



Airport Board Meeting

February 20, 2024

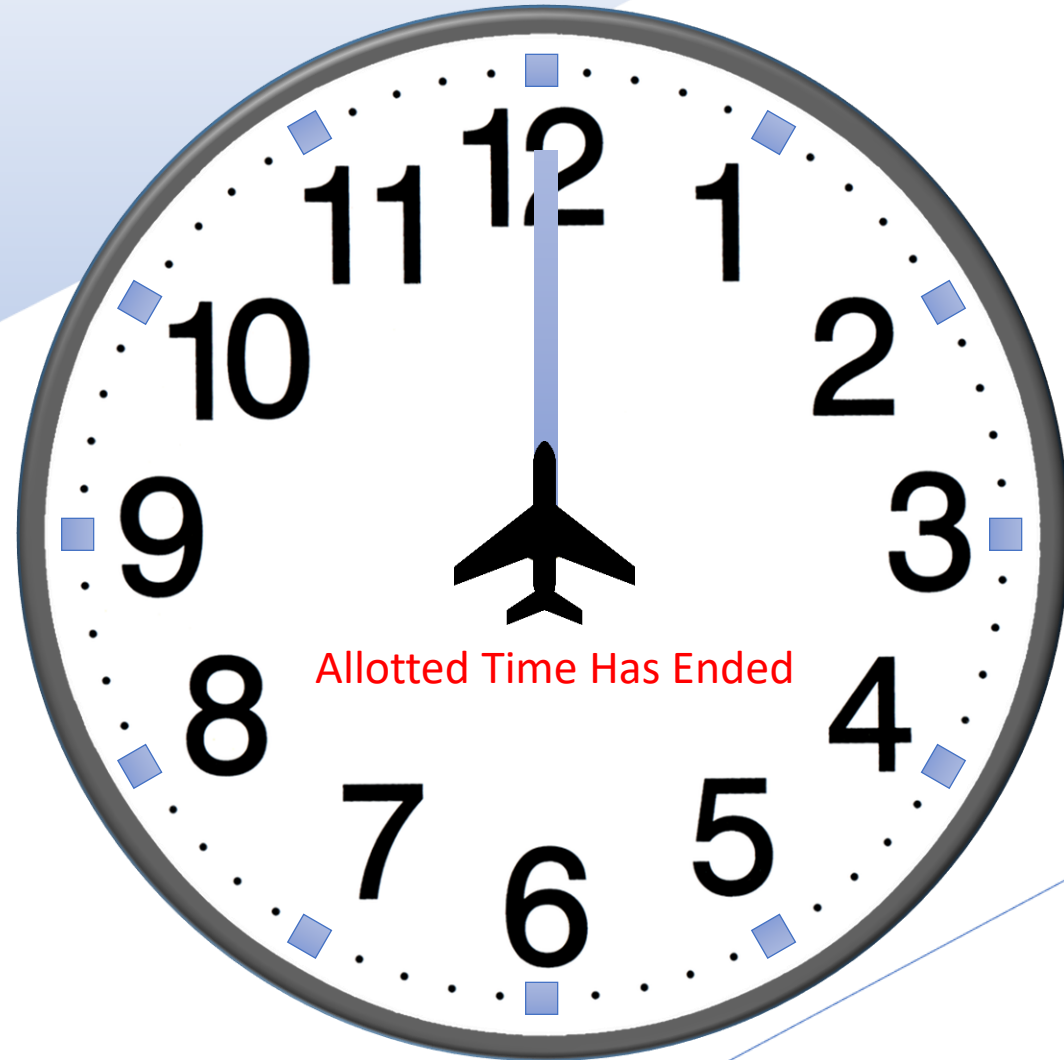


- 1. Call meeting to order**
- 2. Pledge of Allegiance**
- 3. Introduction of Guests**
- 4. Conflict of Interest – Airport Attorney**

“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 January 2024



LEALMEDIA



NEW CONTENT

- Created and ran digital ads for United Chicago, AA Chicago, United Denver, and Sun Country Cancun

SOUTHWEST AUSTIN

- Successful Google Ads with over 3,600 clicks in January

DELTA MINNEAPOLIS

- Successful Google Ad with over 6,000 clicks in January

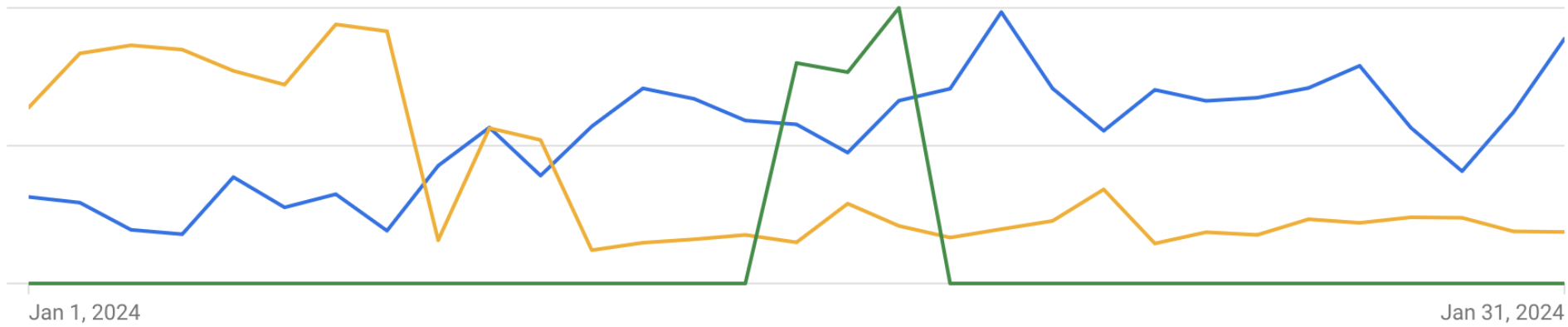
UPPER MIDWEST

- Continued running ads in various Upper Midwest markets
- OTT had almost 260K Impressions on Upper Midwest TV Commercial in various cities





Clicks ▾ 25.2K	Impressions 1.3M	CTR ▾ 1.94%	Views ▾ 77
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Google Ads

January 1 - January 31, 2024

Campaign ▾	Campaign type ▾	↓ Clicks ▾	Impr. ▾	CTR ▾
Delta Air - Minneapolis D	Display	6,143	91,895	6.68%
Southwest Austin D	Display	3,613	435,837	0.83%
American United - Chicago Winter 2024	Search	3,488	10,164	34.32%
Midwest_Fall23_Search	Search	2,265	29,740	7.62%
Midwest_Fall23_Display	Display	1,787	74,196	2.41%
American Airlines - Dallas D	Display	1,648	234,377	0.70%
Southwest Dallas D	Display	1,550	208,177	0.74%
United Airlines Houston S	Search	1,485	3,672	40.44%
Southwest Houston D	Display	1,449	197,641	0.73%
Sun Country - Minneapolis S	Search	940	6,749	13.93%
Southwest Austin S	Search	374	2,092	17.88%
American Airlines - Dallas S	Search	238	1,418	16.78%
Southwest Houston S	Search	94	1,252	7.51%
Southwest Dallas S	Search	82	852	9.62%
Total		25,156	1,298,062	1.94%





TOP PERFORMING ADS

Display ads

Sort by: Clicks

Delta Air - Minneapolis | D > Delta To MSP Display



Ad	Status	Clicks	Impressions	CTR
● Enabled	Eligible	3,851	50,441	7.63%

Midwest_Fall23_Search > Ad group 1

South Padre Island | Book Your Flight Today | Harlingen Airport

Ad www.flythevalley.com

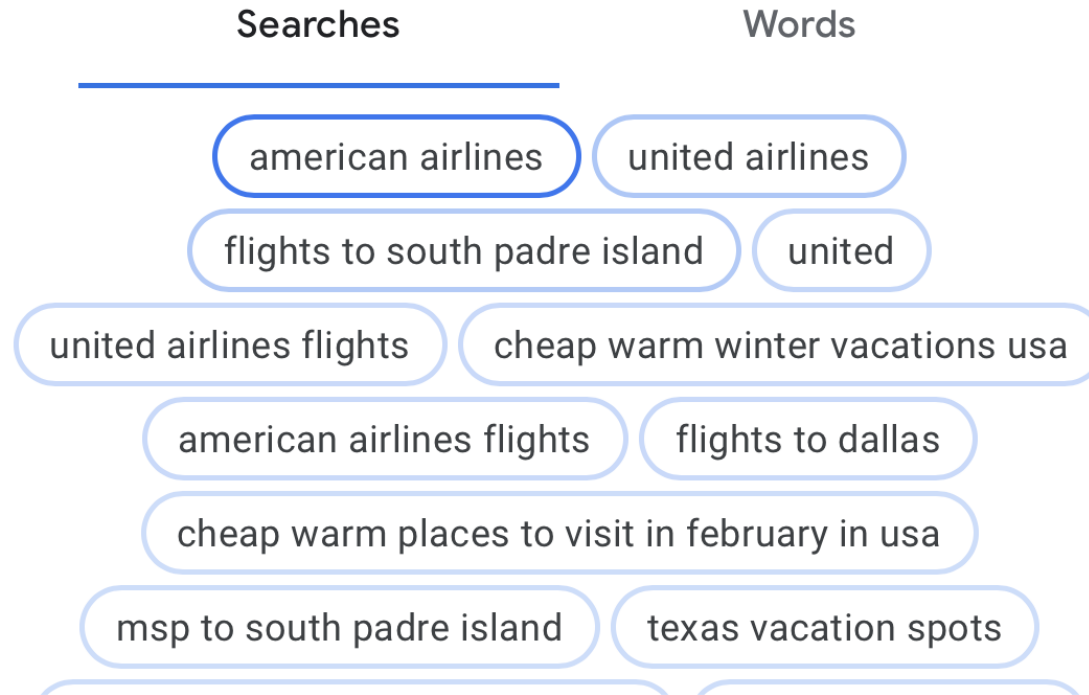
Visit Warm South Padre Island - Valley International Airport. Leave the Midwest Cold Behind and Book Your Trip to South Padre Island.

