



**City of Dallas**

**State of Dallas'  
Aviation Department  
Transportation and Infrastructure  
Committee  
September 20, 2021**

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Department of Aviation  
City of Dallas

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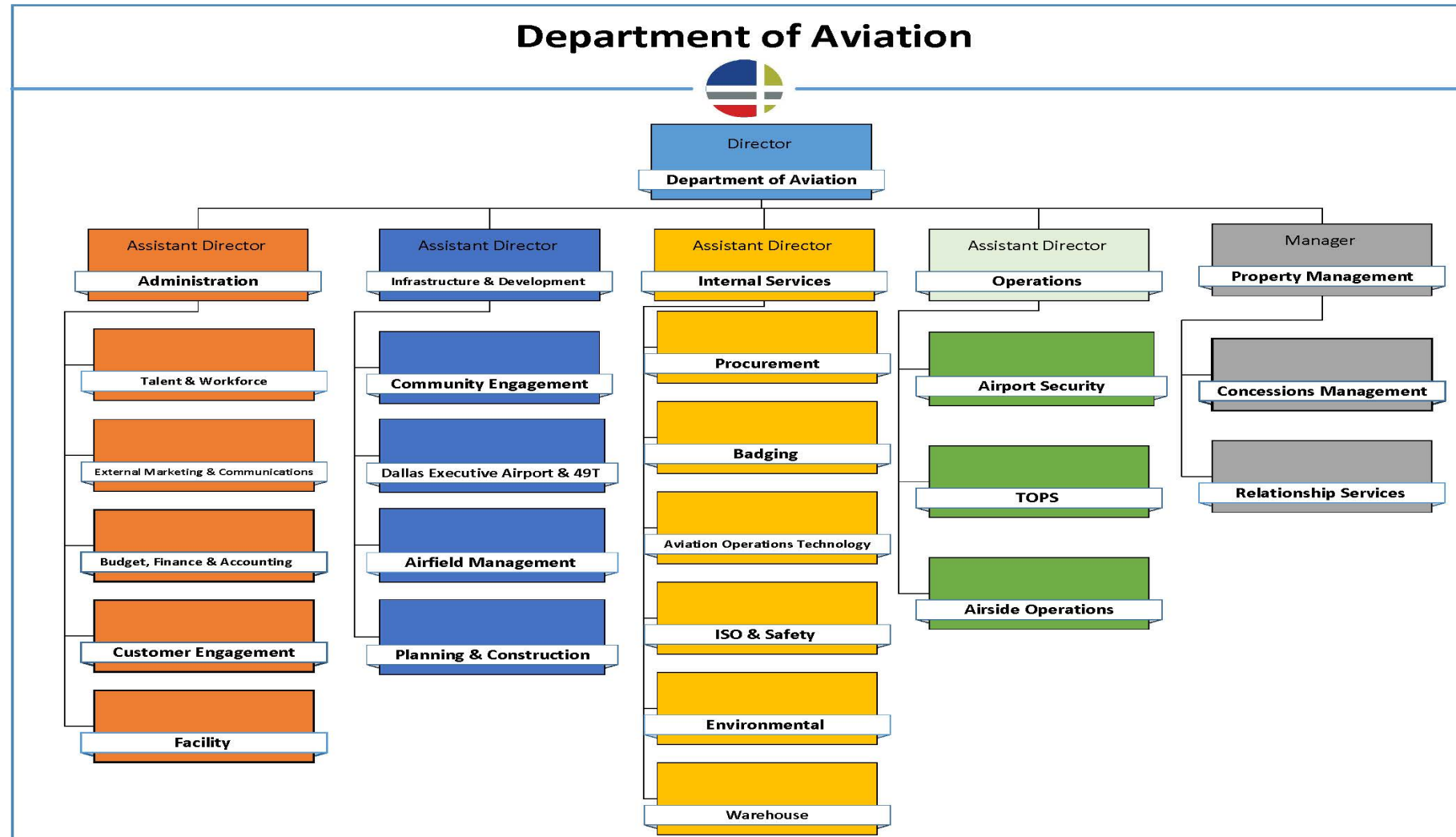
# Department of Aviation



