



**AIRPORT ADVISORY COMMISSION MEETING
SEPTEMBER 14, 2021 3:00 PM
2716 SPIRIT OF TEXAS DRIVE, ROOM 174-A
AUSTIN, TEXAS 78719**

(Note: The Mayor of the City of Austin Order No. 20210811-033 requires all individuals over the age of two to wear a face covering while present on or in City property unless expressly exempted in Section 2 of the order or by a City policy applicable to the premises or facility.)

CURRENT BOARD MEMBERS:

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

Ernest Saulmon
Jonathan Coon
Billy Owens
Frank Maldonado
Raymond Young

AGENDA

CALL TO ORDER

CITIZEN COMMUNICATION: GENERAL

Speakers signed up prior to the meeting being called to order will each be allowed a three minute allotment to address their concerns regarding items not posted on the agenda.

1. INTRODUCTION OF COMMISSIONER CHAD ENNIS

2. APPROVAL OF MINUTES

August 10, 2021 meeting.

3. WRITTEN STAFF BRIEFINGS

- a) July 2021 Financial Results.
(Prepared by Rajeev Thomas, Deputy Chief, Finance)
- b) AUS Air Service Update.
(Prepared by Jamy Kazanoff, Air Service Development)

4. VERBAL STAFF BRIEFINGS

- a) “Updates on the Airport Expansion and Development Program (AEDP)” presented by Tracy Thompson, Interim Chief of Planning and Development, and Shane Harbinson, Deputy Chief of Planning and Development.
- b) “Recap of 2022 Department of Aviation Budget” presented by Rajeev Thomas, Deputy Chief, Finance.
- c) “Update on Cargo Development Project” presented by Mookie Patel, Chief Officer of Business and Finance

5. ACTION ITEMS

None.

6. FOR RECOMMENDATION, AVIATION DEPARTMENT

- a) Approve a resolution finding the use of the Construction Manager-at-Risk method of contracting, as authorized by Subchapter F, Chapter 2269 of the Texas Government Code, is the project delivery method that provides the best value to the City for the Airport Development Expansion Program, Airfield Construction project for airfield improvements.

(Note: MBE/WBE goals will be established prior to issuance of this solicitation.)

7. NEW BUSINESS

- a) Review of Commission Recommendations and Actions to discuss with appointing City Council Member.
- b) Future Agenda Items.
- c) Next scheduled meeting October 12, 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 or tracy.thompson@austintexas.gov.



AIRPORT ADVISORY COMMISSION

ITEM 2. APPROVAL OF MINUTES

August 10, 2021 - MEETING





**AIRPORT ADVISORY COMMISSION
REGULAR MEETING MINUTES
TUESDAY, AUGUST 10, 2021**

The Airport Advisory Commission convened in a Virtual Regular Meeting on Tuesday, August 10, 2021.

CALL TO ORDER

Chair E. Sepulveda called the Commission Meeting to order at 3:04 p.m.

Commissioners in Attendance:

Eugene Sepulveda – Chair	Jonathan Coon
Scott Madole – Vice-Chair	Vicky Sepulveda
Jeremy Hendricks – Secretary	Wendy Price Todd
Billy Owens	Raymond Young

Commissioners Absent:

Frank Maldonado	Ernest Saulmon
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Aviation Staff in Attendance:

Tracy Thompson	Steve Khanoyan	Ammie Calderon
Ghizlane Badawi	Brian Long	Mukesh “Mookie” Patel
Rajeev Thomas	Shane Harbinson	Jamy Kazanoff

CITIZENS COMMUNICATIONS:

None.

1. INTRODUCTION OF COMMISSIONER RAYMOND YOUNG

Commissioner Raymond Young of District 2 was introduced to the Commission.

2. APPROVAL OF MINUTES

- a) The minutes from the meeting of July 13, 2021 were approved on Commissioner V. Sepulveda's motion, Commissioner Coon seconded. Motion passed on a 6-0-0-4 vote. Vice Chair Madole and Commissioners Owens, Maldonado, and Saulmon were absent at this vote.

3. DEPARTMENT OF AVIATION STAFF WRITTEN BRIEFINGS

- a) Chief Executive Officer's Report regarding the upcoming Environment Assessment, upcoming ABLE bonds meeting, an update on Housing and Planning zoning, and new art installations. (Prepared by Jacqueline Yaft, Chief Executive Officer)
- b) AUS Air Service Update. (Prepared by Jamy Kazanoff, Air Service Development)

4. ACTION ITEMS

None.

5. FOR RECOMMENDATION

- a) Authorize amendments to three existing cooperative contracts with Carrier Corporation, Johnson Controls Inc., and Trane U.S. Inc. for continued chiller systems maintenance, repair, inspection, and installation for an increase of \$4,675,000 for revised total contract amounts not to exceed \$1,928,937 divided among the contractors. Aviation's portion of the Amendment is \$275,000.

A motion to approve was made by Secretary Hendricks, Commissioner Coon seconded for a vote. Motion passed on a 4-1-2-3 vote. Vice Chair Madole, Secretary Hendricks, and Commissioners Coon and Todd voted yea. Chair E. Sepulveda voted nay due to the lack of MBE/WBE goals. Commissioners V. Sepulveda and Young abstained. Commissioners Owens, Saulmon, and Maldonado were absent for this vote.