- [RGV Hotels](#)
- [Ground Handling](#)
- [Our Airlines](#)
- [Flight Tracker](#)

Ad	Status	Impressions	Clicks	CTR
● Enabled	Eligible	29,740	2,265	7.62%



Top searches and words within searches where people saw your ads



All searches

< 1 / 10 >





Meta - Facebook

January 1 - January 31, 2024

Performance

Daily

Cumulative



Reach ⓘ

495.1K ↑ 144.6%

Content interactions ⓘ

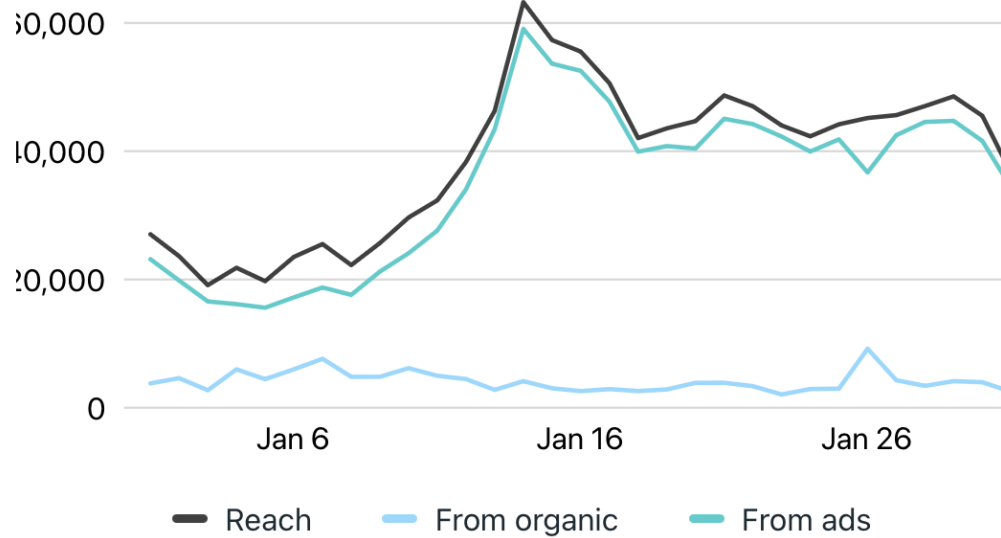
2.7K ↑ 41.1%

Followers ⓘ

Lifetime
18.7K

Link clicks ⓘ

15.5K > 48



Reach breakdown

Total

495,084 ↑ 144.6%

From organic

99,542 ↑ 10.4%

From ads

415,875 ↑ 236.5%





Meta - Instagram

January 1 - January 31, 2024

Performance

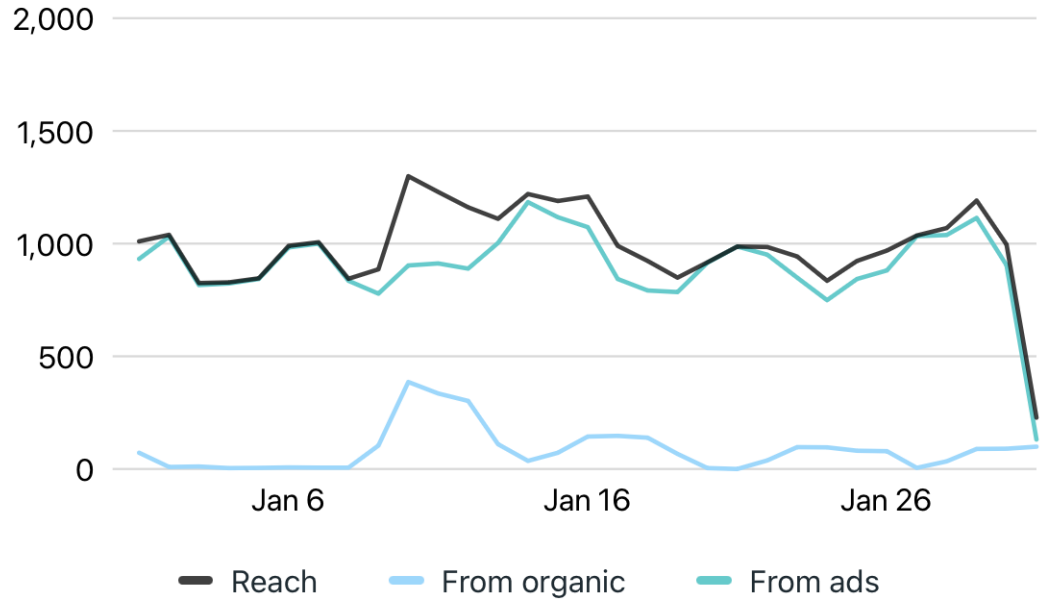
Daily Cumulative ⓘ

Reach ⓘ
20.3K ↑ 254.8%

Content interactions ⓘ
169 ↑ 2.4%

Followers ⓘ
Lifetime
1.5K

Link clicks ⓘ
58 ↑ 10% >



Reach breakdown

- Total**
20,337 ↑ 254.8%
- From organic**
858 ↑ 3.6%
- From ads**
19,605 ↑ 302.6%



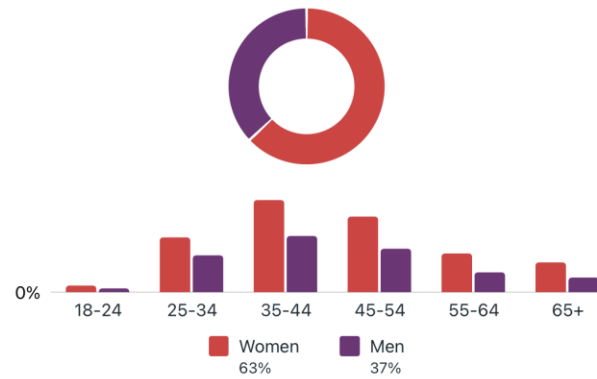
  **Meta - Facebook and Instagram**

January 1 - January 31, 2024

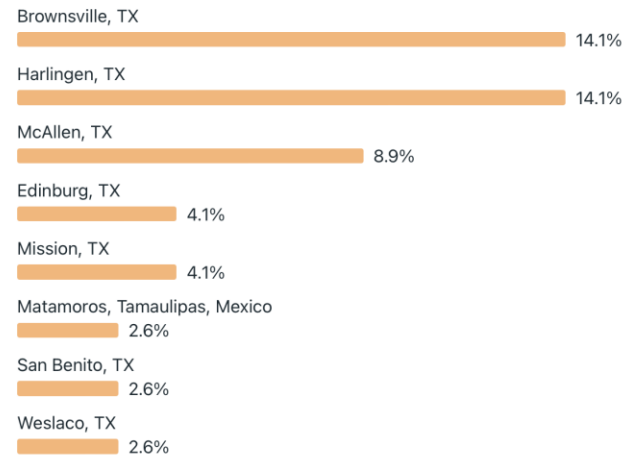
Facebook followers ⓘ

18,689

Age & gender ⓘ



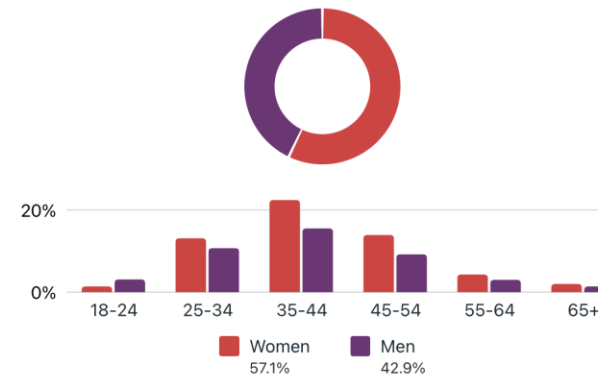
Top cities



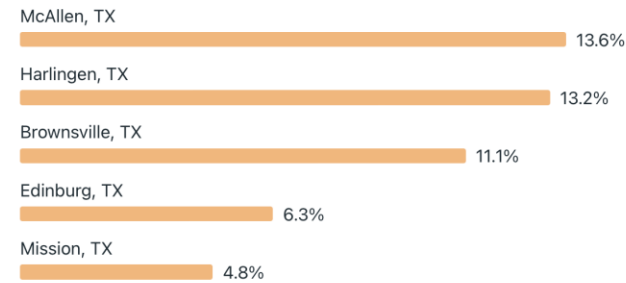
Instagram followers ⓘ

1,533

Age & gender ⓘ



Top cities



  **Meta - Facebook and Instagram Ads**

January 1 - January 31, 2024

Campaign name	Results	Reach	Frequency
Midwest_Jan24_Commercial	3,953 Link clicks	66,331	2.90
Midwest_Jan24_Carousel	2,601 Link clicks	100,554	2.56
VIA Branding Dec 23	178,697 Reach	178,697	1.81
Fly to Chicago March 2024	1,823 Link clicks	40,304	2.54
Sun Country Cancun 2024	2,568 Link clicks	58,770	2.37
United Denver March 2024	2,252 Link clicks	35,228	2.22
Southwest Austin Dec 23	1,192 Link clicks	51,469	2.10
Post: "Calling all Beach Lovers in the RGV...CANCUN IS..."	901 Link clicks	27,743	1.98
Total results 8 / 8 rows displayed	— Multiple conversions	433,645 Accounts Center accounts	2.90 Per Accounts Center ...





Meta - Facebook & Instagram

January 1 - January 31, 2024

Valley International Airport Harlingen
Published by Enrique Leal · January 4 ·

CONGRATULATIONS to **MSP Airport** in Minneapolis for being named the Best Airport in the World for Punctuality according to Cirium Aviation Analytics! 🎉🎉🎉
Lucky for our travelers, our Non-Stop Minneapolis service from **Sun Country Airlines** and **Delta Air Lines** fly there each week! 🙌

The top performing global airports of 2023 were:

Airport	On time ranking	On time departure	Total flights
Minneapolis-St. Paul International Airport (MSP)	1	84.44%	289,817
Rajiv Gandhi International Airport (HYD)	2	84.42%	168,426
Kempegowda International Airport (BLR)	3	84.08%	237,461
El Dorado International Airport (BOG)	4	84.01%	292,486

See insights and ads Boost post

50 3 comments 5 shares

Valley International Airport Harlingen
Published by Enrique Leal · January 9 ·

JANUARY 9TH

NATIONAL LAW ENFORCEMENT APPRECIATION DAY

YOU SERVE AND PROTECT... AND WE'VE GOT YOUR BACK!

VIA VALLEY INTERNATIONAL AIRPORT

See insights and ads Boost post

You and 40 others 1 comment 4 shares

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

Fly from the 956 to Chicago! With 2 Non-Stop Flights and 5 airlines to choose from, there's plenty of ways to make it to the Windy City this March.

- American Non-Stop service starts Feb 17th!
- United Non-Stop service starts March 9th!... [See more](#)

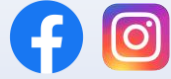
CHOOSE YOUR FAVORITE AIRLINE

American Airlines
DELTA
Southwest
sun country airlines
UNITED

See insights and ads Boost post

34 28 comments 3 shares





Meta - Facebook & Instagram

January 1 - January 31, 2024

Valley International Airport Harlingen
Published by Enrique Leal · January 11 ·

Calling all Beach Lovers in the RGV...CANCUN IS ONLY A NON-STOP FLIGHT AWAY with Sun Country Airlines at Valley International Airport in HARLINGEN - the Valley's Largest, Most Convenient Airport!

Flying Wednesdays and Saturdays from May 29th - August 10th. BOOK TODAY! 🤩✈️🌴
#flyharlingen

SUNCOUNTRY.COM
Sun Country Airlines - Low Fares. Nonstop Flights. [Book now](#)

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

168 44 comments 20 shares

Valley International Airport Harlingen
Published by Enrique Leal · January 12 ·

DENVER HERE WE COME!! ✈️🇺🇸

United is offering NON-STOP SERVICE FROM HARLINGEN TO DENVER every Saturday in March 2024! Perfect time to for that much-needed Spring Break trip. Tickets are on sale NOW!

