



Master Plan Update Financial Implementation Analysis

PREPARED FOR:

Friedman Memorial Airport Authority

PREPARED BY:

RICONDO & ASSOCIATES, INC.

IN ASSOCIATION WITH:

Mead & Hunt, Inc.



RICONDO
& ASSOCIATES

May 19, 2016 | DRAFT

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MEMORANDUM

VIA EMAIL

Date: May 19, 2016

To: Mr. Rick Baird, Airport Manager
Friedman Memorial Airport

From: GEOFFREY A. WHEELER, SENIOR VICE PRESIDENT

A handwritten signature in black ink, appearing to read "Geoffrey A. Wheeler", is written over the printed name.

Subject: SUN MASTER PLAN UPDATE – FINANCIAL IMPLEMENTATION ANALYSIS

Attached for your review and use are the following Tables depicting key elements of the SUN Master Plan Update – Financial Implementation Analysis:

1. Financial Implementation Analysis Assumptions
2. Existing Airport Scenario Capital Improvement Plan (CIP) – Costs and Funding
3. Existing Airport Scenario – Annual Funding and Cash Flow
4. Replacement Airport Scenario Capital Improvement Plan (CIP) – Costs and Funding
5. Replacement Airport Scenario – Annual Funding and Cash Flow

Below are descriptions for each and corresponding assumptions and conclusions for your information and consideration:

Table 1. Financial Implementation Analysis Assumptions

Included in this Table are key assumptions and metrics related to SUN activity levels, operating revenues, operating expenses, Federal Aviation Administration (FAA) capital improvement plan funding levels, anticipated Passenger Facility Charge (PFC) fee levels, private investment as well as rental car/customer facility charge (CFC) revenue investment in the two plans.

Table 2. Existing Airport Scenario Capital Improvement Plan (CIP) – Costs and Funding

This Table provides project costs and anticipated funding sources for the Existing Airport Scenario CIP for the short-term, mid-term, and long-term planning horizons. Each project is analyzed based upon its total cost; estimated eligible funding sources (i.e. FAA AIP, PFC, and Local Funds); and use of FAA Entitlement and/or Discretionary funds. The following summarizes the costs and funding allocations for the proposed 20-year CIP for this scenario:

- Total Plan Cost is \$47.8 million comprised of \$31.8 million FAA (\$18.5M entitlement and \$13.3M discretionary); \$0.85 million PFC; and \$15.2 million Authority



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- The FAA Airport Improvement Program (AIP) funding share for this scenario is 93.75%
- \$1.0 million AIP entitlements/year are allocated by FAA throughout the plan
- \$850,000 in AIP Entitlement carryover funding is available for use for FY2017 projects
- Current PFC applications (09/10) commit all collections through FY2024. PFC revenue generated between FY2024-2034 can be used for Pay-as-you-go projects during this period and to pay back the Authority for projects in FY2017-2023 timeframe (see projects with “*”)
- The Terminal ATO/Ticketing Renovation and Expansion Project (\$1.2 million) programmed for completion in FY2018 assumes 100 percent local funding. It is expected that approximately 30 percent of this amount is eligible to be reimbursed through PFC collections in future years. PFC funding is not available to support this project in FY2018 because this revenue stream is committed to the Authority's Applications 09 and 10
- The Authority collects sufficient PFC revenue to fund all eligible projects within the proposed CIP based upon the SUN Master Plan passenger enplanement forecast. While the Authority will need to initially allocate its funds as the local match for some FAA AIP projects, the anticipated PFC revenue to be generated during this period more than offsets local grant matching requirements and will allow the Authority to recoup these initial allocations and reimburse its Reserve Fund
- The following projects are to be funded 100 percent with local funds as they are ineligible for FAA AIP grants:
 - Construct New Surface Parking Lot, Alt 2 (107 spaces) – 2017
 - Construct New Surface Parking Lot, Alt 3 Phase 1 (286 spaces) – 2022
 - Acquire Land Auto Parking – 2022
 - Construct New Surface Parking Lot, Alt 3 Phase 2 (125 spaces) – 2030
 - Construct Parking Structure (net increase 150 spaces) – 2034

These projects total \$12.8 million representing 83 percent of the Authority's anticipated total capital outlay expected as the result of this planning effort with the Parking Structure comprising \$10.0 million of this total.