6. DEPARTMENT OF AVIATION VERBAL BRIEFINGS

- a) "Updates on the Airport Expansion and Development Program (AEDP)" presented by Tracy Thompson, Interim Chief of Planning and Development, and Shane Harbinson, Deputy Chief of Planning and Development.
- b) "Updates on the AEDP Environmental Assessment" presented by Kane Carpenter, Environmental Manager.

- c) “Updates on the ACDBE Program” presented by Jolene Cochran, Program Compliance Coordinator, Edward Campos, Compliance Director, and Tamela Saldana, Compliance Officer.
- d) “June 2021 Financial Results” presented by Rajeev Thomas, Deputy Chief of Finance.

7. NEW BUSINESS

- a) Review of Commission Recommendations and Actions to discuss with appointing City Council Member
 - The Commission will receive a presentation on housing and development updates during an upcoming meeting.
 - Aviation is in good communications with airlines serving the South Terminal (Frontier Airlines and Allegiant Airlines) regarding the AEDP. These airlines will not experience a disruption in their service due to the facilities changes and continue to provide Austin with low cost flight options.
 - The Commission will receive future presentations on MBE/WBE goals for the AEDP.
 - The Commission received a presentation on the AEDP Environmental Assessment program.
 - June 2021 showed strong financial and passenger performance with enplaned passengers at 86% and revenue at 96% compared to June 2019.
- b) Future Agenda Items
- c) Next scheduled meeting August 10, 2021 at 3:00 p.m.

ADJOURNMENT

Chair E. Sepulveda adjourned the meeting at 5:01 p.m.

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AIRPORT ADVISORY COMMISSION

ITEM 3a. DEPARTMENT OF AVIATION WRITTEN STAFF BRIEFINGS

July 2021 Financial Results
(Prepared by Rajeev Thomas, Deputy Chief, Finance)





MEMORANDUM

TO: Airport Advisory Commissioners

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

DATE: September 14, 2021

SUBJECT: Austin-Bergstrom International Airport (AUS) Update

COVID-19 Financial Impact and July 2021 Financial Results

July's total passenger numbers were 280% higher than July 2020 which was significantly impacted by the pandemic. Enplaned passengers continue to increase and came in at 774,293 exceeding the 700k mark for the second month in a row since the start of the pandemic. July 2021 enplanements were at 94% of July 2019 enplaned passengers. For the 3 months (May-Jul 2021) AUS had averaged 84% of 2019 passengers.

Please find attached the July 2021 financial results for AUS. This report outlines that July's 2021 enplanements were 271.29% higher or 565,754 higher than July 2020. July 2021 enplanements Year to Date (YTD) are down 7.79% over prior year. Cargo volume decreased (7.44%) versus July 2020, but YTD cargo volume is 21.34% higher than the prior year. Excluding mail and belly freight, YTD cargo volume is up 29.86% over prior year.

Operating revenues increased 41.30% over the prior year month or \$3.8M, and lower by 3.6% or (\$4.5M) July YTD. Year to Date revenues are 14.4% higher or \$15.0M above budget. The lower revenues year over year were driven by lower landing weights, down YTD by (11.34%), as well as lower parking and ground transportation revenues. 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. Additionally, July's financial results include a \$4.8M relief credit granted to concessionaires which resulted in reduced revenue for the month.

Our operating expenses are tracking lower than year-end forecasts even though we

have ramped up our hiring and staffing levels to meet the increase in passenger levels and aircraft operations. The continued focus on operational efficiencies and expense savings has resulted in favorable YTD expenses to budget and current year estimates. Accordingly, July's aviation related operating expenses were \$8.5M favorable to the budget YTD, and 16.7% or \$13.7M 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, July 2021 net income was \$595k versus (\$2.1M) for July 2020. YTD net income is \$2.6M, and \$5.8M higher than prior year due to lower revenues (\$4.5M) offset by \$10.3M in favorable expenses. July YTD net income is \$24M higher than budgeted before Cares Act due to higher revenues and lower expenses than budget. The Airport has received \$27.1M YTD in Cares Act reimbursement funds for debt service in FY21.

Attachments:

July 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 10 Month(s) ended July 31, 2021

