

BUSINESS

MAX

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fuel than its predecessor. Boeing's stock soared thanks to strong demand for the jet. But with the Max grounded following two deadly crashes in five months, Boeing and the airlines that rely on its planes are scrambling to adjust, and the costs are mounting. Major airlines – including Southwest, American and United – have canceled thousands of flights. Boeing has slowed production of the Max and stopped deliveries, stockpiling the finished planes in Seattle. With no timetable for the return of the Max, Boeing is facing escalating bills, numerous legal threats and a crisis of confidence. “Having two crashes in rapid succession with no survivors is really unprecedented in modern aviation industry,” said Chesley Sulzenberger, the retired pilot who landed a jet in the Hudson River. “This is going to be a huge hit to Boeing. What they need to do now is to behave in a way that proves themselves worthy of the public’s trust.” An aerospace behemoth with more than 140,000 employees, Boeing has annual sales of some \$101 billion. It’s the largest manufacturing exporter in the United States and is the largest component of the Dow Jones industrial average. When Boeing does well,

it can lift the fortunes of U.S. industry and thousands of staff. But when the company hits turbulence, the effects quickly ripple across the globe. American Airlines, which operates 24 Max planes and has 76 more on order, canceled about 1,200 flights in March. With no sign the Max will be flying again anytime soon, American said it was extending cancellations through June 5. The airline also said it was lowering its estimated quarterly revenues, in part owing to the grounding of the Max. Boeing, which will report earnings this month, undoubtedly will take a financial hit this quarter – and most likely for the rest of the year. “Boeing revenue, profit and margins for 2019 are in jeopardy after the grounding of its 737 Max,” according to a report by Bloomberg Intelligence, which estimated that the cost of lawsuits and reimbursements could total \$1.9 billion in just six months. And while Boeing already has taken orders for more than 4,600 additional Max jets, representing the vast majority of its total backlog and billions of dollars in future sales, it may find new orders in short supply. On Tuesday, it said there were just 32 new orders for the jet in the first three months of the year, compared with 122 a year earlier. Boeing this week slowed



Ruth Fremson / New York Times

A Boeing airliner maneuvers at at Renton Municipal Airport in Washington state. The now-grounded 737 Max is the manufacturer’s flagship aircraft, and airlines are scrambling to replace it.

its production of 737 planes to 42 a month, from 52, with most of those being the Max model. “It is difficult to expect a 737 Max order at the upcoming Paris Air Show,” Noah Poponak, an analyst at Goldman Sachs, wrote in a recent note, referring to the annual event where many commercial airline deals are sealed. Already, some airlines are expressing reservations about continuing to fly the Max, including the national airlines of Indonesia and Ethiopia, the two countries where the Max crashed. Garuda Indonesia has

asked to cancel its order for 49 Max planes. And Ethiopian Airlines reportedly is reconsidering its order for 25 additional Max planes because of the “stigma” surrounding the aircraft. “We continue to assess the financial impact, including working capital, of our production decisions and pause in deliveries,” Boeing said in a statement. “The 737 Max return-to-service timeline, as well as future rate decisions, will influence the cash receipts profile, including both delivery and predelivery payments.” Boeing is likely to need to

compensate airlines for the cost of canceled flights, leasing replacement aircraft and higher fuel costs on less efficient planes needed to pick up slack for the grounded Maxes. “It is quite obvious that we will not take the cost,” Bjorn Kjos, the chief executive of Norwegian Air, which operates 18 Max jets, said in March. “We will send this bill to those who produced this aircraft.” Those costs could amount to about \$115 million a month for Boeing, or perhaps much more, J.P. Morgan analyst Seth Seifman said.

Richard Aboulafia, vice president for analysis at the Teal Group, an aviation consulting firm, said: “The company is big and incredibly profitable, but a billion or two here and there stings.” Meanwhile, it remains unclear when regulators will clear the planes to fly again. Boeing had been hoping to submit a software update to the Federal Aviation Administration soon, but last week said work on the fix had been delayed by several weeks. Once the new software is submitted, it must be approved by the FAA and oth-

ROUNDUP

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cream sandwich spot by **The Baked Bear** also may be headed to the outdoor shopping center soon, TDLR filings indicate. **Sol de Mexico**, a Mexican restaurant that opened at 1725 Blanco Road in February, is closed, Staff Writer Paul Stephen notes. **H&M** is opening a new store at Ingram Park Mall in San Antonio. It’s expected to open this fall, a news release says. Several new businesses are headed to Quarry Village. **Orangetheory Fitness** is opening a 1,725-square-foot studio this fall, their 10th in San Antonio, according to a spokesperson for Reata Real Estate. John Moake of Reata represented the tenant. **Sundance**, a luxury boutique selling clothing, accessories and home decorations, also is to open this fall. Don Thomas and Price Onken, both of Reata, represented the landlord. A medical spa and anti-



