

**To the Mayor and Members of the City Council****March 22, 2022**

Page 1 of 1

**SUBJECT: DALLAS FORT WORTH INTERNATIONAL AIRPORT 19TH STREET
CARGO REDEVELOPMENT PROJECT**

Dallas Fort Worth International Airport is requesting the Owner Cities of Dallas and Fort Worth approve the 19th Street Cargo Redevelopment Project as an authorized Public Facility Improvement Corporation (PFIC) project, as required under the Articles of Incorporation and Rules and Regulations of the Dallas Fort Worth International Airport PFIC.

The Articles of Incorporation provide that the PFIC was created for the purpose of financing, planning, constructing, equipping, owning, renovating, repairing, improving, maintaining, and/or operating one or more facilities within the boundaries of the Airport. The Articles further state that such facilities must be for the comfort and accommodation of air travelers or be beneficial to the operation or economic development of the Airport and must be approved by the Board and each of the Owner Cities. The Grand Hyatt Hotel, the DFW Consolidated Rental Car Facility, the Hyatt Place Hotel, the Hyatt House Hotel, and the DFW Campus West property have been designated as "Public Facilities" and "Approved Airport Projects" for the PFIC. They are operated and managed by the PFIC.

The 19th Street Cargo Redevelopment Project consists of approximately 35 acres of airside land in the west cargo area. The project constructs two cargo warehouses totaling 328,500 square feet of warehouse space and adds eight Airplane Design Group VI aircraft parking positions and associated ramp area modifications.

The global air cargo market is projected to grow at a compound annual growth rate of 8% through 2028, and global e-commerce volumes are estimated to more than double by 2025. Due to the unprecedented growth in air cargo driven by the Covid-19 pandemic, DFW has become constrained by both ramp and warehouse capacity, limiting growth opportunities. This project will increase both cargo warehouse and ramp capacity, enabling new cargo handling service providers and air freighter operators to expand at DFW during a major growth period in air cargo. Competitor peer airports- Atlanta, Chicago O'Hare, Miami, and New York's JFK- have made investment commitments to add both warehouse and ramp capacity over the next 2 years. This project positions DFW Airport to capitalize on air cargo growth opportunities accelerated by the Covid-19 pandemic and to sustain continued cargo growth through the next 20 years.

The PFIC Board and the DFW Airport Board approved the designation of the proposed 19th Street Cargo Redevelopment Project as an authorized PFIC project on February 7 and March 3, 2022, respectively. Approving this project will allow the PFIC to move forward with developing detailed plans for the construction of the 19th Street Cargo Redevelopment Project. The Owner City Approval schedule is below:

March 22 – Fort Worth City Council Work Session Briefing (via Informal Report)

March 29 – Fort Worth City Council Agenda Meeting

March 29 – Transportation and Infrastructure Committee of the Dallas City Council briefing.

April 13 – Dallas City Council Agenda Meeting

Should you have any questions, please contact John Samford, Fort Worth City Treasurer, at 817-392-2318 or John Ackerman, DFW Executive Vice President Global Strategy and Development, at 972-973-5227 or via email at jackerman@dfwairport.com

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City Manager