

DFW Airport Board of Directors Committee Meetings

Tuesday, January 4, 2022 - 12:30 p.m.

Online viewers: to enable audio:

Please dial 800-779-1640 on your phone, then enter the code 1158861#

For Agendas and Actions:

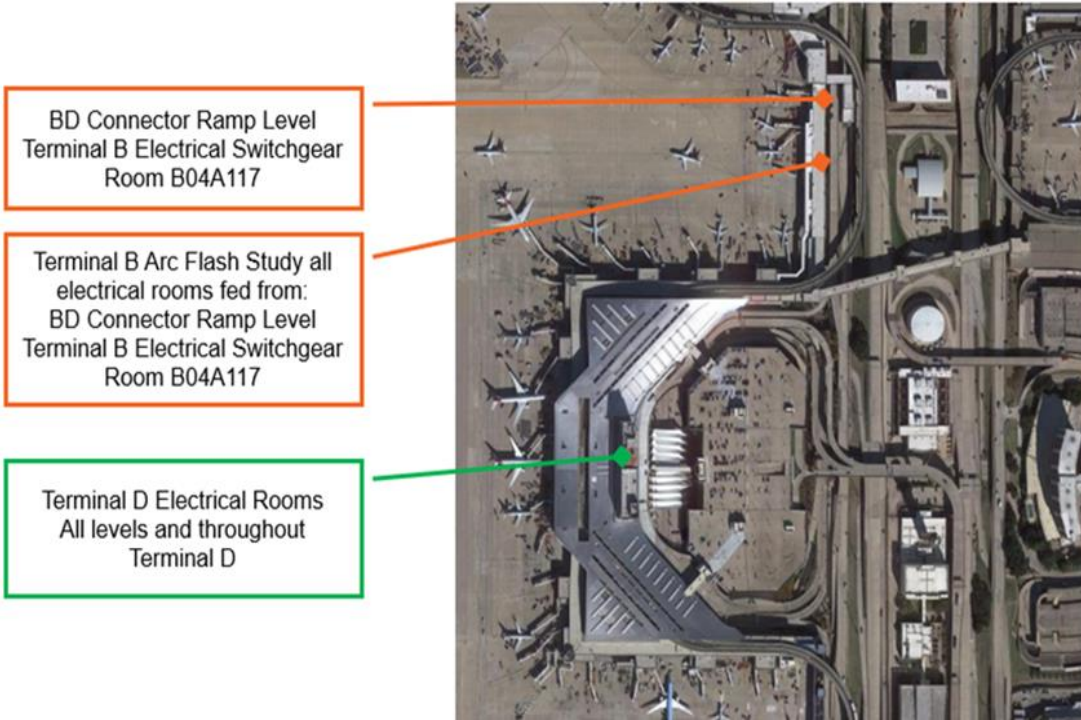
Please visit dfwairport.com/board and click on the "Official Postings" Tab

The meeting will begin shortly.
Thank you for joining us today!



Operations Committee

January 4, 2022



7. Terminal Electrical Systems Upgrade

PURPOSE:

Execute Contract No. 9500759, with Real Network Services, Inc. of Dallas, TX.

DESCRIPTION:

The electrical components in the B-D Connector installed in 1998 are obsolete and will be replaced with new breakers that can be remotely monitored.

This project will also include a short circuit, coordination, and arc flash upgrade for the existing power distribution system in Terminals B and D.

