

D R A F T

OFFICIAL ACTIONS OF THE ADDISON CITY COUNCIL

January 25, 2022

**6:00 p.m. Executive Session & Work Session
7:30 p.m. Regular Meeting**

**Addison TreeHouse
14681 Midway Rd., Addison, TX 75001**

The Addison City Council conducted its Regular Council Meeting on Tuesday, January 25, 2022, at the Addison TreeHouse with a quorum of the City Council physically present. Limited seating for members of the public was available using CDC recommended social distancing measures. The Town utilized telephone and videoconferencing to facilitate participation in the meeting. Interested parties were able to make public comments and address the Council via emailed comments submitted to the City Secretary at iparker@addisontx.gov by 3:00 pm on the meeting day. Members of the public were also entitled to participate remotely via Toll-Free Dial-in Number: 877.853.5247; Meeting ID: 409.327.0683 Participant ID: #. Detailed instructions on how to participate in this meeting were available on the Town's website on the Agenda Page. The meeting was live streamed on Addison's website at www.addisontexas.net

Present: Mayor Joe Chow; Mayor Pro Tempore Guillermo Quintanilla; Deputy Mayor Pro Tempore Paul Walden; Council Member Tom Braun; Council Member Lori Ward; Council Member Kathryn Wheeler; Council Member Marlin Willesen.

Call Meeting to Order: Mayor Chow called the meeting to order.

Pledge of Allegiance: Mayor Chow led the Pledge of Allegiance

EXECUTIVE SESSION

Closed (Executive) Session of the Addison City Council pursuant to:

Section 551.087, Texas Government Code, to discuss or deliberate regarding commercial or financial information that the City Council has received from a business prospect or business prospects that the City Council seeks to have locate, stay, or expand in or near the territory of the Town of Addison and with which the City Council is conducting economic

development negotiations, and/or to deliberate the offer of a financial or other incentive to such business prospect or business prospects:

- **Project Tailor**
- **Discuss master developer proposals for the Town's Transit Oriented Development Project**

Mayor Chow closed the Open Session to convene the City Council into Closed Executive Session at 6:06 p.m.

Reconvene into Regular Session: In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session.

Mayor Chow reconvened the City Council into Open Session at 8:40 p.m. No action was taken as a result of Executive Session.

WORK SESSION

1. **Present and discuss the Council Calendar for February, March, and April 2022.**

City Secretary Irma Parker reviewed the meeting schedule for February, March and April 2022. She advised that the Spring Town Meeting is tentatively on the calendar for Wednesday, April 13th due to this being the only date available at the hotel venue. Alternative locations and dates were discussed, and it was determined that staff will check availability at other venues for April 14th and April 18th. The date will be finalized at a future meeting.

2. **Present and Discuss the Airport Quarterly Report for the Fiscal Year 2021 Fourth Quarter Ended September 30, 2021.**

Joel Jenkinson, Airport Director, presented this item. He advised the purpose of this item is to provide City Council with an overview of key Airport performance measures for the fourth quarter of Fiscal Year 2021, which ended on September 30, 2021. This is the first of what will be a regular quarterly report on Airport performance measures and other significant events. This report also includes year-end summary data for the full Fiscal Year 2021.

Mr. Jenkinson advised the report presents data on revenue, fuel flowage, and aircraft operations (take-offs and landings) including international operations. The report also includes a snapshot of the Airport's real estate portfolio.

Highlights from the fourth quarter include:

- Aircraft operations continue to show a strong trend of recovery from the pandemic.
- Instrument Flight Rules (IFR) operations, which are a good marker for jet and turbo-prop operations, were unusually strong.

