City of Dallas

Department of Aviation Budget Overview and Future Projects

Dallas City Council
November 3, 2021

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Department of Aviation
City of Dallas

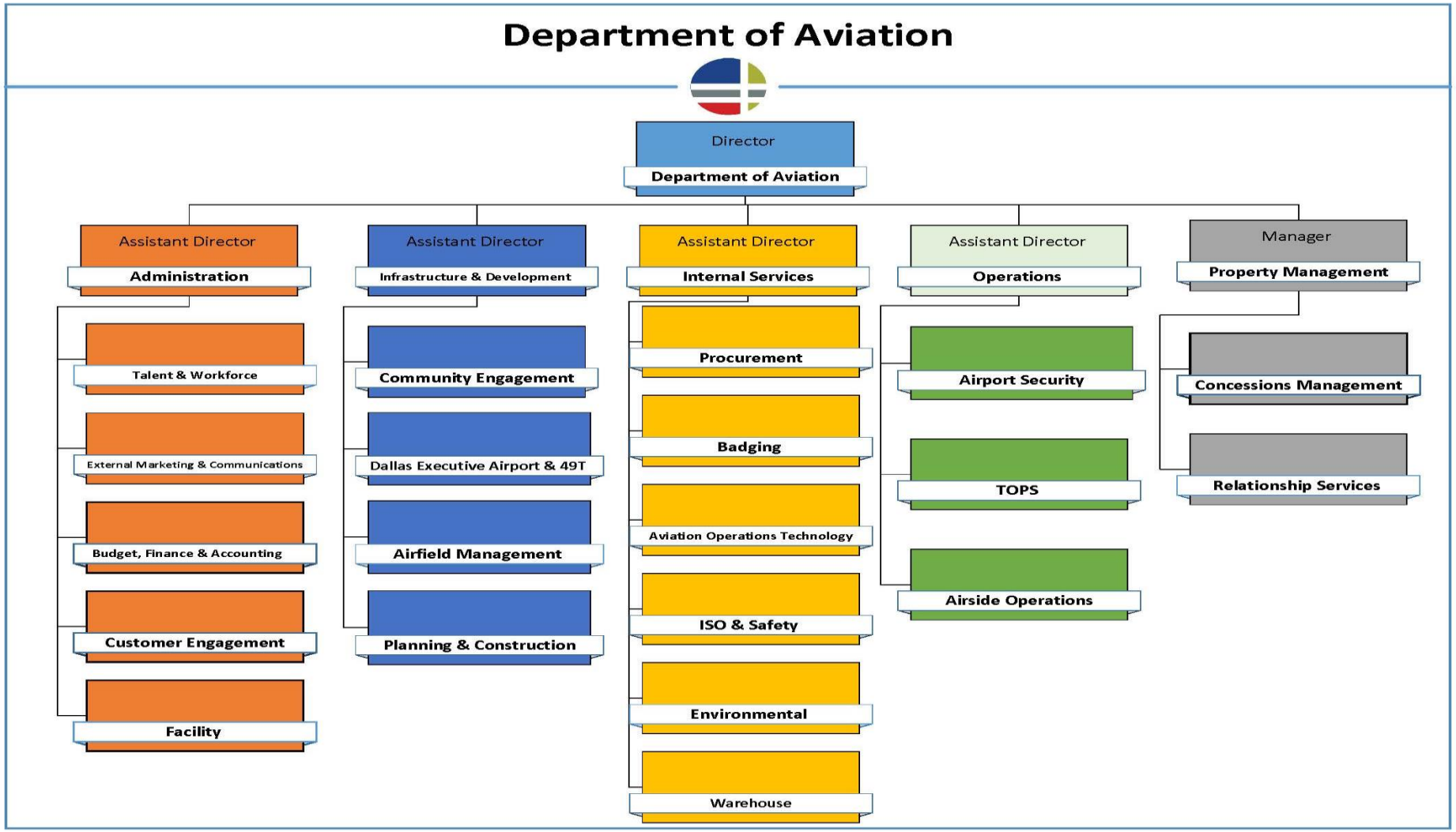
Dallas Airport System

- The Department of Aviation
  - 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

Dallas Airport System

- The Department consists of 350 employees
  - 20 divisions
- 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

