



NORTHWEST FLORIDA
BEACHES INTERNATIONAL AIRPORT

MASTER PLAN UPDATE



Working Paper #5 - Financial Plan

August 2021
DRAFT



4215 Lafayette Center Drive
Suite 2
Chantilly, Virginia 20151
(703)-230-0300
chacompanies.com

TABLE OF CONTENTS

- 9 Financial Plan9-1
 - 9.1 Activity forecast9-1
 - 9.2 Capital Improvement Program and Funding Plan.....9-3
 - 9.2.1 AIP Grants.....9-7
 - 9.2.2 COVID-19 Relief Grants9-10
 - 9.2.3 State Grants.....9-10
 - 9.2.4 Local Funds.....9-10
 - 9.3 Financial Feasibility9-19
 - 9.3.1 Operating Expenses.....9-19
 - 9.3.2 Operating Revenues9-19
 - 9.3.3 Pro Forma Cash Flow9-27
 - 9.4 Summary9-30

TABLES

Table 9-1 – Activity Forecasts (in 000s)9-2

Table 9-2 – Master Plan Update Projects (in 000s)9-4

Table 9-3 – Capital Expenditures (in 000s)9-5

Table 9-4 – CIP Funding Plan (in 000s)9-7

Table 9-5 – Application of Federal Grants (in 000s)9-9

Table 9-6 – Outstanding SIB Loans (in 000s)9-13

Table 9-7 – Application of PFCs (in 000s)9-14

Table 9-8 – PFC-Eligible Future Debt Service (in 000s)9-15

Table 9-9 – Application of CFCs (in 000s)9-16

Table 9-10 – ECP-Funded Future Debt Service (in 000s)9-17

Table 9-11 – ECP-Funded Expenditures and Amortization (in 000s)9-18

Table 9-12 – Operating Expenses (in 000s)9-20

Table 9-13 – Operating Revenues (in 000s).....9-21

Table 9-14 – Airline Rates and Charges (in 000s)9-24

Table 9-15 – Airline Revenue Sharing (in 000s)9-25

Table 9-16 – Airline Cost per Enplanement (in 000s)9-26

Table 9-17 – Pro Forma Cash Flow (in 000s)9-28

Table 9-18 – Rate Coverage (in 000s)9-29

9 FINANCIAL PLAN

The Panama City-Bay County Airport and Industrial District (the Authority) was established pursuant to a special act of the Florida Legislature in 1967, recodified and amended by Chapter 2005-311, Laws of Florida, and subsequently amended by Chapter 2010- 274, Laws of Florida. The Authority is a political subdivision of the State and is an independent special district pursuant to the constitution and laws of Florida. The Authority owns and operates the Northwest Florida Beaches International Airport (ECP), which opened on May 23, 2010. The Authority is self-supporting, using airport revenues to fund operating expenses. ECP's fiscal year ends September 30 (FY). The FY 2020 numbers reflect actual amounts as of September 30, 2020. The FY 2021 numbers reflect the Authority's 2021 budget (FY 2021 Budget).

9.1 ACTIVITY FORECAST

Table 9-1 presents the activity forecast used to develop the financial plan. Since the activity forecast included in Chapter Three – Forecasts of Aviation Activity, summarized in **Table 3-30** of the Master Plan Update was prepared, the COVID-19 pandemic occurred resulting in the imposition of travel restrictions that have severely impacted the aviation industry, including ECP. As a result, FY 2019 through FY 2039 enplanements have been re-forecasted as follows:

- ✈ FY 2019 and FY 2020 reflect actual amounts and FY 2021 reflects ECP budgeted amounts.
- ✈ Activity is forecast to recover to 2019 levels by 2024, which is generally consistent with the range of estimates made recently by various airline industry and bond credit analysts.
- ✈ FY 2025 through FY 2029 growth rates were changed from **Table 3-30** in order to achieve the 2039 enplanement forecast included in **Table 3-30**.

The FY 2021 budgeted landed weight is also forecast to recover to FY 2019 landed weights by FY 2024. Since landed weight is not forecast in **Table 3-30** and is necessary to calculate the landing fee for the financial forecast, the FY 2025 through FY 2039 landed weights are assumed to grow with the growth in operations shown in **Table 3-30**.

