Statistics – Real Estate Portfolio

Addison Airport Q3 FY To Date 2022

Property Type / Description	Number of Properties	Number of Units	Vacancies	Leased %	Q3 FY To Date 2022 Revenue	% of Total Revenue
Ground Leased						
Ground Leased	34	34	0	100%	\$2,018,205	41%
Total Ground Leased	34	34	0	100%	\$2,018,205	41%
Town / Airport Owned						
Jet/Commercial/Sign	18	67	7	90%	\$867,557	18%
T-Hangar	9	99	0	100%	\$552,512	11%
Patio Hangar	3	47	1	98%	\$127,712	3%
Tie-Downs	1	1	0	100%	\$18,375	0%
Vacant / Unimproved Land	8	8	-	-	\$0	0%
Fuel Farm	1	16	0	100%	\$128,936	3%
Total Town / Airport Owned	40	238	8	97%	\$1,695,092	34%
Airport Real Estate Totals	74	272	8	97%	\$3,713,297	75%
Access Permits	2	16	-	-	\$46,304	1%
Portfolio Total	76	288	8	-	\$3,759,602	76%
Non-Real Estate Revenue					\$1,183,300	24%
Q3 FY To Date 2022 Revenue Totals					\$4,942,901	100%
Annualized Revenue					\$6,590,535	
Annualized Budgeted Revenue					\$6,307,415	104%

FY22 Q3 Statistics – Real Estate Portfolio

Addison Airport Q3 FY To Date 2022 Economic Occupancy

Property Type / Description	Q3 FY To Date 2022 Budget	Q3 FY To Date 2022 Revenue	Economic Occ. %
Ground Leased			
Ground Leased	\$2,084,302	\$2,018,205	97%
Total Ground Leased	\$2,084,302	\$2,018,205	97%
Town / Airport Owned			
Jet/Commercial/Sign	\$763,023	\$867,557	114%
T-Hangar	\$555,010	\$552,512	100%
Patio Hangar	\$124,574	\$127,712	103%
Tie-Downs	\$0	\$18,375	0%
Vacant / Unimproved Land	\$0	\$0	0%
Fuel Farm	\$147,634	\$128,936	87%
Total Town / Airport Owned	\$1,590,240	\$1,695,092	107%
Airport Real Estate Totals	\$3,674,542	\$3,713,297	101%
Access Permits	\$46,422	\$46,304	0%
Portfolio Total	\$3,720,964	\$3,759,602	101%
Non-Real Estate Revenue	\$1,009,598	\$1,183,300	117%
Q3 FY To Date 2022 Revenue Totals	\$4,730,562	\$4,942,901	104%

- Ground leases increased by a net of two, from 32 to 34, as a result of actions approved by City Council at the June 28 meeting:
 - Two ground leases reverted to airport control and were consolidated into a new single ground lease;
 - Two vacant parcels will be redeveloped under new ground leases; and
 - One commercial ramp lease transitioned to a ground lease.
- While Galaxy FBO is now projected to begin operations in October 2022, per terms of their ground lease “Additional Rent” payments are being invoiced (a month in arrears, beginning in January) from December 1, 2021. Fuel farm and ground lease revenues year-to-date remain below budget projections because of delays in the opening of the Galaxy FBO project.

Addison Airport – Projects and Progress

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Noise Concerns

- The airport has a “Noise Concern” page on its website: <https://addisontexas.net/airport/noise-concern-0>
- This web page provides general information about Addison aircraft operations and noise.
- The web pages also provides two links where users may register noise concerns. One is the FAA Noise Portal; the other is an Addison-specific noise concern form:
 - <https://noise.faa.gov/noise/pages/noise.html>
 - <https://addisontexas.net/airport/addison-airport-noise-concern-form>

	FY19	FY20	FY21	FY22
October		28	6	2
November		20	1	3
December		1	4	4
January		26	2	4
February		8	1	6
March	2	2	3	3
April	2	1	1	1
May	7	2	2	2
June	1	0	1	6
July	1	0	2	
August	1	2	1	
September	9	4	1	
Total	23	94	25	31

The Addison-specific noise concern form was implemented on the airport’s website in March 2019. The table at left shows total concerns registered via that form by month. The table at right provides the total number of complaints by city, from March 2019 to the end of June 2022. The surge in concerns from Sept. 2019 – Feb. 2020 mostly came from Richardson, over recurring operations of a single helicopter.

