

# Addison Airport

## 4<sup>th</sup> Quarter Update – Fiscal Year 2021

January 25, 2022

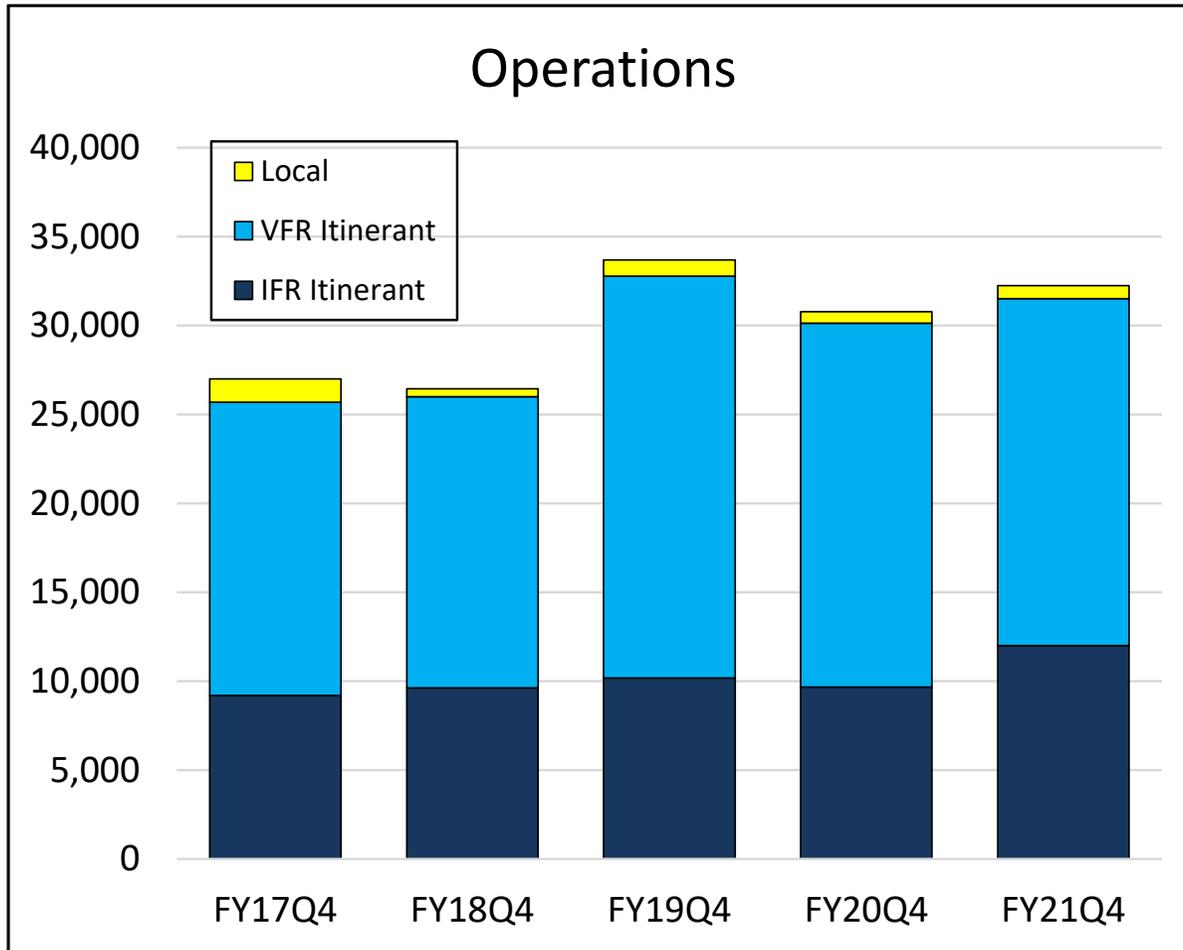


**ADDISON**

- **Statistics: FY21 Q4**
  - Aircraft Operations
  - International Operations
  - Fuel Flowage
  - Revenue
  - Real Estate Portfolio
- **FY21 Full Year Results**
- **Projects and Progress**



# FY21 Q4 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)

# FY21 Q4 Statistics – Aircraft Operations (con't.)

## Instrument (IFR) Operations

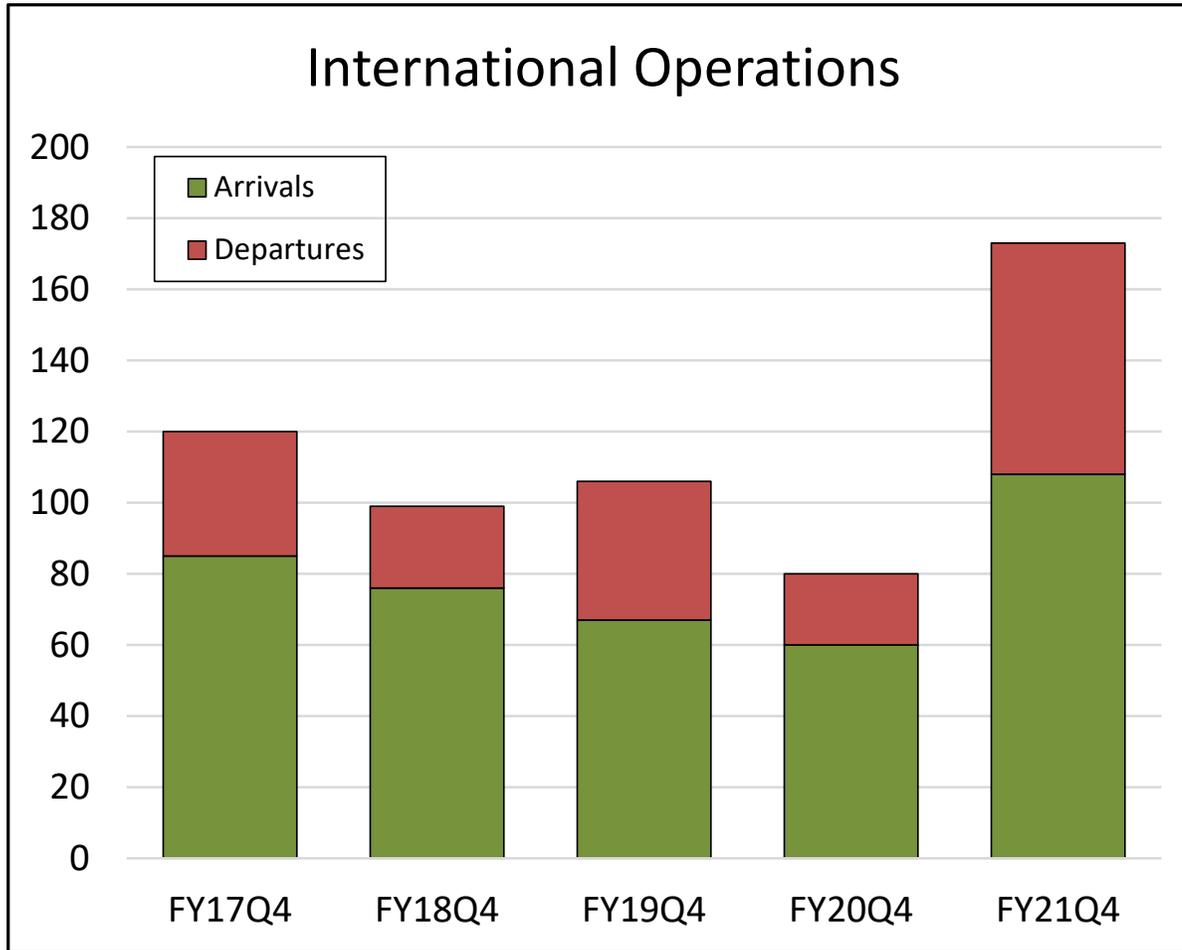
- Up 24.1% over Q4 of FY20
- Up 18.0% over Q4 of FY19

