

Austin Bergstrom International Airport

3P Development

2018 ACI-AAAE Airport Board & Commissioners Conference



PRESENTATION TOPICS

Airport Facilities

Airport Market & Growth

3P Delivery Model at ABIA

Car Rental Facility

Ultra Low Cost Airline Terminal

Retail Center and Cell Phone Waiting Lot

Bark and Park- Parking & Pet Hotel

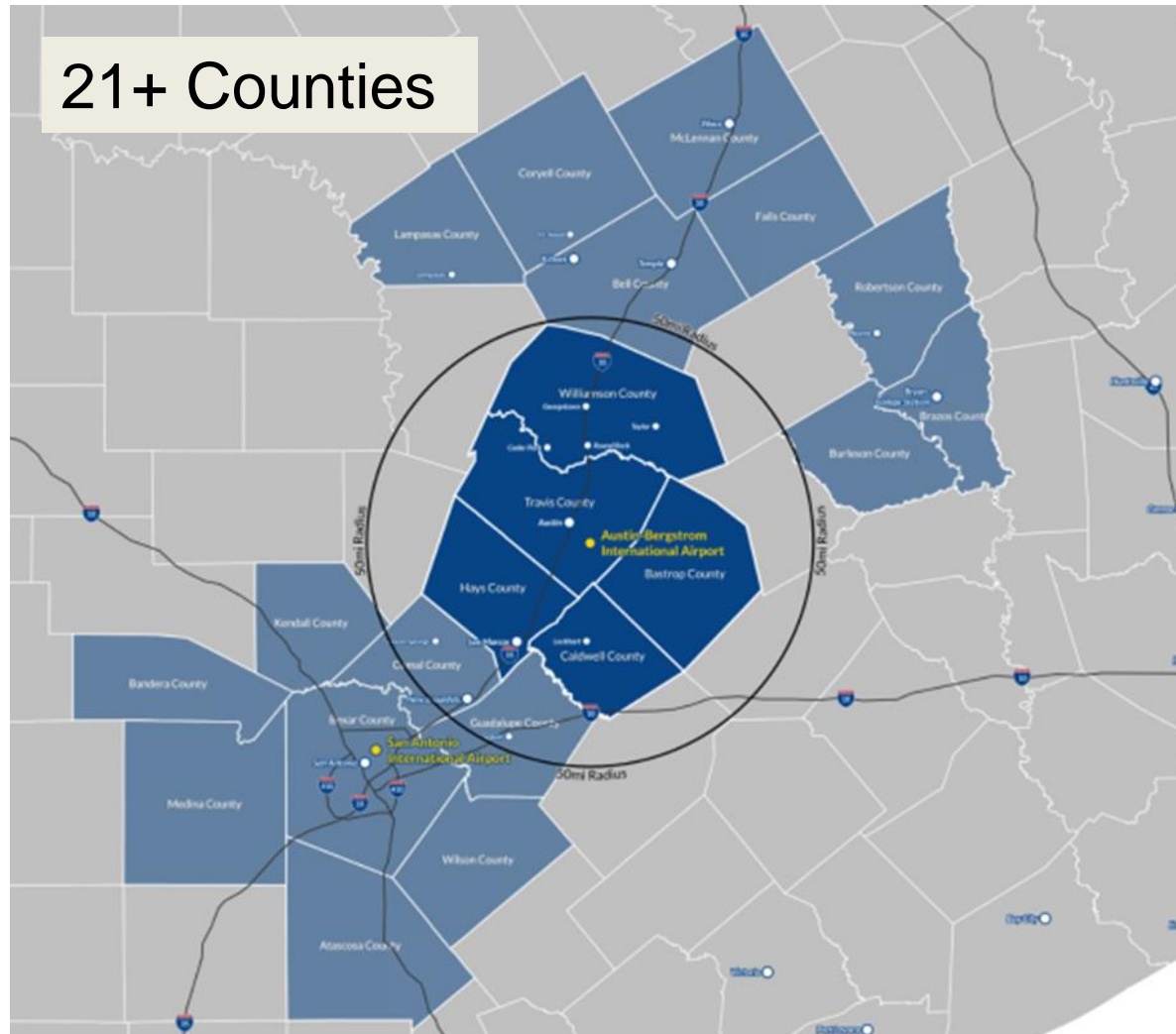


ABIA Facilities



- 4,242 acres owned by the City
- 2 wide spaced parallel runways simultaneous landings and takeoffs
 - 17L-35R-9,000 ft. CAT IIIb runway
 - 17R-35L-12,250 ft.
- 25 Gate Pax Terminal – 750,000+ s.f.
- **3 Gate Ultra Low Cost Terminal**
- **1.6M S.F. Car Rental Facility**
- Two FBOs: 200+ based aircraft
- 25 acre cargo apron
- Hilton Hotel – 262 rooms
- **Hyatt Hotel – 139 rooms**

