

Addison Airport

1st Quarter Update – Fiscal Year 2023

February 13, 2023

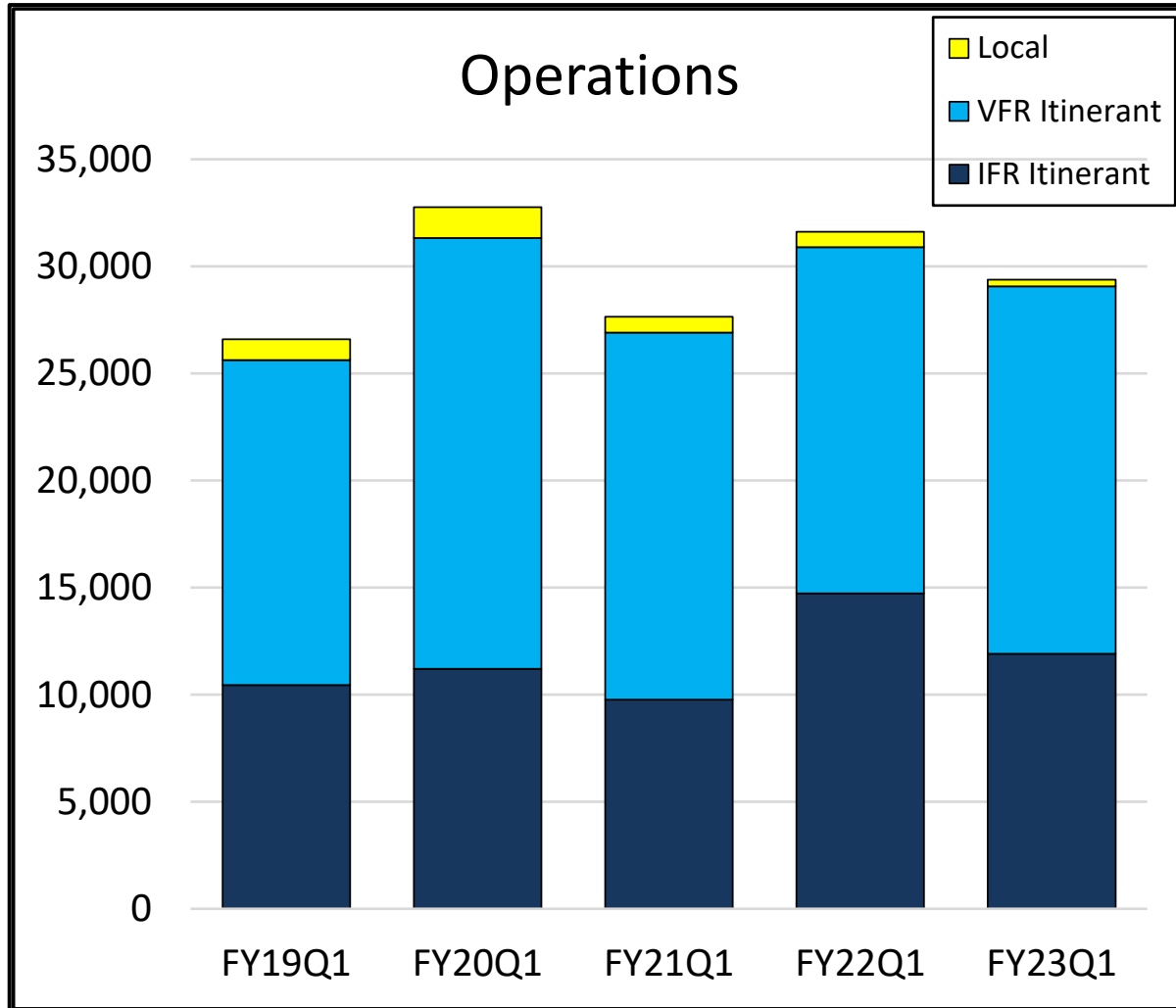
The logo for Addison Airport, featuring the word "ADDISON" in blue capital letters inside a white circle, which is set against a blue background with a white diagonal line.

ADDISON

- **Statistics: FY23 Q1**
 - Aircraft Operations
 - International Operations
 - Fuel Flowage
 - Revenue
 - Real Estate Portfolio
- **Projects and Progress**



FY23 Q1 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)

FY23 Q1 Statistics – Aircraft Operations (con't.)