Table 3. Existing Airport Scenario – Annual Funding and Cash Flow

A cash flow analysis for the period FY2017-2034 is presented in this spreadsheet. It includes forecasts of: airline revenue, non-airline revenue, other revenue, operating expenses, and net operating revenue anticipated for the Authority during this period. PFC reimbursements being generated through the Authority's current applications (09/10) as well as those anticipated to be generated through a subsequent application(s) for projects included in this plan are also presented. CIP expenditures described in Table 2 are also factored into the forecasts to yield a projected annual ending balance for



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the Authority. Supplementing these data is a summary of AIP Grants, application of PFC funds, and allocations from Local Funds.

Based upon the assumptions utilized to generate this cash flow analysis as well as our understanding of the anticipated projects and corresponding eligibility for AIP and PFC funding, it is projected that the Authority will produce positive cash flows until FY2034 when construction of the automobile Parking Structure is proposed to be undertaken.

Table 4. Replacement Airport Scenario Capital Improvement Plan (CIP) – Costs and Funding

This Table provides project costs and anticipated funding sources for the Replacement Airport Scenario CIP. The following summarizes the costs and funding allocations for the proposed 20-year CIP for this scenario:

- Total Plan Cost is \$337.9 million comprised of \$113.8 million FAA (\$18.9M entitlement and \$95.0M discretionary); \$5.0 million PFC; \$136.1 million Authority; \$80.0 million 3rd Party; and \$3.0 million CFC/Rental Cars. The 3rd Party and CFC/Rental Car funding is to be used in association with the Replacement Airport Project
- It is assumed that the following projects for the existing Airport will need to be completed during the period FY2017-2021:
 - Expand Commercial Apron
 - Construct Air Traffic Control Tower
 - Rehabilitate Runway
 - Terminal ATO/Ticketing Renovation & Expansion
 - Acquire ARFF Equipment
 - Acquire SRE Equipment

Projects not recommended for funding during this timeframe are listed for reference purposes

- Projects associated with the Replacement Airport Project commence in FY2022 with occupancy occurring in FY2034
- The Replacement Airport Project is assumed to cost \$322 million consisting of \$100 million FAA (\$13.0M entitlement and \$87.0M discretionary); \$4.8 million PFC; \$134.0 million Authority; \$80.0 million 3rd Party; and \$3.0 million CFC/Rental Cars
- The Airport Authority will multi-year its AIP entitlements for the following periods: FY2022-2024 (\$3.0 million); FY2025-2028 (\$4.0 million) and FY2029-2034 (\$6.0 million) for the Replacement Airport
- The FAA will allocate \$87.0 million in AIP Discretionary Funds for the Replacement Airport for a total investment of \$100.0 million
- FAA funding is dedicated solely to airfield work and control tower/Navaid construction



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Table 5. Replacement Airport Scenario – Annual Funding and Cash Flow

A cash flow analysis for the period FY2017-2034 is presented in this spreadsheet. Like Table 3, it includes forecasts of: airline, non-airline, other revenue, operating expenses, and net operating revenue anticipated for the Authority during this period and considers the assumptions from Table 4.

Based upon the assumptions utilized to generate this cash flow analysis, our understanding of the anticipated projects and corresponding eligibility for AIP and PFC funding, it is projected that the a local funding shortfall of \$127.6 million exists for this scenario.

Please advise if you should have any questions or require clarification of the data and analysis contained in these Tables. Thank you in advance for your time and consideration.