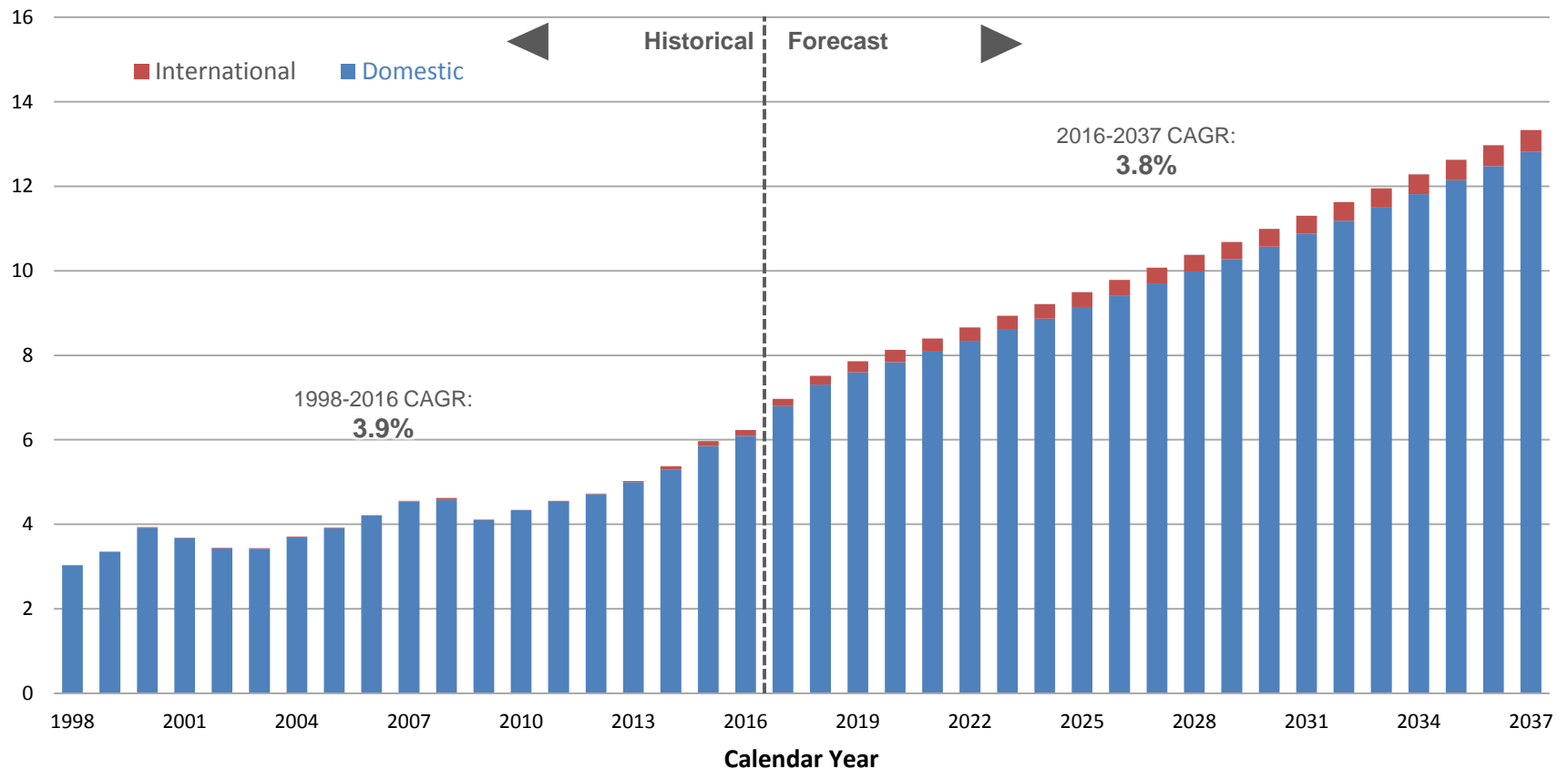
Air Service Market Area



Passenger Activity Performance

Annual Enplaned Passengers

(in millions)