Instrument (IFR) Operations

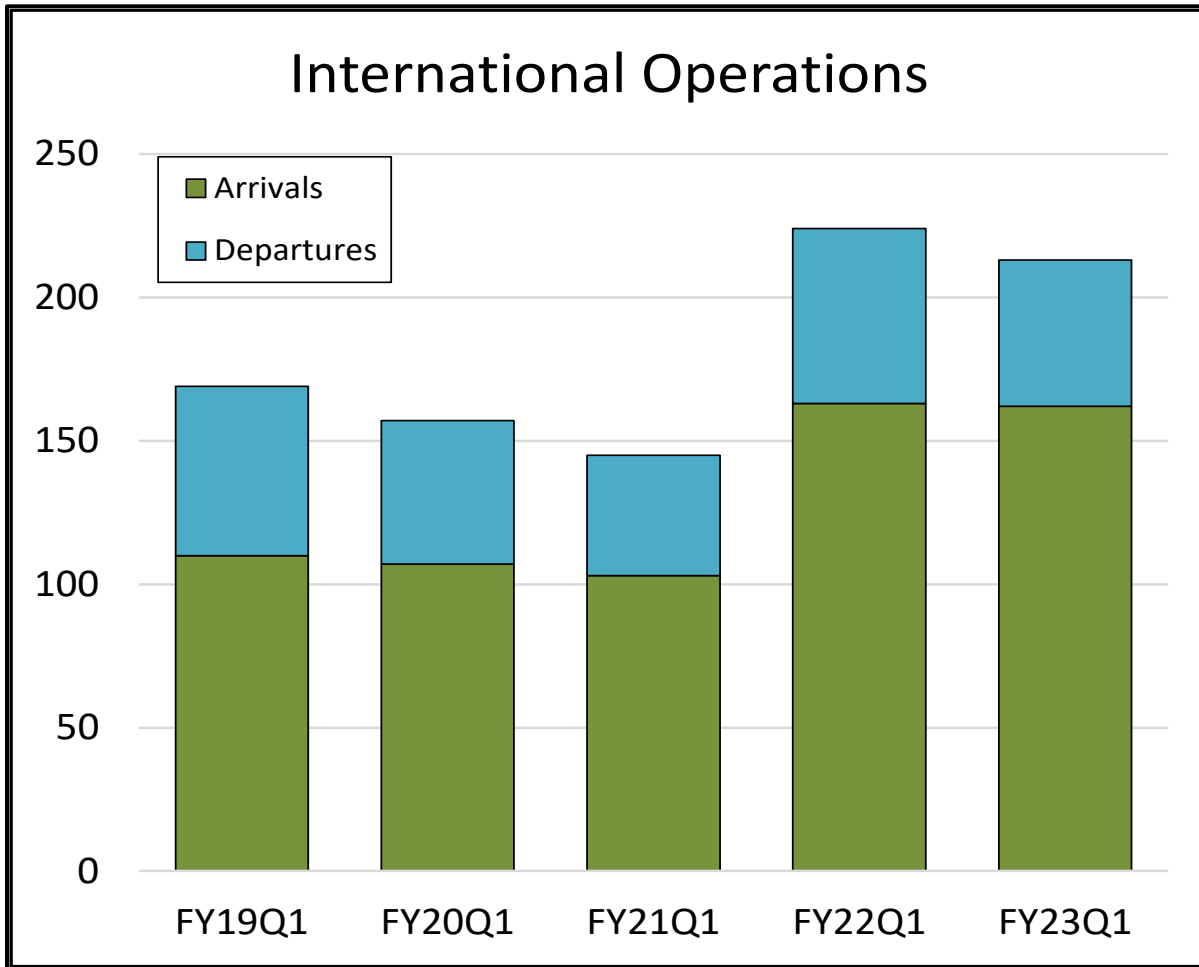
- Down 19.1% from Q1 of FY22
- Up 21.9% over Q1 of FY21