Fly the Valley's Largest, Most Convenient Airport - Valley International Airport in Harlingen!
#flyharlingen

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

15 5 comments 2 shares

Valley International Airport Harlingen
Published by Enrique Leal · January 27 at 11:32 AM ·

Our Southwest Airlines team are just good people! 😊

Scott Selasky is with **Jerry Selasky**.
January 26 at 12:11 PM ·

I took the awesome @southwestair team in Harlingen airport pan dulce this morning for all their help during my vacation with flight changes, weather delays, and... [See more](#)

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

You and 37 others 2 comments

[Like](#) [Comment](#) [Share](#)



(OTT) STREAMING CHANNELS)

January 1 - January 31, 2024

STREAMING TV GEOGRAPHY

ALL	Impressions
Milwaukee	51,887
Chicago	51,776
Detroit	44,110
Minneapolis-St. Paul	44,067
Green Bay-Appleton	22,534
Des Moines-Ames	22,523
Fargo	22,515

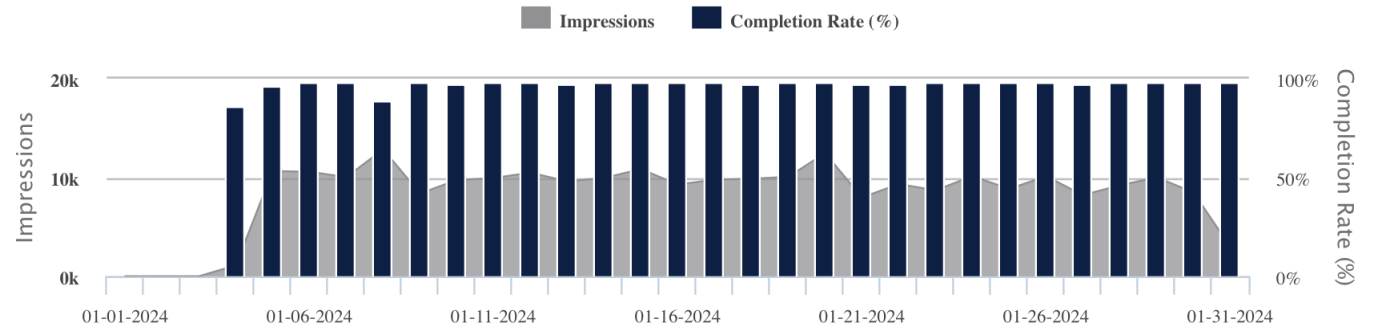
259,412

IMPRESSIONS

97.60%

COMPLETION RATE

STREAMING TV IMPRESSIONS AND COMPLETION RATE



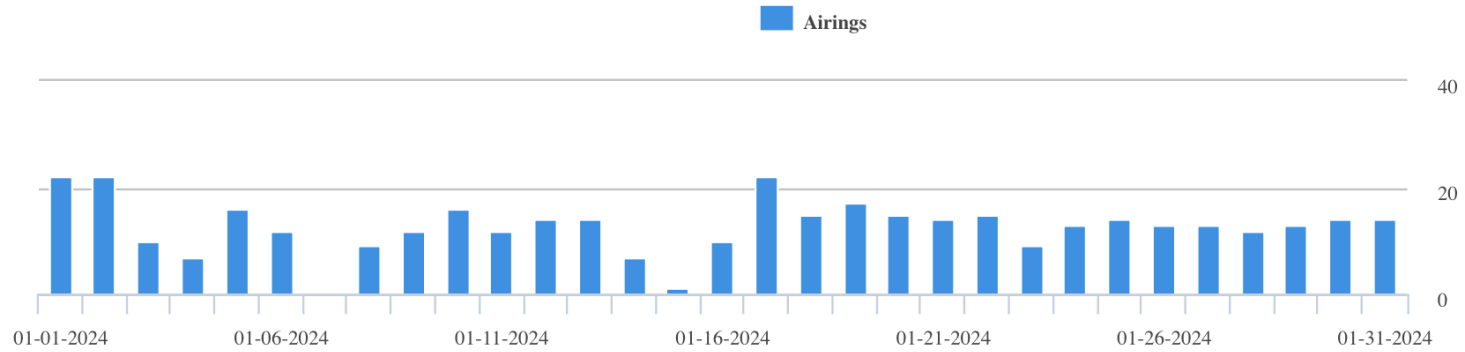
TV (Data is current as of 02/10/2024)

397
AIRINGS

1
NETWORKS

1
ZONES

VERIFIED TV AIRINGS



TOP NETWORKS



CONTENT

January 1 - January 31, 2024



6. Reports

d. Progress Report – January 2024

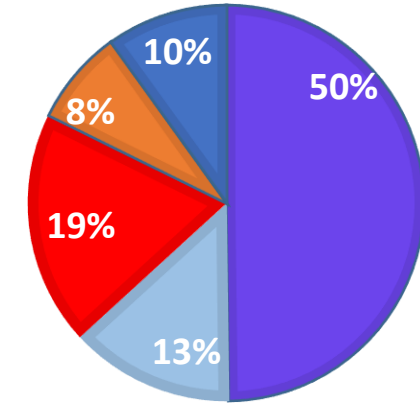




**JANUARY 2023 VS 2024
MARKET SHARE**

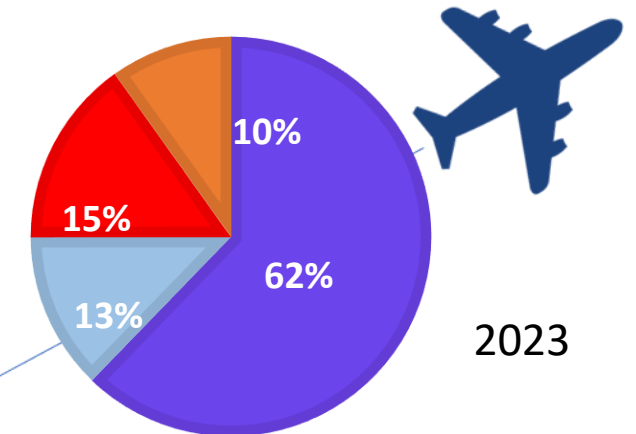
VALLEY INTERNATIONAL AIRPORT JANUARY 2024 - PROGRESS REPORT						
<u>AIRLINE PASSENGERS</u>	<u>2024</u>	<u>% chg.</u>	<u>2023</u>	<u>2024-2023 YTD</u>	<u>% chg.</u>	<u>2023-2022 YTD</u>
<u>Enplanements</u>						
Southwest	21,205	5.7	20,060	92,819	2.8	90,266
United	5,704	38.5	4,119	28,635	60.5	17,839
American Airlines	8,125	66.4	4,884	32,520	29.0	25,205
Viva Aerobus	0	N/A	0	0	N/A	0
Frontier	0	N/A	0	0	N/A	0
Sun Country	3,331	4.7	3,180	11,174	(7.0)	12,018
Delta	4,212	N/A	0	11,436	N/A	0
Charters	0	N/A	119	85	N/A	119
Total Enplanements	42,577	31.6	32,362	176,669	21.5	145,447
<u>Deplanements</u>						
Southwest	18,015	5.2	17,122	85,513	8.6	78,752
United	4,184	18.1	3,544	22,697	50.3	15,105
American Airlines	7,065	88.5	3,749	29,235	44.2	20,277
Viva Aerobus	0	N/A	0	0	N/A	0
Frontier	0	N/A	0	0	N/A	0
Sun Country	3,344	1.1	3,308	11,834	(5.2)	12,477
Delta	3,724	N/A	0	9,961	N/A	0
Charters	0	N/A	177	85	N/A	177
Total Deplanements	36,332	30.2	27,900	159,325	25.7	126,788
TOTAL PASSENGERS	78,909	30.9	60,262	335,994	23.4	272,235