## Total Operations

- Up 4.1% over Q4 of FY20
- Down 4.3% from Q4 of FY19

		OPERATIONS			
		IFR Itin	VFR Itin	Local	TOTAL
FY17 Q4	Jul-17	2,720	5,700	490	8,910
	Aug-17	3,162	4,733	535	8,430
	Sep-17	3,311	6,071	277	9,659
<b>TOTAL</b>		<b>9,193</b>	<b>16,504</b>	<b>1,302</b>	<b>26,999</b>
FY18 Q4	Jul-18	2,829	6,017	104	8,950
	Aug-18	3,165	6,586	142	9,893
	Sep-18	3,635	3,769	213	7,617
<b>TOTAL</b>		<b>9,629</b>	<b>16,372</b>	<b>459</b>	<b>26,460</b>
FY19 Q4	Jul-19	2,998	7,794	334	11,126
	Aug-19	3,322	7,641	256	11,219
	Sep-19	3,860	7,173	317	11,350
<b>TOTAL</b>		<b>10,180</b>	<b>22,608</b>	<b>907</b>	<b>33,695</b>
FY20 Q4	Jul-20	3,291	6,999	105	10,395
	Aug-20	3,002	7,780	231	11,013
	Sep-20	3,384	5,675	323	9,382
<b>TOTAL</b>		<b>9,677</b>	<b>20,454</b>	<b>659</b>	<b>30,790</b>
FY21 Q4	Jul-21	3,991	6,689	287	10,967
	Aug-21	3,810	6,257	200	10,267
	Sep-21	4,209	6,557	242	11,008
<b>TOTAL</b>		<b>12,010</b>	<b>19,503</b>	<b>729</b>	<b>32,242</b>

# FY21 Q4 Statistics – International Operations



International operations (clearances) 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 undercounts.

