

Addison Airport

2nd Quarter Update – Fiscal Year 2022

April 26, 2022

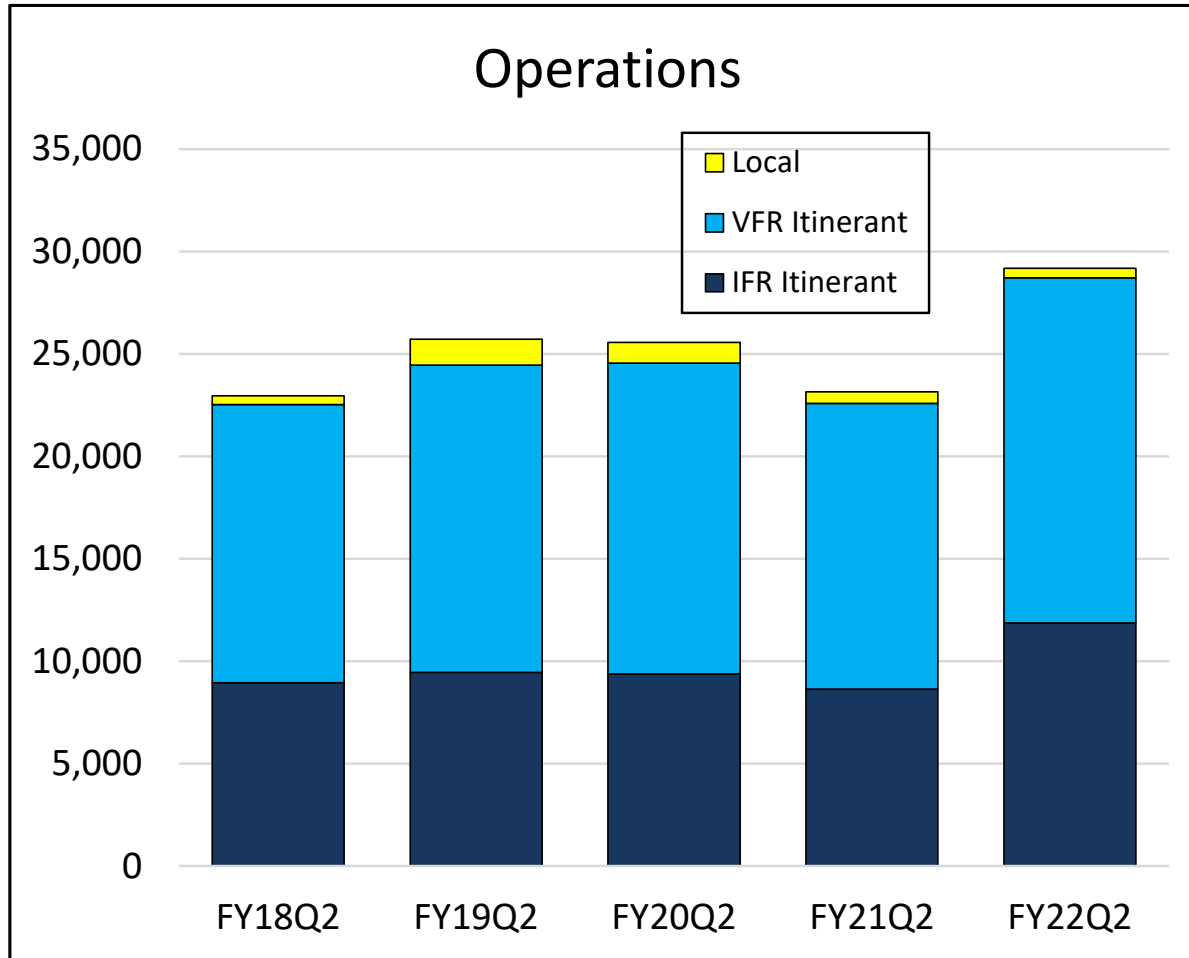


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- **Statistics: FY22 Q2**
 - Aircraft Operations
 - International Operations
 - Fuel Flowage
 - Revenue
 - Real Estate Portfolio
- **Projects and Progress**



FY22 Q2 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 Q2 Statistics – Aircraft Operations (con't.)