Department Organization

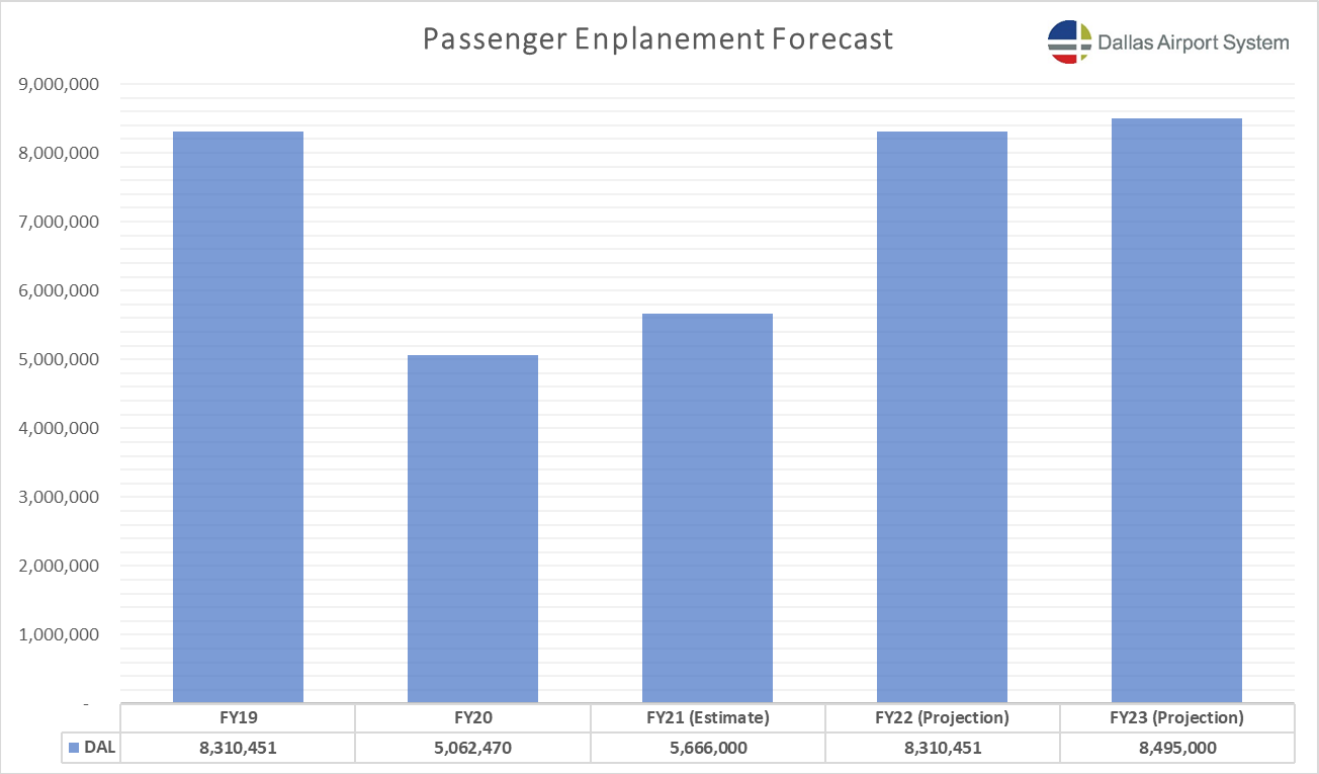


Dallas Airport System

- 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

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



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

Dallas Airport System

- 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

Wright Amendment Reform Act

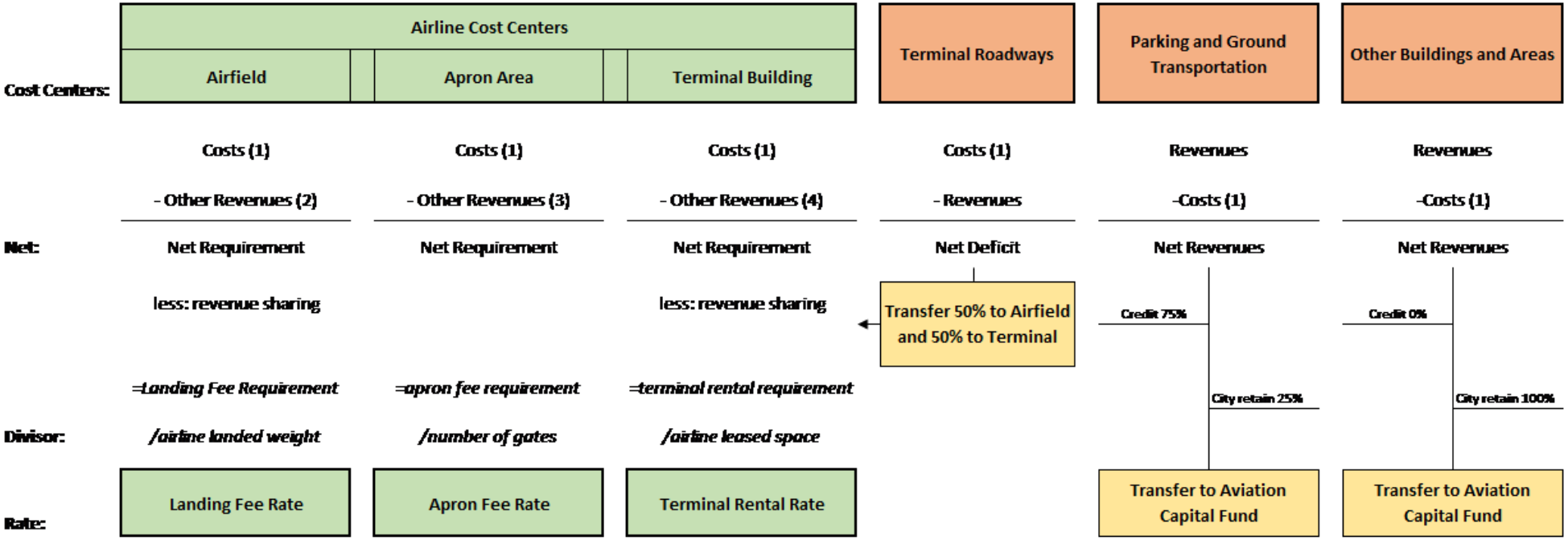
- Based on local 5-Party Agreement
  - (City of Dallas, City of Ft Worth, American Airlines, Southwest Airlines, DFW International Airport)
- Flight restrictions ended October 2014
- No international flights
