



**REGULAR MEETING of the
AIRPORT ADVISORY COMMISSION (AAC)
June 14, 2023 3:00 PM
6310 WILHELMINA DELCO DR., ROOM 1405
AUSTIN, TEXAS 78752**

Some members of the Commission may be participating via videoconference.

Livestream of the meeting will be available at ATXN1
<https://www.austintexas.gov/watch-atxn-live>

Audio of the meeting will be available as an alternative to attending in person. Please email Ammie Calderon at ammie.calderon@flyaustin.com by Noon of the day of the meeting for dial-in details.

Public comment for general communication and for specific agenda items will be allowed in-person or remotely via telephone.

In person registration is available for speakers who sign up at the meeting location prior to the meeting being called to order. Registration to speak remotely is available for speakers who have provided an email to Ammie Calderon at ammie.calderon@flyaustin.com, no later than Noon of the day before the meeting.

CURRENT BOARD MEMBERS

Wendy Price Todd, Chair
Bakari Brock, Vice-Chair
Patrick Rose, Secretary

Raymond Young
Jeremy Hendricks

Chad Ennis
Jonathan Coon

AGENDA

CALL TO ORDER

PUBLIC COMMUNICATION: GENERAL

Public communication for items not on the agenda.

The first 5 registered speakers will each be allowed a three minute allotment to address the Airport Advisory Commission on an item that is not posted on the agenda. Please see further instructions on registration above.

Public communication for items included in the agenda as a Discussion/Action item.

Registered speakers will each be allowed a three minute allotment to address the Airport Advisory

Commission on an item that is posted as a Discussion/Action item, but may not address the Airport Advisory Commission on an item posted as a Briefing. Please see further instructions on registration above.

APPROVAL OF MINUTES

1. Approve the minutes of the AAC regular meeting on May 10, 2023.

STAFF BRIEFINGS

2. Air Service Update provided by Jamy Kazanoff, AUS Air Service Development.
3. Journey with AUS (AUS AEDP/Capital Improvement Program) Active Projects Update provided by Lyn Estabrook, Division Manager, Planning and Development
4. April 2023 Financial Results presented by Rajeev Thomas, Deputy Chief - Finance.
5. Update regarding status of litigation related to the Concession and Lease Agreement for the South Terminal Facility provided by Tracy Thompson, Chief Officer - Administrative and External Affairs.
6. Update regarding Austin-Bergstrom Landhost Enterprises, Inc. operation of the Hilton Austin Airport Hotel presented by Tracy Thompson, Chief Officer - Administrative and External Affairs.

DISCUSSION/ACTION ITEMS

7. Discussion and possible action on a recommendation by the Airport Advisory Commission to Project Connect, Austin Transit Partnership and CapMetro regarding transportation alternatives to Austin-Bergstrom International Airport – Requested and presented by Airport Advisory Commission Secretary Patrick Rose.
8. Discussion and possible action on a recommendation by the Airport Advisory Commission to establish a cooperative relationship between the Environmental Commission and Joint Sustainability Committee with the Airport Advisory Commission – Requested and presented by Airport Advisory Commission member Raymond Young.

DISCUSSION ITEMS

9. Review of Action of City Council at the May 18, 2023 meeting - Authorize an amendment to a contract for architectural and engineering services for the Airport Principal Architect/Engineer with HNTB Corporation, to increase the amount by \$27,000,000, for a revised total contract amount not to exceed \$52,000,000. *[approved on consent]*
10. Review of Action of City Council at the June 1, 2023 meeting - Authorize negotiation and execution of amendments to six retail food and beverage concession lease agreements with Brazos

Concessions Co./Salt Lick Joint Venture; AUS Plus Retail, LLC; DNC AUS Plus F&B, LLC; Paradies Lagardere @ AUS, LLC; News and Gift Shops International-Austin Joint Venture; and Host International, Inc., to extend the term of each agreement by four years, provide additional enhancements to product offerings, and require additional capital investments.
[approved on consent]

11. Review of Action of City Council at the June 1, 2023 meeting - Approve a settlement in City of Austin v. Lonestar Holdings, LLC, Cause No. C-1-PB-22-001462 in Travis County District Court, and Lonestar Holdings, LLC v. City of Austin, Cause No. 1:22-cv-00770, in the United States District Court for the Western Division, Austin, TX. *[approved on consent]*
12. Review of Actions of City Council at the June 8, 2023 meeting - Authorize negotiation and execution of a contract for enterprise security information and event management software products and services with DeSpain & Associates, Inc d/b/a DAI Source, for a term of three years in an amount not to exceed \$440,000. *[approved on consent]*

FUTURE AGENDA ITEMS

NEXT REGULAR MEETING

The next regular meeting of the AAC is currently scheduled for Wednesday, July 12, 2023.

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 tracy.thompson@flyaustin.com.





AIRPORT ADVISORY COMMISSION

ITEM 1 - APPROVAL OF MINUTES

May 10, 2023 Regular Meeting



**AIRPORT ADVISORY COMMISSION (AAC)
REGULAR MEETING
MINUTES
May 10, 2023**

The Airport Advisory Commission convened in a regular meeting on May 10, 2023 at 6310 Wilhelmina Delco Dr. Room 1405 Austin, Texas.

Vice-Chair Wendy Todd called the regular meeting to order at 3:07 p.m.

Commissioners in Attendance:

Wendy Price Todd, Chair
Patrick Rose, Secretary

Commissioners in Attendance Remotely:

Jonathan Coon Jeremy Hendricks
Chad Ennis
Raymond Young

Commissioners Absent:

Bakari Brock, Vice-Chair

PUBLIC COMMUNICATION: GENERAL

None

INTRODUCTIONS

Jim Smith, Interim Chief Executive Officer – Department of Aviation

APPROVAL OF MINUTES

1. Approve the minutes of the regular AAC meeting on April 12, 2023.

The minutes from the meeting of April 12, 2023 were approved on Commissioner Rose's motion and Commissioner Young seconds on a 6-0-0-1 vote. Commissioner Brock was absent.

STAFF BRIEFINGS

2. March 2023 Financial Results presented by Rajeev Thomas, Deputy Chief - Finance.
3. Air Service Update presented by Jamy Kazanoff, Air Service Development.
4. Journey with AUS update presented by Somer Shindler, Chief Development Officer.
5. AUS AEDP/Capital Improvement Program Active Projects Update provided by Lyn Estabrook, Division Manager, Planning and Development.
6. Overview of Journey with AUS – Industry Day event held on April 19, 2023 presented by Somer Shindler, Chief Development Officer.
7. Hidden Disabilities Sunflower Program presented by Ramonika Carr, Division Manager, Guest Services.
8. Update regarding status of litigation related to the Concession and Lease Agreement for the South Terminal Facility provided by Tracy Thompson, Chief Officer – Administrative and External Affairs.
9. City of Austin Office of the City Auditor report related to Jacqueline Yaft, former AUS CEO provided by Tracy Thompson, Chief Officer – Administrative and External Affairs.

DISCUSSION/ACTION ITEMS

10. Authorize an amendment to a contract for architectural and engineering services for the Airport Principal Architect/Engineer, with HNTB Corporation, to increase the amount by \$27,000,000, for a revised total contract amount not to exceed \$52,000,000.

A motion to approve was made by Commissioner Young; Commissioner Hendricks seconded. Motion passed on a 6-0-0-1 vote. Commissioner Brock was absent.

11. Authorize negotiation and execution of amendments to six retail food and beverage concession lease agreements with Brazos Concessions Co./Salt Lick Joint Venture; AUS Plus Retail, LLC; DNC AUS Plus F&B, LLC; Paradies Lagardere @ AUS, LLC; News and Gift Shops International-Austin Joint Venture; and Host International, Inc., to extend the term of these agreements by four years, provide additional enhancements to product offerings, and require additional capital investments.

A motion to approve was made by Commissioner Rose; Commissioner Hendricks seconded. Motion passed on a 6-0-0-1 vote. Commissioner Brock was absent.

12. Authorize negotiation and execution of a contract for enterprise security information and event management software products and services with DeSpain & Associates, Inc d/b/a DAI Source, for a term of three years in an amount not to exceed \$440,000.

A motion to approve was made by Commissioner Young; Commissioner Rose seconded. Motion passed on a 6-0-0-1 vote. Commissioner Brock was absent.

13. Discussion and possible action on facilitating informal working relationship between the Environmental Commission and the Airport Advisory Commission – Requested and presented by Airport Advisory Commission member Raymond Young.

No action taken

14. Discussion and possible action on a recommendation by the Airport Advisory Commission to Project Connect, Austin Transit Partnership, and CapMetro about the updated light rail options for public consideration and feedback – Requested and presented by Airport Advisory Commission member Bakari Brock.

No action taken

DISCUSSION ITEMS

15. Review of Actions of City Council at the April 20, 2023 meeting

Authorize an amendment to the contract for construction services for the Barbara Jordan Terminal Optimization with Hensel Phelps Construction Co., in the amount of \$89,000,000 for a revised total contract amount not to exceed \$135,000,000.
[approved on consent]

FUTURE AGENDA ITEMS

NEXT REGULAR MEETING

The next regular meeting of the AAC is scheduled for Wednesday, June 14, 2023.

ADJOURNMENT

Chair Wendy Price Todd adjourned the meeting at 4:35 p.m. without objection.

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AIRPORT ADVISORY COMMISSION

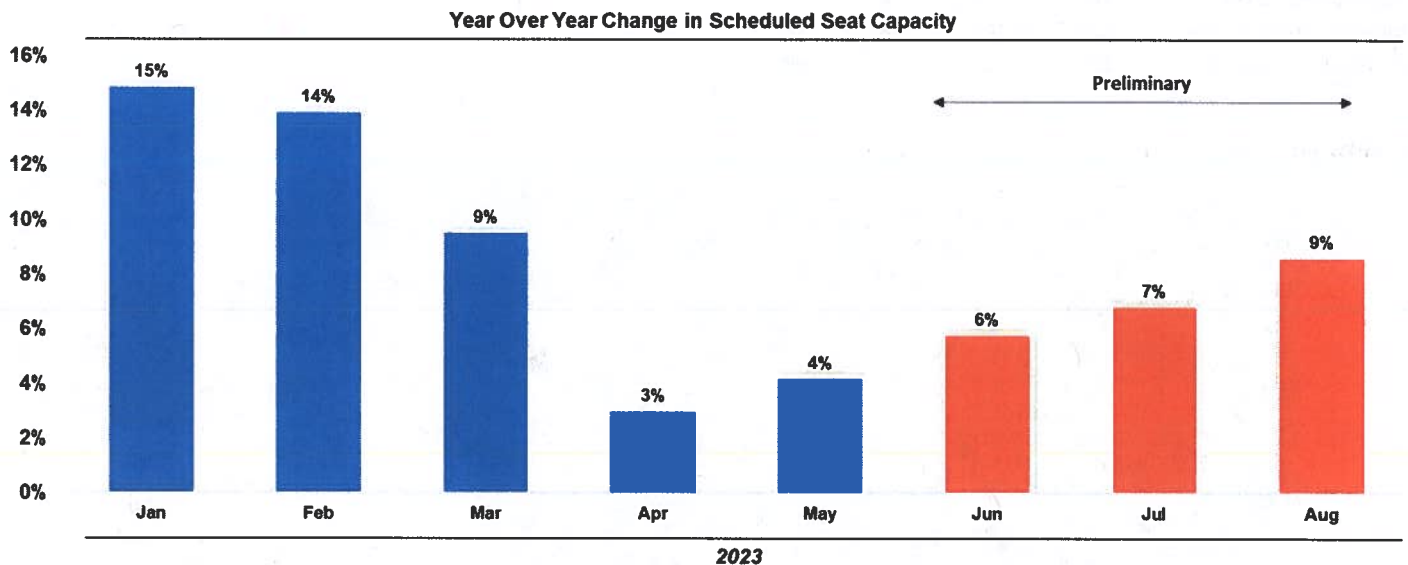
ITEM 2 – STAFF BRIEFINGS

Air Service Update presented by Jamy Kazanoff, Air Service Development.