City	Number of Complaints	Percentage of Complaints
Addison	64	36.8%
Dallas	21	12.1%
Richardson	81	46.6%
Farmers Branch	2	1.1%
McKinney	1	0.6%
Sachse	1	0.6%
Frisco	1	0.6%
Garland	1	0.6%
Unknown	2	1.1%

Addison Airport – Projects and Progress

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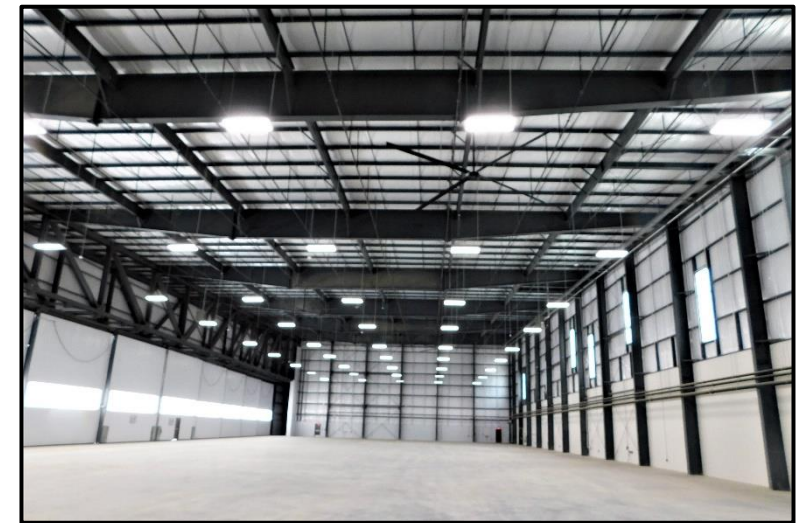
Customs & Border Protection (CBP) and Airport Administration Offices

- CBP commenced operations from the new facility on February 14, 2022.
- Through June 30, CBP has cleared 296 arriving aircraft at the new facility.
- The monument sign was installed Monday April 11, 2022.
- Grand Opening event held on Tuesday April 19, 2022.



Galaxy FBO

- \$1 million lease pre-payment received July 2019; construction commenced December 2019
- Per terms of the lease, “Additional Rent” payments began December 1, 2021, with billings one month in arrears (*i.e.*, rent for December billed in January)
- General contractor ceased work on May 31, 2022 and subsequently declared Chapter 7 bankruptcy.
- Black Forest Ventures (parent of Galaxy FBO) has taken over project management and is working to complete the project; initial operations are now estimated to start in October 2022.