	FY 2021 Amended Budget	Budget Seasonalized 10 month(s)	FY 2021 CYE	CYE Seasonalized 10 month(s)	Year to Date w/ Accruals	Y-T-D to Budget		Y-T-D to CYE	
						Variance Fav (Unfav)	% Variance Fav (Unfav)	Variance Fav (Unfav)	% Variance Fav (Unfav)
REVENUE									
AIRLINE REVENUE									
Landing Fees	16,720,000	14,695,064	17,426,753	14,490,550	19,436,192	4,741,128	32.3%	4,945,642	34.1%
Terminal Rental & Other Fees	37,697,000	32,035,052	43,679,223	36,443,122	42,734,532	10,699,480	33.4%	6,291,410	17.3%
TOTAL AIRLINE REVENUE	54,417,000	46,730,117	61,105,976	50,933,672	62,170,724	15,440,607	33.0%	11,237,052	22.1%
NON-AIRLINE REVENUE									
Parking	21,107,271	17,340,971	18,337,134	13,701,080	19,699,391	2,358,420	13.6%	5,998,311	43.8%
Ground Transportation for Hire	4,487,041	3,706,571	2,019,053	1,548,229	2,651,984	(1,054,587)	(28.5%)	1,103,755	71.3%
Rental Cars	11,069,553	9,422,201	11,026,850	9,189,042	11,273,456	1,851,255	19.6%	2,084,415	22.7%
Food & Beverage	11,467,350	9,481,472	11,553,113	9,627,594	5,739,289	(3,742,183)	(39.5%)	(3,888,305)	(40.4%)
Retail	5,215,748	4,287,487	5,215,748	4,346,457	4,720,102	432,615	10.1%	373,646	8.6%
Advertising	1,750,000	1,507,614	1,897,783	1,581,486	1,164,559	(343,056)	(22.8%)	(416,927)	(26.4%)
Other Concessions, Rentals & Fees	14,598,015	11,223,633	14,812,320	11,590,743	12,233,775	1,010,142	9.0%	643,032	5.5%
TOTAL NON-AIRLINE REVENUE	69,694,978	56,969,948	64,862,001	51,584,631	57,482,556	512,608	0.9%	5,897,925	11.4%
Interest Income	1,208,114	1,006,762	318,429	265,358	100,665	(906,097)	(90.0%)	(164,693)	(62.1%)
TOTAL REVENUE	125,320,092	104,706,827	126,286,406	102,783,660	119,753,945	15,047,119	14.4%	16,970,285	16.5%
OPERATING REQUIREMENTS									
Fac Mgmt, Ops and Airport Security	59,744,143	46,481,781	57,553,087	44,689,409	43,781,210	2,700,571	5.8%	908,199	2.0%
Airport Planning and Development	5,391,192	4,306,635	5,053,065	4,059,885	3,564,866	741,770	17.2%	495,020	12.2%
Support Services	25,641,391	20,195,915	26,068,947	20,465,483	17,402,850	2,793,065	13.8%	3,062,633	15.0%
Business Services	8,046,651	5,692,649	4,681,210	3,330,088	3,443,830	2,248,819	39.5%	(113,741)	(3.4%)
TOTAL OPERATING EXPENSES	98,823,377	76,676,980	93,356,309	72,544,865	68,192,755	8,484,225	11.1%	4,352,110	6.0%
Debt Service									
GO Debt Service Fund	507	423	504	420	423	0	0.0%	(3)	(0.6%)
2013 Prosperity Bank Loan	5,412,895	4,510,633	5,412,895	4,510,633	4,510,633	(0)	(0.0%)	(0)	(0.0%)
2014 Bond Issuance	7,077,844	5,898,155	7,077,844	5,898,155	5,898,155	(0)	(0.0%)	(0)	(0.0%)
2017 Bond Issuance	10,034,715	8,362,263	10,034,715	8,362,263	8,362,263	0	0.0%	0	0.0%
2019 Refunding Bonds	15,470,348	12,913,873	15,459,157	12,904,266	12,904,132	9,741	0.1%	134	0.0%
2019 New Money	8,471,750	6,286,585	8,471,751	6,286,585	6,286,585	(0)	(0.0%)	(0)	(0.0%)
TOTAL Net Debt Service	46,468,059	37,971,931	46,456,866	37,962,321	37,962,190	9,741	0.0%	132	0.0%
OTHER REQUIREMENTS									
Workers' Compensation	435,740	363,117	435,740	363,117	363,120	(3)	(0.0%)	(3)	(0.0%)
Citywide Administrative Support	6,328,330	5,273,608	6,328,330	5,273,608	5,273,600	8	0.0%	8	0.0%
Communications & Technology Mgmt	1,879,259	1,566,049	1,879,259	1,566,049	1,566,050	(1)	(0.0%)	(1)	(0.0%)
Accrued Payroll	166,126	138,438	166,126	138,438	138,438	0	0.0%	0	0.0%
Additional Retirement Contribution	350,754	292,295	0	0	0	292,295	100.0%	0	N/A
CTECC	307,939	256,616	307,939	256,616	256,620	(4)	(0.0%)	(4)	(0.0%)
Trunked Radio Allocation	301,150	250,958	301,150	250,958	250,960	(2)	(0.0%)	(2)	(0.0%)
Public Works Capital Projects Mgmt Fund	3,793,554	3,161,295	3,793,554	3,161,295	3,161,295	0	0.0%	0	0.0%
TOTAL OTHER REQUIREMENTS	13,562,852	11,302,377	13,212,098	11,010,082	11,010,083	292,293	2.6%	(2)	(0.0%)
TOTAL REQUIREMENTS	158,854,288	125,951,287	153,025,273	121,517,268	117,165,028	8,786,259	7.0%	4,352,240	3.6%
EXCESS (DEFICIT) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(33,534,196)	(21,244,461)	(26,738,867)	(18,733,608)	2,588,917	23,833,378	(112.2%)	21,322,525	(113.8%)
CARES Act Reimbursement (Parking)	0	0	0	0	0	0	N/A	0	N/A
CARES Act Reimbursement (Debt Service)	(30,950,446)	(37,971,931)	(33,618,983)	(37,962,321)	(27,129,523)	(10,842,407)	28.6%	(10,832,798)	28.5%
TOTAL CARES ACT REIMBURSEMENT	(30,950,446)	(37,971,931)	(33,618,983)	(37,962,321)	(27,129,523)	(10,842,407)	28.6%	(10,832,798)	28.5%
EXCESS (DEFICIT) OF TOTAL AFTER CARES ACT	(2,583,750)	16,727,470	6,880,116	19,228,713	29,718,441	12,990,971	77.7%	10,489,727	54.6%