- 350 employees across 20 divisions
- Oversees Dallas Love Field, Dallas Executive Airport, Downtown Vertiport, and Transportation Regulation
- Self-sustaining Enterprise Fund
  - No funds from Ad Valorem or Sales Tax
  - Reimburses the General Fund \$18.1 million
    - Police (\$8.1M) & Fire (\$7.9M) Services
    - General Government Overhead charge - \$2.1M
  - ITS - \$3.5M
  - Fleet Services - \$446K



# Department Organization



# Wright Amendment Reform Act



- Based on local 5-Party Agreement
  - (City of Dallas, City of Ft Worth, American Airlines, Southwest Airlines, DFW International Airport)
- Flight restrictions ended October 2014
- No international flights
- Required City & Southwest Airlines to collaborate on modernization of Love Field
- Love Field capacity limited to 20 gates



# Budget Overview



- FY 20-21 Amended Budget: \$119,081,299
- FY 21-22 Proposed Budget: \$142,389,852
- Cost Center Revenues Projected - \$142,389,852 (Enterprise Fund)
- Airport Expenditures
  - 16.28% increase
  - Increase in debt service for runway/taxiway project \$150M
  - Refunding of 2010 Special Facility Bonds to 2021 General Airport Revenue Bonds - \$113M savings over 30 years



# Rates and Charges



- In 2008, the City renegotiated the Use & Lease agreements with three commercial airlines
  - Southwest Airlines
  - American Airlines
  - United Airlines
- Part of the restated leases required the City to adopt a Rates and Charges Methodology that would accurately assess costs to the airlines for the portions of the Department's budgets related to their activity
- Three Cost Centers were established related to those commercial activities
  - Terminal
  - Apron
  - Airfield



# Rates and Charges



- Each of these Cost Centers has revenues dedicated to offset the costs
  - Rates and charges are calculated mid-year to identify any changes necessary to cover costs
  - At the end of each fiscal year, a “true up” is completed and if costs exceed revenues the airlines must make up the difference
  - Likewise, if revenues exceed the costs, the airport refunds the difference back to the airlines



# Rates and Charges



Rates calculated based on cost center residual methodology

Cost Centers:	Airline Cost Centers			Terminal Roadways	Parking and Ground Transportation	Other Buildings and Areas
	Airfield	Apron Area	Terminal Building			
	Costs (1)	Costs (1)	Costs (1)	Costs (1)	Revenues	Revenues
	- Other Revenues (2)	- Other Revenues (3)	- Other Revenues (4)	- Revenues	- Costs (1)	- Costs (1)
Net:	Net Requirement	Net Requirement	Net Requirement	Net Deficit	Net Revenues	Net Revenues
	less: revenue sharing		less: revenue sharing	Transfer 50% to Airfield and 50% to Terminal	Credit 75%	Credit 0%
	=Landing Fee Requirement	=apron fee requirement	=terminal rental requirement		City retain 25%	City retain 100%
Divisor:	/airline landed weight	/number of gates	/airline leased space			
Rate:	Landing Fee Rate	Apron Fee Rate	Terminal Rental Rate		Transfer to Aviation Capital Fund	Transfer to Aviation Capital Fund