ENCLOSURES

cc: 16070919 01 1170
Bryan Elliot, R&A
Jason Apt, R&A
Evan Barrett, M&H
Mark McFarland, M&H
Dave Mitchell, T-O Engineers
Read File

Table 1: Financial Implementation Analysis Assumptions (1 of 3)

ASSUMPTION	FACTOR	DESCRIPTION
GENERAL ASSUMPTIONS		
Projection period	FY 2017 - FY 2034	
Existing Airport Scenario		The existing airport will continue to be operated, maintained, and improved to meet applicable standards and demand requirements through the projection period
Replacement Airport Scenario		Critical maintenance and improvement projects will be undertaken at the existing airport, while construction of the a replacement airport begins in FY 2022 and ends in FY 2034 (DBO FY 2035)
Budget		Projections of revenues and expenses are generally based on the Authority's FY 2016 budget (using FY 2016 as the base year)
Inflation	3.0%	CPI
Airline CPE Increase	3.0%	To Result in 3.0% Real Annual Increase for Rent and Landing Fee; consistent with previous analysis
Activity Growth		
Enplaned Passengers	3.48%	2014 Master Plan, Chapter B
Total Operations	1.40%	2014 Master Plan, Chapter B
AIRLINE REVENUE		
Airline rented space (existing)	3,170 s.f.	Current airline rented area
Airline rented space (future)	4,227 s.f.	Airline lease space increases by 1/3 in FY 2019 following completion of the Terminal ATO/Ticketing Renovation & Expansion project
Airline landed weight	1.40%	Annual aircraft operations growth
Terminal rental rate		Assumed rate schedule from FY17-FY20 in accordance with new airline agreement. Starting in FY21, rental rates increase by a combination of CPI + 3% CPE increase every two years
Landing fees		Landing fees increase by a combination of CPI + 3% CPE increase every two years
Gate fees		Gate fees increase by a combination of CPI + 3% CPE increase every two years
Utility fees (annual growth)	4.00%	R&A Assumptions, consistent with previous analyses
NONAIRLINE REVENUE		
Automobile Rental		
Commission	4.98%	Enplaned passenger growth + 1/2 inflation
Counter	3.0%	Inflation
Parking	3.48%	Enplaned passenger growth
Utilities	4.00%	Utility expense growth rate
Auto Parking	3.48%	Enplaned passenger growth; assumes revenues increase as demand increases, but parking rates do not increase
Terminal Concession Revenue		
Advertising Commission	4.98%	Enplaned passenger growth + 1/2 inflation; under Existing Airport scenario, revenue bumps of 5% occur in FY27 and FY34 following completion of concourse expansion projects that would result in added advertising space
Vending Machines Commission	4.98%	Enplaned passenger growth + 1/2 inflation
FBO Revenue		
Lease Space	3.0%	Inflation, based on Authority's lease log for FBO facilities
Tiedown Fees	1.40%	Annual aircraft operations growth
Landing Fees - Transient	1.40%	Annual aircraft operations growth
Commission	3.0%	Inflation

Table 1: Financial Implementation Analysis Assumptions (2 of 3)

ASSUMPTION	FACTOR	DESCRIPTION
<u>Fuel Flowage Fees</u>		
Fuel sold	1.40%	Annual aircraft operations growth
Fuel flowage fee - Jet A	12.00%	Historical rate held constant through projection period
Fuel flowage fee - AvGas	10.00%	Historical rate held constant through projection period
		Inflation; for both scenarios, \$9,000 is added to each of FY18 and FY19 to account for additional planned hangar units (3,600 s.f. at \$2.50/s.f.); in the Existing Airport scenario, \$75,000 is added to FY23 following completion of the New GA Hangar Site project -- total new area = 60,000 s.f., assumes half is developed as hangar space at \$2.50/s.f.
Hangars	3.0%	
Postal Carrier	3.0%	Inflation
Ground Transportation Permits	4.98%	Enplaned passenger growth + 1/2 inflation
TSA	3.0%	Inflation
<u>OTHER REVENUE</u>		
Miscellaneous/Other Revenue	3.0%	Inflation
Interest Income	\$3.080	FY 2016 budget value held constant through projection period
<u>OPERATING EXPENSES</u>		
<u>Operating Expense Growth</u>		R&A Assumptions, consistent with previous analysis
Employee wages, benefits and taxes	3.00%	
Supplies	3.00%	
Utilities	4.00%	
Services and Contracts	3.00%	
Repairs and Maintenance	2.00%	
Insurance	3.00%	
Other Operating Expenses	2.00%	
Miscellaneous Capital Expenditures	1.00%	
Replacement Airport	1.00%	

