

## **Regular Meeting of the Airport Advisory Commission**

**April 13, 2021**

### **Airport Advisory Commission to be held April 13, 2021 with Social Distancing Modifications**

Public comment will be allowed via telephone; no in-person input will be allowed. **All speakers must register in advance** (4/12/2021 by noon). All public comment will occur at the beginning of the meeting.

To speak remotely at the April 13, 2021 **Airport Advisory Commission Meeting**, residents must:

- Call or email the board liaison at **(512) 530-6605 or ammie.calderon2@austintexas.gov** no later than noon, (the day before the meeting). The information required is the speaker name, item number(s) they wish to speak on, whether they are for/against/neutral, and a telephone number or email address.
- Once a request to speak has been called in or emailed to the board liaison, residents will receive either an email or phone call providing the telephone number to call on the day of the scheduled meeting.
- Speakers must call in at least 15 minutes prior to meeting start in order to speak, late callers will not be accepted and will not be able to speak.
- Speakers will be placed in a queue until their time to speak.
- Handouts or other information may be emailed to **ammie.calderon2@austintexas.gov** by Noon the day before the scheduled meeting. This information will be provided to Board and Commission members in advance of the meeting.
- If this meeting is broadcast live, residents may watch the meeting here:  
**<http://www.austintexas.gov/page/watch-atxn-live>**

### **Reunión del Airport Advisory Commission (Abril 13, 2021)**

La junta se llevará con modificaciones de distanciamiento social  
Se permitirán comentarios públicos por teléfono; no se permitirá ninguna entrada en persona. Todos los oradores deben registrarse con anticipación (4/12/2021 antes del mediodía). Todos los comentarios públicos se producirán al comienzo de la reunión.

Para hablar de forma remota en la reunión, los residentes deben:

- Llame o envíe un correo electrónico al enlace de la junta en **(512) 530-6605 or ammie.calderon2@austintexas.gov** a más tardar al mediodía (el día antes de la reunión). La

información requerida es el nombre del orador, los números de artículo sobre los que desean hablar, si están a favor / en contra / neutrales, y un número de teléfono o dirección de correo electrónico.

- Una vez que se haya llamado o enviado por correo electrónico una solicitud para hablar al enlace de la junta, los residentes recibirán un correo electrónico o una llamada telefónica con el número de teléfono para llamar el día de la reunión programada.
- Los oradores deben llamar al menos 15 minutos antes del inicio de la reunión para poder hablar, no se aceptarán personas que llamen tarde y no podrán hablar.
- Los oradores se colocarán en una fila hasta que llegue el momento de hablar.
- Los folletos u otra información pueden enviarse por correo electrónico a **[ammie.calderon2@austintexas.gov](mailto:ammie.calderon2@austintexas.gov)** antes del mediodía del día anterior a la reunión programada. Esta información se proporcionará a los miembros de la Junta y la Comisión antes de la reunión.
- Si esta reunión se transmite en vivo, los residentes pueden ver la reunión aquí: **<http://www.austintexas.gov/page/watch-atxn-live>**



**AIRPORT ADVISORY COMMISSION MEETING**  
**April 13, 2021 3:00 PM**  
**VIA VIDEOCONFERENCING**

**CURRENT BOARD MEMBERS:**

Eugene Sepulveda, Chair  
Scott Madole, Vice-Chair  
Vicky Sepulveda, Secretary  
Wendy Price Todd  
Jeremy Hendricks

Ernest Saulmon  
Brian Stoller  
Billy Owens  
Frank Maldonado  
Jonathan Coon

**AGENDA**

**CALL TO ORDER**

**CITIZEN COMMUNICATION: GENERAL**

The first three (3) speakers who register to speak no later than noon the day before the meeting will be allowed a three-minute allotment to address their concerns regarding items not posted on the agenda.

**1. Introduction of Stephen Khanoyan, Local Government Affairs Program Manager**

**2. APPROVAL OF MINUTES**

March 9, 2021 - Meeting

**3. DEPARTMENT OF AVIATION WRITTEN STAFF BRIEFINGS**

- a) Chief Executive Officer's Report regarding Allegiant to establish Crew and Aircraft Base in Austin, Air Service, Revenue and Finance, AUS Hilton Hotel Resiliency Program, and Storm Uri (Prepared by Jacqueline Yaft, Chief Executive Officer)
- b) AUS February 2020 Financial Results  
(Prepared by Rajeev Thomas, Deputy Chief – Finance)
- c) AUS Air Service Update  
(Prepared by Jamy Kazanoff, Air Service Development)

#### **4. ACTION ITEMS**

- a) Nominate and vote for Airport Advisory Commission officers.

#### **5. FOR RECOMMENDATION**

- a) Authorize the negotiation and execution of a loan agreement and related documents with Austin-Bergstrom Landhost Enterprises, Inc., to address hotel operating expense shortfalls and certain required administrative expenses under the 2017 Bond Indenture for calendar years 2020 through 2022, as a result of the financial impact of COVID-19 on the hotel enterprise, in an amount not to exceed \$2,600,000.
- b) Approve an ordinance amending the Fiscal Year 2020-2021 Aviation Department Operating Fund to establish the Subordinate Obligation Fund and transfer the appropriation of \$2,645,601 from the Capital Fund to the Subordinate Obligation Fund.
- c) Authorize execution of Change Order #11 to the Competitive Sealed Proposal construction contract with JE Dunn Construction Company, for the ABIA Consolidated Maintenance Facility project in the amount of \$12,081,945, for a revised contract amount not to exceed \$74,233,124 plus additional contingency in the amount of \$1,826,846 for a total contract amount not to exceed \$76,059,970.

[Note: This change order will be awarded in compliance with 49CFR Part 26 and City Code Chapter 2-9A. Current participation to date is 13.20 % DBE.]

Prior to issuance of a notice to proceed, the Prime contractor will submit their subcontractor utilization plan that will demonstrate how they will use their approved subcontractors in accordance with the established procedures and the DBE Procurement Ordinance and Rules.

#### **6. DEPARTMENT OF AVIATION VERBAL BRIEFINGS**

None.

#### **7. NEW BUSINESS**

- a) Review of Commission Recommendations and Actions to discuss with appointing City Council Member
- b) Future Agenda Items
- c) Next scheduled May 11, 2021 at 3:00 PM.

## **ADJOURNMENT**

The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days before the meeting date. Please call Ammie Calderon, Aviation Department, at (512) 530-6605 for additional information; TTY users route through Relay Texas at 711.

For more information on the Airport Advisory Commission, please contact Tracy Thompson at (512) 530-5023.

# Steve Khanoyan – AUS Manager, Govt. Affairs

- Responsible for supporting AUS in our many efforts and projects related to the city, state, and government entities/organizations
- Steve comes to us from United Airlines where he spent 6 years in several roles; Chief of Staff to United's New York Regional President.
- Attended graduate school studying transportation policy at the University of Chicago
- MBA from Boston University, his undergraduate alma mater.
- Steve is also a veteran - Lieutenant in the US Navy, serving as an Combat Intelligence Officer, and completing two deployments
- Fitting right in with our Department, Steve is an avid traveler who has visited 88 countries and has lived abroad in London and Dubai
- Steve is a native Austinite and is back in his home town after an 18 year absence! He recently relocated here with his husband, Bartek, who is also in the travel industry
- Steve's retired parents, sister, and brother-in-law also live in Austin





## **AIRPORT ADVISORY COMMISSION**

### **ITEM 2. APPROVAL OF MINUTES**

**MARCH 9, 2021 - MEETING**





**AIRPORT ADVISORY COMMISSION  
REGULAR MEETING MINUTES  
TUESDAY, MARCH 9, 2021**

The Airport Advisory Commission convened in a Virtual Regular Meeting on Tuesday, March 9, 2021.

**CALL TO ORDER**

Scott Madole, Vice-Chair called the Commission Meeting to order at 3:05 p.m.

**Commission Members in Attendance:**

|                             |                  |
|-----------------------------|------------------|
| Scott Madole – Vice-Chair   | Jeremy Hendricks |
| Vicky Sepulveda - Secretary | Jonathan Coon    |
| Ernest Saulmon              |                  |
| Frank Maldonado             |                  |
| Wendy Price Todd            |                  |

**Commission Members Absent:**

Eugene Sepulveda – Chair  
Billy Owens  
Brian Stoller

**Aviation Staff in Attendance:**

|                 |                 |
|-----------------|-----------------|
| Jacqueline Yaft | Brian Long      |
| Tracy Thompson  | Diana Heath     |
| Ghizlane Badawi | Towanda Cordon  |
| Rajeev Thomas   | Shane Harbinson |
| Jamy Kazanoff   |                 |

**CITIZENS COMMUNICATIONS:**

None



## **1. APPROVAL OF MINUTES**

- a) The minutes from the meeting of March 9, 2021 were approved on Commission Member Hendricks motion, Commission Member Saulmon seconds on a vote. Motion passed on a 6-0-0-4 vote. Commission Members E. Sepulveda, Owens, V. Sepulveda, and Stoller were absent at this vote.

