

Memorandum



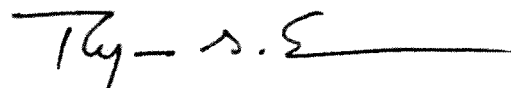
DATE October 31, 2014

TO Members of the Economic Development Committee: Tennell Atkins (Chair),
Rick Callahan (Vice Chair), Scott Griggs, Adam Medrano, Jerry R. Allen, Lee Kleinman

SUBJECT **Dallas Executive Airport: Past, Present and Future**

On Monday, November 3, you will be briefed on the Dallas Executive Airport: Past, Present and Future. A copy of the briefing is attached.

Staff recommends approval of the subject item. Please contact me if you have any questions at 214-670-3296.



Ryan S. Evans
First Assistant City Manager

C: The Honorable Mayor and Members of the City Council

A.C. Gonzalez, City Manager	Mark McDaniel, Assistant City Manager
Warren M.S. Ernst, City Attorney	Joey Zapata, Assistant City Manager
Craig D. Kinton, City Auditor	Jeanne Chipperfield, Chief Financial Officer
Rosa A. Rios, City Secretary	Sana Syed, Public Information Officer
Daniel F. Solis, Administrative Judge	Karl Zavilkovsky, Director, Office of Economic Development
Eric D. Campbell, Assistant City Manager	J. Hammond Perot, Assistant Director, Office of Economic Development
Jill A. Jordan, P.E., Assistant City Manager	Elsa Cantu, Assistant to the City Manager – Mayor & Council

Dallas Executive Airport: Past, Present and Future

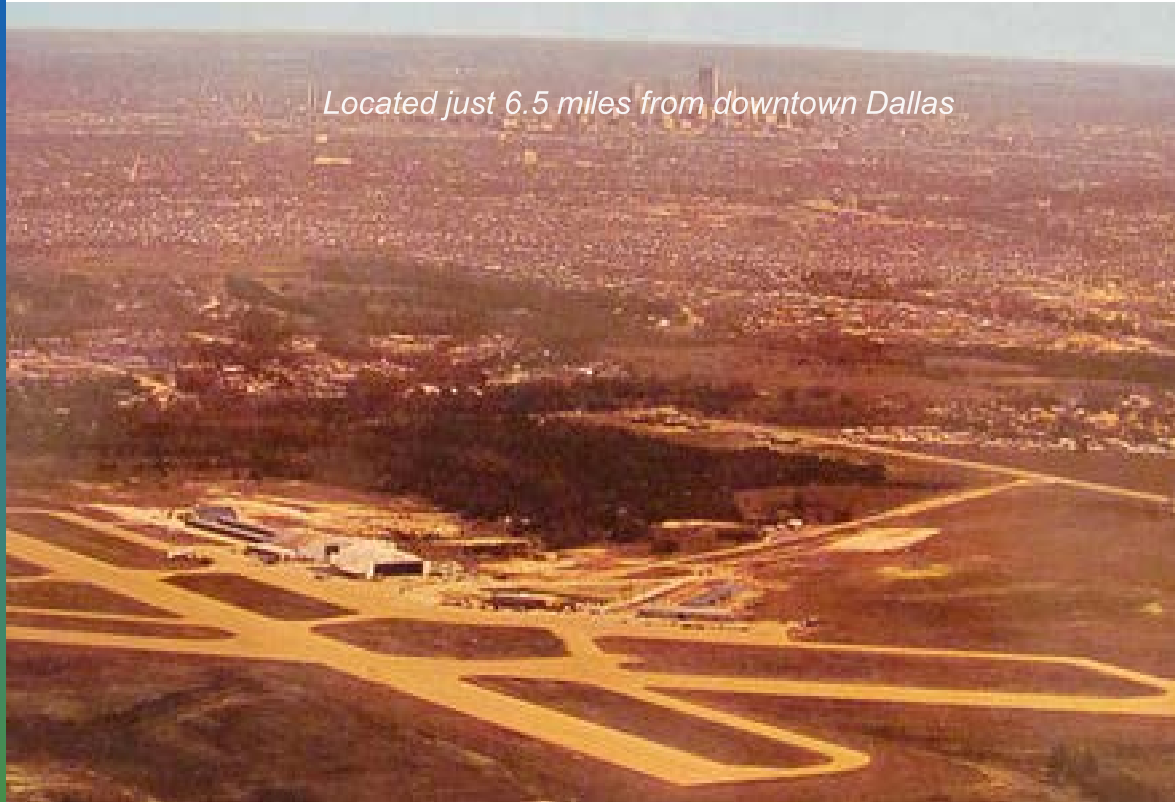


Economic Development Committee
November 3, 2014

Purpose

- Provide background about Dallas Executive Airport
- Describe recent and ongoing development activity
- Present a proposal related to the Commemorative Air Force (CAF)

A Look Back



- Built in 1945
- Since 2002, City has invested \$12 million+ in capital improvements and secured an additional \$13 million in private investment

A Look at Today

- Service level established and defined by the National Plan of Integrated Airport Systems (NPIAS)



- Reliever airport for Dallas Love Field and DFW International Airport.
- Dallas Love Field, Dallas Executive Airport and Vertiport (CBD): City-owned.
- Significant link to the national transportation system.
- Eligible to receive Federal grants under the Airport Improvement Program: infrastructure development projects.

