



Airport Board Meeting

November 21, 2023

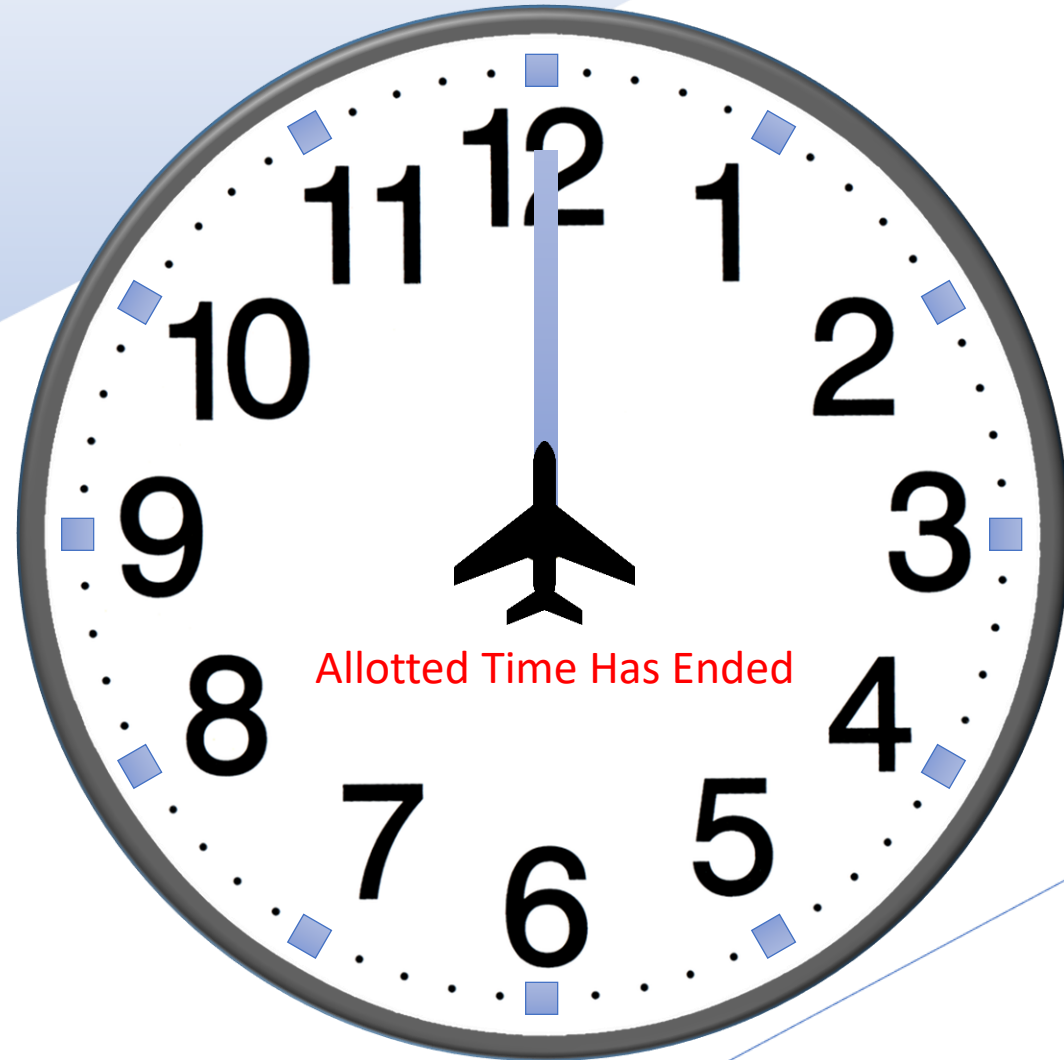


- 1. Call meeting to order**
- 2. Pledge of Allegiance**
- 3. Introduction of Guests**
- 4. Conflict of Interest – Airport Attorney**

“Under State law, a conflict of interest exists if a board member, or certain members of that person's family, has a qualifying financial interest in an agenda item. Members with a conflict of interest cannot participate in the discussion nor vote on the agenda item. Are there any known conflicts of interest to disclose at this time”?



5. Citizen Communication



Time limited to 2 minutes per citizen

6. Reports. Update on Operations and Activities at VIA:



Valley International Airport

Marketing Report
October 2023



LEALMEDIA



Executive Summary

October 1 - October 31, 2023

UPPER MIDWEST CAMPAIGN

- Ran refreshed Google Ads and Facebook/Instagram ads
- Moved majority of Spectrum TV budget to Upper Midwest OTT to cover more cities

DELTA MINNEAPOLIS

- Covered Inaugural Flight with photography and video

SUN COUNTRY CANCUN SUMMER 2024

- Made announcement and started running ad promoting flights

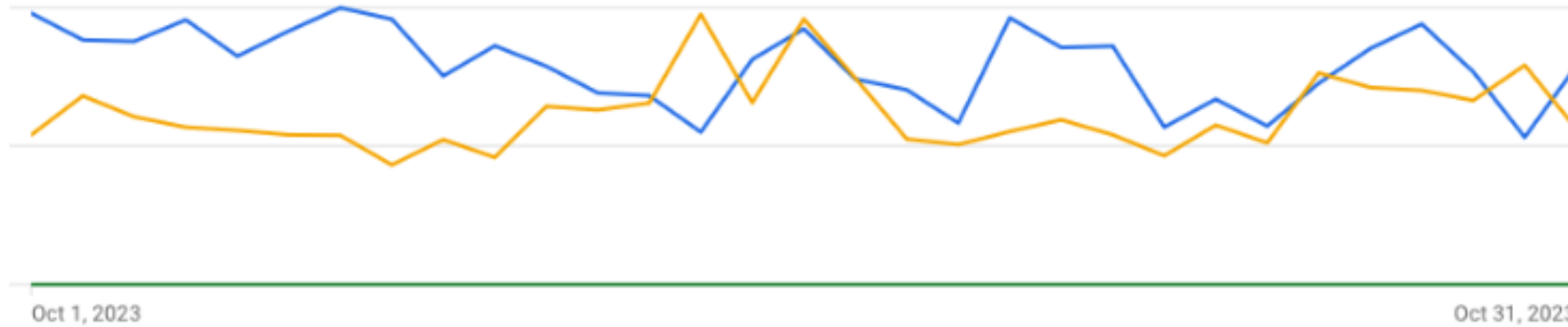
SOUTHWEST DALLAS SUMMER 2024

- Made announcement and started running ad promoting flights





Clicks ▾ 19.6K	Impressions 1.1M	CTR ▾ 1.78%	Views ▾ 0
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Google Ads

October 1 - October 31, 2023

Campaign ▾	Campaign type ▾	Clicks ▾	↓ Impr. ▾	CTR ▾
Midwest_Fall23_Display	Display	5,313	319,859	1.66%
Southwest Austin D	Display	1,986	205,897	0.96%
American Airlines - Dallas D	Display	940	165,601	0.57%
Southwest Houston D	Display	220	130,559	0.17%
Delta Air - Minneapolis D	Display	5,097	128,457	3.97%
Southwest Dallas D	Display	229	104,251	0.22%
Midwest_Fall23_Search	Search	2,080	31,339	6.64%
Sun Country - MSP_Search	Search	631	6,635	9.51%
United Airlines Houston S	Search	2,381	6,012	39.60%
American Airlines - Dallas S	Search	281	1,756	16.00%
Southwest Houston S	Search	133	1,704	7.81%
Southwest Austin S	Search	237	1,619	14.64%
Southwest Dallas S	Search	122	1,232	9.90%
Total		19,650	1,104,921	1.78%





TOP PERFORMING ADS

Display ads

Sort by: Clicks

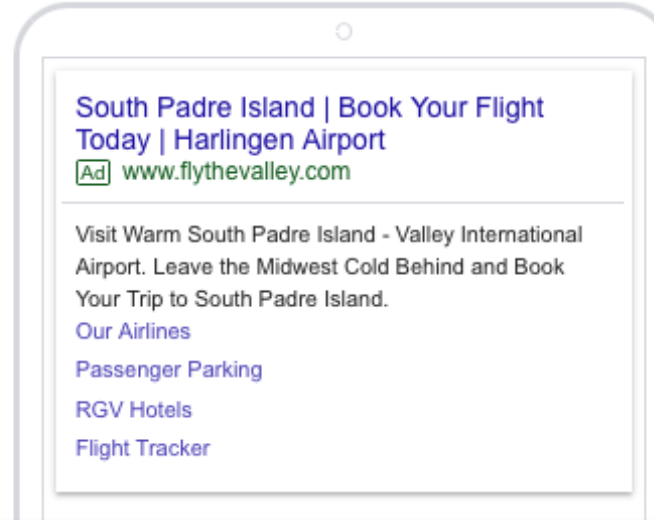
Delta Air - Minneapolis | D > Delta To MSP Display