Total Operations

- Down 7.1% from Q1 of FY22
- Up 6.3% over Q1 of FY21

| | | OPERATIONS | | | |
|--------------|--------|---------------|---------------|--------------|---------------|
| | | IFR Itin | VFR Itin | Local | TOTAL |
| FY19 Q1 | Oct-18 | 3,935 | 4,573 | 469 | 8,977 |
| | Nov-18 | 3,432 | 5,616 | 280 | 9,328 |
| | Dec-18 | 3,080 | 4,989 | 220 | 8,289 |
| TOTAL | | 10,447 | 15,178 | 969 | 26,594 |
| FY20 Q1 | Oct-19 | 3,966 | 6,841 | 598 | 11,405 |
| | Nov-19 | 3,617 | 6,592 | 358 | 10,567 |
| | Dec-19 | 3,636 | 6,670 | 493 | 10,799 |
| TOTAL | | 11,219 | 20,103 | 1,449 | 32,771 |
| FY21 Q1 | Oct-20 | 3,580 | 6,055 | 283 | 9,918 |
| | Nov-20 | 3,228 | 5,746 | 187 | 9,161 |
| | Dec-20 | 2,968 | 5,338 | 261 | 8,567 |
| TOTAL | | 9,776 | 17,139 | 731 | 27,646 |
| FY22 Q1 | Oct-21 | 5,038 | 5,771 | 219 | 11,028 |
| | Nov-21 | 5,050 | 5,993 | 308 | 11,351 |
| | Dec-21 | 4,645 | 4,406 | 188 | 9,239 |
| TOTAL | | 14,733 | 16,170 | 715 | 31,618 |
| FY23 Q1 | Oct-22 | 4,022 | 6,894 | 158 | 11,074 |
| | Nov-22 | 4,112 | 5,229 | 88 | 9,429 |
| | Dec-22 | 3,785 | 5,030 | 58 | 8,873 |
| TOTAL | | 11,919 | 17,153 | 304 | 29,376 |