## **2. DEPARTMENT OF AVIATION STAFF WRITTEN BRIEFINGS**

- a) Chief Executive Officer's Report regarding AUS response to Winter Storm Uri, Air Service, Media and Awards, and CONRAC Bonds  
(Prepared by Jacqueline Yaft, Chief Executive Officer)
- b) AUS February 2021 Financial Results  
(Prepared by Rajeev Thomas, Deputy Chief – Finance)
- c) AUS Air Service Update  
(Prepared by Jamy Kazanoff, Air Service Development)

## **3. ACTION ITEMS**

No Items

## **4. FOR RECOMMENDATION**

- a) Authorize negotiation and execution of a contract with GCR, Inc. D/B/A Civix, to provide maintenance, support, and system upgrades for AirportIQ security operations, compliance, and safety management system, for a term of three years for a total contract amount not to exceed \$234,000.

(Note: Sole source contracts are exempt from the City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established).

A motion to approve was made by Commission Member Todd's motion, Commission Member Hendricks seconds on a vote. Motion passed on a 7-0-0-3 vote. Commission Members E. Sepulveda, Owens, and Stoller were absent at this vote.

## **5. DEPARTMENT OF AVIATION VERBAL BRIEFINGS**

- a) Hilton Hotel Resiliency Plan Update (Presented by Tracy Thompson – Chief, Admin. & External Affairs and Rajeev Thomas, Deputy Chief – Finance)

## **6. NEW BUSINESS**

- a) Review of Commission Recommendations and Actions to discuss with appointing City Council Member
  - Commissioners have requested a storm response report be provided.
  - Conrac Bond went well.
  - Recommendation item 4.a was approved.
  - Briefing was given on the Hilton Hotel
- b) Future Agenda Items
- c) Next scheduled meeting April 13, 2020 at 3:00 p.m.

## **ADJOURNMENT**

Scott Madole, Vice-Chair adjourned the meeting at 3:47 p.m.

The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days before the meeting date. Please call Ammie Calderon, Aviation Department, at (512) 530-6605 for additional information; TTY users route through Relay Texas at 711.

For more information on the Airport Advisory Commission, please contact Tracy Thompson at (512) 530-5023.



## **AIRPORT ADVISORY COMMISSION**

### **ITEM 3a. DEPARTMENT OF AVIATION WRITTEN STAFF BRIEFINGS**

Chief Executive Officer's Report regarding Allegiant to establish  
Crew and Aircraft Base in Austin, Air Service, Revenue and  
Finance, AUS Hilton Hotel Resiliency Program, and Storm Uri  
(Prepared by Jacqueline Yaft, Chief Executive Officer)





## MEMORANDUM

TO: Chair Eugene Sepulveda and Airport Advisory Commissioners

FROM: Jacqueline Yaft, Chief Executive Officer, Department of Aviation

DATE: April 13, 2021

SUBJECT: Austin-Bergstrom International Airport (AUS) Update

---

To keep Airport Advisory Commission members apprised of updates from the Department of Aviation, we intend to share monthly updates with you. Please accept the following the memo as the latest update from Aviation staff. We thank you for your continued support, especially as AUS navigates the challenges we continue to face due to the effects of the pandemic.

Austin-Bergstrom International Airport remains as committed to the health and safety of passengers and employees as ever and we continue to implement health and safety protocols and adapt to the required operational changes. We look forward to providing you with regular updates of our AUS operations.

### **Allegiant to establish Crew and Aircraft Base in Austin**

Last week, Allegiant Travel Company (NASDAQ: ALGT) announced plans to establish a base of operations at AUS. The Las Vegas-based company will locate three Airbus A320 aircraft reflected as an investment \$75 million in aircraft assets to establish the new base in Austin, and creating at least 89 new jobs. Allegiant currently operates from the South Terminal at AUS.

The Allegiant press release offered that, “Having locally-based operations will mean opportunities for expanded hours, as well as more- and more frequent – flight offerings for visitors and locals alike.”

### **Air Service**

As passenger demand for air services continues to grow, we have been able to resume previously suspended services and announce new services. Since last month, American

Airlines announced they will offer nonstop flights to 10 destinations. Daily, year-round service from AUS to Nashville (BNA), Las Vegas (LAS), Orlando (MCO) and New Orleans (MSY) will begin May 6, with service to Raleigh-Durham (RDU), Tampa (TPA) and Washington-Dulles (IAD) starting later in the summer. New Saturday seasonal service to Aspen (ASE), San Jose del Cabo, Mexico (SJD), and Destin-Fort Walton Beach (VPS) will begin June 5.

Southwest Airlines has announced six new destinations for them to serve. Burbank (BUR), Orange County (SNA), Minneapolis (MSP), Salt Lake City (SLC), Destin (VPS), and Miami (MIA) will be effective from April 6 to August 16 (the current end of the schedule). Two of the markets are new nonstop destinations for AUS, Burbank and Orange County.

Spirit Airlines is now servicing Pensacola (PNS), Alaska Airlines is now servicing Boise (BOI) and Hawaiian Airlines has a seasonal expansion for their service to Honolulu (HNL) from twice a week to three times a week starting on May 28.

### **Revenue and Finance**

The AUS five year operating budget was submitted to the Budget Office the week of March 12.

### **AUS Hilton Hotel Resiliency Program**

There will be four Council action items for April 22 Meeting relating to the AUS Hilton Hotel Resiliency Program, as follows:

- (1) Amended and Restated Articles of Incorporation ( Material terms - to update mailing addresses and to accurately reflect the number of Board members);
- (2) Amended and Restated Bylaws ( Material terms - to accurately reflect the number of Board Members, to provide for the approval by Council of any new Franchise or Hotel Management agreements, and to provide for a paid president position at the election of the Board of Directors of ABLE);
- (3) Approval to negotiate and execute Loan Agreement and related documents (Material terms – to provide financial relief in the form of a loan not to exceed \$2.6M to fund the 2020 shortfall in hotel operating revenues resulting from COVID-19 impact, and for a future loan amount (if necessary) for any hotel operating revenue shortfall in the near future – through December 31, 2022, in the event occupancy and revenues are insufficient for breakeven operations.)
- (4) Approve an ordinance amending the Fiscal Year 2020-2021 Aviation Department Operating Fund to establish the Subordinate Obligation Fund and transfer the appropriation of \$2,645,601 from the Capital Fund to the Subordinate Obligation Fund.

### **Storm Uri**

The weather event expenses have been compiled. To date, just over \$1 million was spent on relief efforts to alleviate the airport campus of snow, ice and other hazards to be able to safely host passengers and flights.



## **AIRPORT ADVISORY COMMISSION**

### **ITEM 3b. DEPARTMENT OF AVIATION WRITTEN STAFF BRIEFINGS**

b) AUS February 2021 Financial Results  
(Prepared by Rajeev Thomas, Deputy Chief – Finance)





## MEMORANDUM

TO: Airport Advisory Commissioners

FROM: Rajeev Thomas, Deputy Chief - Finance, Aviation Department

DATE: April 13, 2021

SUBJECT: Austin-Bergstrom International Airport (AUS) Update

---

### **COVID-19 Financial Impact and February 2021 Financial Results**

February's passenger numbers were low due to the continued prevalence of covid-19 virus across the country and international travel restrictions. AUS experienced a passenger decline of 72.1% in February compared to last year. February's daily enplaned passengers averaged 7.0k, while February 2020 averaged 19.6k. Traditionally, January and February are the lowest months for passenger enplanements.

February's financials and statistics also reflect the additional impact from the winter weather storm. Compared to the prior week of the storm, the daily enplaned passengers declined 50.3%, or 27,164, and landing weights declined 58.2%. The revenue loss is estimated to be \$183.1k, with landing fees and ground transportation trip fees being down 58% and 55% respectively. AUS had an additional \$1.3M in expenses, with \$723k related to personnel costs and \$242k for de-icing materials. Current damage assessment estimates are \$92k for water line breaks, broken valves and damaged pipe insulation.