■ WN ■ UA ■ AA ■ SY ■ DL



2024

■ WN ■ UA ■ AA ■ SY ■ DL

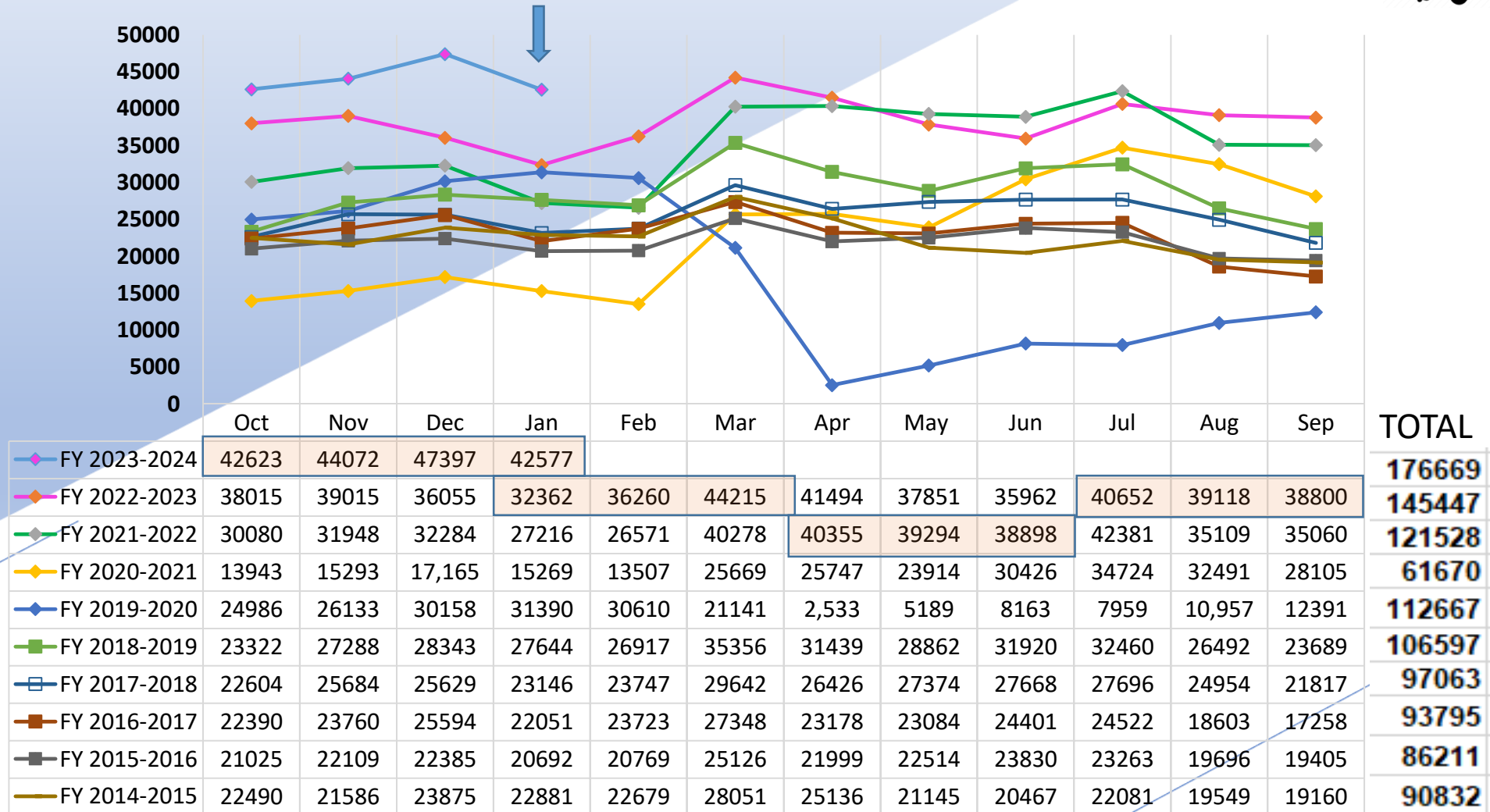


2023





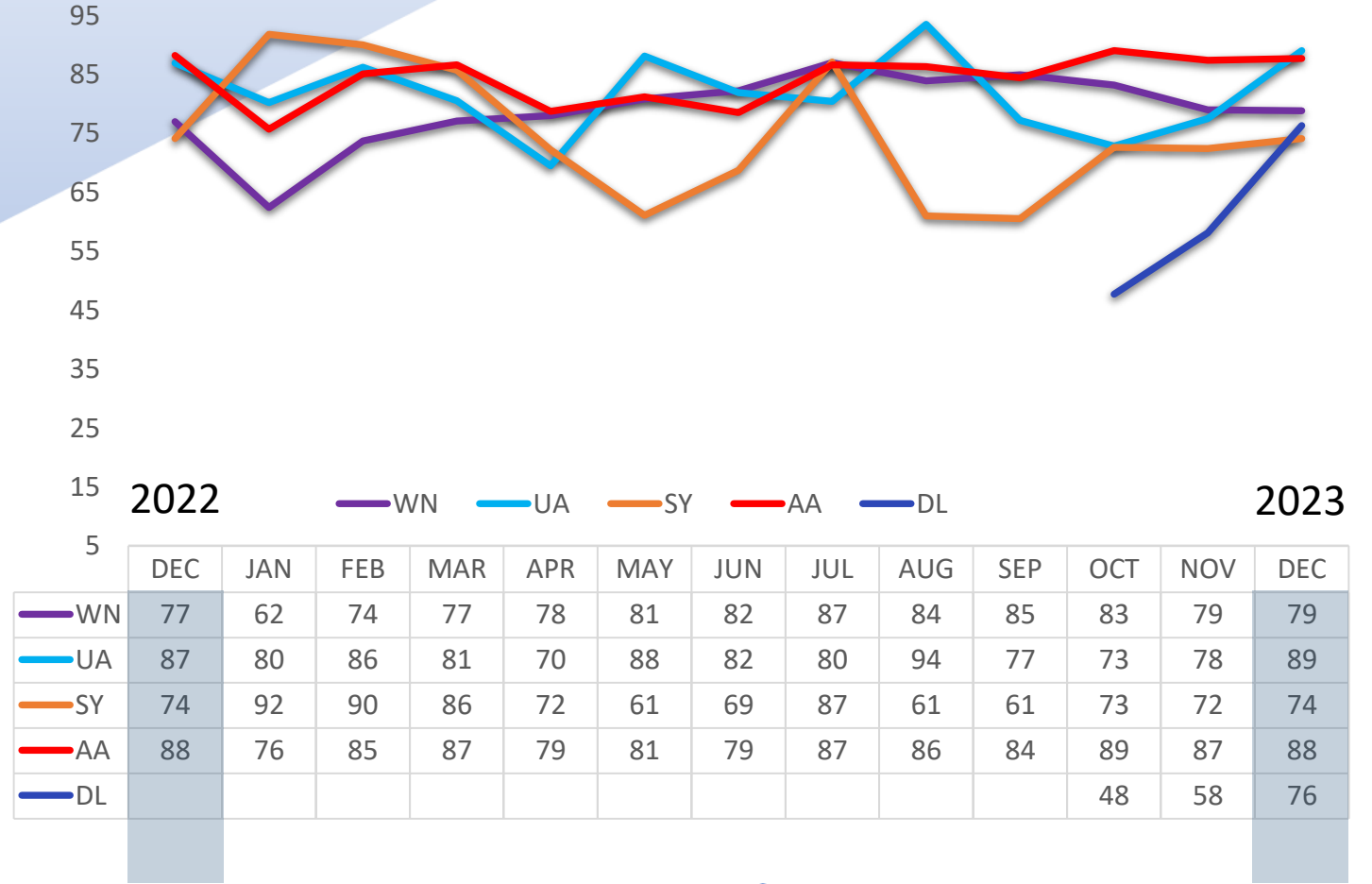
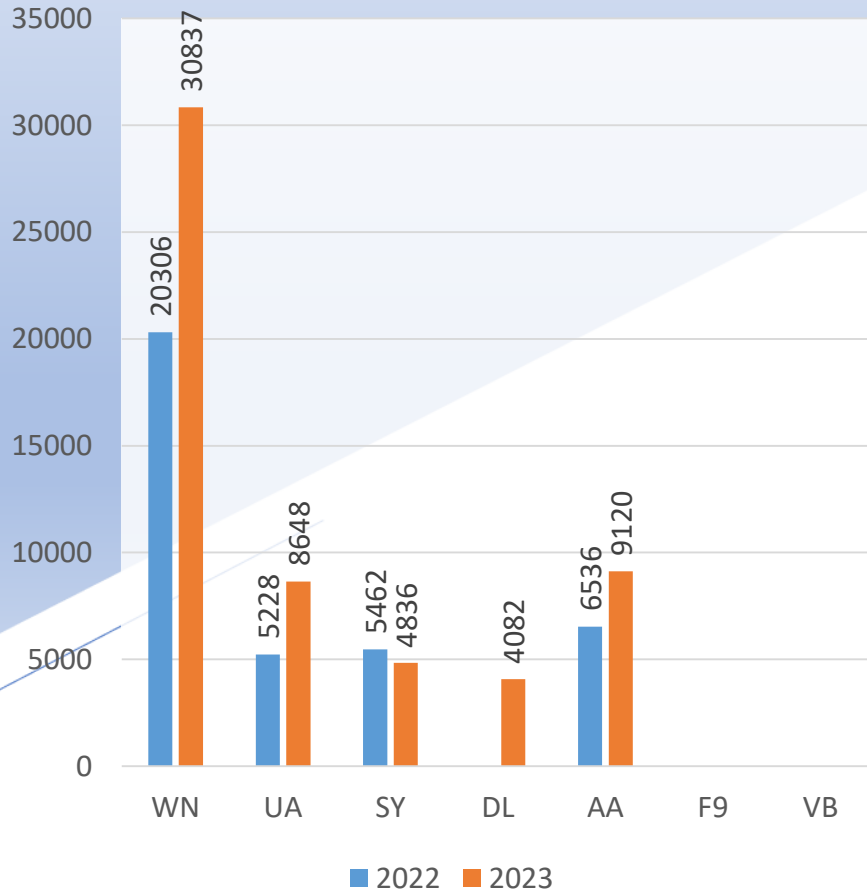
HRL ENPLANED PASSENGERS - FY





