

Public Funding and Financing

9:40 AM – 10:40 AM

MODERATOR



Lois Kramer

Chief Executive Officer
Kramer Aerotek, Inc.

SPEAKERS



Ken Warriner

Senior Director of Finance and
Administration
Naples Airport Authority



Michael Landguth

President & CEO
Raleigh-Durham
International Airport



Tatiana Starostina

Chief Financial Officer
Los Angeles World
Airports

Public Funding and Financing

LOIS KRAMER



Chief Executive Officer
Kramer Aerotek, Inc.



- The Panel - Introductions
- Airport Financial Toolbox
 - Federal grants – AIP, CARES, CRRSA, ACRGP, BIL
 - State and local grants
 - Airport funding - PFCs/CFCs
 - P3S – tenant leased/operated or developer
 - Bonds and other sources of debt
 - Net operating revenue
 - Alternative revenue-generating activities– FBOs, management of concessions, parking, and ground transportation; real estate and resource development; access fees
- Outlook and Opportunities

Public Funding and Financing

KEN WARRINER



Senior Director Finance
and Administration
Naples Airport Authority

- Self funding for projects/grant match – no debt
 - Invested \$60 million in assets last 10 years, \$20 million funded by FAA and state grants; no debt



- Rates and charges key for financial success – don't give things away
 - Landing fees by the gallon

Public Funding and Financing

- Operating the FBO – proprietary exclusive rights
 - No fuel flowage fee, instead airfield cost recovery model
 - FBO margin plus direct costs of FBO operations
 - FBO accounts for over 80% of our revenue



Public Funding and Financing

MICHAEL LANDGUTH



President and CEO
Raleigh-Durham Airport
Authority

- Airport infrastructure suffers from chronic underfunding
- Congress has not modernized one of the main funding mechanisms for airports in more than two decades. The Passenger Facility Charge (PFC)
- Modernizing the PFC cap would enable airports to fund projects that would provide concrete benefits for travelers
- Airports will need to become more innovative and entrepreneurial in developing new revenue streams

RDU Runway Preservation Program

Play
Here

Public Funding and Financing

TATIANA STAROSTINA



Chief Financial Officer
Los Angeles World
Airports/LAX

- Future airport improvements will be funded with debt
- Airports are investing in terminal infrastructure that will cost more than airfield due to AMT Penalty
- Airline Costs per Enplaned Passenger will increase significantly to pay additional debt service
- A PFC increase will help both airports and airlines
- Airports need longer term financing to match useful life of new assets

Existing Capital Improvement Plan: Phase I CIP

Major Terminal Programs Are Being Delivered

International West Gates at Tom Bradley Concourse

- Completed and opened in May 2021

Delta Air Lines Terminal 2 and 3 Modernization

- Delta Sky Way terminal modernization project has been accelerated and is estimated to be 18 months ahead of schedule
- Expected to open in mid-2023, instead of late 2024 as initially planned

Terminal 1

- Completed and opened in May 2022

Terminal 4 Improvement Project - American Airlines

- The Terminal Vertical Core 4.5 construction is on schedule to achieve opening in October 2022
- \$2.18 Definitive Terminal Improvement Plan (DTIP) appropriated in July 2021
- T4 headhouse is expected to be completed in 2027 with concourse completion in early 2028

Terminal 6 - Alaska Airlines

- Enabling work completed in December 2020, redevelopment program started in March 2021 with completion expected in FY 2024

Major Landside Projects Are Well-Underway

ConRAC

- Last pour of 233,000 cubic yards of concrete took place July 12, 2021
- Expected to open Q2 of calendar year 2023

APM

- APM guideway is approximately 90% complete; however, the project is experiencing delays of at least 157 days
- LAWA and LINKS are engaged in the claim resolution process
- Expected to open Q1 of calendar year 2024

Consolidated Rent-A-Car (ConRAC) Facility

ITF - West

- Opened and operational in October 2021

Intermodal Transportation Facility (ITF) - West

Automated People Mover (APM)

Phase II: Airfield and Terminal Modernization Project

- **Makes up about 70% of Phase-Two CIP program and includes: Concourse 0**

Easterly extension of Terminal 1
Full-service international processing capabilities
Features 11 gates (9 new)
Connects to Automated People Mover system

Terminal 9

12 new gates
Connects to Automated People
Will provide full-service international processing capabilities