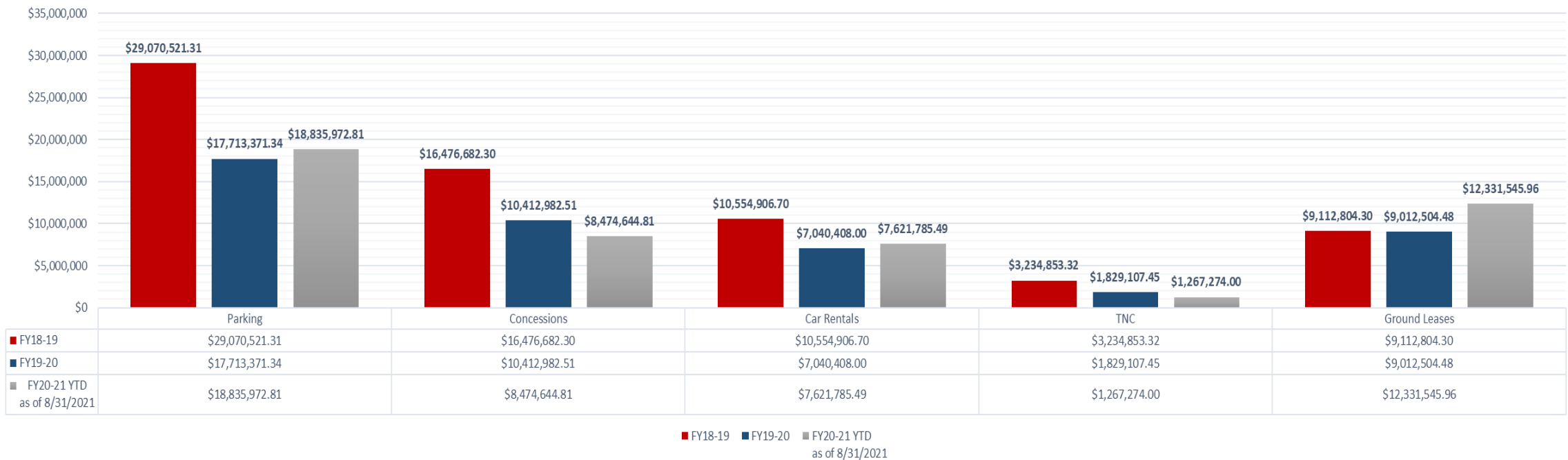
- (1) Recoverable costs include allocable operation and maintenance expenses, debt service, any required replenishment of reserve funds, and amortization of the City's net cost of any new capital projects placed in service after September 30, 2008.
- (2) Other revenues to be credited toward the Airfield costs include fuel flowage and other landing fees from charters and other airfield users.
- (3) Other revenues to be credited toward the Apron Area costs include other apron charges from charter and nonsignatory airlines.
- (4) Other revenues to be credited toward the Terminal Building costs include nonairline building space rent, allocable interest income, and 75% of terminal concession revenues.



# Revenue Performance



## Non-Airline Revenue



# Performance Measures



Service	Description	FY20-21 Target	FY20-21 Forecast	FY21-22 Target
Dallas Love Field	Overall customer satisfaction index (Scale 1-5)	5.00	4.67	5.00
Dallas Love Field	Sales per enplaned passenger (SPEP)	\$12.00	\$11.00	\$10.00
Regulation & Enforcement of For Hire Transportation	Percentage of customer complaints resolved within 15 days of submission	100%	100%	100%
Dallas Executive	Increase private and public sector investments at Dallas Executive (new)	n/a	n/a	10%



# Pandemic-Related Actions



- Cost savings methodology
  - Suspended or cut contracts/reimbursements that were not needed due to low number of passengers
  - Moved employees from the remote Parking Lot to Garages
- Suspended hiring / redeployed employees (maintained 284 employees)
- Cleaning contracts supplemented with TSA Funding
  - Electrostatic cleaning tools, nightly cleaning for viruses
  - More robust cleaning during the day