\$537,997

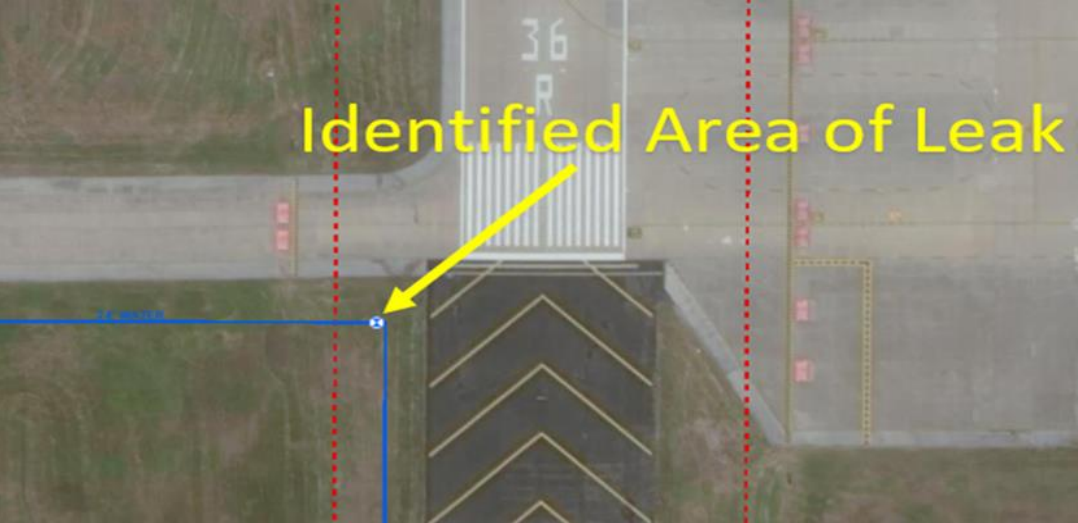
ACTION
AMOUNT

DFW Capital

FUNDING
SOURCE(S)

20%

D/S/M/WBE
PARTICIPATION



8. Airfield Water Main Replacement

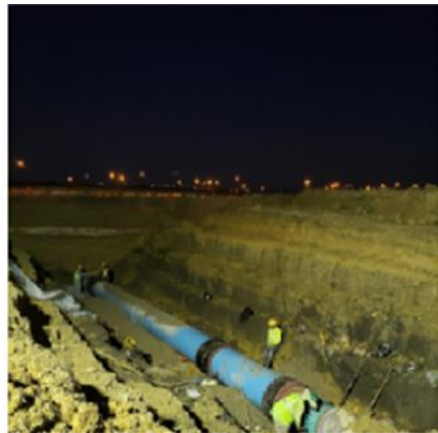
PURPOSE:

Ratify the increase and extension for Contract No. 9500771, with North Texas Contracting, Inc., of Fort Worth, TX.

DESCRIPTION:

The original contract action was to repair a leak on the 30-inch W4 Water Main on the north end of Runway 18L/36R and was ratified at September Board.

This modification ratifies the emergency repair of the existing 24-inch W5 Water Main installed in 1972 that has a severe leak in the Runway Safety Area at the south end of Runway 18L/36R.



\$3,000,000

ACTION
AMOUNT

Joint Capital

FUNDING
SOURCE(S)

N/A

D/S/M/WBE
PARTICIPATION



9. Grounds Maintenance Services

PURPOSE:

Execute Contract No. 7007157, with Jba Land Management LLC, of Dallas, TX.

DESCRIPTION:

Replaces an existing contract which has been in place for six years.

Contract provides for all manpower, materials, supplies, and equipment necessary to perform all grounds maintenance service work.

Services include landscaping, mowing, trimming, tree and shrub maintenance, weed control, and fertilization on 2,248 acres.

Contract also provides for litter control for 391 acres of parking lots, as well as the terminal garages.



\$3,347,447

ACTION
AMOUNT

Operating

FUNDING
SOURCE(S)

25%

D/S/M/WBE
PARTICIPATION



Concessions/ Commercial Development Committee

January 4, 2022



15. Concessions Agreement Extensions in Terminal C

PURPOSE:

Extend the term of Concessions Agreements as a result of the Terminal Renewal Project.

DESCRIPTION:

These locations invested heavily in the terminal, generated higher than normal revenue and some have term remaining.

All locations need to be ACDBE and lease compliant for extension.

This will provide and improve the shopping, dining, and service experience at DFW International Airport.



N/A

ACTION
AMOUNT

N/A

FUNDING
SOURCE(S)

N/A

D/S/M/WBE
PARTICIPATION



16. Concession Agreement Extensions in Terminal A

PURPOSE:

Extend the term of Concessions Agreements in Terminal A as a result of the Terminal A Pier Enhancement Project.

DESCRIPTION:

These locations will be impacted by construction.

Any under-performing location will be given opportunity to re-concept to a more customer-centric concept.

All locations will need to be ACDBE and lease compliant.

This will provide and improve the shopping, dining and service experience at DFW International Airport.



N/A

ACTION
AMOUNT

N/A

FUNDING
SOURCE(S)

N/A

D/S/M/WBE
PARTICIPATION



17. Lease Agreement with DFW Walnut Hill Industrial, L.P.

PURPOSE:

Execute a lease agreement with DFW Walnut Hill Industrial, L.P.