FY23 Q1 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

- Down 0.6% from Q1 FY22
- Up 57.3% over Q1 FY21

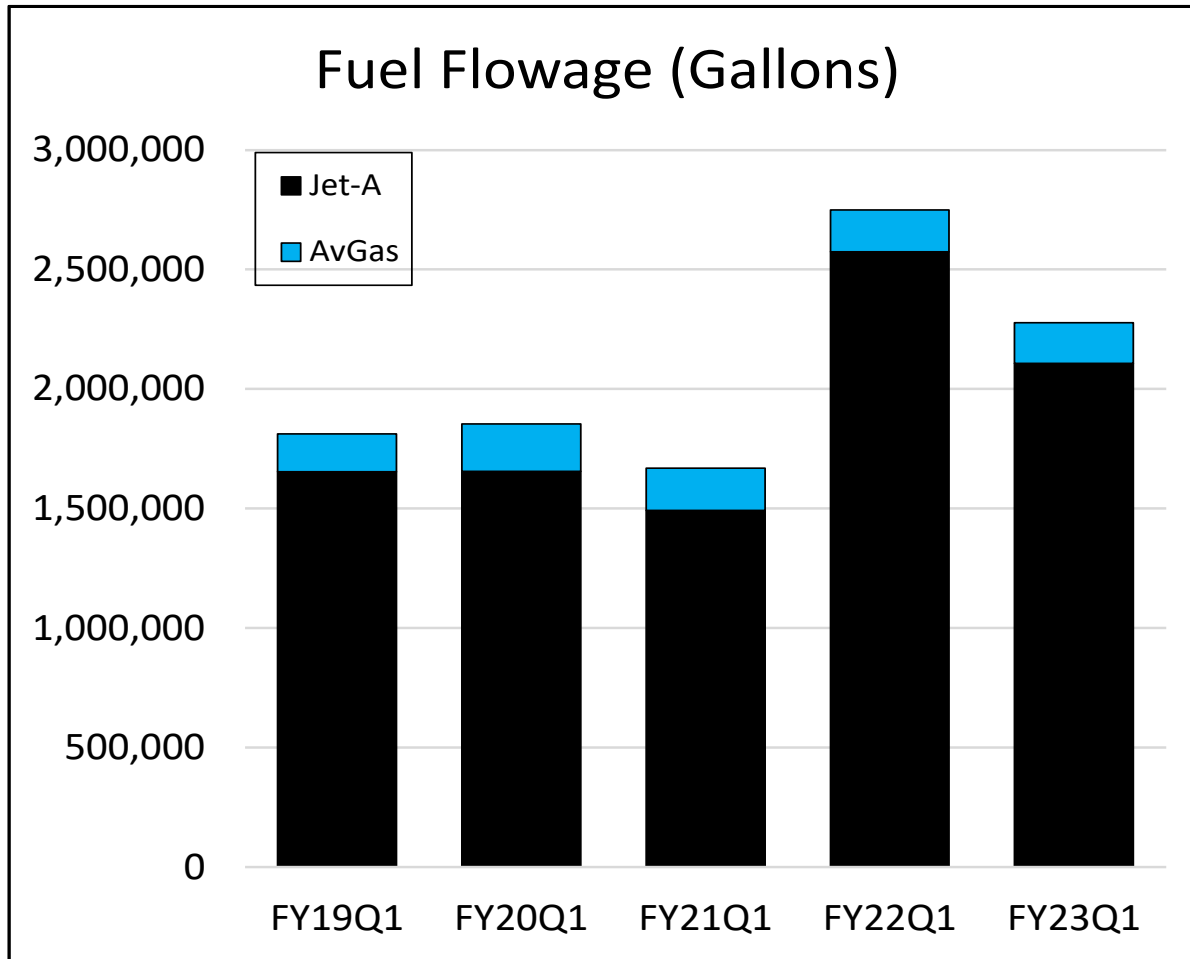
International Departures*

- Down 16.4% from Q1 of FY22
- Up 21.4% over Q1 of FY21

* 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 |
| FY19 Q1 | Oct-18 | 42 | 11 | 53 |
| | Nov-18 | 39 | 22 | 61 |
| | Dec-18 | 29 | 26 | 55 |
| TOTAL | | 110 | 59 | 169 |
| FY20 Q1 | Oct-19 | 26 | 7 | 33 |
| | Nov-19 | 38 | 21 | 59 |
| | Dec-19 | 43 | 22 | 65 |
| TOTAL | | 107 | 50 | 157 |
| FY21 Q1 | Oct-20 | 27 | 5 | 32 |
| | Nov-20 | 43 | 16 | 59 |
| | Dec-20 | 33 | 21 | 54 |
| TOTAL | | 103 | 42 | 145 |
| FY22 Q1 | Oct-21 | 38 | 9 | 47 |
| | Nov-21 | 61 | 23 | 84 |
| | Dec-21 | 64 | 29 | 93 |
| TOTAL | | 163 | 61 | 224 |
| FY23 Q1 | Oct-22 | 37 | 7 | 44 |
| | Nov-22 | 63 | 20 | 83 |
| | Dec-22 | 62 | 24 | 86 |
| TOTAL | | 162 | 51 | 213 |

FY23 Q1 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.

FY23 Q1 Statistics – Fuel Flowage (con't.)