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

ENPLANEMENTS	Passengers	% Inc/(Dec)
July, 2021 (Month over Month)	774,293	271.29%
July, 2021 - Year-to-Date	3,973,303	-7.79%

**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 (Jul 21) vs FY20 (Jul 20)				FY21 (Oct 20 - Jul 21) vs FY20 (Oct 19 - Jul 20)			
	FY21 Jul-21	FY20 Jul-20	Fav (Unfav) \$ Variance	Fav (Unfav) % Variance	FY21 YTD Jul-21	FY20 YTD Jul-20	Fav (Unfav) \$ Variance	Fav (Unfav) % Variance
<u>Airline Revenue</u>								
Landing Fees	3,047,323	1,597,533	1,449,790	90.8%	19,436,192	21,329,270	(1,893,078)	(8.9%)
Terminal Rental & Other Fees	5,143,369	3,813,442	1,329,928	34.9%	42,734,532	41,733,175	1,001,357	2.4%
Total Airline Revenue	8,190,692	5,410,974	2,779,718	51.4%	62,170,724	63,062,445	(891,721)	(1.4%)
<u>Non-Airline Revenue</u>								
Parking	4,275,036	969,518	3,305,518	340.9%	19,699,391	21,043,311	(1,343,920)	(6.4%)
Ground Transportation for Hire	481,447	103,171	378,276	366.7%	2,651,984	3,666,237	(1,014,253)	(27.7%)
Rental Cars	1,495,736	1,016,550	479,186	47.1%	11,273,456	11,864,328	(590,871)	(5.0%)
Food & Beverage	(2,782,368)	206,875	(2,989,242)	(1445.0%)	5,739,289	6,493,768	(754,479)	(11.6%)
Retail	246,092	127,671	118,421	92.8%	4,720,102	2,910,466	1,809,636	62.2%
Advertising	(269,931)	148,102	(418,033)	(282.3%)	1,164,559	1,899,757	(735,199)	(38.7%)
Other Concessions, Rentals & Fees	1,210,789	1,082,806	127,983	11.8%	12,233,775	12,570,443	(336,668)	(2.7%)
Total Non-Airline Revenue	4,656,801	3,654,691	1,002,109	27.4%	57,482,556	60,448,310	(2,965,754)	(4.9%)
Interest Income	5,245	29,447	(24,201)	(82.2%)	100,665	766,815	(666,150)	(86.9%)
Total Operating Revenue	12,852,738	9,095,112	3,757,626	41.3%	119,753,945	124,277,570	(4,523,625)	(3.6%)
<u>Operating Requirements</u>								
Fac Mgmt, Ops and Airport Security	4,047,473	4,049,821	2,348	0.1%	43,781,210	47,502,877	3,721,667	7.8%
Airport Planning and Development	547,665	326,875	(220,790)	(67.5%)	3,564,866	4,915,455	1,350,590	27.5%
Support Services	1,799,058	1,696,083	(102,975)	(6.1%)	17,402,850	19,848,368	2,445,518	12.3%
Business Services	515,681	333,796	(181,886)	(54.5%)	3,443,830	9,597,110	6,153,280	64.1%
Total Operating Expense	6,909,877	6,406,574	(503,303)	(7.9%)	68,192,755	81,863,810	13,671,054	16.7%
<u>Debt Service</u>								
GO Debt Service Fund	42	0	(42)	N/A	423	0	(423)	N/A
2013 Prosperity Bank Loan	451,131	450,700	(431)	(0.1%)	4,510,633	4,507,800	(2,833)	(0.1%)
2014 Bond Issuance	589,844	589,769	(75)	(0.0%)	5,898,155	5,898,069	(86)	(0.0%)
2017 Bond Issuance	836,226	836,173	(53)	(0.0%)	8,362,263	8,289,942	(72,321)	(0.9%)
2019 Refunding Bonds	1,277,299	1,401,081	123,782	8.8%	12,904,132	13,247,504	343,373	2.6%
2019 New Money	1,092,583	474,100	(618,483)	(130.5%)	6,286,585	3,378,700	(2,907,885)	(86.1%)
Total Debt Service	4,247,127	3,751,824	(495,303)	(13.2%)	37,962,190	35,322,015	(2,640,174)	(7.5%)
<u>Other Requirements</u>								
Workers' Compensation	36,312	38,282	1,970	5.1%	363,120	382,820	19,700	5.1%
Citywide Administrative Support	527,360	479,138	(48,222)	(10.1%)	5,273,600	4,791,380	(482,220)	(10.1%)
Communications & Technology Mgmt	156,605	151,494	(5,111)	(3.4%)	1,566,050	1,514,940	(51,110)	(3.4%)
Accrued Payroll	13,844	29,543	15,699	53.1%	138,438	295,426	156,988	53.1%
CTECC	25,662	17,126	(8,536)	(49.8%)	256,620	171,260	(85,360)	(49.8%)
Trunked Radio Allocation	25,096	26,436	1,340	5.1%	250,960	264,360	13,400	5.1%
Public Works Capital Projects Mgmt Fund	316,130	283,281	(32,849)	(11.6%)	3,161,295	2,832,810	(328,485)	(11.6%)
Total Other Requirements	1,101,008	1,025,300	(75,709)	(7.4%)	11,010,083	10,252,996	(757,088)	(7.4%)
<u>Total Requirements</u>	12,258,012	11,183,698	(1,074,315)	(9.6%)	117,165,028	127,438,821	10,273,793	8.1%
SURPLUS (DEFICIT) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	594,726	(2,088,585)	2,683,311	(128.5%)	2,588,917	(3,161,250)	5,750,167	(181.9%)
CARES Act Reimbursement (Parking)	0	(844,867)	(844,867)	1.00	0	(2,588,455)	(2,588,455)	1.00
CARES Act Reimbursement (Debt Service)	2,598,335	0	(2,598,335)	N/A	(27,129,523)	(3,647,210)	23,482,314	(6.44)
Total CARES Act	2,598,335	(844,867)	(3,443,202)	407.5%	(27,129,523)	(6,235,665)	20,893,858	(335.1%)
TOTAL SURPLUS (DEFICIT) AFTER CARES ACT	(2,003,609)	(1,243,718)	(759,891)	61.1%	\$ 29,718,441	\$ 3,074,415	\$ 26,644,026	866.6%