Table 1: Financial Implementation Analysis Assumptions (3 of 3)

ASSUMPTION	FACTOR	DESCRIPTION
FUNDING SOURCES		
<u>Passenger Facility Charges (PFCs)</u>		
PFC level per eligible enplaned passenger	\$4.50	Projects identified on the current PFC Applications 09 and 10 have been funded by the Authority and PFC revenues are being used to reimburse the Authority for these costs
Percent eligible enplaned passengers	92%	
PFC reimbursement		
FY 2017 beginning PFC fund balance	\$159,109	Estimated by taking the current PFC fund balance through May 2, 2016 and adding projected revenues to be collected through the remainder of FY 2016
<u>Airport Improvement Program (AIP) Grants</u>		
Annual entitlement grants	\$1 million	Minimum annual entitlement funds for nonhub airports
Discretionary grants		Generally assumed to cover the difference between the federal AIP share and the amount able to be funded with entitlement funds
General AIP federal share	93.75%	Maximum federal share for nonhub airports in Idaho
Third-party/private investment		In the Replacement Airport scenario, it is assumed that third-party/ private investment will be used to fund general aviation and FBO facilities at the replacement airport
Funding for rental car-related projects		In the Replacement Airport scenario, it is assumed that customer facility charges and/or rent payments from rental car agencies will be used to fund all rental car facilities at the replacement airport
<hr/> SOURCE: Ricondo & Associates, Inc., May 2016, based on information provided by the Friedman Memorial Airport Authority and Mead & Hunt, Inc. PREPARED BY: Ricondo & Associates, Inc., May 2016.		