- Fuel flowage for the fourth quarter posted the highest quarterly volume in roughly 14 years. Jet-A accounted for 91.8% of the total fuel volume for the quarter.
- Addison is benefiting from the closure of Runway 13R/31L at Dallas Love Field, which began April 27, 2021 and is expected to continue at least until the end of April 2022. Congestion resulting from Love Field being reduced to a single-runway operation has encouraged a significant volume of business aviation traffic to select Addison as an alternative. This development has positively impacted Addison's IFR operations and Jet-A fuel flowage volume.
- Real estate revenues remained flat, while fuel flowage fee revenue increased in proportion to fuel flowage volume, driving up total revenues.
- With respect to the real estate portfolio, the airport is effectively at 100% occupancy.
- The Galaxy FBO project is nearing completion and is expected to open in early February 2022. When Galaxy FBO opens, it will add more than 100,000 square feet of much-needed hangar capacity at Addison.
- The U.S. Customs and Border Protection (CBP) and Airport Administration building is substantially complete as of October 15, 2021. Substantial completion is when the project is available for the owner or tenant to occupy the space to either operate or in this case complete tenant finish-out. The October 15 date is when CBP was able to enter the first floor space and begin finish-out for installation of their items. Security and access controls are the responsibility of JC Commercial to install, however that work is at the direction of CBP. It is anticipated that CBP will occupy the first floor of the facility on January 31, 2022.

Highlights from the full Fiscal Year 2021 include:

- Total aircraft operations were down slightly (between 4% and 5%) compared with Fiscal Years 2019 and 2020. However, annual IFR operations reached their highest level since Fiscal Year 2008.
- Total annual fuel volume was up 24.1% over the Fiscal Year 2020 total and reached its highest annual value since Fiscal Year 2007.
- Total annual revenue was essentially flat from prior years, excepting the anomalous Fiscal Year 2019 in which a one-time \$1 Million lease pre-payment was received in connection with the Galaxy FBO ground lease.

Mr. Jenkinson provided an update on the Customs & Border Protection (CBP) and Airport Administration offices project. He advised airport staff occupied the 2nd floor at the end of April and the first of May the second floor substantially completed. The first floor was substantially completed on October 15 with CBP's IT and access controls not yet completed. The CBP is expected to occupy the 1st floor on January 31, 2022.

Mr. Jenkinson advised that the Galaxy Fixed Base Operation (FBO) project construction commenced at the end of 2019 following an initial lease payment in July 2019 of \$1 million. Substantial completion is expected in February 2022 and initial operations are expected to commence then as well.

Mr. Jenkinson reviewed the Atlantic Aviation FBO project. He advised that a new ground lease was approved by Council on August 11, 2020 with three extensions of lease term tied to capital investments totaling a minimum of \$14 Million. He noted that Atlantic Aviation was acquired by Kohlberg Kravis Roberts (KKR) from Macquarie Infrastructure Corporation for \$4.475 Billion with the sale closed on September 24, 2021. Ameristar formally located at 4451 Glenn Curtis Drive has moved out of Hangar 2. Demolition of Hangar 2 and construction of a new hangar must be completed by four years after lease commencement date. This is a minimum of a \$6 million capital investment. Atlantic is still in the plan development phase for the new hangar.

Mr. Jenkinson reviewed pending projects as follows:

- 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%).
- TxDOT will request local matching funds after bids are received (estimated match: \$1,440,400).

In response to a question from Mayor Pro Tempore Quintanilla, Mr. Jenkinson advised that he plans to have a calendar year report following the end of 2022. Mayor Pro Tempore Quintanilla also inquired about the need for additional fuel storage. Mr. Jenkinson responded that there are four storage tanks and approximately one is being used each day. He would like to enlist an engineering firm to design additional fuel storage tanks to interface with the existing tanks in order to have more than one-week's supply of fuel on-hand.

Deputy Mayor Pro-Tempore Walden inquired about a grand opening for the Galaxy FBO. Mr. Jenkinson advised they will have a soft opening. A grand opening is possible this Spring for both Galaxy and the U.S. Customs and Border Protection facilities.

Discussion of potential future expansions followed. Council Members expressed appreciation for this comprehensive report.

REGULAR MEETING

Announcements and Acknowledgements regarding Town and Council Events and Activities

- **Addison Fire Department Heart Safe Community Recognition**

Melissa Christon from the North Central Texas Trauma Regional Advisory Council (NCTTRAC) presented Mayor Joe Chow, Fire Chief David Jones, Deputy Chief C.J. Alexander, and Battalion Chief John Lage with a certificate designating Addison as a Heart Safe Community. The Heart Safe Community Program is designed to recognize the efforts a community makes to protect its citizens from the effects of heart disease and sudden cardiac death by evaluating different aspects of the system as a whole. NCTTRAC evaluated Addison on its ease of access to pre-hospital emergency care, the response of emergency first responders, public placement of automated external defibrillators, citizen CPR training, public health initiatives, and dedicated cardiac care at local hospitals before selecting them for this recognition.