June 2023 Air Service Snapshot

AUS monthly seat comparisons to 2022:



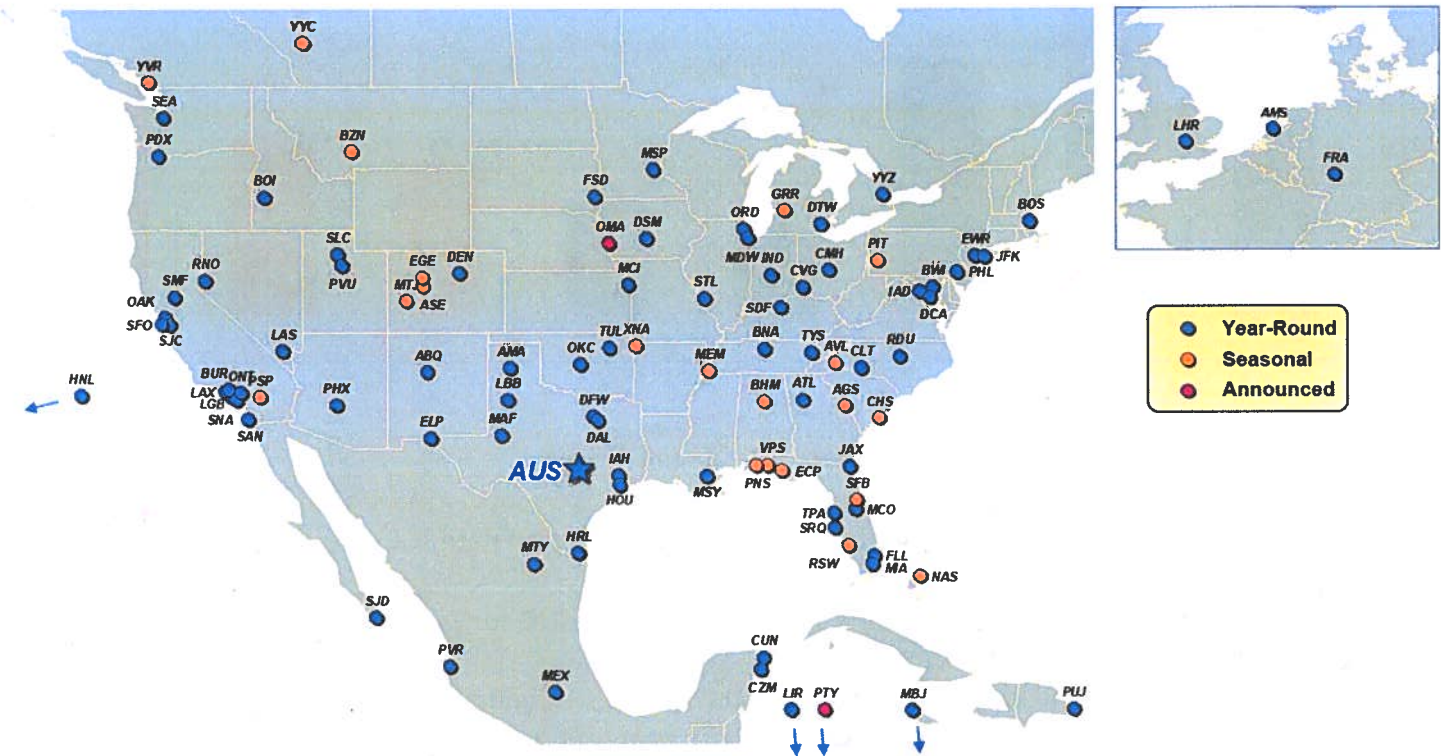
Highlights of recent air service announcements/developments include:

- **Air Canada** YYZ upgauged from E175 to A319 eff. Oct. 29 (76 seats →136 seats); AC resumed YVR 2/wk on May 1, and will suspend YVR after Oct 27, Spring resumption date TBD
- **Alaska** returns to BOI on June 15 through Sept. 4
- **Allegiant** OMA will start 2/wk eff. June 15; suspended AUS-IND for Oct and Nov
- **American** seasonal service to VPS resumed on Feb. 4 and loaded through summer, increases to daily from June-August; SMF daily service started May 5; CZM suspended Aug. 12 – Oct. 7; ASE increased to daily for June-Labor Day; suspended MJB and NAS after mid-August; will serve PNS 1/wk for June-mid August; STL suspension further delayed to Nov 4 from Oct 5; added roundtrips to BHM and DSM in Sept for UT football
- **Copa** will start 4/wk service to PTY on July 6
- **Delta** increased JFK 3x→4x starting June; BOS 2x→3x LAX 3x→4x RDU 1x→2x SEA 2x→3x starting in July
- **Hawaiian** increased HNL from 3wk→4/wk for the Summer
- **JetBlue** reinstates FLL on June 15; BOS will be 1x for June 15 – Sept. 5 with the A220-300
- **Lufthansa** loaded B787-9 (294 seat) starting May 2 (+39 seats v. A330-300) but will revert back to the A330 in Oct
- **Southwest** VPS resumes in June; JAX will be served 1/wk eff. September
- **Spirit** LAS #2 returns in August; new service to SMF starts June 7 and is extended from Aug 9 to Sept 5; MTY reduced from daily to 4/Wk for Sept 1-Nov 6, no service is loaded past Nov 6
- **Virgin Atlantic** started nonstop service to London (Heathrow) on May 25, 2022 with four weekly flights and will remain at 4/wk
- **WestJet** reinstated YYC service 2/wk from May 18 to Oct 26

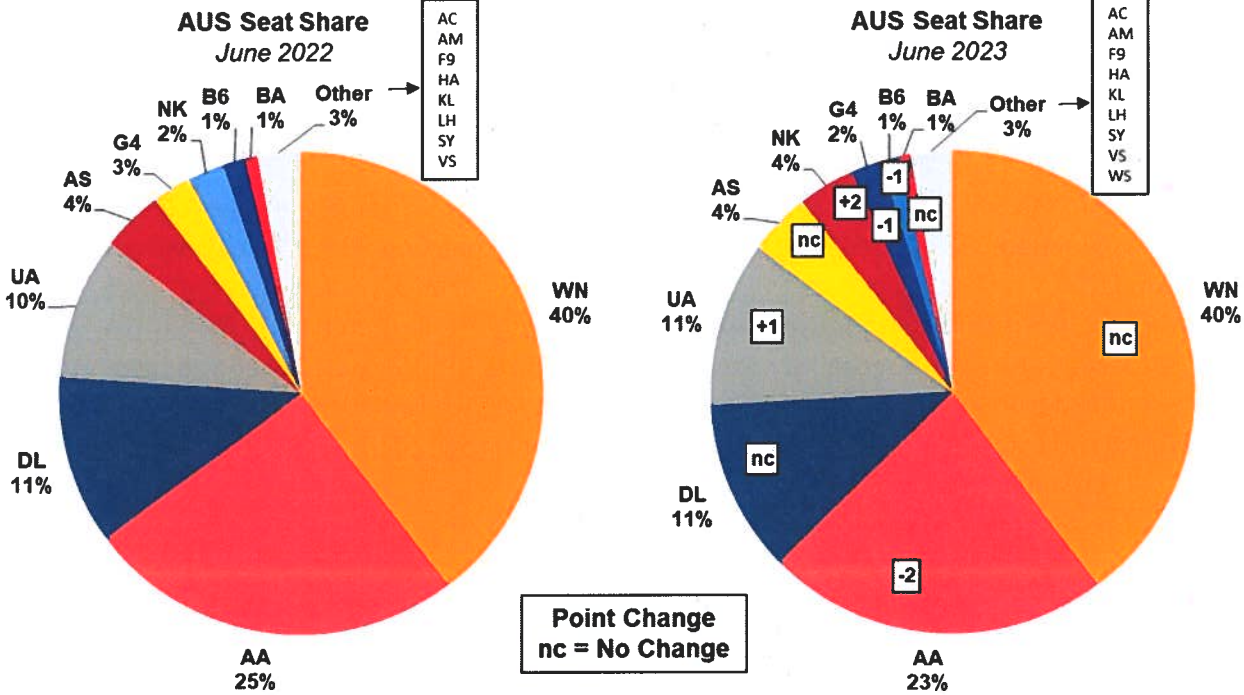
June 2023 v. 2022 air service comparison:

Average Daily	June 2022	June 2023	Change	Change %
Nonstop Destinations	88	91	+3	+3%
Carriers	17	18	+1	+6%
Nonstop Departures	267	273	+5	+2%
Nonstop Seat Departures	38,927	41,105	+2,178	+6%
Average Seats/Aircraft	146	151	+5	+3%

Current AUS air service:



June 2023 v. 2022 carrier seat share comparison:



Based on U.S. DOT O&D Passenger Survey, Cirium *FM Traffic* and ABIA statistics: 16% of ABIA passengers in Q4 2022 were connecting between flights at the Airport. The following is a list of the top ten domestic and international AUS connecting markets for Q4 2022:

Domestic		International	
Market	Carrier	Market	Carrier
LASMCO	WN	LASMTY	NK
MSYSAN	WN	CUNLAS	AA
MCOPHX	WN	BNACUN	WN
JAXLAX	AA	MCOSJD	AA
LASTPA	WN	INDSJD	AA
ELPMCO	WN	MCOMTY	NK
BWISAN	WN	CUNRNO	AA
MCOSAN	WN	ORDSJD	AA
FLLPHX	WN	LAXLIR	AA
ATLLAX	WN	CUNLAX	WN

List of AUS Airline Codes:

AA	American Airlines
AC	Air Canada
AM	Aeromexico
AS	Alaska Airlines
B6	JetBlue Airways
BA	British Airways
DL	Delta Air Lines
F9	Frontier Airlines Inc.
G4	Allegiant Air
HA	Hawaiian Airlines
KL	KLM-Royal Dutch Airlines
LH	Lufthansa German Airlines
NK	Spirit Airlines
SY	Sun Country Airlines
UA	United Airlines
VS	Virgin Atlantic Airways
WN	Southwest Airlines
WS	Westjet

List of AUS Airport Codes:

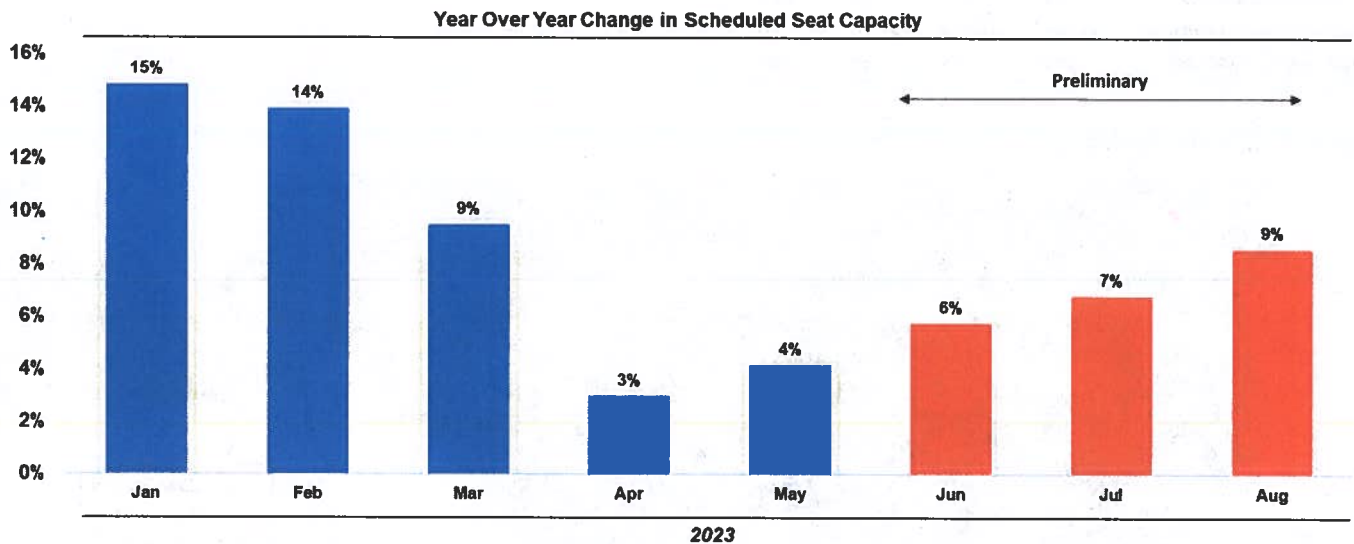
ABQ	Albuquerque, NM	MCO	Orlando, FL
AMA	Amarillo, TX	MDW	Chicago (MDW), IL
AMS	Amsterdam, Netherlands	MEM	Memphis, TN
ATL	Atlanta, GA	MEX	Mexico City, Mexico
AVL	Asheville, NC	MIA	Miami, FL
BHM	Birmingham, AL	MSP	Minneapolis/St. Paul, MN
BNA	Nashville, TN	MSY	New Orleans, LA
BOI	Boise, ID	MTY	Monterrey, Mexico
BOS	Boston, MA	NAS	Nassau, Bahamas