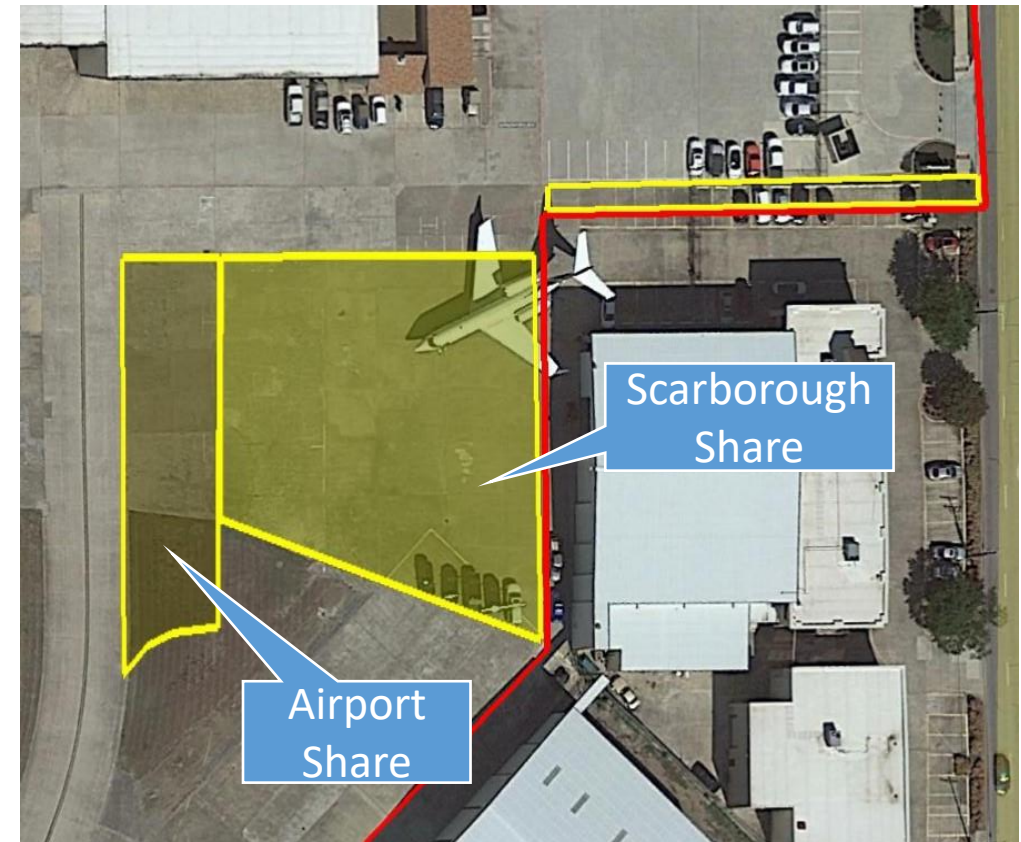
AQRD Expansion

- Two ground leases reverted to airport control this year, on February 27 and June 27, 2022.
- Combined into a single new 1.57-acre ground lease approved, by Council at the June 28, 2022 meeting.
- Redevelopment of two hangars near the east end of Taxilane Uniform (4582 and 4584 Claire Chennault).
- Expansion of AQRD's business and operations in Addison, supported by an Economic Development incentive package approved by Council earlier this year.
- Initial lease term of 5 years, can extend to 2057 (+30 years) with capital improvements of >\$1M
- Initial rent payment of \$635,000 on acceptance of leased premises



Scarborough Ramp Reconstruction Project

- Conversion of a commercial ramp lease (ramp serving 16445 Addison Road hangar) to a ground lease approved by Council at the June 28, 2022 meeting.
- Scarborough will reconstruct the 22,132sf ramp at their sole expense; in consideration, Scarborough will be granted a 40-year lease term
- Also included is a Developer Participation Agreement, under which Scarborough will reconstruct additional airport-controlled ramp area (totaling 9,485sf) at the same time.
- The airport will participate in the costs of the ramp reconstruction at up to a 30% share.
- The current estimated cost share for Scarborough is \$551,115 (70%) while the current estimated cost share for the airport is \$236,192 (30%).
- Demolition of the existing ramp has been completed; reconstruction is expected to begin in August, with an estimated construction time of 30 days.



Sky Squared Corporate Hangar Project

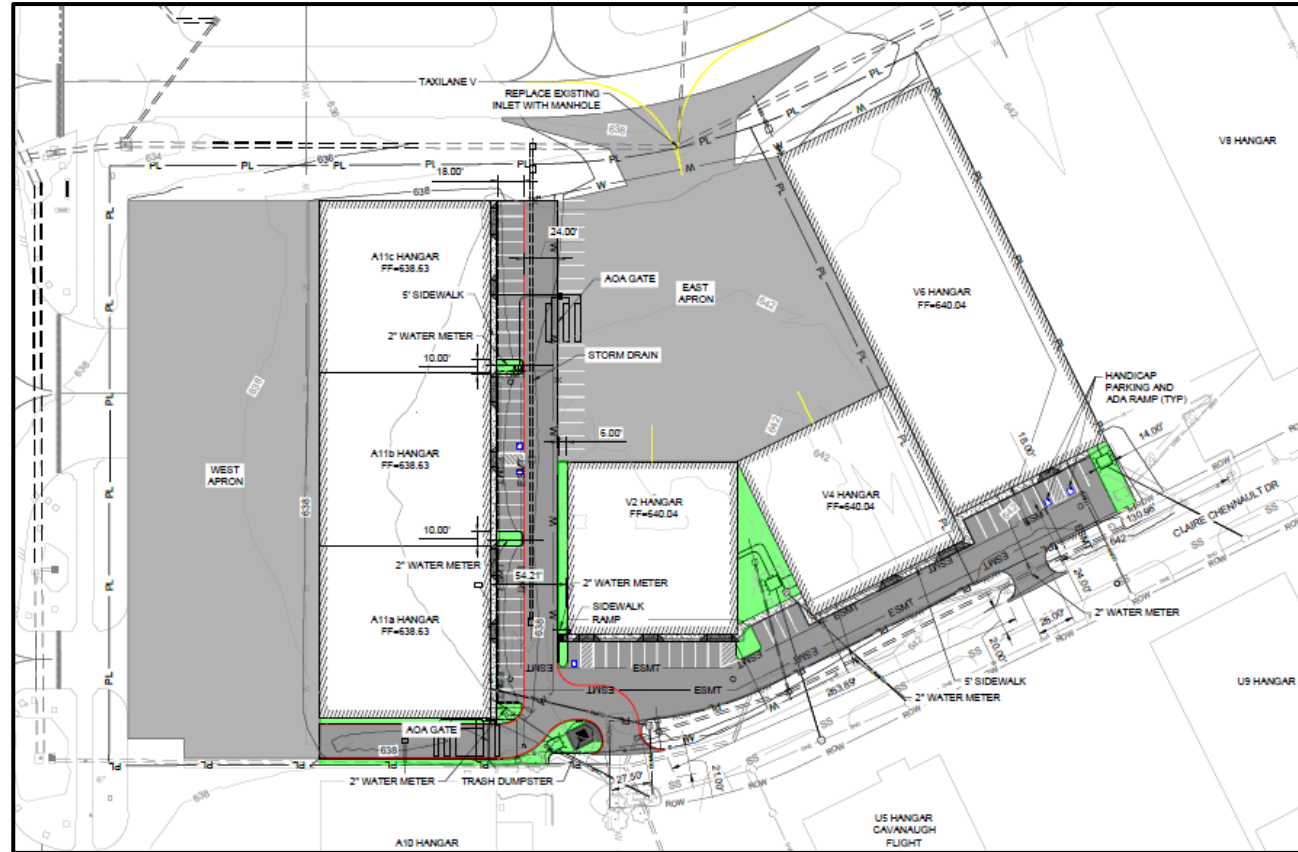
- New ground lease approved by Council at the June 28, 2022 meeting.
- Redevelopment of the former Owens / Flightline hangar site with a new 31,000sf corporate hangar.
- Companion facility to the Sky B&B hangar.
- Minimum construction value of \$4.5M
- Hangar will have 28' high doors, 110' clear span
- Lease requires airport to reconstruct Eddie Rickenbacker (access road) within one year of completion of the new hangar.
- Airport staff is exploring a developer participation agreement with Sky Squared to reconstruct a failed portion of the vehicle service road west of the leased area, from the Sky B&B ramp to the edge of Taxilane Sierra.
- Project may include reconstruction of an older portion of the Sky B&B ramp.