Table 9-1 – Activity Forecasts (in 000s)

Year	Enplanements				Operations		Landed Weight	
	Per Table 3-30	Growth Rates	Reforecast	% Change	Per Table 3-30	Growth Rates	Forecast	% Change
	CY		FY		CY		FY	
2019 (a)	679		603	--	68		692	--
2020 (a)			437	--	0		660	--
2021 (a)			365	-16.5%	0		511	-22.6%
2022			449	23.0%	0		565	10.7%
2023			552	23.0%	0		626	10.7%
2024	824	3.9%	679	23.0%	72	1.1%	692	10.7%
2025			722	6.3%	0		697	0.7%
2026			768	6.3%	0		702	0.7%
2027			817	6.3%	0		707	0.7%
2028			868	6.3%	0		712	0.7%
2029	923	2.3%	923	6.3%	74	0.7%	717	0.7%
2030			942	2.1%	0		721	0.7%
2031			962	2.1%	0		726	0.7%
2032			981	2.1%	0		731	0.7%
2033			1,002	2.1%	0		736	0.7%
2034	1,022	2.1%	1,022	2.1%	77	0.7%	741	0.7%
2035			1,042	2.0%	0		746	0.7%
2036			1,063	2.0%	0		751	0.7%
2037			1,084	2.0%	0		756	0.7%
2038			1,105	2.0%	0		761	0.7%
2039	1,127	2.0%	1,127	2.0%	79	0.7%	766	0.7%
CAGR								
2019-2039	2.6%		3.2%		0.8%		0.5%	
2020-2024			11.7%				1.2%	

(a) The 2019 amount included in Table 3-30 was prepared prior to actuals becoming available, and therefore, is a forecast. The 2019 and 2020 amounts in the reforecast column reflect actuals and the 2021 amount reflects budget.

Source: CHA Consulting, Inc. (Table 3-30), ECP (FY 2019-FY 2021), DKMG Consulting (reforecast FY 2022-FY 2039), 2021.

9.2 CAPITAL IMPROVEMENT PROGRAM AND FUNDING PLAN

All airports receiving federal AIP funding are required to maintain a current capital improvement program with the Federal Aviation Administration (FAA), which identifies projects to be undertaken at an airport over a specified period of time. ECP’s capital improvement program (CIP) includes Master Plan Update projects recommended earlier in this report and capital expenditures.

Table 9-2 presents the recommended Master Plan Update projects and the corresponding cost estimates, which are based on a planning level of detail, and the proposed funding sources. While accurate for master planning purposes, actual project costs will likely vary from these planning estimates once project design and engineering estimates are developed. The cost estimates, include contingencies, design costs and construction management costs. The Master Plan Update projects were prepared for four planning activity levels (PALs). While activity levels ultimately determine the years of the PALs, for purposes of this analysis, the years for the PALs are defined as PAL 1 (FY 2021 through FY 2024), PAL 2 (FY 2025 through FY 2029), PAL 3 (FY 2030 through FY 2034), and PAL 4 (FY 2035 through FY 2039).

The cost estimates presented in **Table 9-2** are presented in 2020 dollars and, beginning in PAL 3, inflated at 3 percent annually reflecting the most recent five-year average of Engineering News-Record’s Construction Cost Index, contingencies, design costs and construction management costs. As shown in the table, the Master Plan Update projects are estimated to cost approximately \$492.6 million or \$577.8 million in inflated dollars.

In addition to the Master Plan Update projects, the Authority has on-going capital expenditures for the purpose of improving, maintaining, or developing ECP. **Table 9-3** presents the capital expenditures the Authority estimates from FY 2021 through FY 2030. The cost estimates presented in the table are presented in 2020 dollars and, beginning in FY 2022, inflated at 3 percent annually. As shown in the table, the capital expenditures are estimated to cost approximately \$80.2 million or \$91.2 million in inflated dollars.

Table 9 2 – Master Plan Update Projects (in 000s)