Instrument (IFR) Operations

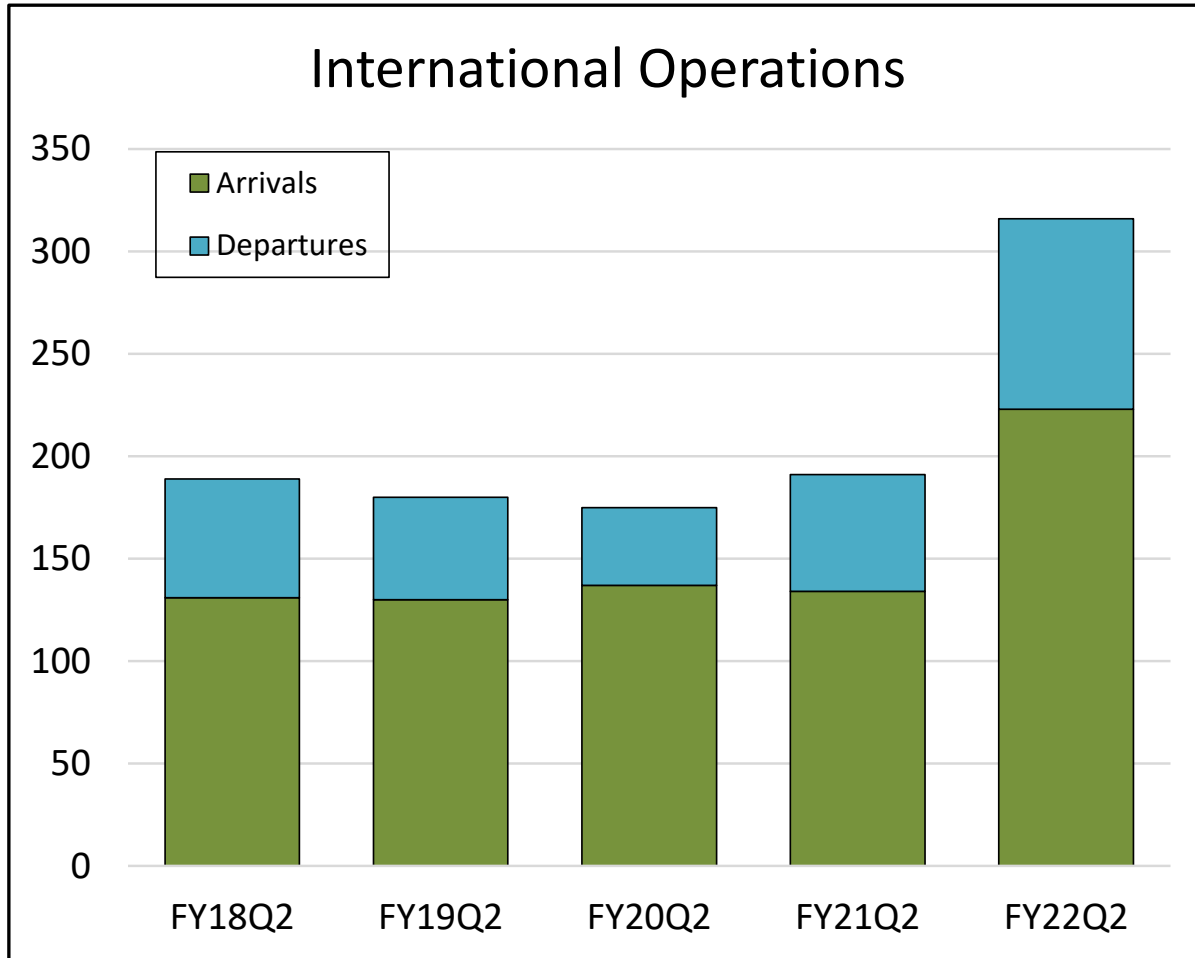
- Up 37.4% over Q2 of FY21
- Up 26.6% over Q2 of FY20