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



AIRPORT ADVISORY COMMISSION

ITEM 3b. DEPARTMENT OF AVIATION WRITTEN STAFF BRIEFINGS

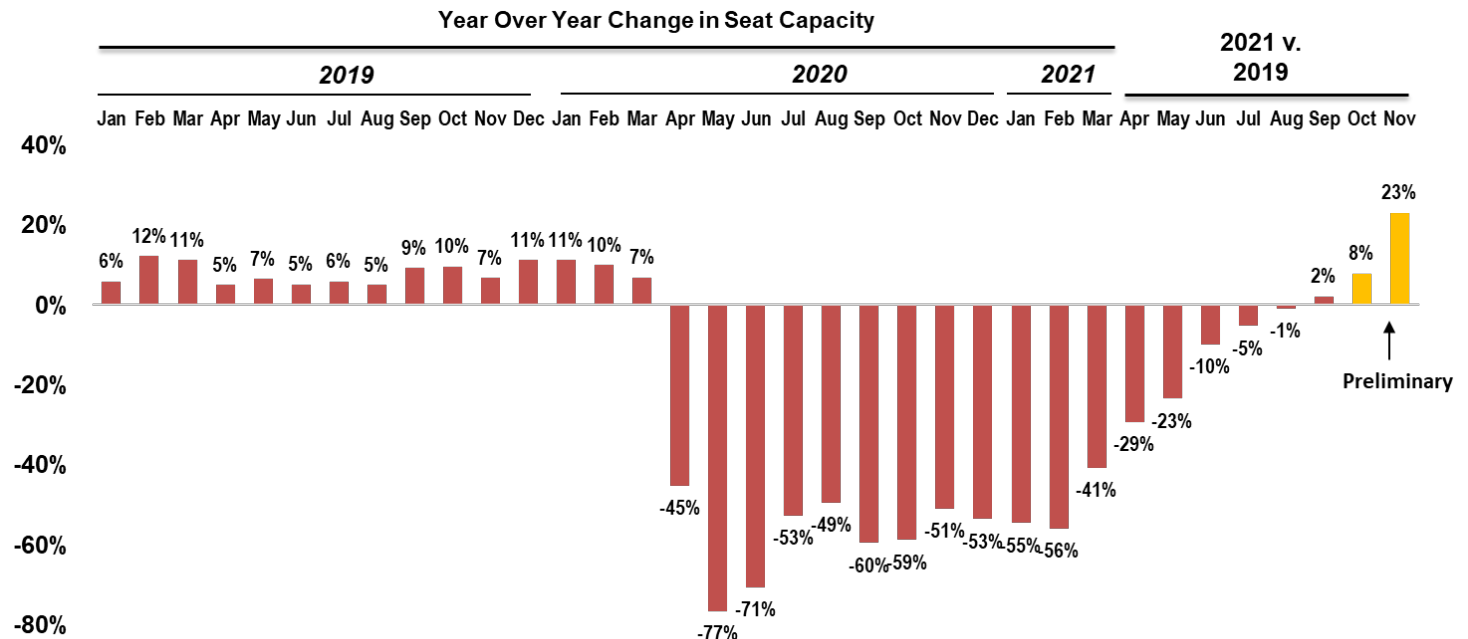
AUS Air Service Update
(Prepared by Jamy Kazanoff, Air Service Development)