## International Arrivals

- Up 80% over Q4 FY20
- Up 61% over Q4 FY19

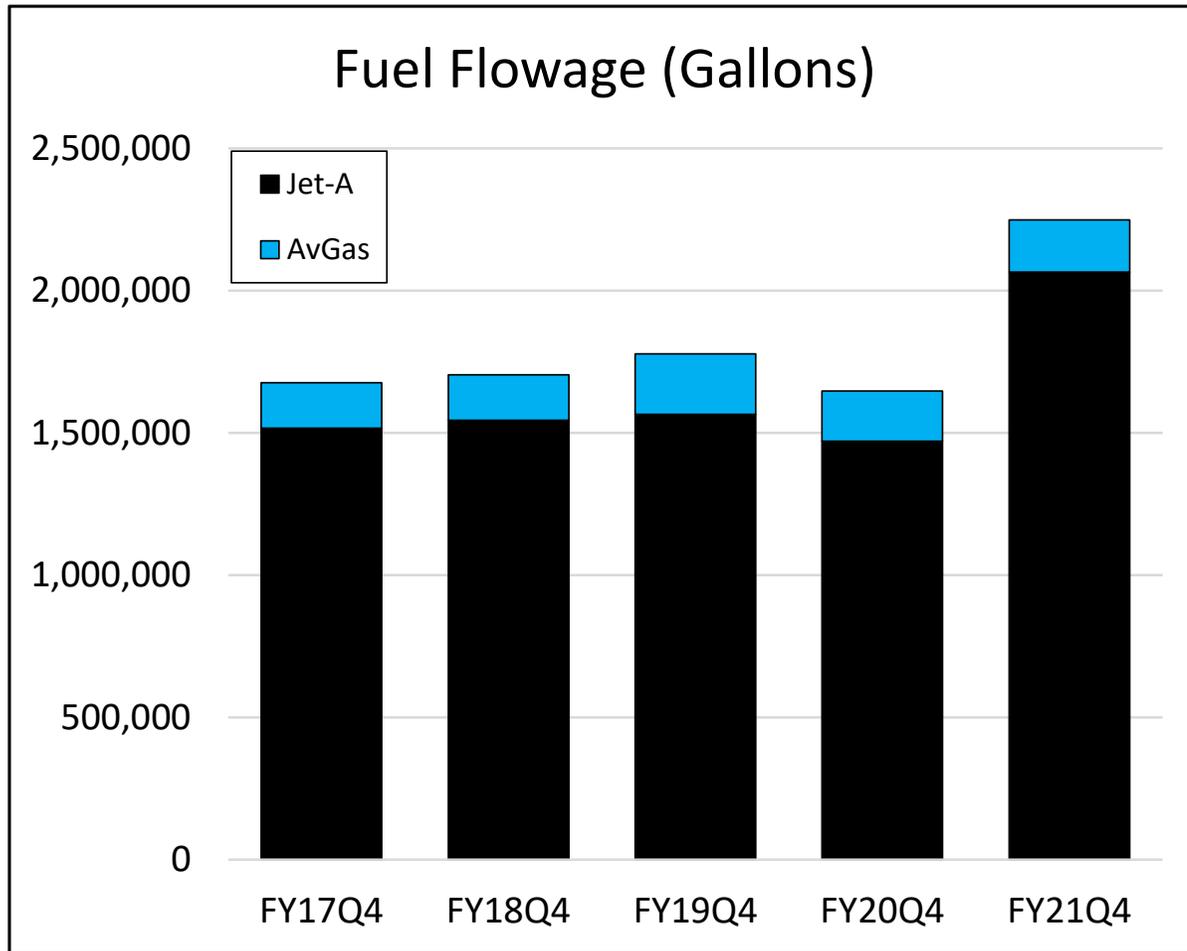
## International Departures\*

- Up 225% over Q4 of FY20
- Up 67% over Q4 of FY19

\* As noted on the previous slide, international departures are undercounted in this data 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
FY17 Q4	Jul-17	35	11	46
	Aug-17	18	8	26
	Sep-17	32	16	48
<b>TOTAL</b>		<b>85</b>	<b>35</b>	<b>120</b>
FY18 Q4	Jul-18	31	14	45
	Aug-18	22	3	25
	Sep-18	23	6	29
<b>TOTAL</b>		<b>76</b>	<b>23</b>	<b>99</b>
FY19 Q4	Jul-19	21	15	36
	Aug-19	25	12	37
	Sep-19	21	12	33
<b>TOTAL</b>		<b>67</b>	<b>39</b>	<b>106</b>
FY20 Q4	Jul-20	15	6	21
	Aug-20	21	8	29
	Sep-20	24	6	30
<b>TOTAL</b>		<b>60</b>	<b>20</b>	<b>80</b>
FY21 Q4	Jul-21	39	26	65
	Aug-21	39	24	63
	Sep-21	30	15	45
<b>TOTAL</b>		<b>108</b>	<b>65</b>	<b>173</b>