Table 2: Existing Airport Scenario CIP - Costs and Funding

Fiscal Year's Ending September 30

COMPLETION YEAR	ESTIMATED COST	ESTIMATED FUNDING SOURCES			AIP FUNDING SOURCES			
		AIP	PFC	LOCAL FUNDS	TOTAL AIP	ENTITLEMENT	DISCRETIONARY	
SHORT-TERM CIP (2017-2018)								
2017	\$ 181,000	\$ 169,688	\$	\$ 11,313	\$ 169,688	\$ 169,688	\$	
2017	\$ 1,639,000	\$ 1,536,563	\$	\$ 102,438	\$ 1,536,563	\$ 1,492,813	\$ 43,750	
2018	\$ 200,000	\$ 187,500	\$	\$ 12,500	\$ 187,500	\$ 187,500	\$	
2018	\$ 1,200,000	\$	\$	\$ 1,200,000	\$	\$	\$	
2018	\$ 670,000	\$ 414,375	\$	\$ 27,625	\$ 414,375	\$ 414,375	\$	
2018	\$ 600,000	\$ 562,500	\$	\$ 37,500	\$ 562,500	\$ 562,500	\$	
2018	\$ 4,932,000	\$ 2,870,625	\$	\$ 2,061,375	\$ 2,870,625	\$ 2,826,875	\$ 43,750	
Subtotal Short Term CIP								
MID-TERM CIP (2019-2024)								
2019	\$ 2,769,000	\$ 2,595,938	\$	\$ 173,063	\$ 2,595,938	\$ 812,188	\$ 1,783,750	
2019	\$ 225,000	\$ 210,938	\$	\$ 14,063	\$ 210,938	\$ 210,938	\$	
2020	\$ 700,000	\$ 656,250	\$	\$ 43,750	\$ 656,250	\$ 656,250	\$	
2021	\$ 2,311,000	\$ 716,750	\$	\$ 1,444,388	\$ 716,750	\$ 1,343,750	\$ 822,813	
2021	\$ 500,000	\$ 468,750	\$	\$ 31,250	\$ 468,750	\$ 468,750	\$	
2022	\$ 1,344,000	\$ 1,072,500	\$	\$ 71,500	\$ 1,072,500	\$ 1,072,500	\$	
2022	\$ 6,600,000	\$ 6,187,500	\$	\$ 412,500	\$ 6,187,500	\$ 1,000,000	\$ 5,187,500	
2022	\$ 761,000	\$	\$	\$ 761,000	\$	\$	\$	
2022	\$ 500,000	\$ 468,750	\$	\$ 31,250	\$ 468,750	\$ 468,750	\$	
2022	\$ 900,000	\$	\$	\$ 900,000	\$	\$	\$	
2023	\$ 1,788,000	\$ 1,676,250	\$	\$ 111,750	\$ 1,676,250	\$ 437,500	\$ 1,238,750	
2023	\$ 100,000	\$ 93,750	\$	\$ 6,250	\$ 93,750	\$ 93,750	\$	
2023	\$ 500,000	\$ 468,750	\$	\$ 31,250	\$ 468,750	\$ 468,750	\$	
2024	\$ 168,000	\$ 157,500	\$	\$ 10,500	\$ 157,500	\$ 157,500	\$	
2024	\$ 500,000	\$ 468,750	\$	\$ 31,250	\$ 468,750	\$ 468,750	\$	
2024	\$ 19,466,000	\$ 16,692,188	\$	\$ 41,750	\$ 16,692,188	\$ 5,649,375	\$ 11,042,813	
Subtotal Mid Term CIP								
LONG-TERM CIP (2025-2034)								
2025	\$ 800,000	\$ 750,000	\$	\$ 50,000	\$ 750,000	\$ 750,000	\$	
2026	\$ 1,000,000	\$ 937,500	\$	\$ 62,500	\$ 937,500	\$ 937,500	\$	
2027	\$ 3,200,000	\$ 3,000,000	\$	\$ 200,000	\$ 3,000,000	\$ 1,686,250	\$ 1,313,750	
2028	\$ 2,000,000	\$ 1,875,000	\$	\$ 125,000	\$ 1,875,000	\$ 1,000,000	\$ 875,000	
2030	\$ 444,000	\$	\$	\$ 444,000	\$	\$	\$	
2033	\$ 6,000,000	\$ 5,625,000	\$	\$ 375,000	\$ 5,625,000	\$ 5,625,000	\$	
2034	\$ 10,000,000	\$	\$	\$ 10,000,000	\$	\$	\$	
2034	\$ 23,444,000	\$ 12,187,500	\$	\$ 812,500	\$ 12,187,500	\$ 9,998,750	\$ 2,188,750	
Subtotal Long Term CIP								
TOTAL CIP		\$ 47,842,000	\$ 31,750,313	\$ 854,250	\$ 15,237,438	\$ 31,750,313	\$ 18,475,000	\$ 13,276,313

NOTES:

Asterisk (*) denotes that the project is potentially PFC eligible. Authority existing PFC call letters are obligated thru 2023. It is recommended that the Authority seek authorization to impose/use a PFC for the project upon completion of existing PFC. / Estimated costs assumed to be in current (2016) dollars.