DESCRIPTION:

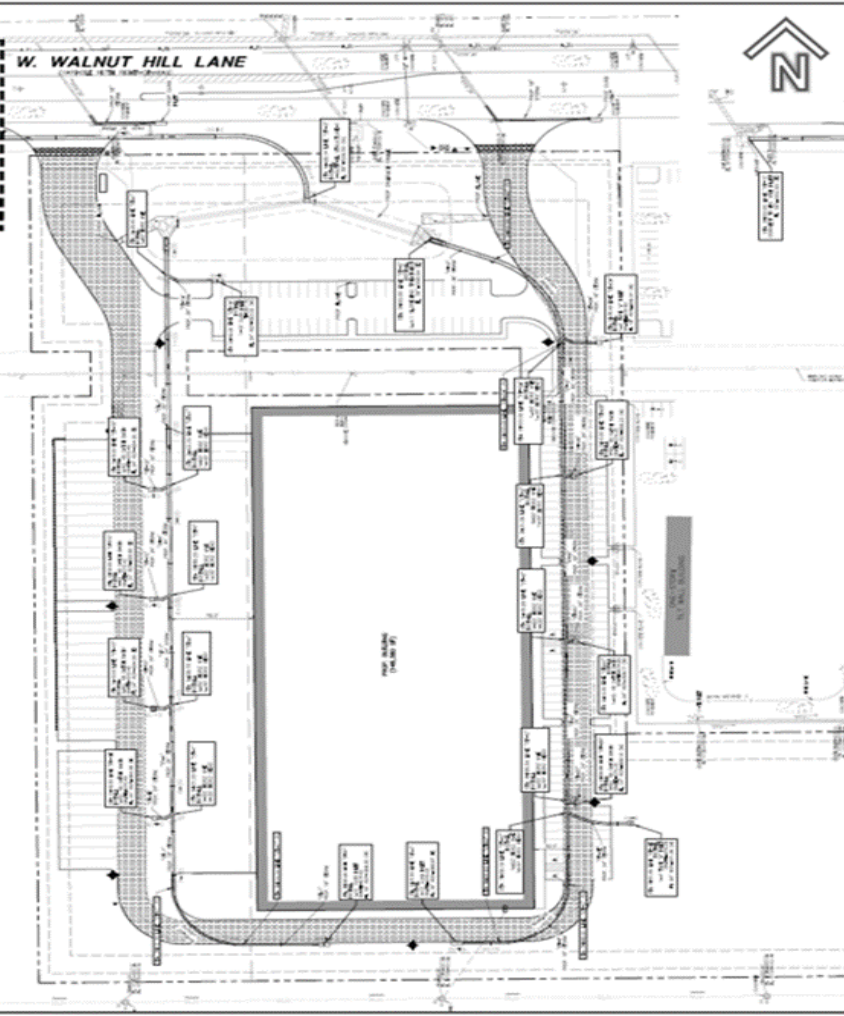
±11.0 acres of land for a 40-year term.

The lease will have a single-building, speculative building of ±143,000 square feet of space.

Initial rent revenue of approximately \$239,580 per year, approximately \$19,965 per month.

Total estimated annual Owner Cities tax revenue = \$7,745 (assumes BPP and ground rent basis).

There are no Board funded improvements and no reimbursement agreement associated with this lease agreement.



\$XXX,XXX

ACTION
AMOUNT

XXXX

FUNDING
SOURCE(S)

XX%

D/S/M/WBE
PARTICIPATION



18. & 19. Lease & Reimbursement Agreement with DFW Commerce Center IV, LLC

PURPOSE:

Execute a lease agreement with DFW Commerce Center IV, LLC, and associated reimbursement agreement.

DESCRIPTION:

±31.729 acres of land for a 40-year term.

The lease will have a single, speculative building of ±510,140 square feet.

Board funded improvements include installation of ±1,771 linear feet of 10" steel pipe gas line.

Initial rent revenue is approximately \$691,058 per year, approximately \$57,588 per month.

Total estimated annual Owner Cities tax revenue = \$21,815.

Total estimated CIP approval for this project = ±\$812,005.

Payback on full approved CIP investment = 1.18 years.

Internal rate of return on full approved CIP investment = 85.8%.