Total Operations

- Up 25.9% over Q2 of FY21
- Up 14.2% from Q2 of FY20

		OPERATIONS			
		IFR Itin	VFR Itin	Local	TOTAL
FY18 Q2	Jan-18	2,911	4,989	214	8,114
	Feb-18	2,737	3,026	103	5,866
	Mar-18	3,301	5,565	102	8,968
TOTAL		8,949	13,580	419	22,948
FY19 Q2	Jan-19	3,176	5,441	476	9,093
	Feb-19	2,964	3,540	370	6,874
	Mar-19	3,314	6,023	411	9,748
TOTAL		9,454	15,004	1,257	25,715
FY20 Q2	Jan-20	3,388	5,097	415	8,900
	Feb-20	3,363	5,866	271	9,500
	Mar-20	2,631	4,210	314	7,155
TOTAL		9,382	15,173	1,000	25,555
FY21 Q2	Jan-21	2,712	5,232	162	8,106
	Feb-21	2,298	3,106	170	5,574
	Mar-21	3,637	5,606	235	9,478
TOTAL		8,647	13,944	567	23,158
FY22 Q2	Jan-22	3,896	5,994	220	10,110
	Feb-22	3,412	4,599	60	8,071
	Mar-22	4,569	6,239	201	11,009
TOTAL		11,877	16,832	481	29,190

FY22 Q2 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 66.4% over Q2 FY21
- Up 62.8% over Q2 FY20