BUR	Burbank, CA	OAK	Oakland, CA
BWI	Baltimore, MD	OKC	Oklahoma City, OK
CHS	Charleston, SC	ONT	Ontario, CA
CLT	Charlotte, NC	ORD	Chicago (ORD), IL
CMH	Columbus, OH	PDX	Portland, OR
CUN	Cancun, Mexico	PHL	Philadelphia, PA
CVG	Cincinnati, OH	PHX	Phoenix, AZ
CZM	Cozumel, Mexico	PIT	Pittsburgh, PA
DAL	Dallas, TX	PSP	Palm Springs, CA
DCA	Washington (DCA), DC	PUJ	Punta Cana, Dominican Rep.
DEN	Denver, CO	PVR	Puerto Vallarta, Mexico
DFW	Dallas/Ft. Worth, TX	PVU	Provo, UT
DSM	Des Moines, IA	RDU	Raleigh-Durham, NC
DTW	Detroit, MI	RNO	Reno, NV
ECP	Panama City, FL	RSW	Ft. Myers, FL
ELP	El Paso, TX	SAN	San Diego, CA
EWK	Newark, NJ	SDF	Louisville, KY
FLL	Ft. Lauderdale, FL	SEA	Seattle, WA
FRA	Frankfurt, Germany	SFB	Sanford, FL
FSD	Sioux Falls, SD	SFO	San Francisco, CA
GRR	Grand Rapids, MI	SGF	Springfield, MO
HNL	Honolulu, HI	SJC	San Jose, CA
HOU	Houston (HOU), TX	SJD	San Jose del Cabo, Mexico
HRL	Harlingen, TX	SJU	San Juan, Puerto Rico
IAD	Washington (IAD), DC	SLC	Salt Lake City, UT
IAH	Houston (IAH), TX	SMF	Sacramento, CA
IND	Indianapolis, IN	SNA	Orange County, CA
JAX	Jacksonville, FL	SRQ	Sarasota, FL
JFK	New York (JFK), NY	STL	St. Louis, MO
LAS	Las Vegas, NV	TPA	Tampa, FL
LAX	Los Angeles, CA	TUL	Tulsa, OK
LBB	Lubbock, TX	TYS	Knoxville, TN
LGB	Long Beach, CA	VPS	Valparaiso, FL
LHR	London, UK	XNA	Fayetteville, AR
LIR	Liberia, Costa Rica	YVR	Vancouver, Canada
MAF	Midland/Odessa, TX	YYC	Calgary, Canada
MBJ	Montego Bay, Jamaica	YYZ	Toronto, Canada
MCI	Kansas City, MO		



June 2023 Air Service Snapshot

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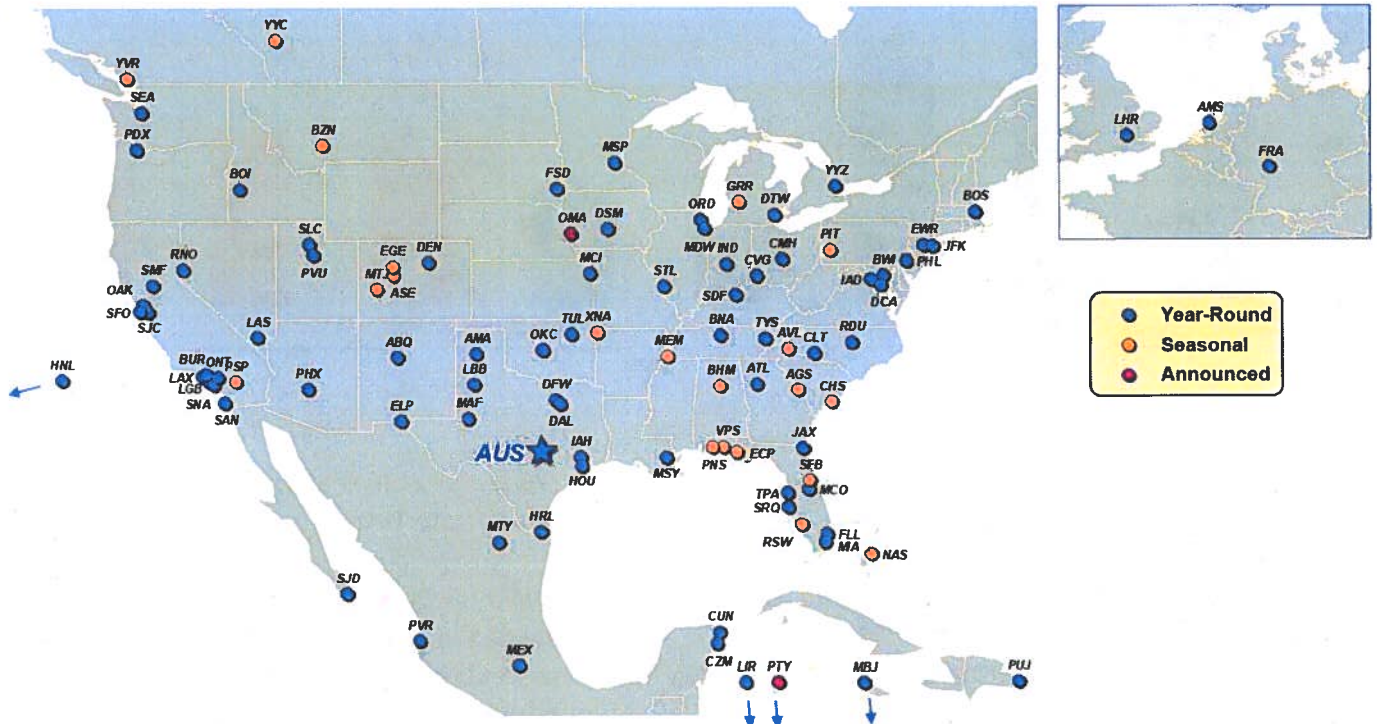
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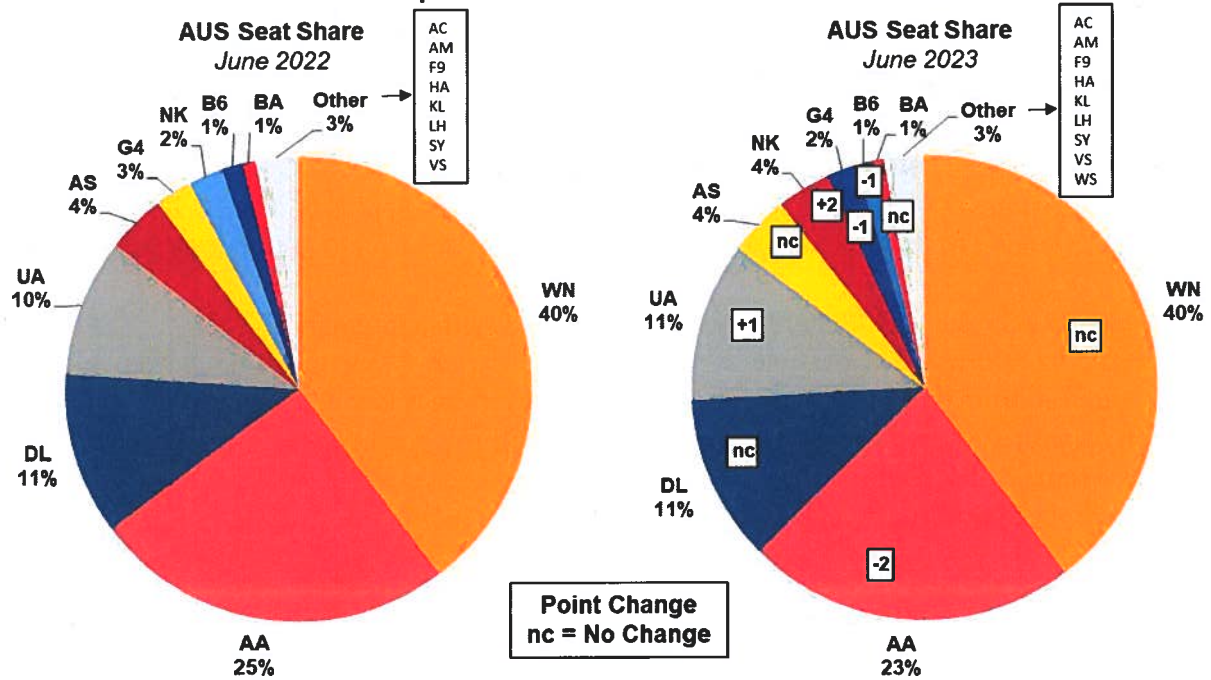
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JAXLAX	AA	MCOSJD	AA
LASTPA	WN	INDSJD	AA
ELPMCO	WN	MCOMTY	NK
BWISAN	WN	CUNRNO	AA
MCOSAN	WN	ORDSJD	AA
FLLPHX	WN	LAXLIR	AA
ATLLAX	WN	CUNLAX	WN

List of AUS Airline Codes:

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AC	Air Canada
AM	Aeromexico
AS	Alaska Airlines
B6	JetBlue Airways
BA	British Airways
DL	Delta Air Lines
F9	Frontier Airlines Inc.
G4	Allegiant Air
HA	Hawaiian Airlines
KL	KLM-Royal Dutch Airlines
LH	Lufthansa German Airlines
NK	Spirit Airlines
SY	Sun Country Airlines
UA	United Airlines
VS	Virgin Atlantic Airways
WN	Southwest Airlines
WS	Westjet

List of AUS Airport Codes:

ABQ	Albuquerque, NM	MCO	Orlando, FL
AMA	Amarillo, TX	MDW	Chicago (MDW), IL
AMS	Amsterdam, Netherlands	MEM	Memphis, TN
ATL	Atlanta, GA	MEX	Mexico City, Mexico
AVL	Asheville, NC	MIA	Miami, FL
BHM	Birmingham, AL	MSP	Minneapolis/St. Paul, MN
BNA	Nashville, TN	MSY	New Orleans, LA
BOI	Boise, ID	MTY	Monterrey, Mexico
BOS	Boston, MA	NAS	Nassau, Bahamas