Please find attached the February 2021 financial results for AUS. As you will see, February 2021 enplanements were 72.05% lower, or 447,527, below February 2020. February 2021 enplanements Year to Date (YTD) are down 67.36% over prior year. Cargo volume decreased 14.74% versus February 2020, and YTD cargo volume is 26.91% higher than the prior year. Excluding mail and belly freight, YTD cargo volume is up 47.41% over prior year.

Operating revenues decreased 35.7% over the prior year month or (\$5.4M), and lower



by 34.4% or (\$27.1M) February YTD. Year to Date revenues are 4.9% higher or \$2.4M above budget. The lower revenues were driven by lower landing weights (down 53%) as well as less parking and ground transportation services provided. Lower revenues are also a result of lower food, beverage, and retail concessions as well as lower rental car revenues and other rentals and fees.

Our continued focus on operational efficiencies and expense reductions is tracking to our year end expense targets. Accordingly, February's aviation related operating expenses were \$3.2M favorable to the budget YTD, and 22.4% or \$9.9M lower than prior YTD. The City of Austin allocated costs were in line with the airport's budget and debt service costs were as forecasted. Overall, February 2021 net income was (\$2.1M) versus \$3.1M for February 2020. YTD net income is (\$6.1M), and (\$17.5M) lower than prior year due to lower revenue (\$27.1M). February YTD net income is \$5.7M higher than budgeted due to higher revenue and lower expenses than budget. The Airport received YTD \$18.3M in Cares Act reimbursement funds for debt service of which \$3.6M was received in February; which is not reflected in the numbers above.

On April 22<sup>nd</sup> the Airport will present to City Council a Request for Council Action (RCA) to approve the use of the Subordinate Obligation Fund to replenish the Austin-Bergstrom Landhost Enterprises, Inc. (ABLE) Debt Service Reserve Fund (DSRF).

As a requirement of the 2017 Bond Indenture, the City executed a Grant Agreement with ABLE obligating the Department to transfer Surplus Airport System Revenues to the Bond Trustee to the extent there is a deficiency in the Senior Debt Service Reserve Fund related to the Bonds. Therefore, the Airport setup a Subordinate Obligation Fund, in accordance with Section 5.05 (Flow of Funds) of the Airport Bond Ordinance (Series 2019A), to fund future ABLE DSRF deficiencies. In order to complete any fiscal activities with the Subordinate Obligation Fund, a Budget Amendment is needed to finalize the establishment of the fund and transfer the budget authority that was originally put to the Airport Capital Fund.

Attachments:

February 2021 - AAC Financial Report

**CITY OF AUSTIN**  
**AUSTIN-BERGSTROM INTERNATIONAL AIRPORT**  
**Airport Operating Fund 5070**  
**Income Statement - For Internal Use Only**  
**Fiscal Year to Date for 5 Month(s) ended February 28, 2021**

|  | FY 2021<br>Amended<br>Budget | Budget<br>Seasonalized<br>5 month(s) | FY 2021<br>CYE      | CYE<br>Seasonalized<br>5 month(s) | Year to Date<br>w/ Accruals | Y-T-D to Budget         |                           | Y-T-D to CYE            |                           |
|--|------------------------------|--------------------------------------|---------------------|-----------------------------------|-----------------------------|-------------------------|---------------------------|-------------------------|---------------------------|
|  |                              |                                      |                     |                                   |                             | Variance<br>Fav (Unfav) | % Variance<br>Fav (Unfav) | Variance<br>Fav (Unfav) | % Variance<br>Fav (Unfav) |
| <b>REVENUE</b>   |                              |                                      |                     |                                   |                             |                         |                           |                         |                           |
| <b>AIRLINE REVENUE</b>   |                              |                                      |                     |                                   |                             |                         |                           |                         |                           |
| Landing Fees   | 16,720,000                   | 6,863,475                            | 17,426,753          | 7,208,186                         | 7,040,096                   | 176,621                 | 2.6%                      | (168,090)               | (2.3%)                    |
| Terminal Rental & Other Fees   | 37,697,000                   | 15,506,308                           | 43,679,223          | 18,352,523                        | 19,366,466                  | 3,860,158               | 24.9%                     | 1,013,944               | 5.5%                      |
| <b>TOTAL AIRLINE REVENUE</b>   | <b>54,417,000</b>            | <b>22,369,783</b>                    | <b>61,105,976</b>   | <b>25,560,708</b>                 | <b>26,406,562</b>           | <b>4,036,779</b>        | <b>18.0%</b>              | <b>845,854</b>          | <b>3.3%</b>               |
| <b>NON-AIRLINE REVENUE</b>   |                              |                                      |                     |                                   |                             |                         |                           |                         |                           |
| Parking  | 21,107,271                   | 8,217,069                            | 18,337,134          | 5,678,242                         | 6,083,549                   | (2,133,520)             | (26.0%)                   | 405,307                 | 7.1%                      |
| Ground Transportation for Hire   | 4,487,041                    | 1,730,618                            | 2,019,053           | 600,225                           | 759,776                     | (970,842)               | (56.1%)                   | 159,551                 | 26.6%                     |
| Rental Cars  | 11,069,553                   | 4,333,244                            | 11,026,850          | 4,594,521                         | 4,667,643                   | 334,400                 | 7.7%                      | 73,122                  | 1.6%                      |
| Food & Beverage  | 11,467,350                   | 4,233,445                            | 11,553,113          | 4,813,797                         | 4,631,678                   | 398,233                 | 9.4%                      | (182,119)               | (3.8%)                    |
| Retail   | 5,215,748                    | 1,844,496                            | 5,215,748           | 2,173,228                         | 2,430,648                   | 586,152                 | 31.8%                     | 257,419                 | 11.8%                     |
| Advertising  | 1,750,000                    | 678,655                              | 1,897,783           | 790,743                           | 794,916                     | 116,261                 | 17.1%                     | 4,173                   | 0.5%                      |
| Other Concessions, Rentals & Fees  | 14,598,015                   | 5,466,812                            | 14,812,320          | 5,795,372                         | 5,936,431                   | 469,620                 | 8.6%                      | 141,060                 | 2.4%                      |
| <b>TOTAL NON-AIRLINE REVENUE</b>   | <b>69,694,978</b>            | <b>26,504,338</b>                    | <b>64,862,001</b>   | <b>24,446,128</b>                 | <b>25,304,641</b>           | <b>(1,199,697)</b>      | <b>(4.5%)</b>             | <b>858,513</b>          | <b>3.5%</b>               |
| Interest Income  | 1,208,114                    | 503,381                              | 318,429             | 132,679                           | 74,480                      | (428,901)               | (85.2%)                   | (58,199)                | (43.9%)                   |
| <b>TOTAL REVENUE</b>   | <b>125,320,092</b>           | <b>49,377,502</b>                    | <b>126,286,406</b>  | <b>50,139,515</b>                 | <b>51,785,683</b>           | <b>2,408,181</b>        | <b>4.9%</b>               | <b>1,646,168</b>        | <b>3.3%</b>               |
| <b>OPERATING REQUIREMENTS</b>  |                              |                                      |                     |                                   |                             |                         |                           |                         |                           |