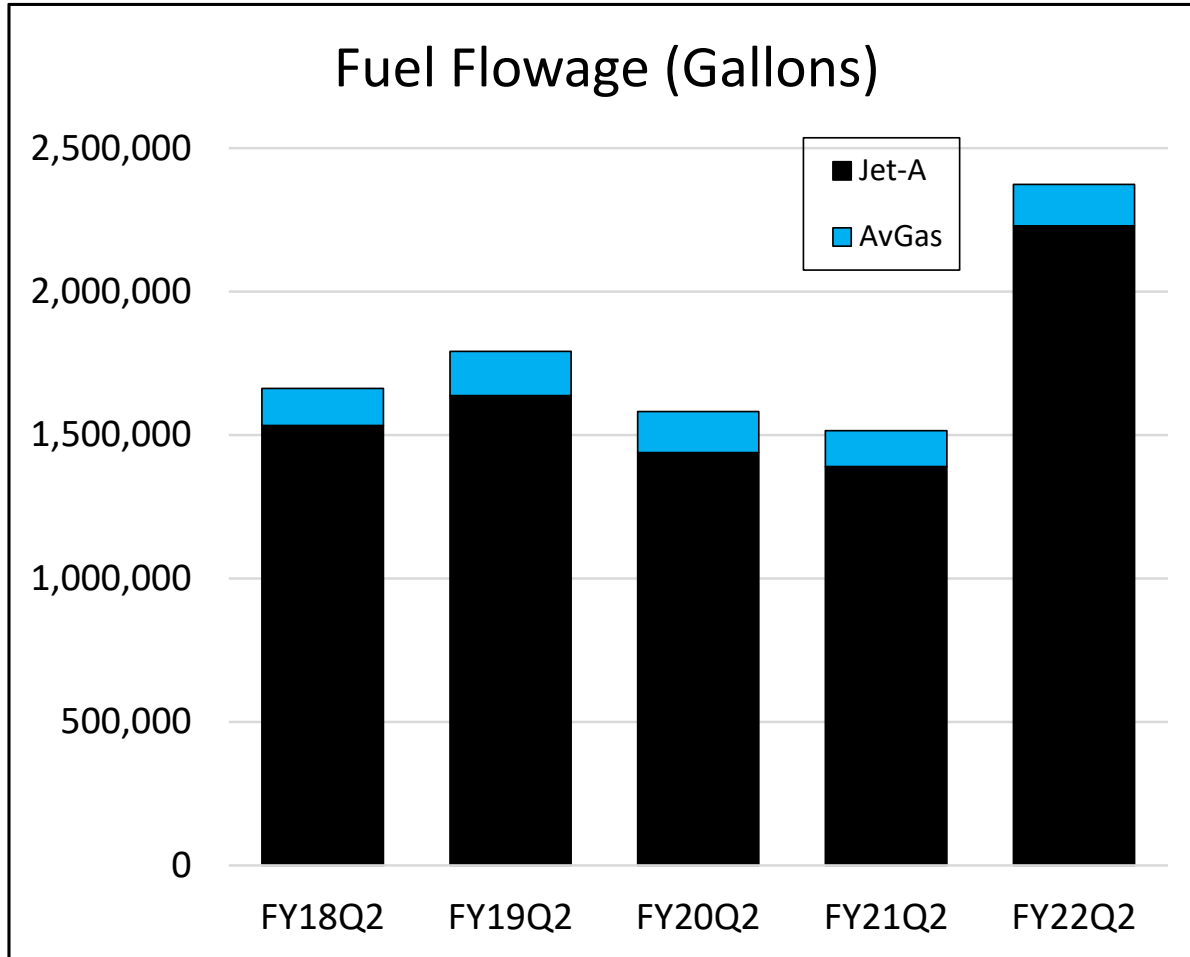
International Departures*

- Up 63.2% over Q2 of FY21
- Up 144.7% from Q2 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 Q2	Jan-18	38	22	60
	Feb-18	37	12	49
	Mar-18	56	24	80
TOTAL		131	58	189
FY19 Q2	Jan-19	39	19	58
	Feb-19	44	14	58
	Mar-19	47	17	64
TOTAL		130	50	180
FY20 Q2	Jan-20	37	7	44
	Feb-20	44	16	60
	Mar-20	56	15	71
TOTAL		137	38	175
FY21 Q2	Jan-21	42	37	79
	Feb-21	29	8	37
	Mar-21	63	12	75
TOTAL		134	57	191
FY22 Q2	Jan-22	57	12	69
	Feb-22	74	30	104
	Mar-22	92	51	143
TOTAL		223	93	316

FY22 Q2 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 Q2 Statistics – Fuel Flowage (con't.)