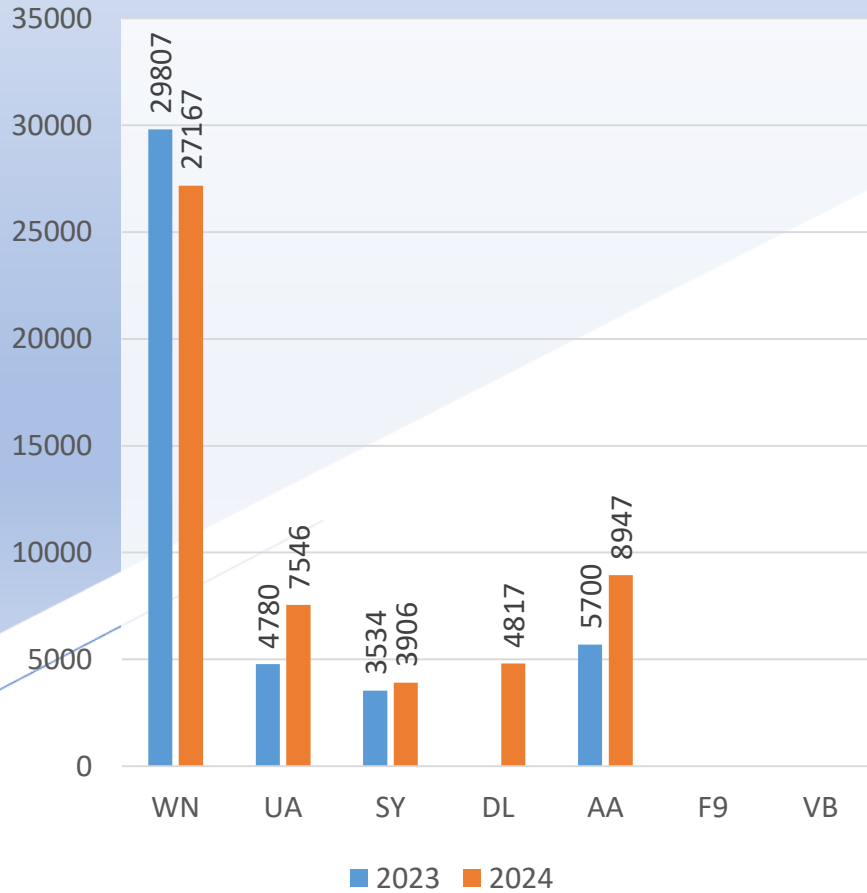
VIA Load Factors

Outbound Seats Available December 2023/2022

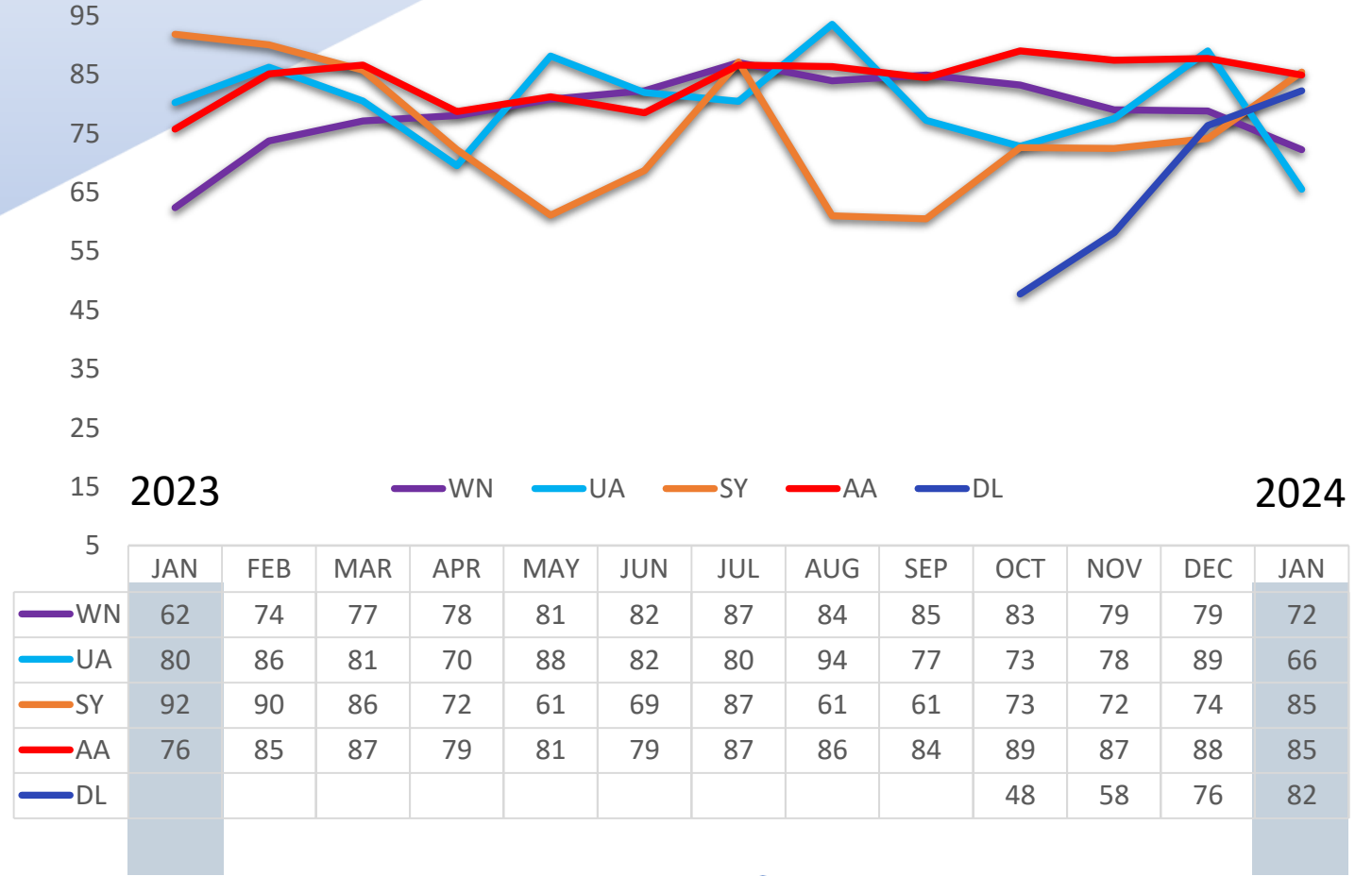




Outbound Seats Available JANUARY 2024/2023



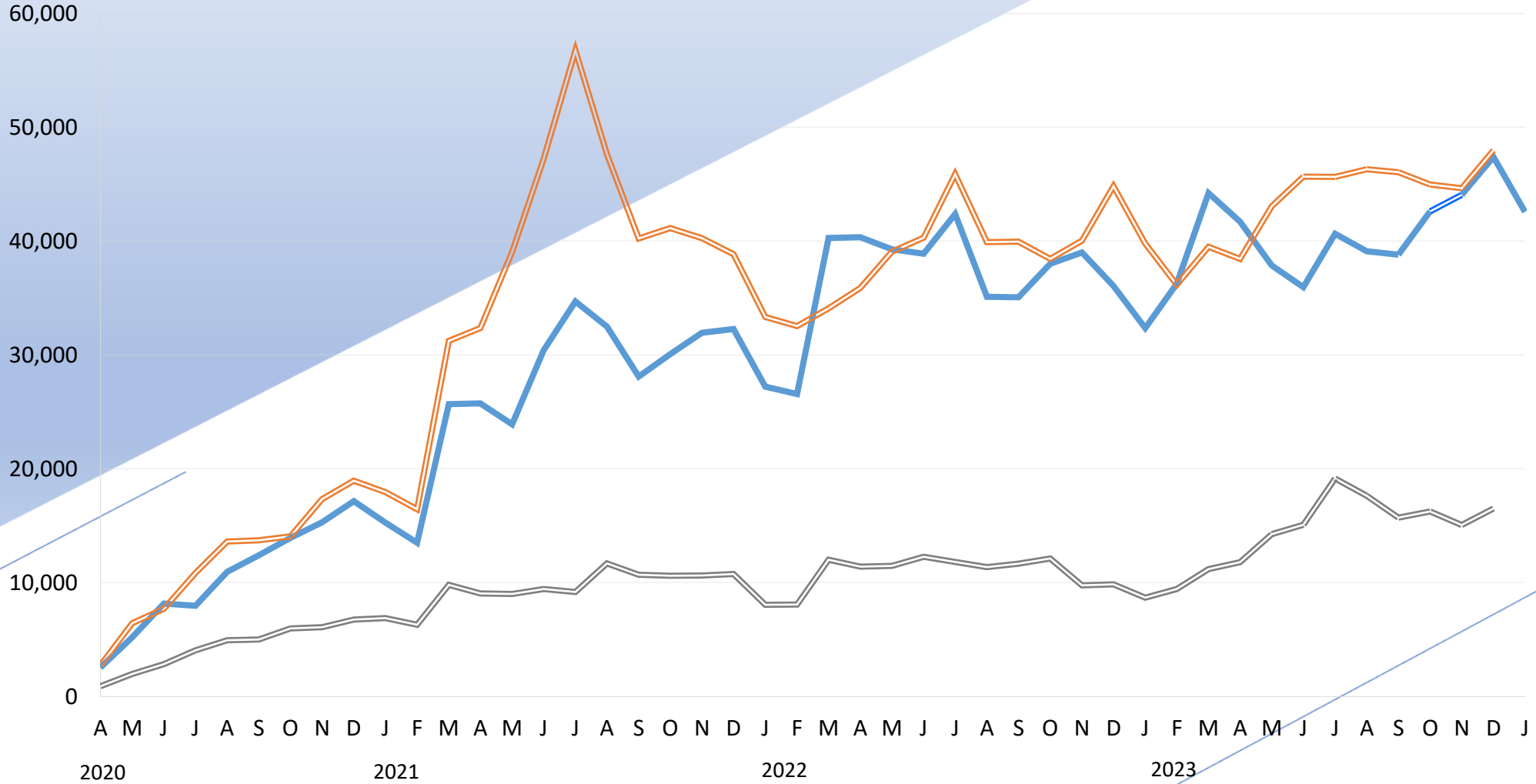
VIA Load Factors





HRL - MFE - BRO: Enplaned Passengers

Enplaned Passengers





Placer.ai

Jan. 2024

BRO Concourse is a Custom-POI which wasn't 'verified' by Placer. [Learn More](#)

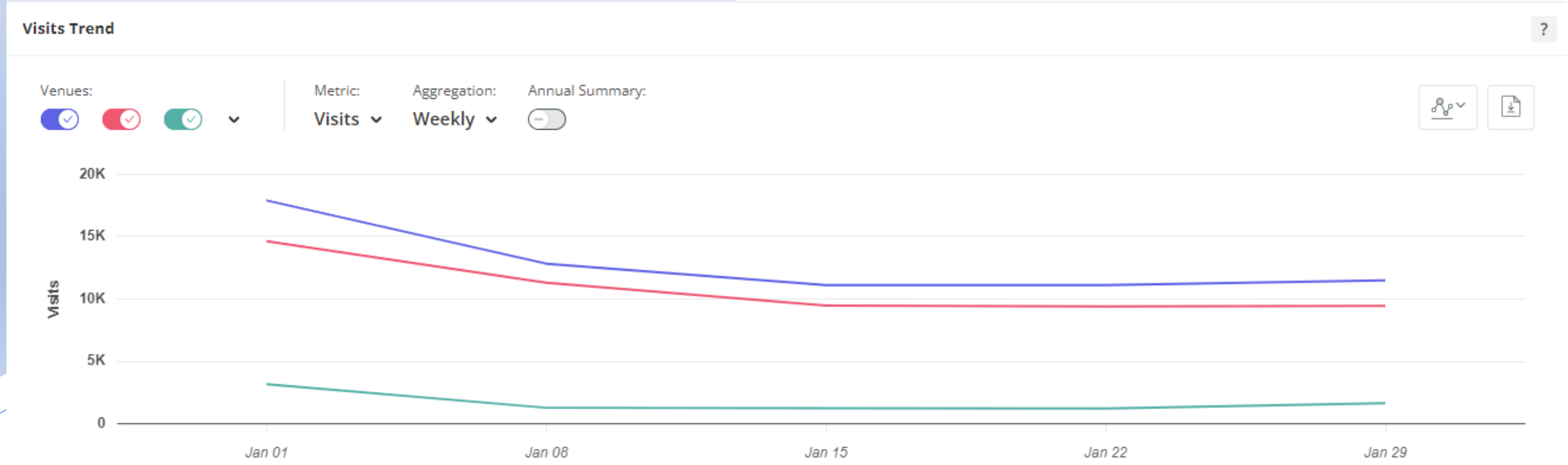
Metrics ?

Properties:

Metric Name	HRL Concourse 3002 Heritage Way, 3 FL, Harlingen, TX 78550	MFE Concourse Mcallen, TX, McAllen, TX 78503	BRO Concourse Brownsville, Brownsville, TX 78521-5739
Visits	57.8K	48.3K	7.8K
Visitors	50K	41.7K	6.5K
Avg. Dwell Time	89 min	84 min	75 min



Jan. 2024



January 2024 CARGO

<u>CARGO (tons)</u>	<u>2024</u>	<u>% chg.</u>	<u>2023</u>	<u>2024-2023 YTD</u>	<u>% chg.</u>	<u>2023-2022 YTD</u>
<u>Enplaned</u>						
21 Air, LLC	13	N/A	47	52	(86.2)	380
ABX	0	N/A	0	89	133.8	38
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	0	N/A	0
Amerijet	0	N/A	0	27	386.4	6
Atlas Air	0	N/A	0	0	N/A	0
FedEX	566	(38.0)	913	2,760	(26.0)	3,730
Kalita Air, LLC	0	N/A	0	0	N/A	0
Kalita Charters II	82	22.3	67	311	80.2	173
Southwest	30	87.9	16	103	(10.2)	115
Total Enplaned	691	(33.7)	1,044	3,343	(24.7)	4,442
<u>Deplaned</u>						
21 Air, LLC	23	N/A	94	119	(87.0)	915
ABX	0	N/A	0	53	N/A	71
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	0	N/A	0
Amerijet	0	N/A	0	216	715.5	26
Atlas Air	0	N/A	0	0	N/A	0
FedEX	779	(28.4)	1,089	3,895	(18.2)	4,764
Kalita Air, LLC	0	N/A	0	0	N/A	0
Kalita Charters II	134	38.6	97	530	107.1	256
Southwest	26	73.7	15	103	9.1	94
Total Deplaned	962	(25.7)	1,295	4,916	(19.8)	6,127
TOTAL CARGO	1,654	(29.3)	2,339	8,259	(21.9)	10,569





January 2024 FUEL

FUEL UPLIFTED (GALLONS)	2024	% chg.	2023	2024-2023 YTD	% chg.	2023-2022 YTD
COMMERCIAL						
Gulf Aviation	100,972	8.5	93,056	454,108	14.6	396,366
Sun Valley Aviation	294,940	41.6	208,347	1,147,105	20.0	955,771
Total Commercial	395,912	31.4	301,403	1,601,213	18.4	1,352,137
MILITARY						
Gulf Aviation	0	N/A	0	0	N/A	0
Sun Valley Aviation	9,348	(25.0)	12,456	42,686	(12.7)	48,891
Total Military	9,348	(25.0)	12,456	42,686	(12.7)	48,891
GENERAL AVIATION						
Gulf Aviation	19,402	(90.9)	213,834	453,009	(50.8)	921,630
Sun Valley Aviation	267,887	1,572.3	16,019	438,043	240.3	128,740
Total General Aviation	287,289	25.0	229,853	891,052	(15.2)	1,050,370
TOTAL FUEL UPLIFTED	692,549	27.4	543,712	2,534,951	3.4	2,451,398



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 January 16, 2024.
- b. Consider and take action to approve the monthly Financial Report for the Period Ending December 2023.
- c. Quarterly Investment Report: October 1 – December 31, 2023.