Facility Overview

1,040 acres of land, with two concrete runways

- 13/31 measuring 6,451' L and 150' W
- 17/35 measuring 3,800' L and 150' W

Fully equipped with:

- Air traffic control tower
- Two full service FBOs
- Full fire service protection
- Instrument landing and aeronautical lighting system
- Navigational radio aids and weather facilities

Full range of specialty aviation businesses



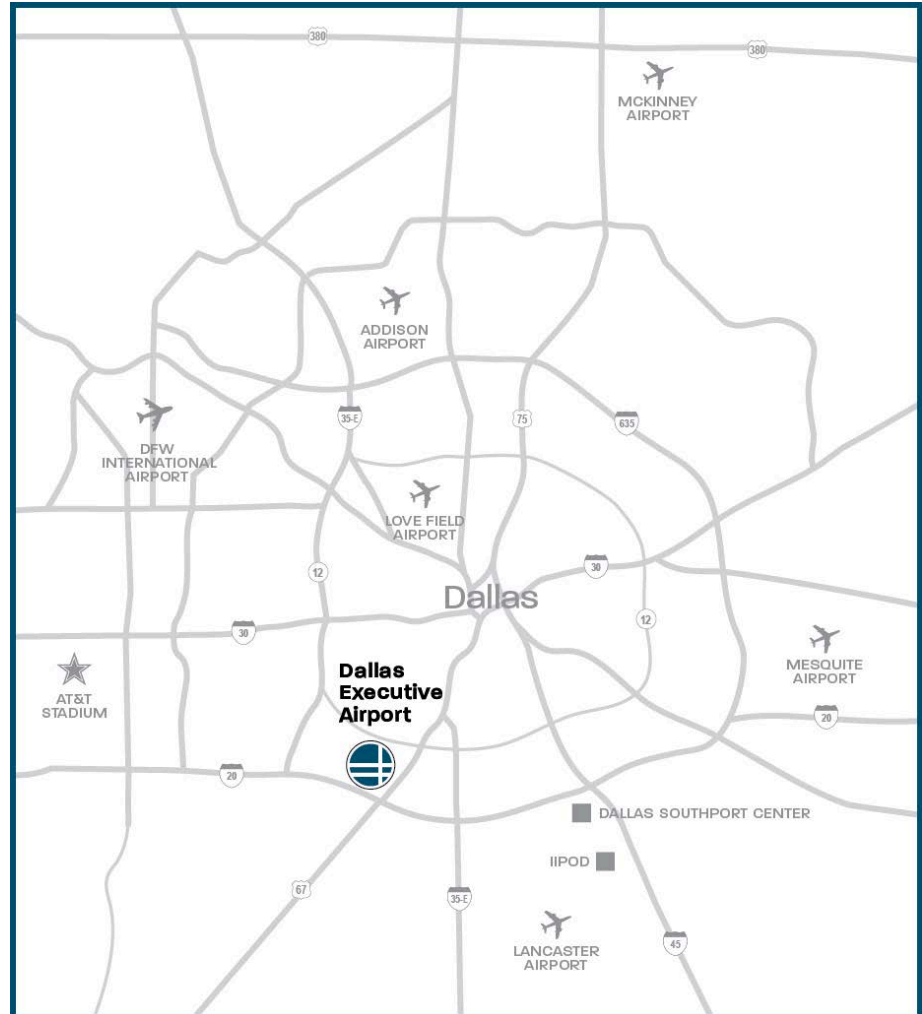
Comparison of the Two Closest Airports to Downtown

	Dallas Executive	Addison Airport
Acres	1,040	366
Longest Runway	6,451 by 150 ft	7,202 by 100 ft
Operations Annually	Approx. 50,000	Approx. 100,000
Property Value within 1 Mile	\$1,116,895,205	\$5,611,978,301
- Commercial	\$540,679,165	\$4,226,072,256
- Residential	\$576,216,040	\$1,385,906,045
- Avg. Single Family	\$93,030	\$527,030
Number of Ground Leases	26	44
Lease Rates for Improved/Unimproved Land	\$0.13 to \$0.19	\$0.48 to \$0.65
Undeveloped Land	480 acres	27 acres
Number of FBOs	Two	Three

Why Dallas Executive?

- 10 minutes to downtown Dallas
- Easy access to I-20, I-30, I-35E, I-45, US-67 and Loop 12
- Within 20 minutes of commercial international airport
- Approximately 15 miles from Dallas Intermodal Terminal (Union Pacific) by car
- Public transportation (DART) access to property
- Only General Aviation Reliever Airport in DFW with available land and infrastructure in place
- Minimal congestion, full services and competitive lease rates