Proj No.	Description	Cost Center	Project Costs	Inflated (a)	Funding Sources										Total
					AIP Grants		COVID-19 Relief Grants	State Grants	Local						
			2020 \$		Entitlements	Discretionary			PFC Leveraged	CFCs Pay-Go	Loan	Triumph Funds	Amortization	Direct Expensed	
PAL 1 (2020-2024)															
1	Terminal renovation	Terminal	\$88,400	\$88,400	\$0	\$0	\$2,347	\$0	\$21,513	\$0	\$64,540	\$0	\$0	\$0	\$88,400
2	Terminal new construction - Ph 1	Terminal	102,900	102,900	0	0	0	0	9,261	0	93,639	0	0	0	102,900
3	Short-term parking	Ground Trans	929	929	0	0	0	279	0	0	0	0	650	0	929
4	Long-term parking	Ground Trans	706	706	0	0	0	212	0	0	0	0	494	0	706
5	Employee parking	Ground Trans	265	265	0	0	0	79	0	0	0	0	185	0	265
6	Cell phone parking	Ground Trans	181	181	0	0	0	54	0	0	0	0	0	127	181
7	Taxi queue	Ground Trans	83	83	0	0	0	0	0	0	0	0	0	83	83
8	Covered parking	Ground Trans	1,625	1,625	0	0	0	488	0	0	0	0	1,138	0	1,625
9	Crosswind runway stage 1-design	Airfield	3,341	3,341	908	0	0	1,217	0	0	0	0	1,217	0	3,341
10	Tiedown apron expansion	Airfield	3,814	3,814	3,432	0	0	191	0	0	0	0	191	0	3,814
11	Fire CIP	Other	181	181	158	0	5	9	0	0	0	0	0	9	181
12	Police CIP	Other	139	139	125	0	0	7	0	0	0	0	0	7	139
13	Maintenance CIP	Other	314	314	283	0	0	16	0	0	0	0	0	16	314
	Total PAL 1 (2020-2024)		\$202,879	\$202,879	\$4,906	\$0	\$2,352	\$2,551	\$30,774	\$0	\$158,179	\$0	\$3,875	\$242	\$202,879
PAL 2 (2025-2029)															
14	Terminal new construction - Ph 2	Terminal	\$67,200	\$67,200	\$0	\$20,000	\$0	\$0	\$0	\$0	\$47,200	\$0	\$0	\$0	\$67,200
15	Long-term parking	Ground Trans	1,798	1,798	0	0	0	539	0	0	0	0	1,259	0	1,798
16	Employee parking	Ground Trans	271	271	0	0	0	81	0	0	0	0	190	0	271
17	Loop road & rental car turn around	Ground Trans	3,522	3,522	0	0	0	0	0	3,522	0	0	0	0	3,522
18	Terminal apron expansion	Airfield	20,349	20,349	12,000	6,314	0	1,017	0	0	0	0	1,017	0	20,349
19	Crosswind runway stage 1-constr	Airfield	36,083	36,083	0	0	0	10,000	0	0	0	25,000	1,083	0	36,083
20	Air cargo expansion	Other	640	640	0	0	0	0	0	0	0	0	640	0	640
21	ARFF expansion	Airfield	11,250	11,250	0	10,125	0	563	0	0	0	0	563	0	11,250
22	Box hangar expansion	Other	20,340	20,340	0	0	0	10,170	0	0	10,170	0	0	0	20,340
23	Fire CIP	Airfield	35	35	32	0	0	2	0	0	0	0	0	2	35
	Total PAL 2 (2025-2029)		\$161,488	\$161,488	\$12,032	\$36,439	\$0	\$22,372	\$0	\$3,522	\$57,370	\$25,000	\$4,752	\$2	\$161,488
PAL 3 (2030-2034)															
24	Long-term parking	Ground Trans	\$6,110	\$9,241	\$0	\$0	\$0	\$2,772	\$0	\$0	\$0	\$0	\$6,469	\$0	\$9,241
25	Employee parking	Ground Trans	474	717	0	0	0	215	0	0	0	0	502	0	717
26	Runway 3/21 RPZ property acquisition	Airfield	235	355	0	320	0	18	0	0	0	0	0	18	355
27	Runway 16/34 parallel taxiway	Airfield	31,212	47,211	17,000	25,490	0	2,361	0	0	0	0	2,361	0	47,211
28	Crosswind runway stage 2-design	Airfield	3,341	5,054	2,621	0	0	1,217	0	0	0	0	1,217	0	5,054
29	Fuel facility expansion	Other	3,030	4,583	0	4,125	0	229	0	0	0	0	229	0	4,583
30	T-hangar expansion	Other	3,178	4,807	0	0	0	2,403	0	0	0	0	2,403	0	4,807
	Total PAL 3 (2030-2034)		\$47,580	\$71,968	\$19,621	\$29,935	\$0	\$9,215	\$0	\$0	\$0	\$0	\$13,180	\$18	\$71,968
PAL 4 (2035-2039)															
31	Terminal new construction - Ph 3	Terminal	\$38,400	\$67,335	\$0	\$0	\$0	\$0	\$67,335	\$0	\$0	\$0	\$0	\$0	\$67,335
32	Short-term parking	Ground Trans	3,885	6,813	0	0	0	2,044	0	0	0	0	4,769	0	6,813
33	Long-term parking	Ground Trans	678	1,189	0	0	0	357	0	0	0	0	832	0	1,189
34	Covered parking	Ground Trans	1,640	2,876	0	0	0	863	0	0	0	0	2,013	0	2,876
35	Crosswind runway stage 2-constr	Airfield	36,083	63,272	21,199	35,747	0	0	0	0	0	0	6,327	0	63,272
	Total PAL 4 (2035-2039)		\$80,687	\$141,484	\$21,199	\$35,747	\$0	\$3,263	\$67,335	\$0	\$0	\$0	\$13,941	\$0	\$141,484
Total Master Plan Projects			\$492,633	\$577,820	\$57,757	\$102,121	\$2,352	\$37,401	\$98,109	\$3,522	\$215,548	\$25,000	\$35,749	\$261	\$577,820