# Pandemic-Related Actions



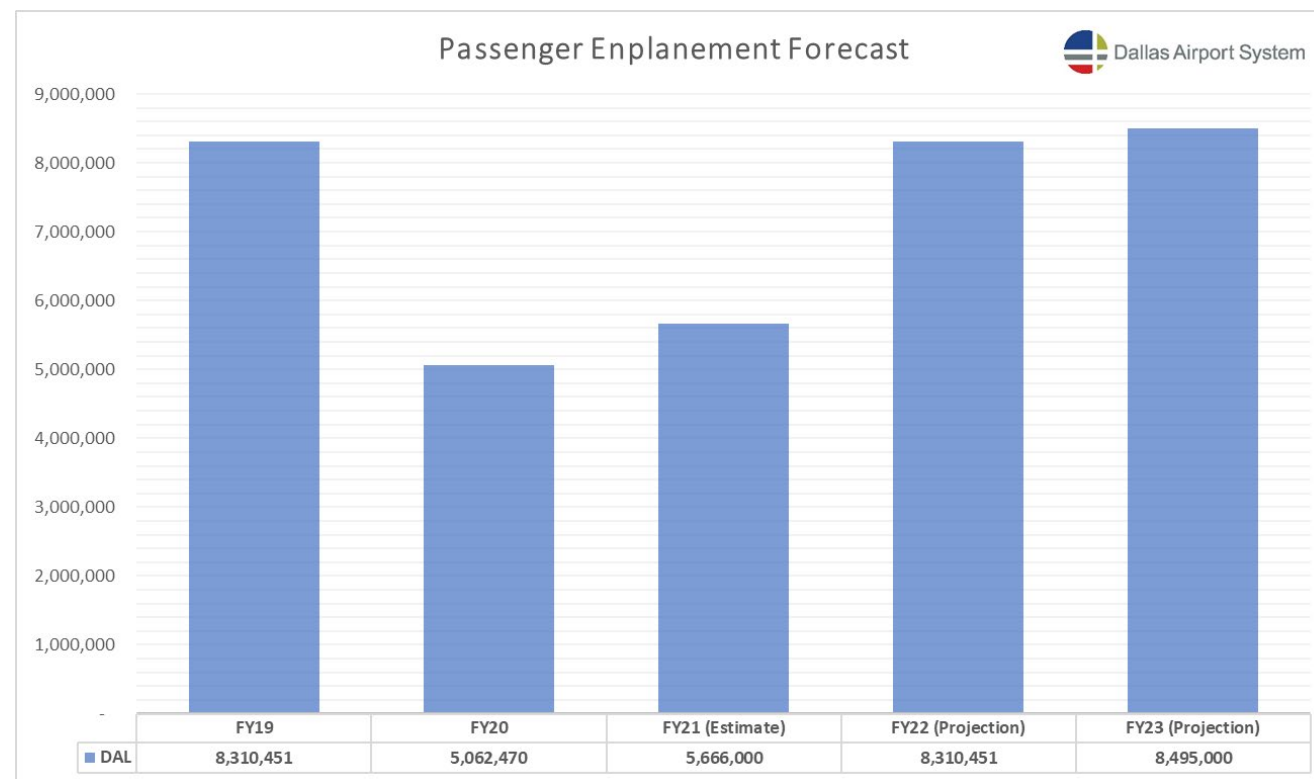
- Added new protocols and procedures for social distancing & masking
- Distributed 500,000 free masks provided by grants/FAA
- Added WELLO machines for touchless daily employee temperature checks linked to airport badging system
- Suspended the MAG for Concessionaires, went to percent rent (March 2020-Oct 2021)



# Passenger Statistics



- DAL is recovering quicker than most medium-hub airports
- Full recovery expected by FY22
- Cost Per Enplanement
  - FY20-21: \$15.17
  - FY 21-22: \$10.45



# FAA Relief Grant Funds



<b>Federal Relief (FAA/DOT)</b>	<u>DAL</u>	<u>DEA/Vertiport</u>	<u>Concessions</u>	<u>TOTAL</u>
CARES	\$53.8M	\$70,000	\$0	\$54.3M
CRRSA	\$13.7M	\$91,000	\$1.7M	\$15.6M
ARPA	\$50.0M	\$148,000	\$6.9M	\$58.0M
<b>TOTAL</b>	<b>\$117.5M</b>	<b>\$309,000</b>	<b>\$8.6M</b>	<b>\$127.9M</b>



# FAA Relief Grant Funds



<b>Total Used/*Projected Use</b>	<u>Debt Service</u>	<u>O&amp;M</u>	<u>Capital</u>
FY 20-21	\$39.0M	\$16.7M	\$0
*FY 21-22	\$0	\$3.7M	\$4.0M