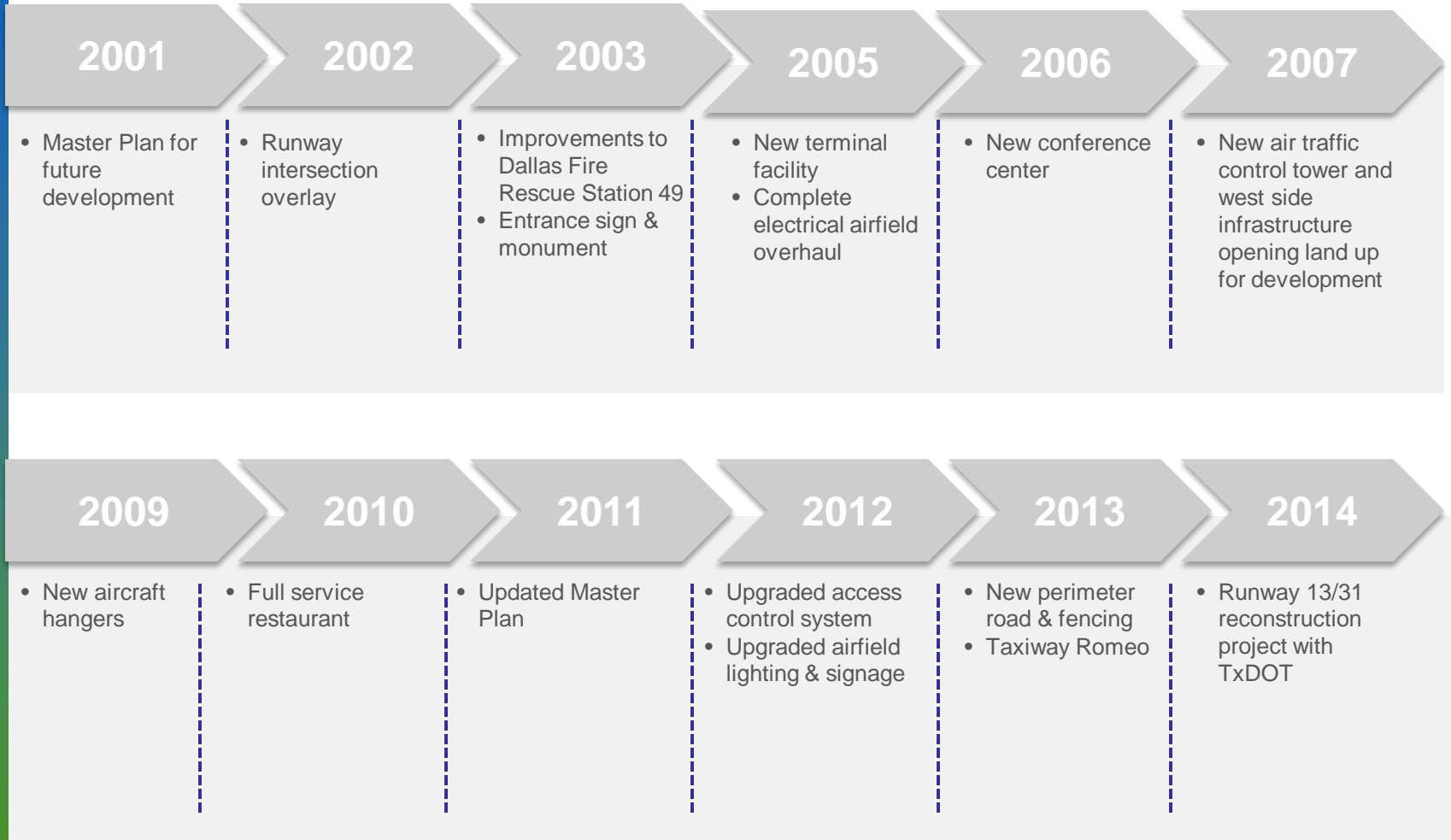
Note: In Class D, under Class B Airspace









Dallas Executive Airport Development Goals

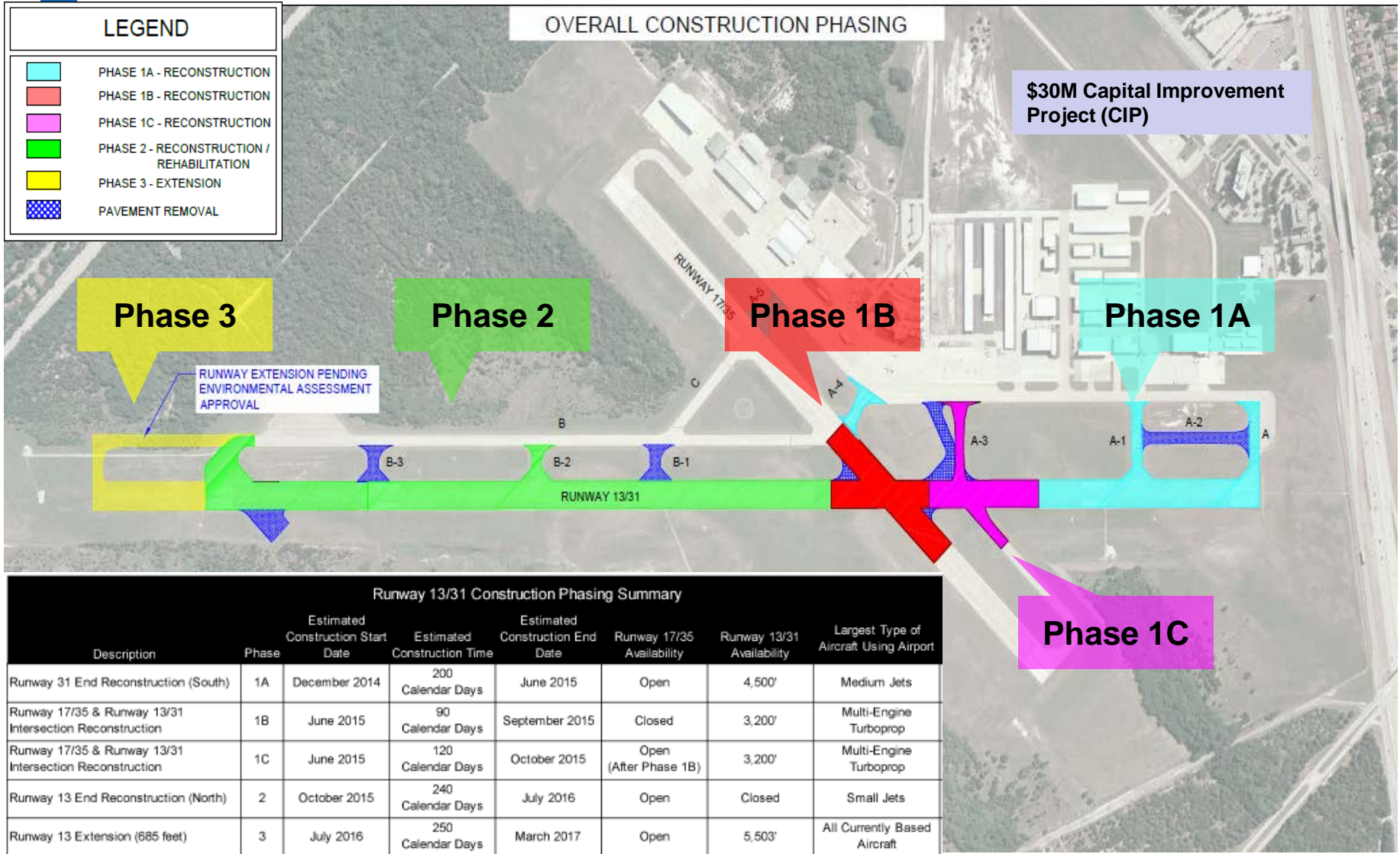
- Replace aging/inadequate infrastructure
 - Runway
 - Hangars
 - FBO's
 - Taxiways
 - Extend Runway
- Construct catalyst projects on the west airside
- Create venue to enhance public perception and familiarity with airport
- Ultimate Goal: Increase tax base and create vibrant airport