Ad	Clicks	Impressions	CTR
● Enabled	3,461	66,057	5.24%

Most-shown search ads

Midwest_Fall23_Search > Ad group 1



Ad	Impressions	Clicks	CTR
● Enabled	31,339	2,080	6.64%





🔍 Searches

Sort by: Impressions ▼



Top searches and words within searches where people saw your ads

Searches

Words

united airlines

flights to south padre island

united

things to do in south padre island

united airlines flights

cheap warm winter vacations usa

flights to dallas

cheap warm places to visit in december in usa

continental airlines

msp to south padre island

flights to houston

warm winter vacations usa

cheap warm places to visit in february in usa





Meta - Facebook

October 1 - October 31, 2023

Performance

Daily

Cumulative



Reach ⓘ

349.6K ↑ 56.3%

Content interactions ⓘ

1.4K ↑ 148.8%

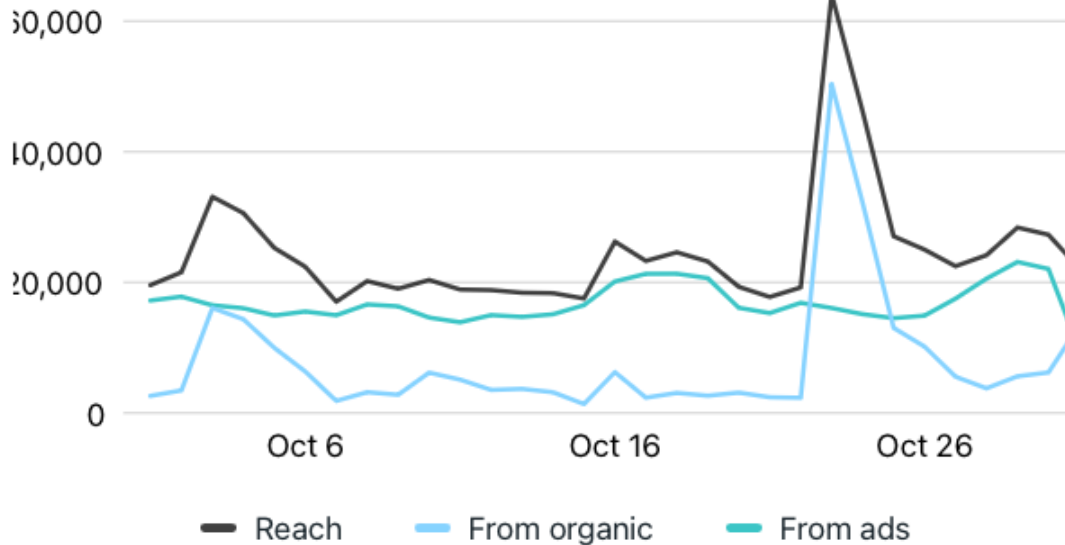
Followers ⓘ

Lifetime

18.4K

Link clicks ⓘ

7.7K ↑



Reach breakdown

Total

349,556 ↑ 56.3%

From organic

189,163 ↑ 207.4%

From ads

187,776 ↑ 11.6%





Meta - Instagram

October 1 - October 31, 2023

Performance

Daily

Cumulative



Reach ⓘ

2.6K ↑ 182.6%

Content interactions ⓘ

212 ↑ 133%

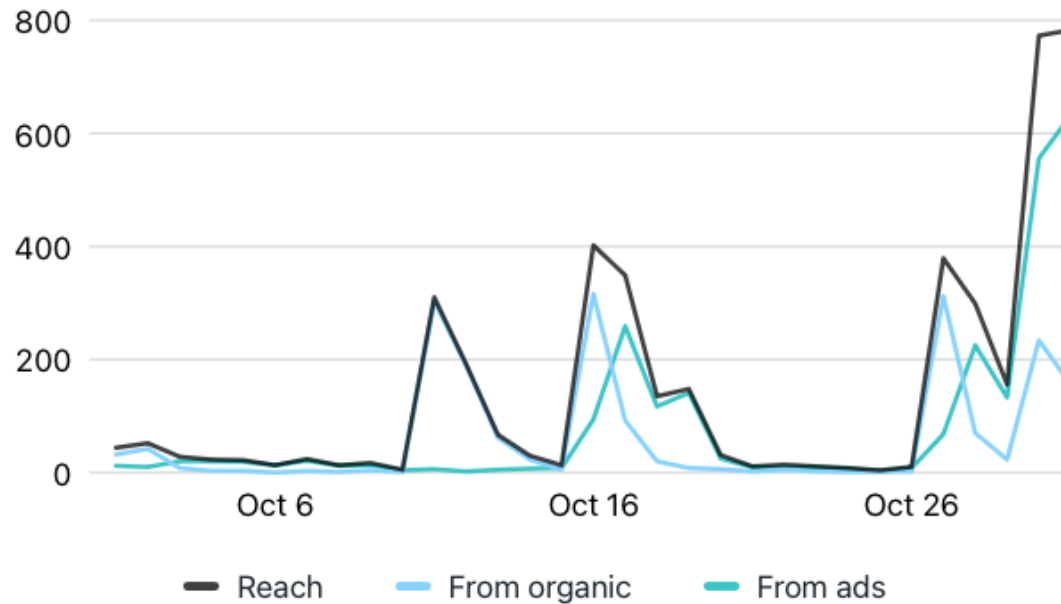
Followers ⓘ

Lifetime

1.5K

Link clicks ⓘ

35 ↑ 1.6K%



Reach breakdown

Total

2,552 ↑ 182.6%

From organic

726 ↑ 16.9%

From ads

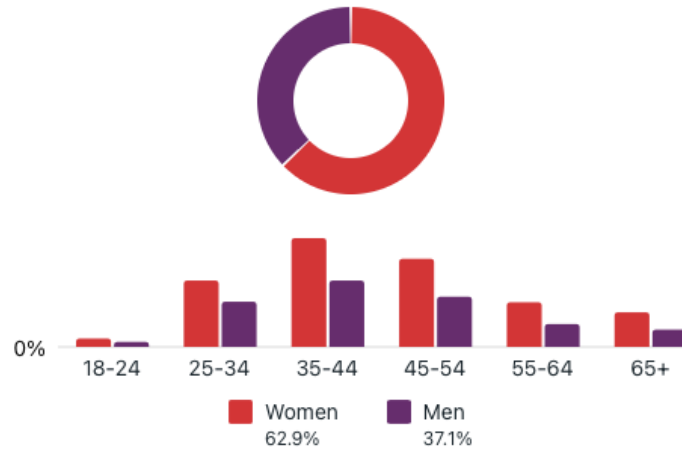
1,912 ↑ 587.8%



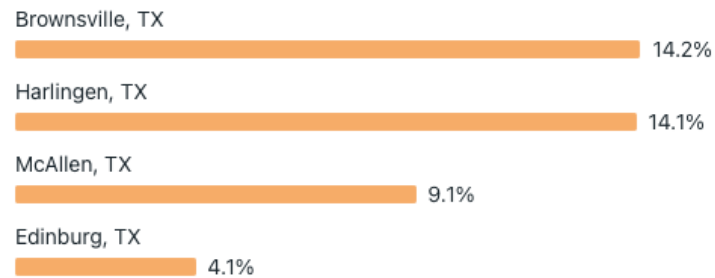
Facebook followers ⓘ

18,425

Age & gender ⓘ



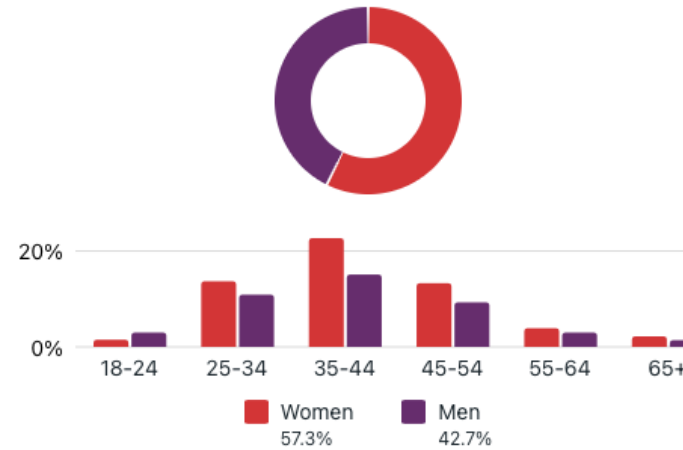
Top cities



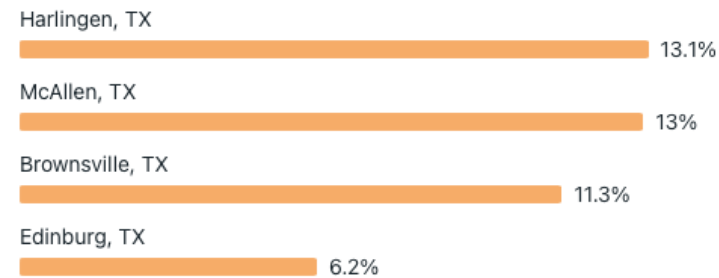
Instagram followers ⓘ

1,489

Age & gender ⓘ



Top cities





Meta - Facebook and Instagram Ads

October 1 - October 31, 2023

Ad name	Impressions	Reach	Frequency	CTR (all)	Results
Midwest_Fall23_Carousel	82,234	31,609	2.60	1.53%	930 Link clicks
FlytoSPI_Fall23	49,442	19,198	2.58	3.87%	1,142 Link clicks
Midwest_Fall23_Carousel	64,612	18,595	3.47	1.00%	511 Link clicks
Midwest_Fall23_Carousel	55,826	14,082	3.96	1.08%	439 Link clicks
Midwest_Fall23_Carousel	65,140	21,098	3.09	0.89%	489 Link clicks
Midwest_Fall23_Carousel	62,186	19,116	3.25	0.98%	485 Link clicks
FlytoSPI_Fall23	49,028	16,952	2.89	1.86%	673 Link clicks
FlytoSPI_Fall23	37,804	10,495	3.60	2.37%	486 Link clicks
FlytoSPI_Fall23	33,943	11,857	2.86	3.41%	645 Link clicks
FlytoSPI_Fall23	34,400	12,506	2.75	3.24%	715 Link clicks
Too Early?	31,498	18,679	1.69	5.94%	689 Link clicks
Dallas All Day Every Day	7,105	5,556	1.28	5.33%	61 Link clicks
Total results 12 / 12 rows displayed	573,218 Total	178,144 Accounts Center accounts	3.22 Per Accounts Center ...	2.08% Per Impressions	7,265 Link clicks





Meta - Facebook & Instagram


October 1 - October 31, 2023

Valley International Airport Harlingen
Published by Enrique Leal · October 10 ·

DELTA HAS LANDED!!! 🎉🇺🇸

We now have 2 ways to get to Minneapolis from Harlingen!! [Delta Air Lines](#) is now offering Non-Stop Service from Harlingen to Minneapolis.

Check out the video and hear VIA Director of Biz Development, Nico Mirman, tell us why Delta and Upper Midwest passengers are so important to our local economic impact. [#flythevalley](#)




See insights and ads Boost post

48 5 comments 6 shares

Valley International Airport Harlingen
Published by Enrique Leal · October 10 ·

Photos from [Delta Air Lines](#) Inaugural Flight from Minneapolis to Harlingen!! Book your flight today at [delta.com](#)

Or even better, tell your friends up North to buy tickets and meet you at sunny South Padre Island!!!! 🌴🇺🇸



See insights and ads Boost post

211 31 comments 5 shares

Valley International Airport Harlingen
Published by Enrique Leal · October 14 ·

[Harlingen Fire Department](#) leading a full-scale Emergency Drill at [Valley International Airport Harlingen](#). Many thanks to our first-responders and community members who assisted in this training exercise. [#alwaysbeprepared](#)



City of Harlingen
October 12 ·

EMERGENCY RESPONSE DRILL ✈️

This is just a drill! 🙏 Today, the [Harlingen Fire Department](#) led an incredible Full Scale Mock Emergency Response drill at Valley... [See more](#)





Meta - Facebook & Instagram

October 1 - October 31, 2023

Valley International Airport Harlingen
Published by Enrique Leal · October 16 ·

Delta Air Lines seasonal non-stop service from Harlingen to Minneapolis is back! Book your trip to the Upper Midwest at delta.com ...or even better, tell your friends up North to buy tickets and meet you at sunny South Padre Island! 🌞✈️

Seasonal service runs thru early May 2024.

DELTA.COM
Delta Air Lines | Flights & Plane Tickets + Hotels & Rental Cars [Book now](#)
Delta Air Lines, a leader in domestic and international travel, offers airli...

[See insights and ads](#) [Boost again](#)

👍❤️ 103 24 comments 11 shares

Valley International Airport Harlingen
Published by Enrique Leal · October 23 at 3:16 PM ·

Texas State Technical College students in Harlingen getting real-world training that lead to real-world jobs in the airline industry!

