Fort Lauderdale-Hollywood International Airport
Master Plan Preferred Alternative Update

BOCC Briefing

January 22, 2008

Master Plan Update
Fort Lauderdale-Hollywood International Airport

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Master Plan Update Agenda

1. Master Plan Drivers
2. Current Alternatives analysis
3. Financial Overview
   - Guiding principles
   - Construction phasing
   - Traffic forecasts
   - Construction costs
   - Funding sources
   - Key assumptions
   - Financial impact (CPE)
Master Plan Drivers

- **2006 TAF Activity Forecast**
  - FAA forecast released February 2006

- **2007 Activity**
  - Current activity exceeds 2006 TAF

- **Planning activity levels and triggers**
  - Forecast enplanements
  - Airline specific requirements – terminal specific

- **Facility requirements analysis and utilization rates**
  - Derivative program analysis
  - Gate utilization

- **Givens**
  - Proposed South Runway extension per County policies
  - Runway 13/31 decommissioned
  - Concourse A
  - Program to provide for T4 expansion
Existing Conditions

**AIRPORT PROFILE**

*Passenger Terminal Complex*
- 57 air carrier gates
- 11,579 structured parking stalls

*Airfield Operations Area*
- 9,001 North Runway 9L-27R
- 6,928 Crosswind Runway 13-31
- 5,276 South Runway

*Activity in 2007 (estimated)*
- 11.1 million enplanements
- 305,000 aircraft operations
Alternatives Analysis

Flexibility

Efficiency

Financial impact

- Terminal configuration
- Gate Count
- Airside considerations
- Concessions
- Curbside
- Parking
- Baggage systems
- Overall land use
- Phasing Triggers
Master Plan Overview

Existing Land Use Plan

[Diagram showing the existing land use plan with various color-coded areas for different uses such as Terminal Area, Existing Cargo, Proposed Cargo, Aircraft Operations, Existing Airport Support, Proposed Airport Support, Airline Support, Proposed Airline Maintenance, Aviation Related Aeronautical, Aviation Related Non-Aeronautical, Existing General Aviation, Proposed General Aviation, Landscape, Non-Aviation, BCAD Owned Property, County Owned Property, Public Parking Overflow, RPZ - Runway Protection Zone]
Proposed Land Use Plan
Additive Alternative Plans

Additive Alternate – Long Term

[Diagram of airport layout with various terminals, garages, and gates labeled, including 79 gates. The diagram includes legends for demolition and site prep, construction, new structure, temporary curbside, renovation, departures level construction, new departures level road, arrivals level construction, new arrivals level road, and 2 level roadway construction.]
Additive Alternative

Additive Alternate – Phasing Options

57 GATES

61 GATES

64 GATES

68 GATES

68 GATES

70 GATES

70 GATES

73 GATES

79 GATES
Redevelopment Alternate – Long Term
Redevelopment Alternative Plans

Redevelopment Alternate – Alternative Long Term Development

79 GATES

- Demolition and Site Prep
- Construction
- New Structure
- Temporary Curbside
- Renovation
- Departures Level Construction
- New Departures Level Road
- Arrivals Level Construction
- New Arrivals Level Road
- 2 Level Roadway Construction
Redevelopment Alternative – Phasing Options
Phasing Plans

Phasing – Near Term – Additive and Redevelopment Alternatives
Guiding Principles

1. Maximize flexibility
   - Facility improvements are “demand driven”
   - Additive vs. Redevelopment decision not needed right now

2. Maximize efficiency
   - Maximize utilization of existing facilities through common use systems and nonexclusive terminal leasing procedures

3. Maintain existing infrastructure through proactive renewal and replacement (R&R)

4. Maintain competitive cost structure and rates
   - Maximize Federal and State grants
   - Maximize PFC revenues
   - Maximize nonairline revenues
   - Minimize debt costs with utilization of commercial paper, line of credit for LOI, etc. for efficient financing when possible
2005 TAF was significantly higher (4.6% through 2010, then 3.8% each year after)

2006 TAF used for Master Plan published in December 2006 (2.9% per year)

2007 TAF uses a base year (FY2007) of 10.4M e.p. vs. actual of 11.2M, therefore we used...

“Adjusted 2006 TAF” based on FY2007 actual traffic increased at 2007 TAF growth rate (2.9% per year) for financial projections
Construction Costs

- CIP estimates include soft costs and contingencies
- Construction cost allowances for Master Plan
  - Soft costs at 25% of construction cost
  - Construction costs include construction contingency
  - Master Plan design contingency of 10% of construction cost plus soft costs
- Renovation costs included for existing, aging facilities
- Construction cost escalation
  - 5% per year through 2012
  - 3.5% per year thereafter
Construction Cost Escalation Trends

Nationally, the increase in the Building Cost Index (BCI) has averaged 3.0% per year over the past 16 years (1991-2007) and 2.9% per the Atlanta Region. This rate increased dramatically in 2004 with the hurricane events, but has since settled back down to the 3% range.