\*Future use—as needed as passenger traffic increases or decreases



# Data Analytics



- The department tracks a number of indicators to recognize trends and potential issues with operations
- This data is used in planning activities and anticipating operational demands on the facilities and staff



# Data Analytics

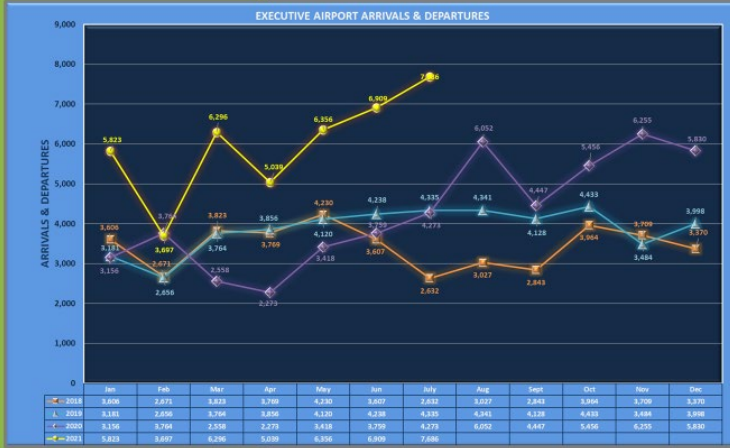


Revenue total to July 2021. (Other Revenue Includes Cardtronics, Lamar, Baggage Carts, Star Polish, Love Connection.)

## LOVE FIELD REVENUE

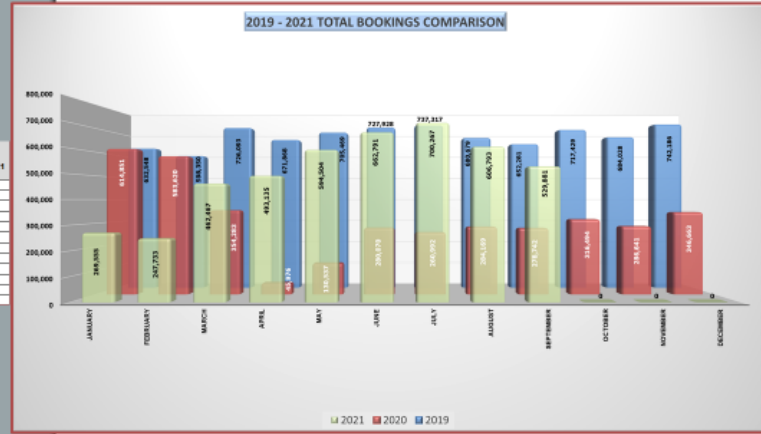


## DEA OPERATIONS



## 2019 – 2021 TOTAL BOOKINGS DATA COMPARISON

Month	2019	2020	2021	% Change 2019-2020	% Change 2020-2021	% Change 2019-2021	% of 2019-2021
JANUARY	632,648	614,851	729,555	-2.8%	19.1%	16.3%	43.41%
FEBRUARY	588,100	582,563	647,733	-0.9%	11.7%	10.8%	49.48%
MARCH	726,893	384,283	482,487	-47.1%	25.5%	-21.6%	66.89%
APRIL	671,865	45,876	493,135	-93.1%	87.2%	-55.9%	73.48%
MAY	795,469	110,537	598,504	-86.1%	441.4%	-14.7%	75.21%
JUNE	727,317	280,075	662,791	-61.3%	135.6%	-4.9%	91.05%
JULY	737,317	280,075	700,267	-61.3%	146.6%	-4.0%	94.98%
AUGUST	640,879	384,168	606,793	-40.3%	11.3%	-29.0%	93.15%
SEPTEMBER	662,281	370,742	529,881	-43.7%	43.1%	-10.3%	81.24%
OCTOBER	717,429	316,494	455,695	-55.8%	43.8%	-12.0%	63.52%
NOVEMBER	584,425	336,041	450,105	-42.8%	35.7%	-17.1%	77.04%
DECEMBER	742,186	346,663	453,295	-52.2%	27.7%	-24.5%	61.21%



Enplanements updated until 09/07/2021. September 2021 Total Booking are projected.