Read all about it here:
<https://myrgv.com/.../tstc-aircraft-airframe-technology.../>

[See insights and ads](#) [Boost post](#)

👍❤️ 33 2 comments 3 shares

Valley International Airport Harlingen
Published by Enrique Leal · October 26 at 9:31 AM ·

DIGITAL BAG TRACKING on the [Southwest Airlines APP!](#)
Try it out next time you're flying out of [Valley International Airport Harlingen](#) 🌟✈️

DAL - CUN **Southwest** 9:41

Bag details
Review your bag's progress to its final destination below.

Jen Bridie
Confirmation # **AVGTRM**
Bag tag # **1234567891**

Bag tag printed
DAL
Sun, Oct 21, 2023 at 12:25PM

Bag loaded onto the plane
DAL
Sun, Oct 21, 2023 at 12:56PM

Have questions about your bag?
When you arrive at your destination, check back here for the latest information. Visit our [Help Center](#) to report a problem with your bag or learn more about our policies.

Boarding pass

Southwest Airlines
October 24 at 12:00 PM ·

Ever wanted to track your free* checked bags after you've checked them? Introducing digital bag tracking! Now available on [Southwest.com](#) and in the Southwest ap... [See more](#)

[See insights and ads](#) [Boost a post](#)

No insights to show 🌐

👍❤️ 21





Meta - Facebook & Instagram

October 1 - October 31, 2023

Valley International Airport Harlingen
Published by Enrique Leal · October 26 at 9:31 AM · 🌐

DIGITAL BAG TRACKING on the [Southwest Airlines APP!](#)
Try it out next time you're flying out of [Valley International Airport Harlingen](#) 🤖✈️

DAL - CUN

9:41 **Southwest**

Bag details
Review your bag's progress to its final destination below.

Jen Bridie
Confirmation # AVGTRM
Bag tag # 1234567891

- 📄 **Bag tag printed**
DAL
Sun, Oct 21, 2023 at 12:25PM
- 🛫 **Bag loaded onto the plane**
DAL
Sun, Oct 21, 2023 at 12:56PM

Have questions about your bag?
When you arrive at your destination, check back here for the latest information. Visit our [Help Center](#) to report a problem with your bag or learn more about our policies.

Boarding pass

Southwest Airlines
October 24 at 12:00 PM · 🌐

Ever wanted to track your free* checked bags after you've checked them? Introducing digital bag tracking! Now available on [Southwest.com](#) and in the Southwest ap... [See more](#)

No insights to show 🌐 [Boost a post](#)

👍❤️ 21

Valley International Airport Harlingen
Published by Enrique Leal · October 26 at 8:45 PM · 🌐

Is it too early for Cancun??? NEVER!! 😭😭
Start planning for SUMMER 2024 and book your trip to Cancun today with Sun Country Airlines flying out of the Valley's Largest, Most Convenient Airport - Valley International Airport in Harlingen!
NON-STOP HARLINGEN TO CANCUN TICKETS ARE NOW ON SALE!! Click on the Book Now button below!

TOO EARLY FOR CANCUN 2024? NOPE!

**NON-STOP HARLINGEN TO CANCUN
MAY 29th - AUGUST 10th 2024
BOOKING IS NOW OPEN!
www.suncountry.com**

SUNCOUNTRY.COM
Sun Country Airlines - Low Fares. Nonstop Flights. [Book now](#)
Sun Country Airlines offers affordable flights and vacation packages to...

[See insights and ads](#) [Boost again](#)

👍❤️ 64 8 comments 8 shares

Valley International Airport Harlingen
Published by Enrique Leal · October 30 at 9:00 AM · 🌐

BIG NEWS... Southwest Airlines will be offering **DAILY SERVICE TO DALLAS 7 DAYS A WEEK** during SUMMER 2024!!
Only at the Valley's Largest, Most Convenient Airport - Valley International Airport in Harlingen!
Book today at [Southwest.com](#) (Daily Service June - August 2024) 🤖✈️🇺🇸 #flyharlingen

Dallas All Day, Every Day.
Coming Summer 2024

**Non-Stop Harlingen to Dallas
Daily Service + 2 Daily Flights on Weekends**

VIA VALLEY INTERNATIONAL AIRPORT Dallas Love Field [southwest.com](#)

Valley International Airport Harlingen Airport [Book now](#)

[See insights and ads](#) [Boost post](#)

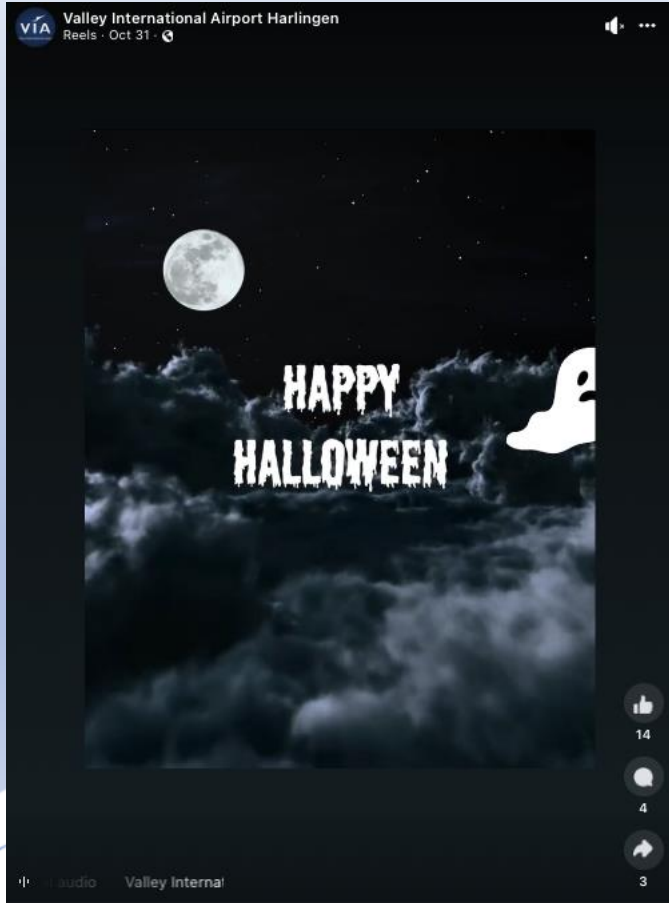
👍❤️ 146 36 comments 10 shares





Meta - Facebook & Instagram

October 1 - October 31, 2023





Sportsman's Guide to South Padre Island Fall/Winter 2023

If you're an avid sportsman, South Padre Island should already be on your list of places to visit. If it's not already, it should be!

[READ MORE](#)

October 2, 2023 | No Comments



Things To Do in Minneapolis This Fall: Fly Nonstop From Harlingen to Minneapolis

Minneapolis is a truly underrated vacation destination. This city has everything you could want, from museums and art galleries to fine dining and nightlife. Not

[READ MORE](#)

October 16, 2023 | No Comments




OTT (STREAMING CHANNELS)

October 1 - October 31, 2023



Note - moved more budget to address additional cities in Upper Midwest

STREAMING TV GEOGRAPHY

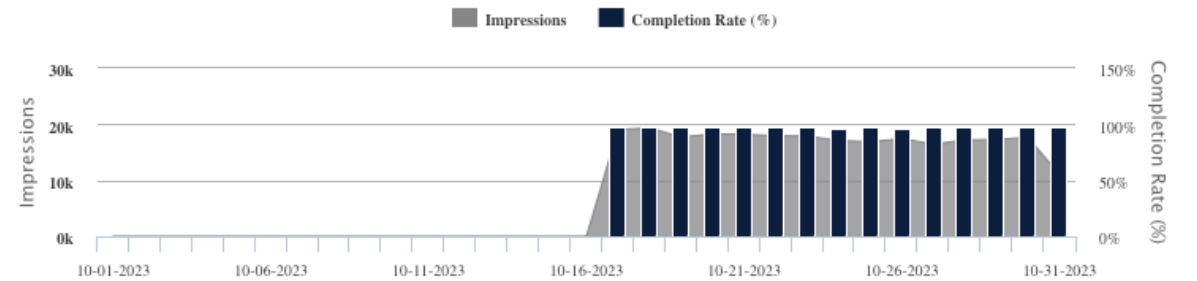
ALL 	Impressions
Milwaukee	52,289
Chicago	51,679
Detroit	44,007
Minneapolis-St. Paul	43,919
Des Moines-Ames	22,500
Green Bay-Appleton	22,483
Fargo	22,443

Streaming TV (Data is current as of 11/14/2023)

259,320
IMPRESSIONS

97.40%
COMPLETION RATE

STREAMING TV IMPRESSIONS AND COMPLETION RATE



SPECTRUM CABLE TV

October 1 - October 31, 2023

Note - Only showing commercials on Spectrum News Channel starting October '23

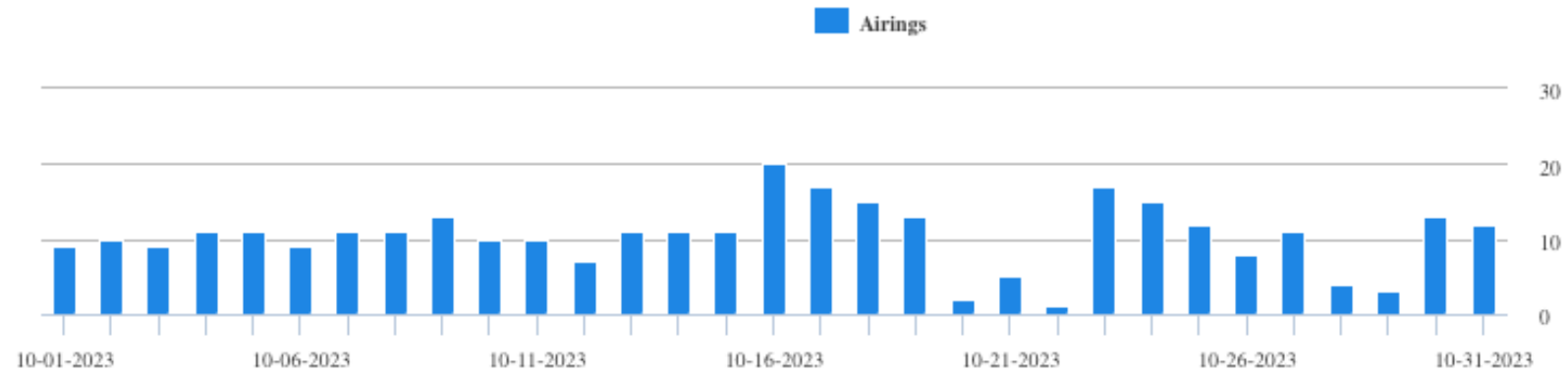
TV (Data is current as of 11/12/2023)