Recent Capital Projects



Runway Reconstruction Plan

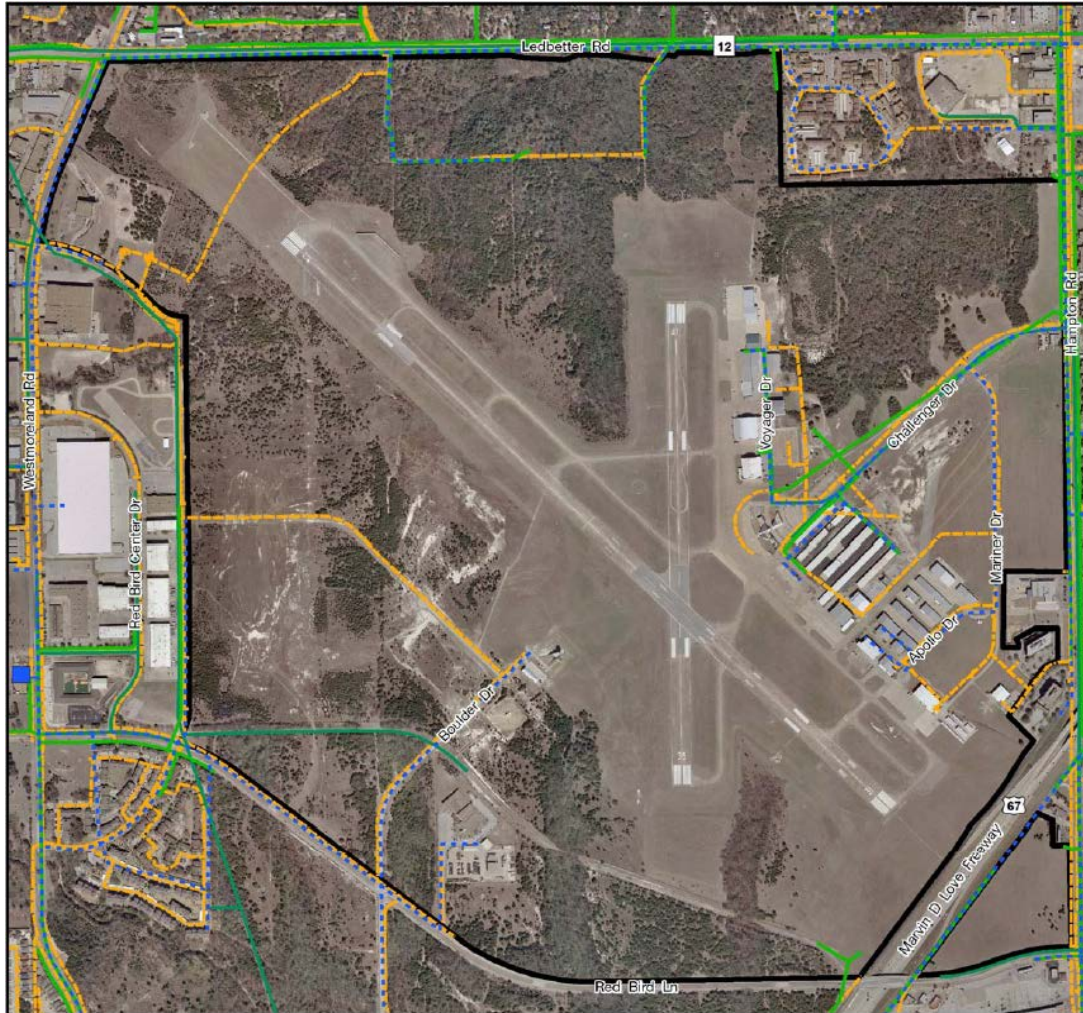
LEGEND	
	PHASE 1A - RECONSTRUCTION
	PHASE 1B - RECONSTRUCTION
	PHASE 1C - RECONSTRUCTION
	PHASE 2 - RECONSTRUCTION / REHABILITATION
	PHASE 3 - EXTENSION
	PAVEMENT REMOVAL



Runway 13/31 Construction Phasing Summary






Description	Phase	Estimated Construction Start Date	Estimated Construction Time	Estimated Construction End Date	Runway 17/35 Availability	Runway 13/31 Availability	Largest Type of Aircraft Using Airport
Runway 31 End Reconstruction (South)	1A	December 2014	200 Calendar Days	June 2015	Open	4,500'	Medium Jets
Runway 17/35 & Runway 13/31 Intersection Reconstruction	1B	June 2015	90 Calendar Days	September 2015	Closed	3,200'	Multi-Engine Turboprop
Runway 17/35 & Runway 13/31 Intersection Reconstruction	1C	June 2015	120 Calendar Days	October 2015	Open (After Phase 1B)	3,200'	Multi-Engine Turboprop
Runway 13 End Reconstruction (North)	2	October 2015	240 Calendar Days	July 2016	Open	Closed	Small Jets
Runway 13 Extension (685 feet)	3	July 2016	250 Calendar Days	March 2017	Open	5,503'	All Currently Based Aircraft