BUR	Burbank, CA	OAK	Oakland, CA
BWI	Baltimore, MD	OKC	Oklahoma City, OK
CHS	Charleston, SC	ONT	Ontario, CA
CLT	Charlotte, NC	ORD	Chicago (ORD), IL
CMH	Columbus, OH	PDX	Portland, OR
CUN	Cancun, Mexico	PHL	Philadelphia, PA
CVG	Cincinnati, OH	PHX	Phoenix, AZ
CZM	Cozumel, Mexico	PIT	Pittsburgh, PA
DAL	Dallas, TX	PSP	Palm Springs, CA
DCA	Washington (DCA), DC	PUJ	Punta Cana, Dominican Rep.
DEN	Denver, CO	PVR	Puerto Vallarta, Mexico
DFW	Dallas/Ft. Worth, TX	PVU	Provo, UT
DSM	Des Moines, IA	RDU	Raleigh-Durham, NC
DTW	Detroit, MI	RNO	Reno, NV
ECP	Panama City, FL	RSW	Ft. Myers, FL
ELP	El Paso, TX	SAN	San Diego, CA
EWR	Newark, NJ	SDF	Louisville, KY
FLL	Ft. Lauderdale, FL	SEA	Seattle, WA
FRA	Frankfurt, Germany	SFB	Sanford, FL
FSD	Sioux Falls, SD	SFO	San Francisco, CA
GRR	Grand Rapids, MI	SGF	Springfield, MO
HNL	Honolulu, HI	SJC	San Jose, CA
HOU	Houston (HOU), TX	SJD	San Jose del Cabo, Mexico
HRL	Harlingen, TX	SJU	San Juan, Puerto Rico
IAD	Washington (IAD), DC	SLC	Salt Lake City, UT
IAH	Houston (IAH), TX	SMF	Sacramento, CA
IND	Indianapolis, IN	SNA	Orange County, CA
JAX	Jacksonville, FL	SRQ	Sarasota, FL
JFK	New York (JFK), NY	STL	St. Louis, MO
LAS	Las Vegas, NV	TPA	Tampa, FL
LAX	Los Angeles, CA	TUL	Tulsa, OK
LBB	Lubbock, TX	TYS	Knoxville, TN
LGB	Long Beach, CA	VPS	Valparaiso, FL
LHR	London, UK	XNA	Fayetteville, AR
LIR	Liberia, Costa Rica	YVR	Vancouver, Canada
MAF	Midland/Odessa, TX	YYC	Calgary, Canada
MBJ	Montego Bay, Jamaica	YYZ	Toronto, Canada
MCI	Kansas City, MO		



AIRPORT ADVISORY COMMISSION

ITEM 3 – STAFF BRIEFINGS

Journey with AUS AEDP/Capital Improvement Program) Active Projects Update provided by Lyn Estabrook, Division Manager, Planning and Development.

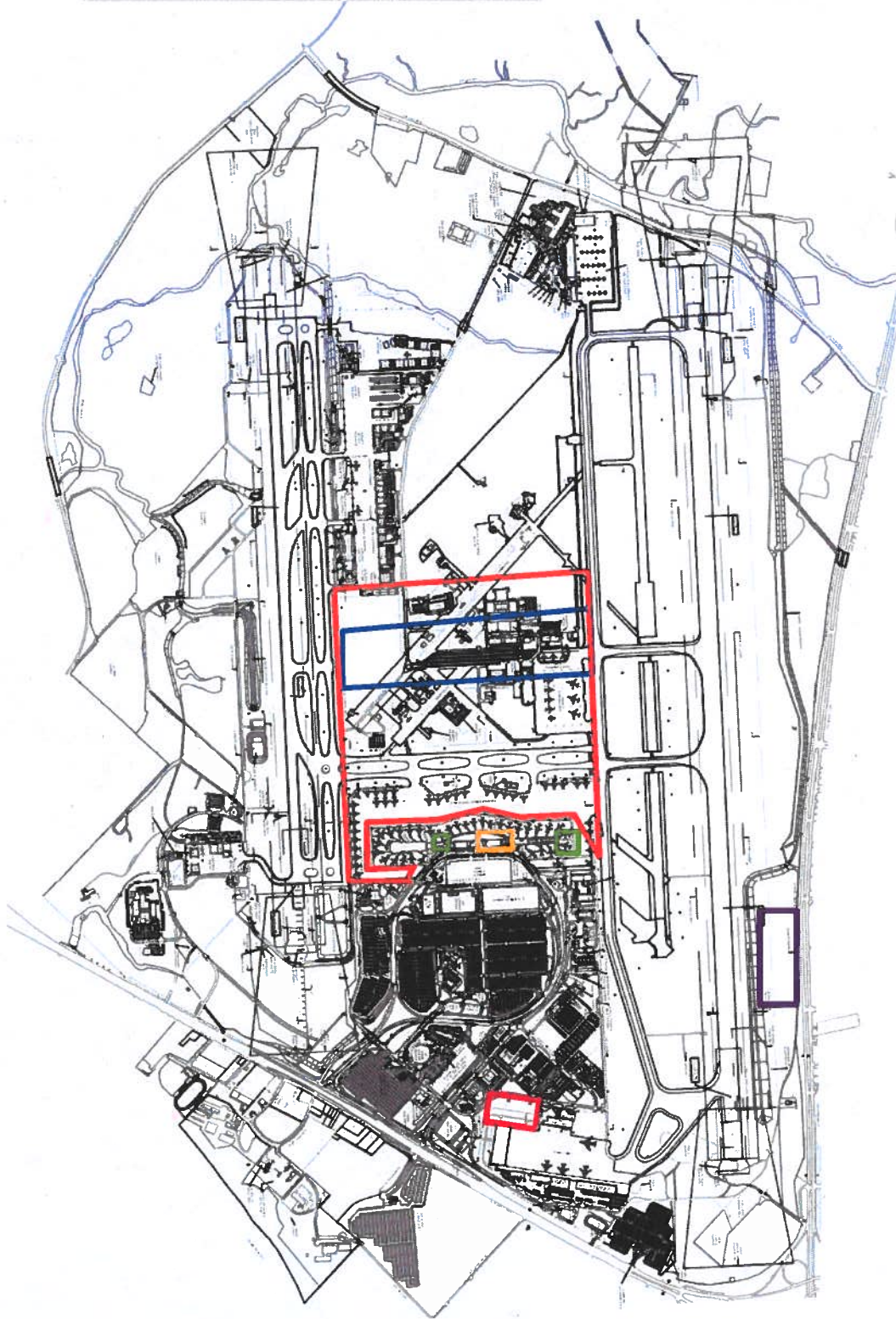


Airport Expansion and Development Program Active Projects Update - June 2023

Lyn Estabrook
Planning and Development Division Manager

LEGEND

- AEDP Airfield Infrastructure
 - Midfield Taxiways
- AEDP Building Demolition (locations shown on slide)
- Cargo Development East
- West Gates Expansion / Gate 13
- Midfield Investigations & Vehicle Checkpoints
- Existing Terminal Baggage Handling System Upgrades
- AUS Fuel Facility Phase 2 (Tenant led, AUS Fuels Project)



AEDP Airfield Infrastructure-Midfield Taxiway



Sponsor – Somer Shindler
AUS Project Manager – Ellen Brunjes-Brandt
Project number – 13188.003

Description: Design and construct two parallel Midfield Taxiways with connectors and access to the maintenance ramp. The project includes bridges for vehicle access to the midfield, utility relocation, drainage improvements, demolition of existing pavements and infrastructure, new fencing, service roads and modifications to Emma Browning Rd.

Other Notes: This project will provide connectivity between the east and west side of the airport when the existing midfield taxiways are removed to build a second concourse.



Risk	Mitigation
Schedule delays due to South Terminal Access	Project currently on hold

Delivery Methods:

Design: RS&H
 Construction: Construction Manager At Risk (CMAR); Austin Bridge and Road

%MWBE

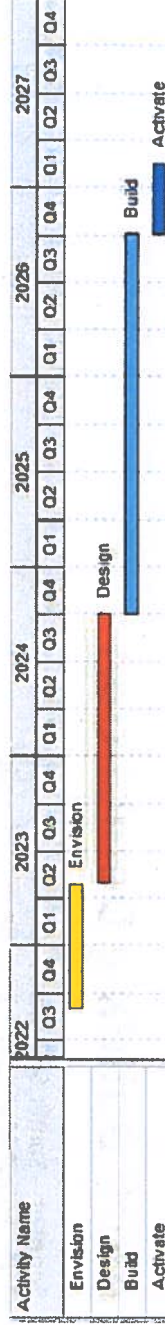
Spent To Date: \$2,391,107
Obligated: \$4,190,761
Total Budget: \$203,280,000

Design: 17%
 Construction Phase 1:
 11.12%

Status:

- Preliminary Design Phase – Complete
- Survey, Geotechnical, and Subsurface Utility Engineering –On Hold
- Construction Manager At Risk (CMAR) Preconstruction Services 5% Complete

Project Schedule:



AEDP Building Demolition

Sponsor – Somer Shindler
AUS Project Manager – Ellen Brunjes-Brandt
Project number – 13189.012

Description – Demolish 39 Buildings on South Campus that are a safety hazard, an original Airforce infrastructure, no longer serve operational need for the Department of Aviation and make way for future development. The work includes removal of the facilities to slab level and disconnection of utilities throughout the site.

Risk		Mitigation
Limited access and coordination w/ South Terminal		Re-phased project to group impacted buildings

Delivery Methods:

Design: Corgan
Construction: Low Bid – STR
Constructors

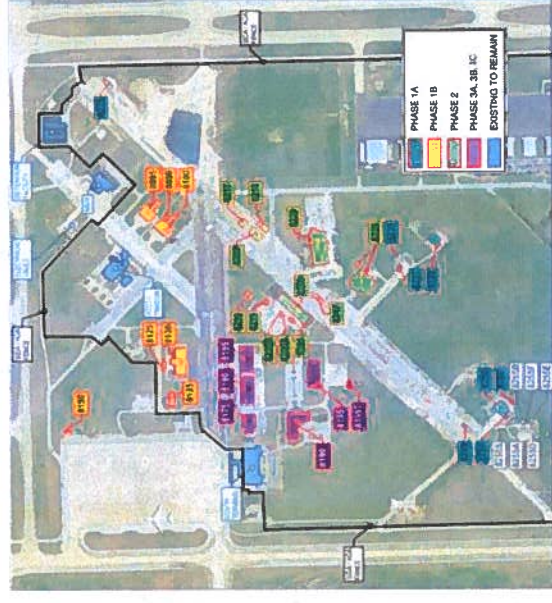
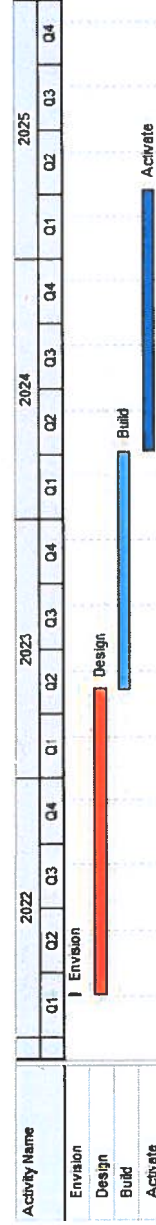
Project Budget:

Spend-To-Date: \$868,278
Obligated: \$5,190,352
Total Budget: \$9,608,000

%MWBE

Design: 15.8%
Construction: 26.87%

Project Schedule:



Status:

- 5-1-23 NTP Construction
- 5-30-23 Demolition Permit Activated
- 6-12-23 Start Phase 1A

Barbara Jordan Terminal Optimization (West Gate Expansion)

Sponsor – Mookie Patel
AUS Project Manager – Robert Mercado
Project number – 13184.014

Description – The main expansion project will add new 3 Gates to the west end of the Barbara Jordan Terminal (BJT) and replace 12 aging boarding gates. This project will provide infrastructure needed for passenger growth, comfort, health and safety.

Block	Mission
Schedule delays due to construction cost escalation.	Verify scope of work, value engineer scope and approval to move forward on reduced items.