322
AIRINGS

1
NETWORKS

1
ZONES

VERIFIED TV AIRINGS



TOP NETWORKS

SPECTRUM NEWS 1

322



CONTENT FOR DELTA INAUGURAL FLIGHT

October 1 - October 31, 2023

Oct. 9, 2023



6. Reports

d. Progress Report – October 2023

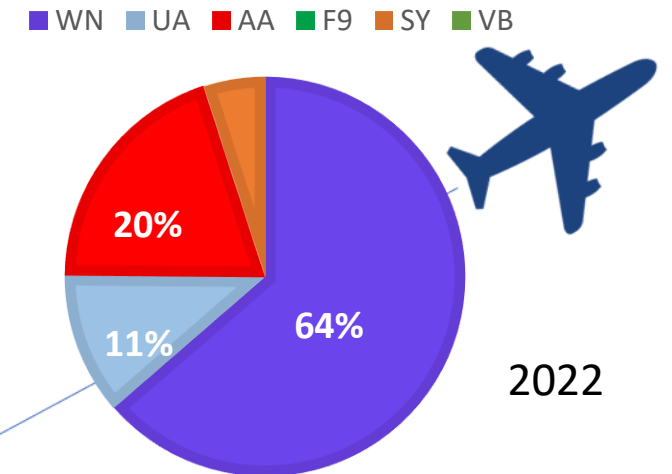
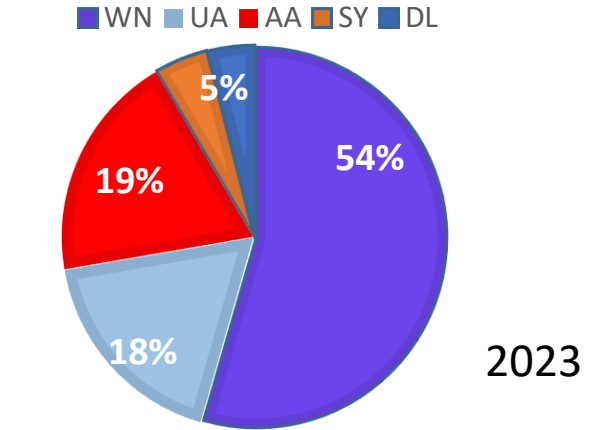




**VALLEY INTERNATIONAL AIRPORT
OCTOBER 2023 - PROGRESS REPORT**

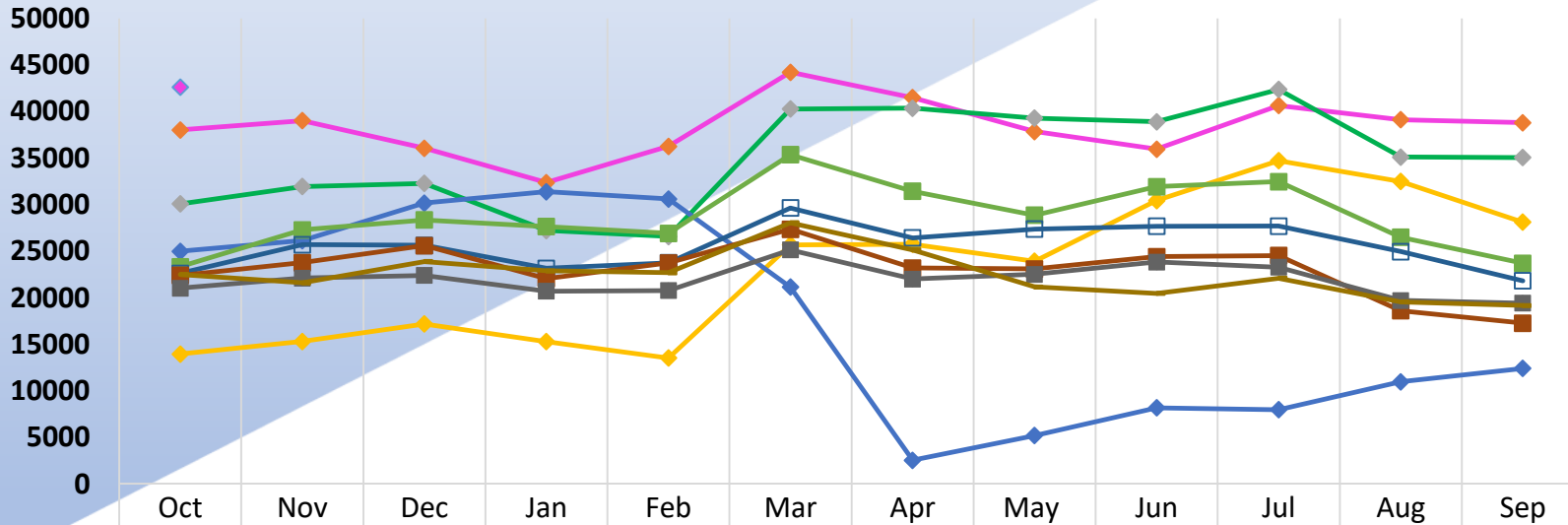
AIRLINE PASSENGERS	2023	% chg.	2022	2024-2023 YTD	% chg.	2023-2022 YTD
<u>Enplanements</u>						
Southwest	23,165	(4.3)	24,195	23,165	(4.3)	24,195
United	7,583	73.5	4,370	7,583	73.5	4,370
American Airlines	8,199	8.6	7,551	8,199	8.6	7,551
Viva Aerobus	0	N/A	0	0	N/A	0
Frontier	0	N/A	0	0	N/A	0
Sun Country	1,909	0.5	1,899	1,909	0.5	1,899
Delta	1,682	N/A	0	1,682	N/A	0
Charters	85	N/A	0	85	N/A	0
Total Enplanements	42,623	12.1	38,015	42,623	12.1	38,015
<u>Deplanements</u>						
Southwest	21,606	2.8	21,011	21,606	2.8	21,011
United	5,984	59.4	3,755	5,984	59.4	3,755
American Airlines	7,355	22.6	5,999	7,355	22.6	5,999
Viva Aerobus	0	N/A	0	0	N/A	0
Frontier	0	N/A	0	0	N/A	0
Sun Country	2,140	2.1	2,096	2,140	2.1	2,096
Delta	1,225	N/A	0	1,225	N/A	0
Charters	85	N/A	0	85	N/A	0
Total Deplanements	38,395	16.8	32,861	38,395	16.8	32,861
TOTAL PASSENGERS	81,018	14.3	70,876	81,018	14.3	70,876

**OCTOBER 2022 VS 2023
MARKET SHARE**





HRL ENPLANED PASSENGERS - FY



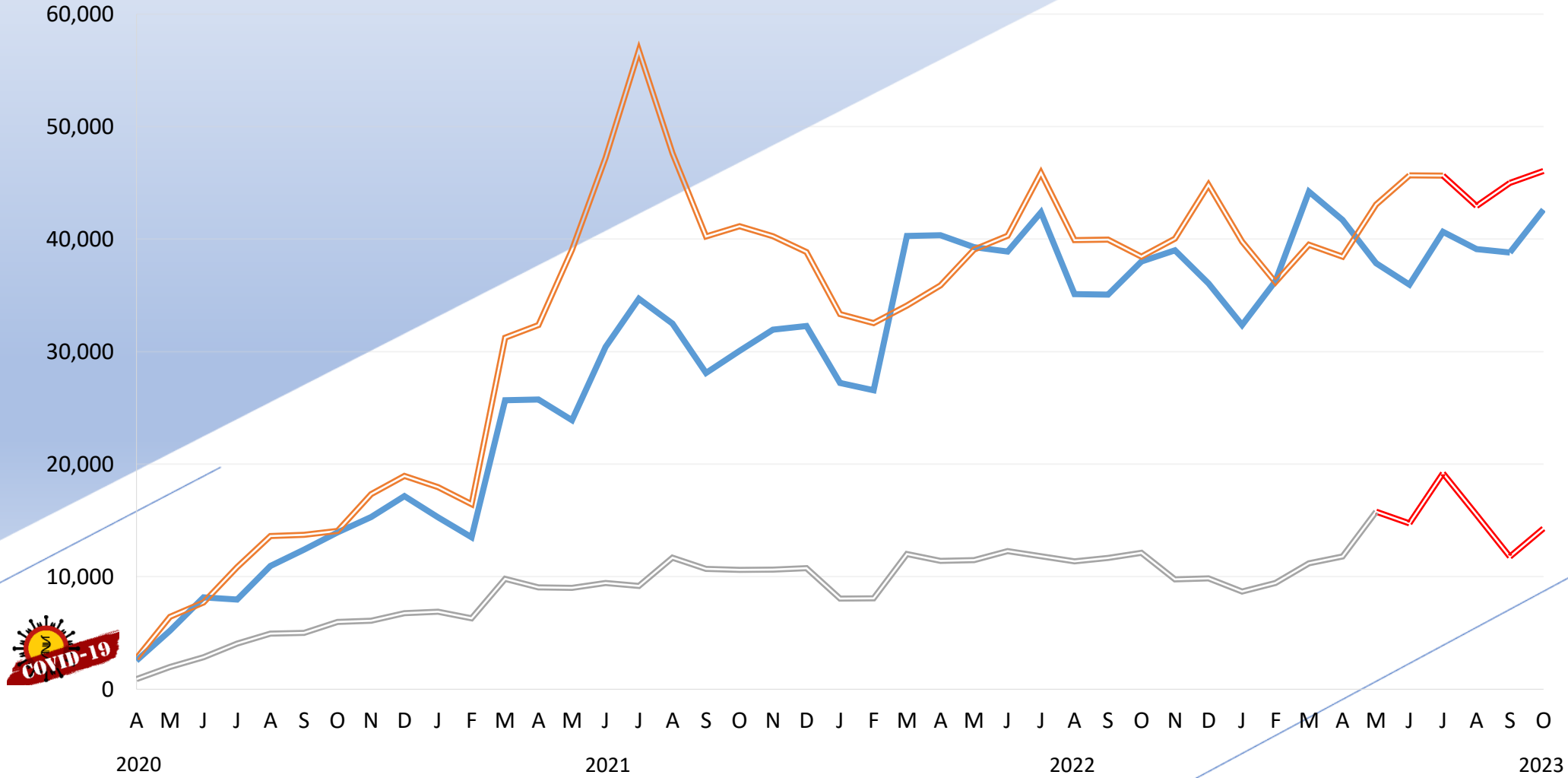
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
FY 2023-2024	42623											
FY 2022-2023	38015	39015	36055	32362	36260	44215	41494	37851	35962	40652	39118	38800
FY 2021-2022	30080	31948	32284	27216	26571	40278	40355	39294	38898	42381	35109	35060
FY 2020-2021	13943	15293	17,165	15269	13507	25669	25747	23914	30426	34724	32491	28105
FY 2019-2020	24986	26133	30158	31390	30610	21141	2,533	5189	8163	7959	10,957	12391
FY 2018-2019	23322	27288	28343	27644	26917	35356	31439	28862	31920	32460	26492	23689
FY 2017-2018	22604	25684	25629	23146	23747	29642	26426	27374	27668	27696	24954	21817
FY 2016-2017	22390	23760	25594	22051	23723	27348	23178	23084	24401	24522	18603	17258
FY 2015-2016	21025	22109	22385	20692	20769	25126	21999	22514	23830	23263	19696	19405
FY 2014-2015	22490	21586	23875	22881	22679	28051	25136	21145	20467	22081	19549	19160