Table 3: Existing Airport Scenario - Annual Funding and Cash Flow ^{1/}

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Projected																		
OPERATING RESERVE																		
Programs Balance	\$ 7,000,000	\$ 2,464,185	\$ 977,750	\$ 1,334,455	\$ 1,847,165	\$ 2,729,751	\$ 646,310	\$ 1,186,266	\$ 1,870,747	\$ 2,573,070	\$ 3,297,869	\$ 3,919,933	\$ 4,654,747	\$ 5,553,938	\$ 5,933,692	\$ 6,479,806	\$ 6,978,491	\$ 7,545,176
Airport Revenue	2,832,516	3,151,776	3,153,000	3,291,305	3,498,450	4,117,134	365,533	481,700	593,806	410,872	424,342	467,932	457,337	477,376	492,867	513,928	531,468	555,496
Nonairfield Revenue	2,619,938	2,691,565	2,800,628	2,945,544	3,047,442	3,197,459	3,292,954	3,392,954	3,491,879	3,604,375	3,693,268	3,713,477	3,827,715	3,946,157	4,068,944	4,196,986	4,330,363	4,469,331
Other Revenue	50,000	11,025	38,047	59,096	40,127	41,396	42,436	43,317	44,833	40,085	43,375	48,294	50,071	51,483	52,935	54,431	55,971	57,508
Less: Operating Expenses	(2,765,289)	(2,844,228)	(3,009,139)	(3,095,382)	(3,169,213)	(3,183,830)	(3,275,055)	(3,368,978)	(3,465,046)	(3,565,162)	(3,667,043)	(3,773,125)	(3,881,721)	(3,993,325)	(4,108,633)	(4,227,155)	(4,349,165)	(4,474,799)
Net Revenue	\$ 1,368,024	\$ 161,143	\$ 208,745	\$ 279,930	\$ 229,838	\$ 243,924	\$ 330,262	\$ 316,701	\$ 364,862	\$ 386,150	\$ 407,161	\$ 433,987	\$ 457,384	\$ 481,681	\$ 506,209	\$ 538,502	\$ 566,633	\$ 607,367
PPC Reimbursement	\$ 453,811	\$ 603,957	\$ 312,569	\$ 326,153	\$ 332,915	\$ 349,676	\$ 461,863	\$ 332,685	\$ 337,466	\$ 316,440	\$ 214,902	\$ 304,341	\$ 464,782	\$ 362,762	\$ -	\$ -	\$ -	\$ -
CIP Expenditures	\$ (176,220)	\$ (1,935,125)	\$ (381,125)	\$ (43,750)	\$ (175,688)	\$ (2,176,280)	\$ (149,220)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (945,000)	\$ -	\$ -	\$ -	\$ (310,000,000)
Ending Balance	\$ 2,466,385	\$ 1,334,455	\$ 1,097,165	\$ 2,229,251	\$ 1,897,266	\$ 1,870,742	\$ 1,189,266	\$ 1,870,742	\$ 2,573,070	\$ 3,297,869	\$ 3,919,914	\$ 4,656,242	\$ 5,553,918	\$ 5,933,691	\$ 6,439,899	\$ 6,978,491	\$ 7,545,156	\$ (1,847,307)
FUNDING SUMMARY																		
CIP Funding Requirement	\$ 2,020,000	\$ 2,932,000	\$ 2,194,000	\$ 2,811,000	\$ 2,229,251	\$ 1,897,266	\$ 1,870,742	\$ 1,870,742	\$ 2,573,070	\$ 3,297,869	\$ 3,919,914	\$ 4,656,242	\$ 5,553,918	\$ 5,933,691	\$ 6,439,899	\$ 6,978,491	\$ 7,545,156	\$ (1,847,307)
AP Grants	1,863,750	516,875	2,806,875	656,250	2,635,313	2,738,750	2,238,750	636,250	750,000	937,000	3,000,000	1,875,000	2,000,000	445,000	\$ -	\$ -	\$ 6,900,000	\$ 10,000,000
PPC Funds	176,250	593,125	587,250	43,750	175,688	2,176,280	149,220	41,750	50,000	62,500	100,000	175,000	187,500	193,750	196,250	198,750	198,750	198,750
Total Funding Sources	\$ 2,040,000	\$ 1,110,000	\$ 3,394,125	\$ 700,000	\$ 2,811,000	\$ 4,075,030	\$ 3,487,970	\$ 682,000	\$ 800,000	\$ 1,000,000	\$ 3,100,000	\$ 2,050,000	\$ 2,000,000	\$ 645,000	\$ -	\$ -	\$ 7,100,000	\$ 10,000,000
Funding Deficiency	\$ 2,020,000	\$ 2,822,000	\$ 2,194,000	\$ 2,811,000	\$ 2,229,251	\$ 1,897,266	\$ 1,870,742	\$ 1,870,742	\$ 2,573,070	\$ 3,297,869	\$ 3,919,914	\$ 4,656,242	\$ 5,553,918	\$ 5,933,691	\$ 6,439,899	\$ 6,978,491	\$ 7,545,156	\$ (1,847,307)

NOTE

^{1/} See Table 1 for assumptions

SOURCE: Parsons & Associates, Inc., May 2016 based on information provided by the Hudson Memorial Airport Authority and Mead & Nord, Inc.

