WILL ROGERS WORLD AIRPORT

TERMINAL EXPANSION
The Case for WRWA Terminal Expansion
March 2014

Presentation Overview

- Background
- Current Challenges
- Proposed Solution
- Implementation/First Steps
- Financial Plan
- Summary
A 1998 Terminal Planning Study recommended the expansion & renovation of the 1960’s era WRWA terminal. The Trust implemented Phase 1 and 2 of the study.

The terminal project expanded the footprint, but only added one additional gate.

Anticipating growth, the study included plans for a Phase 3 expansion of the terminal building to the east adding additional gates when demand merited.

Since 2006, the community and airport have experienced steady growth in business and air travel.

A 2011 terminal update plan evaluated a terminal expansion, a centralized security checkpoint, and cargo options.
Background

- 5 mainline carriers (American, Delta, Frontier, Southwest, United), and 1 ultra low-fare (Allegiant).
- Terminal complex designed over 15 years ago; both the airline industry and TSA have dramatically changed the way they operate.
- Average of 12,000 travelers per day, additional 2,000 meeter/greeters and people who conduct business at the airport.
- The trend for new or enhanced air service is growing.
- As the business environment in Oklahoma City continues to flourish, planning for expansion is imperative to meet the growing demands of air service to support economic development and tourism.
Limited Gate Capacity

88% of Gates are Committed

<table>
<thead>
<tr>
<th>Airline</th>
<th>Gates</th>
</tr>
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<tbody>
<tr>
<td>United</td>
<td>5</td>
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<tr>
<td>American</td>
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</tr>
<tr>
<td>Frontier</td>
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<td>Southwest</td>
<td>3</td>
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<tr>
<td>Delta</td>
<td>3</td>
</tr>
<tr>
<td>Airport</td>
<td>1</td>
</tr>
<tr>
<td>Open</td>
<td>2</td>
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Total: 17 gates
Enplanements have been growing & the airlines have responded.

Three new air service announcements in 2013 alone -

- Cleveland (United)
- Atlanta (Southwest)
- Orlando/Sanford (Allegiant)
Boarding passenger trends are expected to continue upward at an estimated growth rate of 1.6% per year.
Unlike other similar airports, airlines have been adding capacity at WRWA

Year-Over-Year Changes in Scheduled Departing Seats For Like-Size Airports

Source: FAA Rankings and OAG Aviation Worldwide
Potential air service announcements that could impact facilities:

Existing Carriers:
- Delta – New York LaGuardia
- Allegiant – Las Vegas (with connections to Mexico,) Phoenix
- American – New York JFK, Miami
- Southwest – New York LaGuardia, Ronald Reagan Washington National

New Carriers:
- New carriers such as Jet Blue, Alaska and Spirit that the airport continually recruits.
- Potential for international routes to leisure markets such as Mexico or Caribbean
Without facility expansion, we risk discouraging future airline growth in the market and ultimately customer dissatisfaction.
Security Checkpoints Inefficiencies

- At certain times of the day there is significant congestion at both the entry & exit points of the checkpoints infringing on passenger seating and circulation.

- At the entrance, checkpoint queuing conflicts with passenger circulation in the lobby area competing with meeter/greeters and airline ticket counter queues.

- At checkpoint exits, there is not enough recomposure space and competes with airline passenger seating and gate areas.

- TSA has implemented their Pre-Check program; as the program grows and there is more customer demand, space will prevent adding more lanes.

- These inefficiencies diminish passenger throughput, customer satisfaction, and have a negative impact on future airline and passenger growth.
As enplanements and capacity have grown, checkpoint operations has been negatively impacted.

Will Rogers Airport
Hourly Rate of Departing Passengers (90% Load Factor)

- 2013 Passenger Flow
- 2012 Passenger Flow
- 2008 Passenger Flow

1,277 (2012)
1,109 (2013)
931 (2008)
Other Challenges

- There is not adequate meeter/greeter space or amenities, greatly diminishing customer service.