# FY21 Q4 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.

# FY21 Q4 Statistics – Fuel Flowage

## Jet-A

- Up 40.4% over Q4 FY20
- Up 32.0% over Q4 FY19

## AvGas

- Up 4.1% over Q4 of FY20
- Down 13.8% from Q4 of FY19

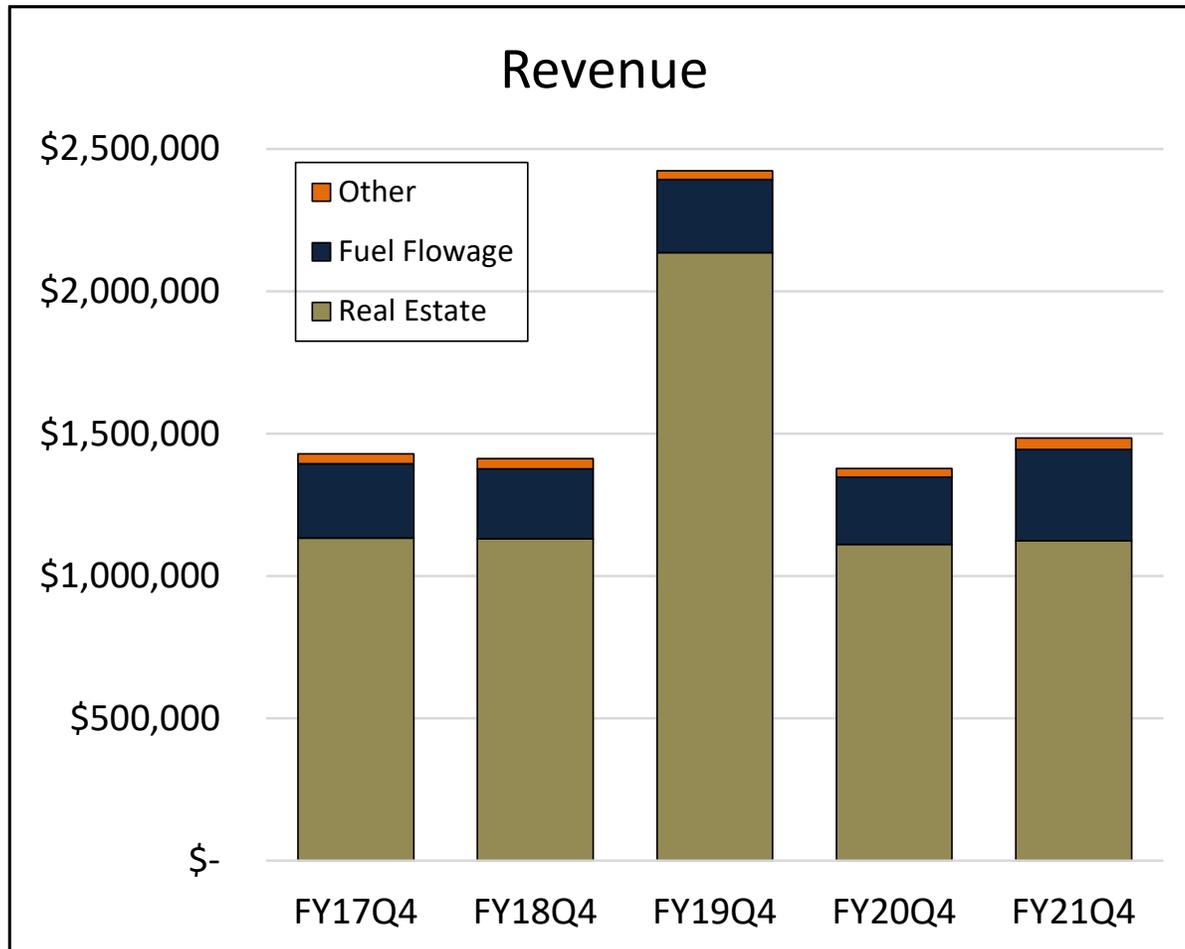
## Total Fuel Flowage

- Up 36.5% over Q4 of FY20
- Up 26.5% over Q4 of FY19

		FUEL FLOWAGE (gallons)		
		Jet-A	AvGas	TOTAL
FY17 Q4	Jul-17	508,559	49,993	558,552
	Aug-17	514,755	58,847	573,602
	Sep-17	493,277	51,736	545,013
<b>TOTAL</b>		<b>1,516,591</b>	<b>160,576</b>	<b>1,677,167</b>
FY18 Q4	Jul-18	513,573	53,552	567,125
	Aug-18	522,511	58,944	581,455
	Sep-18	508,639	47,434	556,073
<b>TOTAL</b>		<b>1,544,723</b>	<b>159,930</b>	<b>1,704,653</b>
FY19 Q4	Jul-19	467,027	85,274	552,301
	Aug-19	553,631	64,289	617,920
	Sep-19	544,788	63,541	608,329
<b>TOTAL</b>		<b>1,565,446</b>	<b>213,104</b>	<b>1,778,550</b>
FY20 Q4	Jul-20	492,331	63,481	555,812
	Aug-20	482,311	70,053	552,364
	Sep-20	496,914	42,887	539,801
<b>TOTAL</b>		<b>1,471,556</b>	<b>176,421</b>	<b>1,647,977</b>
FY21 Q4	Jul-21	739,634	57,092	796,726
	Aug-21	681,726	62,303	744,029
	Sep-21	644,601	64,298	708,899
<b>TOTAL</b>		<b>2,065,961</b>	<b>183,693</b>	<b>2,249,654</b>

*Note: Runway 13L/31R at DAL closed beginning 4/27/2021; the resulting congestion at DAL has greatly benefitted ADS*

# FY21 Q4 Statistics – Revenue



FY19 Q4 revenue included a one-time \$1 million lease pre-payment for the Galaxy FBO project.

## 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 in the bulk fuel storage facility (the “fuel farm”)

# FY21 Q4 Statistics – Revenue

## Real Estate Revenue

- Up 1.1% over Q4 FY20
- Down 47.4% from Q4 FY19

FY19 Q4 revenue included a one-time \$1 million lease pre-payment for the Galaxy FBO project. Q4 revenue for FY21 would have been down just 1.2% from FY19 except for this payment.

## Fuel Flowage Fees

- Up 35.7% over Q4 of FY20
- Up 25.2% over Q4 of FY19

## Total Revenue

- Up 7.8% over Q4 of FY20
- Down 38.7% from Q4 of FY19

Total Q4 revenue for FY21 would have been up 4.3% over FY19 but for the one-time \$1 million Galaxy FBO lease pre-payment.

		REVENUE			
		Real Estate	FFF	Other	TOTAL
FY17 Q4	Jul-17	\$ 364,526	\$ 88,931	\$ 11,661	\$ 465,118
	Aug-17	\$ 368,933	\$ 84,187	\$ 15,299	\$ 468,419
	Sep-17	\$ 399,927	\$ 87,907	\$ 7,533	\$ 495,368
<b>TOTAL</b>		<b>\$1,133,386</b>	<b>\$261,025</b>	<b>\$ 34,494</b>	<b>\$1,428,904</b>
FY18 Q4	Jul-18	\$ 371,814	\$ 80,343	\$ 14,462	\$ 466,619
	Aug-18	\$ 355,679	\$ 91,632	\$ 11,052	\$ 458,363
	Sep-18	\$ 403,281	\$ 73,567	\$ 11,408	\$ 488,256
<b>TOTAL</b>		<b>\$1,130,774</b>	<b>\$245,542</b>	<b>\$ 36,922</b>	<b>\$1,413,238</b>
FY19 Q4	Jul-19	\$1,391,431	\$ 79,848	\$ 9,281	\$1,480,560
	Aug-19	\$ 372,016	\$ 89,078	\$ 10,063	\$ 471,157
	Sep-19	\$ 373,301	\$ 87,355	\$ 11,511	\$ 472,166
<b>TOTAL</b>		<b>\$2,136,747</b>	<b>\$256,281</b>	<b>\$ 30,854</b>	<b>\$2,423,882</b>
FY20 Q4	Jul-20	\$ 383,522	\$ 79,728	\$ 9,406	\$ 472,656
	Aug-20	\$ 363,885	\$ 79,866	\$ 10,516	\$ 454,268
	Sep-20	\$ 363,457	\$ 76,881	\$ 10,830	\$ 451,167
<b>TOTAL</b>		<b>\$1,110,864</b>	<b>\$236,476</b>	<b>\$ 30,753</b>	<b>\$1,378,092</b>
FY21 Q4	Jul-21	\$ 385,909	\$113,194	\$ 19,397	\$ 518,501
	Aug-21	\$ 371,107	\$106,448	\$ 10,414	\$ 487,968
	Sep-21	\$ 366,234	\$101,213	\$ 11,278	\$ 478,726
<b>TOTAL</b>		<b>\$1,123,250</b>	<b>\$320,855</b>	<b>\$ 41,089</b>	<b>\$1,485,195</b>

# FY21 Q4 Statistics – Real Estate Portfolio

## Addison Airport Q4 FY To Date 2021

Property Type / Description	Number of Properties	Number of Units	Vacancies	Leased %	Q4 FY To Date 2021 Revenue	% of Total Revenue
<b>Ground Leased</b>						
Ground Leased	37	37	0	100%	\$2,291,717	40%
<b>Total Ground Leased</b>	<b>37</b>	<b>37</b>	<b>0</b>	<b>100%</b>	<b>\$2,291,717</b>	<b>40%</b>
<b>Town / Airport Owned</b>						
Jet/Commercial/Sign	14	60	2	97%	\$976,234	17%
T-Hangar	9	99	0	100%	\$732,483	13%
Patio Hangar	3	47	0	100%	\$165,013	3%
Tie-Downs	1	2	0	100%	\$31,500	1%
Vacant / Unimproved Land	10	10	-	-	\$0	0%
Fuel Farm	1	16	0	100%	\$169,413	3%
<b>Total Town / Airport Owned</b>	<b>38</b>	<b>234</b>	<b>2</b>	<b>99%</b>	<b>\$2,074,643</b>	<b>37%</b>
<b>Airport Real Estate Totals</b>	<b>75</b>	<b>271</b>	<b>2</b>	<b>99%</b>	<b>\$4,366,360</b>	<b>77%</b>
Access Permits	2	16	-	-	\$64,984	1%
<b>Portfolio Total</b>	<b>77</b>	<b>287</b>	<b>2</b>	<b>-</b>	<b>\$4,431,343</b>	<b>78%</b>
Non-Real Estate Revenue					\$1,227,311	22%
<b>Q4 FY To Date 2021 Revenue Totals</b>					<b>\$5,658,655</b>	<b>100%</b>
<b>Annualized Revenue</b>					<b>\$5,658,655</b>	<b>111%</b>
<b>Annualized Budgeted Revenue</b>					<b>\$5,089,110</b>	