\$812,005

ACTION
AMOUNT

Capital
FUNDING
SOURCE(S)

30% Design
25% Construction
D/S/M/WBE
PARTICIPATION



20. Lease Amendment 2 with Drive Nation Sports, LLC

PURPOSE:

That the Chief Executive Officer or designee be authorized to execute Lease Amendment 2 with Drive Nation Sports, LLC

DESCRIPTION:

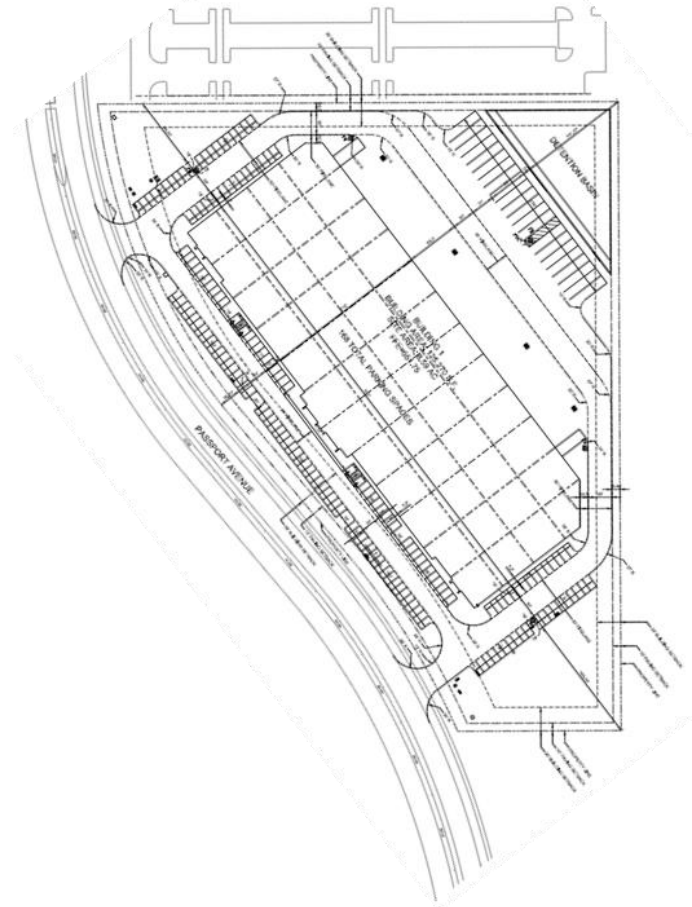
The Board approved a lease agreement with Drive Nation on June 30, 2016, for ± 16.12 acres of land as part of a two-phase development (± 7.47 acres Phase 1 and ± 8.65 acres Phase 2).

The Board approved a Lease Amendment 1 with Drive Nation on March 4, 2021, to allow the Phase 2 area to be leased to SRPF C/Passport 125, L.P. (Stream Realty) for the construction of a logistics/warehouse building of $\pm 125,000$ sf.

Per the existing lease Drive Nation pays \$15,079 per year for the Phase 2 area through October 25, 2021; which is 10% of the full rent of the Phase 2 area. Lease Amendment 2 will extend the original Phase 2 rent obligation until execution of the new lease with Stream Realty.

Drive Nation requested that the period of 10% rent for Phase 2 area be extended to accommodate their inability to pay full rent on the Phase 2 area while the Board is working with Stream Realty on the proposed development.

Given Drive Nation's specialized facility use and operations, this action is intended to minimize rent revenue loss and avoid significant Board expenses to re-lease, repurpose, and maintain facility that would arise from a lease termination, while maintaining continuity of Drive Nation's leasehold rights and obligations.



N/A

ACTION
AMOUNT

N/A

FUNDING
SOURCE(S)

N/A

D/S/M/WBE
PARTICIPATION



Finance/Audit Committee

January 4, 2022



KPIs and Financial Report – FY 2022

Two months ending November 30, 2021 - Unaudited

Key Performance Indicator Scorecard



Two months ending November 30, 2021 – Unaudited

(\$ in millions)

(\$ in millions)