- Due to the age of the existing cargo facility, it is not efficient for today’s cargo operations and **impedes any expansion to the east. This is a barrier to adding new gate capacity.**

- Airport Operations (Cargo Annex), Concessions Support (Cargo Building), Military Welcome Center (Cargo Building) and Police (Terminal Basement) are all in less than ideal locations for their required functions.

- Parking Garage A elevator/escalator vestibule is under-designed and continually breaks down causing customer complaints and increasing maintenance costs. The escalator width is too narrow for luggage.

- There is not enough office space for tenants and DOA administration.
Barriers to Expansion Must be Eliminated Prior to Any Gate Expansion

- Existing 12,500 SF cargo facility built in 1965 must be demolished.
- Cargo tenants must be relocated.
- Triturator, glycol storage and dispensing, and Ground Service Equipment (GSE) fueling need to be relocated.
- Utilities – Electric, Gas, Water, Telecommunications, Sanitary and Storm Sewer will need to be relocated or rerouted.
Existing Site For Terminal Expansion

- Existing Cargo Annex (Future Demolition)
- Existing Cargo Building (Requires Demolition)
- Existing Terminal (Expansion Extends the Terminal East)
3-Bay Terminal Expansion – Phase 1

3-Bay Expansion
Proposed Solution
March 2014

Single Enlarged Security Checkpoint

Proposed New 8-lane Centralized Security Checkpoint
- 3-bay expansion adds 2-ticket counter positions
- Larger queuing area
- Larger customer-friendly recomposure area
- Additional seating and greeting area

Proposed Centralized Exit with Meeter/Greeter Amenities
3-Gate Concourse Expansion with International Processing Capability - Phase 2
East Terminal Expansion Complete with 9-Total Gates
Phase 3
3-Bay Terminal, 3-Gate Concourse with International Processing
3-Bay Terminal, 3-Gate Concourse with International Processing
3-Bay Terminal, 3-Gate Concourse with International Processing and 6-Gate Future Concourse Expansion
3-Bay Terminal, 3-Gate Concourse with International Processing and 6-Gate Future Concourse Expansion
Proposed Solution
March 2014

3-Bay Terminal and 3-Gate Concourse Expansion

Level 1
- Bag Storage: 876 SF
- Public Circulation: 5,693 SF
- Baggage Claim: 2,950 SF
- Baggage Make-Up: 7,715 SF
- Military Welcome Center: 1,771 SF
- Concessions Storage: 4,397 SF
- Airport Operations: 4,491 SF
- Customs: 15,300 SF

Level 2
- Public Circulation Pre-Security: 2,813 SF
- Check-In Queue and Counters: 2,813 SF
- Airline Ticket Office: 2,142 SF
- Non-Public Circulation: 881 SF
- Storage: 2,091 SF
- MEP: 6,091 SF
- Public Circulation Post-Security: 15,120 SF
- Concessions: 3,562 SF
- Restrooms: 1,754 SF
- Hold Rooms: 8,814 SF

Level 3
- Administration: 6,019 SF
- Tenant: 5,901 SF
Cargo Relocation

If not addressed, it will prevent Will Rogers World Airport Terminal from being expanded now or in the future.

Options:
- Utilize expanded AeroTerm
- Utilize existing Cargo Annex (temporary only)
- New building
AeroTerm Cargo Facility
Can expand to accommodate tenants from airport cargo facility

25,000 SF Expansion
Critical Next Steps

- Solicitation for A&E
- Design
- Utilities re-location
- Cargo operations relocation and demolition of facility
Note: Schedule Assumes Existing Cargo Tenants will be Relocated Into Existing or AeroTerm Space.
Growth-Related Projects Already In Progress