# FY21 Q4 Statistics – Real Estate Portfolio

## Addison Airport Q4 FY To Date 2021 Economic Occupancy

Property Type / Description	Q4 FY To Date 2021 Budget	Q4 FY To Date 2021 Revenue	Economic Occ. %
<b>Ground Leased</b>			
Ground Leased	\$2,305,960	\$2,291,717	99%
<b>Total Ground Leased</b>	<b>\$2,305,960</b>	<b>\$2,291,717</b>	<b>99%</b>
<b>Town / Airport Owned</b>			
Jet/Commercial/Sign	\$926,151	\$976,234	105%
T-Hangar	\$722,553	\$732,483	101%
Patio Hangar	\$160,740	\$165,013	103%
Tie-Downs	\$0	\$31,500	0%
Vacant / Unimproved Land	\$0	\$0	0%
Fuel Farm	\$168,607	\$169,413	100%
<b>Total Town / Airport Owned</b>	<b>\$1,978,051</b>	<b>\$2,074,643</b>	<b>105%</b>
<b>Airport Real Estate Totals</b>	<b>\$4,284,011</b>	<b>\$4,366,360</b>	<b>102%</b>
Access Permits	\$66,588	\$64,984	98%
<b>Portfolio Total</b>	<b>\$4,350,599</b>	<b>\$4,431,343</b>	<b>102%</b>
Non-Real Estate Revenue	\$738,511	\$1,227,311	166%
<b>Q4 FY To Date 2021 Revenue Totals</b>	<b>\$5,089,110</b>	<b>\$5,658,655</b>	<b>111%</b>

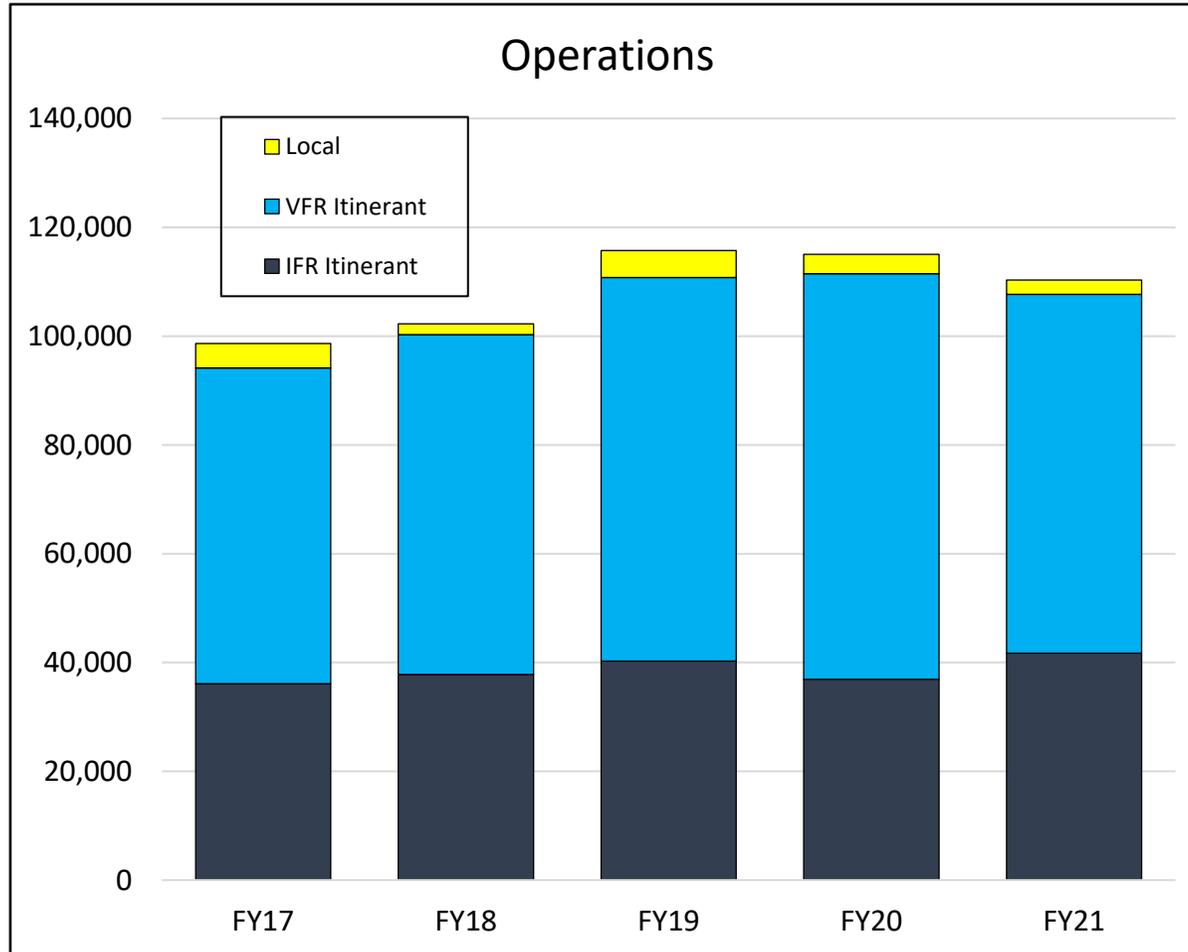
- The two vacancies (noted on the previous slide) are commercial office spaces in the Wiley Post building; aviation properties are 100% leased.
- There are three properties for which ground leases are being considered or negotiated. All are redevelopments.
- Non-real estate revenues exceeded FY21 budget by 66%. This was almost entirely due to fuel flowage revenues being higher than predicted; the FY21 budget was developed in April-May 2020 when air traffic was nearly shut down by the pandemic and fuel sales were correspondingly depressed.