| Fac Mgmt, Ops and Airport Security   | 59,744,143                   | 22,667,382                           | 57,964,074          | 21,919,711                        | 22,547,822                  | 119,561                 | 0.5%                      | (628,110)               | (2.9%)                    |
| Airport Planning and Development   | 5,391,192                    | 2,118,953                            | 5,303,206           | 2,081,730                         | 1,681,672                   | 437,281                 | 20.6%                     | 400,058                 | 19.2%                     |
| Support Services   | 25,641,391                   | 9,880,896                            | 25,759,382          | 9,865,868                         | 8,393,538                   | 1,487,358               | 15.1%                     | 1,472,330               | 14.9%                     |
| Business Services  | 8,046,651                    | 2,662,734                            | 4,329,647           | 1,476,530                         | 1,531,393                   | 1,131,341               | 42.5%                     | (54,863)                | (3.7%)                    |
| <b>TOTAL OPERATING EXPENSES</b>  | <b>98,823,377</b>            | <b>37,329,965</b>                    | <b>93,356,309</b>   | <b>35,343,839</b>                 | <b>34,154,424</b>           | <b>3,175,541</b>        | <b>8.5%</b>               | <b>1,189,415</b>        | <b>3.4%</b>               |
| <b>Debt Service</b>  |                              |                                      |                     |                                   |                             |                         |                           |                         |                           |
| GO Debt Service Fund   | 507                          | 211                                  | 507                 | 211                               | 211                         | 0                       | 0.0%                      | 0                       | 0.0%                      |
| 2013 Prosperity Bank Loan  | 5,412,895                    | 2,254,977                            | 5,412,895           | 2,254,977                         | 2,254,977                   | (0)                     | (0.0%)                    | (0)                     | (0.0%)                    |
| 2014 Bond Issuance   | 7,077,844                    | 2,948,934                            | 7,077,844           | 2,948,934                         | 2,948,934                   | (0)                     | (0.0%)                    | (0)                     | (0.0%)                    |
| 2017 Bond Issuance   | 10,034,715                   | 4,181,131                            | 10,034,715          | 4,181,131                         | 4,181,131                   | 0                       | 0.0%                      | 0                       | 0.0%                      |
| 2019 Refunding Bonds   | 15,470,348                   | 6,522,618                            | 15,459,157          | 6,517,768                         | 6,517,634                   | 4,983                   | 0.1%                      | 134                     | 0.0%                      |
| 2019 New Money   | 8,471,750                    | 2,370,104                            | 8,471,751           | 2,370,104                         | 2,370,104                   | (0)                     | (0.0%)                    | (0)                     | (0.0%)                    |
| <b>TOTAL Net Debt Service</b>  | <b>46,468,059</b>            | <b>18,277,975</b>                    | <b>46,456,869</b>   | <b>18,273,126</b>                 | <b>18,272,992</b>           | <b>4,983</b>            | <b>0.0%</b>               | <b>134</b>              | <b>0.0%</b>               |
| <b>OTHER REQUIREMENTS</b>  |                              |                                      |                     |                                   |                             |                         |                           |                         |                           |
| Workers' Compensation  | 435,740                      | 181,558                              | 435,740             | 181,558                           | 181,560                     | (2)                     | (0.0%)                    | (2)                     | (0.0%)                    |
| Citywide Administrative Support  | 6,328,330                    | 2,636,804                            | 6,328,330           | 2,636,804                         | 2,636,800                   | 4                       | 0.0%                      | 4                       | 0.0%                      |
| Communications & Technology Mgmt   | 1,879,259                    | 783,025                              | 1,879,259           | 783,025                           | 783,025                     | (0)                     | (0.0%)                    | (0)                     | (0.0%)                    |
| Accrued Payroll  | 166,126                      | 69,219                               | 166,126             | 69,219                            | 69,219                      | (0)                     | (0.0%)                    | (0)                     | (0.0%)                    |
| Additional Retirement Contribution   | 350,754                      | 146,148                              | 350,754             | 146,148                           | 0                           | 146,148                 | 100.0%                    | 146,148                 | 100.0%                    |
| CTECC  | 307,939                      | 128,308                              | 307,939             | 128,308                           | 128,310                     | (2)                     | (0.0%)                    | (2)                     | (0.0%)                    |
| Trunked Radio Allocation   | 301,150                      | 125,479                              | 301,150             | 125,479                           | 125,480                     | (1)                     | (0.0%)                    | (1)                     | (0.0%)                    |
| Public Works Capital Projects Mgmt Fund  | 3,793,554                    | 1,580,648                            | 3,793,554           | 1,580,648                         | 1,580,648                   | 0                       | 0.0%                      | 0                       | 0.0%                      |
| <b>TOTAL OTHER REQUIREMENTS</b>  | <b>13,562,852</b>            | <b>5,651,188</b>                     | <b>13,562,852</b>   | <b>5,651,188</b>                  | <b>5,505,042</b>            | <b>146,147</b>          | <b>2.6%</b>               | <b>146,147</b>          | <b>2.6%</b>               |
| <b>TOTAL REQUIREMENTS</b>  | <b>158,854,288</b>           | <b>61,259,129</b>                    | <b>153,376,030</b>  | <b>59,268,153</b>                 | <b>57,932,458</b>           | <b>3,326,671</b>        | <b>5.4%</b>               | <b>1,335,695</b>        | <b>2.3%</b>               |
| <b>EXCESS (DEFICIT) OF TOTAL<br/>AVAILABLE FUNDS OVER<br/>TOTAL REQUIREMENTS</b> | <b>(33,534,196)</b>          | <b>(11,881,627)</b>                  | <b>(27,089,624)</b> | <b>(9,128,639)</b>                | <b>(6,146,775)</b>          | <b>5,734,852</b>        | <b>(48.3%)</b>            | <b>2,981,864</b>        | <b>(32.7%)</b>            |
| <b>CARES Act Reimbursement (Parking)</b>   | <b>0</b>                     | <b>0</b>                             | <b>0</b>            | <b>0</b>                          | <b>0</b>                    | <b>0</b>                | <b>N/A</b>                | <b>0</b>                | <b>N/A</b>                |
| <b>CARES Act Reimbursement (Debt Service)</b>                                    | <b>(30,950,446)</b>          | <b>(18,277,975)</b>                  | <b>(30,950,446)</b> | <b>(18,273,126)</b>               | <b>(18,276,563)</b>         | <b>(1,413)</b>          | <b>0.0%</b>               | <b>3,437</b>            | <b>(0.0%)</b>             |
| <b>TOTAL CARES ACT REIMBURSEMENT</b>   | <b>(30,950,446)</b>          | <b>(18,277,975)</b>                  | <b>(30,950,446)</b> | <b>(18,273,126)</b>               | <b>(18,276,563)</b>         | <b>(1,413)</b>          | <b>0.0%</b>               | <b>3,437</b>            | <b>(0.0%)</b>             |
| <b>EXCESS (DEFICIT) OF TOTAL AFTER CARES ACT</b>                                 | <b>(2,583,750)</b>           | <b>6,396,348</b>                     | <b>3,860,822</b>    | <b>9,144,487</b>                  | <b>12,129,788</b>           | <b>5,733,440</b>        | <b>89.6%</b>              | <b>2,985,300</b>        | <b>32.6%</b>              |