- Required City & Southwest Airlines to collaborate on modernization of Love Field
- Love Field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

Dallas Airport System

- 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 Residual Model

Rates calculated based on cost center residual methodology



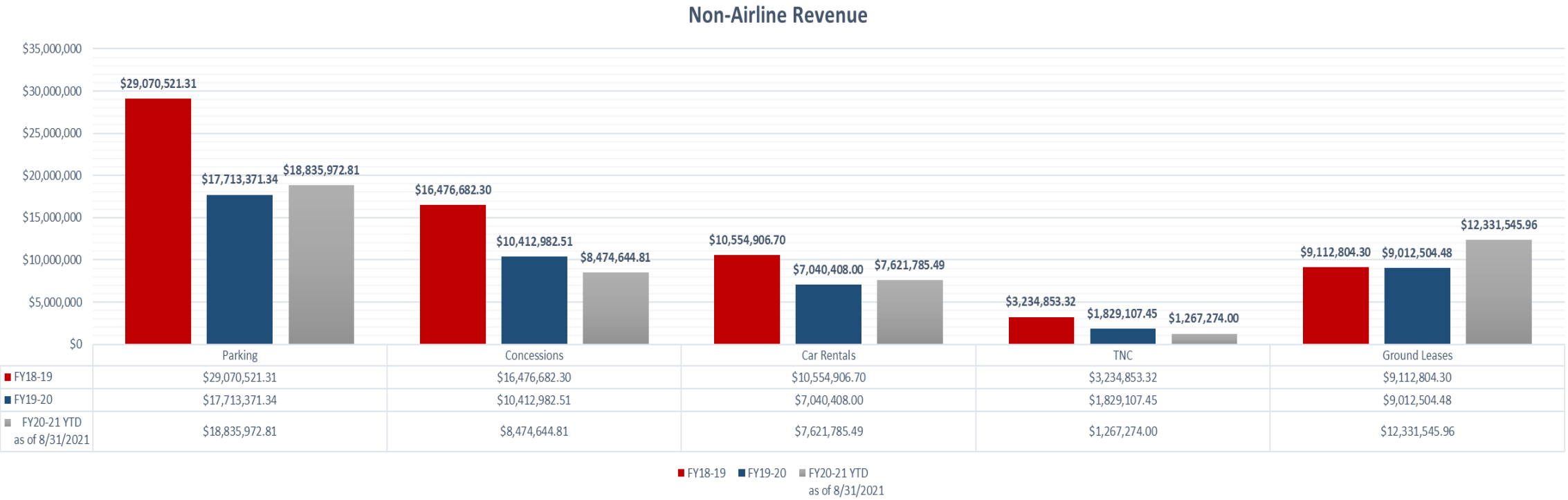
(1) Recoverable costs include allocable operation and maintenance expenses, debt service, any required replenishment of reserve funds, and amortization of the City's net cost of any new capital projects placed in service after September 30, 2008.