Existing Utilities Overview



- All utilities including water, wastewater, electric, natural gas, fiber and coaxial cable located on the airport
- Remote areas, service can usually be extended in 60 to 90 days

Utilities

-  Electric Substation
-  Electric Line
-  Fiber Optic Cable
-  Natural Gas Line
-  Pressurized Water Main

Development-Ready Land

- Over 480 acres
- 130 acres *Aeronautical*
- 350 acres *Non-aeronautical*

LEGEND

Land Overview

- Airfield Operations
- Aviation Related Development
- Mixed Use Aviation/ Non-Aviation Related Development
- Non-Aviation Related Development
- Open Space/Recreational
- Public/Institutional
- Existing Airport Property Line

Runway Reconstruction

- Phase 1A
- Phase 1B
- Phase 1C
- Phase 2
- Phase 3

Utilities

- Electric Substation
- Electric Line
- Fiber Optic Cable
- Natural Gas Line
- Pressurized Water Main



Next Development Step

- Relocation of the Dallas Police Helicopter Hangar to west airfield
 - Current facility has reached end of its useful life
 - DPD helicopter unit needs improved office and locker room facilities
 - Will be first step in redevelopment of west side of the airport as well as provides unit greater security
 - Estimated cost \$3 million (Aviation funds -completion Summer 2016)

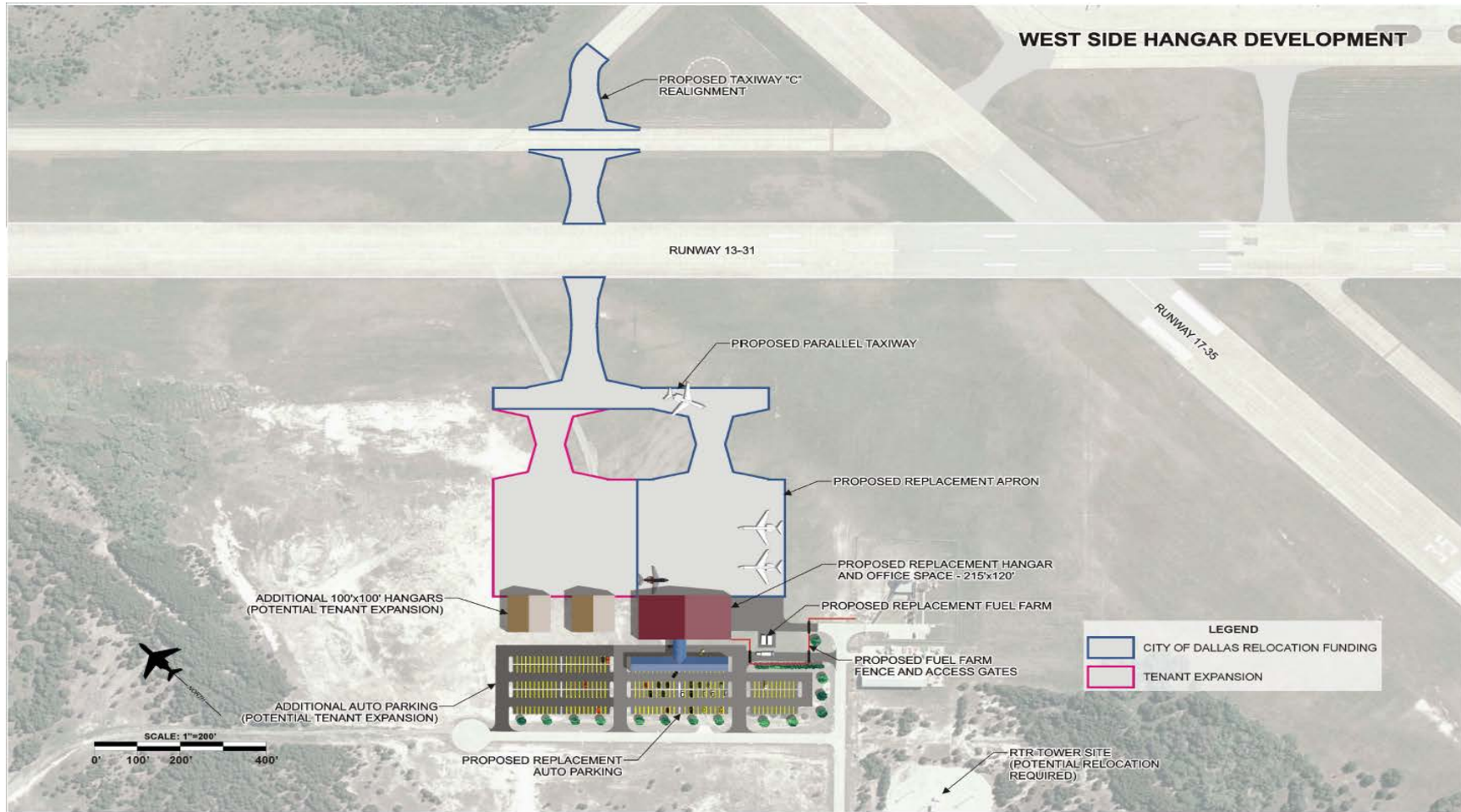
Next Development Steps



Next Development Step

- Begin development and infrastructure improvement
 - Aircraft parking apron and taxiway infrastructure improvements to connect to runway system – est. cost \$1.9 million (completion Fall 2016)
- Relocate one FBO facility to west airside (completion Fall 2016)
 - Hanger – est. cost \$4.8 million (Aviation funds)
 - Parking – est. cost \$1.2 million (Aviation funds)
 - Fuel farm relocation – est. cost \$600k (Aviation funds)
- Additional ramp improvements on the east side
 - Est. cost \$1.2 million (Aviation funds – completion Summer 2016)
- All expenditures will require additional City Council approvals