HRL - MFE - BRO: Enplaned Passengers

Enplaned Passengers



October 2023 CARGO

CARGO (tons)	2023	% chg.	2022	2024-2023 YTD	% chg.	2023-2022 YTD
Enplaned						
21 Air, LLC	0	N/A	163	443	(49.0)	868
ABX	20	N/A	25	94	(94.7)	1,769
Air Transport Int'l (ATI)	0	N/A	0	0	N/A	0
American Airlines	0	N/A	0	0	N/A	0
Ameriflight	0	N/A	0	3	N/A	0
Amerijet	0	N/A	5	40	78.1	23
Atlas Air	0	N/A	0	0	N/A	0
FedEX	822	(0.1)	910	10,022	(16.1)	11,940
Kalita Air, LLC	0	N/A	92	0	N/A	595
Kalita Charters II	112	N/A	0	988	N/A	0
Southwest	47	1.2	21	782	193.4	266
Total Enplaned	1,002	(17.6)	1,216	12,372	(20.0)	15,461
Deplaned						
21 Air, LLC	0	N/A	455	1,069	(57.9)	2,542
ABX	29	N/A	37	135	(97.5)	5,455
Air Transport Int'l (ATI)	0	N/A	0	0	N/A	0
American Airlines	0	N/A	0	0	N/A	75
Ameriflight	0	N/A	0	0	N/A	1
Amerijet	0	N/A	23	98	(7.6)	98
Atlas Air	0	N/A	0	0	N/A	0
FedEX	994	(23.8)	1,304	13,065	(17.4)	15,819
Kalita Air, LLC	0	N/A	238	0	N/A	1,735
Kalita Charters II	186	N/A	0	1,591	N/A	0
Southwest	24	(2.8)	24	275	(3.1)	283
Total Deplaned	1,233	(40.8)	2,081	16,233	(37.6)	26,008
TOTAL CARGO	2,235	(32.2)	3,298	28,605	(31.0)	41,469





October 2023 FUEL

FUEL UPLIFTED (GALLONS)	2023	% chg.	2022	2024-2023 YTD	% chg.	2023-2022 YTD
COMMERCIAL						
Gulf Aviation	117,880	26.7	93,010	117,880	26.7	93,010
Sun Valley Aviation	284,198	3.9	273,551	284,198	3.9	273,551
Total Commercial	402,078	9.7	366,561	402,078	9.7	366,561
MILITARY						
Gulf Aviation	0	N/A	0	0	N/A	0
Sun Valley Aviation	14,155	18.8	11,913	14,155	18.8	11,913
Total Military	14,155	18.8	11,913	14,155	18.8	11,913
GENERAL AVIATION						
Gulf Aviation	188,307	(18.4)	230,652	188,307	(18.4)	230,652
Sun Valley Aviation	22,833	(53.1)	48,718	22,833	(53.1)	48,718
Total General Aviation	211,140	(24.4)	279,370	211,140	(24.4)	279,370
TOTAL FUEL UPLIFTED	627,373	(4.6)	657,844	627,373	(4.6)	657,844



7. Consent Agenda

Consider and take action to approve the consent agenda.

- a. Consider and take action to approve Valley International Airport Board's regular meeting minutes of October 17, 2023.
- b. Consider and take action to approve the monthly Financial Report for the Period Ending September 30, 2023.
- c. Quarterly Investment Report: July 1 – September 30, 2023.



7 a. Meeting Minutes of regular Airport Board Meeting: October 17, 2023



MINUTES OF REGULAR AIRPORT BOARD MEETING

(2023-2024)

(NO. 1)

VALLEY INTERNATIONAL AIRPORT
3RD FLOOR CONFERENCE ROOM

OCTOBER 17, 2023
TUESDAY – 5:00 P.M.

A regular Airport Board meeting was held on Tuesday, October 17, 2023, at 5:00 p.m. at Valley International Airport's 3rd Floor Conference Room, Harlingen, Texas. Those in attendance were:

BOARD MEMBERS

George McShan	Chairman	07/20/22 – 11/01/25
Alejandro Gallaga	Chairman Pro-Tem	07/06/22 – 11/01/25
Ruben Peña	Board Member	08/03/22 – 11/01/25
Martha G. Cano, MD.	Board Member	08/03/22 – 11/01/25

ATTORNEY

Gene McCullough Attorney, City of Harlingen - Airport Board

AIRPORT STAFF

Marv Esterly	Director of Aviation
Bryan J. Wren, A.A.E.	Assistant Director of Aviation
Ron Mustard	Director of Finance
Nicolás J. Mirman	Director of Air Service, Business Development and Ground Handling
Celina P. Garza, CPS	Executive Assistant

GUESTS

Arlene Garza	President, Gulf Aviation
Hector Garza	Vice President of Flight Line/GSE Gulf Aviation
David Garza	Line Manager, Gulf Aviation

1. CALL MEETING TO ORDER.

Chairman McShan called the meeting to order at approximately 5:07 p.m. with a quorum of the Airport Board present. A notice of the meeting had been duly posted (as required by law) on Friday, October 13, 2023, at 4:00 p.m. at City Hall and on the Airport's website: www.flythevalley.com.

2. PLEDGE OF ALLEGIANCE.

Chairman McShan led the pledge of allegiance.

3. INTRODUCTION OF GUESTS.

Chairman McShan welcomed all the Airport Board members and guests.

4. CONFLICT OF INTEREST.

Mr. McCullough read the following "Conflict of Interest" – "Under State Law, a conflict of interest exists if a council member, or certain members of that person's family, has a qualifying financial interest in an agenda item. Members with a conflict of interest cannot participate in the discussion nor vote on the agenda item. Are there any known conflicts of interest to disclose at this time?"

There were no conflicts of interest.

5. CITIZEN COMMUNICATION. (2 MINUTES)

None.

6. REPORTS.

UPDATE ON OPERATIONS AND ACTIVITIES AT VIA:

A. TRANSPORTATION SECURITY ADMINISTRATION (TSA)

Mr. Esterly reported notes provided by Ms. Carmona, Assistant Federal Security Director:

TSA continues to see a steady number of passenger screenings on a daily basis.



They received their Resource Allocation Plan for fiscal year 2024. This provides their Full Time Equivalency number for staffing based on historical passenger throughput. Their HRL location number increased by 1.2. Due to the increase, they will be hiring additional officers and hope to have them all fully certified by December.

Everything else seems to be going well, and they are looking forward to the final quarter of 2023.

B. FIXED BASE OPERATOR – GULF AVIATION, INC./SUN VALLEY AVIATION, INC.

GULF AVIATION

Ms. Arlene Garza introduced her husband and her son. She reported the following:

-Ice Air Operations has continued to run steady.

-The numbers for September reflect a slight decrease due to the lift of Title 42 back in May and the implementation of Title 8. This has slowed the processing of detainees and reflects on the numbers.

-They are 1/2 way through their test run for 24/7 ops Monday-Friday and have been extremely successful. They are possibly considering including weekends to make their operation full-blown 24/7.

-As of January 1, 2024, Gulf Aviation will be celebrating 45 years on the airfield. They will be putting together a celebration and will be sending out invites as soon as they have a date set.

SUN VALLEY AVIATION

There was no representative from Sun Valley Aviation attending the meeting.

C. MARKETING REPORT - SEPTEMBER 2023 AND QUARTERLY MARKETING REPORT

The marketing report was provided in the Airport Board packet.

Mr. Esterly reviewed the September 2023 Marketing Report.

D. PROGRESS REPORT – SEPTEMBER 2023

The progress report was provided in the Airport Board packet.

Mr. Esterly reviewed the September 2023 Progress Report.

7. CONSENT AGENDA. *(THE FOLLOWING ITEMS ARE OF A ROUTINE OR ADMINISTRATIVE NATURE. THE AIRPORT BOARD HAS BEEN FURNISHED WITH BACKGROUND MATERIAL ON EACH ITEM AND/OR IT HAS BEEN DISCUSSED AT A PREVIOUS MEETING. ALL ITEMS WILL BE ACTED UPON BY ONE VOTE, WITHOUT BEING DISCUSSED SEPARATELY, UNLESS REQUESTED BY A BOARD MEMBER. ITEMS WITHDRAWN FROM THE CONSENT AGENDA FOR INDIVIDUAL CONSIDERATION IN THEIR NORMAL SEQUENCE WILL BE HEARD AFTER THE REMAINDER OF THE CONSENT AGENDA HAS BEEN ACTED UPON.)*

A. CONSIDER AND TAKE ACTION TO APPROVE VALLEY INTERNATIONAL AIRPORT BOARD'S REGULAR MEETING MINUTES OF SEPTEMBER 19, 2023; HARLINGEN ECONOMIC DEVELOPMENT CORPORATION AND VALLEY INTERNATIONAL AIRPORT BOARD JOINT STRATEGIC PLANNING RETREAT MEETING MINUTES OF SEPTEMBER 27, 2023; AND HARLINGEN ECONOMIC DEVELOPMENT CORPORATION AND VALLEY INTERNATIONAL AIRPORT BOARD JOINT SPECIAL MEETING MINUTES OF SEPTEMBER 27, 2023.

B. CONSIDER AND TAKE ACTION TO APPROVE THE MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING AUGUST 31, 2023.

Chairman McShan asked the members of the Airport Board if they had any questions or comments regarding the consent agenda: Meeting Minutes and the Financial Report.

ACTION TAKEN:

On a motion by Dr. Cano and a second by Mr. Gallaga, members of the Airport Board voted unanimously to approve the Consent Agenda: Airport Board's regular meeting minutes of September 19, 2023; Harlingen Economic Development Corporation and Valley International Airport Board Joint Strategic Planning Retreat Meeting Minutes of September 27, 2023; Harlingen Economic Development Corporation and Valley International Airport Board Joint Special Meeting Minutes of September 27, 2023; and the monthly Financial Report for the period ending August 31, 2023, as presented.



8. CONSIDER AND TAKE ACTION TO RATIFY A CHANGE ORDER WITH FOREMOST CONSTRUCTION FOR THE RUNWAY EXTENSION PROJECT.

ACTION TAKEN:

On a motion by Mr. Peña and a second by Dr. Cano, the members of the Airport Board voted unanimously to ratify a change order with Foremost Construction for the Runway Extension project.

9. DIRECTOR'S REPORT:

A. UPDATES

I. RUNWAY EXTENSION PROJECT

Mr. Wren advised that the project total was at \$32,500,000 and spent to date at \$14,002,000. The engineer is RS&H, and the project contract days are 460 (including days added from the change orders), with 270 days of contract time used.