Key Performance Indicator	Year-To-Date					FY 2022	
	FY 2021 Actuals	FY 2022 Actuals	FY 2022 Budget	Actuals vs. Budget Increase/(Decrease)			Annual Budget
DFWCC Total Revenues before FRP	\$40.1	\$69.8	\$59.7	\$10.1	16.8%	<div></div>	\$370.5
Total Expenditure Budget	\$151.1	\$165.0	\$169.5	(\$4.4)	(2.6%)	<div></div>	\$1,036.4
Application of Federal Relief Proceeds	\$6.8	\$6.6	\$18.7	(\$12.1)	(64.7%)	<div></div>	\$112.4
Total Passengers (Ms)	7.2	11.8	10.1	1.7	16.8%	<div></div>	67.2
Total Landed Weights (Bs)	5.7	7.6	7.2	0.4	5.6%	<div></div>	44.6

Results Status Bar

 Improved/Constant
 Worse

DFW Cost Center

Two months ending November 30, 2021 – Unaudited

	Year-To-Date					FY 2022
	FY 2021 Actuals	FY2022 Actuals	FY 2022 Budget	Actuals vs. Budget Increase/(Decrease)		Annual Budget
Revenues						
Parking	\$12.6	\$30.1	\$23.5	\$6.6	28.2%	\$145.1
Concessions	8.7	15.7	15.0	0.7	4.9%	95.1
Rental Car	3.9	7.3	5.5	1.8	33.0%	33.4
Commercial Development	9.6	11.0	10.9	0.1	0.9%	64.4
Other Revenues	5.2	5.8	5.0	0.8	16.1%	32.5
Total Revenues before FRP	40.1	69.8	59.7	10.1	16.8%	370.5
DFW CC Expenditures						
Operating Expenditures	16.5	21.9	22.6	(0.6)	(2.8%)	141.2
Debt Service, net	10.3	7.9	8.8	(0.9)	(10.5%)	50.8
Total Expenditures	26.9	29.8	31.4	(1.6)	(5.0%)	192.0
Gross Margin - DFW Cost Center	13.2	40.0	28.4	11.6	41.0%	178.5
Less Transfers and Skylink						
DFW Terminal Contribution	0.5	0.5	0.5	0.0	0.0%	2.8
Skylink Costs	7.7	8.5	10.1	(1.6)	(15.7%)	53.7
Net Revenues before FRP	5.1	31.0	17.8	13.2	74.0%	122.0
Federal Relief Proceeds (FRP)	5.9	0.0	6.8	(6.8)	(100.0%)	41.1
Net Revenues	\$11.0	\$31.0	\$24.7	\$6.4	25.7%	\$163.1

Airfield and Terminal Cost Centers

Two months ending November 30, 2021 – Unaudited

	Year-To-Date				FY 2022	
	FY 2021 Actuals	FY2022 Actuals	FY 2022 Budget	Actuals vs. Budget Increase/(Decrease)		Annual Budget
Revenues						
Landing Fees	\$12.5	\$16.9	\$16.0	\$0.9	5.6%	\$99.4
Other Airfield	2.0	2.5	1.9	0.5	28.2%	12.0
Transfer from DFW Cost Center	11.7	16.0	11.2	4.8	42.4%	67.5
Total Airfield Revenue	26.1	35.4	29.2	6.2	21.3%	178.8
Terminal Leases	55.3	54.0	53.9	0.1	0.1%	326.7
FIS Fees	1.6	3.2	2.4	0.8	31.4%	17.4
Turn Fees	1.8	3.4	3.0	0.4	12.7%	22.4
Other Terminal	2.8	3.8	3.4	0.4	12.1%	21.7
Total Terminal Revenues	61.6	64.4	62.8	1.6	2.6%	388.2
DFW Terminal Contributions	0.5	0.5	0.5	0.0	0.0%	2.8
Total Revenues before FRP	88.2	100.3	92.5	7.8	8.5%	569.9
Expenditures						
Operating Expenditures	50.8	58.8	60.4	(1.6)	(2.7%)	376.5
Debt Service, net	45.8	40.2	43.6	(3.4)	(7.9%)	264.6
Total Expenditures	96.5	99.0	104.0	(5.0)	(4.8%)	641.2
Net Income/(Loss) before FRP	(8.4)	1.3	(11.6)	12.9	(111.1%)	(71.3)
Federal Relief Proceeds (FRP)	0.9	6.6	11.9	(5.3)	(44.4%)	71.3
Net Income/(Loss)	(\$7.5)	\$7.9	\$0.3	\$7.6	2612.0%	\$0.0