# Addison Airport – FY21 Full Year Results

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# FY21 Statistics – Aircraft Operations



## Instrument (IFR) Operations

- Up 13.0% over FY20
- Up 3.6% over FY19

## Total Operations

- Down 4.1% from FY20
- Down 4.7% from FY19

	Operations			TOTAL
	IFR Itinerant	VFR Itinerant	Local	
FY17	36,094	58,090	4,451	98,635
FY18	37,806	62,489	1,999	102,294
FY19	40,266	70,499	4,982	115,747
FY20	36,925	74,588	3,511	115,024
FY21	41,727	65,956	2,640	110,323

# FY21 Statistics – International Operations

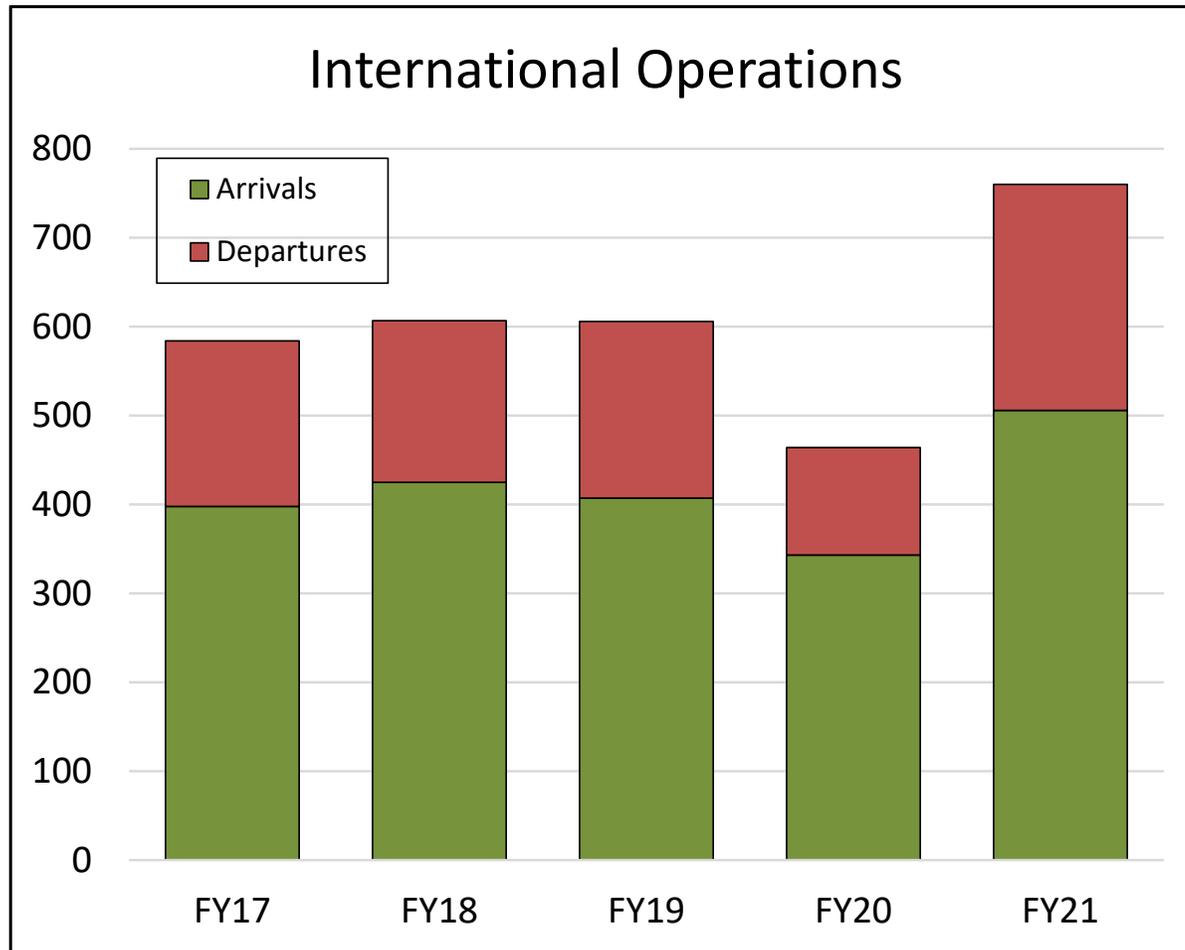
## Arrivals

- Up 47.5% over FY20
- Up 24.3% over FY19

## Departures \*

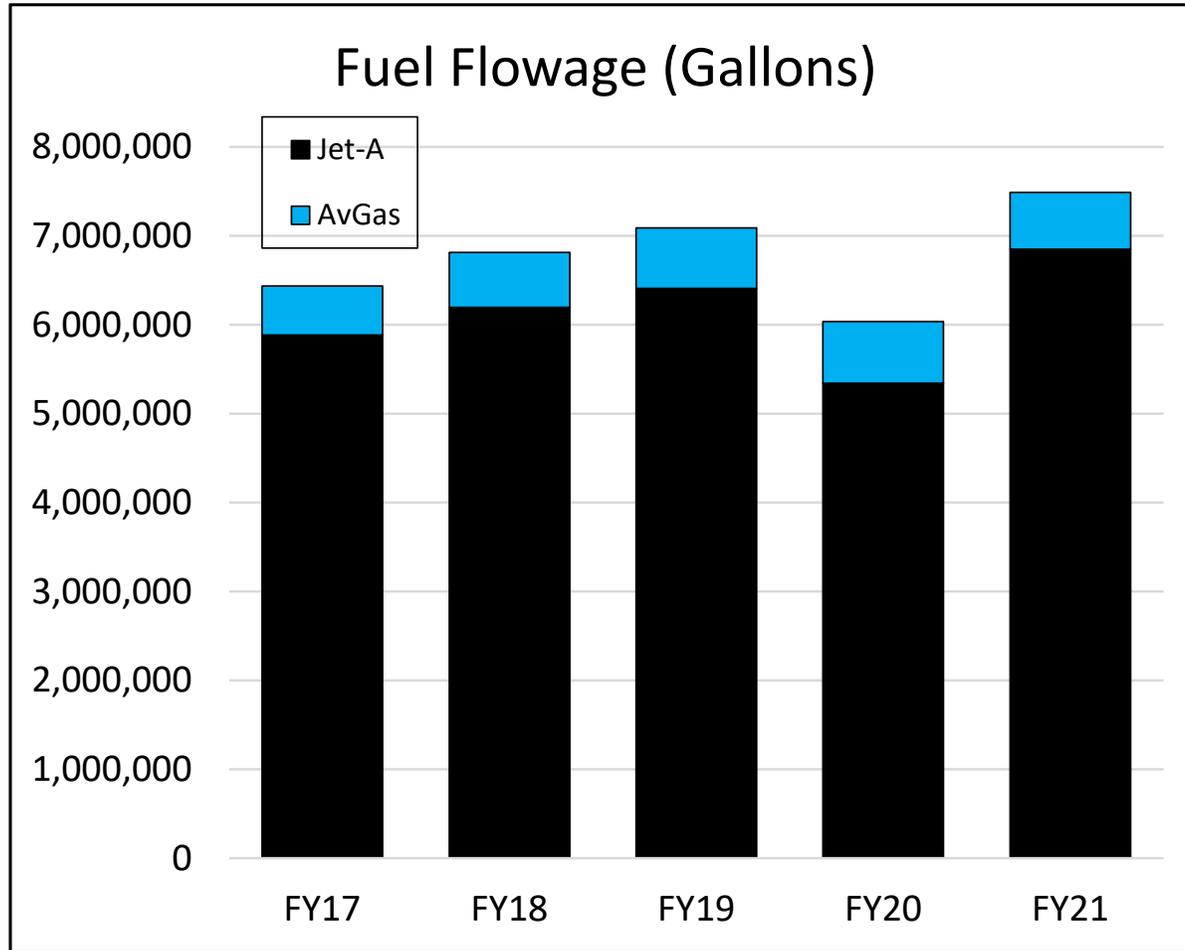
- Up 110% over FY20
- Up 27.6% over FY19