Jet-A

- Up 60.5% over Q2 FY21
- Up 55.0% over Q2 FY20

AvGas

- Up 14.5% over Q2 FY21
- Up 1.2% over Q2 FY20

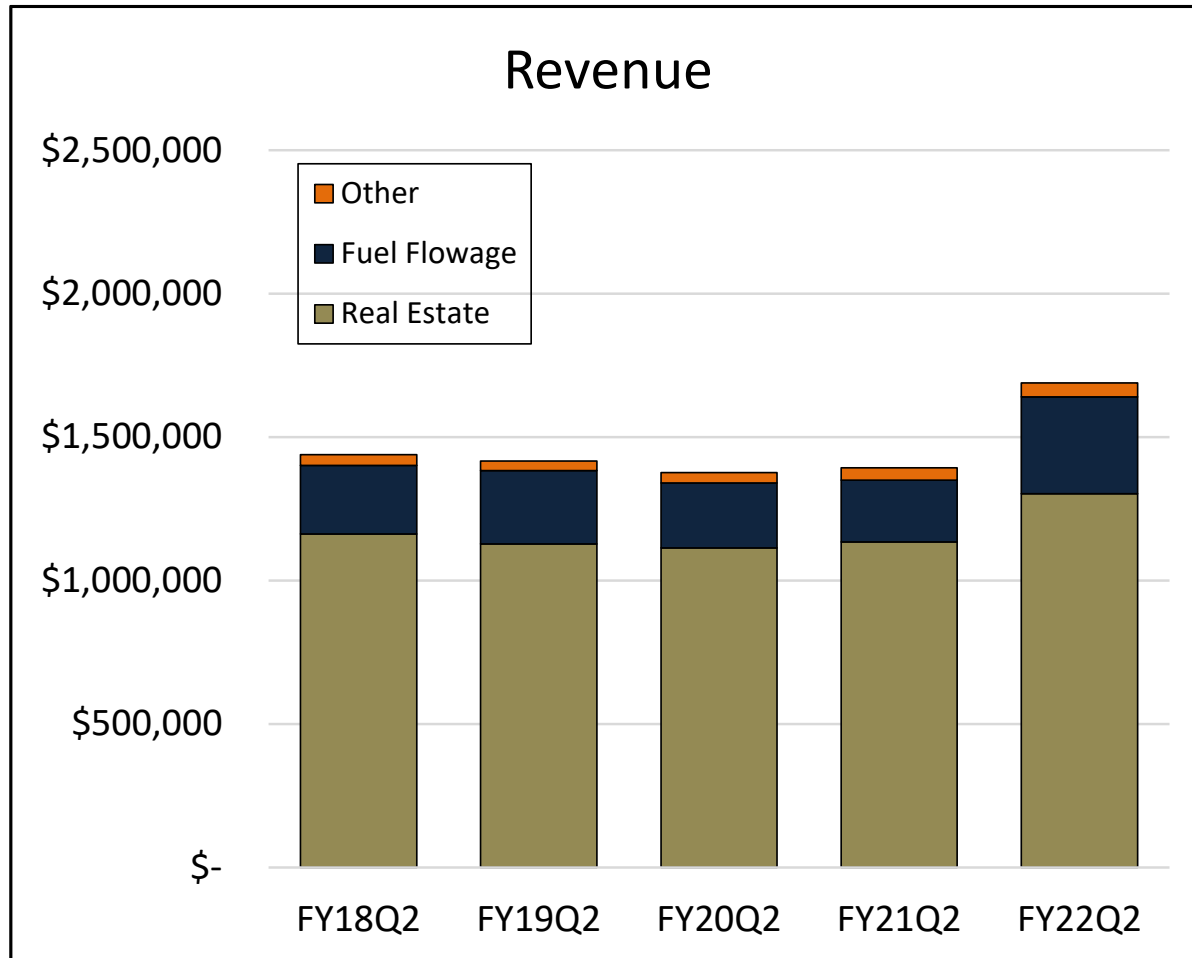
Total Fuel Flowage

- Up 56.6% over Q2 of FY21
- Up 50.1% over Q2 of FY20

		FUEL FLOWAGE (gallons)		
		Jet-A	AvGas	TOTAL
FY18 Q2	Jan-18	493,347	37,726	531,073
	Feb-18	481,758	35,420	517,178
	Mar-18	557,985	56,480	614,465
TOTAL		1,533,090	129,626	1,662,716
FY19 Q2	Jan-19	564,818	48,939	613,757
	Feb-19	483,192	45,447	528,639
	Mar-19	588,995	60,788	649,783
TOTAL		1,637,005	155,174	1,792,179
FY20 Q2	Jan-20	467,518	48,571	516,089
	Feb-20	563,482	54,054	617,536
	Mar-20	407,753	40,230	447,983
TOTAL		1,438,753	142,855	1,581,608
FY21 Q2	Jan-21	410,147	32,875	443,022
	Feb-21	391,524	32,589	424,113
	Mar-21	587,673	60,809	648,482
TOTAL		1,389,344	126,273	1,515,617
FY22 Q2	Jan-22	656,523	61,178	717,701
	Feb-22	711,620	38,372	749,992
	Mar-22	861,224	45,043	906,267
TOTAL		2,229,367	144,593	2,373,960

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

FY22 Q2 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 Q2 Statistics – Revenue (con't.)