Delivery Methods:
Design: Page Architects (Rotation List A/E Prof Services)
Construction: Hensel Phelps (CMR Selection)
Project Budget:
Spent-To-Date: \$9,666,861
Obligated: \$54,024,801
Total Project Cost : \$164,000,000

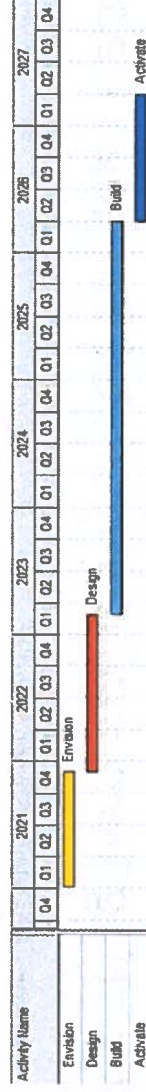
%MWBE:
Design: 31.60%
Design Anticipated: 40.6%
Construction: 6.94% & 18.48%



Status:

- Notice to Proceed (NTP) Start of Construction 2/22/23.
- Construction startup & Coordination is underway
- City Council Approved const. contract authorization 4/20/23.
- Approval of GMP-2 estimated 6/16/23.

Project Schedule:



Existing Terminal Centralized Baggage Handling System Upgrades

Sponsor – Brian Long/Somer Shindler
AUS Project Manager – Rohini Kumarage
Project number – 5415.112

Description – Design build a new centralized baggage handling system (BHS) to increase screening capacity, address existing operational concerns, and upgrade to 30 Million Annual Passengers processed.. Rebased line scope for Design of infill and bump out per AUS Exec + Airlines in December 2022

Construction material shortage and lead/delivery times.
 Schedule extension due to redefined scope at the West Infill scope, may add 12 months

Ordering all equipment and materials early, tracking material pricing and procurement/delivery times.
 Ensured Phase 1 not impacted. West Infill release of 30% design to finalize the end product.

Delivery Methods

Design-Build Contractor:
 Whiting-Turner (Gensler Designer; VTC BHS Designer)

Project Budget:

Spend-To-Date: \$43,617,945
Obligated: \$132,022,130
Total Budget: \$238,000,00

%MWBE

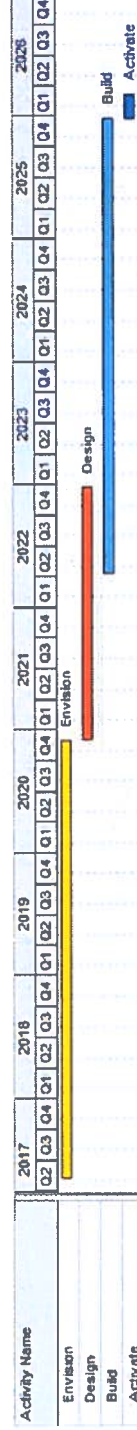
Construction and Design: 5.52%
 Anticipated: 10%



Status:

- **Phase 1** – 100% Baggage Handling System Design Approved by TSA, Conveyor Installation has begun in Bag Claim Ceiling and in the CBIS/CBRA.
- **Tenant/Enabling** - All Tenants have been relocated.
- **West Infill Phase 2** –West Infill/Bump out Concept Planning redefined per AUS Exec and Airlines due to increased passenger demand. Will need additional approvals from AAC and Council. BHS CBIS /CBRA was approved by TSA. 30% design due May 3 for AUS review. 60% Design expected 8/1/23.
- **Budget:** Phase 1 on track, Phase 2 pending 100% drawings (redesign of bump out)

Project Schedule:

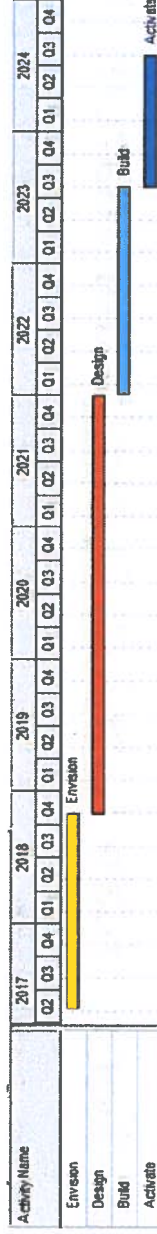


%MWBE (const.)
Design: 15.8%
Construction: 1.13%
Anticipated
Construction: 7.36%

%MWBE (const.)	
Design: 15.8%	
Construction: 1.13%	
Anticipated	
Construction: 7.36%	

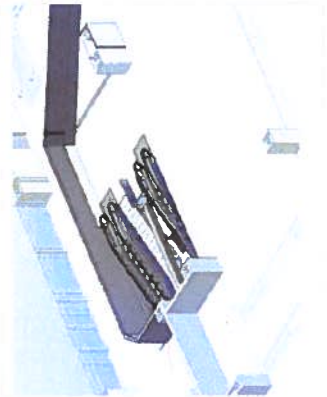
Status:

- Phase 1: Complete.
- Phase 2: Siding & Roof panel installation underway, 25% complete.
- Building Dry-in expected June 24, 2023.
- Main Shell Building on track for Substantial Complete July 2023.



Barbara Jordan Terminal Optimization (Gate 13 Renovation)

Sponsor – Towanda Cordon
AUS Project Manager – Robert Mercado
Project number – 13184.014



Description – The renovation of existing Gate 13 in the east end of the Barbara Jordan Terminal (BJT) to allow for more efficient bus operation and ground loading of planes on the Apron. Scope includes the installation of two escalators and a central stairway.

Schedule delays due to availability of labor and materials.

Verify scope of work to include non long-lead materials.

Delivery Methods:
Design: Page Architects (RL)
Construction: Alpha Bldg. (RL JOC)

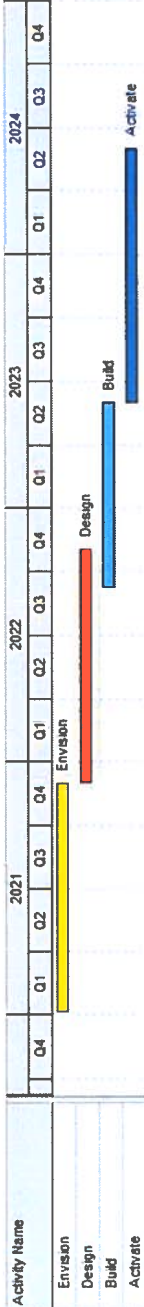
Project Budget:
Spend-To-Date: \$2,833,408
Obligated: \$4,525,974
Total Budget: \$7,000,000

%MWBE
Design: 3.15%
Design Anticipation: 20.46%
Construction: 2.23%
Construction Anticipated: 22.33%

Status:

- Gate 13 Interior work is under construction to be substantially complete late June 2023.
- Escalators installed awaiting testing and inspection.
- Gate 13 Exterior work to begin late June 2023.

Project Schedule:



AUS Fuel Facility Upgrade Package 2

Sponsor – Tenant Project - Airline Fuel Consortium
AUS Project Manager – David Smythe-Macaulay
Project number – 7003.08

Description – Project is led by tenant AUS Fuels (Airline Fuel Consortium). Design and build a new Jet A fuel storage facility with two underground transfer lines connecting to the existing facility, with a decorative security fence and landscaping.



Risk		Mitigation	
What type of decorative fence and landscaping is required?		Ask the community at the planned meeting on May 31, 2023 at Travis County Constable's Office, Precinct 4 - 4011 McKinney Falls Pkwy #1100 from 4:30 – 6:30 p.m.	

Delivery Methods:
Design-Build
Contractor: Burns & McDonnell

Project Budget:
To-Date: N/A
Total
Budget: ~\$64M

%MWBE
Goal: 6.68%
Participation to Date: 4.60%
Participation Anticipated: 5.10%

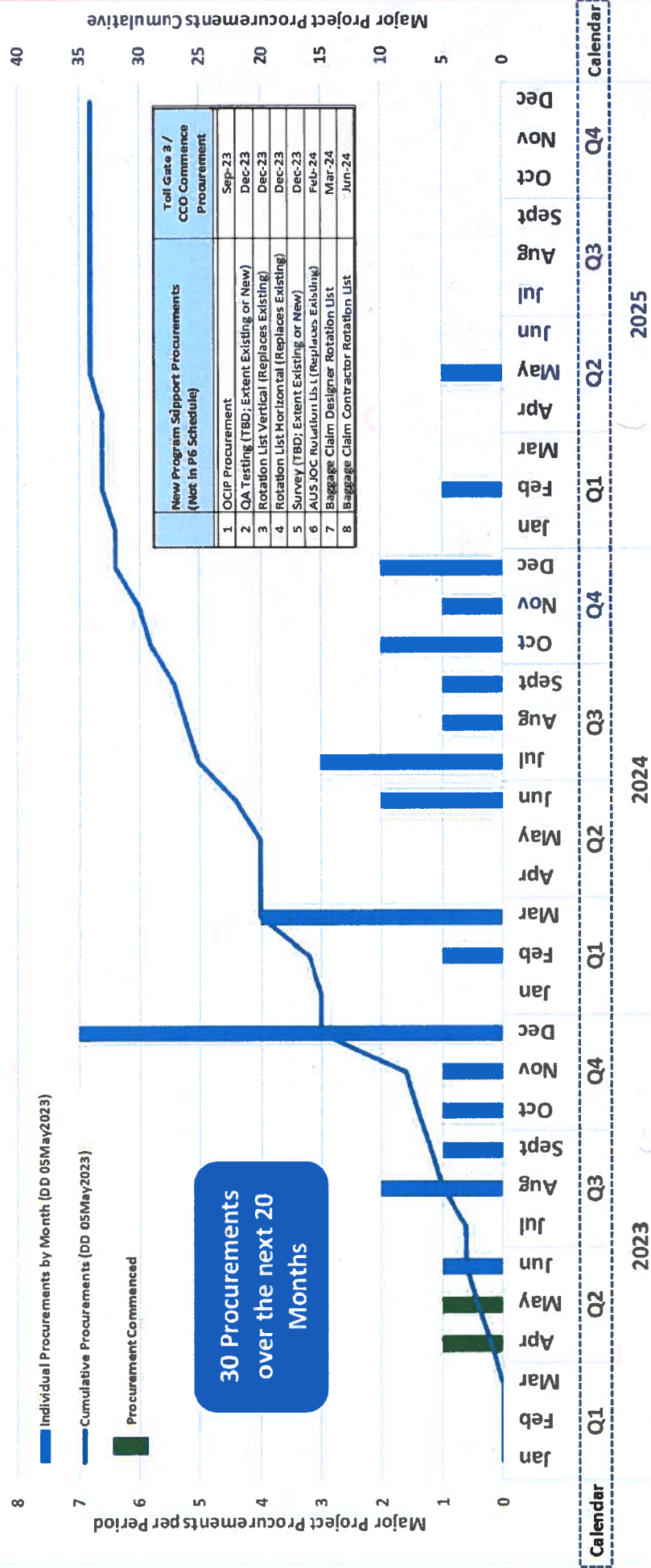
Project Schedule:



Status:

- Painting the interior of fuel tank 102
- Continue installing concrete dike walls around tanks
- Plants continue to grow in restored wetland area
- Community outreach planned for May 31
- Continuing to fabricate and install piping and pumps
- Continue with site grading and roads
- Project completion is scheduled for Feb. 2024

AEDP Major Project Planned Procurements - 05 May 2023 Schedule





AIRPORT ADVISORY COMMISSION

ITEM 4 – STAFF BRIEFINGS

April 2023 Financial Results presented by
Rajeev Thomas, Deputy Chief - Finance.



MEMORANDUM

TO: Airport Advisory Commissioners
FROM: Rajeev Thomas, Deputy Chief - Finance, Aviation Department
DATE: June 14, 2023
SUBJECT: Austin-Bergstrom International Airport (AUS) Update

April 2023 Financial Results

Total passenger traffic totaled 1,842,508 in April 2023, a decrease of 1.2% compared to April 2022. April 2022 passenger traffic was elevated because of pent up travel demand resulting from loosening pandemic travel restrictions. Despite the slight decrease compared to April 2022, passenger traffic remains strong and increased 30.7% compared to April 2019. Additionally, average daily departures have increased from 257 in April 2022 to 262 in April 2023, an increase of 5 daily departures or 1.9%.