Jet-A

- Down 18.1% from Q1 FY22
- Up 41.3% over Q1 FY21

AvGas

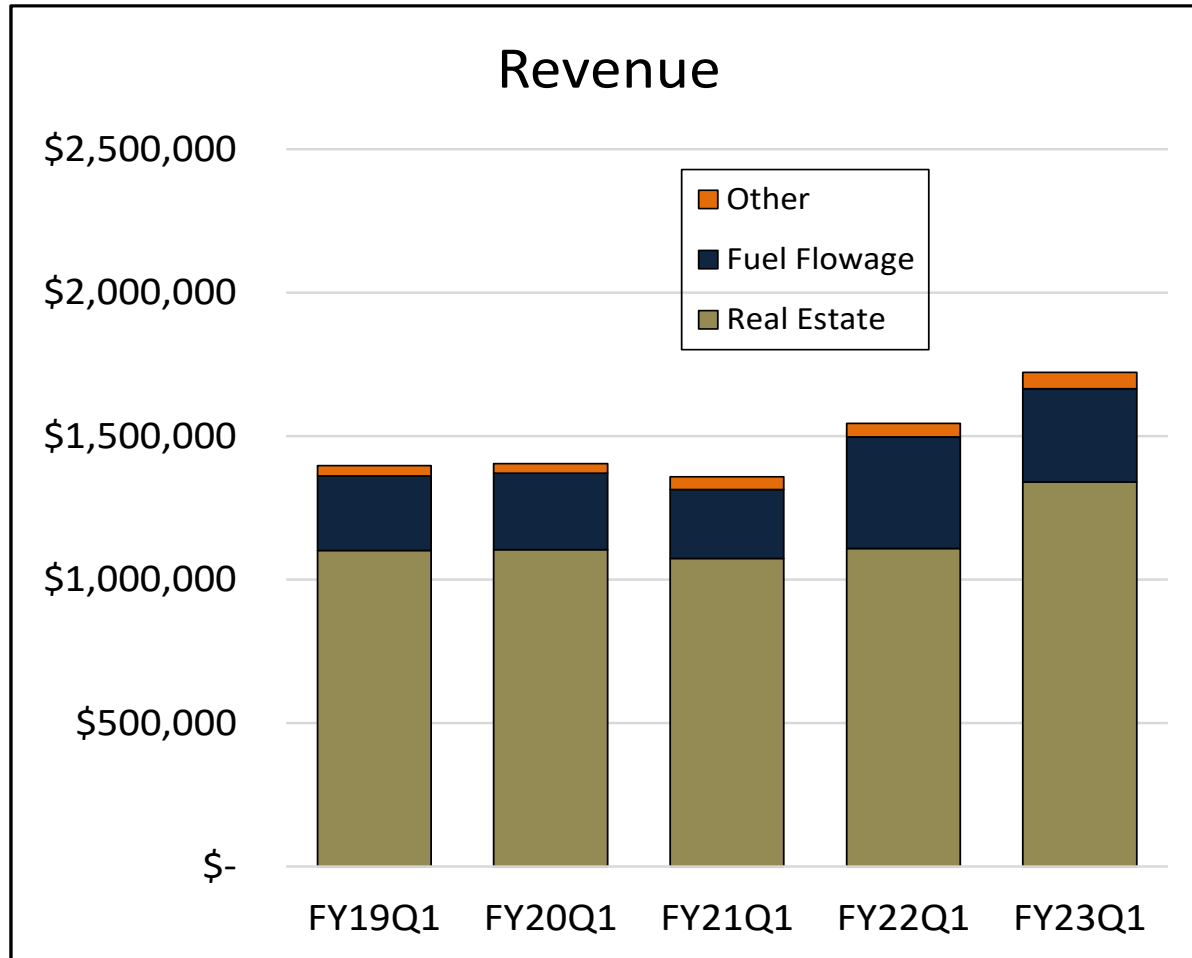
- Down 4.3% from Q1 FY22
- Down 5.3% from Q1 FY21

Total Fuel Flowage

- Down 17.2% from Q1 of FY22
- Up 36.4% over Q1 of FY21

| | | FUEL FLOWAGE (gallons) | | |
|--------------|--------|------------------------|----------------|------------------|
| | | Jet-A | AvGas | TOTAL |
| FY19 Q1 | Oct-18 | 555,796 | 47,404 | 603,200 |
| | Nov-18 | 560,580 | 60,950 | 621,530 |
| | Dec-18 | 537,520 | 49,668 | 587,188 |
| TOTAL | | 1,653,896 | 158,022 | 1,811,918 |
| FY20 Q1 | Oct-19 | 587,394 | 68,894 | 656,288 |
| | Nov-19 | 497,326 | 65,126 | 562,452 |
| | Dec-19 | 571,207 | 64,426 | 635,633 |
| TOTAL | | 1,655,927 | 198,446 | 1,854,373 |
| FY21 Q1 | Oct-20 | 530,193 | 64,444 | 594,637 |
| | Nov-20 | 447,146 | 56,798 | 503,944 |
| | Dec-20 | 514,125 | 56,903 | 571,028 |
| TOTAL | | 1,491,464 | 178,145 | 1,669,609 |
| FY22 Q1 | Oct-21 | 827,016 | 59,895 | 886,911 |
| | Nov-21 | 889,557 | 55,886 | 945,443 |
| | Dec-21 | 857,034 | 60,438 | 917,472 |
| TOTAL | | 2,573,607 | 176,219 | 2,749,826 |
| FY23 Q1 | Oct-22 | 680,941 | 69,984 | 750,925 |
| | Nov-22 | 724,646 | 49,342 | 773,988 |
| | Dec-22 | 702,536 | 49,392 | 751,928 |
| TOTAL | | 2,108,123 | 168,718 | 2,276,841 |

FY23 Q1 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

FY23 Q1 Statistics – Revenue (con't.)