Note: Columns may not add to totals shown because of rounding

|                                   |                   |                    |
|-----------------------------------|-------------------|--------------------|
| <b>ENPLANEMENTS</b>               | <b>Passengers</b> | <b>% Inc/(Dec)</b> |
| February, 2021 (Month over Month) | 173,593           | -72.05%            |
| February, 2021 - Year-to-Date     | 1,145,700         | -67.36%            |

**CITY OF AUSTIN  
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT  
INCOME STATEMENT COMPARISON THIS YEAR VS. LAST YEAR**

|   | This month - This Year vs. Last Year |                   |                            |                           | Fiscal YTD - This Year vs. Last Year             |                       |                            |                           |
|---|--------------------------------------|-------------------|----------------------------|---------------------------|--|-----------------------|----------------------------|---------------------------|
|   | FY21 (Feb 21) vs FY20 (Feb 20)       |                   |                            |                           | FY21 (Oct 20 - Feb 21) vs FY20 (Oct 19 - Feb 20) |                       |                            |                           |
|   | FY21<br>Feb-21                       | FY20<br>Feb-20    | Fav (Unfav)<br>\$ Variance | Fav (Unfav)<br>% Variance | FY21<br>YTD<br>Feb-21                            | FY20<br>YTD<br>Feb-20 | Fav (Unfav)<br>\$ Variance | Fav (Unfav)<br>% Variance |
| <b>Airline Revenue</b>  |                                      |                   |                            |                           |  |                       |                            |                           |
| Landing Fees  | 1,092,918                            | 2,618,704         | (1,525,785)                | (58.3%)                   | 7,040,096  | 14,032,040            | (6,991,944)                | (49.8%)                   |
| Terminal Rental & Other Fees  | 3,798,662                            | 4,548,001         | (749,339)                  | (16.5%)                   | 19,366,466                                       | 22,099,089            | (2,732,623)                | (12.4%)                   |
| Total Airline Revenue   | 4,891,580                            | 7,166,704         | (2,275,124)                | (31.7%)                   | 26,406,562                                       | 36,131,128            | (9,724,566)                | (26.9%)                   |
| <b>Non-Airline Revenue</b>  |                                      |                   |                            |                           |  |                       |                            |                           |
| Parking   | 1,109,673                            | 3,091,077         | (1,981,404)                | (64.1%)                   | 6,083,549  | 16,948,112            | (10,864,563)               | (64.1%)                   |
| Ground Transportation for Hire  | 124,576                              | 661,609           | (537,033)                  | (81.2%)                   | 759,776  | 3,130,393             | (2,370,618)                | (75.7%)                   |
| Rental Cars   | 927,808                              | 1,208,208         | (280,399)                  | (23.2%)                   | 4,667,643  | 6,605,146             | (1,937,503)                | (29.3%)                   |
| Food & Beverage   | 938,822                              | 983,188           | (44,366)                   | (4.5%)                    | 4,631,678  | 5,118,198             | (486,519)                  | (9.5%)                    |
| Retail  | 470,311                              | 444,346           | 25,965                     | 5.8%                      | 2,430,648  | 2,202,014             | 228,633                    | 10.4%                     |
| Advertising   | 158,149                              | 198,612           | (40,463)                   | (20.4%)                   | 794,916  | 1,086,018             | (291,102)                  | (26.8%)                   |
| Other Concessions, Rentals & Fees   | 1,167,021                            | 1,384,928         | (217,907)                  | (15.7%)                   | 5,936,431  | 7,145,304             | (1,208,873)                | (16.9%)                   |
| Total Non-Airline Revenue   | 4,896,360                            | 7,971,967         | (3,075,607)                | (38.6%)                   | 25,304,641                                       | 42,235,185            | (16,930,544)               | (40.1%)                   |
| Interest Income   | 7,378                                | 101,962           | (94,585)                   | (92.8%)                   | 74,480   | 518,077               | (443,597)                  | (85.6%)                   |
| <b>Total Operating Revenue</b>  | <b>9,795,318</b>                     | <b>15,240,634</b> | <b>(5,445,316)</b>         | <b>(35.7%)</b>            | <b>51,785,683</b>                                | <b>78,884,390</b>     | <b>(27,098,708)</b>        | <b>(34.4%)</b>            |
| <b>Operating Requirements</b>   |                                      |                   |                            |                           |  |                       |                            |                           |
| Fac Mgmt, Ops and Airport Security  | 4,932,085                            | 4,459,060         | (473,025)                  | (10.6%)                   | 22,547,822                                       | 24,849,116            | 2,301,295                  | 9.3%                      |
| Airport Planning and Development  | 305,089                              | (32,463)          | (337,552)                  | 1039.8%                   | 1,681,672  | 2,480,286             | 798,614                    | 32.2%                     |
| Support Services  | 1,659,171                            | 1,716,001         | 56,831                     | 3.3%                      | 8,393,538  | 10,364,877            | 1,971,339                  | 19.0%                     |
| Business Services   | 283,695                              | 1,107,084         | 823,389                    | 74.4%                     | 1,531,393  | 6,316,729             | 4,785,337                  | 75.8%                     |
| Total Operating Expense   | 7,180,039                            | 7,249,682         | 69,643                     | 1.0%                      | 34,154,424                                       | 44,011,008            | 9,856,584                  | 22.4%                     |
| <b>Debt Service</b>   |                                      |                   |                            |                           |  |                       |                            |                           |
| GO Debt Service Fund  | 42                                   | 0                 | (42)                       | N/A                       | 211  | 0                     | (211)                      | N/A                       |
| 2013 Prosperity Bank Loan   | 451,131                              | 450,700           | (431)                      | (0.1%)                    | 2,254,977  | 2,254,400             | (577)                      | (0.0%)                    |
| 2014 Bond Issuance  | 589,844                              | 589,827           | (17)                       | (0.0%)                    | 2,948,934  | 2,948,933             | (2)                        | (0.0%)                    |
| 2017 Bond Issuance  | 836,226                              | 836,229           | 3                          | 0.0%                      | 4,181,131  | 4,108,966             | (72,166)                   | (1.8%)                    |
| 2019 Refunding Bonds  | 1,277,299                            | 1,401,024         | 123,725                    | 8.8%                      | 6,517,634  | 6,242,098             | (275,537)                  | (4.4%)                    |
| 2019 New Money  | 474,021                              | 324,200           | (149,821)                  | (46.2%)                   | 2,370,104  | 1,383,100             | (987,004)                  | (71.4%)                   |
| Total Debt Service  | 3,628,564                            | 3,601,980         | (26,584)                   | (0.7%)                    | 18,272,992                                       | 16,937,496            | (1,335,496)                | (7.9%)                    |
| <b>Other Requirements</b>   |                                      |                   |                            |                           |  |                       |                            |                           |
| Workers' Compensation   | 36,312                               | 38,282            | 1,970                      | 5.1%                      | 181,560  | 191,410               | 9,850                      | 5.1%                      |
| Citywide Administrative Support   | 527,360                              | 479,138           | (48,222)                   | (10.1%)                   | 2,636,800  | 2,395,690             | (241,110)                  | (10.1%)                   |
| Communications & Technology Mgmt  | 156,605                              | 151,494           | (5,111)                    | (3.4%)                    | 783,025  | 757,470               | (25,555)                   | (3.4%)                    |
| Accrued Payroll   | 13,844                               | 29,543            | 15,699                     | 53.1%                     | 69,219   | 147,713               | 78,494                     | 53.1%                     |
| Operating Reserve   | 0                                    | 283,342           | 283,342                    | 100.0%                    | 0  | 1,416,708             | 1,416,708                  | 100.0%                    |
| CTECC   | 25,662                               | 17,126            | (8,536)                    | (49.8%)                   | 128,310  | 85,630                | (42,680)                   | (49.8%)                   |
| Trunked Radio Allocation  | 25,096                               | 26,436            | 1,340                      | 5.1%                      | 125,480  | 132,180               | 6,700                      | 5.1%                      |
| Public Works Capital Projects Mgmt Fund                                   | 316,130                              | 283,281           | (32,849)                   | (11.6%)                   | 1,580,648  | 1,416,405             | (164,243)                  | (11.6%)                   |
| Total Other Requirements  | 1,101,008                            | 1,308,641         | 207,633                    | 15.9%                     | 5,505,042  | 6,543,206             | 1,038,165                  | 15.9%                     |
| <b>Total Requirements</b>   | <b>11,909,612</b>                    | <b>12,160,304</b> | <b>250,692</b>             | <b>2.1%</b>               | <b>57,932,458</b>                                | <b>67,491,711</b>     | <b>9,559,253</b>           | <b>14.2%</b>              |
| <b>SURPLUS (DEFICIT) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS</b> | <b>(2,114,294)</b>                   | <b>3,080,330</b>  | <b>(5,194,624)</b>         | <b>(168.6%)</b>           | <b>(6,146,775)</b>                               | <b>11,392,680</b>     | <b>(17,539,455)</b>        | <b>(154.0%)</b>           |
| CARES Act Reimbursement (Parking)   | 0                                    | 0                 | 0                          | N/A                       | 0  | 0                     | 0                          | N/A                       |
| CARES Act Reimbursement (Debt Service)                                    | (3,629,635)                          | 0                 | 3,629,635                  | N/A                       | (18,276,563)                                     | 0                     | 18,276,563                 | N/A                       |
| Total CARES Act   | (3,629,635)                          | 0                 | 3,629,635                  | N/A                       | (18,276,563)                                     | 0                     | 18,276,563                 | N/A                       |
| <b>TOTAL SURPLUS (DEFICIT) AFTER CARES ACT</b>                            | <b>1,515,341</b>                     | <b>3,080,330</b>  | <b>(1,564,989)</b>         | <b>(50.8%)</b>            | <b>\$ 12,129,788</b>                             | <b>\$ 11,392,680</b>  | <b>\$ 737,108</b>          | <b>6.5%</b>               |