Real Estate Revenue

- Up 14.9% over Q2 FY21
- Up 16.9% over Q2 FY20

Fuel Flowage Fees

- Up 56.5% over Q2 of FY21
- Up 48.9% over Q2 of FY20

Total Revenue

- Up 21.3% over Q2 of FY21
- Up 22.7% over Q2 of FY21

		REVENUE			
		Real Estate	FFF	Other	TOTAL
FY18 Q2	Jan-18	\$ 414,943	\$ 75,348	\$ 12,689	\$ 502,980
	Feb-18	\$ 374,077	\$ 74,556	\$ 11,675	\$ 460,308
	Mar-18	\$ 372,683	\$ 88,962	\$ 14,395	\$ 476,039
TOTAL		\$1,161,703	\$238,867	\$ 38,758	\$1,439,328
FY19 Q2	Jan-19	\$ 399,927	\$ 87,907	\$ 7,533	\$ 495,368
	Feb-19	\$ 358,430	\$ 75,622	\$ 15,872	\$ 449,924
	Mar-19	\$ 369,424	\$ 92,291	\$ 9,949	\$ 471,664
TOTAL		\$1,127,781	\$255,820	\$ 33,354	\$1,416,955
FY20 Q2	Jan-20	\$ 403,281	\$ 73,567	\$ 11,408	\$ 488,256
	Feb-20	\$ 355,203	\$ 88,203	\$ 11,896	\$ 455,302
	Mar-20	\$ 355,611	\$ 64,679	\$ 12,477	\$ 432,767
TOTAL		\$1,114,095	\$226,449	\$ 35,781	\$1,376,325
FY21 Q2	Jan-21	\$ 406,799	\$ 62,666	\$ 16,308	\$ 485,772
	Feb-21	\$ 362,545	\$ 60,032	\$ 11,560	\$ 434,136
	Mar-21	\$ 364,948	\$ 92,762	\$ 14,935	\$ 472,645
TOTAL		\$1,134,291	\$215,460	\$ 42,803	\$1,392,554
FY22 Q2	Jan-22	\$ 465,220	\$102,465	\$ 14,951	\$ 582,636
	Feb-22	\$ 415,328	\$106,303	\$ 15,015	\$ 536,646
	Mar-22	\$ 422,284	\$128,512	\$ 19,200	\$ 569,996
TOTAL		\$1,302,832	\$337,280	\$ 49,165	\$1,689,278

FY22 Q2 Statistics – Real Estate Portfolio

Addison Airport Q2 FY To Date 2022

Property Type / Description	Number of Properties	Number of Units	Vacancies	Leased %	Q2 FY To Date 2022 Revenue	% of Total Revenue
Ground Leased						
Ground Leased	32	32	0	100%	\$1,263,496	39%
Total Ground Leased	32	32	0	100%	\$1,263,496	39%
Town / Airport Owned						
Jet/Commercial/Sign	19	67	7	90%	\$567,030	18%
T-Hangar	9	99	0	100%	\$364,218	11%
Patio Hangar	3	47	1	98%	\$85,115	3%
Tie-Downs	1	2	0	100%	\$13,125	0%
Vacant / Unimproved Land	10	10	-	-	\$0	0%
Fuel Farm	1	16	0	100%	\$79,726	2%
Total Town / Airport Owned	43	241	8	97%	\$1,109,215	34%
Airport Real Estate Totals	75	273	8	97%	\$2,372,711	73%
Access Permits	2	16	-	-	\$46,304	1%
Portfolio Total	77	289	8	-	\$2,419,015	75%
Non-Real Estate Revenue					\$814,962	25%
Q2 FY To Date 2022 Revenue Totals					\$3,233,977	100%
Annualized Revenue					\$6,467,955	102%
Annualized Budgeted Revenue					\$6,328,344	

FY22 Q2 Statistics – Real Estate Portfolio

Addison Airport Q2 FY To Date 2022 Economic Occupancy

Property Type / Description	Q2 FY To Date 2022 Budget	Q2 FY To Date 2022 Revenue	Economic Occ. %
Ground Leased			
Ground Leased	\$1,386,216	\$1,263,496	91%
Total Ground Leased	\$1,386,216	\$1,263,496	91%
Town / Airport Owned			
Jet/Commercial/Sign	\$507,886	\$567,030	112%
T-Hangar	\$370,007	\$364,218	98%
Patio Hangar	\$83,049	\$85,115	102%
Tie-Downs	\$0	\$13,125	0%
Vacant / Unimproved Land	\$0	\$0	0%
Fuel Farm	\$98,423	\$79,726	81%
Total Town / Airport Owned	\$1,059,364	\$1,109,215	105%
Airport Real Estate Totals	\$2,445,580	\$2,372,711	97%
Access Permits	\$46,422	\$46,304	0%
Portfolio Total	\$2,492,002	\$2,419,015	97%
Non-Real Estate Revenue	\$672,170	\$814,962	121%
Q2 FY To Date 2022 Revenue Totals	\$3,164,172	\$3,233,977	102%

