

Austin-Bergstrom Landhost Enterprises, Inc. (ABLE)

Information for Audit and Finance Committee

City of Austin, Department of Aviation
December 15, 2021



Austin-Bergstrom
International Airport



Introductions

- **Tracy Thompson, Esq.**

Airport Chief Officer, Administrative & External Affairs

Interim Airport Chief Officer, Development

Vice President, Austin-Bergstrom Landhost Enterprises, Inc. (ABLE)

- **Rajeev Thomas**

Airport Deputy Chief - Finance



Agenda

- **Financial Update: 2021 Q3**
 - Operating Results
 - Loan Agreement with City of Austin
- **Hilton Austin Airport Compared to Other Airport Hotels**



2021 Q3 Operating Results

Hilton Austin Airport FY21 Performance Trend

2021	Jan Actual	Feb Actual	Mar Actual	Apr Actual	May Actual	Jun Actual	Jul Actual	Aug Actual	Sept Actual	YTD Actual
Revenue Occupancy	22.1%	34.8%	51.3%	52.1%	53.1%	67.9%	73.9%	66.0%	71.8%	54.9%
Average Daily Rate (ADR)	\$106.46	\$109.74	\$110.30	\$122.22	\$127.06	\$131.11	\$129.69	\$132.83	\$146.28	\$127.21
Operating Revenues	\$236k	\$347k	\$571k	\$641k	\$706k	\$856k	\$902k	\$890k	\$1.0m	\$6.2m
EBITDA before Grant and PPP	(\$212k)	(\$120k)	\$4k	\$86k	\$55k	\$194k	\$163k	\$166k	\$248k	\$587k

- PPP1 forgiven in Q3 - \$907,555

STAR Performance Comparison YTD

	Occupancy % Sep YTD	Average Daily Rate Sep YTD	Rev per Avail Rm Sep YTD
Hilton Austin Airport	55.0%	\$126.94	\$69.84
Market: Austin	61.6%	\$118.21	\$72.79
Competitive Set	49.4%	\$116.74	\$57.62

- Primary Comp Set – Doubletree @ 290, Marriott South, Austin Southpark Hotel, Radisson Hotel Austin
- Doubletree – TX Dept. of Emergency Management still housed at hotel – in market since start of pandemic
- Austin Southpark Hotel – Omni was sold and rebranded as Austin Southpark Hotel in August.
- Radisson Hotel Austin – previously Crowne Plaza



2021 Q3 Loan Agreement

Loan Overview

- Purpose: To cover hotel operating expense shortfalls and certain required administrative expenses under the 2017 Bond Indenture for 2020 through 2022, resulting from the impact of COVID-19
- Not to Exceed: \$2,600,000
 - Base Loan – set amount to fund after closing: \$1,350,000
 - Contingency line of credit – available if needed: \$1,250,000
- City Council approval: June 3, 2021



Loan Draws and Spending Through 11/30/2021

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



Hilton Austin Airport Compared to Other Airport Hotels

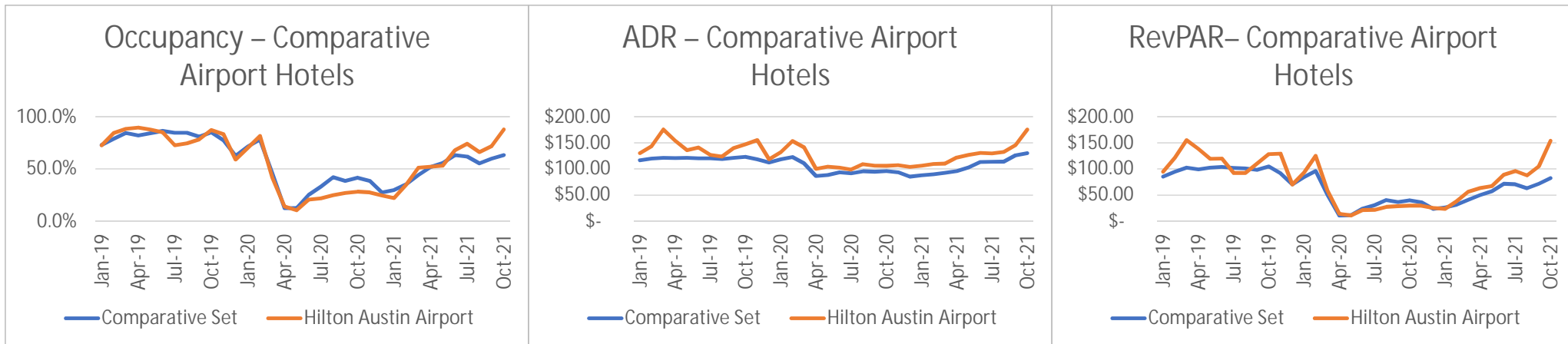


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How Hilton Austin Airport Compares to Other Airport Hotels

January 2019 through October 2021



Sources: STR and Hotel

Airport Comp Set (Non-Hub):

- DoubleTree by Hilton - New Orleans Airport (MSY) **
- Hilton - New Orleans Airport (MSY)
- Marriott - St Louis Airport (STL)
- Hilton - St Louis Airport (STL)
- Sheraton Hotel - Portland Airport (PDX)
- Marriott - Pittsburgh Airport (PIT)

- Comparative set hotels are full-service hotels in non-hub airports with similar enplanements to AUS including New Orleans, Portland, St. Louis and Pittsburgh
- Hilton Austin Airport tracks closely with comparative set, with Hilton Austin Airport trending higher in 2021.

** Temporarily closed due to Hurricane Ida; no data included for Sept-21 & Oct-21



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Thank you,
City of Austin, Department of Aviation
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