Note: Columns may not add to totals shown because of rounding



## **AIRPORT ADVISORY COMMISSION**

### **ITEM 3c. DEPARTMENT OF AVIATION WRITTEN STAFF BRIEFINGS**

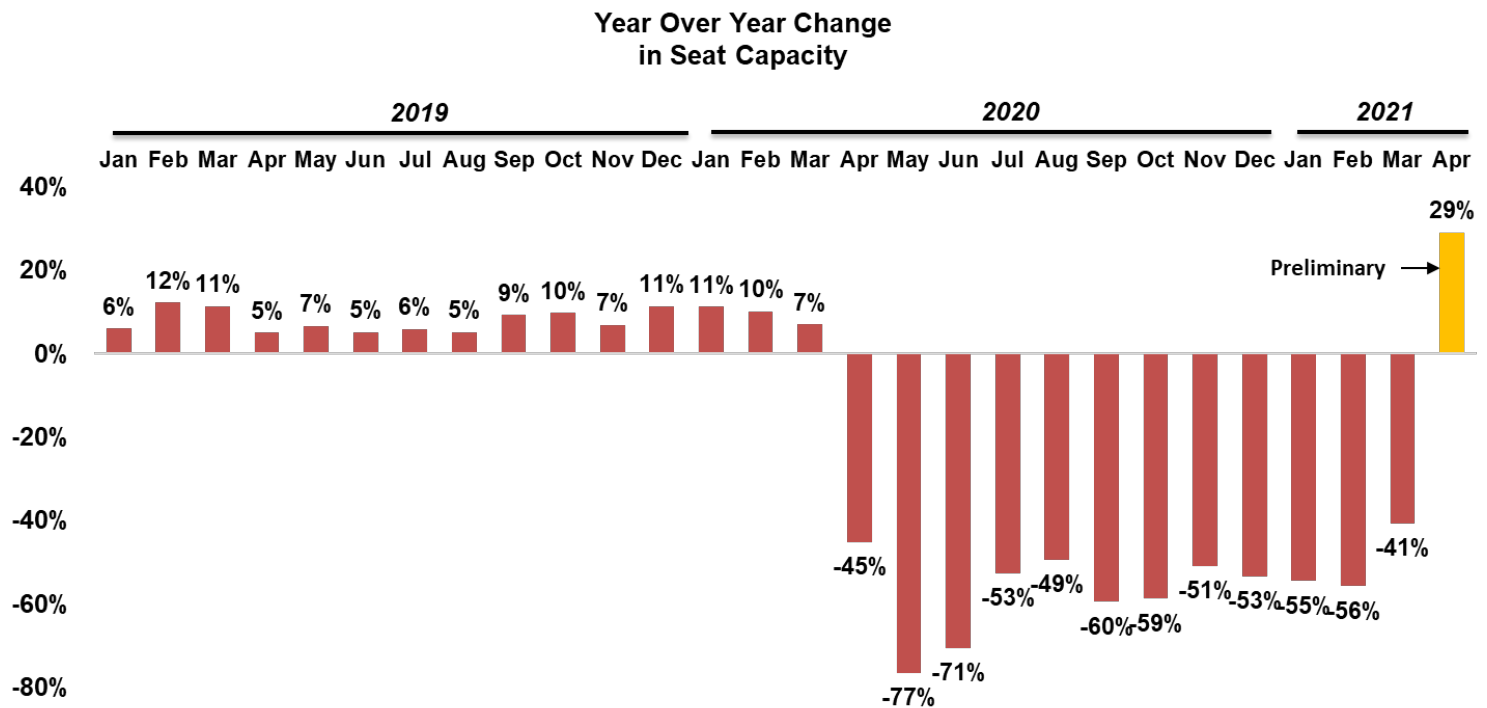
c) AUS Air Service Update  
(Prepared by Jamy Kazanoff, Air Service Development)



## April 2021 Air Service Snapshot

As airlines continue to announce summer service, it is evident they have confidence in summer leisure travel and more importantly, the Austin Texas market. Both domestic travel and Latin America/Caribbean travel should be strong this summer season. According to the airlines, this is especially attributable to widespread vaccine distribution and availability as well as the re-opening of states and relaxation of quarantines. Despite the bullish leisure travel outlook, corporate bookings are still down 77% compared to 2019 levels according to Bank of America and show little signs of improvement in the short-term.

The chart below shows how COVID-19 has affected AUS capacity with year-over-year change in seat capacity, which peaked at -77% in May 2020. Year-over-year capacity recovered slightly during the summer but since then has plateaued at down 50% to 60%. April 2021 schedules have been adjusted by all carriers and most have adjusted May as well. Although April capacity is up 29% v. April 2020, it is still down 29% v. April 2019. May 2021 capacity is only down 17% v. May 2019 at this point.

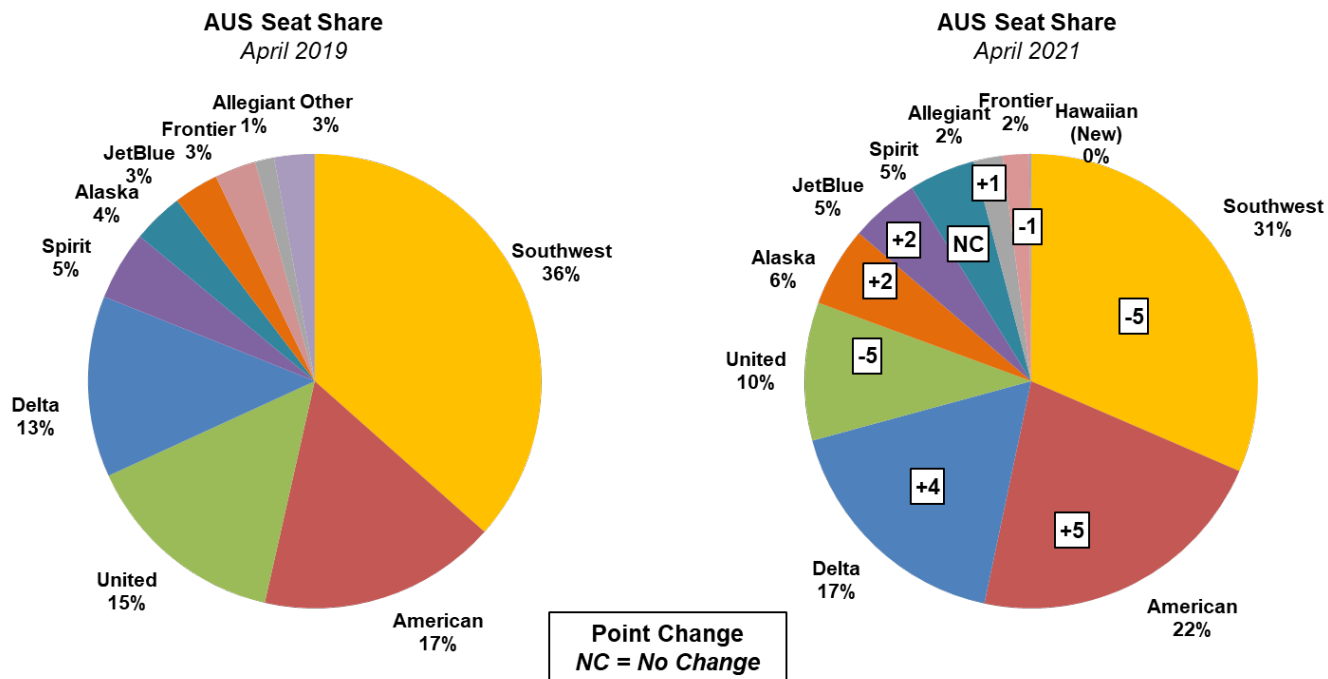


The map on the next page provides a summary of service changes at AUS between April 2020 and April 2021. Highlights of recent air service announcements/developments include:

- **Southwest** will serve a record 37 cities this summer including SMF (beginning May 9), and BUR\*, MIA, MSP, SNA\*, and SLC (beginning June 6)
- **American** is launching 7 new year-round routes (BNA, IAD, LAS, MCO, MSY, RDU, TPA) and 3 seasonal routes (ASE\*, SJD & VPS) and will finally start BOS service; AA will also codeshare on AS service to BOI, PDX, SAN, SEA & SFO
- **Lufthansa** further suspended service until June 2 but tentatively plans to serve AUS with 3/wk A330-300 with 255 seats \*
- **Allegiant** announced new service to Bozeman (BZN) starting May 27 and Fayetteville (XNA) starting July 2\*
- **Alaska** started service to LAX with one daily frequency on March 18, and will increase to three on May 20; BOI service will start on June 17; AS reinstated service to PDX on March 18 and will increase to two in June; third frequency to SAN will start in June; fourth SEA frequency start in June

- [illegible]

AUS capacity shares by airline in April 2021 are somewhat similar to April 2019. American and Delta's capacity shares are up 5 and 4 percentage points respectively while both Southwest and United's shares are down 5 percentage points. Both American and Southwest's capacity share should rise as newly announced service is implemented throughout the summer.