Real Estate Revenue

- Up 21.0% over Q1 FY22
- Up 24.9% over Q1 FY21

Fuel Flowage Fees

- Down 16.8% from Q1 of FY22
- Up 35.3% over Q1 of FY21

Total Revenue

- Up 11.5% over Q1 of FY22
- Up 26.8% over Q1 of FY21

| | | REVENUE | | | |
|--------------|--------|--------------------|------------------|------------------|--------------------|
| | | Real Estate | FFF | Other | TOTAL |
| FY19 Q1 | Oct-18 | \$ 368,424 | \$ 86,679 | \$ 9,312 | \$ 464,414 |
| | Nov-18 | \$ 364,526 | \$ 88,931 | \$ 11,661 | \$ 465,118 |
| | Dec-18 | \$ 368,933 | \$ 84,187 | \$ 15,299 | \$ 468,419 |
| TOTAL | | \$1,101,882 | \$259,797 | \$ 36,272 | \$1,397,951 |
| FY20 Q1 | Oct-19 | \$ 376,390 | \$ 94,813 | \$ 8,254 | \$ 479,457 |
| | Nov-19 | \$ 371,814 | \$ 80,343 | \$ 14,462 | \$ 466,619 |
| | Dec-19 | \$ 355,679 | \$ 91,632 | \$ 11,052 | \$ 458,363 |
| TOTAL | | \$1,103,882 | \$266,788 | \$ 33,769 | \$1,404,439 |
| FY21 Q1 | Oct-20 | \$ 357,018 | \$ 85,818 | \$ 15,367 | \$ 458,202 |
| | Nov-20 | \$ 356,194 | \$ 71,252 | \$ 16,597 | \$ 444,043 |
| | Dec-20 | \$ 360,755 | \$ 82,548 | \$ 13,621 | \$ 456,924 |
| TOTAL | | \$1,073,967 | \$239,617 | \$ 45,585 | \$1,359,169 |
| FY22 Q1 | Oct-21 | \$ 365,719 | \$126,083 | \$ 14,454 | \$ 506,256 |
| | Nov-21 | \$ 364,559 | \$134,318 | \$ 10,780 | \$ 509,657 |
| | Dec-21 | \$ 377,826 | \$129,442 | \$ 21,518 | \$ 528,786 |
| TOTAL | | \$1,108,104 | \$389,843 | \$ 46,752 | \$1,544,699 |
| FY23 Q1 | Oct-22 | \$ 447,219 | \$107,392 | \$ 21,143 | \$ 575,754 |
| | Nov-22 | \$ 433,357 | \$110,308 | \$ 17,685 | \$ 561,351 |
| | Dec-22 | \$ 460,339 | \$106,591 | \$ 18,723 | \$ 585,653 |
| TOTAL | | \$1,340,915 | \$324,291 | \$ 57,551 | \$1,722,757 |

FY23 Q1 Statistics – Real Estate Portfolio

Addison Airport Q1 FY To Date 2023

| Property Type / Description | Number of Properties | Number of Units | Vacancies | Leased % | Q1 FY To Date 2023 Revenue | % of Total Revenue |
|--|----------------------|-----------------|-----------|-------------|----------------------------|--------------------|
| Ground Leased | | | | | | |
| Ground Leased | 33 | 33 | 0 | 100% | \$767,923 | 45% |
| Total Ground Leased | 33 | 33 | 0 | 100% | \$767,923 | 45% |
| Town / Airport Owned | | | | | | |
| Jet/Commercial/Sign | 19 | 68 | 8 | 88% | \$297,105 | 17% |
| T-Hangar | 9 | 99 | 0 | 100% | \$189,535 | 11% |
| Patio Hangar | 3 | 44 | 0 | 100% | \$41,055 | 2% |
| Tie-Downs | - | - | - | - | \$0 | 0% |
| Vacant / Unimproved Land | 8 | 8 | - | - | \$0 | 0% |
| Fuel Farm | 1 | 16 | 0 | 100% | \$49,467 | 3% |
| Total Town / Airport Owned | 40 | 235 | 8 | 97% | \$577,162 | 34% |
| Airport Real Estate Totals | 73 | 268 | 8 | 97% | \$1,345,085 | 78% |
| Access Permits | 2 | 16 | - | - | \$0 | 0% |
| Portfolio Total | 75 | 284 | 8 | - | \$1,345,085 | 78% |
| Non-Real Estate Revenue | | | | | \$377,672 | 22% |
| Q1 FY To Date 2023 Revenue Totals | | | | | \$1,722,757 | 100% |
| Annualized Revenue | | | | | \$6,891,030 | |
| Annualized Budgeted Revenue | | | | | \$6,437,820 | 107% |