\* international departures are undercounted because certain types of operations are not required to file with CBP at the departure airport



	International Operations		
	Arrivals	Departures	TOTAL
FY17	398	186	584
FY18	425	182	607
FY19	407	199	606
FY20	343	121	464
FY21	506	254	760

# FY21 Statistics – Fuel Flowage



## Jet-A Volume

- Up 28.2% over FY20
- Up 6.9% over FY19

## AvGas Volume

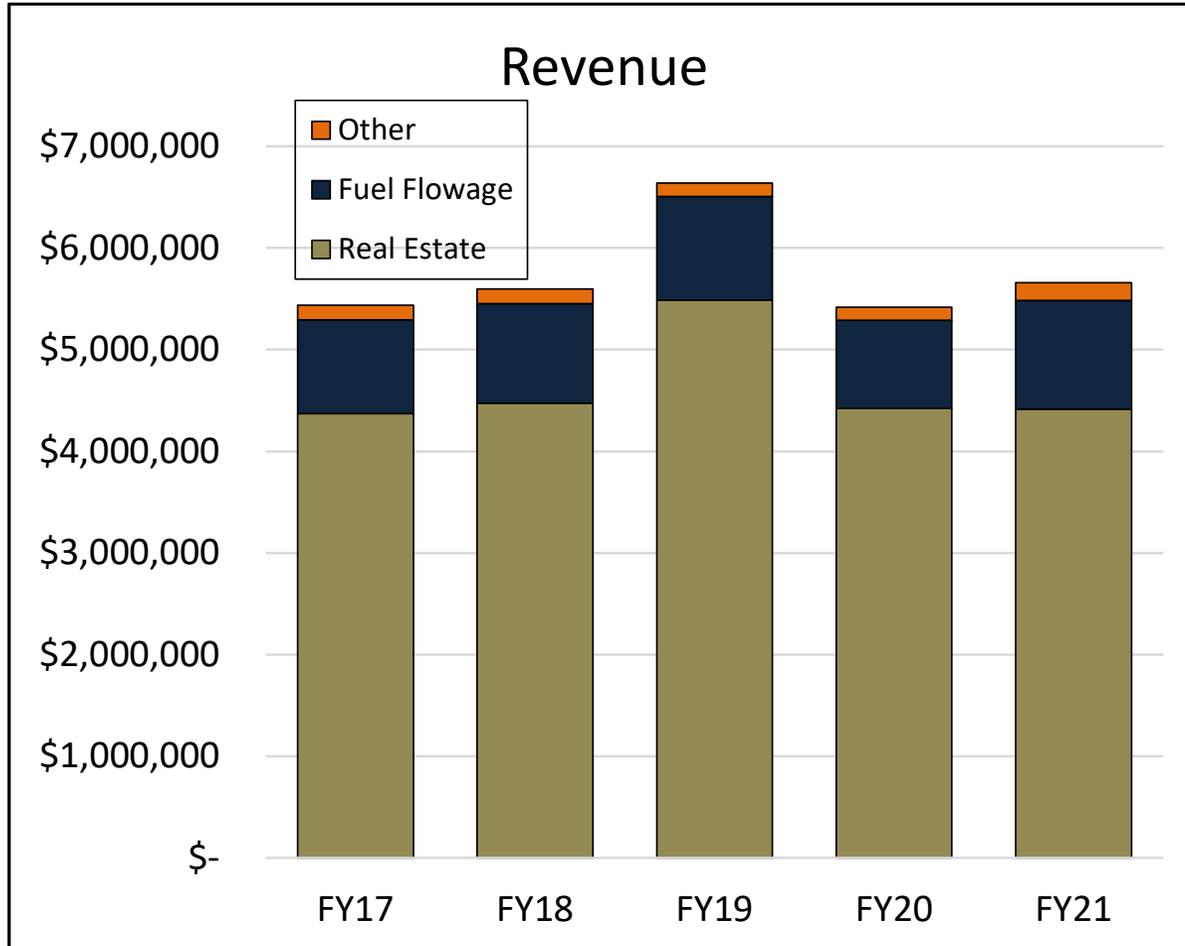
- Down 7.7% from FY20
- Down 6.8% from FY19

## Total Fuel Volume

- Up 24.1% over FY20
- Up 5.6% over FY19

	Fuel Flowage (Gallons)		
	Jet-A	AvGas	TOTAL
FY17	5,883,831	551,303	6,435,134
FY18	6,197,463	618,455	6,815,918
FY19	6,408,493	684,239	7,092,732
FY20	5,344,585	690,768	6,035,353
FY21	6,852,055	637,705	7,489,760

# FY21 Statistics – Revenue



FY19 revenue included a one-time \$1 Million lease prepayment for the Galaxy FBO project.