September 2021 Air Service Snapshot

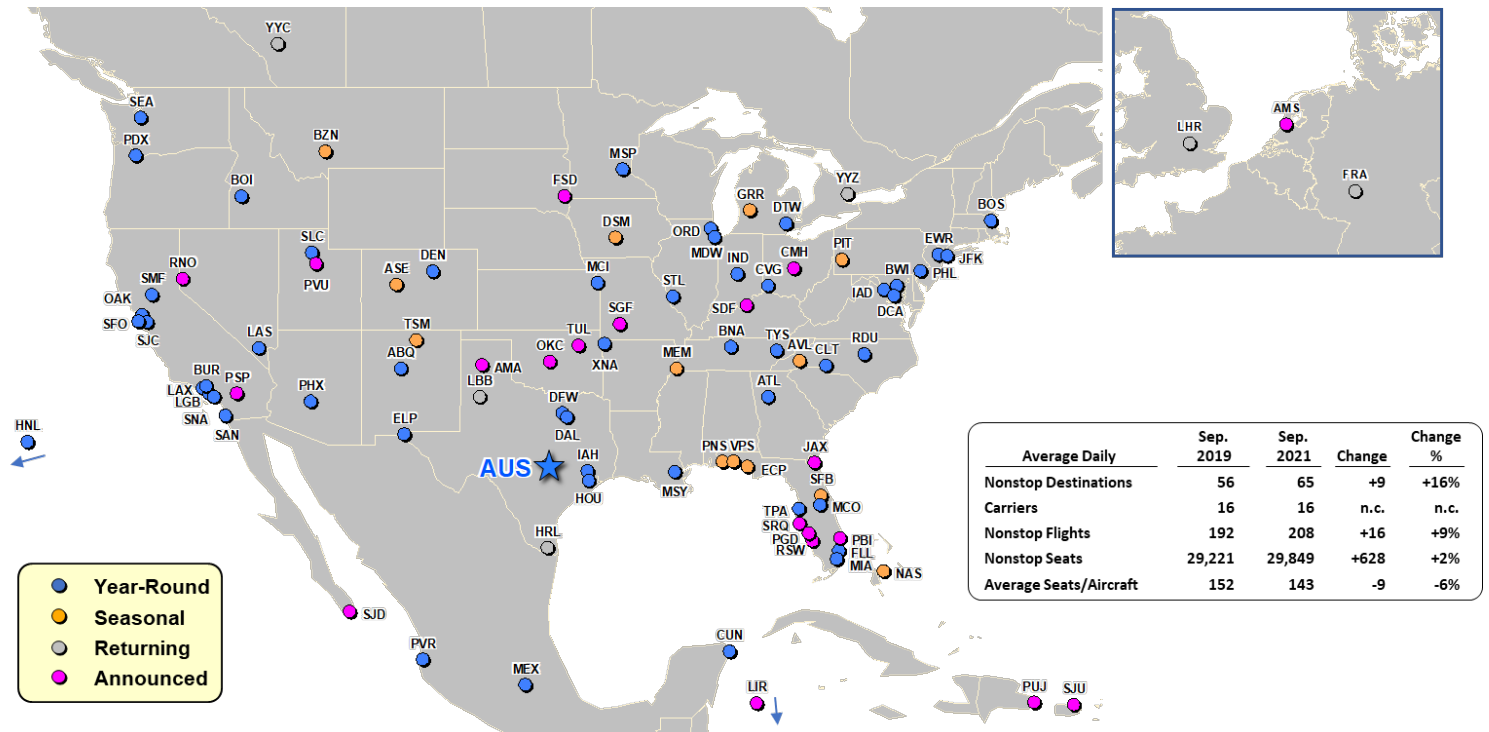
As the Summer and Labor Day are behind us, air travel moves into an annual transformational period with slower leisure travel and a return to business travel. With the nationwide rise in COVID-19 cases, companies slowing the return to offices and continued staffing shortages - airlines are increasingly cautious about Fall demand. Most carriers filed aggressive schedules for the upcoming months but have started to trim capacity in recent weeks. Airlines will also start to back-off transatlantic capacity as the EU recommends that member states reinstate some restrictions on visits from the U.S. According to Bank of America, corporate bookings are now down roughly 60% compared to 2019 levels and continuing to stagnate.

The chart below shows how COVID-19 has affected AUS capacity with year-over-year change in seat capacity through March 2021, and then 2019 comparisons starting in April. Year-over-year capacity recovered slightly during last summer, then plateaued at down 50% to 60% and is now showing further recovery from March onwards. October and November 2021 schedules have mostly been adjusted by all carriers and some have even adjusted schedules through early January 2022. Based on currently filed schedules, capacity will be slightly above 2019 levels in September climbing even higher in October. In fact, most domestic carriers have restored capacity to 2019 levels except for JetBlue, Frontier, Spirit, Sun Country and United.