7 a. Meeting Minutes of regular Airport Board Meeting: January 16, 2024



MINUTES OF REGULAR AIRPORT BOARD MEETING

(2023-2024)

(NO. 3)

VALLEY INTERNATIONAL AIRPORT
3RD FLOOR CONFERENCE ROOM

JANUARY 16, 2024
TUESDAY – 5:00 P.M.

A regular Airport Board meeting was held on Tuesday, January 16, 2024, 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
Juan Longoria	Board Member	06/15/22 – 11/01/25
Martha G. Cano, MD	Board Member	08/03/22 – 11/01/25
Dr. Alicia M. Noyola	Board Member	06/21/23 – 11/01/26

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

Ford Kinsley	District 1, City Commissioner City of Harlingen
Frank Morales	District 4, City Commissioner City of Harlingen
Enrique Leal	Leal Media, Owner
Amanda Carmona	Assistant Federal Security Director Transportation Security Administration

1. CALL MEETING TO ORDER.

Chairman McShan called the meeting to order at approximately 5:05 p.m. with a quorum of the Airport Board present. A notice of the meeting had been duly posted (as required by law) on Thursday, January 11, 2024, at 5:00 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:

- HRL saw a significant increase in screening numbers for the holiday season. From December 17 to December 30, 2023, HRL TSA screened 26,242 individuals at the checkpoint.
- TSA is still operating under a Continuous Resolution (CR) until a budget can be finalized by Congress. The current CR will carry TSA until February 2024.
- TSA remains fully staffed and does not see a drop in the near future.
- No equipment issues; making sure all is ready for the Spring Break timeframe.

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

GULF AVIATION

Mr. Esterly reported notes provided by Mrs. Arlene Garza:

For the month of November, general and commercial operations were continuous and ongoing. As of November 27, Gulf Aviation was contacted by AEG Fuels and advised CSI would be transferring their ICE Air business to Sun Valley on December 11. From what little was communicated about the entire transition by AEG Fuels, pricing was the sole deciding factor to make the switch. AEG Fuels was persistent that their overall service, personnel, equipment, and safety were “great”; however, that was not enough to retain the business. Gulf Aviation expressed to AEG that they were not given an opportunity to provide a counteroffer or best and final during their “bidding” process.

Therefore, as of December 11, Gulf Aviation has had to make several drastic cuts in manpower and operational costs to continue their new “normal” operations. They will also be making adjustments to reduce overall operational hours that would be effective on February 1st. Gulf Aviation will continue to utilize an after-hours answering service to coordinate any services requested beyond normal business hours.

SUN VALLEY AVIATION

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

C. MARKETING REPORT – DECEMBER 2023 AND MARKETING REPORT – 4TH QUARTER

The marketing report was provided in the Airport Board presentation.

Mr. Leal reviewed the 4th quarter marketing report with the members of the Airport Board and answered all questions.

D. PROGRESS REPORT – NOVEMBER AND DECEMBER 2023

The progress report was provided in the Airport Board packet.

Mr. Esterly reviewed the December 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 NOVEMBER 21, 2023.

B. CONSIDER AND TAKE ACTION TO APPROVE THE MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING NOVEMBER 30, 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. Longoria, members of the Airport Board voted unanimously to approve the Consent Agenda: Airport Board’s regular meeting minutes of November 21, 2023, and the monthly Financial Report for the period ending November 30, 2023, as presented.

8. CONSIDER AND TAKE ACTION TO APPROVE THE AIRPORT'S CURRENT INVESTMENT POLICY.

The Investment Policy was provided in the Airport Board presentation, and Mr. Mustard gave a brief explanation during the meeting.

ACTION TAKEN:

On a motion by Mr. Gallaga and a second by Dr. Cano, members of the Airport Board voted to approve the Airport's current investment policy as presented.

9. CONSIDER AND TAKE ACTION TO ACCEPT THE PROPOSAL FOR VALLEY INTERNATIONAL AIRPORT'S RESTROOM RENOVATION PROJECT.

Mr. Wren advised that the airport restrooms were last remodeled in 2009. Currently, the general condition of the restrooms is in excellent shape, with the floor, walls, tiles, lighting, and main plumbing.

However, the parts that see the most use are in need of replacement. This will include all doors, partitions, and all of the automatic flushers.

Megamorphosis was the architect who designed the original model in 2009 and has proposed a fee of not to exceed \$13k.

The total project cost is estimated to be around \$225,999. This project will be presented for board approval once the airport opens bids and does the mid-year budget update.

At this time, staff recommended the Airport Board award the contract to Megamorphosis to design the rehabilitation project of the airport's restroom facilities not to exceed the amount of \$13,000.

ACTION TAKEN:

On a motion by Dr. Cano and a second by Mr. Longoria, members of the Airport Board voted to accept the proposal for the Airport's restroom renovation project from Megamorphosis and not to exceed the amount of \$13,000.

10. CONSIDER AND TAKE ACTION TO RECOMMEND THAT THE HARLINGEN CITY COMMISSION APPROVE, BY RESOLUTION, THE ACCEPTANCE OF THE FEDERAL AVIATION ADMINISTRATION (FAA) ANTICIPATED GRANT OFFER NO. 3-48-0101-074-2024 IN THE AMOUNT OF THREE MILLION, EIGHT HUNDRED TWENTY-EIGHT

THOUSAND, SEVEN HUNDRED THIRTY-NINE DOLLARS AND NO 100S (\$3,828,739.00) FOR THE RUNWAY EXTENSION PROJECT AT VALLEY INTERNATIONAL AIRPORT.

ACTION TAKEN:

On a motion by Mr. Longoria and a second by Mr. Gallaga, members of the Airport Board voted unanimously to recommend that the Harlingen City Commission approve, by resolution, the acceptance of the Federal Aviation Administration (FAA) anticipated grant offer No. 3-48-0101-074-2024 in the amount of approximately Three Million, Eight Hundred Twenty-Eight Thousand, Seven Hundred Thirty-Nine Dollars and No/100's (\$3,828,739.00) for the runway extension project at Valley International Airport.

11. 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 \$20,044,000. The engineer is RS&H, and the project contract days are 460 (including days added from the change orders), with 370 days of contract time used and 90 days of contract time remaining.

Mr. Wren reported that the perimeter road is complete and open, and the drainage is 100 percent complete.

The NAVAIDs are nearly 90 percent complete, and the fiber line started being pulled after the 1st of the year.

Runway 18R and TWY A have 100 percent of the lime-treated subgrade completed, and the base is at 90 percent complete.

Asphalt paving was going to begin in the middle of December but was pushed until after the new year due to the Holiday schedule. Currently, we are having a pre-paving meeting on January 17.

II. HOLIDAY PARKING

Mr. Esterly reported the capacity of the parking lot during the holiday season.

12. EXECUTIVE/CLOSED SESSION ON THE FOLLOWING ITEMS:

- I. PURSUANT TO TEXAS GOVERNMENT CODE SECTION 551.071, ATTORNEY CONSULTATION – TO PROVIDE LEGAL ADVICE REGARDING ONGOING LITIGATION.
- II. GOVERNMENT CODE 551.087 – DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS.

ACTION TAKEN:

On a motion by Dr. Cano and a second by Mr. Longoria, 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 6:14 p.m.

The Executive Session concluded at 7:15 p.m.

13. ACTION RELATED TO EXECUTIVE SESSION ITEMS:

- I. POSSIBLE ACTION.

ACTION TAKEN:

No action was taken.

- II. POSSIBLE ACTION.

ACTION TAKEN:

No action was taken.

14. NEXT MEETING DATE: TUESDAY, FEBRUARY 20, 2024, AT 5 PM.

Chairman McShan advised that the next Airport Board meeting is scheduled for Tuesday, February 20, 2024, at 5 p.m.

15. ADJOURNMENT.

The Airport Board adjourned the January 16, 2024, Airport Board meeting at approximately 7:16 p.m.

APPROVED BY:

GEORGE MCSHAN
AIRPORT BOARD CHAIRMAN

MARVIN R. ESTERLY
DIRECTOR OF AVIATION

7b. Monthly Financial Report for the Period Ending December 2023



**STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET ASSETS
FOR THE 3 MONTHS ENDING 12/31/2023**

	December 2023	December 2022	Current Y-T-D Actual	Prior Y-T-D Actual	Fiscal 2024 Budget	YTD Actual Fav (Unfav) to Budget
REVENUES						
TERMINAL BUILDING						
AIRLINES EXCLUSIVE SPACE	27,014	20,261	81,043	60,782	81,042	1
AIRLINES JOINT USE	28,361	21,271	85,082	63,812	85,083	(1)
AIRLINES GATE	20,784	15,588	62,353	46,765	62,352	1
SECURITY	49,167	39,287	147,500	117,788	147,500	(0)
RENT-A-CARS	117,166	96,501	355,123	318,180	310,650	44,473
CUSTOMER FACILITY CHARGE	43,041	35,673	141,303	115,755	121,512	19,791
RESTAURANT	30,554	24,541	93,621	74,680	78,056	15,565
GIFTS & NEWS	4,611	3,816	11,694	10,141	11,077	617
ADVERTISING	7,514	4,761	25,876	14,991	15,000	10,876
TENANT COMMUNICATIONS	1,295	1,295	3,885	3,885	3,885	-
UTILITIES	3,363	2,528	11,860	8,304	9,753	2,107
MISCELLANEOUS CONCESSIONAIRES	13,458	13,387	40,374	39,117	40,161	213
MISCELLANEOUS	2,347	2,399	14,901	9,477	14,000	901
	348,675	281,308	1,074,614	883,677	980,071	94,543



**STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET ASSETS
FOR THE 3 MONTHS ENDING 12/31/2023**

	December 2023	December 2022	Current Y-T-D Actual	Prior Y-T-D Actual	Fiscal 2024 Budget	YTD Actual Fav (Unfav) to Budget
REVENUES						
AIRFIELD						
AIRLINE LANDING	55,412	31,046	157,422	93,643	116,500	40,922
AIRFREIGHT LANDING	17,541	13,433	46,611	48,878	44,000	2,611
FUEL FLOWAGE	7,710	11,926	20,421	34,351	25,100	(4,679)
MISCELLANEOUS	2,804	10,998	13,712	32,994	15,000	(1,288)
	83,467	67,404	238,166	209,866	200,600	37,566
INDUSTRIAL PARK						
UNITED LAUNCH ALLIANCE	41,439	59,064	124,317	177,192	124,317	-
BUILDINGS	35,717	32,317	97,350	96,950	96,946	404
HANGARS	19,941	20,137	59,822	60,345	59,688	134
FARM	-	-	46,000	46,000	46,000	-
GROUND LEASES	4,767	3,221	43,464	37,931	42,000	1,464
	101,863	114,738	370,953	418,418	368,951	2,002
TERMINAL SUPPORT						
PARKING	167,158	146,502	527,125	473,008	487,704	39,421
FUEL SALES QTA	12,086	15,915	43,824	48,697	47,109	(3,285)
GROUND HANDLING SERVICE	59,560	25,388	141,690	53,603	65,004	76,686
	238,804	187,804	712,639	575,308	599,817	112,822
TOTAL REVENUES	772,809	651,254	2,396,372	2,087,268	2,149,439	246,933



**STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET ASSETS
FOR THE 3 MONTHS ENDING 12/31/2023**

	December 2023	December 2022	Current Y-T-D Actual	Prior Y-T-D Actual	Fiscal 2024 Budget	YTD Actual Fav (Unfav) to Budget
EXPENSES						
PERSONNEL SERVICES						
SALARIES						
ADMINISTRATIVE	46,255	56,333	182,056	179,547	182,000	(56)
SECURITY	55,497	45,576	147,596	128,372	150,000	2,404
MAINTENANCE	38,595	37,788	118,162	114,235	118,152	(10)
CUSTODIAN	40,152	35,680	108,947	107,897	109,031	84
GROUND HANDLING SERVICES	34,117	27,688	89,359	59,173	84,843	(4,516)
OVERTIME						
ADMINISTRATIVE	1,366	41	2,243	1,085	1,260	(983)
SECURITY	4,625	6,379	13,494	14,114	6,249	(7,245)
MAINTENANCE	1,312	598	3,223	1,670	5,010	1,787
CUSTODIAN	1,443	5,409	4,149	7,086	5,150	1,001
ACCRUED VACATION/ SICK LEAVE	48,731	21,942	109,649	78,424	108,482	(1,167)
FICA	18,001	16,571	51,247	46,529	51,226	(21)
RETIREMENT PLANS	18,291	18,954	55,360	52,373	62,200	6,840
HEALTH INSURANCE	38,218	30,114	118,200	107,042	124,500	6,300
WORKMEN'S COMPENSATION	4,699	4,383	14,096	13,198	13,753	(343)
PERSONNEL SERVICES (MISC)	8,040	15,461	13,643	21,930	13,300	(343)
	359,341	322,916	1,031,427	932,674	1,035,156	3,729



**STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET ASSETS
FOR THE 3 MONTHS ENDING 12/31/2023**

	December 2023	December 2022	Current Y-T-D Actual	Prior Y-T-D Actual	Fiscal 2024 Budget	YTD Actual Fav (Unfav) to Budget
EXPENSES						
CONTRACTED SERVICES						
UTILITIES	63,666	37,056	149,868	76,205	115,710	(34,158)
COMMUNICATIONS	4,856	5,656	16,697	15,767	14,658	(2,039)
LEGAL	710	350	6,894	4,170	15,000	8,106
ACCOUNTING	15,750	-	23,750	-	23,750	-
PROFESSIONAL FEES	16,928	(22,699)	27,418	24,469	25,000	(2,418)
MAINTENANCE	53,201	22,006	109,509	74,067	63,000	(46,509)
INFORMATION SYSTEMS	9,299	11,448	56,478	55,135	54,000	(2,478)
ARFF	240	3,095	33,676	14,031	34,300	624
QTA	10,571	2,099	13,053	5,851	8,100	(4,953)
SECURITY	2,387	1,105	7,174	3,065	3,150	(4,024)
UNIFORMS & LAUNDRY	3,185	2,116	8,995	7,104	7,875	(1,120)
ARFF PERSONNEL/CITY	107,625	70,000	262,259	223,500	264,000	1,741
US CUSTOMS	127,650	11,622	141,706	129,593	142,000	294
MISC CONTRACTED SERVICES	360	360	775	1,067	1,125	350
	416,428	144,214	858,252	634,023	771,668	(86,584)



**STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET ASSETS
FOR THE 3 MONTHS ENDING 12/31/2023**

	December 2023	December 2022	Current Y-T-D Actual	Prior Y-T-D Actual	Fiscal 2024 Budget	YTD Actual Fav (Unfav) to Budget
EXPENSES						
MATERIALS & SUPPLIES						
MAINTENANCE	18,858	15,141	40,465	56,413	36,475	(3,990)
GROUND HANDLING SERVICE	285	95	3,728	822	2,550	(1,178)
JANITORIAL	13,518	11,737	40,536	48,732	36,774	(3,762)
ARFF	406	24	6,609	7,817	11,286	4,677
SECURITY	2,044	3,751	7,978	4,098	6,180	(1,798)
QTA	21,439	29,082	41,641	53,604	39,750	(1,891)
FUEL	4,185	-	21,778	17,139	23,000	1,222
OFFICE	4,062	3,915	7,955	11,107	9,828	1,873
	64,799	63,745	170,690	199,733	165,843	(4,847)
OTHER CHARGES						
INSURANCE	11,220	25,869	33,159	82,252	95,922	62,763
ADMINISTRATIVE	3,198	1,344	7,905	4,417	4,500	(3,405)
TRAVEL	617	1,330	9,519	4,396	9,999	480
SEMINARS AND MEETINGS	-	-	-	495	999	999
MARKETING	42,628	24,875	108,390	86,726	99,000	(9,390)
DUES AND SUBSCRIPTIONS	190	161	515	1,192	4,800	4,285
TRAINING	1,575	-	9,049	50	5,000	(4,049)
HARLINGEN EDC	25,000	25,000	25,000	25,000	25,000	-
MISCELLANEOUS OTHER CHARGES	-	423	3,222	423	2,500	(722)
	84,428	79,002	196,761	204,951	247,720	50,959



**STATEMENTS OF REVENUE, EXPENSE AND CHANGES IN NET ASSETS
FOR THE 3 MONTHS ENDING 12/31/2023**

	December 2023	December 2022	Current Y-T-D Actual	Prior Y-T-D Actual	Fiscal 2024 Budget	YTD Actual Fav (Unfav) to Budget
CHANGES IN NET ASSETS						
TOTAL OPERATING EXPENSES	924,996	609,877	2,257,131	1,971,381	2,220,387	(36,744)
NET INCOME BEFORE DEPRECIATION	(152,186)	41,377	139,241	115,887	(70,948)	210,189
DEPRECIATION AND AMORTIZATION	915,000	875,000	2,745,000	2,625,000		
OPERATING INCOME	(1,067,186)	(833,623)	(2,605,759)	(2,509,113)		
INVESTMENT INCOME	50,248	27,680	124,687	64,309		
GAIN\ (LOSS) ON DISPOSAL OF ASSETS	-	-	-	23,414		
TOTAL NON OPERATING REVENUES	50,248	27,680	124,687	87,722		
NET INCOME BEFORE CAPITAL	(1,016,938)	(805,943)	(2,481,072)	(2,421,390)		
CAPITAL CONTRIBUTIONS						
PASSENGER FACILITY CHARGES	163,168	158,727	432,062	410,553		
FEDERAL AND LOCAL GRANTS	1,041,051	2,719,646	(53,092)	595,847		
	1,204,219	2,878,373	378,969	1,006,401		
INCREASE (DECREASE) IN NET ASSETS	187,281	2,072,430	(2,102,103)	(1,414,990)		



Statements of Cash Flows
Month Ending Dec 31, 2023

	<u>December</u>	<u>Y-T-D</u>	<u>Prior Year YTD</u>	<u>YTD Prior Mth</u>
Cash flows from operating activities				
Operating income (loss)	\$ (1,121,293)	\$ (2,605,759)	\$ (2,509,113)	\$ (1,484,466)
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation	\$ 915,000	\$ 2,745,000	\$ 2,625,000	\$ 1,830,000
(Increase) decrease in receivables	(372,515)	(651,787)	87,089	(279,272)
(Increase) decrease in prepaid expenses	18,668	(70,875)	(379,063)	(89,543)
Increase (decrease) in accounts payable\accrued expenses	1,830,893	(2,188,824)	(142,605)	(4,019,717)
Increase (decrease) in pension asset, deferred inflow/outflow	-	-	-	-
Increase (decrease) in prepaid revenue	-	(151,764)	(157,285)	(151,764)
Increase (decrease) in deferred revenue	-	-	(52,875)	-
Total adjustments to net income	\$ 2,392,046	\$ (318,251)	\$ 1,980,262	\$ (2,710,297)
Net cash provided (used) by operations	\$ 1,270,753	\$ (2,924,009)	\$ (528,851)	\$ (4,194,762)
Cash flows from (to) capital and related financing activities				
Capital Contributions from Federal Aviation Administration	\$ 1,041,051	\$ 6,709,594	\$ 2,998,301	\$ 5,668,543
Proceeds from Passenger Facility Charges	163,168	432,062	410,553	268,894
Fixed asset additions and construction	(1,411,690)	(2,254,444)	(4,306,697)	(842,754)
Gain/(Loss) on Disposal of Fixed Assets	-	-	23,414	-
CARES Act Airport Grants & Payroll Support	-	287,320	1,377,504	287,320
Capital lease interest income/expense	-	-	-	-
Net cash provided (used) by capital and related financing activities	\$ (207,471)	\$ 5,174,532	\$ 503,075	\$ 5,382,003



**Statements of Cash Flows
Month Ending Dec 31, 2023**

	<u>December</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	\$ -	\$ -	\$ (3,450,835)	\$ -
Maturities of unrestricted and restricted investments	-	1,498,733	505,442	1,498,733
Interest received from investments	50,248	124,687	64,309	74,439
Net cash provided (used) by investing activities	<u>\$ 50,248</u>	<u>\$ 1,623,420</u>	<u>\$ (2,881,084)</u>	<u>\$ 1,573,172</u>
Net increase (decrease) in cash and cash equivalents	\$ 1,113,530	\$ 3,873,943	\$ (2,906,860)	\$ 2,760,412
Cash and cash equivalents, October 1, 2023 \ October 1, 2022		<u>\$ 7,377,589</u>	<u>\$ 7,964,364</u>	<u>\$ 7,377,589</u>
Cash and cash equivalents, Dec 31, 2023 \ Dec 31, 2022		<u>\$ 11,251,531</u>	<u>\$ 5,057,504</u>	<u>\$ 10,138,001</u>
Unrestricted Investments		<u>\$ -</u>	<u>\$ 7,412,968</u>	<u>\$ -</u>
Total of cash, cash equivalents and investments		<u>\$ 11,251,531</u>	<u>\$ 12,470,471</u>	<u>\$ 10,138,001</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: October 1 – December 31, 2023.