Operating Fund – Total Expenditures

Two months ending November 30, 2021 – Unaudited

	Year-To-Date					FY 2022
	FY 2021 Actuals	FY2022 Actuals	FY 2022 Budget	Actuals vs. Budget Increase/(Decrease)		Annual Budget
Operating Expenditures						
Salaries and Wages	\$26.5	\$24.2	\$25.1	(\$0.9)	(3.7%)	\$164.9
Benefits	11.1	11.8	12.3	(0.5)	(4.1%)	72.6
Facility Maintenance Contracts	12.2	13.4	14.4	(1.0)	(7.2%)	104.6
Other Contract Services	13.4	16.6	17.2	(0.6)	(3.5%)	132.4
Utilities	4.0	4.5	4.6	(0.1)	(1.8%)	28.4
Equipment and Other Supplies	2.3	2.4	2.7	(0.3)	(10.1%)	21.0
Insurance	1.3	2.0	1.9	0.1	4.5%	12.1
Fuels	0.3	0.5	0.5	0.0	4.8%	2.6
General, Administrative, and Other	0.6	0.6	1.0	(0.4)	(38.3%)	15.7
Change in Operating Reserves	2.2	12.6	12.6	(0.0)	(0.0%)	12.6
Total Operating Expenditures	73.8	88.6	92.3	(3.7)	(4.0%)	566.9
Debt Service, gross	77.3	76.5	77.2	(0.8)	(1.0%)	469.5
Total Operating Fund Expenditures	\$151.1	\$165.0	\$169.5	(\$4.4)	(2.6%)	\$1,036.4

29. Exception to Air Service Incentive Program (ASIP) Policy for Qatar Airways

PURPOSE:

Waive the 24-month operating requirement, not seek repayment for amount reimbursed and allow Qatar to participate in future ASIP opportunities.

DESCRIPTION:

Qatar Airways is a valued business partner of DFW Airport and American Airlines and is the only foreign flag carrier that never stopped serving DFW during the pandemic, and in fact increased service.

Qatar was forced to withdraw the service by pandemic related disruptions in the global supply chain, including changes in the economics of one of their key commodities.

Qatar is a major operator of A350's, and currently has a significant portion of this fleet grounded, forcing them to restructure their entire passenger and cargo network.

Qatar flew 92% of the required period and has earned landing fee reimbursements of approximately \$206,000 and has incurred marketing expenses of \$73,000 – approximately 63% of the potential ASIP.