- **Elevated roadway system to separate airport traffic from local traffic**

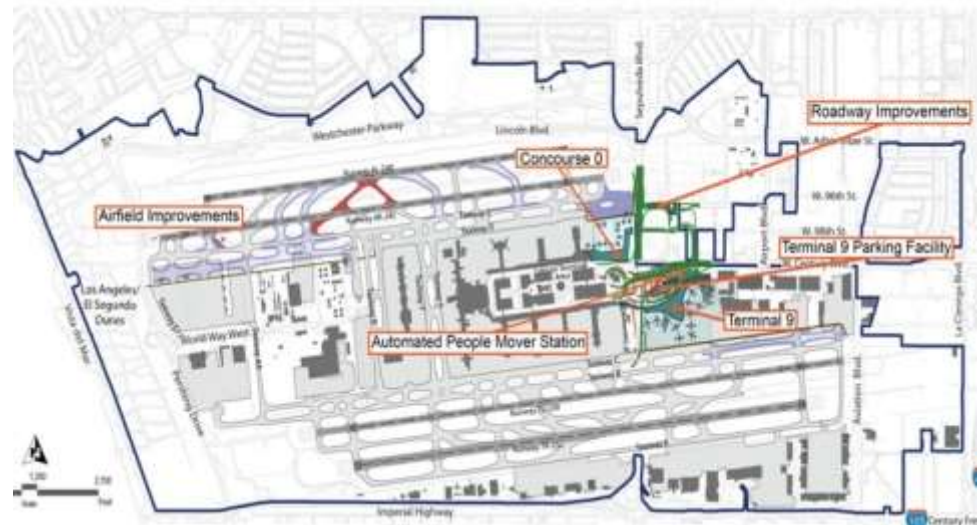
Scheduled to complete by 2028

Airfield Enhancements

Reconfiguration of taxiways and runways to meet FAA standards Improves pilot visibility

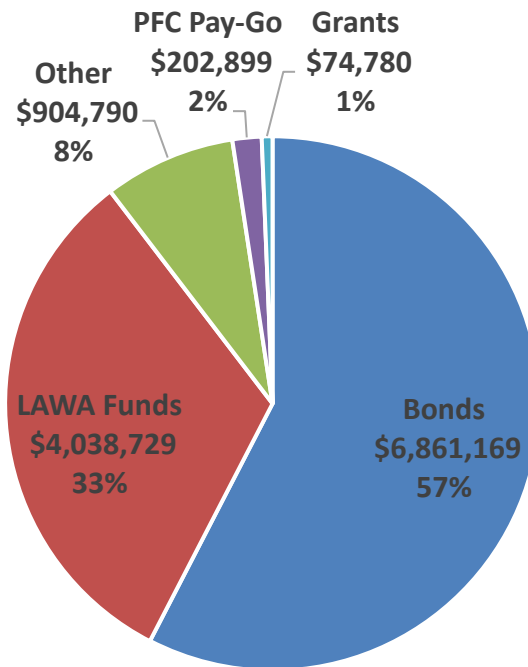
- **Project Objective:**

ATMP aims to improve passenger experience by smoothing the transition between international and domestic flights, reducing busing needed from remote gates, providing more options for seating, concessions and retail, and reducing traffic congestion outside of the LAX terminals.

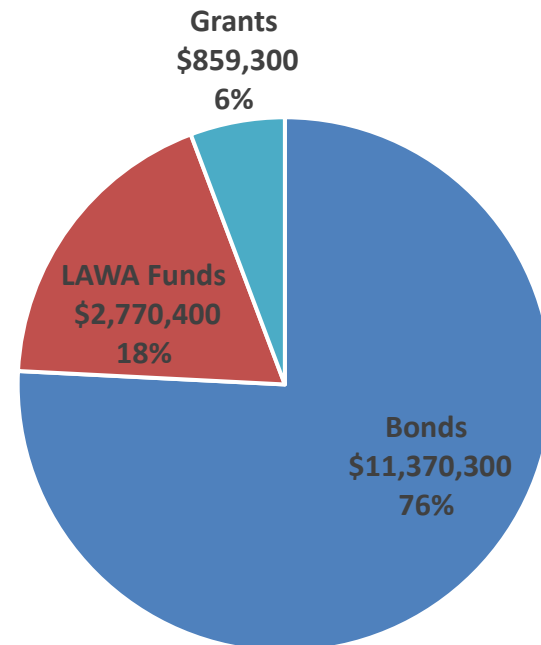


Phase II CIP Preliminary Funding Plan Is Mostly Debt Funded

Phase I CIP (2018-2026):
\$12.1 billion*



Phase II CIP (2023-2029):
\$15.0 billion



* Not including completed projects and P3 developers' funds.