Table #1	FY 2023 April	FY 2022 April	Variance Fav (Unfav)	FY 2023 YTD	FY 2022 YTD	YTD Variance Fav (Unfav)
Enplanements	934,029	942,940	(0.9%)	6,165,972	5,352,301	15.2%
Landing Weights	1,127,819,520	1,096,449,411	2.9%	7,746,236,179	6,960,189,494	11.3%
Cargo Tonnage	11,346	14,359	(21.0%)	87,436	89,175	(2.0%)
Operating Revenue	\$22,722,028	\$21,351,767	\$1,370,261	\$155,023,167	\$133,959,421	\$21,063,746
Airport OPEX	\$9,681,893	\$8,669,923	(\$1,011,970)	\$67,550,234	\$55,252,418	(\$12,297,816)
Total Requirements	\$15,591,270	\$14,285,550	(\$1,305,721)	\$108,924,117	\$92,628,813	(\$16,295,304)
Net Income Before Federal Relief	\$7,130,758	\$7,066,218	\$64,540	\$46,099,050	\$41,330,608	\$4,768,442
Federal Relief Reimbursement	\$2,792,492	\$1,899,908	\$892,585	\$32,645,734	\$29,821,968	\$2,823,765
Net Income After Federal Relief	\$9,923,251	\$8,966,126	\$957,125	\$78,744,784	\$71,152,577	\$7,592,207

Table #1 illustrates April 2023's enplanements totaled 934,029, 0.9% lower than April 2022, serving 8,911 fewer enplaned passengers. Landing weights totaled 1.13 billion pounds in April 2023 representing an increase of 2.9% compared to April 2022. Cargo volume totaled 11,346 tons in April 2023 representing a decrease of 21.0% compared to April 2022. The decline in cargo volume is the result of year over year declines in tonnage carried from major cargo carriers.

Monthly operating revenues increased 6.4% or \$1.4M compared to April 2022. Totalling \$22.7M, April 2023 operating revenue is composed of 41.1% airline revenue, 56.8% non-airline revenue, and 2.1% interest income.

Airport operating expenses totaled \$9.7M for the month, an increase of 11.7% or \$1.0M compared to April 2022. The increased operating expenses are the result of higher personnel costs resulting from the 4% across the board pay increase and increase in the living wage to \$20 per hour, and increased contractual costs including parking services and consulting contracts. AUS reported a \$7.13M surplus (before federal relief funding) in April 2023 compared to a surplus of \$7.07M in April 2022.

Fiscal Year 2023 Financial Results

Through the seventh month of Fiscal Year 2023 (FY2023), AUS delivered strong financial performance when compared to the same period in Fiscal Year 2022 (FY2022). FY2023 Year to Date (YTD) Operating Revenue totals \$155.0M compared to \$134.0M in FY2022, a 15.7% increase. Airport Operating Expenses totaled \$67.6M YTD in FY2023 compared to \$55.3M in FY2022, a 22.3% increase. Net income before federal relief funding totals \$46.1M YTD in FY2023 compared to \$41.3M in FY2022, an increase of 11.5% or \$4.8M.

Table #2	FY 2023 Approved Budget - Seasonalized	FY 2023 CYE - Seasonalized	FY 2023 YTD	Budget vs. YTD Variance \$ Fav (Unfav)	Budget vs. YTD Variance % Fav (Unfav)	CYE vs. YTD Variance \$ Fav (Unfav)	CYE vs. YTD Variance \$ Fav (Unfav)
Operating Revenue	\$131,667,950	\$152,450,281	\$155,023,167	\$23,355,216	17.7%	\$2,572,885	1.7%
Airport OPEX	\$74,114,778	\$68,432,487	\$67,550,234	\$6,564,544	8.9%	\$882,253	1.3%
Total Requirements	\$115,580,811	\$109,806,370	\$108,924,117	\$6,656,694	5.8%	\$882,253	0.8%
Net Income Before Debt Service	\$48,059,721	\$74,616,492	\$78,071,631	\$30,011,910	62.4%	\$3,455,139	4.6%
Net Income Before Federal Relief	\$16,087,140	\$42,643,911	\$46,099,050	\$30,011,910	186.6%	\$3,455,139	8.1%
Federal Relief Reimbursement	\$17,500,000	\$31,479,692	\$32,645,734	\$15,145,734	86.5%	\$1,166,041	3.7%
Net Income After Federal Relief	\$33,587,140	\$74,123,604	\$78,744,784	\$45,157,644	134.4%	\$4,621,180	6.2%

Through April 2023, AUS delivered favorable YTD financial performance compared to FY2023 budget and current year estimate (CYE) on a seasonalized basis due to increased revenue and operating expense savings. As presented in Table #2, FY2023 revenues exceed budgeted revenues by 17.7% or \$23.4M and exceed CYE by 1.7% or \$2.6M. Airport operating expenses are 8.9% or \$6.6M below budgeted expenses and 1.3% or \$0.9M below CYE due primarily to higher than budgeted personnel vacancy rates. Before federal relief funding application, AUS reports net income of \$46.1M, which exceeds the seasonalized budget estimate by \$30.0M and seasonalized CYE by \$3.5M.

Attachments: April 2023 - AAC Financial Report

CITY OF AUSTIN
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
Airport Operating Fund 6070
Income Statement - For Internal Use Only
Fiscal Year to Date for 7 Month(s) ended April 30, 2021

	FY 2023 Budget	Budget Seasonalized 7 month(s)	FY 2023 C/YE	C/YE	Seasonalized 7 month(s)	Year to Date w/ Accruals	Y-T-D to Budget		Y-T-D to C/YE	
							Variance	% Variance	Variance	% Variance
							Fav (Unfav)	Fav (Unfav)	Fav (Unfav)	Fav (Unfav)
REVENUE										
AIRLINE REVENUE										
Landing Fees	47,662,161	25,995,072	42,222,948		25,740,670	26,318,248	323,176	1.2%	577,577	2.2%
Terminal Rental & Other Fees	63,961,021	36,068,489	77,835,737		42,628,903	41,952,326	5,883,836	16.3%	(676,577)	(1.6%)
TOTAL AIRLINE REVENUE	111,623,182	62,063,562	120,058,685		68,369,573	68,270,574	6,207,012	10.0%	(99,000)	(0.1%)
NON-AIRLINE REVENUE										
Parking	58,014,820	31,713,888	63,974,674		35,891,953	36,377,758	4,683,860	14.7%	485,806	1.4%
Ground Transportation for Hire	8,272,870	4,429,480	8,865,716		5,418,574	5,693,559	1,264,079	28.5%	274,984	5.1%
Rental Cars	17,549,148	10,237,003	20,832,849		12,356,011	12,901,364	2,684,361	26.0%	545,353	4.4%
Food & Beverage	13,731,203	8,009,868	16,456,807		10,059,584	10,396,199	2,386,331	29.8%	336,615	3.3%
Retail	6,026,897	3,515,690	6,946,077		4,096,912	4,161,180	645,490	18.4%	64,269	1.6%
Advertising	2,913,205	1,641,036	4,465,632		3,031,738	3,156,302	1,515,266	92.3%	124,564	4.1%
Other Concessions, Rentals & Fees	18,979,998	9,990,330	21,470,943		11,811,661	12,061,669	2,071,369	20.7%	250,038	2.1%
TOTAL NON-AIRLINE REVENUE	125,387,141	69,537,305	143,014,696		82,666,433	84,749,061	15,210,755	21.9%	2,081,628	2.5%
Interest Income	115,000	67,083	2,424,472		1,414,275	2,004,533	1,937,449	288.1%	590,257	41.7%
TOTAL REVENUE	237,125,323	131,667,950	265,497,855		152,450,281	155,023,167	23,355,216	17.7%	2,572,865	1.7%
OPERATING REQUIREMENTS										
Fac Mgmt, Ops and Airport Security	74,671,773	40,595,554	74,562,295		39,045,232	38,451,796	2,143,757	5.3%	593,435	1.5%
Airport Planning and Development	8,786,590	4,561,205	7,713,984		3,803,455	3,754,443	806,763	17.7%	49,013	1.3%
Support Services	42,459,034	21,897,220	36,021,765		17,933,239	17,721,551	4,175,669	19.1%	211,688	1.2%
Business Services	12,520,968	7,080,799	14,015,141		7,650,561	7,622,444	(561,645)	(6.0%)	28,117	0.3%
TOTAL OPERATING EXPENSES	138,438,365	74,114,778	132,313,185		68,432,487	67,524,234	6,564,544	8.9%	882,253	1.3%
Debt Service										
2013 Prosperity Bank Loan	5,407,997	3,154,882	5,407,997		3,154,882	3,154,882	0	0.0%	0	0.0%
2014 Bond Issuance	7,077,844	4,128,743	7,077,844		4,128,743	4,128,743	0	0.0%	0	0.0%
2017 Bond Issuance	10,034,715	5,853,584	10,034,715		5,853,584	5,853,584	0	0.0%	0	0.0%
2019 Refunding Bonds	14,448,778	8,432,285	14,448,778		8,432,285	8,432,285	0	0.0%	0	0.0%
2019 New Money	17,716,594	10,335,469	17,716,594		10,335,469	10,335,469	0	0.0%	0	0.0%
2022 New Money	2,599,644	67,618	2,599,644		67,618	67,618	0	0.0%	0	0.0%
TOTAL Net Debt Service	57,287,573	31,972,581	57,287,573		31,972,581	31,972,581	0	0.0%	0	0.0%
OTHER REQUIREMENTS										
Workers' Compensation	467,455	272,682	467,455		272,682	272,682	0	0.0%	0	0.0%
Citywide Administrative Support	6,865,867	3,888,422	6,865,867		3,888,422	3,888,422	0	0.0%	0	0.0%
Communications & Technology Mgmt	1,736,119	1,013,903	1,736,119		1,013,903	1,013,903	0	0.0%	0	0.0%
Accrued Payroll	191,946	111,969	191,946		111,969	111,969	0	0.0%	0	0.0%
Operating Reserve	4,364,333	2,545,861	4,559,388		2,659,643	2,659,643	0	0.0%	0	0.0%
CTECC	465,061	271,286	465,061		271,286	271,286	0	0.0%	0	0.0%
Trunked Radio Allocation	452,764	264,112	452,764		264,112	264,112	0	0.0%	0	0.0%
Public Works Capital Projects Mgmt Fund	1,575,917	919,285	1,575,917		919,285	919,285	0	0.0%	0	0.0%
Compensation Adjustment	353,027	205,932	0		0	0	205,932	100.0%	0	N/A
TOTAL OTHER REQUIREMENTS	16,274,489	9,493,452	16,116,517		9,401,302	9,401,302	92,150	1.0%	0	0.0%
TOTAL REQUIREMENTS	212,000,427	115,590,811	205,717,275		109,806,370	108,924,117	6,656,694	5.8%	882,253	0.8%
EXCESS (DEFICIT) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	25,124,896	16,087,140	59,780,580		42,643,911	46,099,050	30,011,910	186.6%	3,455,139	8.1%
Federal Relief Reimbursement (Parking)	(9,228,308)	(5,383,180)	(9,921,369)		(5,833,769)	(6,086,728)	703,548	13.1%	252,959	4.3%
Federal Relief Reimbursement (Debt Service)	(20,771,692)	(12,116,820)	(30,690,578)		(25,645,924)	(26,559,006)	14,442,186	119.2%	913,082	3.6%
TOTAL FEDERAL RELIEF REIMBURSEMENT	(30,000,000)	(17,500,000)	(39,611,947)		(31,479,692)	(32,645,734)	15,145,734	86.5%	1,166,041	3.7%
EXCESS (DEFICIT) OF TOTAL AFTER FEDERAL RELIEF	55,124,896	33,587,140	99,392,527		74,123,604	78,744,784	45,157,644	134.4%	4,621,180	6.2%