ABIA Public Privation Partnerships

- TX State Law House Bill 2729: City may contract with a private entity to act as the city's agent in the design, development, financing, maintenance, operation, or construction of a civil works project or an improvement to real property.
 - Shifting of typical governmental-city functions and responsibilities to the private sector
 - Use long term ground/building lease and concession agreement

The Role of 3P Delivery at ABIA

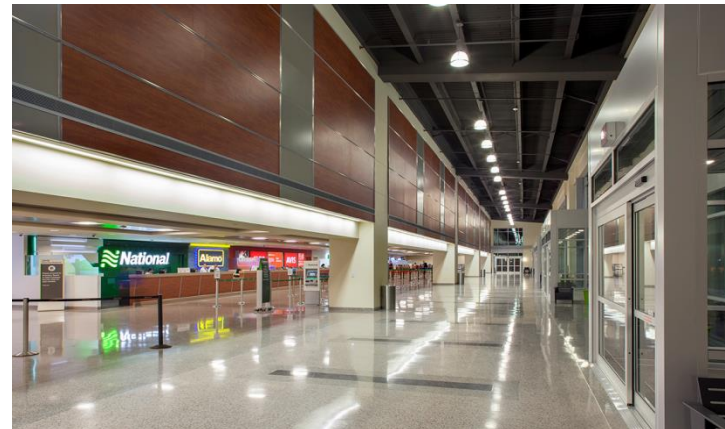
- Air Service Development-Enhance Competitiveness and Growth
 - Decrease strain on the main terminal,
 - encourage non-legacy airlines to expand
- Specialized Facility that is outside our typical Airport Business
- Commercial Development Focused on Specific Customer
- Improve the Customer Experience for Competitiveness

| 3P Development at ABIA

- ABIA 3P development focuses on a specific customer and/or user and dedicated private resources to provide a specific focused service
 - Rental Car Companies (RACs)
 - Ultra Low Cost Carriers
 - Commercial Development & Cell Phone Waiting Users
 - New Parking Product & Services

ABIA CONRAC

- \$155.5 Budget
- 30 Year Term (20 YR Airport Option)
- 1.6M SF
- 23,000 SF customer service building
- 11 RAC brands
- 12 Car Wash Bays
- 48 Fuel Positions
- Ground Level Public Parking
- Levels 2-4 RACs
- Level 5 RAC car staging and storage