Next Development Steps



Next Development Step

- To implement next steps, Aviation will build new hangar on the west side to be occupied by the current FBO leasehold
 - Vacated FBO site will be leased to the Commemorative Air Force (CAF) to support the relocation of the CAF headquarters
- It has been and will remain a goal of the City of Dallas, Department of Aviation, to attract corporate business aircraft, aircraft manufacturer facilities, service centers for corporate aircraft, development of non-aviation support businesses, and to implement improvements outlined in our planning documents



Who is the Commemorative Air Force?

- Officially formed in September, 1961 to restore and preserve World War II Era military aircraft.
- Headquarters in Midland, Texas since 1991.
- 80 units in 26 States and 12,000 members (see appendix A).
- Operates 162 aircraft around the U.S. including B-29 SuperFortress (FiFi), B-25 Mitchell, B-17 Flying Fortress and B-24 Liberator (see appendices B and C).

Commemorative Air Force

1) The Commemorative Air Force:

<https://www.youtube.com/watch?v=OMI3xOp3XZg>

2) The Red Tail Squadron Program:

<https://www.youtube.com/watch?v=qjeopS9t0bU&feature=youtu.be>

CAF Corporate Structure

- **The American Airpower Heritage Group is comprised of 4 separate corporations**
 - CAF: the membership association
 - Foundation: financial assets, endowment
 - Museum: artifacts, nose art....etc.
 - Flying Museum: 162 aircraft
- All are 501c3 non-profits.

CAF Finances

- Assets of the American Airpower Heritage Group
 - \$27.6 million (hangars, land, endowment, etc.)
 - Additionally, the group owns 162 aircraft valued in excess of \$55 million
- Other than real estate mortgages on property around the country, CAF has no long term debt.

CAF Financial Recap

- CAF is independently audited each year.
- Audited accounts show a consistent pattern of growth.
- Surplus funds are invested in programs and safety initiatives (CAF is a non-profit).
- CAF is “Gold” rated by Guidestar for its commitment to transparency.



World War II Air Expo Special Event at Dallas Executive Airport October 2014

- Weekend attendance over 6,000



World War II Air Expo Special Event at Dallas Executive Airport October 2014



- Tuskegee Airmen "Red Tail" P-51 Mustang and traveling movie theater
- Outreach program travels to 40 cities reaching 50,000 kids per year



Living History



The CAF Headquarters Move

- **Criteria for new HQ**

- Site with capacity to build a World Class aviation attraction on airport grounds
- Airport capable of handling CAF aircraft and an annual air show
- Population base of at least 1 million
- Excellent transport infrastructure
- Potential for capital fundraising
- Local support
- Cooperation with local organizations and educational institutions

- **Selection Process**

- 23 cities expressed initial interest, summer 2013
- Round II: Initial shortlist of 6, Round III: Narrowed to 3
- Dallas Executive Airport selected in April 2014

What does CAF plan to do in Dallas?



Project Description

- CAF World War II Era theme will host a number of special historic aviation events throughout the year featuring and displaying historic CAF aircraft, air shows, flying events, special speakers, symposiums, reunions and other special events.
- CAF plans to construct Phase-I a museum and operations hangar estimated at \$5 million and approximately 35,000 square feet. The CAF estimates an annual attendance of between 20,000 and 60,000 per year will visit its Major Events and the “Rise Above” exhibit.
- CAF proposed Phase-II Aviation Museum Attraction and Education Center is estimated at \$30-40 million and approximately 50,000 square feet. CAF expects facility will be a major tourist attraction for the CAF and City of Dallas attracting an estimated 150,000 to 275,000 people per year. Facility will create an additional 10 jobs when completed.
- Proposed site is currently under lease with existing FBO tenant and Dallas Police Helicopter Hanger Unit (existing tenants to be relocated to the western side of airfield).

Dallas Executive Airport CAF Proposed Site



Proposed City of Dallas Incentive Package

	Grant Expiration/ Project Timing	Grant Installment	Grant Conditions for CAF
1	On or before December 31, 2015	Grant A \$200,000 (PPP)	<ul style="list-style-type: none"> • Designate Dallas Executive Airport as International HQ • Execute a 30-Year Lease at Dallas Executive Airport • Employ 5 full-time jobs at Dallas Executive Airport • Form a fundraising committee • Minimum permanent based fleet of 8 aircraft
2	On or before December 31, 2016	Grant B \$400,000 (PPP)	<ul style="list-style-type: none"> • Employ an additional 20 jobs at Dallas Executive Airport • Maintain a minimum permanent based fleet of 9 aircraft and maintenance equipment at Dallas Executive Airport
3	On or before Dec 31, 2018	Grant C \$100,000 (PPP)	<ul style="list-style-type: none"> • Employ an additional 5 jobs at Dallas Executive Airport • Relocate the B-29 / B-24 Squadron personnel and the AirPower History Tour to Dallas Executive Airport
4	On or before December 31, 2020	Development Agreement up to \$2,000,000 (Dept. of Aviation)	<ul style="list-style-type: none"> • Phase-I – CAF will construct a Museum/Hangar building with minimum cost \$5 million and approx. 35,000 sq. ft. • Reimburse CAF \$2M when Certificate of Occupancy is approved and work substantially complete. • Maintain a minimum permanent based fleet of 14 aircraft and maintenance equipment at Dallas Executive Airport
5	On or before December 31, 2025	Development Agreement up to \$6,000,000 (15% funding match, requires future Council approval)	<ul style="list-style-type: none"> • Phase-II – CAF will construct museum/hangar building with approximate cost \$25 to \$40 million and approx. 50,000 square feet • City will consider a Grant of 15% as a funding match (on a pro-rata basis), if CAF secures a minimum of \$5 million by Dec. 31, 2025. • Create an additional 10 full-time jobs at Dallas Executive Airport • Relocate the B-29 FIFI

Proposed Lease Terms

•Ground Lease

- CAF will enter into a 30 year (with one ten year option) lease agreement with the City.
- A Base Rent of \$1,000.00 per year if development goals are achieved by CAF
- Additional rents will be due in the amount of \$120,000 per year beginning in year 3 of the lease to the City if development is not completed.