FY23 Q1 Statistics – Real Estate Portfolio

Addison Airport Q1 FY To Date 2023 Economic Occupancy

| Property Type / Description | Q1 FY To Date 2023 Budget | Q1 FY To Date 2023 Revenue | Economic Occ. % |
|--|---------------------------|----------------------------|-----------------|
| Ground Leased | | | |
| Ground Leased | \$702,278 | \$767,923 | 109% |
| Total Ground Leased | \$702,278 | \$767,923 | 109% |
| Town / Airport Owned | | | |
| Jet/Commercial/Sign | \$309,672 | \$297,105 | 96% |
| T-Hangar | \$185,148 | \$189,535 | 102% |
| Patio Hangar | \$41,526 | \$41,055 | 99% |
| Tie-Downs | \$0 | \$0 | 0% |
| Vacant / Unimproved Land | \$0 | \$0 | 0% |
| Fuel Farm | \$49,470 | \$49,467 | 100% |
| Total Town / Airport Owned | \$585,816 | \$577,162 | 99% |
| Airport Real Estate Totals | \$1,288,094 | \$1,345,085 | 104% |
| Access Permits | \$0 | \$0 | 0% |
| Portfolio Total | \$1,288,094 | \$1,345,085 | 104% |
| Non-Real Estate Revenue | \$321,361 | \$377,672 | 118% |
| Q1 FY To Date 2023 Revenue Totals | \$1,609,455 | \$1,722,757 | 107% |

- Ground leases decreased by one, from 34 to 33, due to the expiration of a ground lease at 4511 Eddie Rickenbacker. That expired ground lease converted to a commercial lease with a 2025 expiration date.
- Access Permit fees (for through-the-fence access) are paid in January and July, with most of those TTF fees coming due in January.
- Galaxy FBO officially began operations in November 2022. Galaxy FBO sold more than 120,000 gallons of fuel in each of their first two months in operation ... a very good start.

Addison Airport – Projects and Progress

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November 6, 2022

Galaxy FBO

- Officially opened for business November 1, 2022.
- Hosted the FIFA World Cup Trophy Tour aircraft and event on November 6, 2022. Addison was one of just three U.S. stops for this tour; the other two stops were at Newark Liberty International (EWR) and Los Angeles International (LAX).
- Galaxy received 119,635 gallons of Jet-A in November and 127,884 gallons of Jet-A in December ... a strong start for their first two months in operation.



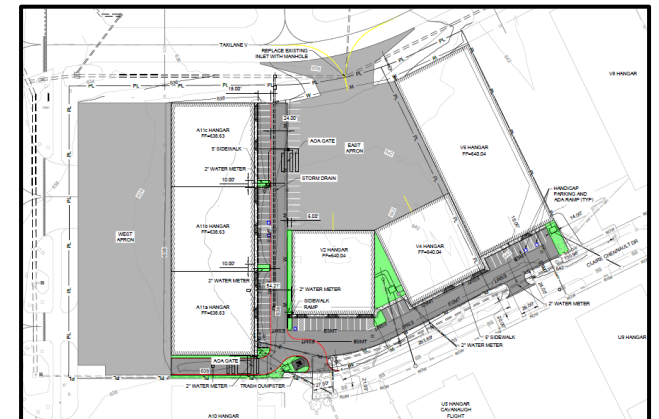
Million Air FBO

- For the first time ever, Million Air passed the milestone of 6,000,000 gallons of Jet-A delivered into aircraft in a single calendar year.
- The milestone was reached on the afternoon of December 27, 2022.
- The photo at right, provided by Million Air, commemorates the celebration of this milestone.