- Checked Baggage Inspection System (CBIS); estimated completion 4th quarter 2015.
- Restriping lines for aircraft parking positions to accommodate larger aircraft.
- Consolidated Rental Car Facility (CONRAC) - construction began December 2013; estimated completion 1st quarter 2015.
- Reclaim rental cars spaces for more public parking.
- Terminal and Roadway Signage Study.
- Tunnel Repairs and Enhancement Project.
The Project Provides Additional Terminal Improvements/Relocations

- Single, enlarged checkpoint
- Parking Garage A elevator/escalator vestibule renovation
- Upgrade remaining electrical and HVAC systems from 1960’s
- Department Command Center (DCC)
- Triturator
- Glycol storage and dispensing
- Ground service equipment fueling
- Terminal generator for full service emergency use
## Preliminary Project Costs

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<tr>
<th>Project Scope</th>
<th>Amount</th>
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<td>New Security Checkpoint</td>
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<td>3-Bay Terminal Expansion</td>
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<td>New 3-Gate Concourse</td>
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<td>Demolition of Cargo Building</td>
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<td>Paving</td>
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<td>Total</td>
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## Preliminary Plan of Finance

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<tr>
<th>Project Scope</th>
<th>Total Amount</th>
<th>AIP Grants *</th>
<th>Junior Lien Bonds (paid with PFCs) *</th>
<th>Junior Lien Bonds (paid with Airport Revenues)</th>
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<td>Utilities</td>
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* AIP-funded projects assume 90% grant funding
* PFC projects assume 70% eligibility
Bond Funding Preliminary Assumptions

- Bonds would be issued as Junior Lien Bonds in FY2018
  - No Senior Lien bonds currently outstanding

- Fixed rate 30-year bonds; level annual debt service
  - Interest only period through FY2022; principal amortization from FY2023-FY2048
  - Interest capitalized through the completion of the projects

- Debt service would be paid with a combination of airport revenues and PFCs
Trust’s Junior Lien Debt Service
(including Thirty First Series Issued in 2013)
Trust’s Junior Lien Debt Service After Issuance of Bonds for Terminal Project

- **Existing Junior Lien Debt Service**
- **Future Junior Lien Bonds**
Trust’s Existing and Future Junior Lien Debt Service
Issuance of Bonds for Terminal Project

- Airport Revenues
- PFCs
- CFCs

Financial Plan
March 2014
Terminal Expansion Project would generate additional revenues such as:

- Incremental terminal revenue from leasing additional gate space to airlines
- Additional TSA rental revenue
- Additional concession revenue
Gates are 88% committed.

With continued growth in enplanements and in the community, it is anticipated that airlines, both current and new entrant, will expand service in Oklahoma City. Without expansion, we will not be able to accommodate them.

The security checkpoints do not meet TSA standards and are constrained in adding more lanes and amenities impacting screening throughput and customer service.

To accommodate growth, the existing cargo facility must be demolished and tenants relocated, the triturator, glycol storage and dispensing, and Ground Service Equipment (GSE) fueling need to be relocated.

Several barriers need to be eliminated before adding a single gate.
• The parking Garage A elevator/escalator vestibule has significant circulation problems. Moving forward with facilitating more customer parking amenities in the 2-story garage and improving the tunnel aesthetically will be hampered.

• Several key operations – Police, Operations, Concessions and the Military Welcome Center – are currently located in less than optimum locations to carry out their vital functions.

• Currently there is not enough office and operations space to currently accommodate DOA administration and several tenants; continued growth will only constrain efficient operations.
The Airport generates a very diverse stream of revenues.

A portion of the future debt related to the Terminal Expansion project would be charged to the airlines and be included in their terminal rental rate.

Remaining portion of future debt would be paid from non-airline revenue sources such as:
- Parking revenues
- Concession revenues
- Rental car concession fees and facility rents
If we begin today, the earliest we would see completion would be the year 2017.

The airport and Trust need to be ready to accommodate growth.
QUESTIONS?