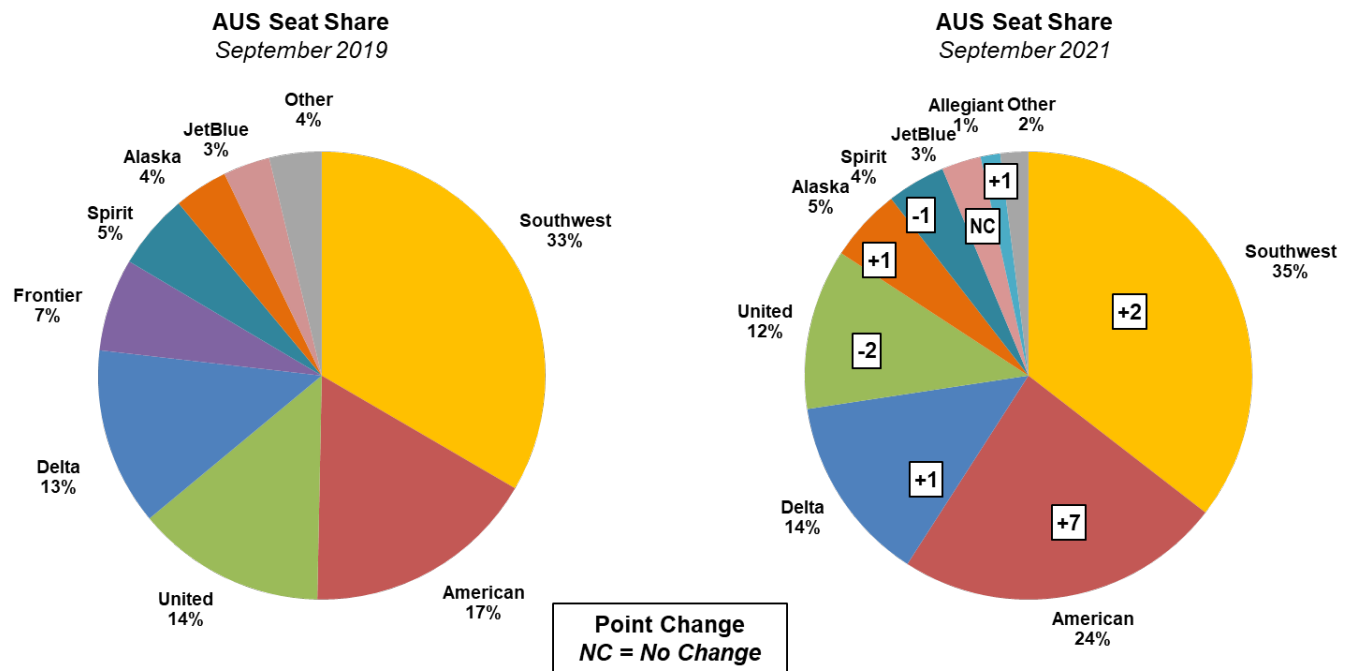
The route map below provides a snapshot of current air service at AUS. Highlights of recent air service announcements/developments include:

- **Air Canada** will now return to AUS on Oct. 2 with 5-6 weekly flights, increasing to daily service on Oct. 28 and double daily service tentatively on May 1, 2022
- **KLM** has loaded AMS service for sale effective March 28, 2022 with 3/week on the 292-seat A330-300
- **British Airways** could resume service Oct. 4 at the earliest; **Lufthansa** could resume Oct. 31 at the earliest; **WestJet** is scheduled to return on May 1, 2022
- **Aeromexico** resumed daily nonstop service to MEX on July 2
- **VivaAerobus** announced year-round service to MTY and seasonal service to MEX which was supposed to launch June 19 with 2/week but due to the FAA downgrade of Mexico to Category 2 for aviation oversight and safety, that may be postponed for 4-6 months
- **Southwest** service to OKC starts on Oct. 7 and LBB will be restored earlier on Oct. 10
- **American** this Fall will add 10 new domestic markets (CVG, ELP, IND, JAX, MCI, OKC, RNO, SJU, STL & TUL) and 4 new international markets (CUN, LIR, PUJ & PVR) up to 75 daily flights; will serve ASE, DEN & RSW for the holidays
- **Allegiant** announced new service to the following markets in November with the start of the new base: AMA, FSD, PVU, SDF, SGF, SNA & TUL; also announced new service to PBI & PGD to start in Nov.
- **Alaska** will serve PSP 5/wk from November 19 – April 18
- **Spirit** MSY & ORD scheduled to return in January 2022



New markets that receive incentives include AMA, AMS, ASE, BUR, BZN, FSD, HNL, JAX, LIR, MEX, MTY, NAS, OKC, PUJ, PVR, PVU, RNO, SDF, SGF, SJU, SNA, TUL & XNA.

AUS capacity shares by airline in September 2021 are somewhat similar to September 2019 except that American's capacity share is up 7 percentage points due to the new domestic and international routes starting this Summer and Fall. Alaska and Southwest's capacity shares have increased as well as recently announced service has started this summer. Delta's share has increased as well as it restores capacity beyond 2019 levels. Shares will adjust further as additional new American and Southwest service is launched this Fall and the Allegiant base opens in November.