PREPARED BY: Burdick & Associates, Inc., May 2016.

Fiscal Years Ending September 30

Table 4: Replacement Airport Scenario CIP - Costs and Funding

COMPLETION YEAR	ESTIMATED COST	ESTIMATED FUNDING SOURCES			AIP FUNDING SOURCES		
		AIP	PFC	3RD PARTY	TOTAL AIP	ENTITLEMENT	DISCRETIONARY
EXISTING AIRPORT CIP							
2017	\$ 181,000	\$ 181,000	\$	\$	\$ 181,000	\$	\$ 181,000
2017	2,619,000	1,516,563	102,438		1,538,504	1,412,813	41,750
2017	200,000	187,500	12,500		200,000	187,500	
2018	1,200,000						
2018	600,000	542,300	57,700		542,300	542,300	
2019	275,000	210,938	14,063		210,938	210,938	
2020	700,000	656,250	43,750		656,250	656,250	
2021	500,000	468,750	31,250		468,750	468,750	198,438
2016	500,000	468,750	31,250		468,750	468,750	
2022	6,000,000	6,187,500	412,500		6,187,500	1,000,000	5,187,500
2019	500,000	468,750	31,250		468,750	468,750	
2023	100,000	93,750	6,250		93,750	93,750	
2020	500,000	468,750	31,250		468,750	468,750	
2020	500,000	468,750	31,250		468,750	468,750	
2023	2,000,000	1,875,000	125,000		1,875,000	1,875,000	
SUB-TOTAL EXISTING AIRPORT CIP							
	\$ 12,795,000	\$ 13,823,438	\$ 136,250	\$	\$ 13,823,438	\$ 5,830,000	\$ 7,993,438
REPLACEMENT AIRPORT CIP							
2022	\$ 2,000,000	\$	\$	\$	\$ 2,000,000	\$	\$
2023	25,000,000				25,000,000		
2024	50,000,000	27,500,000			27,500,000	2,000,000	19,500,000
2025	10,000,000				10,000,000		
2026	15,000,000				15,000,000		
2027	2,000,000				2,000,000		
2028	80,000,000	64,000,000	16,000,000		64,000,000	4,000,000	60,000,000
2029	5,000,000				5,000,000		
2030	15,000,000	11,500,000	3,500,000		11,500,000	6,000,000	7,500,000
2031	35,000,000				35,000,000		
2032	3,000,000				3,000,000		
2033/2014	80,000,000				80,000,000		
SUB-TOTAL LONG-TERM CIP							
	\$ 327,000,000	\$ 100,000,000	\$ 4,828,217	\$ 134,171,783	\$ 80,000,000	\$ 3,000,000	\$ 87,000,000
TOTAL CIP							
	\$ 337,945,000	\$ 113,823,438	\$ 4,964,567	\$ 136,136,596	\$ 80,000,000	\$ 3,000,000	\$ 94,973,438

NOTES:

1) Estimated costs assumed to be incurred with CFC (preliminary and/or rental or competitive rent)

2) Rental for facilities assumed to be funded with CFC (preliminary and/or rental or competitive rent)

SOURCES: Metrolink, San Mateo, Peninsula, and San Francisco Bay Area Rapid Transit (BART) Authority, April 2016; Metrolink & Associates, Inc., May 2016