(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 nonariline building space rent, allocable interest income, and 75% of terminal concession revenues.

Revenue Performance



	Parking	Concessions	Car Rentals	TNC	Ground Leases
FY18-19	$29,070,521.31	$16,476,682.30	$10,554,906.70	$3,234,853.32	$9,112,804.30
FY19-20	$17,713,371.34	$10,412,982.51	$7,040,408.00	$1,829,107.45	$9,012,504.48
FY20-21 YTD as of 8/31/2021	$18,835,972.81	$8,474,644.81	$7,621,785.49	$1,267,274.00	$12,331,545.96

FAA Relief Grant Funds

Federal Relief (FAA/DOT)	DAL	DEA/Vertiport	Concessions	TOTAL
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
TOTAL	**$117.5M**	**$309,000**	**$8.6M**	**$127.9M**

FAA Relief Grant Funds

Total Used/*Projected Use	Debt Service	O&M	Capital
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

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

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

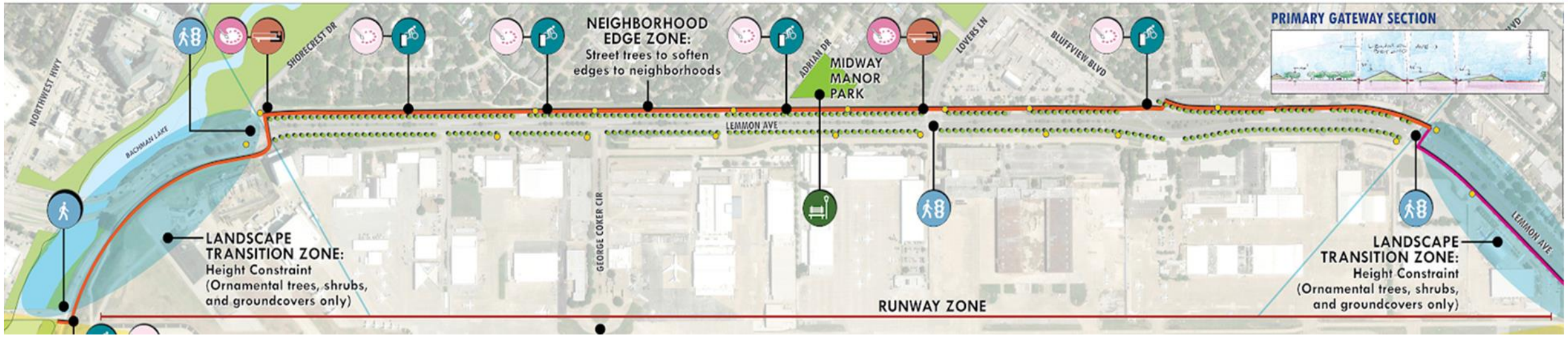
Runway 13R/31L Reconstruction

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

Lemmon Ave. Streetscape



Completed 60% design complete for Trail and Streetscape Enhancements

Estimated design completion – Spring 2022

10 ft. shared-use trail with enhanced pedestrian crossings connecting to the Bachman Lake trail system

Project limits extended to Airdrome and Mockingbird (to Coleville)

Completed Parks Master Plan

- Midway Manor Park
- North Neighborhood Park

Coordination with other City departments, DART and the FAA

- 2 Secondary Gateway Features at Lovers Lane and Shorecrest Dr.