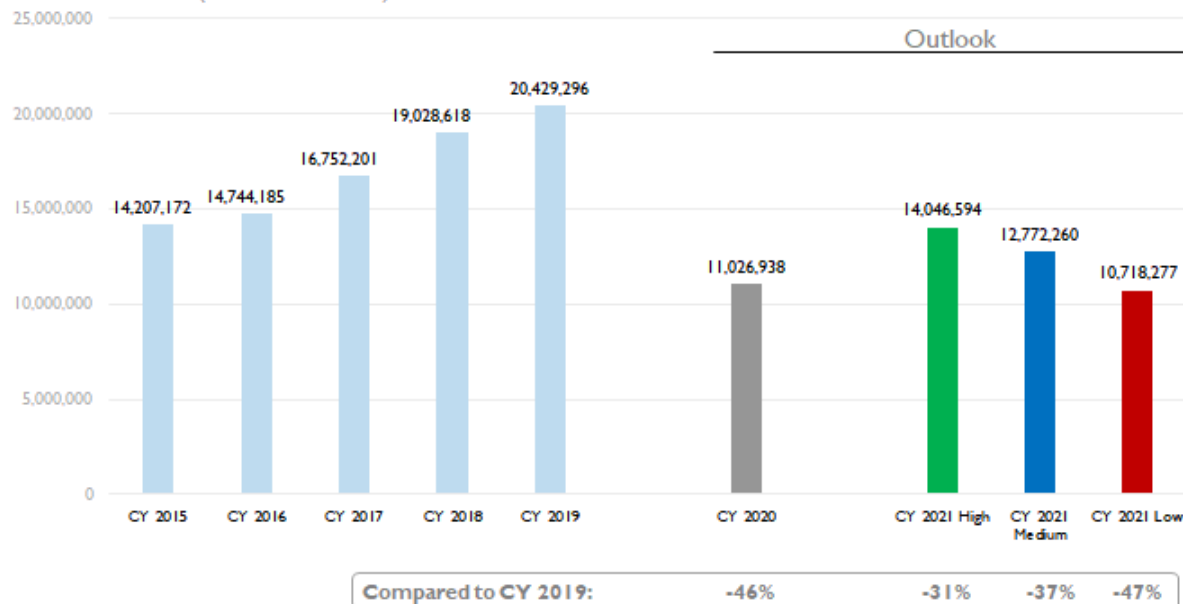


As shown below, a forecast for Calendar Year 2021 was recently performed (January 2021) by Campbell-Hill Aviation Group. Today, in April 2021, based on economic indicators/outlooks, air carrier service scenarios and currently filed schedules –there is no doubt the high scenario for CY2021 can be achieved and may be exceeded.

## AUS HISTORICAL SEATS AND OUTLOOK



Annual AUS Seats (Both Directions) on Scheduled Airlines



Source: Historical Seats Based on AUS Data, Future Seats Based on Campbell-Hill assessment of schedule and airline trends.



## **AIRPORT ADVISORY COMMISSION**

### **ITEM 5a. RECOMMENDATIONS**

Authorize the negotiation and execution of a loan agreement and related documents with Austin-Bergstrom Landhost Enterprises, Inc., to address hotel operating expense shortfalls and certain required administrative expenses under the 2017 Bond Indenture for calendar years 2020 through 2022, as a result of the financial impact of COVID-19 on the hotel enterprise, in an amount not to exceed \$2,600,000.





## Recommendation for Action

**File #: 21-1576, Agenda Item #:**

**4/22/2021**

### **Posting Language**

Authorize the negotiation and execution of a loan agreement and related documents with Austin-Bergstrom Landhost Enterprises, Inc., to address hotel operating expense shortfalls and certain required administrative expenses under the 2017 Bond Indenture for calendar years 2020 through 2022, as a result of the financial impact of COVID-19 on the hotel enterprise, in an amount not to exceed \$2,600,000.

### **Lead Department**

Aviation

### **Fiscal Note**

Funding in the amount of \$2,600,000 is available in the Fiscal Year 2020-2021 Department of Aviation's Operating Budget (Capital Fund).

### **For More Information:**

Inquiries should be directed to Tracy Thompson, Chief Officer-Administrative & External Affairs, at 512-530-5023 or [Tracy.Thompson@austintexas.gov](mailto:Tracy.Thompson@austintexas.gov).

### **Council Committee, Boards and Commission Action:**

April 13, 2021 - To be reviewed by the Airport Advisory Commission.

### **Additional Backup Information:**

The Loan Agreement contains the following terms:

A Base Loan Amount of \$1,350,000 will be disbursed to Austin-Bergstrom Landhost Enterprises, Inc. (ABLE) in the first advance under the Loan for the purpose of payment of any outstanding accounts payable resulting from COVID-19 impacts through May 1, 2021. The Loan Agreement also provides for a Contingency Line of Credit in the amount not to exceed \$1,250,000 to be disbursed with a future advance or advances to address any potential operating shortfall through December 31, 2022. The Loan Agreement provides explicit oversight and approval requirements from the Deputy Chief - Finance of the Department of Aviation prior to disbursement of any future advance.

Loan interest rate is 2% per annum and interest accrues upon the respective advance draw date(s). Accrued interest only payment on the Loan amount is due and payable on April 1, 2024, and principal and interest is payable in equal annual payments beginning April 1, 2025, reflecting an amortization of the principal outstanding over a term of three years.

ABLE is required to pre-pay the Loan when there are sufficient revenues available under the Bond Indenture flow of funds to make payment on the Loan balance.

### **Strategic Outcome(s):**

Mobility



## **AIRPORT ADVISORY COMMISSION**

### **ITEM 5b. RECOMMENDATIONS**

Approve an ordinance amending the Fiscal Year 2020-2021 Aviation Department Operating Fund to establish the Subordinate Obligation Fund and transfer the appropriation of \$2,645,601 from the Capital Fund to the Subordinate Obligation Fund.



## Recommendation for Action

**File #: 21-1577, Agenda Item #:**

**4/22/2021**

### **Posting Language**

Approve an ordinance amending the Fiscal Year 2020-2021 Aviation Department Operating Fund to establish the Subordinate Obligation Fund and transfer the appropriation of \$2,645,601 from the Capital Fund to the Subordinate Obligation Fund.

### **Lead Department**

Aviation Department.

### **Fiscal Note**

Funding in the amount of \$2,645,601 is available in the Fiscal Year 2020-21 Aviation Department's Operating Budget (Capital Fund). A fiscal note is attached.

### **Prior Council Action:**

On August 3, 2017, Council adopted Resolution No. 20170803-011 approving a resolution by Austin-Bergstrom Landhost Enterprises, Inc. (ABLE) to issue Series 2017 Bonds and negotiate and execute a Facilities Lease and Grant Agreement.

### **For More Information:**

Rajeev Thomas, Airport Deputy Chief of Finance, Aviation Department.

### **Council Committee, Boards and Commission Action:**

N/A

### **Additional Backup Information:**

In 2017, the City approved a resolution by Austin-Bergstrom Landhost Enterprises, Inc. (ABLE) authorizing the issuance of Airport Hotel Senior Revenue Refunding and Improvement Bonds, Series 2017. In connection with ABLE's issuance of these bonds, the City determined it was in the best interest of the City to enter and a Grant Agreement with ABLE to restore funds in the Debt Service Reserve Fund (DSRF) to satisfy the DSRF Requirement.

As part of the Grant Agreement, if the City receives a DSRF Deficiency Notice from the Bond Trustee and the Department of Aviation makes a Grant Funding Determination that Surplus Airport System Revenues are sufficient to fund the deficiency, the City is obligated to transfer funds to pay the deficiency to the Bond Trustee on behalf of ABLE.

Due to the significant impact of the Coronavirus (COVID-19) on the Airport Hilton Hotel, the Bond Trustee issued a DSRF Deficiency Notice to the City in October 2020. The Department of Aviation then determined that there were sufficient Surplus Airport System Revenues to fund the deficiency. In accordance with Section 5.05 (Flow of Funds) of the Airport Bond Ordinance (Series 2019A), the Department of Aviation setup a Subordinate Obligation Fund to fund any future DSRF deficiencies after making a Grant Funding Determination that Surplus Airport System Revenues are sufficient. In order to complete any fiscal activities with the Subordinate Obligation Fund, a Budget Amendment is needed to finalize the establishment of the fund

---

and transfer the budget authority that was originally put to the Airport Capital Fund. The Budget Amendment is for a municipal purpose.

**Strategic Outcome(s):**

Mobility.



## **AIRPORT ADVISORY COMMISSION**

### **ITEM 5c. RECOMMENDATIONS**

Authorize execution of Change Order #11 to the Competitive Sealed Proposal construction contract with JE Dunn Construction Company, for the ABIA Consolidated Maintenance Facility project in the amount of \$12,081,945, for a revised contract amount not to exceed \$74,233,124 plus additional contingency in the amount of \$1,826,846 for a total contract amount not to exceed \$76,059,970.

[Note: This change order will be awarded in compliance with 49CFR Part 26 and City Code Chapter 2-9A. Current participation to date is 13.20 % DBE.]



## Recommendation for Action

**File #:** 21-1160, **Agenda Item #:** 7.

4/22/2021

### **Posting Language**

Authorize execution of Change Order #11 to the Competitive Sealed Proposal construction contract with JE Dunn Construction Company, for the ABIA Consolidated Maintenance Facility project in the amount of \$12,081,945, for a revised contract amount not to exceed \$74,233,124 plus additional contingency in the amount of \$1,826,846 for a total contract amount not to exceed \$76,059,970.