Status Update – Approved Developments

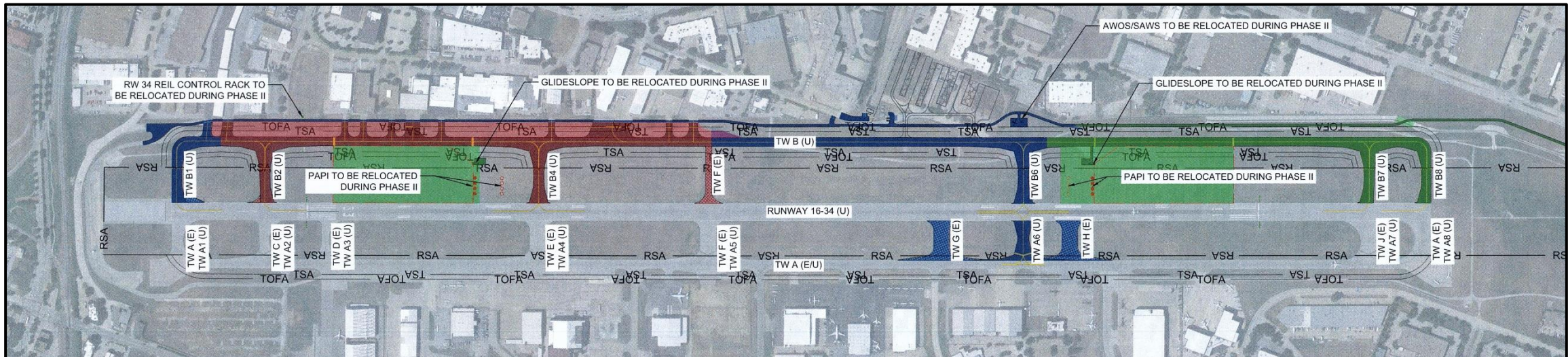
- Sky Squared
 - Preliminary site demolition and remediation has commenced
 - Site plan in review by DRC, scheduled for P&Z
- Atlantic Aviation FBO Redevelopment
 - No demolition or construction started yet
 - Site plan in review by DRC, scheduled for P&Z
- Sky Harbour – Phase I (former Jetport site)
 - Demolition of Jetport building completed
 - Pavement demolition has not commenced
 - Site plan and civil plans in review by DRC, scheduled for P&Z
- Sky Harbour – Phase II (Taxilane Uniform site)
 - Site plan in development



Addison Airport – Projects and Progress

Current Projects – Airport Improvement Program (AIP) Grants

- Design for Taxiway Bravo extensions – nearing completion
 - FY21 AIP grant in the amount of \$805,000 (90% FAA, 10% local match).
 - Preliminary Engineering Review (PER) for the full (three phase) project has been completed.
 - Preliminary design for phase 1 construction (base bid package: extension of Taxiway Bravo north to Taxiway Hotel and extension of Taxiway Hotel west of the runway to connect to Taxiway Bravo)
 - Project (phase 1 construction) is in final design, expected to advertise for bids in March.
 - Phase 1 construction project is planned to be advertised as a base bid with three additive alternates.



Addison Airport – Projects and Progress

Current Projects – Airport Improvement Program (AIP) Grants

- Construction of Taxiway Bravo extensions and west side service road (phase 1)
 - FY22 AIP grant, \$5,840,530 in AIP funds, with a local match of \$1,414,770 (90% FAA funds, with 10% local match; 50% match for the vehicle service road) for a total of \$7,255,300 is the programmed/available project funding.
 - TX-DOT will request local matching funds after bids are received.
 - Available funding is less than the Engineer’s Opinion of Probable Cost (EOPC) of \$10,347,000.
 - Airport has applied for FY22 AIP supplemental discretionary funding for this project.
 - Construction is anticipated to begin in July 2023.
 - The Taxiway Bravo extension (phase 1) will enable aeronautical development of a 4- to 5-acre land parcel on the west side of the airport, just north of the Toll Tunnel.



Addison Airport Quarterly Update – Questions?

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