Carlos Javier Sanchez / Contributor

Workers get ready for the opening of Royal Blue Grocery, a chain based in Austin that’s opening its first San Antonio location downtown today.

aging clinic is moving in this summer. **Doll House Med-Spa** will offer hormone replacement therapy and other services. Thomas and Onken also represented the landlord. **Delia’s** is looking to open a San Antonio location, its first restaurant outside the Rio Grande Valley, Staff Writer Chuck Blount

reports. Work on the space at 13527 Hausman Pass is expected to be finished by year’s end, according to TDLR filings. **Julian’s Italian Pizzeria and Kitchen** plans to open its third location in mid-May, its staff members tell Blount. The shop will be located in a shopping center near the intersection of

Bulverde Road and Loop 1604. A new **Burlington** store may open this winter at The Rim shopping center, a TDLR filing shows. Work on the 34,585-square-foot store is expected to conclude in December. madison.iszler@express-news.net

ARGO

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Argo is a midsize player in a niche field of insuring complex or hard-to-price risks other insurers won’t touch. Argo paid Disney on a life insurance claim following Carrie Fisher’s death in late 2016. She was slated to reprise her role as Princess Leia in “Star Wars: Episode IX.” The Deal Pipeline, a transaction information service, in February speculated that it’s possible Voce wants the nearly \$2.5 billion insurer to sell itself – in light of a recent wave of mergers and acquisitions, and activism that have swept the industry. In its letter, Argo’s board said the company’s shareholder returns over the past year, three years and five years have exceeded those of its peer group and the S&P 500. The board accused Voce of running a “misleading media campaign” with “spurious allegations.” Voce has charged that Argo’s corporate assets are being “grossly misspent” to further Watson’s personal endeavors, including art collecting, architecture, auto racing, sailing competitions and travel. The board replied that the sponsorships are “effec-

tive marketing tools that provide exceptional client relationship-building opportunities at a modest cost.” All of the pieces of artwork Argo has purchased for its worldwide offices cost less than \$1 million combined, the board added.

As for Voce’s criticism of management’s use of corporate aircraft, the board said executives pay for their own flying expenses. The board said it has made efforts to meet with Voce’s nominees but has been rebuffed. “We have to believe that this reckless behavior is

simply Mr. Plants’ *modus operandi*, as evidenced by his conduct in previous campaigns,” the board said. A Voce spokesman didn’t immediately respond to a request for comment. Argo marks at least the 11th proxy fight for Voce. pdanner@express-news.net

Legal Notices

Legal Bids & Proposals Legals/Public Notices

PUBLIC NOTICE
REQUEST FOR PROPOSALS
NORTH EAST INDEPENDENT SCHOOL DISTRICT
2015-BOND JROTC RIFLE RANGE IMPROVEMENTS PROJECT (JOHNSON AND ROOSEVELT HIGH SCHOOL FACILITIES) (RFCSP) # 80-19

North East Independent School District will accept Competitive Sealed Proposals from interested General Contractors for the North East ISD 2015-Bond JROTC Rifle Range Improvements Project (Johnson and Roosevelt High School Facilities) RFCSP No. 80-19. Proposals will be received by the North East ISD Procurement Department, 8961 Tesoro Drive, Suite 317, San Antonio, TX 78217 on May 2, 2019 until 2:00 p.m. at which time proposals received shall be publicly opened and read aloud. Bid Proposals shall demonstrate the Offeror's ability to deliver the "best value" to North East ISD, in accordance with the selection criteria set forth in the RFCSP documents.

Contractors are invited to attend a Project Pre-Proposal Conference at the North East ISD Richard A. Middleton Education Center, 8961 Tesoro Drive, San Antonio, Texas, 78217 on Apr. 25, 2019 at 10 a.m. in Room 210. All persons desiring to submit a proposal are encouraged to attend this conference. Site visits to the Johnson and Roosevelt High School JROTC facilities can be arranged through the North East ISD Construction Management Dept. by contacting Jeffrey Hoffman via email at j.hoffm@neisd.net or by phone at 210.407.0438.

RFCSP documents may be obtained from the Project Architect, Garza Architects, 13526, Suite 102, San Antonio, TX 78230 beginning at noon on Apr. 15, 2019. Cost per bid set is \$0. Architect Point of Contact is Jose Castorena. Contact by phone at 210.271.3222 and via email jac@garzaarchitects.com.