INVESTMENT REPORT SUMMARY

December 2023

PORTFOLIO

Asset Allocation	Millions	%	WAM
Bank Deposits	\$0.3	2.6%	1
MM Fund	\$9.8	86.2%	1
LGIP - Pools	\$1.3	11.2%	1
Agencies	\$0.0	0.0%	0
US Govt - Treasuries	\$0.0	0.0%	0
Total	\$11.4	100.0%	1

VIA STRATEGY

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

Current Situation

- Funds/Pools have similar rates to investments
- Short Term - excess cash slated for projects



8. Agenda

Consider and take action to elect a Chairperson for the term of March 2024 through February 2025.



9. Agenda

Consider and take action to elect a Chair Pro Tem for the term of March 2024 through February 2025.



TURO

10. Agenda

Consider and take action to approve an operating agreement with Turo.



11. Agenda

Consider and take action to ratify a change order for the runway extension project.



Change Order Details:

- To date the total cost of the change orders is \$440,580.
- This change order is for \$85,000. The work is to provide electrical and communications to the temporary offices and mobile tower. This is where the new SA CAT II Instrument Landing Systems will be temporary terminated and in use while the new control tower is being built.
- New contract total is \$27,380,365



12. Agenda

Consider and take action to accept a contract with Woolpert Geospatial.



This is for the FAA Airport GIS update that is required when the runway extension project ends.

It will require that:

- *A new survey will be completed once the true as-built runway end is completed with the newly constructed control points.
- *A new Ariel Photography of the airfield along with the approaches.
- *Surveyed data be processed and uploaded to the National Geodetic Survey (NOAA) database to be approved by them and sent to the FAA AGIS database for final approval.

This contract will also update the airport's sign and marking plan for the runway extension and the renaming of the parallel runways.

The cost of this is \$59,950.

This cost was included in the project total when applying for the grant with the FAA; it will be funded 90% from AIP and 10 % from PFC.



13. Agenda

Consider and take action to recommend that the Harlingen City Commission approve, by resolution, the acceptance of the Federal Aviation Administration (FAA) anticipated Grant offer No. 3-48-0101-075-2024 in the amount of Four Million, Five Hundred Thousand Dollars and no 100s (\$4,500,000.00) for the Air Traffic Control Tower project at Valley International Airport.



VALLEY INTERNATIONAL AIRPORT			12/7/2023
Replace Air Traffic Control Tower Project			
			Cost
Remote Tower			\$ 400,000
Construct Air Traffic Control Tower and Base Building			\$ 21,500,000
FAA RA's: design oversight, construction admin, tower setup, ect			\$ 1,500,000
Total Construction Cost			\$ 23,400,000
Project Inspection and Geo Testing Fee			\$ 550,000
RS&H Design & Bid Phase Fee			\$ 1,790,000
RS&H Construction Phase Fee			\$ 410,000
TOTAL PROJECT COST			\$ 26,150,000
FUNDING Federal Aviation Administration (FAA)			
	Local Match (PFC)	Federal Funds	
Airport Terminal Program: FY-24 BIL-ATP	\$ 800,000	\$ 5,500,000	
Federal Contract Tower Program: FY-24 BIL-FCT	\$ -	\$ 5,500,000	
AIP: FY-24 Discretionary	\$ 750,000	\$ 4,500,000	
Airport Terminal Program: FY-25 BIL-ATP	\$ 650,000	\$ 650,000	
Federal Contract Tower Program: FY-25 BIL-FTC	\$ -	\$ 500,000	
AIP: FY-25	\$ 400,000	\$ 2,700,000	
AIG: FY-25	\$ 400,000	\$ 3,800,000	
TOTAL FAA FUNDS			\$ 23,150,000
TOTAL PFC FUNDS (local match)			\$ 3,000,000
TOTAL FAA and PFC (LOCAL) FUNDS			\$ 26,150,000

\$4,500,000



14. a. Director's Report

i. Runway Extension Project:

Project Total: \$32,500,000

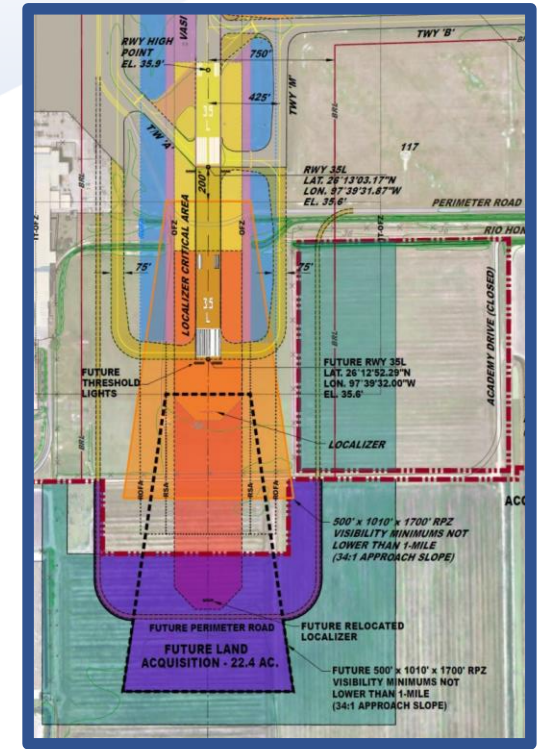
Spent to date: \$21,844,000

Engineer: RS&H

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

Contract Time Used: 400 Days

- The perimeter road is completed and open.
- Drainage is 100 percent complete.
- The Nav Aids are nearly 90 percent complete. The Fiber has been installed and terminated in the ILS shelters.
- Runway 18R and TWY A have 100 percent of the lime-treated subgrade completed. The base is at 90 percent complete.
- A pre-paving meeting was conducted on January 17th. Paving has been pushed back due to the large amounts of rain that happened in the middle of January. There was a 300-foot section of the base that needed to be re-worked. Paving should commence the last week of February.





14. b. Director's Report

ii. HRL ATCT Project:

- The mobile tower and temporary offices and housing for the IT racks have been delivered.
- The electrical, communications, plumbing, and security fencing is currently underway and is scheduled to be completed Mid March.
- The FAA will start the transitioning of the nav aids equipment from the old tower into the new tower in Mid-April. It is expected to take the FAA until August 1 to complete the transition into the mobile tower.
- Construction is expected to start in September 2024!



14. Director's Report

b. Events/Meetings Attended

- i. HEDC – Jan 18
- ii. Meeting (Zoom) Charlie Stricklan (solar parking structures) – Jan 23 and 24
- iii. HEDC – Jan 25
- iv. Enrique Leal – Jan 29
- v. Meeting (Zoom) Turo – Feb 6
- vi. Lunch Meeting with Rep. Janie Lopez – Feb 6
- vii. HEDC – David Lotterer (conference call) – Feb 6
- viii. City Commission Meeting, Grant 74 – Feb 7
- ix. TCAA Board Meeting – Hurst, TX – Feb 12 – 13
- x. Lunch Meeting with Ramiro Aleman, Cameron County Economic Development Director – Feb 15



15. Executive Session

- i. Pursuant to Texas Government Code Sections 551.071 and 551.072 – to discuss and provide legal advice and counsel in connection with the Airport's rights, duties, privileges, and obligations in connection with an airport lease agreement.



Subject: SVA Land Lease Proposal

Dear Mr. Kornegay,

I hope this letter finds you well. Below is a detailed two-step approach to facilitate Sun Valley Aviation's (SVA) leasing of additional airport land for the proposed new hangar construction.

Step One: Addressing FAA Lease Audit Recommendations

Our first priority is to address specific findings from the FAA lease audit, which highlighted areas in our current lease agreement that require adjustments to comply with Airport Grant Assurances. These changes are foundational to securing the land needed for SVA's hangar project.

As you are aware, the FAA Lease Audit, conducted by the FAA Compliance Program Manager, Gary Loftus, identified challenges in the existing lease agreement that could hinder compliance with federal obligations. Kevin Willis, the Director of the Office of Airport Compliance, concurred with the Lease Audit findings and recommendations in his letter dated February 28, 2023.



To address these compliance issues, we propose amending the Commercial Fixed Based Operators Agreement dated August 8, 2012, and the Amendment to Lease Agreement executed on February 27, 2019, as follows:

1. Amend 2. TERM OF THE AGREEMENT Section A, to read: “This agreement is subject to Lessee’s right to terminate pursuant to Paragraphs 33, 34, 66 hereof. The initial term of the agreement shall be from the date of execution of this lease and shall continue for forty (40) years after the certificate of occupancy is granted for the Terminal Building by the City of Harlingen. Within one (1) year of the ending initial term, the Lessee may request to renew and extend the Lease based on market rents for land and building improvements to be determined at the time of the extension. Approval by the Airport to renew and extend the initial lease shall be at the sole discretion of the Airport Board.”
2. Remove: 3. RENT, OPTION AND FUEL FLOWAGE FEE, A (3) Option Area “A”



3. Remove: 3. RENT, OPTION AND FUEL FLOWAGE FEE, paragraph B.
4. Amend: AMENDMENT TO LEASE AGREEMENT, Executed February 27, 2019, 4th paragraph to read: “Whereas, the rate for Area “B” shall be equal to the current rate of the Terminal Building land and be escalated along with the rate of the Terminal Building.”
5. Remove: AMENDMENT TO LEASE AGREEMENT, Executed February 27, 2019, 6th paragraph.
6. Amend: AMENDMENT TO LEASE AGREEMENT, executed February 27, 2019, last paragraph to read: “Whereas, the initial lease term for Area “B” shall terminate forty (40) years after the date the certificate of occupancy was granted for the Terminal Building by the City of Harlingen as set forth in the initial agreement.”

Implementing these amendments is essential before advancing to the next stage of finalizing a land lease agreement for the new hangar.



Step Two: Finalizing the Land Lease Agreement

Upon resolving the aforementioned items, we can proceed to establish the terms for the land lease. To maximize SVA's investment amortization period, we propose an amendment to our original agreement with the following terms incorporated:

1. SVA must submit and receive FAA Air Space Study (7460 Form) approval;
2. Land lease payments will start upon the Certificate of Occupancy (CO) issuance for the new hangar or one-year post-amendment execution, whichever comes first;
3. Upon CO issuance, improvement ownership reverts to the City of Harlingen;
4. The lease rate for the .688-acre tract (29,958 square feet) will be equivalent to the current rate per sq. ft. per year for the Terminal Building land tract;
5. Rent escalation will follow the Terminal Building land tract's schedule and rate;
6. This amendment's expiration will align with the Commercial Fixed Based Operators Land Lease Agreement's initial term, set to expire on June 30, 2054; and
7. Upon lease expiration, all leasehold improvements will be deemed fully amortized.



Alternatively, we could draft a new lease agreement in line with the updated airport leasing policy. In either case, rectifying issues in step one would still be our first priority. A new lease agreement drafted in compliance with Exhibit E, Capital Investment Schedule, would offer 15-20 years from the certificate of occupancy to amortize your investment.

Your feedback on these proposals is crucial for moving forward. We are committed to working closely with SVA to ensure a mutually beneficial arrangement and compliance with all regulatory requirements.

Sincerely,

Marv Esterly
Director of Aviation



16. Action related to executive session items:

i. Possible Action.



17. Next Meeting

March 19, 2024 @ 5:00pm.

March 2024						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					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						

18. Adjournment

