

Hilton Austin Airport



Austin-Bergstrom
International Airport



Information for Airport Advisory Commission

City of Austin, Department of Aviation
December 14, 2021



AGENDA

- **Hotel Property and Facility**
- **Structure and Operations**
- **Financial Information**
 - COVID Impacts
 - 2021 Performance and Loan Status





Property and Facility

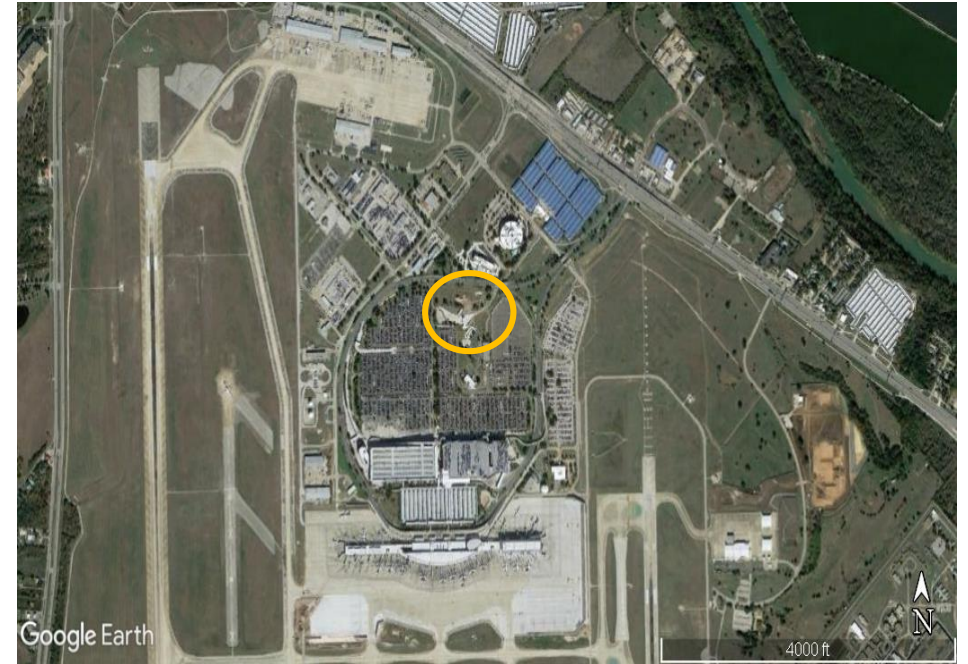
Hilton Austin Airport – Unique History

- **Former Headquarters of Bergstrom Air Force Base**
 - Opened in 1968
 - Three stories
 - Underground bunker
 - Enclosed courtyard
 - Names:
 - Building 2900
 - The Roundagon
 - The Donut
 - The Little Pentagon
 - Base closed in 1993



Hilton Austin Airport – Property Information

- **Title to Improvements: Vested in City of Austin as part of AUS operations**
- **Summary of Salient Property Data**
 - Property Name: Hilton Austin Airport (Hilton)
 - Address: 9515 Hotel Drive, Austin, Texas 78719
 - Location: Austin-Bergstrom Intl. Airport (AUS)
 - Occupancy Rights: AUS Ground Lease
- **Land Description**
 - Area: 10.61 acres, or 462,019 square feet
 - Zoning: AV - Aviation Services
 - Assessor's Parcel Number(s): 855896
 - FEMA Flood Zone: Zone X



Hilton Austin Airport – Facility Information

• Improvements Description

- Year Opened: 2001
- Property Type: Full-service lodging facility
- Building Area: 206,608 square feet
- Guestrooms: 262
- Number of Stories: Four
- Meeting Space: 17,505 square feet
- Parking Spaces: 278 (Surface)
- Additional Facilities:
 - Outdoor pool, an outdoor whirlpool, fitness center, a lobby workstation, guest laundry room, and vending areas
- Food and Beverage Facilities:
 - Restaurant and lounge, coffee shop



*Austin American Statesman
December 17, 2000*





Structure and Operations

Hilton Austin Airport – Structure & Operations

- **Austin-Bergstrom Landhost Enterprises, Inc. (ABLE)**
 - Texas nonprofit public facility corporation created by City of Austin (City) in 1998
 - Authorized under Chapter 303 of Texas Local Government Code
- **ABLE acts on behalf of the City of Austin (City)**
 - Created to be the Issuer of tax exempt bonds (1999 Bonds and 2017 Bonds)
 - Construct/improve public facilities at the Airport - Hilton Austin Airport (Hotel)
- **Department of Aviation (Aviation Department) oversight of ABLE**
 - Staff provide liaison, business, and financial services to ABLE
 - Grant Agreement - Aviation Department supports Bond payments – as required
 - Ground Lease - Aviation Department receives Ground Rent/Administrative Fees
 - Operations of the Hotel are subject to Federal Aviation Administration regulations



2021 Financial Performance

Hilton - COVID-19 Financial Impact

- **Before the Covid-19 pandemic, the hotel operated profitably and was EBITDA positive since the 2017 bond restructuring**
- **2017 Grant Agreement between ABLE and AUS**
 - Requires Dept. of Aviation to replenish to Debt Service Reserve Fund (DSRF) if proceeds from Hotel operations are insufficient
 - October 1, 2020, April 1, 2021 and October 1, 2021 payments were made
 - April 1, 2022 payment of \$1,056,000 to DSRF anticipated – partial payment possible
- **2021 Loan Agreement – \$2,600,000**
 - Initial Draw/August, 2021 - \$1,350,000 – Accounts Payable for 2020 and 2021
 - Future Draws - \$1,250,000
 - Future Funding (only if required)
 - Draw rights expire December 31, 2022

Loan Draws and Spending Through 11/30/2021

- **Base Loan Amount – \$1,350,000 (funded 8/9/2021)**
 - Spent to Date \$824,599
 - Unused Base Loan Proceeds in ABLE's account \$525,401
- **Due to better than anticipated recovery of hotel occupancy the full Base Loan Amount is currently not needed**
- **Transfer of unused Base Loan Proceeds to Department of Aviation - anticipated at or about 2021 year end**

Hilton Austin Airport 2021 Performance

Through 10/31/2021

2021	Jan Actual	Feb Actual	Mar Actual	Apr Actual	May Actual	Jun Actual	Jul Actual	Aug Actual	Sept Actual	Oct Actual	YTD Actual
Revenue Occupancy	22.1%	34.8%	51.3%	52.1%	53.1%	67.9%	73.9%	66.0%	71.8%	87.7%	58.2%
Average Daily Rate (ADR)	\$106.46	\$109.74	\$110.30	\$122.22	\$127.06	\$131.11	\$129.69	\$132.83	\$146.28	\$175.29	\$134.59
Operating Revenues	\$236k	\$347k	\$571k	\$641k	\$706k	\$856k	\$902k	\$890k	\$1.0m	\$1.4m	\$7.2m
EBITDA before Grant and PPP	(\$212k)	(\$120k)	\$4k	\$86k	\$55k	\$194k	\$163k	\$166k	\$248k	\$562k	\$1.1m

- Now current on Ground Lease payments to Department of Aviation that had been accrued since start of the pandemic:
 - Ground Rent
 - Administration Fee

Thank You
City of Austin, Department of Aviation
Austin-Bergstrom International Airport

