Insight Event: Challenges to Implementing Successful Land Use Strategies at Airports

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Dallas Fort Worth International Airport

"Economic Engine" of the Dallas-Fort Worth Region

Annual Economic Impact
$37 Billion

Jobs Supported
228,000

Annual Supported Payroll
$12.5 Billion
DFW Airport Overview

Jointly owned by the cities of Dallas and Fort Worth
Owner Cities / Commercial Development Task Force

Host Cities

Stakeholder participation (Owner Cities, Host Cities, Developers, Chambers, NCTCOG, NTC and others)
DFW: Commercial Development

Commercial Development opportunities play a key role in DFW’s future by sustaining operations and offsetting landing fees.

- **$45M Ground Lease revenue FY2018**
- **Hotel Revenues $52M revenue FY2018**
- **Natural Gas Royalties $2.4M revenue FY2017**

Developing DFW’s Commercial Landscape for Over 40 Years.
DFW Land Use Plan

DFW's Land Use Plan provides a framework and development strategy for the commercial uses of Airport property.

- The Land Use Plan is updated every five years and refreshed as needed.
- This market-based plan was developed in a collaborative process with input from Owner Cities, Host Cities, DFW stakeholders, external stakeholders, and the Airlines.

**Development Types**

- Cargo
- Warehouse
- Distribution
- Office
- Mixed Use
- Retail
- Hospitality
- Industrial

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Commercial Development

**Overview**

- Over 2,200 acres developed
- Over 22,000,000 sf of buildings
- 10M sf under construction or about to commence
- Built at 3rd party expense
Airport Connected Development

Time-Distance by Economic Sector

0 - 5 Minutes
5 - 10 Minutes
10 - 15 Minutes
15+ Minutes

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Development Districts

1. INTERNATIONAL COMMERCE PARK
2. 635 INDUSTRIAL
3. SOUTHGATE PLAZA
4. HOSPITALITY/RECREATION
5. NORTHWEST LOGISTICS
6. FOUNDERS’ PLAZA
7. WALNUT HILL INDUSTRIAL
8. 635 BUSINESS PARK
9. 121 WEST BUSINESS PARK
10. BELTLINE TOD
11. DESTINATION DISTRICT
12. AMERICAN AIRLINES CAMPUS
13. BEAR CREEK BUSINESS PARK
14. PASSPORT BUSINESS PARK
15. WEST/NORTHEAST AIR CARGO
16. 161 EAST BUSINESS PARK
International Commerce Park

- Approximately net 363 acres
- $5.3M in annual ground rent
- 19 buildings totaling 5,731,200 sf
- $329M in tenant investments
- Approximately 3,880 jobs

635 Industrial

- Approximately 160 net acres
- Completely leased as of January 2015
- Three buildings providing approximately 4.2 million sf
Amazon

Current Amazon facilities – DFW Airport

- Expanding e-commerce facilities and operations in North Texas
- Approximately 3.5 million sf on or adjacent to DFW Airport
- Fleet operations:
  - "Prime Air" B767-3F freighters
  - Contracted through ATSG and Atlas
  - Four flights per day expanding to six per day by end of year

Destination District

- No tax sharing agreement in place for this Development District
- Approximately 936 gross acres

Transform DFW Airport from a “facilitator” to a “driver” of regional tourism
Hospitality

- Hyatt Regency and Bear Creek Golf Course - $3.6M annual revenue to DFW Airport
- PFIC owned 298-room Grand Hyatt
- PFIC owned 137-room Hyatt Place
Southgate Plaza

- 32 acre mixed-use development
- PFIC owned 137-room Hyatt Place
- Home to 154,000 sf DFW Airport Headquarters building
- Planned 6,000 sf United States Postal Service facility

Hyatt House Hotel - Site Location
American Airlines Campus

- Approximately 268 acres
- AA Campus will house approximately 5,000 employees
- Maintains AA’s Headquarters in Fort Worth

Passport Business Park

- Approximately 600 acres
- 17 facilities in the lease pipeline (approximately 300 acres)
- Approximately six million sf of warehouse facilities
Passport Business Park
Drive Nation Sports Complex
Opened October 26, 2017

DFW Airport at Southgate Plaza
- $10.4M endeavor
- 16.2-acre development
- 93,000 sf campus
- 50-yard training turf
- 10,000 sf weight room
- 1,800 sf full-service kitchen
- Six basketball / 12 volleyball courts
- Two outdoor fields planned
- Sports performance training
- Player lounges
- Concessions

Passport Park:
A Mixed-Use Master Plan Positioned for Growth.
Cargo and logistics matter to DFW Airport and North Texas

Annual DFW Airport Economic Impact
(total economic impact = US$37 billion)

- Cargo activity 55.1%
- Other airport activity 44.1%

Source: The Perryman Group, Catalyst! The Role of Dallas/Fort Worth International Airport in the North Central Texas Regional Economy, September 2015

DFW Cargo: Redefining Logistics.
DFW Airport’s Foreign Trade Zone
On-Airport FTZ

- 2,400 acres on-Airport
  - Pre-designated as FTZ
  - Companies can simply activate with Customs
- 73 buildings, 20 million sf of warehouse space is FTZ-designated
- New industrial development underway
  - Can easily accommodate companies with FTZ designation

U.S. Foreign Trade Zones
Economic Benefits of FTZs

No duty on imports until they leave the FTZ for a domestic destination

No duty on items brought into FTZ and exported, as these items never enter Customs territory

Manufacturing FTZs can elect the lower of component part or finished product duty rate

No state and local personal property tax on imported inventory or domestic inventory held for export

Other logistical and process savings
DFW Airport’s Foreign Trade Zone
Off-Airport Company-Specific FTZs

- Alternative Site Framework (ASF) allows select FTZ Grantees expedited approval for company-specific FTZ designations within a Service Area
- Communities can agree to participate, forming the designated Service Area
- Easier, faster FTZ setup within Service Area
- DFW Service Area includes seven counties
  - 6,237 square miles
- DFW can still sponsor FTZs outside Service Area under “old” rules

Thank you