(a) Beginning in the PAL 3, project costs were inflated at 3 percent, which reflects the most recent five-year average of Engineering News-Record’s Construction Cost Index.

Source: CHA Consulting, Inc.-project costs, DKMG funding sources, 2021.

Table 9-3 – Capital Expenditures (in 000s)

Proj No.	Year	Description	Cost Center	Project Costs		Funding Sources							Total
				2020 \$	Inflated (a)	AIP Grants		COVID-19 Relief Grants	State Grants	ECP			
						Entitlements	Discretionary			Triumph Funds	Amortization	Direct Expensed	
1	2021	Hurricane Mitigation	Airfield	\$1,428	\$1,428	\$0	\$0	\$0	\$0	\$0	\$1,428	\$0	\$1,428
2	2021	Parking Revenue Control & Access System	Ground Trans	336	336	0	0	0	0	0	336	0	336
3	2021	Economic Development (Gator, Goodwrench, Venus)	Other	22,781	22,781	0	0	0	4,800	13,181	4,800	0	22,781
4	2021	Environmental Mitigation	Airfield	425	425	144	0	0	0	0	281	0	425
5	2021	Transient Apron Expansion	Airfield	1,600	1,600	0	0	800	800	0	0	0	1,600
6	2021	Environmental Assessment	Airfield	500	500	450	0	0	0	0	0	50	500
7	2021	Terminal Entrance Door Replacement	Terminal	274	274	0	0	37	137	0	0	100	274
8	2021	Radio Command/Control for ATCT	Airfield	70	70	0	0	70	0	0	0	0	70
9	2021	Miscellaneous Capital Items	Various	154	154	0	0	85	0	0	0	68	154
10	2022	Hurricane Mitigation	Airfield	1,406	1,492	0	0	0	0	0	1,492	0	1,492
11	2022	Customs International Facility - Design	Terminal	412	437	393	0	0	22	0	0	22	437
12	2022	Environmental Mitigation	Airfield	425	450	405	0	0	23	0	0	23	450
13	2022	ARFF Capital Budget	Airfield	37	39	0	0	0	0	0	0	39	39
14	2022	Police Capital Budget	Afld & Tml	24	25	0	0	0	0	0	0	25	25
15	2022	Miscellaneous Capital Items	Various	72	77	0	0	0	0	0	0	77	77
16	2023	CBP International Facility - Construction	Terminal	2,059	2,250	2,025	0	0	112	0	0	112	2,250
17	2023	Hurricane Mitigation	Airfield	745	814	0	0	0	0	0	814	0	814
18	2023	Environmental Mitigation	Airfield	425	464	418	0	0	23	0	0	23	464
19	2023	ARFF Capital Budget	Airfield	34	37	0	0	0	0	0	0	37	37
20	2023	Police Capital Budget	Afld & Tml	58	63	0	0	0	0	0	0	63	63
21	2023	Miscellaneous Capital Items	Various	62	68	0	0	0	0	0	0	68	68
22	2024	Environmental Assessment Continuing	Airfield	500	563	506	0	0	28	0	0	28	563
23	2024	Hurricane Mitigation	Airfield	745	838	0	0	0	0	0	838	0	838
24	2024	Environmental Mitigation	Airfield	425	478	430	0	0	24	0	0	24	478
25	2024	ARFF Capital Budget	Airfield	15	17	0	0	0	0	0	0	17	17
26	2024	Police Capital Budget	Afld & Tml	20	22	0	0	0	0	0	0	22	22
27	2024	Maintenance Capital Budget	Various	35	39	0	0	0	0	0	0	39	39
28	2024	Miscellaneous Capital Items	Various	225	253	0	0	0	0	0	0	253	253