PREPARED BY: Ricardo & Associates, Inc., May 2016

Table 5: Replacement Airport Scenario - Annual Funding and Cash Flow^{1/}

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Projected																		
OPERATING RESERVE																		
Beginning Balance	\$ 2,900,000	\$ 2,446,385	\$ 1,595,385	\$ 2,147,442	\$ 2,382,853	\$ 2,578,626	\$ 2,158,935	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Airline Revenue	29,816	75,176	111,100	428,315	119,450	553,774	365,533	580,200	84,806	41,812	424,342	442,914	457,127	473,536	492,942	513,520	531,488	555,496
Non-airline Revenue	2,662,456	2,693,566	2,780,345	2,861,026	2,945,544	3,032,443	3,122,459	3,215,231	3,312,317	3,412,876	3,516,112	3,622,854	3,732,264	3,845,404	3,970,678	4,109,008	4,271,916	4,457,275
Other Revenue	16,040	17,079	18,047	19,046	20,077	21,149	22,263	23,417	24,611	25,845	27,119	28,433	29,787	31,181	32,615	34,089	35,603	37,157
Less: Operating Expenses	(2,762,266)	(2,844,220)	(2,929,481)	(3,016,150)	(3,104,219)	(3,193,696)	(3,284,560)	(3,376,826)	(3,470,493)	(3,565,562)	(3,662,043)	(3,759,937)	(3,859,254)	(3,959,994)	(4,062,157)	(4,165,744)	(4,270,756)	(4,378,194)
Net Revenue	\$ 138,824	\$ 161,541	\$ 208,731	\$ 211,610	\$ 270,839	\$ 244,930	\$ 245,367	\$ 271,341	\$ 285,794	\$ 108,195	\$ 429,247	\$ 142,276	\$ 366,882	\$ 886,167	\$ 410,941	\$ 437,313	\$ 462,750	\$ 486,030
FFC Reimbursement	\$ 454,811	\$ 604,967	\$ 835,369	\$ 2915,301	\$ 2712,915	\$ 198,674	\$ 361,843	\$ 87,202	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CIP Expenditures	\$ (176,266)	\$ (1,237,500)	\$ (246,345)	\$ (75,000)	\$ (450,000)	\$ (1,000,000)	\$ (7,286,341)	\$ (198,172)	\$ (280,294)	\$ (304,195)	\$ (370,247)	\$ (142,746)	\$ (160,881)	\$ (686,337)	\$ (402,741)	\$	\$	\$
Ending Balance	\$ 2,466,385	\$ 1,695,385	\$ 2,147,442	\$ 2,582,853	\$ 2,575,626	\$ 3,168,935	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING SUMMARY																		
CIP Funding Requirement	\$ 2,076,000	\$ 1,800,000	\$ 1,275,000	\$ 1,700,000	\$ 1,700,000	\$ 2,000,000	\$ 35,000,000	\$ 50,000,000	\$ 70,000,000	\$ 15,000,000	\$ 2,000,000	\$ 80,000,000	\$ 1,000,000	\$ 25,000,000	\$ 35,000,000	\$ 50,000,000	\$ 40,000,000	\$ 40,000,000
AIP Grants	1,800,000	562,500	1,148,648	1,531,750	864,500			22,500,000	64,000,000					13,000,000				
FFC Funds				31,250	125,000										4,828,277			
Local Funds (Operating Revenue)	126,250	1,217,500	1,636,351	75,000	450,000	2,600,000	1,280,142	348,572	285,284	304,345	420,247	242,226	450,883	186,117	450,943			
Third Party/Other Funds																		
CIP Revenue/Rental Car Fees																		
Total Funding Sources	\$ 2,026,000	\$ 1,800,000	\$ 1,223,000	\$ 1,700,000	\$ 9,200,000	\$ 2,000,000	\$ 3,786,141	\$ 22,858,572	\$ 285,294	\$ 304,195	\$ 320,247	\$ 64,342,226	\$ 360,883	\$ 13,886,337	\$ 5,236,660	\$ 3,000,000	\$ 40,000,000	\$ 40,000,000
Funding Deficiency							(23,213,854)	(77,241,428)	(9,718,706)	(14,695,875)	(1,679,238)	(35,657,774)	(4,639,117)	(1,111,663)	(29,163,340)			
Total Funding Deficiency																		

^{1/} See Table 7 for assumptions

SOURCE: Jacobs & Associates Inc. May 2016. Based on information provided by the Hudson Memorial Airport Authority and Moel & Hunt, LLC. PREPARED BY: Jacobs & Associates, Inc., May 2016.