Discussion of Events/Meetings

Public Comment: *The City Council invites citizens to address the City Council on any matter, including items on the agenda, except public hearings that are included on the agenda. Comments related to public hearings will be heard when the specific hearing starts. Citizen comments are limited to **three (3) minutes**, unless otherwise required by law. To address the Council, please fill out a **City Council Appearance Card** and submit it to a staff member prior to the Public Comment item on the agenda. The Council is not permitted to take any action or discuss any item not listed on the agenda. The Council may choose to place the item on a future agenda.*

City Secretary Parker advised that no citizens had requested to address the City Council.

Consent Agenda: *All items listed under the Consent Agenda are considered routine by the City Council and will be enacted by one motion with no individual consideration. If individual consideration of an item is requested, it will be pulled from the Consent Agenda and discussed separately.*

3. **Consider Action on the Minutes from the January 11, 2022 City Council Meeting.**

MOTION: Council Member Willesen moved to approve Consent Agenda Item 3 as submitted. Mayor Pro Tempore Quintanilla seconded the motion. Motion carried unanimously.

Regular Items

4. **Present, Discuss, and Consider Action on Change Order #4 (Final Reconciliation Change Order) to the Contract with JC Commercial, Inc. for Various Costs Related to Unforeseen Site Conditions, Changes Requested by Town Staff, and Changes Requested by the United States Customs Staff for the Airport Administration and Customs and Border Protection Facility at Addison Airport and Authorize the City Manager to Execute the Change Order in an Amount Not to Exceed \$222,681.13.**

Joel Jenkinson, Airport Director provided a project schedule review for the Airport Administration and Customs and Border Protection Facility at Addison Airport. He advised the project began October 15, 2019. The substantial competition date for the Airside (ramp) was April 22, 2021. The Landside (2nd floor for Airport staff) occupancy date was April 30, 2021 and the Landside (1st floor for the Customs and Border Protection) projected operation date is January 31, 2022. The project budget of \$9,009,967.00 was presented. It is estimated to finish under budget at \$8,871,170.03.

Construction Management Engineer Mitchell McAnally presented an overview for Change Order #4. This is the final change order and includes project credits, CBP initiated changes, Town of Addison initiated changes, and other items such as building functionality, material ordering issues and installation conflict items. Details of these items was provided.

The total cost of changes in each of the four categories, along with the total proposed cost of this final reconciliation change order is as follows:

CHANGE ORDER #4 COST CATEGORY	AMOUNT
Project Credits	\$(16,275.75)
CBP Initiated Change Items	\$111,065.53
Town of Addison Initiated Change Items	\$22,691.22
Building Functionality, Material Ordering Issues, & Installation Conflict Items	\$105,200.13
FINAL RECONCILIATION CHANGE ORDER #4 TOTAL COST	\$222,681.14

In addition to the cost, Change Order #4 items added 244 days to the total contract time, with a resulting substantial completion date of October 15, 2021. Security and access controls are the responsibility of JC Commercial to install; however, this work is at the direction of CBP. Additional contract days to reach substantial completion were necessitated mainly by delays in obtaining specified items or in identifying and obtaining acceptable substitutes for specified items. Additional time beyond the substantial completion date was required to procure and install CBP-specified IT, security, and access control items. The project has not incurred construction administration charges beyond the substantial completion date. While the project will finish well behind the original schedule, approved and proposed changes remain within the available contingency amount.

Mayor Pro Tempore Quintanilla requested the City Manager prepare a “lessons learned” follow-up report regarding this project. City Manager Pierson expressed his appreciation to everyone involved in this project. He also reminded the Council that this project is not being paid for with taxpayer dollars but with Airport user fees.

MOTION: Deputy Mayor Pro Tempore Walden moved to approve. Mayor Pro Tempore Quintanilla seconded the motion. Motion carried unanimously.

Adjourn Meeting

There being no further business to come before the Council, Mayor Chow adjourned the meeting.

TOWN OF ADDISON, TEXAS

Joe Chow, Mayor

ATTEST:

Irma G. Parker, City Secretary