(Table 9-3 Continued on Next Page)

(Table 9-3 Continued from Previous Page)

Proj No.	Year	Description	Cost Center	Project Costs		Funding Sources							Total
				2020 \$	Inflated (a)	AIP Grants		COVID-19 Relief Grants	State Grants	ECP			
						Entitlements	Discretionary			Triumph Funds	Amortization	Direct Expensed	
29	2025	Pave Perimeter Security Road - Design/Construction	Airfield	5,369	6,224	5,602	0	0	311	0	311	0	6,224
30	2025	Upgrade Airport Security System	Terminal	2,000	2,319	0	2,087	0	116	0	0	116	2,319
31	2025	Hurricane Mitigation (5 of 6)	Airfield	646	749	0	0	0	0	0	749	0	749
32	2025	Environmental Mitigation (7 of 8)	Airfield	425	492	0	443	0	25	0	0	25	492
33	2025	ARFF Capital Budget	Airfield	30	34	0	0	0	0	0	0	34	34
34	2025	Police Capital Budget	Afld & Tml	28	32	0	0	0	0	0	0	32	32
35	2025	Maintenance Capital Budget	Various	74	85	0	0	0	0	0	0	85	85
36	2025	Miscellaneous Capital Items	Various	225	261	0	0	0	0	0	0	261	261
37	2026	Hurricane Mitigation	Airfield	646	772	0	0	0	0	0	772	0	772
38	2026	Environmental Mitigation	Airfield	425	507	0	456	0	25	0	0	25	507
39	2026	West Bay Pkwy Pavement Rehab Milling and Overlay	Airfield	4,520	5,397	0	0	0	0	0	5,397	0	5,397
40	2026	Airport Maintenance Building Expansion	Afld & Tml	500	597	0	0	0	0	0	597	0	597
41	2026	Terminal Building Emergency Power Generator	Terminal	1,600	1,910	0	0	0	0	0	1,910	0	1,910
42	2026	Capital Equipment	Airfield	600	716	0	0	0	0	0	716	0	716
43	2026	ARFF Vehicle	Airfield	800	955	0	860	0	48	0	0	48	955
44	2026	Police Capital Budget	Afld & Tml	10	12	0	0	0	0	0	0	12	12
45	2026	Maintenance Capital Budget	Various	72	86	0	0	0	0	0	0	86	86
46	2026	Miscellaneous Capital Items	Various	4,415	5,272	0	0	0	0	0	5,272	0	5,272
47	2027	Telescopic Boom Lift (Equipment)	Afld & Tml	100	123	0	0	0	0	0	0	123	123
48	2027	Runway 16/34 Joint Seal	Airfield	3,000	3,690	3,321	0	0	184	0	184	0	3,690
49	2027	Security Gate/Gate Operator Replacement	Airfield	300	369	0	0	0	0	0	369	0	369
50	2027	Miscellaneous Capital Items	Various	4,399	5,411	0	0	0	0	0	5,411	0	5,411
51	2028	Master Plan Update	Afld & Tml	750	950	0	855	0	48	0	0	48	950
52	2028	Miscellaneous Capital Items	Various	4,531	5,740	0	0	0	0	0	5,740	0	5,740
53	2029	Miscellaneous Capital Items	Various	4,667	6,090	0	0	0	0	0	6,090	0	6,090
54	2030	Miscellaneous Capital Items	Various	4,807	6,460	0	0	0	0	0	6,460	0	6,460
		Total Capital Expenditures		\$80,225	\$91,245	\$13,693	\$4,701	\$992	\$6,726	\$13,181	\$49,968	\$1,983	\$91,245

(a) Beginning in the PAL 3, project costs were inflated at 3 percent, which reflects the most recent five-year average of Engineering News-Record’s Construction Cost Index.

Source: ECP project costs, DKMG funding sources, 2021.

Table 9-4 includes the funding plan for the CIP, which is described in the following subsections.