- Two ground leases reverted to airport control in the second quarter of FY2022, reducing the ground lease count from 34 to 32.
- Jet/Commercial/Sign leases increased from 16 to 19 due to the two ground lease reversions and one new commercial lease.
- Ground Lease and Fuel Farm revenues remain below budget for the first half because Galaxy FBO was projected to begin operations (along with ground lease and fuel tank lease payments) beginning in October 2021.
- While Galaxy FBO is now projected to begin operations in July 2022, per terms of their ground lease “Additional Rent” payments are being invoiced (a month in arrears, beginning in January) from December 1, 2021.

Addison Airport – Projects and Progress

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Addison Airport – Ice and Snow Events

- The airport experienced two ice/snow events in February. The airport does not close during these events; Airport Maintenance works to keep the runway and taxiways clear of ice and snow. Ice is much more challenging to address than snow.
- Maintenance Manager Dave Foster leads and directs snow and ice clearing operations. Operations Manager Joe McNally checks runway friction conditions and issues NOTAMs (Notices to Air Missions) advising pilots of conditions prevailing at the airport.

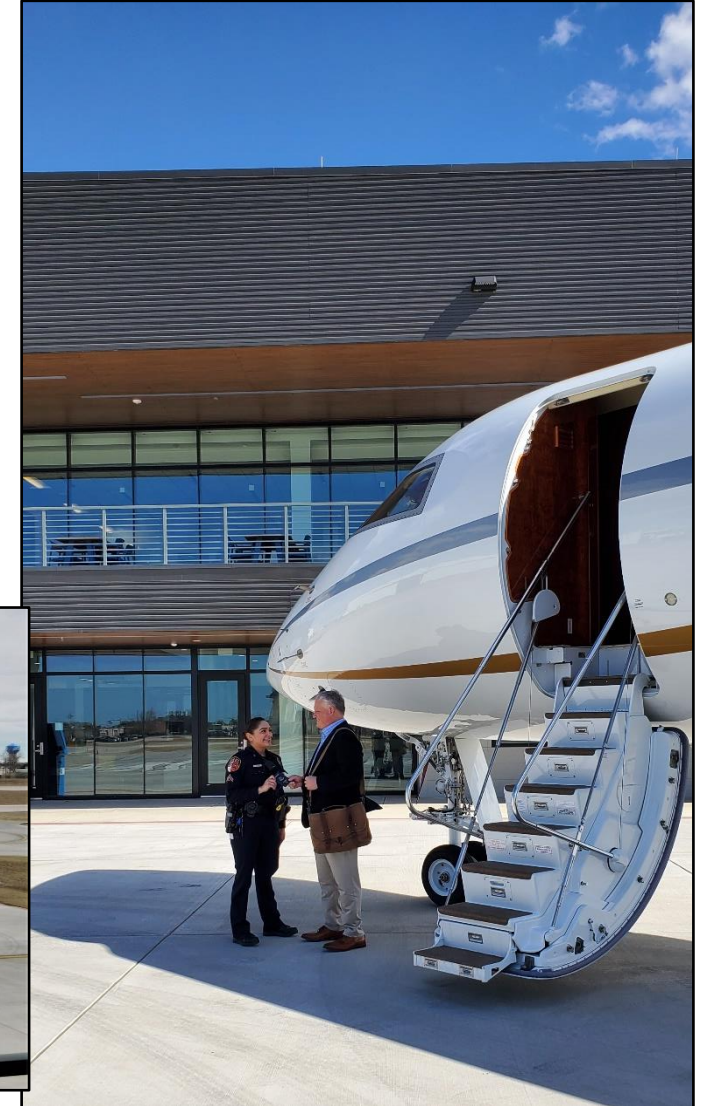


Addison Airport – Projects and Progress

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Customs & Border Protection (CBP) and Airport Administration Offices

