

RAYMOND E. BUCK

COMMERCIAL STANDARD BUILDING
FORT WORTH, TEXAS

March 10, 1949

Dear Amon:

Here is a brief statement of the Fort Worth Air Terminal, Inc. project which I prepared at the request of several who attended the meeting last Monday. I mailed out several copies. Everything is subject to change.

Sincerely,

Raymond E. Buck

Mr. Amon G. Carter
The Star-Telegram
Fort Worth, Texas

MAR 11 1949

FORT WORTH AIR TERMINAL, INC.

Fort Worth Air Terminal, Inc. will be the lessee/operator of the Greater Fort Worth International Airport located midway between Fort Worth and Dallas, Texas, comprising 1567 acres which is now being constructed with Municipal and Federal funds. First phase investment on site is approximately \$6,000,000. Ultimate expenditures in excess of \$11,000,000. Corporation's lease and operating rights extend over a 36-year term.

Facility is a Fort Worth airport but geographical location is such that it can serve entire Dallas-Fort Worth area with one stop service. American Airlines, Braniff and Delta have made contracts covering use of facility at stipulated schedule of fees and rates consistent with going rates at major airports which are subject to periodical and appropriate review over the lease term. American will soon let construction contract for its hanger and office building, approximate cost to it of \$1,000,000. Braniff and Delta contemplate appropriate investments on site. These three airlines already have approximately \$250,000. invested in airport land contributed to the airport. These investments, plus operating advantages, insure their maximum permissible use of facility and large income to operator. Feeder lines and private flyers will also use it.

Fort Worth ^{Air} Terminal, Inc. will operate and maintain the air terminal and receive all airline and nonairline revenues therefrom. Airlines build and maintain their own facilities. Terminal corporation will build terminal station building at an expense of approximately \$1,000,000. and acquire additional 223 acres of adjacent land, to be operated for revenue-producing concessions, on minimum cash rent and participation basis. Terminal building to be financed by real estate first mortgage on building and land, plus assignment of airport revenues with at least two Fort Worth banks participating to approximately 50% on 5-year basis, and major oil companies or insurance companies handling approximately 50% on 10- or 15-year basis. Interest rate approximately 4%.

On basis of Fort Worth air traffic and general nonairline use only, estimated revenues for first operating year from nonairline sources \$262,400.; airline \$93,600.; total \$356,000.; total expense before taxes \$333,620.; net revenue before taxes \$22,380. Fifth Operating year, nonairline revenue \$364,800.; airline \$97,500.; total \$462,300.; total expense before taxes \$318,855.; net revenue before taxes \$143,445. Tenth operating year, nonairline revenue

well

[Handwritten scribble]

for the
purpose

to be used

250,000

250,000

$\frac{1}{3}$ or $\frac{33\frac{1}{3}}{100}$

Including
amounts of bank loans

\$444,800.; airline \$101,500.; total \$546,300.; total expense before taxes \$323,155.; estimated net revenue before taxes \$223,145.

Expense calculations include amortization of loan for terminal building, construction and acquisition of 223 acres of land, maintenance and operation, management fees, interest and amortization of pre-operating expenses.

It appears that the building and land acquisition costs can be completely recovered from net earnings over 12 to 15 years, even with 4% cash dividend on stock after first four years. If facility should also serve a ~~substantial~~ part of Dallas air traffic, the revenue picture is very much brighter and the investment would ~~certainly be a profitable one.~~ Situation lends itself to that distinct possibility. Studies have been made by Airlines Terminal Corporation, airlines and accredited national analysts over a period of years and reports are available for examination showing detail of uses, revenues and expenses.

\$250,000. capital for Fort Worth Air Terminal, Inc. will be provided by Fort Worth citizens and institutions. Will be used as cash flow for operations. Corporation being incorporated under laws of Texas with common stock only. Substantial stockholders will have representation on Board of Directors. Air terminal will be operated by experienced manager and staff. Assistance in fiscal affairs will be had from leading Fort Worth financial institutions.

Ambridge Threlkeld
Source