Table 9-4 – CIP Funding Plan (in 000s)

	Master Plan	Capital Expenditures	Total CIP
	Table 9-2	Table 9-3	
Inflated project costs	\$577,820	\$91,245	\$669,064
Funding Plan			
AIP Grants			
Entitlements	\$57,757	\$13,693	\$71,450
Discretionary	102,121	4,701	106,821
Total AIP Grants	\$159,877	\$18,394	\$178,271
COVID-19 Relief Grants	\$2,352	\$992	\$3,345
State Grants	\$37,401	\$6,726	\$44,127
Total grants	\$199,631	\$26,112	\$225,743
Local			
PFC Leveraged			
2024 Loan	\$30,774	\$0	\$30,774
2039 Loan	67,335	0	67,335
Total PFC Leveraged	\$98,109	\$0	\$98,109
CFCs Pay-Go	\$3,522	\$0	\$3,522
Triumph Funds	\$25,000	\$13,181	\$38,181
District			
Loan	\$215,548	\$0	\$215,548
Amortization	35,749	49,968	85,717
Direct Expensed	261	1,983	2,245
Total District	\$251,558	\$51,951	\$303,510
Total Local	\$378,189	\$65,132	\$443,321
Total funding	\$577,820	\$91,245	\$669,064

Source: DKMG Consulting, 2021.

9.2.1 AIP Grants

Grants administered by the FAA through the AIP are a critical capital funding source to implement the Master Plan Update projects. Passenger entitlement grants are allocated to airports by a formula based on enplanements, cargo entitlement grants are allocated based on historical cargo landed weight market share, and discretionary grants are allocated in accordance with FAA guidelines. FAA grants are subject to annual Congressional appropriation. The AIP expires periodically, and federal reauthorization is required to continue. In October 2018, Congress passed a five-year reauthorization bill for the FAA — the FAA Reauthorization Act of 2018. Despite the multi-year reauthorization, the FAA must receive annual appropriation approval from Congress. Most recently, this occurred on December 27, 2020 when the Consolidated Appropriations Act 2021 (CAA) was signed into law fully funding the AIP at \$3.35 billion for federal fiscal year 2021, and providing an additional \$400 million in general-fund revenue specifically for additional AIP discretionary grants available to all size airports.

The U.S. DOT classifies ECP as a small hub primary airport. Therefore, the AIP formula stipulates that ECP is entitled to receive 90 percent in federal funding for AIP-eligible projects. AIP funds can be used for most improvement needs, but not operating costs. However, AIP funds are

typically not available for revenue-generating projects, so for the purpose of this analysis, AIP funds are not assumed for revenue-generating projects.

As shown in **Table 9-4**, approximately \$178.3 million in AIP grants (\$71.5 million in passenger entitlement grants and \$106.8 million in discretionary grants) is forecast to fund the CIP from FY 2021 through FY 2039. The application of entitlement and discretionary grants by year are presented in **Table 9-5**.

Entitlement funds are distributed through grants by formula based on the number of enplanements at individual airports and the amount of landed weight of arriving cargo at individual airports for the most recent federal fiscal year. In cases where entitlement funds are not used during the current federal fiscal year, these funds are redistributed to other airport sponsors as discretionary funds in the next federal fiscal year. CAA includes a provision that requires the FAA to use the highest enplanement numbers of CY 2018, CY 2019, or the prior calendar year when calculating federal fiscal years 2022 and 2023 AIP entitlements, ensuring that airports do not see a significant drop in entitlements because of the decrease in enplaned passengers related to COVID-19. Since FY 2020 enplanements are lower than FY 2018 and FY 2019 and FY 2021 enplanements are forecast to be lower, it is assumed that ECP will receive its FY 2020 apportionment amount in FY 2022 and FY 2023. **Table 9-5** includes ECP's AIP passenger entitlement calculation. As shown in the table, ECP is estimated to receive \$71.5 million in passenger entitlement AIP grants from FY 2021 through FY 2039.

At the beginning of each federal fiscal year, the FAA sets aside the amount of discretionary funds to cover the Letter of Intent (LOI) payment schedules. LOIs are entered into with the FAA to help fund large-scale capacity projects at primary or reliever airports by providing funds over multiple budget cycles. The total discretionary funds in all LOIs subject to future obligation are limited to approximately 50 percent of the forecast discretionary funds available for that purpose. The authorizing statute directs the FAA to allocate certain discretionary funding to specific airport types and set aside categories (noise, reliever airports, and military airport program) and projects relating to capacity, safety, security and noise. However, the FAA has some discretion in funding specific projects within these discretionary funding set-aside categories. The FAA approves discretionary funds for use on specific projects, after consideration of project priority and other selection criteria.

As shown on **Table 9-5**, approximately \$106.8 million in discretionary grants is needed to fund the shortfall in entitlement funds for the CIP. If ECP does not receive this discretionary funding, it will need to identify alternative funding sources, delay the projects until funding sources become available, or cancel the projects.