N/A

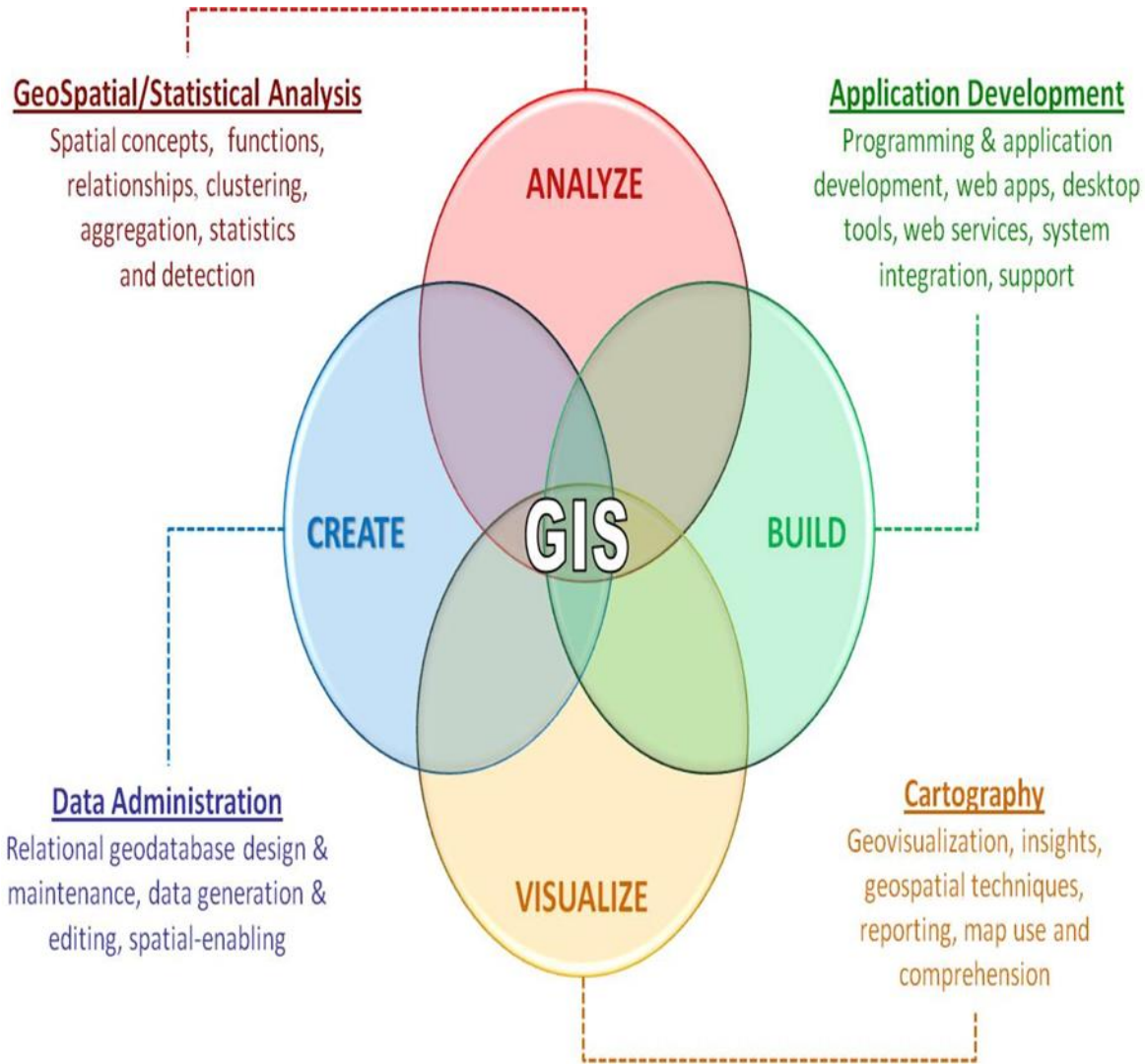
ACTION
AMOUNT

N/A

FUNDING
SOURCE(S)

N/A

D/S/M/WBE
PARTICIPATION



30. Geographic Information System Software and Maintenance

PURPOSE:

Award a Contract for Geographic Information System (GIS) Software and Maintenance in support of the Airport's technology program.

DESCRIPTION:

Replaces an existing multi-year Contract with a new cost-effective Enterprise License Agreement.

Contract will provide software used for mapping incidents, assets and resources as well as tools for distributing location-based services and routing in real-time.

The software is needed to maintain and distribute base maps to support a variety of functions including dispatch and routing of Emergency Services, Airfield Inspections, and Terminal Space Planning.

Contract entitles the Airport to new version releases bug fixes and on-demand training.

\$360,000

ACTION
AMOUNT

Operating

FUNDING
SOURCE(S)

N/A

D/S/M/WBE
PARTICIPATION

The Airport Board has entered Closed Session.

The meeting will resume momentarily.
Thank you for your patience.

32. Settlement of Lawsuit

Christopher Prokopeas v. DFW Airport Board

PURPOSE:

That the Chief Executive Officer or designee be authorized to execute an agreement settling the Prokopeas Lawsuit.

DESCRIPTION:

Under the mediated settlement, which is hereby submitted to the Board for approval, the Board would pay a total of \$72,000 in exchange for dismissal of the suit with prejudice and a full release of all claims.

Of the total settlement amount, \$32,352.47 will be paid to the plaintiff's attorneys, \$39,647.53 will be paid to the plaintiff.

\$72,000

ACTION
AMOUNT

Operating

FUNDING
SOURCE(S)

N/A

D/S/M/WBE
PARTICIPATION



33. Appointment of Director of Audit Services

PURPOSE:

Appoint Aaron Munoz as Director of Audit Services.

DESCRIPTION:

Annual base salary of \$225,000 subject to review on an annual basis.

Participation in the Airport’s Management Incentive Plan, with a maximum amount of 15% of base salary, with the actual amount determined by the Board based on the Audit Scorecard results in the end of the fiscal year.

Time off with pay shall accrue at the biweekly rate of 7.08 hours.

Holiday pay as generally available to executive-level Board employees.

Start date of January 17, 2022.

N/A

ACTION
AMOUNT

N/A

FUNDING
SOURCE(S)

N/A

D/S/M/WBE
PARTICIPATION