## ENPLANEMENTS VS. PARKED VEHICLES



# Dallas Airport System



- Provide safe, convenient aviation services for commercial and general aviation
- Responsible for the maintenance of 4 runways, numerous facilities, and the efficient movement of vehicles and people
- Monitor and ensure compliance with all of requirements of the Department of Homeland Security, Federal Aviation Administration, and Texas Department of Transportation
  - Over 7,000 active security badges
  - 500 security cameras
  - Four private technology networks
  - Approximately 70 current leases across all airport owned property



# Dallas Airport System



- Love Field
  - 1400 acres/ 14 million square feet of pavement
  - 20 gate commercial terminal
  - 3 parking garages
  - Over 80 hangers
- Dallas Executive
  - 1040 acres/ 3.3 million square feet of pavement
  - Terminal and conference center
  - 135 hangers
- Downtown Vertiport
  - 3 acre flight deck
  - 2 take off areas
  - 5 60'X60' parking areas



# Parking



- Current parking rates were set in October 2018
  - 4000 spaces less than \$10 per day
  - Garage B Roof is \$7, cheapest option
  - Garage C Premium is \$25, most expensive option
- Garage revenues have exceeded \$2M/month in Summer 2021
  - Garages A&B have reached capacity multiple times this summer



# Capital Program



- Capital projects are funded primarily from:
  - Aviation Capital funds – these are the residual monies from the excess revenues under the rates and charges
  - FAA Grant funds – primarily the Airport Improvement Program monies which are both entitlement and discretionary funds
  - Bond Proceeds
  - Passenger Facility Charges – fees collected from departing passengers – projects must go through FAA approval for application of these funds
  - Car Rental Facility Charges – these funds can be used for facility and operations in support of car rental activities



# Current Major Capital Projects



- Runway 13R/31L Reconstruction
- Herb Kelleher Way (HKW) Enhancement



# Runway 13R/31L Reconstruction



- Closure began April 27, 2021
- Scheduled to reopen in March 2022 after early summer weather delays
- Customer impacts
  - Slightly longer taxi times on departure
  - Some arrival delays, particularly planes held before departure to DAL
  - Increased noise for east side neighborhoods



# Runway 13R/31L Reconstruction



# Herb Kelleher Way Enhancement



- Improved safety, walkability, lighting and landscaping
- Public art installation
- Lane closures – ongoing since April 26, 2021
  - Closures at HKW and Mockingbird intersection to begin September 13 for two weeks
- Expected completion: April 2022



# Herb Kelleher Way Enhancement



# DAL Car Rental Challenges



- Eight rental car brands operate on-airport on approx 20 acres
- Shuttle buses and customers returning vehicles to on-site location contributes to roadway congestion
- No adequate space for rental car vehicle storage to meet demand
- Possible solution is construction of Consolidated Rental Car Facility (ConRAC)