•Development Agreement with CAF to construct Phase-I

- The City Development Agreement will include Construction of Improvements Clause, to ensure that design standards, quality, and conformance to standards are met and follow the long term vision for the airport.
- The City will include a Reversionary Clause, should CAF fail to meet the obligations stipulated in the lease, performance violations of the terms of development agreement.

CAF Economic Impact

- Proposed agreement will result in an estimated 10-year net fiscal impact of \$15,744,321 and a \$35,981,031 20-year net fiscal impact for the City of Dallas.
 - Project will create 60 direct and indirect jobs in the City of Dallas.

Recommendation

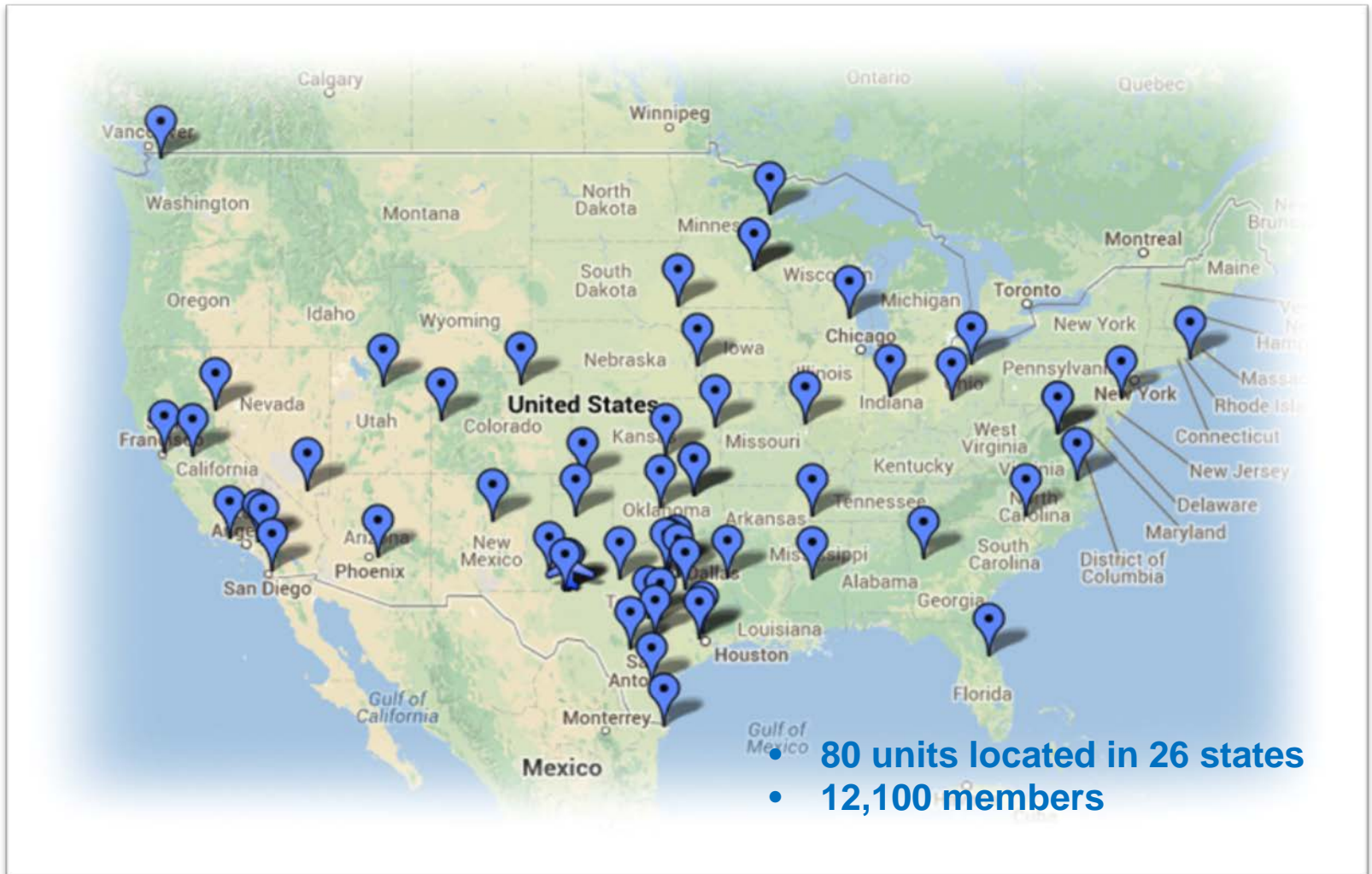
- Staff requests ECO Committee's approval for consideration by Council on 11/12/2014 of a grant agreement (as detailed on p. 31) with the Commemorative Air Force, for payments not to exceed \$700,000, for the relocation and expansion of its Headquarters and National AirBase operation to Dallas Executive Airport.
- Phase-I (future consideration) City will enter into development agreements with CAF in December 2014, to construct a museum/hangar building with a minimum cost of \$5 million and approx. 35,000 sq. ft. City will reimburse CAF \$2M upon substantial completion of the capital improvements, receipt of the certificate of occupancy, and subject to future appropriations and approvals by the City Council.
- Phase-II (future consideration) - After CAF has met all of its performance goals and commitments for Phase I and the CAF and has been successful in raising a minimum of an additional \$5 million to expand premises into a major attraction on or before December 31, 2025, City will agree to consider a matching grant in an amount up to 15 percent of potential costs (not to exceed \$6 million) as detailed on page 32, and subject to future appropriations and approvals by the City Council.