Mr. Wren reported that the perimeter road is complete and open; the underground drainage infrastructure outside of the runway safety area continues to be placed, sitting at 90 percent complete; electrical for the Nav Aid is at 85 percent complete. AEP is scheduled to come the first week of October to start energizing the south-end Nav Aids.

Runway 18R and TWY A have lime-treated subgrade being installed. The base is expected to start being placed in the last week of September.

B. EVENTS/MEETINGS ATTENDED

- I. JONATHAN HALL, AUDITOR – CARR, RIGGS & INGRAM – SEP 20
- II. QUARTERLY AIRPORT TENANT MEETING – SEP 20
- III. CALL WITH SENATOR CORNYN'S OFFICE – SEP 20
- IV. INTERVIEW WITH RONNIE MARTINEZ, CHANNEL 4 & 23 – SEP 25
- V. OPEN ENROLLMENT – SEP 26
- VI. SUN COUNTRY INTERVIEW – SEP 28
- VII. ORLANDO CAMPOS AND BEVERLY LOFTUS – HEDC – OCT 9
- VIII. BLAKE HENRY AND CINDY TREVINO, SPI CVB – OCT 10

- IX. JEREMY REILEY – RIO VALLEY AVIATION – OCT 11
- X. PAT KORNEGAY – SUN VALLEY AVIATION – OCT 11
- XI. FULL-SCALE EMERGENCY EXERCISE – OCT 12
- XII. CITY MANAGER – MONTHLY MEETING – OCT 17

Mr. Esterly reviewed all the events/meetings listed above that he had attended since the last Airport Board Meeting.

10. EXECUTIVE/CLOSED SESSION ON THE FOLLOWING ITEMS:

- I. GOVERNMENT CODE 551.087 - DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS
- II. GOVERNMENT CODE 551.074 – PERSONNEL MATTERS – DIRECTOR OF AVIATION'S EVALUATION, ASSIGNMENT, AND DUTIES.
- iii. PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.072, REGARDING THE PURCHASE, LEASE OR VALUE OF REAL ESTATE, IF THE DELIBERATION IN AN OPEN MEETING WOULD HAVE A DETRIMENTAL EFFECT ON THE POSITION OF THE CITY IN NEGOTIATIONS WITH A THIRD PERSON AND TEXAS GOVERNMENT CODE SECTION 551.087, REGARDING COMMERCIAL AND FINANCIAL INFORMATION FROM A BUSINESS PROSPECT WITH WHICH THE AIRPORT IS CONDUCTING NEGOTIATIONS AND/OR TO DISCUSS OR DELIBERATE FINANCIAL OR OTHER RELATING MATTERS.

ACTION TAKEN:

On a motion by Mr. Gallaga and a second by Mr. Peña, members of the Airport Board voted unanimously to go into executive session to discuss/seek attorney's advice, and possible action regarding the above agenda items.

The Executive Session convened at 5:45 p.m.

The Executive Session concluded at 7:00 p.m.



11. ACTION RELATED TO EXECUTIVE SESSION ITEMS:

I. POSSIBLE ACTION

ACTION TAKEN:

No action was taken.

II. POSSIBLE ACTION.

ACTION TAKEN:

No action was taken.

III. POSSIBLE ACTION.

ACTION TAKEN:

No action was taken.

12. NEXT MEETING DATE: TUESDAY, NOVEMBER 21, 2023, AT 5 PM.

Chairman McShan advised that the next Airport Board meeting is scheduled for Tuesday, November 21, 2023, at 5 p.m.

13. ADJOURNMENT.

The Airport Board adjourned the October 17, 2023, Airport Board meeting at approximately 7:05 p.m.

APPROVED BY:

GEORGE MC SHAN
AIRPORT BOARD CHAIRMAN

MARVIN R. ESTERLY
DIRECTOR OF AVIATION



7b. Monthly Financial Report for the Period Ending September 30, 2023



**STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET ASSETS
FOR THE 12 MONTHS ENDING 9/30/2023**

	September 2023	September 2022	Current Y-T-D Actual	Prior Y-T-D Actual	2022-2023 Budget	YTD Actual Fav (Unfav) to Budget
REVENUES						
TERMINAL BUILDING						
AIRLINES EXCLUSIVE SPACE	27,014	13,507	283,650	162,086	283,649	1
AIRLINES JOINT USE	28,361	14,180	297,788	170,229	297,788	-
AIRLINES GATE	20,784	10,392	218,236	124,704	218,236	-
SECURITY	49,167	29,272	530,469	352,276	530,471	(2)
RENT-A-CARS	98,271	105,330	1,236,155	1,289,997	1,210,146	26,009
CUSTOMER FACILITY CHARGE	39,609	34,473	512,898	461,706	472,844	40,054
RESTAURANT	28,058	23,229	324,790	244,558	280,216	44,574
GIFTS & NEWS	2,654	2,172	41,659	34,404	42,013	(354)
ADVERTISING	5,872	5,390	62,453	71,178	60,055	2,398
TENANT COMMUNICATIONS	1,295	1,295	15,540	14,910	15,540	-
UTILITIES	6,176	2,884	39,048	32,821	31,596	7,452
MISCELLANEOUS CONCESSIONAIRES	13,566	12,313	159,928	157,087	158,790	1,138
MISCELLANEOUS	4,555	(2,541)	48,628	40,755	37,048	11,580
	325,382	251,898	3,771,242	3,156,711	3,638,392	132,850



**STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET ASSETS
FOR THE 12 MONTHS ENDING 9/30/2023**

	September 2023	September 2022	Current Y-T-D Actual	Prior Y-T-D Actual	2022-2023 Budget	YTD Actual Fav (Unfav) to Budget
REVENUES						
AIRFIELD						
AIRLINE LANDING	41,280	19,299	458,322	220,701	455,398	2,924
AIRFREIGHT LANDING	12,472	22,004	175,732	255,682	187,445	(11,713)
FUEL FLOWAGE	8,135	7,176	112,934	109,402	124,382	(11,448)
MISCELLANEOUS	4,504	8,179	75,920	67,411	84,833	(8,913)
	<u>66,391</u>	<u>56,658</u>	<u>822,907</u>	<u>653,195</u>	<u>852,058</u>	<u>(29,151)</u>
INDUSTRIAL PARK						
UNITED LAUNCH ALLIANCE	59,091	59,064	708,795	708,768	708,767	28
BUILDINGS	32,317	32,317	387,799	385,423	387,796	3
HANGARS	23,290	19,859	243,340	180,524	234,209	9,131
FARM	-	-	46,000	46,000	46,000	-
GROUND LEASES	5,703	4,724	90,561	89,701	83,371	7,190
	<u>120,401</u>	<u>115,963</u>	<u>1,476,495</u>	<u>1,410,416</u>	<u>1,460,143</u>	<u>16,352</u>
TERMINAL SUPPORT						
PARKING	163,646	115,050	1,690,144	1,237,885	1,530,672	159,472
FUEL SALES QTA	16,499	16,551	192,093	178,753	173,317	18,776
GROUND HANDLING SERVICE	1,140	3,760	245,759	159,064	260,306	(14,547)
	<u>181,285</u>	<u>135,361</u>	<u>2,127,996</u>	<u>1,575,702</u>	<u>1,964,295</u>	<u>163,701</u>
TOTAL REVENUES	<u>693,459</u>	<u>559,880</u>	<u>8,198,640</u>	<u>6,796,025</u>	<u>7,914,888</u>	<u>283,752</u>



**STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET ASSETS
FOR THE 12 MONTHS ENDING 9/30/2023**

	September 2023	September 2022	Current Y-T-D Actual	Prior Y-T-D Actual	2022-2023 Budget	YTD Actual Fav (Unfav) to Budget
EXPENSES						
PERSONNEL SERVICES						
SALARIES						
ADMINISTRATIVE	50,697	56,082	652,581	668,536	698,325	45,744
SECURITY	47,003	47,425	503,408	434,159	503,115	(293)
MAINTENANCE	27,198	33,763	423,911	384,489	420,502	(3,409)
CUSTODIAN	32,861	37,530	388,894	367,449	403,639	14,745
GROUND HANDLING SERVICES	21,459	8,691	276,265	235,108	311,072	34,807
OVERTIME						
ADMINISTRATIVE	806	295	7,429	4,763	4,800	(2,629)
SECURITY	4,089	3,278	68,411	55,012	33,000	(35,411)
MAINTENANCE	731	900	20,020	9,886	20,000	(20)
CUSTODIAN	1,194	865	17,721	11,219	19,500	1,779
ACCRUED VACATION/ SICK LEAVE	15,536	15,738	285,479	288,184	309,635	24,156
FICA	15,610	14,299	192,740	180,953	182,120	(10,620)
RETIREMENT PLANS	16,397	(85,171)	220,320	104,348	272,949	52,629
HEALTH INSURANCE	35,736	27,132	433,897	377,955	470,489	36,592
WORKMEN'S COMPENSATION	4,408	5,731	52,867	62,282	53,000	133
PERSONNEL SERVICES (MISC)	3,414	1,261	36,523	33,251	31,000	(5,523)
	277,137	167,817	3,580,465	3,217,595	3,733,146	152,681



**STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET ASSETS
FOR THE 12 MONTHS ENDING 9/30/2023**

	September 2023	September 2022	Current Y-T-D Actual	Prior Y-T-D Actual	2022-2023 Budget	YTD Actual Fav (Unfav) to Budget
EXPENSES						
CONTRACTED SERVICES						
UTILITIES	29,626	65,867	431,377	415,326	440,805	9,428
COMMUNICATIONS	3,620	3,918	52,583	49,352	55,841	3,258
LEGAL	4,325	1,550	50,490	41,089	60,000	9,510
ACCOUNTING	1,550	1,250	39,450	38,110	42,017	2,567
PROFESSIONAL FEES	23,350	11,076	152,174	136,044	130,000	(22,174)
MAINTENANCE	41,154	70,865	393,265	523,708	338,000	(55,265)
INFORMATION SYSTEMS	10,230	24,788	203,480	119,245	120,000	(83,480)
ARFF	29	25,010	57,511	52,522	49,000	(8,511)
QTA	2,811	9,222	36,314	56,996	31,000	(5,314)
SECURITY	1,225	2,829	12,806	21,518	12,000	(806)
UNIFORMS & LAUNDRY	2,524	2,014	28,714	24,040	30,000	1,286
ARFF PERSONNEL/CITY	86,698	92,566	989,180	918,586	1,006,357	17,177
US CUSTOMS	7,655	10,051	678,758	665,698	600,000	(78,758)
MISC CONTRACTED SERVICES	646	360	4,608	2,212	4,300	(308)
	215,442	321,368	3,130,709	3,064,445	2,919,320	(211,389)



**STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET ASSETS
FOR THE 12 MONTHS ENDING 9/30/2023**

	September 2023	September 2022	Current Y-T-D Actual	Prior Y-T-D Actual	2022-2023 Budget	YTD Actual Fav (Unfav) to Budget
EXPENSES						
MATERIALS & SUPPLIES						
MAINTENANCE	12,373	14,020	196,042	223,041	200,000	3,958
GROUND HANDLING SERVICE	515	153	11,398	12,760	11,000	(398)
JANITORIAL	6,273	11,695	140,639	122,196	128,663	(11,976)
ARFF	1,212	2,976	36,181	36,161	43,000	6,819
SECURITY	4,154	540	23,625	27,093	23,587	(38)
QTA	26,566	23,219	194,652	204,044	214,302	19,650
FUEL	-	5,590	75,198	88,779	82,605	7,407
OFFICE	1,829	3,007	32,442	37,459	37,441	4,999
	52,922	61,200	710,177	751,532	740,598	30,421
OTHER CHARGES						
INSURANCE	26,616	31,058	313,818	354,807	319,745	5,927
ADMINISTRATIVE	3,375	818	22,202	23,128	20,000	(2,202)
TRAVEL	11,700	5,370	63,124	36,193	36,000	(27,124)
SEMINARS AND MEETINGS	-	-	3,910	5,580	4,000	90
BUSINESS DEV. (DESIGNATED)	-	-	-	7,200	-	-
MARKETING	32,200	27,991	398,758	432,835	394,000	(4,758)
DUES AND SUBSCRIPTIONS	-	-	18,073	30,064	20,000	1,927
TRAINING	1,813	-	5,824	15,565	5,000	(824)
TAXES	-	-	14	1,343	500	486
HARLINGEN EDC	25,000	25,000	100,000	100,000	100,000	-
MISCELLANEOUS OTHER CHARGES	1,622	132	5,120	4,420	2,500	(2,620)
	102,326	90,368	930,844	1,011,135	901,745	(29,099)



**STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET ASSETS
FOR THE 12 MONTHS ENDING 9/30/2023**

	September 2023	September 2022	Current Y-T-D Actual	Prior Y-T-D Actual	2022-2023 Budget	YTD Actual Fav (Unfav) to Budget
CHANGES IN NET ASSETS						
TOTAL OPERATING EXPENSES	647,828	640,752	8,352,195	8,044,708	8,294,809	(57,386)
NET INCOME BEFORE DEPRECIATION	45,631	(80,872)	(153,555)	(1,248,683)	(379,921)	226,366
DEPRECIATION AND AMORTIZATION	857,743	3,700,029	10,482,743	9,200,029		
OPERATING INCOME	(812,111)	(3,780,901)	(10,636,297)	(10,448,713)		
INVESTMENT INCOME	48,021	19,488	445,991	57,640		
GAIN\ (LOSS) ON DISPOSAL OF ASSETS	15,769	-	40,065	6,469		
INTEREST EXPENSE	-	(925)	-	(925)		
OTHER REVENUE/EXPENSE, LEASE	-	71,162	-	71,162		
TOTAL NON OPERATING REVENUES	63,790	89,725	486,056	134,346		
NET INCOME BEFORE CAPITAL	(748,322)	(3,691,176)	(10,150,241)	(10,314,367)		
CAPITAL CONTRIBUTIONS						
PASSENGER FACILITY CHARGES	239,652	186,803	1,724,271	1,715,857		
FEDERAL AND LOCAL GRANTS	7,050,006	7,059,492	22,588,508	15,321,217		
	7,289,658	7,246,295	24,312,779	17,037,074		
INCREASE (DECREASE) IN NET ASSETS	6,541,336	3,555,119	14,162,537	6,722,707		



Statements of Cash Flows
Month Ending Sept 30, 2023

	<u>September</u>	<u>Y-T-D</u>	<u>Prior Year YTD</u>	<u>YTD Prior Mth</u>
Cash flows from operating activities				
Operating income (loss)	\$ (863,442)	\$ (10,636,297)	\$ (10,448,713)	\$ (9,772,855)
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation	\$ (1,743,546)	\$ 7,881,454	\$ 6,590,933	\$ 9,625,000
(Increase) decrease in receivables	43,266	(45,878)	(6,434,371)	(89,143)
(Increase) decrease in prepaid expenses	(20,918)	(77,020)	13,825	(56,102)
Increase (decrease) in accounts payable\accrued expenses	2,095,061	4,408,657	(2,821,299)	2,313,596
Increase (decrease) in pension asset, deferred inflow/outflow	-	-	6,912,764	-
Increase (decrease) in prepaid revenue	-	(158,005)	(81,726)	(158,005)
Increase (decrease) in deferred revenue	(17,652)	(211,527)	(211,500)	(193,875)
Total adjustments to net income	\$ 356,210	\$ 11,797,681	\$ 3,968,625	\$ 11,441,471
Net cash provided (used) by operations	\$ (507,232)	\$ 1,161,384	\$ (6,480,088)	\$ 1,668,616
Cash flows from (to) capital and related financing activities				
Capital Contributions from Federal Aviation Administration	\$ -	\$ 13,286,090	\$ 4,850,430	\$ 13,286,090
Proceeds from Passenger Facility Charges	239,652	1,724,271	1,715,857	1,484,619
Fixed asset additions and construction	(2,466,894)	(26,245,786)	(3,746,776)	(23,778,892)
Gain/(Loss) on Disposal of Fixed Assets	15,769	40,065	6,469	24,296
CARES Act Airport Grants & Payroll Support	-	6,032,369	9,659,144	6,032,369
Capital lease interest income/expense	-	-	71,162	-
Net cash provided (used) by capital and related financing activities	\$ (2,211,473)	\$ (5,162,991)	\$ 12,556,286	\$ (2,951,517)



**Statements of Cash Flows
Month Ending Sept 30, 2023**

	<u>September</u>	<u>Y-T-D</u>	<u>Prior Year YTD</u>	<u>YTD Prior Mth</u>
Cash flows from (to) investing activities				
Purchase of unrestricted and restricted investments	\$ -	\$ (3,519,862)	\$ (4,965,639)	\$ (3,519,862)
Maturities of unrestricted and restricted investments	498,191	6,488,704	498,065	5,990,513
Interest received from investments	48,021	445,991	57,640	397,970
Net cash provided (used) by investing activities	<u>\$ 546,212</u>	<u>\$ 3,414,833</u>	<u>\$ (4,409,934)</u>	<u>\$ 2,868,621</u>
Net increase (decrease) in cash and cash equivalents	\$ (2,172,494)	\$ (586,775)	\$ 1,666,264	\$ 1,585,719
Cash and cash equivalents, October 1, 2022\October 1, 2021		<u>\$ 7,964,364</u>	<u>\$ 6,298,100</u>	<u>\$ 7,964,364</u>
Cash and cash equivalents, Sept 30, 2023 \ Sept 30, 2022		<u>\$ 7,377,589</u>	<u>\$ 7,964,364</u>	<u>\$ 9,550,083</u>
Unrestricted Investments		<u>\$ 1,498,733</u>	<u>\$ 4,467,575</u>	<u>\$ 1,996,924</u>
Total of cash, cash equivalents and investments		<u><u>\$ 8,876,322</u></u>	<u><u>\$ 12,431,938</u></u>	<u><u>\$ 11,547,007</u></u>

Note A - Includes engineering and construction costs for various construction projects and equipment purchases including building services equipment, computer equipment, mowers and minor equipment.

Note B - Cash and cash equivalents are funds in checking accounts, investment pools or investments with an original maturity date to the Airport of ninety (90) days or less. All other investments are categorized as unrestricted or restricted investments which have an original maturity date to the Airport in excess of ninety (90) days.

Note C - Cash and Cash Equivalents includes \$0 PFC Cash.



7c. Quarterly Investment Report: July 1 – September 30, 2023.



INVESTMENT REPORT SUMMARY

September 2023

PORTFOLIO

Asset Allocation	Millions	%	WAM
Bank Deposits	\$0.3	3.3%	1
MM Fund	\$5.9	65.8%	1
LGIP - Pools	\$1.3	14.2%	1
Agencies	\$1.5	16.7%	Various
US Govt - Treasuries	\$0.0	0.0%	0
Total	\$9.0	100.0%	23

INVESTMENTS

Description	Acquired	Matures	Rate	Market Value	WAM
Agencies - FHLB Discount Note	10/21/2022	10/20/2023	4.759%	\$999,616	20
Agencies - FHLB Discount Note	11/30/2022	11/30/2023	4.920%	\$499,522	61

VIA STRATEGY

- Short term investments < 24 months
- Layered approach, varied maturity dates
- Invest surplus cash



8. Agenda

Consider and take action to award the Airport's Parking Lot contract.



	Comparison @ Budget Revenue				
	Budget	LAZ Parking	Parking Concepts	Republic	SP Plus
Gross Receipts	\$ 2,601,088	\$ 2,601,088	\$ 2,601,088	\$ 2,601,088	\$ 2,601,088
Guarantee - Monthly	\$ 50,000	\$ 101,000	\$ 100,000	\$ 75,000	\$ 100,000
Guarantee - Annual	\$ 600,000	\$ 1,212,000	\$ 1,200,000	\$ 900,000	\$ 1,200,000
% of Gross	75.0%	78.0%		87.0%	75.5%
Rent @ 75%	\$ 1,950,816	\$ 2,028,848		\$ 2,262,946	\$ 1,963,821
% of Gross			100.0%		
\$0-\$900,000			\$ 1,200,000		
% of Gross			50.0%		
\$1,200,000 - \$1,900,000			\$ 350,000		
% of Gross			85.0%		
Over \$1,900,000			\$ 595,925		
% of Gross		85.0%			
Over \$250,000/Mth		\$ -			
Total - VIA annual effect	\$ 1,950,816	\$ 2,028,848	\$ 2,145,925	\$ 2,262,946	\$ 1,963,821
Better (Worse) to Budget		\$ 78,033	\$ 195,109	\$ 312,131	\$ 13,005
				Winner	
Total - Vendor	\$ 650,272	\$ 572,239	\$ 455,163	\$ 338,141	\$ 637,266

Misprint on Bid \$1,200,000 →

	What if Revenues Increase				
	Budget	LAZ Parking	Parking Concepts	Republic	SP Plus
	\$ 2,601,088	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000
		\$ 275,000			
	\$ 50,000	\$ 101,000	\$ 100,000	\$ 75,000	\$ 100,000
	\$ 600,000	\$ 1,212,000	\$ 1,200,000	\$ 900,000	\$ 1,200,000
	75.0%	78.0%		87.0%	75.5%
	\$ 1,950,816	\$ 2,340,000		\$ 2,871,000	\$ 2,491,500
			100.0%		
			\$ 1,200,000		
			50.0%		
			\$ 350,000		
			85.0%		
			\$ 1,190,000		
		85.0%			
		\$ 255,000			
	\$ 1,950,816	\$ 2,595,000	\$ 2,740,000	\$ 2,871,000	\$ 2,491,500
		\$ 644,184	\$ 789,184	\$ 920,184	\$ 540,684
	\$ 650,272	\$ 705,000	\$ 560,000	\$ 429,000	\$ 808,500