## Real Estate

- Down 0.1% from FY20
- Down 19.5% from FY19

## Fuel Flowage Fees

- Up 23.1% over FY20
- Up 4.7% over FY19

## Total Revenue

- Up 4.5% over FY20
- Down 14.8% from FY19

	Revenue			TOTAL
	Real Estate	Fuel Flowage	Other	
FY17	\$ 4,369,905	\$ 924,328	\$ 142,884	\$ 5,437,117
FY18	\$ 4,473,583	\$ 977,818	\$ 145,000	\$ 5,596,402
FY19	\$ 5,488,112	\$ 1,019,452	\$ 130,444	\$ 6,638,008
FY20	\$ 4,421,924	\$ 867,778	\$ 127,068	\$ 5,416,770
FY21	\$ 4,415,499	\$ 1,067,845	\$ 175,311	\$ 5,658,655

# Addison Airport – Projects and Progress

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# Addison Airport – Projects and Progress

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## Customs & Border Protection (CBP) and Airport Administration Offices

- Airport staff occupied the 2<sup>nd</sup> floor at the end of April / beginning of May (second floor substantially completed).
- The first floor was substantially completed on October 15; CBP's IT and access controls remain to be completed.
- CBP expected to occupy 1<sup>st</sup> floor on January 31, 2022.



# Addison Airport – Projects and Progress

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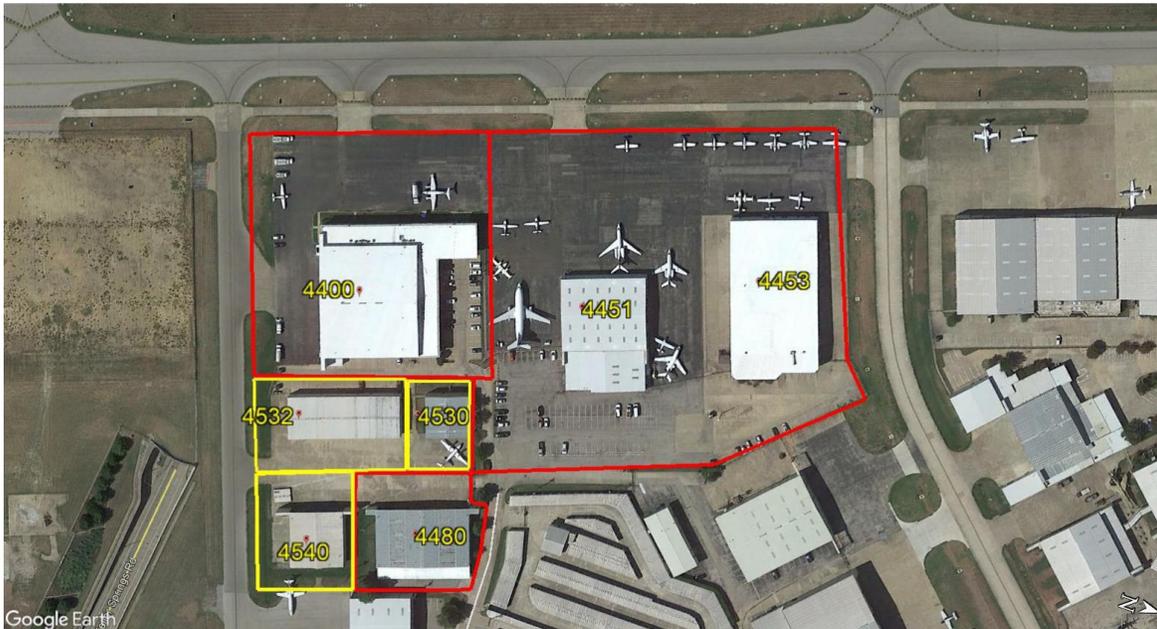
## Galaxy FBO

- Initial lease payment of \$1 million received July 2019.
- Construction commenced at the end of 2019.
- Substantial completion / initial operations expected to commence in February 2022.



## Atlantic Aviation FBO

- New ground lease approved by Council on August 11, 2020; three extensions of lease term tied to capital investments totaling a minimum of \$14 Million.
- Atlantic Aviation acquired by Kohlberg Kravis Roberts (KKR) from Macquarie Infrastructure Corporation for \$4.475 Billion; sale closed on September 24, 2021.



- Ameristar has moved out of Hangar 2 (4451 Glenn Curtiss Drive).
- Demolition of Hangar 2 and construction of a new hangar to be completed by four years after lease commencement date (minimum \$6 Million capital investment).
- Atlantic is still in the plan development phase for the new hangar.

## Pending Projects – Airport Improvement Program (AIP) Grants

- 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 includes crack sealing on runway, Taxiway Alpha, and connecting taxiways.
  - Project also includes 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.
  - The project has been postponed until spring, as the products cannot be applied in cold weather.
  - Runway designation will officially change to 16-34 with the March 27, 2022, FAA chart publication.
- 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 due February 2, 2022.
- Construction of Taxiway Bravo extensions and west side service road (first phase)
  - FY22 AIP grant, estimated amount of \$7.5 Million (90% FAA, 10% local match except for road at 50%).
  - TX-DOT will request local matching funds after bids are received (estimated match: \$1,440,400).

# Addison Airport Quarterly Update – Questions?

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