The 2015-Bond JROTC Rifle Range Improvements Project (Johnson and Roosevelt High School Facilities) provides for construction of a new control room and installation of infrastructure for operation of the air rifle targeting system. The project includes a 3-month construction schedule and total construction budget of \$350,000. Bid Security representing five percent (5%) of the proposal cost must be furnished with contractor's bid proposal submission. Payment and Performance Bonds will be required of the successful General Contractor following Board of Trustees award of the Construction Contract in the amount of one-hundred percent (100%) of the final construction cost.

Proposal Documents may be viewed at iSqft, Austin and San Antonio AGC Plan Rooms, McGraw-Hill Dodge, Blue Book Building & Construction Network; Reed Construction Data; Virtual Builders Exchange, and the North East ISD website at: <https://www.neisd.net/Page/24166>.

NOTICE OF PUBLIC HEARING
The City of San Antonio City Council will hold a Public Hearing to begin at 2:00 P.M. on **May 2, 2019** in the City Council Chambers, Municipal Plaza Building, 114 West Commerce Street, to consider and take action on the following items:

ZONING CASE # Z-2019-10700048 (Council District 6): A request for a change in zoning from "R-6 MLOD-2 MLR-2 AHOD," Residential Single-Family Lackland Military Lighting Overlay Military Lighting Region 2 Airport Hazard Overlay District, "C-2 MLOD-2 MLR-2 AHOD," Commercial Lackland Military Lighting Overlay Military Lighting Region 2 Airport Hazard Overlay District and "C-3 MLOD-2 MLR-2 AHOD" General Commercial Lackland Military Lighting Overlay Military Lighting Region 2 Airport Hazard Overlay District to "TOD MLOD-2 MLR-2 AHOD" Transit Oriented Development Lackland Military Lighting Overlay Military Lighting Region 2 Airport Hazard Overlay District on 11.972 acres out of NCB 8644 generally located south of the intersection of Jones Maltsberger Road and Wurzbach Parkway.

ZONING CASE # Z-2019-10700044 (Council District 9): A request for a change in zoning from "C-2 AHOD" Commercial Airport Hazard Overlay District and "I-1 AHOD" General Industrial Airport Hazard Overlay District to "I-1 AHOD" General Industrial Airport Hazard Overlay District on 11.972 acres out of NCB 8644 generally located south of the intersection of Jones Maltsberger Road and Wurzbach Parkway.

Public Notice

Q&A

What makes newspapers the best source for public notice?

Newspapers are independent, credible, and can guarantee readership. Newspaper readers pay attention to what's going on in the community.

Newspapers are read both in print and online. So are the public notices we publish. And after they're published, we archive them. Forever.

Since 1836, Texans have relied on their newspapers to provide public notices. They still do...for lots of good reasons.

PUBLIC NOTICE

NOTICE OF PUBLIC HEARING ON AMENDMENT OF IMPACT FEES, INCLUDING UPDATES TO LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENTS PLANS AND THE MAXIMUM IMPACT FEES FOR WATER SUPPLY, WATER FLOW, WATER SYSTEM DEVELOPMENT, WASTEWATER TREATMENT AND WASTEWATER COLLECTION

May 16, 2019 • 9:00 a.m.
Municipal Plaza Building City Council Chambers
105 Main Plaza, San Antonio, Texas 78205

The purpose of the hearing is to consider the five (5) year updates to the land use assumptions, capital improvements plan, and the imposition of maximum impact fees for water supply, water flow, water system development, wastewater treatment and wastewater collection.

2019-2028 IMPACT FEES					
	Maximum	Proposed		Maximum	Proposed
Water Supply	\$ 3,322	\$ 2,706	Wastewater Collection		
Water Flow	\$ 1,188	\$ 1,188	Medio Creek	\$ 861	\$ 861
System Development			Upper Medina	\$ 1,422	\$ 1,422
High	\$ 1,203	\$ 1,203	Lower Medina	\$ 520	\$ 520
Middle	\$ 1,014	\$ 1,014	Upper Collection	\$ 2,800	\$ 2,800
Low	\$ 855	\$ 855	Middle Collection	\$ 2,013	\$ 2,013
Wastewater Treatment			Lower Collection	\$ 902	\$ 902
Medio Creek	\$ 1,222	\$ 1,222			
Dos Rios/Leon Creek	\$ 651	\$ 651			

Any member of the public has the right to appear at the hearing and present evidence for or against the update of the Land Use Assumptions, the Capital Improvements Plan or Maximum Impact Fees.

For information, please call the San Antonio Water System at 210-233-3286 or 210 233-3731. Copies of the reports have been filed with, and are available at, the City Clerk’s Office and can be viewed on the SAWS website at www.saws.org/business_center/developer/impactfees/.