Staff recommendation: Republic Parking

9. a. Director's Report

i. Runway Extension Project:

Project Total: \$32,500,000

Spent to date: \$20,044,000

Engineer: RS&H

Project Contract Days (includes days added from change orders): 460 days

Contract Time Used: 310 Days

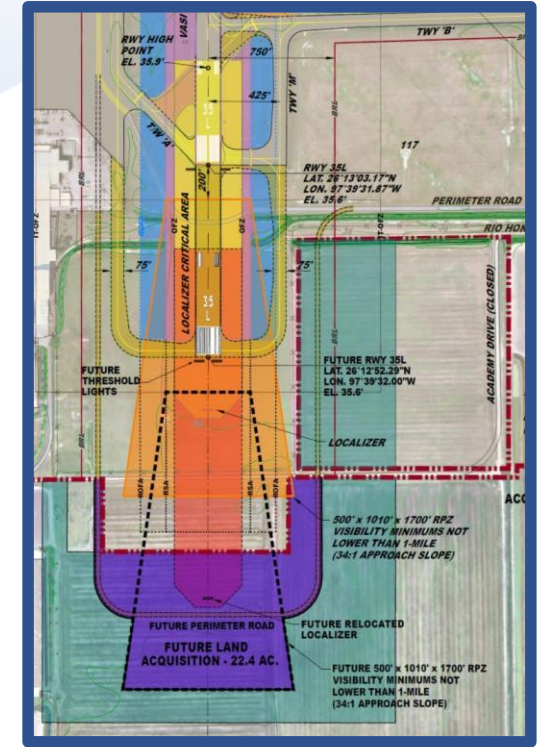
The perimeter road is completed and open.

Drainage is 100 percent complete.

The NAVAIDS circuits are energized and FAA will begin installing the electronics on the first week of December.

Runway 18R and TWY A have 80 percent of the lime treated subgrade completed. Base is at 65 percent complete.

Asphalt paving is to begin 2nd week of December.





9. a. Director's Report

ii. Air Traffic Control Tower



RS&H megamorphosis

9. Director's Report

b. Events/Meetings Attended

- i. David Miles – Oct 18
- ii. TCAA Board Meeting – Oct 19 - 20
- iii. Parking Lot Pre-Proposal meeting – Oct 25
- iv. AdvantEdge Smart City, Zoom meeting – Oct 25
- v. Texas General Land Office – LRGV Economic Dev Strategy – Oct 26
- vi. Meeting with American Airlines – Oct 27
- vii. Meeting with Robert Sanders, TIA – Oct 30
- viii. Meeting with Adam Gonzalez, COSTEP – Oct 31
- ix. State of the County Luncheon – Nov 1
- x. Annual Membership Meeting – SPI – Nov 6
- xi. Parking Lot Proposal Opening – Nov 8
- xii. Adam Gonzalez, COSTEP – Nov 9
- xiii. Arlene Garza, Gulf Aviation – Nov 9
- xiv. Darren Drinkwater – Nov 10
- xv. ULA – Celebrating Our Success Event – Nov 11



10. Executive Session

- i. Pursuant to Texas Government Code Section 551.072, regarding the purchase, lease or value of real estate, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person and Texas Government Code Section 551.087, regarding commercial and financial information from a business prospect with which the Airport is conducting negotiations and/or to discuss or deliberate financial or other relating matters.
- ii. Government Code Sub – Section 551.071 (2) – consultation with Legal Counsel regarding MOU between the City of Harlingen and Valley International Airport.
- iii. Government Code 551.074 – Personnel matters – Director of Aviation’s evaluation, assignment, and duties.





Update:

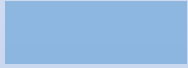
Gulf Aviation was given a draft lease agreement with the following terms:

1. New lease would dissolve all existing leases associated with buildings and land currently under Gulf's control.
2. The initial term of the new agreement is set to expire the same day as their current FBO agreement.
3. Provisions of the agreement allow us to extend the term of the new agreement if a qualifying capital investment is made commensurate to the level of investment made in accordance with the Airport Leasing Policy (ALP) Appendix E.

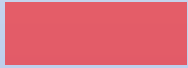


Aviserv

Land -



Option #1 -



Option #2 -



Option #3 -



Options granted were addressed
In FAA Lease Audit as





Latest request:

Gulf Aviation would like to purchase the warehouse facility currently owned by Aviserv and is requesting that this purchase be considered by the Airport Board as a “Qualifying Capital Investment.”

In accordance with the level of investment and the ALP Appendix E, the following lease term

4 acres x \$35,000 per acre = \$140,000 investment per year

$\$1,600,000 / \$140,000 = 11.43$ years

Gulf Aviation is still proposing additional capital investment to be made.

The current Lease with Aviserv is set to expire in 2043 at which point the building assets would revert to the ownership of the airport, 15 years from the end of Gulf Aviation’s proposed initial term of 2028.





Last request:

Gulf Aviation would like to purchase the warehouse facility currently owned by Aviserv and is requesting that this purchase be considered by the Airport Board as a “Qualifying Capital Investment”.

In accordance with the level of investment and the ALP Appendix E the following lease term

4 acres x \$35,000 per acre = \$140,000 investment per year

$\$1,600,000 / \$140,000 = 11.43$ years

Gulf Aviation is still proposing additional capital investment to be made.

Total of both the purchase and the additional capital investments extend term to 15 years from initial expiration date in 2028.

Current Lease with Aviserv is set to expire in 2043 at which point the building assets would revert to the ownership of the airport, 15 years from the end of Gulf Aviation’s proposed initial term of 2028.





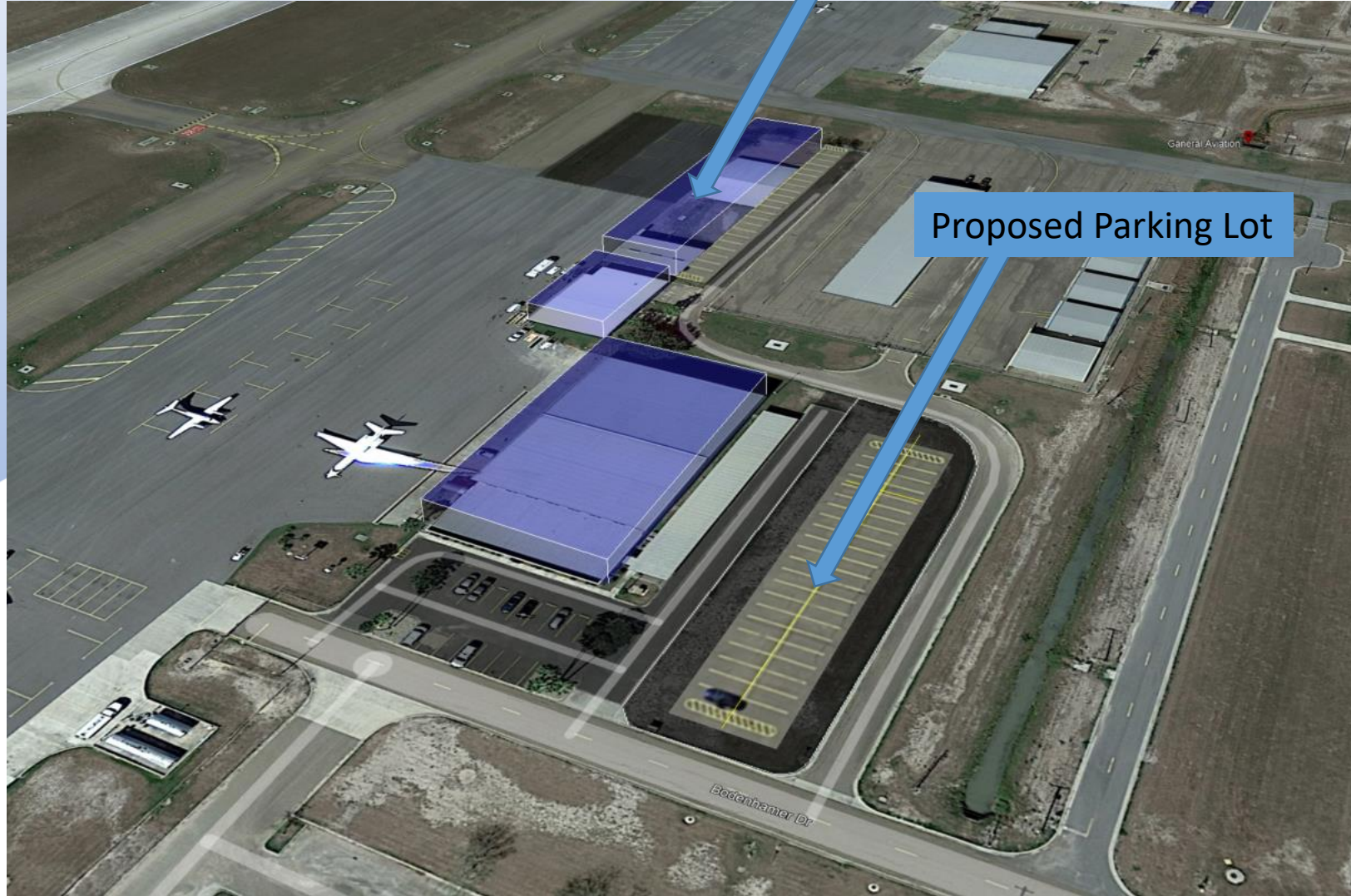
Latest request:

Gulf Aviation is requesting 20 years from the initial lease term in 2028 affectively running the land lease term past the 40 years given to amortize the building by 5 years.

This additional term extension would cost the airport approximately \$500,000 in building rental from 2043 – 2048. (calculated on building value of \$2 million and 5% CAP rate)

* Possible solution would be to offset the loss in revenue by removing the airports pledge to construct a new parking facility.







Airport Leasing Policy

Term:

The initial term, commencement date, and ending date shall be conveyed in the Agreement. The term of the Agreement (including any unilateral option periods) shall be commensurate with the degree of Capital Investment made by the Lessee in the Leased Premises and/or on the Airport, consistent with the Capital Investment formulas as specified in Appendix E, Capital Investment Schedule.

The City may, but is not required to, extend the term of the Agreement when a Lessee makes additional Capital Investment in the Leased Premises and/or on the Airport during the term of the existing Agreement. No extension shall be granted by the City unless, at a minimum: (a) the Lessee specifically requests an extension prior to the commencement of any additional Capital Investment, (b) the City is reasonably satisfied that the level of Capital Investment justifies an extension, and (c) the City is reasonably satisfied that additional Capital Investment is desirable for the Airport.



11. Action related to executive session items:

- i. Possible Action.
- ii. Possible Action.
- iii. Possible Action.



12. Next Meeting

December 19, 2023 @
5:00pm.

December 2023

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

13. Adjournment

