

Airline Use and Lease Agreement for the San Antonio International Airport

Item 6

September 12, 2024

Jesus H. Saenz, Jr., IAP

San Antonio Airport System



Airline Use & Lease Agreements (AULAs)

Establishes what airlines can do at an airport & what an airport is obligated to do for airlines

Commitment
by Airlines to
SAT

Terms &
conditions for
use of
facilities

Capital
Improvement
Program

Rates &
charges

Timeline



2020

- City Council authorized current AULA for San Antonio International Airport (SAT) with term period of 1+1+5

2021

- Strategic Development Program, master planning process for development of SAT over next 10 to 20 years including new terminal facility, approved by City Council

2022

- Kick-off to Terminal Development Program (TDP) with 2nd Quarter 2028 completion of new terminal
- Decision to not exercise 5-year option on AULA & negotiate new agreement (approval of amendment with revisions to extend term through September 30, 2024)

**To
Now**

- Negotiating with airlines, initially monthly & then bi-monthly.
- **October 2023:** Schedule approved by Airlines & Aviation for September 2024 Council date.

New Agreement for SAT

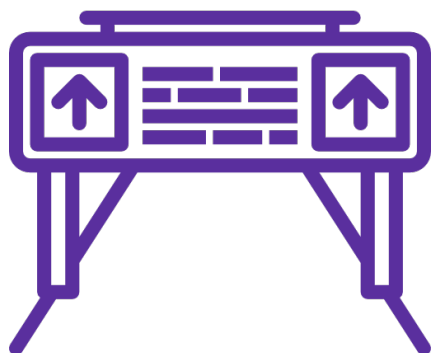
Provides for the long-term commitment by the signatory airlines to the Airport, including commitments to lease gates and other space at Date of Beneficial Occupancy (DBO) of the new terminal.



Initial Term: 10 Years

Extension Option: 1, 5-year period

Terminal Development Program (TDP)



Pre-approves
funding for TDP
& certain other
capital projects



Outlines airline
participation &
partnership in
TDP design &
construction
process



Commits signatory
airlines to providing
extraordinary
coverage for
General Airport
Revenue Bonds for
TDP

Gating Assignments Post Date of Beneficial Occupancy



Fiscal Impact

Revises & replaces current financial methodology for setting airline rates and charges and includes the sharing of non-airline revenue (e.g., concessions) with the airlines.



FY 2025 Airline Revenues: \$76 Million
Over 15 years: \$3.2 Billion

Revenues generated from this agreement will be deposited into the Airport Operating & Maintenance Fund.

Airline Operating Permit

Airlines, commercial or charter, must sign either the AULA or the Airline Operating Permit to operate at SAT. Those who do not sign AULA are considered non-signatory and Airline Operating Permit provides the rates and charges they will pay to operate at SAT.

This action will revise the Airline Operating Permit to align with the new AULA.

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