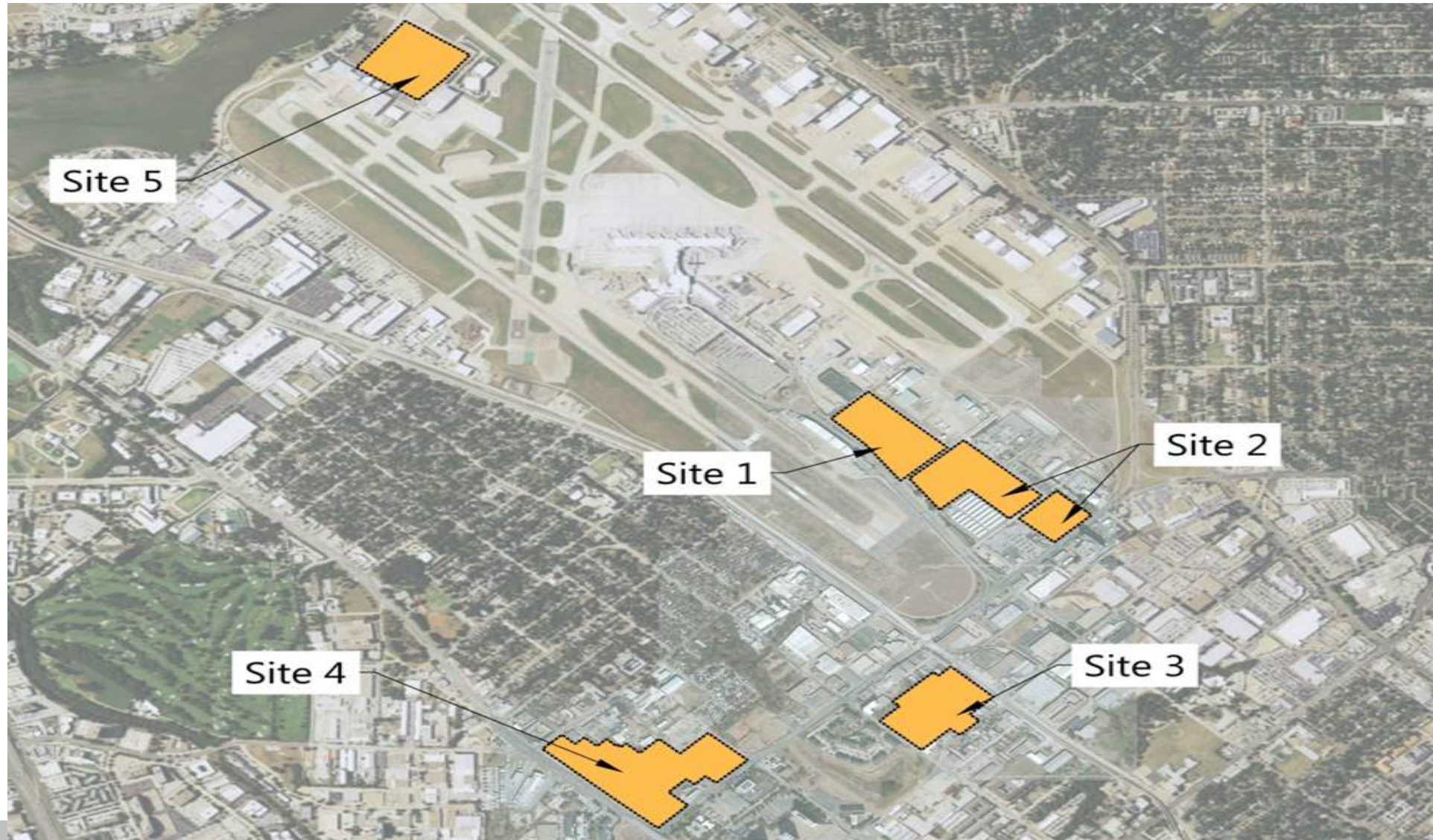
# Consolidated Rental Car Facility



- A facility that combines all rental car operations, including vehicle pick up and drop off, car storage, cleaning and fueling into a single facility
- Functional components of a ConRAC include:
  - Customer Service Area
  - Ready/Return Area
  - Overflow Vehicle Storage
  - Vehicle Service Area/Quick Turnaround (QTA)



# Potential CONRAC Site Locations



# Non-Aeronautical Development



- One of the strategies for the resilience of the Aviation Enterprise Fund is diversification of revenues
- Commercial development on airport properties expands unrestricted revenues not subject to airline rate settlement
- Commercial development also generates sales and ad valorem revenues to the City



# Non-Aeronautical Development



# Dallas Executive Development



- A major investment has been made in Dallas Executive Airport over the past 5 years
  - Runway 13/31 has been completely rehabilitated
  - Extension of 13/31 to 7000 feet
- The goal of this investment was to:
  - Attract new tenants and aeronautical business to the airport
  - Make Dallas Executive the premier general aviation airport in the DFW area
  - Prepare for the growing GA activity that was anticipated by the increased commercial activity at Love Field, and the implementation of GA Landing Fees at Love Field