Therefore, we think we are being conservative in our escalation assumptions:

- 5% per year through 2012
- 3.5% per year thereafter

Source: Engineering News Record (ENR), Building Cost Index (BCI) for U.S. as a whole and the Atlanta region.
U.S. Airport Capital Funding Sources

- **Airport Improvement Program (AIP) grants from FAA**
  - Entitlement (passenger and cargo)
  - Discretionary (Letters of Intent and other)
  - Noise set-aside

- **Passenger Facility Charges (PFCs)**

- **Internal cash flow (e.g., Improvement Account, R&R Fund)**

- **Bond Proceeds (including PFC-backed)**

- **State (e.g., FDOT) grants**

- **TSA (for security infrastructure costs)**

U.S. 5-year Average 2000-2004

- AIP, 21%
- PFCs, 11%
- Bonds, 58%
- Internal, 10%

Sources: FAA, U.S. Treasury, Thomson Financial Securities Data, ACI-NA.
BCAD Funding Source Assumptions

- **AIP grants**
  - For runway, assumed $200 million LOI and 10-year term
  - For noise, assumed $68 million AIP funding and balance funded with PFC revenues
  - No other future AIP (entitlement or discretionary)

- **PFC Revenues**
  - PFC level increases from $4.50 to $6.00 PFC in FY2010
  - Noise Mitigation Bank – $1.50 PFC dedicated to noise mitigation (paygo and bonds) with spillover to Master Plan
  - 2004 L Bonds redirected to existing CIP projects (e.g., Concourse A; upon Board & IRS approval)
  - PFC eligibility for Master Plan terminal costs = 70%
  - PFC paygo and PFC-backed bond capacity maxed

- **FDOT** – assumed $9 million per year

- **TSA funding for security infrastructure (e.g., inline baggage)**

- **FY 2007-12 CIP – BCAD assumptions** (except redirection of 2004 L Bonds)

- **Airport System Revenue (ASR) Bonds** fund balance of project costs
Short-Term CIP and Master Plan Funding FY2007-2017 (future $)

**Funding Sources**

- ASR Bonds 45%
- Existing Bonds 6%
- PFC Bond 12%
- PFC Paygo 10%
- AIP LOI 11%
- AIP Other 6%
- BCAD 6%
- FDOT 3%

**Total Costs (billions $)**

<p>| | |</p>
<table>
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<tr>
<td>CIP</td>
<td>$1.76</td>
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<tr>
<td>Master Plan</td>
<td>$0.11</td>
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<td><strong>Total</strong></td>
<td>$1.87</td>
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Note: No County General Fund dollars are included in the capital funding plan
CIP Cost Comparison to Other Large-Hub and Florida Airports

CIP for Various Large Hub and Florida Airports

Billions $

Source: Compiled by Jacobs Consultancy.

Note: Periods covered by CIPs vary by airport as shown on page 25.
The following airports are in the process of refining or formulating large capital programs which costs may not be reflected above: SAN, HNL, LAX, PHL.

Sources: Published reports, including official statements, rating agency reports, and other airport disclosures.
Debt Per Enplaned Passenger For Large-Hub Airports (2006)

Source: Federal Aviation Administration, Form 127.
Base Case Key Financial Assumptions

Project Cost Assumptions

- 2006 Adjusted TAF traffic forecast
- Master Plan project design contingency of 10%
- Renovation costs included in Master Plan budget
- High gate utilization/low gate build-out
- Construction cost escalation at 5% per year through 2012 then 3.5% per year
- Runway construction starts in 2009 and opens in 2014

Funding Assumptions

- $270M in noise mitigation costs, including $68M in AIP grants
- LOI = $200M, 10-year term, 5% variable rate interest cost
- $6 PFC begins in FY2010
- Some PFC bonds for runway
- PFC eligibility for Master Plan terminal costs = 70%
- ASR bond interest rate of 5.5% (blended average of fixed/variable rate), 30 years

Operating Assumptions

- Incremental O&M allowances
- Base O&M expenses increase at 4% per year from FY 2008 budget
- Parking rate increase of $1 every 5 years
- Ratemaking procedures under current agreement, subject to negotiations
- $20M per year spent for R&R through 2012, then reduced to $10M per year (expensed in each year through rate base)
Comparative Current and Projected CPE for Large Hubs

Notes: Several airports are in the process of developing major capital programs, including SLC MCO, HNL, LAX, SAN and future CPEs have not been disclosed.

Current CPE is for 2006. Future CPEs are in different years depending on the year the CIP is expected to be complete. FLL future CPE is for 2017.

Sources: Published prospective reports, including official statements, rating reports, and airport disclosures.
## FAA Airport Codes for Large-Hub Airports

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<thead>
<tr>
<th>Rank</th>
<th>Lcod</th>
<th>City</th>
<th>State</th>
<th>Airport Name</th>
<th>CY 06 Boardings</th>
<th>CY 05 Boardings</th>
<th>% Change</th>
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<td>1</td>
<td>ATL</td>
<td>Atlanta</td>
<td>GA</td>
<td>Hartsfield - Jackson Atlanta International</td>
<td>41,352,036</td>
<td>42,402,653</td>
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<td>ORD</td>
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<td>TX</td>
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<td>26,079,147</td>
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<td>CO</td>
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<td>21,402,676</td>
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<td>CLT</td>
<td>Charlotte</td>
<td>NC</td>
<td>Charlotte/Douglas International</td>
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<td>14,009,608</td>
<td>5.28%</td>
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<td>Seattle</td>
<td>WA</td>
<td>Seattle-Tacoma International</td>
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<td>14,359,530</td>
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<td>BOS</td>
<td>Boston</td>
<td>MA</td>
<td>General Edward Lawrence Logan International</td>
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<td>NY</td>
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<td>Dulles</td>
<td>VA</td>
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<td>CA</td>
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<td>KY</td>
<td>Cincinnati/Northern Kentucky International</td>
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