Aerial View



ABIA ConRAC • Austin Commercial • 08/14/15

Aerial View



ABIA ConRAC • Austin Commercial • 08/14/15

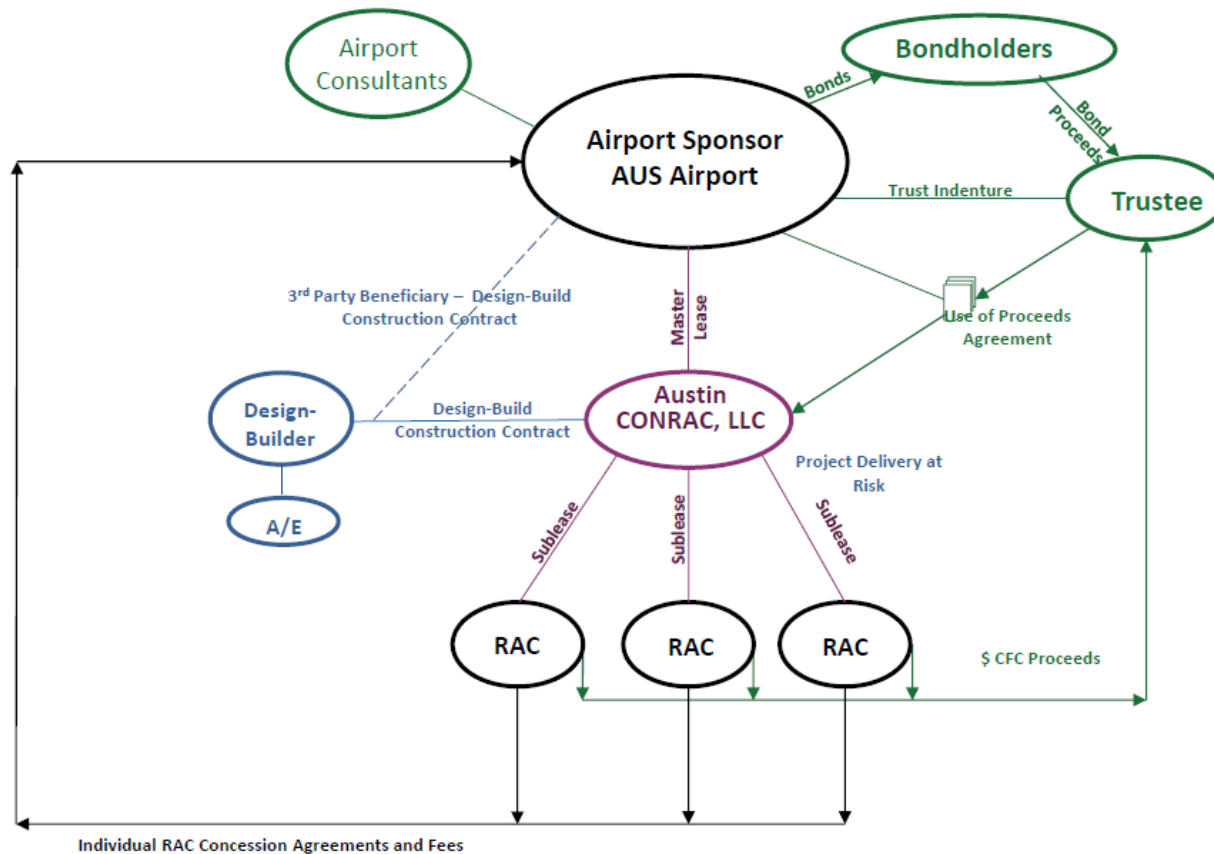
Quick Turn Areas



Master Lease

- Austin CONRAC LLC created and governed by existing Rental Car Companies at ABIA
- Responsible for development, financing, construction, maintenance, operations, and repairs
- 30-Year finance Bonds
 - Secured by Customer Facility Charges, and Contingent Rent
- Subject to termination by City in 20 years
 - Allows City flexibility for highest and best use for long term airport master planning
- Sublease RACs

Legal Structure



CORNAC Development & Negotiation Process

- **Letter of Intent & Negotiation (Nov 2009 –Nov 2013)**
 - document outlining the agreements between the parties before the three (3) legal agreements are finalized. Agreements concurrently progress as the project continued thru the development phases.
 - Master Lease Agreement
 - Concession Agreement
 - Development Agreement (Design-Build Construction contract)
- **Planning and Feasibility Study Phase (Summer 2010- Summer 2011)**
 - Programming
 - General Overview of all issues related to the development
 - Activity forecast and financing options (CFCs collection levels)
- **Design Development Phase & Due Diligence (Summer 2011- Fall 2013)**
 - Definitive solution of all issues related to the development
 - Building Design (structural, mechanical, electrical, communications)
 - Permitting **
- **Project Delivery and Construction Phase (Oct 2013- Opened October 2015)**
 - Sale of Bonds, Construction, Occupancy

ULTRA LOW COST TERMINAL



SERVE EVERY AIRLINE BUSINESS MODEL

ULCC



LCC



Network



Hybrid



South Terminal

- \$12 M budget
- 30 Year term
 - (Two-5 year extensions)
 - Oaktree Capital
 - ABIA LoneStar Airport Holdings
- 25,000 SF Terminal
- 3+ ground load gates
- 23,000 SF customer service building
- 3 airlines 2018
- 1,100+ parking spaces



Interior Views



Apron parking



Former Air Force Building



Public-Government Partnership

- Separate Entrance
- Way Finding
 - Highway Signage-State TXDOT
 - GPS Coordination
 - Social Media
 - Airline Reservation/Booking
- Ground Transportation
- Shuttle Connectivity



ABIA Retail

- \$13 million budget
- 40 Year Lease
- Includes retail center, restaurants, kids play area
- Gas station
 - 10 fuel dispensers –
 - 4+ electric rapid recharge
- New cell phone lot to support waiting customers, restaurants
- Family kids play area
- Hyatt Place Hotel – 139 rooms (opened)
- Multiple Tri-Party Agreements



Bark & Park

Park and Zoom

2,200 new covered parking spaces.
Trunk to Door Service.



Bark and Zoom

Provide pet offering travelers the convenience
of dropping off their pets and parking their
cars in one stop.



Bark-Park and Zoom

- \$17+/- million budget
- 2,200 parking spaces
- Open 24 hours
- Pet Boarding and Pet Services
 - Dog and Cat Condos
- Vehicle Services (wash –oil changes)
- Focused Austin Pet Friendly Community



Pet Boarding



<http://www.barkandzoom.com/facility-photos>

3P Challenges

- 3Ps Developments does not equal free money to the airport
 - Requires Public Investment and Participation
- Long Detailed & Demanding Negotiations Period (Brain Draining)
- Shared Utilities (Water, Electric, Drainage, Roadways, Signage)
- Agreement on Airport Value