[Note: This change order will be awarded in compliance with 49CFR Part 26 and City Code Chapter 2-9A. Current participation to date is 13.20 % DBE.]

### **Lead Department**

Capital Contracting Office

### **Managing Department**

Public Works Department

### **Fiscal Note**

Funding is available in the Fiscal Year 2020-2021 Capital Budget of the Department of Aviation.

### **Purchasing Language:**

Original contract was awarded through a Competitive Sealed Proposal solicitation process.

### **Prior Council Action:**

May 23, 2019 - Council approved a construction contract with JE Dunn Construction Company for the ABIA Consolidated Maintenance Facility.

November 9, 2017 - City Council authorized the use of the competitive sealed proposal contracting method.

### **For More Information:**

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or [AgendaOffice@austintexas.gov](mailto:AgendaOffice@austintexas.gov).

NOTE: Respondents to this solicitation, and their representatives, shall direct inquiries to Rolando Fernandez, 512-974-7749, Beverly Mendez, 512-974-3596, or the Project Manager, David Kim Taylor, 512-217-8951.

### **Council Committee, Boards and Commission Action:**

To be reviewed by the Airport Advisory Commission on April 13, 2021.

### **Additional Backup Information:**

In 2015, the Aviation Department identified a need for improved and expanded maintenance facilities. Existing maintenance facilities are in multiple locations, typically in older buildings, some of which will be impacted by plans for future terminal expansion. After consideration of alternatives, design was started on a consolidated campus facility to be located on a 16.15-acre site on the east side of Austin Bergstrom International Airport at

10301 Golf Course Road.

The purpose of this facility is to support airport daily operations with more efficient maintenance operations to meet current and future needs. Among the updated facilities are buildings for Maintenance Headquarters, Motorpool shop, Truck Wash, Warehouse, Trade shops and a Recycling center. Additional facilities include an Airport Police Unit, De-icing Equipment Storage and several minor support structures. The project will also include site improvements - drainage, utilities, and parking for the facilities and drives.

To support the growth of air cargo at AUS, Change Order #11 will provide funding to create required infrastructure to support the airport's ability to meet the demand for cargo capacity.

Public Impact of constructing this cargo addition will be minimal as this planned cargo location will maintain accessibility to existing facilities.

The main buildings in this project are designed to meet LEED Silver goals and comply with City of Austin sustainable construction standards.

This change order has been approved by the City's Change Control Committee. The Change Control Committee was established to comply with Council Resolution No. 20120126-048, which required the establishment of consistent criteria and process to evaluate contractual changes for all contracts administered by the Capital Contracting Office. The Change Control Committee is comprised of management-level subject matter experts.

The contract allows 541 calendar days for completion of this project. This Change Order #11 will add 455 calendar days to the contract for a total of 1026. This project is located within zip code 78719 (District 2).

**Strategic Outcome(s):**

Safety, Mobility, Government That Works for All

## AUTHORIZATION HISTORY

| AMOUNT       | DATE                                | DESCRIPTION  |
|--------------|-------------------------------------|--|
| \$65,000,000 | 05/23/2019                          | (Council) – Construction Services for the Consolidated Maintenance Facility including a 10% Contingency  |
| \$58,000     | 05/23/2019                          | (Administrative Authority)   |
| \$14,000,000 | 01/13/2021                          | Proposed (Council) – CO #11 Construction Services for East Cargo Facility  |
| \$4,000,000  | 01/13/2021                          | Proposed (Council) – Additional 5% Contingency – Allow for the expeditious processing of any change orders resulting from unforeseen conditions related to East Cargo Facility |
| \$83,058,000 | <i>Total Contract Authorization</i> |  |

## CONTRACT HISTORY

| AMOUNT     | DATE     | DESCRIPTION (CO%/CUMULATIVE CO%)   |
|------------|----------|--|
| 60,847,977 | 05/23/19 | Construction Services for the Consolidated Maintenance Facility  |
| \$14,652   | 11/15/19 | CO #1 – Additional expenses for temporary power from delay in power extension; credit for alternate plumbing fittings; add cost to investigate unforeseen gas line at main site (0.02%/0.02%)  |
| \$74,073   | 01/03/20 | CO #2 – <b>Add</b> mechanical controller in Headquarters; add compressed air accessories and supports in Motor Pool; add showers in Headquarters; add fire caulking in Airport Police Unit room (0.12%/0.15%)  |
| \$84,912   | 03/20/20 | CO #3 – Add to upgrade membrane roofing hail rating; add costs and time to revise structural steel in Headquarters; add to test unforeseen gas line at De-icing; add to replace settled piers at Headquarters and Warehouse; add relief hood at Headquarters; add bollards at Trades dust collector; credit for deleted floor boxes in Headquarters; credit for Intellikey cylinders replacement (0.14%/0.29%)   |
| \$221,815  | 03/20/20 | CO #4 – Add to upgrade Truck Wash facilities (0.36%/0.65%)   |
| \$253,522  | 08/20/20 | CO #5 – Add to change toilet and bath accessories; add isolation valve to main chiller; add dual pedestals; access controls and associated fiber at Airport Police; add intercoms, programming and pathways at gates; add for changes and additions to cameras, poles and mounting; add data drops to controlled door; add to revise pathways for gate power, telecom enclosures and fiber power enclosures; add to re-align reclaimed water line; add for steel revision to Headquarters window header; add breakers for electric vehicles and wiring to irrigation pumps, add fill at Fuel Canopy, change various drywall types, credit reduced landscape seating, add to relocate existing AT&T lines (0.42%/1.07%)   |
| \$5,536    | 09/29/20 | CO #6 – Add two wi-fi boxes to Airport Police (0.01%/1.08%)  |
| \$423,043  | 11/05/20 | CO #7 – Add to raise storm inlet; add to change fan transformers in Headquarters and Airport Police; add to utilize high strength concrete for drainage; add for extending utilities for expanded Truck Wash; add power for body cameras and radio racks in Police Unit; add rated infill to shaft; credit to delete camera licenses; add to adjust canopy footings; add to adjust paving base at De-icing; add for power, audio/visual and information technology changes in Airport Police; add access controls to Garages and Recycling; add to relocate standpipe in Headquarters; add to adjust drop ceiling in Headquarters; add to extend pavement and adjust drop inlets at east Canopy; add to relocate two light poles; add data drop to Fuel Canopy; add to replace undersized power panel in Headquarters; add to change scupper details at Warehouse; add to blackout remaining poles pending AT&T line removal (0.70%/1.78%) |
| \$27,495   | 12/01/20 | CO #8 – Add pre-construction services for East Cargo facility (0.05%/1.83%)  |



|              |                               |   |
|--------------|-------------------------------|---|
| \$86,207     | 12/22/20                      | CO #9 – Add power and data for added Building Management System panels in all buildings (0.14%/1.97%)   |
| \$111,947    | 12/22/20                      | CO #10 – Add for mandated Covid safety requirements; add to remove and repair sidewalk at Highway 71 water connection; add power and circuits for three overhead doors in Trades and Warehouse; add power to fire dampers in Headquarters; add outdoor air compressor; add to adjust parapet panels for roof flashing at Headquarters; provide gas meters; add to trim oak tree for lighting and truck passage; add to extend gas supply line at Airport Police (0.18%/2.15%) |
| \$13,908,791 | Proposed                      | Council – CO #11 – Construction Services for East Cargo Facility (29.58%/31.73%)  |
| \$76,059,970 | <i>Total Contract History</i> |   |

**DBE Summary**

Participation goals stated in the original approved compliance plan were 8.19% DBE. Participation for this change order is unknown as design is still underway; participation is expected to meet or exceed the approved goal.

Additional authorization has been listed under the prime contractor. Subcontractor participation for this authorization is unknown. Prior to issuance of a notice to proceed, the Prime contractor will submit their subcontractor utilization plan that will demonstrate how they will use their approved subcontractors in accordance with the established procedures and the DBE Procurement Ordinance and Rules.

|                                  |              |      |
|----------------------------------|--------------|------|
| NON DBE TOTAL – PRIME            | \$13,908,791 | 100% |
| JE Dunn Construction, Austin, TX | \$13,908,791 | 100% |

**Overall participation based on contract expenditures as of January 26, 2021 (not including this change order):**

**PRIME:**

10.75 % Non DBE

**SUBCONTRACTORS:**

13.20% DBE; and 76.05% Non DBE

**TOTAL:**

13.20% DBE; and 86.80% Non DBE