Table 9-5 – Application of Federal Grants (in 000s)

	Source Table	Total	PAL 1					PAL 2					PAL 3	PAL 4
			Actual	Budget	Forecast			Forecast					(2030-2034)	(2035-2039)
			2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
Enplanements	9-1		437	365	449	552	679	722	768	817	868	923		
FAA Formula (a)														
\$7.80 for 1st 50,000 enplanements			\$390	\$390	\$390	\$390	\$390	\$390	\$390	\$390	\$390	\$390		
\$5.20 for next 50,000 enplanements			260	260	260	260	260	260	260	260	260	260		
\$2.60 for next 400,000 enplanements			875	688	906	1,040	1,040	1,040	1,040	1,040	1,040	1,040		
\$0.65 for next 500,000 enplanements			0	0	0	34	116	144	174	206	239	275		
\$0.50 for the remaining enplanements			0	0	0	0	0	0	0	0	0	0		
Total calculated entitlements			\$1,525	\$1,338	\$1,556	\$1,724	\$1,806	\$1,834	\$1,864	\$1,896	\$1,929	\$1,965		
Total calculated entitlements x 2 (b)			\$3,050	\$2,676	\$3,113	\$3,448	\$3,613	\$3,669	\$3,728	\$3,792	\$3,859	\$3,930		
Total entitlements			\$3,050	\$2,676	\$3,113	\$3,448	\$3,613	\$3,669	\$3,728	\$3,792	\$3,859	\$3,930		
2 year lag in receipt of grants (c)(d)		\$71,450		\$3,396	\$3,300	\$3,300	\$3,113	\$3,448	\$3,613	\$3,669	\$3,728	\$3,792	\$19,730	\$20,362
Beginning Balance		\$0		\$0	\$2,802	\$398	\$1,256	\$3,432	\$1,278	\$4,891	\$5,239	\$8,967	\$727	\$836
Plus: entitlement grants	9-4	\$71,450		\$3,396	\$3,300	\$3,300	\$3,113	\$3,448	\$3,613	\$3,669	\$3,728	\$3,792	\$19,730	\$20,362
Plus: COVID-19 relief grants (e)	9-4	\$3,345		\$992	\$5	\$0	\$2,347	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus: discretionary grants	9-4	\$106,821		\$0	\$0	\$0	\$0	\$2,530	\$1,316	\$0	\$855	\$36,439	\$29,935	\$35,747
Plus: State grants	9-4	\$44,127		\$5,737	\$1,483	\$136	\$1,164	\$452	\$73	\$184	\$48	\$22,372	\$9,215	\$3,263
Less: Master Plan projects	9-4	(\$199,631)		\$0	(\$6,350)	\$0	(\$3,459)	\$0	\$0	\$0	\$0	(\$70,843)	(\$58,770)	(\$60,208)
Less: capital expenditures	9-4	(\$26,112)		(\$7,323)	(\$843)	(\$2,578)	(\$989)	(\$8,583)	(\$1,389)	(\$3,505)	(\$903)	\$0	\$0	\$0
Ending Balance		\$0		\$2,802	\$398	\$1,256	\$3,432	\$1,278	\$4,891	\$5,239	\$8,967	\$727	\$836	(\$0)

(a) The FAA formula is defined in 49 United States Code § 47114.

(b) In any fiscal year in which the total amount available under 49 United States Code § 48103 is \$3.2 billion or more, the amount apportioned to a sponsor shall be increased by doubling the amount that would otherwise be apportioned.

(c) A two year lag is assumed to reflect the time needed to compile annual enplanement data and complete the grant application and approval process. FY 2020 is per the FAA's apportionment amount for that year.

(d) CAA includes a provision that requires the FAA to use the highest enplanement numbers of CY 2018, CY 2019, or the prior calendar year when calculating federal fiscal years 2022 and 2023 AIP entitlements, ensuring that airports do not see a significant drop in entitlements because of the decrease in enplanements related to COVID-19. Since FY 2020 enplanements are lower than FY 2018 and FY 2019 and FY 2021 enplanements are forecast to be lower, it is assumed that ECP will receive its FY 2020 apportionment amount in FY 2022 and FY 2023.

(e) The District intends on using a portion of the COVID-19 Relief Grants to fund capital projects.

Source: DKMG Consulting, 2021.