Questions?



APPENDIX

CAF National Organization - Appendix A

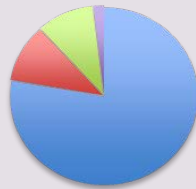


CAF Aircraft - Appendix B

The Commemorative Air Force operates **162** aircraft.
The aircraft are assigned to units around the U.S.



Aircraft Status



■ Flying 78% ■ Maintenance
■ Restoration ■ Storage

- Bombers- 19
- Fighters- 28
- Trainers- 61
- Transports - 15
- Liaison/Other- 39

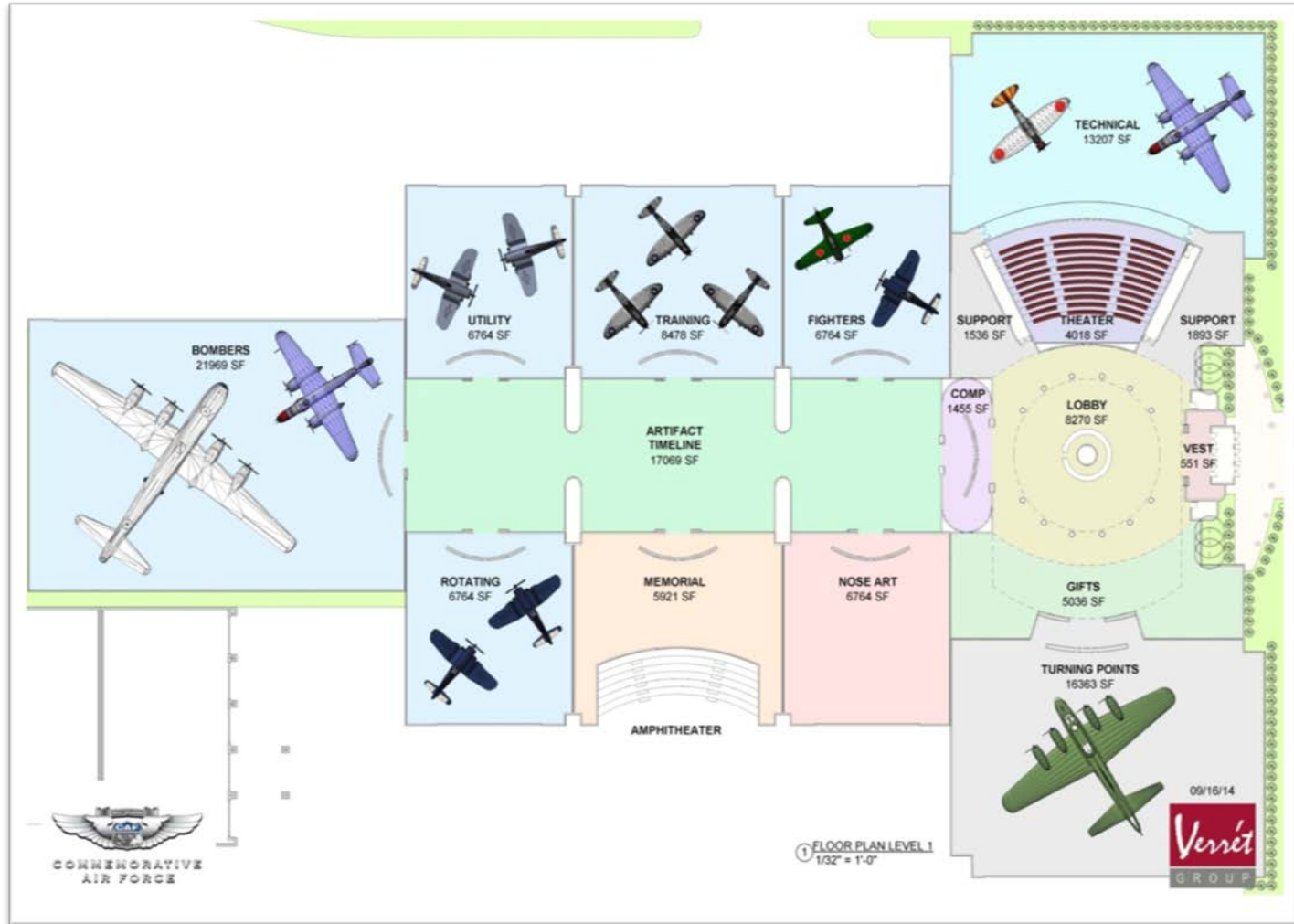
Unique Flying Assets Include - Appendix C

- The world's only flying B-29 Superfortress *FIFI*
- Two B-17 Flying Fortresses
- Two P-51 Mustangs
- The world's only flying SB2C Helldiver
- A very rare SBD Dauntless
- A very rare P-39 Airacobra
- One of two flying B-24 Liberators
- A Japanese Mitsubishi A6M3 Zero
- An RAF Spitfire
- A P-40 Warhawk



Interior Floor Plan Layout - Design Concepts

- Appendix D



Exterior Building - Design Concepts

- Appendix E



Interior Exhibits - Design Concepts

- Appendix F



Cutting Edge Flight Simulation

- Appendix G