AIRPORT ADVISORY COMMISSION

ITEM 6a. RECOMMENDATIONS

Approve a resolution finding the use of the Construction Manager-at-Risk method of contracting, as authorized by Subchapter F, Chapter 2269 of the Texas Government Code, is the project delivery method that provides the best value to the City for the Airport Development Expansion Program, Airfield Construction project for airfield improvements.

(Note: MBE/WBE goals will be established prior to issuance of this solicitation.)



Recommendation for Action

File #: 21-3042, **Agenda Item #:**

10/14/2021

Posting Language

Approve a resolution finding the use of the Construction Manager-at-Risk method of contracting, as authorized by Subchapter F, Chapter 2269 of the Texas Government Code, is the project delivery method that provides the best value to the City for the Airport Development Expansion Program, Airfield Construction project for airfield improvements.

(Note: MBE/WBE goals will be established prior to issuance of this solicitation.)

Lead Department

Capital Contracting Office

Managing Department

Capital Contracting Office

Fiscal Note

A Recommendation for Council Action with the not to exceed contract amount for the resultant contract will be presented to Council once the Construction Manager-at-Risk selection has been completed.

Purchasing Language:

This request is for Council to authorize the use of the Construction Manager-at-Risk; therefore, no solicitation has yet been initiated.

Prior Council Action:

N/A

For More Information:

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

NOTE: Respondents to this solicitation, and their representatives, shall direct inquiries to Rolando Fernandez, 512-974-7749 or Beverly Mendez, 512-974-3596.

Council Committee, Boards and Commission Action:

N/A

Additional Backup Information:

State Statute governs construction procurement for municipalities. The standard method of contracting used for construction services is competitive bidding where the contract is awarded to the lowest responsible bidder. Texas Government Code Chapter 2269 allows for methodologies alternate to low bidding method which may provide the best value to the municipality. These alternate methodologies include: Competitive Sealed proposals, Construction Manager- at-Risk, Design-Build, and Job Order Contracting. Texas Local Government Code Section 252.022(d) allows the City to adopt and use an alternative method such as

Construction Manager-at-Risk (CMR) under Chapter 2269 of the Texas Government Code if such a method provides a better value for the City.

The CMR method is a project delivery method where the City will contract with an architect/engineer to perform design services and separately contract with a CMR to perform preconstruction and construction phase services. The role of the CMR goes beyond performing general contractor services. The CMR is under contract early in the design process to perform key preconstruction phase services such as collaborating with the City and the design team on scope and constructability and to optimize the design and control costs and budgets, and to provide quality assurance-quality control. After design, and before the CMR begins construction, the City will negotiate and execute a Guaranteed Maximum Price for the remainder of the work, including actual construction.

A CMR firm will be selected by a City-staffed evaluation panel that will evaluate and score proposals based on published evaluation criteria to determine the highest ranked proposer. As set forth in Government Code 2269, the City of Austin will select a CMR firm that will provide the “best value” to the City for preconstruction and construction services for the Project.

This project is part of the Airport Expansion & Development Program (AEDP) and will help to meet the needs of the flying public. The project may include Taxiways, Airfield Roadways, aircraft rated bridges, storm water improvements, utilities and pavement improvements, and updates to the airfield lighting and signage systems. At the Austin-Bergstrom International Airport (AUS), the Airfield conveys arriving and departing aircraft from the runways to various areas. This airfield project requires close collaboration between airport staff, Design Consultants, and Construction Manager who have successfully constructed Airfield Taxiways, Bridges, Civil utility construction and airfield electrical design, and related airfield infrastructure, in an operating airport environment.

The complexity of the project requires experienced contractors that are specialized in construction of airports with specialized Federal Aviation Administration (FAA) design criteria and approved FAA materials. The complexity of the design and construction is further complicated by the coordination with multiple stakeholders including, but not limited to, airlines, airline support services, fixed based operators, federal, state, and local agencies, utilities, City staff and management across multiple departments, and the flying public. The designers and contractor will need to keep critical utility systems working for the FAA Air Traffic Control Tower, Aircraft Rescue and Fire Fighting Station (ARFF), Airport wide water quality conveyances, and airport security systems.

This project requires close collaboration between multiple professional design and construction teams to be successful in a busy airport environment. This project will require detailed construction phasing plans to minimize operational impacts and provide safety on the active airfield in a federally regulated, secure environment. This project will allow AUS to address the needs of the flying public.

The funding for this project will be partially provided by FAA Airport Improvement Grants. Guaranteed Maximum Price (GMP) packages will need to be developed in accordance with grant cycles. The remaining portion of the project will be funded through airport bonds.

The estimated construction budget for this work may be up to \$130,000,000 with an anticipated construction start in 2023.

A delay in authorization of the methodology will result in a delay in the issuance of the solicitation and will affect the ability to meet the needs of the flying public through the Airport Expansion & Development Program (AEDP).

This solicitation and evaluation process is approximately six months.

Strategic Outcome(s):

Safety, Government That Works for All, Mobility