- CBP commenced operations from the new facility on February 14, 2022. CBP cleared 40 international arrivals February 14-28 and another 92 in March.
- JC Commercial completed all punch list items and the last of the retainage has been released for payment.
- The monument sign was installed Monday April 11, 2022.
- Grand Opening event to be held on Tuesday April 19, 2022.



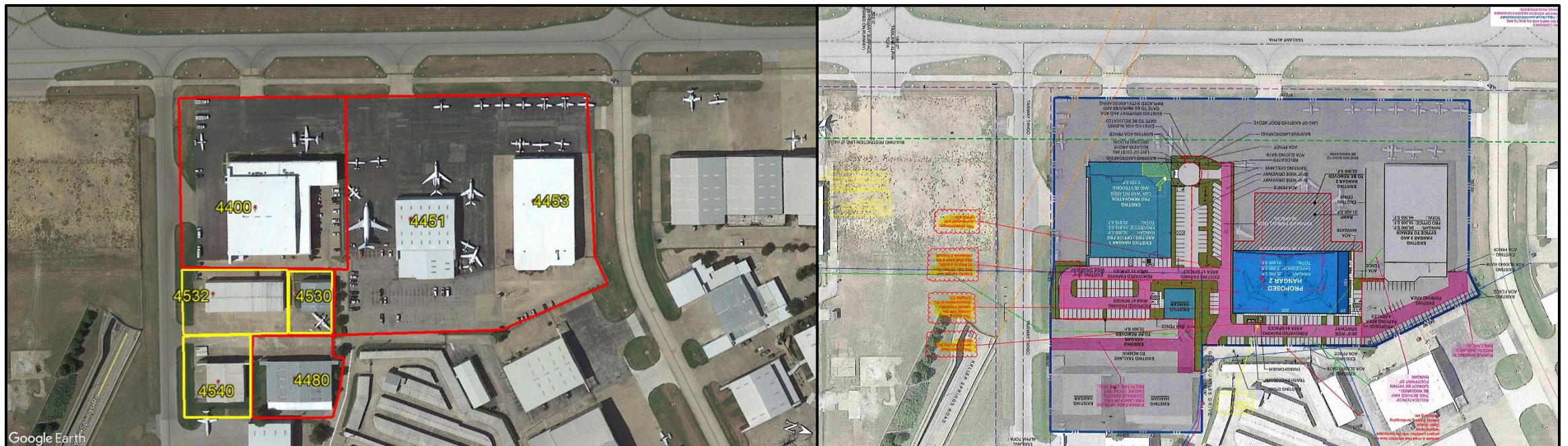
Galaxy FBO

- \$1 million lease pre-payment received July 2019; construction commenced December 2019
- The project continues to struggle with construction delays; substantial completion with initial operations is now not expected to occur before late July 2022
- 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)



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. Actual investment is now planned to exceed \$19 Million.
- Development Review Committee (DRC) reviewed and provided comment on preliminary plans (in a March 21 meeting). Atlantic has expressed the intent to move ahead with the entire redevelopment as soon as possible rather than in three phases over a period of years as outlined under the lease terms.



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 includes crack sealing on runway, Taxiway Alpha, and connecting taxiways.
 - Five-day closure beginning at 8:00pm Friday April 8; runway projected to re-open at 6:00am Tuesday April 12.
 - Project 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.
 - 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.
 - Five excellent responses to RFQ received; ranking of respondents sent to TX-DOT on February 25, 2022.
 - Garver was unanimously selected by the staff committee as the top-ranked respondent.
 - Garver is now in fee negotiations with TX-DOT Aviation.
 - 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.
- 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 expected to start late in 2022.

Addison Airport Quarterly Update – Questions?

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