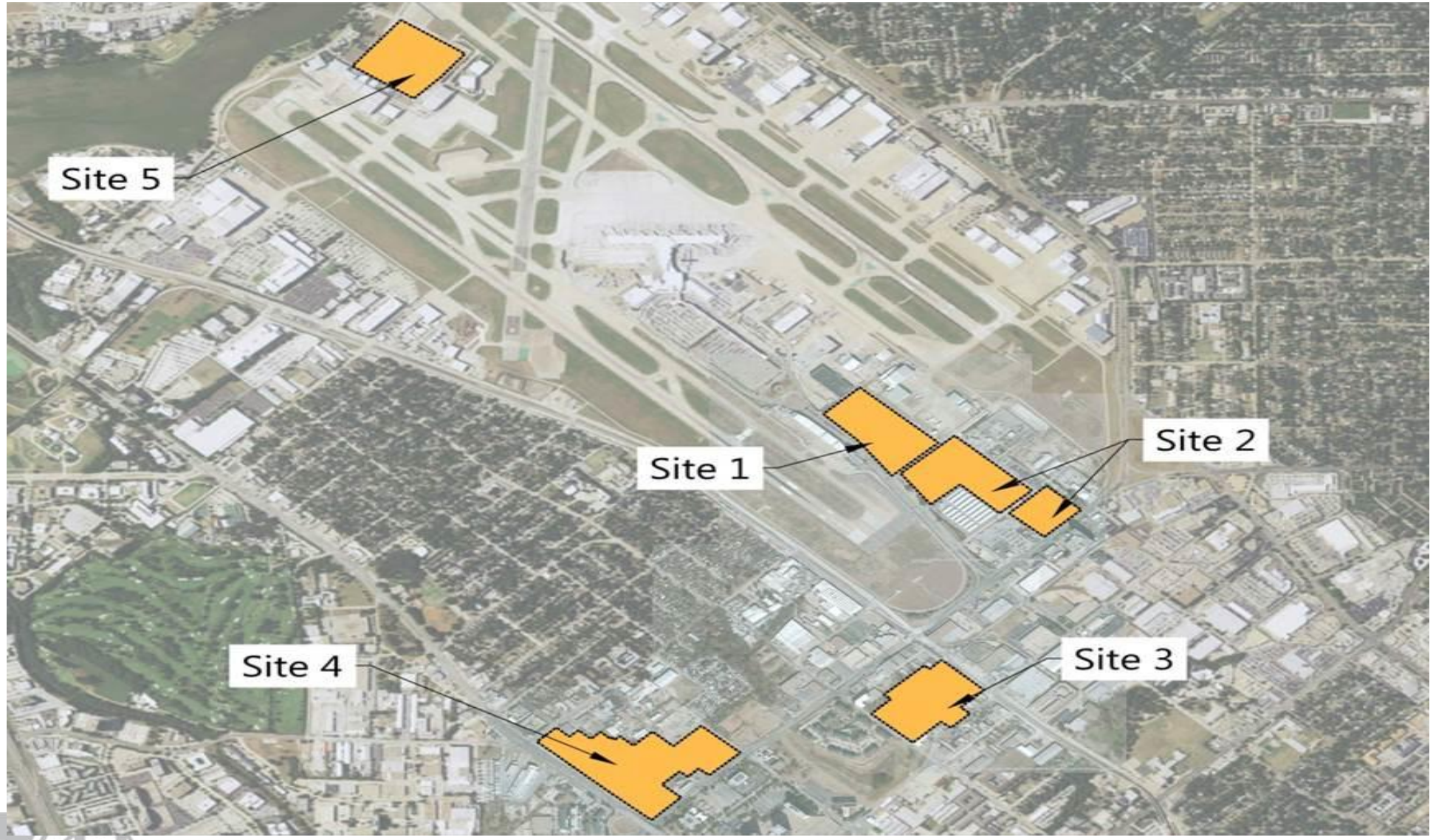
Alternate Entrance

- Existing single road access increases Airport's vulnerability during emergencies
- In an event that compromises access to Herb Kelleher Way, emergency response and evacuation of terminal area are challenging
- Second roadway access relieves current congestion at over-capacity intersection (Herb Kelleher Way and Mockingbird Lane) and offers a "back door" if future intersection changes close Herb Kelleher Way and/or Mockingbird Lane
- Project currently pn hold awaiting the results of the Bachman Area Transportation Study
- Results of study will give recommendations as to the benefits of this project to the overall traffic congestion improvements
- Recommend connection with existing roadways

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)
- Request for Proposal issued for study as to the viability and benefits of proceeding with this project

Potential CONRAC Site Locations



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 Development Areas

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 CGC to be a vehicle for development

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