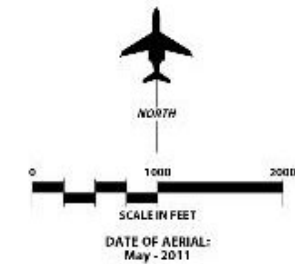


# Dallas Executive



- The Dallas Executive Master Plan was completed in 2015, and Council adopted the masterplan with the instructions to complete a Land Use Study to be added
- The Land Use Study has been completed with input from the DEA Steering Committee
- The City has added an additional Fixed Base Operator and flight school at RBD





# Dallas Executive Future



- There has been a noticeable uptick in interest at DEA because of the new runway
- TxDOT has committed an additional \$1,985,300 for the west side taxiway E
- Dallas Executive Marketing Plan has begun, with the marketing campaign in the final development
- One additional strategy for Council Consideration will be to create a Local Government Corporation to be a vehicle for development



# Department Outreach



- The Good Neighbor Plan is our way to connect with the community and gather input for future projects and planning
- It encompasses all projects and activities outside the runway and terminal
- The Department's facilities happen to be in the middle of the community, and our goal is to be a part of that community
- The Good Neighbor Plan supports the City of Dallas' goals of developing livable, walkable and interconnected neighborhoods



# Department Outreach



- Good Neighbor Plan goals:
  - Off-airport urban design, landscaping and beautification
  - Encouragement of recreational activities including parks and trails
  - Improved signage and way-finding initiatives
  - Pedestrian improvements
  - Traffic improvements
  - Drainage improvements



# Love Field Community Engagement



- In addition to hosting quarterly Good Neighbor Program meetings, the Department of Aviation has a growing Community Engagement division which seeks to support the communities surrounding Love Field
- Over the last year the Department organized and participated in the following events:
  - The Elm Thicket/Northpark Juneteenth parade
  - Annual Turn-Up event
  - 5 K on the Runway
  - Catholic Charities Mega Food Distribution (2 events at Love Field)
  - Bachman Park Community Clean-Up
  - Honoring Our Heroes Veteran's event at Frontiers of Flight
  - K.B. Polk Art contest with Love Field FBO RBR Aviation
  - Annual Back-to-School drive
  - Lost and Found donations to local charities
- Upcoming events include:
  - American Heart Walk around Bachman Lake (September 11)
  - Community Clean-up event (October 30)
  - National Night Out with LFWNA (October 4)



# Dallas Executive Community Engagement



- The Department conducts quarterly Steering Committee meetings at Dallas Executive
  - Comprised of tenants, community members and Dallas Executive staff
  - Provides an opportunity to discuss current events as well as solicit ideas on future planning at the airport
- Hosts number of community events:
  - Annual Easter Egg Drop (cancelled in 2019 for rain and 2020 and 2021 due to COVID)
  - Catholic Charities Mega Food Distribution at the CAF in July
  - Movie day in December, 2020 in conjunction with Councilmember Thomas
  - Socially distanced Movie Night
  - Wings over Dallas Air Show will take place the last weekend in October at the CAF
  - The CAF will be also be hosting Girls In Aviation Day on September 25.
  - Recent re-involvement with jazz nights, the 3<sup>rd</sup> Saturday of each month
  - Field trips and tours of the airport with students



# Dallas Executive Community Engagement



- Dallas Executive Airport and the Dallas Vertiport will be the staging and landing site for the 2022 Helicopter Association International (HAI) Helio- Expo
  - Event will held at the Kay Bailey Convention Center March 7<sup>th</sup> – 10<sup>th</sup>, 2022
  - The HAI Helio-Expo is where the Vertical Take Off Land (VTOL) industry gathers to connect, learn and conduct business



# Department Family Photo





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# **State of Dallas Airport System (DAS)**

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