Addison Airport – Projects and Progress

Sky Harbour Project

- New 40-year ground lease approved by Council at the June 28, 2022 meeting.
- Redevelopment of the 6-acre JetPort site with six corporate hangars totaling over 100,000sf.



Addison Airport – Projects and Progress

Projects – Airport Improvement Program (AIP) Grant Funded

- Runway and taxiway pavement preservation and runway re-designation
 - FY21 AIP grant; original amount was \$1,475,000; reduced to \$1,031,020 based on bids received.
 - Project included crack sealing on runway, Taxiway Alpha, and connecting taxiways.
 - Five-day closure began at 8:00pm Friday April 8; runway re-opened at 6:00am Tuesday April 12.
 - Project included runway designation change, from 15-33 to 16-34, with replacement of airfield guidance sign panels and addition of (thermoplastic) surface-painted holding position signs.
 - Runway designation officially changed to 16-34 on March 24, 2022, with the FAA chart publication.



Pending Projects – Airport Improvement Program (AIP) Grants

- Design for Taxiway Bravo extensions
 - FY21 AIP grant in the amount of \$805,000 (90% FAA, 10% local match)
 - Engineering consultant selection RFQ advertised January 6, 2022; responses received February 2, 2022; committee unanimously selected Garver on February 25, 2022.
 - Garver has completed fee negotiations with TX-DOT Aviation and been given Notice to Proceed.
 - The first task will be a full Preliminary Engineering Report (PER) for the extension of Taxiway Bravo to become a full-length Parallel taxiway, including reconstruction of the existing section of Taxiway Bravo (built in 1991).
 - The PER will be followed by design of the first phase Taxiway Bravo extension, from Taxiway Foxtrot to north of Taxiway Golf, as well as connecting Taxiway Bravo to the south end of the runway.
 - Design kick-off meeting set for August 11, 2022; design schedule is 20 weeks total.
- Construction of Taxiway Bravo extensions and west side service road (first phase)
 - FY22 AIP grant, estimated amount of \$7.5 Million (90% FAA funds, with 10% local match; 50% match for road).
 - TX-DOT will request local matching funds after bids are received (estimated total match: \$1,440,400).
 - Construction is anticipated to begin in spring 2023.
 - The Taxiway Bravo extension will open up a 4-acre land parcel on the west side for aeronautical development.

Addison Airport Quarterly Update – Questions?

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