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

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

	This month - This Year vs. Last Year				Fiscal YTD - This Year vs. Last Year			
	FY23 (Apr 23) vs FY22 (Apr 22)				FY23 (Oct 22 - Apr 23) vs FY22 (Oct 21 - Apr 22)			
<u>Airline Revenue</u>	<u>FY23</u> <u>Apr-23</u>	<u>FY22</u> <u>Apr-22</u>	<u>Fav (Unfav)</u> <u>\$ Variance</u>	<u>Fav (Unfav)</u> <u>% Variance</u>	<u>FY23</u> <u>YTD</u> <u>Apr-23</u>	<u>FY22</u> <u>YTD</u> <u>Apr-22</u>	<u>Fav (Unfav)</u> <u>\$ Variance</u>	<u>Fav (Unfav)</u> <u>% Variance</u>
Landing Fees	3,344,115	3,699,998	(355,882)	(9.6%)	26,318,248	23,664,884	2,653,363	11.2%
Terminal Rental & Other Fees	6,005,767	6,138,302	(132,535)	(2.2%)	41,952,326	39,794,532	2,157,794	5.4%
Total Airline Revenue	9,349,882	9,838,300	(488,418)	(5.0%)	68,270,574	63,459,416	4,811,157	7.6%
<u>Non-Airline Revenue</u>								
Parking	5,209,513	4,536,141	673,373	14.8%	36,377,738	29,944,025	6,433,734	21.5%
Ground Transportation for Hire	884,799	834,888	49,911	6.0%	5,693,559	4,456,423	1,237,136	27.8%
Rental Cars	2,240,720	2,212,575	28,145	1.3%	12,901,364	11,401,487	1,499,877	13.2%
Food & Beverage	1,616,059	1,453,869	162,191	11.2%	10,396,199	8,526,032	1,870,167	21.9%
Retail	634,502	626,197	8,305	1.3%	4,161,180	3,687,351	473,829	12.9%
Advertising	411,343	252,718	158,625	62.8%	3,156,302	1,912,551	1,243,751	65.0%
Other Concessions, Rentals & Fees	1,905,824	1,556,060	349,764	22.5%	12,061,689	10,477,739	1,583,950	15.1%
Total Non-Airline Revenue	12,902,761	11,472,448	1,430,313	12.5%	84,748,061	70,405,607	14,342,453	20.4%
Interest Income	469,385	41,020	428,365	1044.3%	2,004,533	94,398	1,910,135	2023.5%
Total Operating Revenue	22,722,028	21,351,767	1,370,261	6.4%	155,023,167	133,959,421	21,063,746	16.7%
<u>Operating Requirements</u>								
Fac Mgmt, Ops and Airport Security	5,329,895	4,729,218	(600,677)	(12.7%)	38,451,796	33,119,691	(5,332,105)	(16.1%)
Airport Planning and Development	570,784	1,310,076	739,291	56.4%	3,754,443	3,601,939	(152,503)	(4.2%)
Support Services	2,645,060	1,842,957	(802,102)	(43.5%)	17,721,551	13,673,231	(4,048,320)	(29.6%)
Business Services	1,136,154	787,672	(348,482)	(44.2%)	7,622,444	4,857,556	(2,764,888)	(56.9%)
Total Operating Expense	9,681,893	8,669,923	(1,011,970)	(11.7%)	67,550,234	55,252,418	(12,297,816)	(22.3%)
<u>Debt Service</u>								
2013 Prosperity Bank Loan	450,623	450,971	348	0.1%	3,154,882	3,157,036	2,154	0.1%
2014 Bond Issuance	589,820	554,500	(35,320)	(6.4%)	4,128,743	3,881,503	(247,240)	(6.4%)
2017 Bond Issuance	836,226	808,247	(27,979)	(3.5%)	5,853,584	5,657,732	(195,852)	(3.5%)
2019 Refunding Bonds	1,203,345	1,209,263	5,918	0.5%	8,432,285	8,474,080	41,795	0.5%
2019 New Money	1,476,625	1,451,823	(24,802)	(1.7%)	10,335,469	9,605,888	(729,581)	(7.6%)
2022 New Money	9,694	0	(9,694)	N/A	67,618	0	(67,618)	N/A
Total Debt Service	4,566,334	4,474,805	(91,529)	(2.0%)	31,972,581	30,776,240	(1,196,341)	(3.9%)
<u>Other Requirements</u>								
Workers' Compensation	38,955	42,020	3,065	7.3%	272,682	238,115	(34,567)	(14.5%)
Citywide Administrative Support	555,489	512,872	(42,617)	(8.3%)	3,888,422	3,590,106	(298,317)	(8.3%)
Communications & Technology Mgmt	144,843	167,820	22,977	13.7%	1,013,903	950,983	(62,920)	(6.6%)
Accrued Payroll	15,996	28,574	12,578	44.0%	111,969	200,017	88,049	44.0%
Operating Reserve	379,949	0	(379,949)	N/A	2,659,643	0	(2,659,643)	N/A
CTECC	38,755	31,130	(7,625)	(24.5%)	271,286	176,409	(94,876)	(53.8%)
Trunked Radio Allocation	37,730	33,105	(4,625)	(14.0%)	264,112	187,595	(76,517)	(40.8%)
Public Works Capital Projects Mgmt Fund	131,326	199,635	68,309	34.2%	919,285	1,131,265	211,980	18.7%
Total Other Requirements	1,343,043	1,140,822	(202,222)	(17.7%)	9,401,302	6,600,156	(2,801,146)	(42.4%)
Total Requirements	15,591,270	14,285,550	(1,305,721)	(9.1%)	108,924,117	92,628,813	(16,295,304)	(17.6%)
SURPLUS (DEFICIT) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	7,130,758	7,066,218	64,540	0.9%	46,099,050	41,330,608	4,768,442	11.5%
Federal Relief Reimbursement (Parking)	(870,479)	(588,356)	281,123	47.7%	(6,086,728)	(3,947,988)	2,138,740	54.2%
Federal Relief Reimbursement (Debt Service)	(1,922,013)	(1,310,552)	611,461	46.7%	(26,559,006)	(25,873,980)	685,026	2.6%
Total Federal Relief	(2,792,492)	(1,898,908)	893,585	47.0%	(32,645,734)	(29,821,968)	2,823,765	9.5%
TOTAL SURPLUS (DEFICIT) AFTER FEDERAL RELIEF	9,823,251	8,966,126	857,125	10.7%	\$ 78,744,784	\$ 71,152,577	\$ 7,592,207	10.7%

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



AIRPORT ADVISORY COMMISSION

ITEM 5 – STAFF BRIEFINGS

Update regarding status of litigation related to the Concession and Lease Agreement for the South Terminal Facility provided by Tracy Thompson, Chief Officer – Administrative and External Affairs.



MEMORANDUM

TO: Airport Advisory Commission

FROM: Jim Smith, Interim Chief Executive Officer

DATE: June 14, 2023

SUBJECT: Status of litigation proceedings related to the Concession and Lease Agreement for the South Terminal facility.

the Austin City Council approved a settlement with LoneStar Airport Holdings, LLC granting Austin-Bergstrom International Airport (AUS) the ability to expeditiously move forward with the Airport Expansion and Development Program (AEDP).

This settlement process will end the two current lawsuits between the City of Austin and Lonestar Holdings and enables the Department of Aviation to assume operations of the South Terminal facility, which we will do this fall.

During that timeframe, we will develop an Operational Transition Plan for the eventual relocation of operations to the Barbara Jordan Terminal or other facilities at AUS. This relocation of operations will be initiated with full consideration of the people impacted by this requirement for relocation, including airline partners, tenants, employees currently operating from and supporting the South Terminal, and our passengers who currently utilize the South Terminal for air service.

We will provide the Commission with updates on the Operational Transition Plan as significant milestones are reached and will be coordinating directly with any airline that will be involved in or affected by this transition.

AUS is committed to providing Ultra Low Cost Carrier airline service for Austinites and Central Texans and will work with the South Terminal airlines and other businesses to relocate them to the Barbara Jordan Terminal or other facilities. We are also committed

to ensuring a seamless transition of operations by proactively and regularly communicating changes to airline partners, employees, and travelers.

For additional information, please see our press release:

<https://www.austintexas.gov/news/austin-bergstrom-international-airport-announces-settlement-lonestar-airport-holdings-llc-support-airport-expansion-and-development-program>



AIRPORT ADVISORY COMMISSION

ITEM 6 – STAFF BRIEFINGS

Update regarding Austin-Bergstrom, Inc.
operation of the Hilton Austin Airport Hotel
presented by Tracy Thompson, Chief Officer –
Administrative and External Affairs



Hilton Austin Airport

Information for
Airport Advisory Commission

Tracy Thompson, Esq.
City of Austin, Department of Aviation
April 14, 2023



Austin-Bergstrom
International Airport



Briefings to AAC Regarding Hotel

AAC Hotel briefings since the emergence of COVID-19

- 11/10/2020 – Hotel Property/Facility, Structure and Operations and Financial Information
- 03/09/2021 – Update including COVID Impact, Loan Development, and Grant Pledge
- 04/13/2021 – Update including ABLE Governance, Loan Agreement and Grant Payments
- 12/14/2021 – Update on Loan Draws and Spending, 2021 Financial Performance
- 04/11/2022 – AAC Finance Working Group – General Update on 2022 Financials
- 05/10/2022 – Briefing on Report to Council Audit Finance Committee
- 07/12/2022 – RCA for Amendment to Management Agreement
- 06/14/2023 – Today's update



Austin-Bergstrom
International Airport



Hilton Austin Airport – Unique History

Former Headquarters of Bergstrom Air Force Base



- Opened in 1968
- Three stories
- Underground bunker
- Enclosed courtyard
- Names:
 - Building 2900
 - The Roundagon
 - The Donut
 - The Little Pentagon
- Base closed in 1993

Hilton Austin Airport – Facility Information

Improvements Description

- Year Opened: 2001
- Property Type: Full-service lodging facility
- Building Area: 206,608 square feet
- Guestrooms: 262
- Number of Stories: Four
- Meeting Space: 17,505 square feet
- Parking Spaces: 278 (Surface)
- Additional Facilities:
 - Outdoor pool, fitness center, a lobby workstation, guest laundry room, and vending areas
- Food and Beverage Facilities:
 - Restaurant and lounge, coffee shop

From war room to ballroom

The 12th Air Force headquarters. "The Doughnut." transforms into a Hilton hotel

*Austin American Statesman
December 17, 2000*



Austin-Bergstrom
International Airport

Hilton Austin Airport – Renovation Program

Completed Renovations

Phase 1: Guestrooms Renovation – \$11.0 million

Comprehensive guestrooms renovations, including:

- Renovations to bathrooms
- Furniture and soft goods replacement

Completed: Oct. 2020

Phase 2: Meeting Spaces, Other – \$2.1 million

Renovation of meeting spaces and other items of work:

- Carpet and furniture replacement
- Refinish of doors and wood trim
- Replace outdoor brand signage
- Rehabilitation of outdoor pool

Completed: Dec. 2020 (meeting spaces) and Jul. 2021 (other)

Future Renovations

Phase 3: Public Spaces

To include lobby, check-in desk, restaurant and lounge

- Will be implemented in separate projects based on funding availability
- Conceptual design is underway; will be used in prioritizing the use of funds



Austin-Bergstrom
International Airport

Hilton Austin Airport – Structure & Operations

- **Austin-Bergstrom Landhost Enterprises, Inc. (ABLE)**
 - Texas nonprofit public facility corporation created by the City of Austin (City) in 1998
 - Authorized under Chapter 303 of Texas Local Government Code
- **ABLE acts on behalf of the Department of Aviation (Subject to FAA Regulations)**
 - Created to be the Issuer of tax exempt bonds
 - Construct/improve public facilities at the Airport – Hilton Austin Airport (Hotel)
 - Original 1999 bonds were refinanced in 2017
- **Department of Aviation (Department) oversight of ABLE**
 - AUS Staff provide liaison, business and financial services to ABLE
 - Grant Agreement – Department supports bond payments, as required
 - Ground Lease – Department receives ground rent and administrative fees
- **ABLE primary contracts for Hotel operations**
 - Franchise Agreement – Hilton Franchise Holdings, LLC
 - Hotel Management Agreement – Boykin Prospera, LLC



Operating Results



Austin-Bergstrom
International Airport



COVID 19 Impacts – 2020 - 2021

Loan from Department to ABLE

To cover hotel operating expense shortfalls and certain required administrative expenses from 2020 through 2022, resulting from the impact of COVID-19.

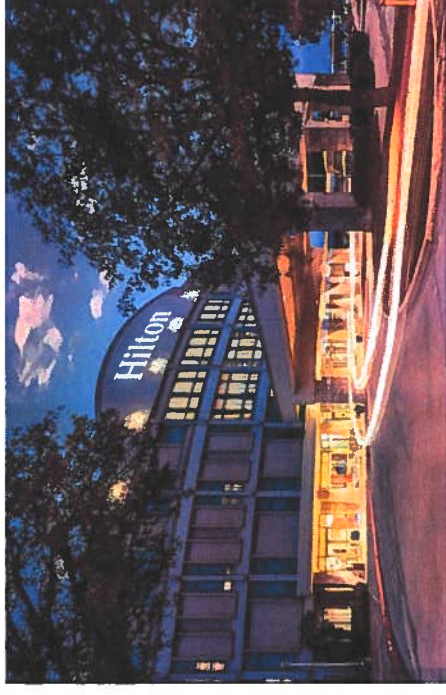
City Council approval – June 3, 2021

Loan Repayment

Loan limit - \$2,600,000

Principal borrowed with accrued interest - \$851,719

Balance paid in Full – April, 2023.



Payments related to Debt Service requirements (Grant Agreement)

Department is required to replenish any deficiency in Debt Service Reserve Fund

Department paid for three (3) debt service payments, at approx. \$1,500,00 each (2020-2021)



Austin-Bergstrom
International Airport



Hilton Austin Airport – Performance Trend

2019 – 2022

Metric	2019	2020	2021	2022
Occupancy	80.2%	32.6%	62.0%	82.4%
ADR	\$142.24	\$123.51	\$136.06	\$163.87
Operating Revenues	\$14.6m	\$5.3m	\$9.9m	\$16.3m
EBITDA before Grant & PPP	\$4.0m	(\$1.5m)	\$1.8m	\$5.1m

Acronyms

ADR: Average Daily Rate

EBITDA: Earnings Before Taxes, Interest, Depreciation and Amortization

PPP: Paycheck Protection Program



Austin-Bergstrom
International Airport



STAR Performance: Competitive Set

2022 Year Ended December 31, 2022

Metric	Occupancy 2022	ADR 2022	RevPAR 2022
Hilton Austin Airport	82.4%	\$163.63	\$134.89
Austin Market	68.0%	\$167.65	\$114.07
Primary Competitive Set	52.6%	\$145.65	\$76.57

Primary Competitive Set:

- Austin Southpark Hotel – will become Tribute by Marriott in the future, currently marketed on all Marriott platforms
- Radisson Hotel Austin – previously Crowne Plaza
- DoubleTree @ 290 – TX Dept. of Emergency Mgmt. contract expired Nov. 2022
- Marriott South

Acronyms

ADR: Average Daily Rate
RevPAR: Revenue per Available Room



Austin-Bergstrom
International Airport



Other Highlights



Austin-Bergstrom
International Airport



Labor Union Activity & Living Wage

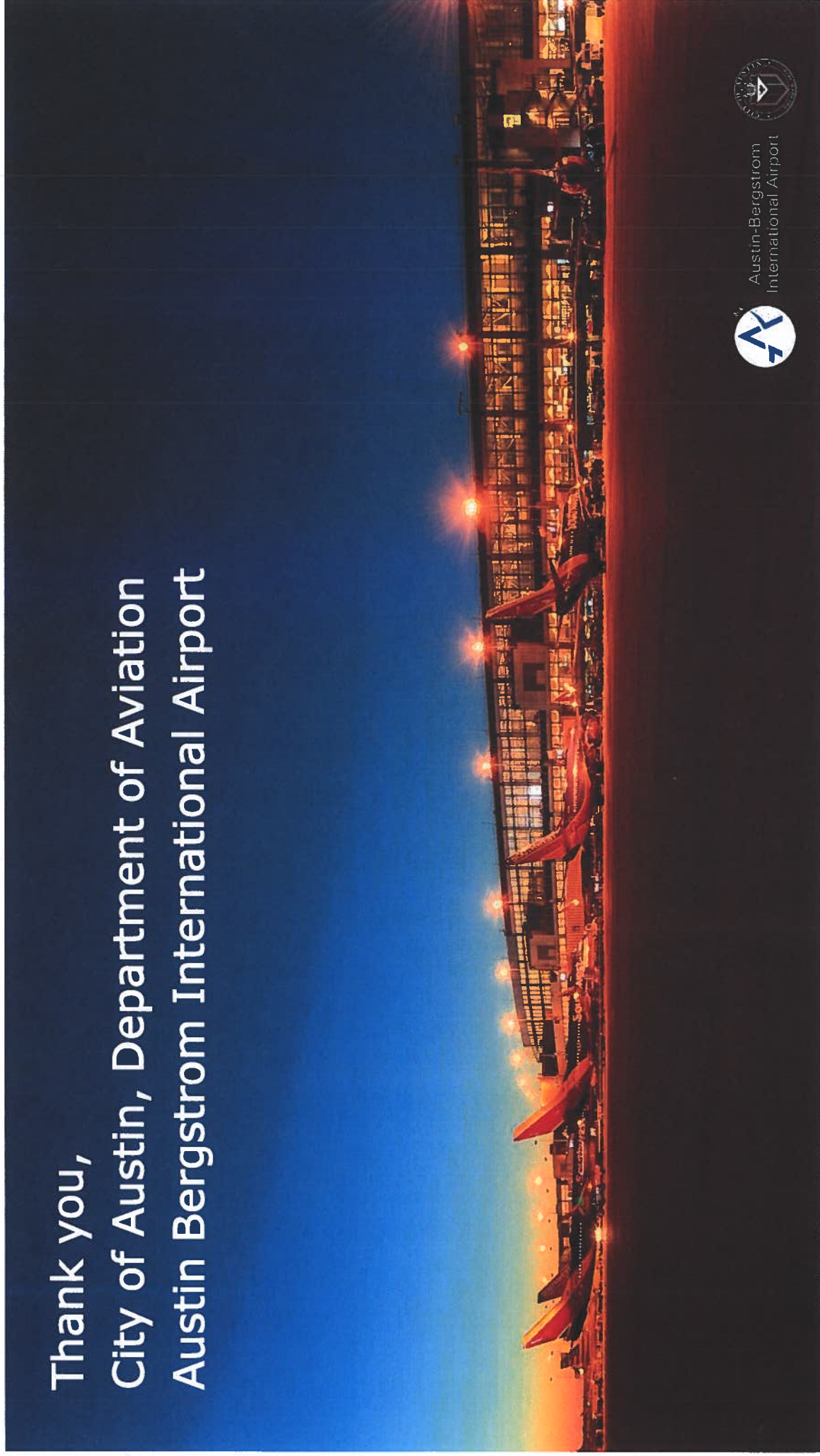
- **Labor Peace Agreement – executed Apr. 2022**
 - Negotiated by and executed between Boykin Prospera LLC (“Prospera”) and UNITEHERE Local 23 (“Unite Here”)
- **Exclusive Bargaining Representative – effective Nov. 2022**
 - Unite Here was authorized by a majority of the hotel service, housekeeping, food and beverage, and laundry employees of the hotel to be their exclusive bargaining representative
- **Collective Bargaining – June 2023**
 - Prospera and Unite Here have agreed to meet June 13, 2023 to begin collective bargaining
- **Living Wage**
 - The ABLE Board of Directors voted to adopt the City of Austin Living Wage requirements for Hotel employees effective February 18, 2022
 - September 9, 2022, ABLE and Prospera executed an amendment to the management agreement, which formally included the City of Austin living wage requirements



Thank you,
City of Austin, Department of Aviation
Austin Bergstrom International Airport



Austin-Bergstrom
International Airport





AIRPORT ADVISORY COMMISSION

ITEM 7 – DISCUSSION AND ACTION ITEMS

Discussion and possible action on a recommendation by the Airport Advisory Commission to Project Connect, Austin Transit Partnership and CapMetro regarding transportation alternatives to Austin-Bergstrom International Airport – Requested and presented by Airport Advisory Commission Secretary Patrick Rose.





AIRPORT ADVISORY COMMISSION RECOMMENDATION 20230614-XXX

[XXX is the agenda item number]

Date: June 14, 2023

Subject: Project Connect

Motioned By: Patrick Rose, Secretary

Seconded By:

Recommendation

Request that Project Connect, the Austin Transit Partnership, and CapMetro propose transportation alternatives that extend the hours of the High-Frequency Route 20 Manor Road/Riverside Drive bus, and to provide additional service to the address the goals stated below and to meet the needs of employees and travelers, whether with light rail or another option.

Description of Recommendation to Council

Enhanced transit service to and from Austin-Bergstrom International Airport

Rationale:

Austin-Bergstrom International Airport is a regional transportation hub with over 6,000 employees, 260 daily flights (not including cargo and private aircraft flights), and over 20,000 daily commercial airline passengers and projected to increase;

Austin-Bergstrom International Airport 2040 Master Plan calls for the promotion of public transportation, partnership with CapMetro, maintenance of air quality standards, reduction of greenhouse gas emissions, and reduction of single occupancy vehicle use;

The preferred light rail alternative does not access the airport.

Vote

For:

Against:

Abstain:

Absent:

Attest: *[Staff or board member can sign]*



AIRPORT ADVISORY COMMISSION

ITEM 8 – DISCUSSION AND ACTION ITEMS

Discussion and possible action on a recommendation by the Airport Advisory Commission to establish a cooperative relationship between the Environmental Commission and Joint Sustainability Committee with the Airport Advisory Commission – Requested and presented by Airport Advisory Commission Chair Wendy Price Todd.





AIRPORT ADVISORY COMMISSION 20231614-XXX
[XXX is the agenda item number]

Date: June 14, 2023

Subject: Collaboration between Airport Advisory Commission and Environmental Commission and Joint Sustainability Commission

Motioned By: Raymond Young

Seconded By:

Recommendation

Establish a formalized working relationship between the boards to promote greater accountability and transparency to City Council and the public between the Austin-Bergstrom International Airport and the Watershed Protection Department with the Office of Sustainability

Description of Recommendation to Council

Require that Department of Aviation report environmental matters to the Airport Advisory Commission and the Environmental Commission in a timely memo or briefing

Rationale:

Environmental Commission Recommendation 2020503-007 approved

Joint Sustainability Committee Recommendation 20230524 approved

Aligns with Interim City Manager's "One Austin" initiative

Journey with AUS/Airport Expansion Development Program adherence with City of Austin Climate Equity Plan for airport leaseholders including commercial airlines, fixed base operators (private aviation), , air freight and cargo companies, rental car facilities, and other non-governmental interests.

Equity and quality of life issues with Jet Fuel Facility location selection, construction, and monitoring

Aviation safety concerns regarding bird kills

Mitigation for per-and polyfluoroalkyl substances (PFAS) contamination

Proximity to McCall Lane neighborhood and Richard Moya Park

Maintaining municipal attainment status for criteria air pollutants

Vote

For:

Against:

Abstain:

Absent:

Attest: *[Staff or board member can sign]*