9.2.2 COVID-19 Relief Grants

In April 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) in response to the COVID-19 pandemic to provide relief grants to airports. The FAA allocated \$6,327,925 in CARES Act funds to ECP. On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed into law providing airports with relief grants of which ECP was allocated \$3,882,018 (\$3,748,929 for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments and \$113,089 to provide relief to concessionaires). On March 11, 2021, the \$1.9 trillion American Rescue Plan Act of 2021 (ARPA) was signed into law providing airports an additional \$8 billion in emergency relief as they continue to respond to COVID-19. The FAA has not provided the ARPA grant amounts by airport as of the date of this analysis; therefore, is not reflected in this analysis. The CARES Act, CRRSAA, and ARPA grants are collectively defined as COVID-19 Relief Grants and total approximately \$10.2 million. As shown on **Table 9-4**, ECP intends on using the COVID-19 Relief Grants to fund approximately \$3.3 million of the CIP. The remaining \$6.9 million of the COVID-19 Relief Grants are assumed to fund debt service and operating expenses, which is presented in **Table 9-17**, and to provide concession relief.

9.2.3 State Grants

The Florida Department of Transportation (FDOT) Aviation Office developed the Aviation Grant Program to provide financial assistance to Florida's airports in the areas of safety, security, preservation, capacity improvement, land acquisition, planning, and economic development. The Aviation Grant Program distributes grants from the State Transportation Trust Fund, which is funded by an aviation fuel tax. FDOT may provide up to 5 percent of project costs when the FAA provides 90 percent funding. When no federal funding is available, FDOT may provide up to 50 percent of the portion of eligible commercial service airport project costs. As shown in **Table 9-4**, State grants are assumed to fund approximately \$44.1 million of the CIP.

9.2.4 Local Funds

As shown in **Table 9-4**, approximately \$443.3 million of the CIP is required to be funded by the Authority through other funding sources such as passenger facility charge (PFC) revenues, customer facility charge (CFC) revenues, Triumph Funds, and Authority funds. These funding sources are discussed in greater detail below.

Passenger Facility Charges (PFC)

PFCs are authorized by Title 14 of the Code of Federal Regulations, Part 158 and are administered by the FAA. PFCs collected from qualified enplanements are used to fund eligible projects. An airport operator can impose a PFC of \$1, \$2, \$3, \$4 or \$4.50 per eligible, enplanement. Once a PFC is imposed, it is included as part of the ticket price paid by passengers enplaning at the airport, collected by the airlines and remitted to the airport operator, less an allowance for airline processing expenses. The PFC legislation stipulates that if a medium or large hub airport institutes a PFC of \$1, \$2, or \$3, they must forego 50 percent of their AIP entitlement funds. This increases

to 75 percent if they charge a \$4 or \$4.50 PFC. Since ECP is designated by the FAA as a small-hub airport, it does not have to forego any of its annual AIP entitlement funds.

ECP currently has one open PFC application, PFC #07-02-C-01-ECP, to collect a \$4.50 per enplanement passenger fee for a total approval amount of approximately \$42.0 million, expiring in FY 2038. The PFCs are approved to fund the PFC-eligible portion (or 52 percent) of State Infrastructure Bank of Florida (SIB) loan debt service as shown in **Table 9-6**. As shown, 48 percent of the SIB loan is funded by ECP through airline rates and charges and surplus revenues, which is discussed in the next section.

Table 9-7 presents the PFC calculation for ECP based on the enplanement projections presented in **Table 9-1**, as well as the annual funding plan for these revenues through FY 2039. While several projects in the CIP are PFC-eligible, the amount of future CIP projects funded with PFCs was determined by the available PFC cash flow presented in the table.

As shown in the table, PFC capacity becomes available in FY 2023, however, a future debt obligation is assumed to be issued due to a difference in the timing of the project spend versus the receipt of PFC revenues. While this analysis does not make any recommendations on the type of debt obligation ECP will undertake, historically the Authority has leveraged funds through SIB loans. As a result, this analysis assumes the placement of a 30-year loan at 5 percent interest to fund approximately \$30.8 million of the terminal renovation and expansion in PAL 1 in 2024 and \$67.3 million of the new terminal construction in 2039. **Table 9-8** presents the debt service for the 2024 loan. Due to capitalized interest, the 2039 loan debt service does not begin until 2041, which is after the forecast period, and therefore, not reflected on the table. As shown in the table, these loans would commit the majority of PFC revenues through FY 2039. However, additional PFC capacity could become available prior to 2039 if actual enplanements are higher than forecasted and if the PFC collection rate is increased from the current \$4.50 per enplaned passenger fee.

Customer Facility Charges (CFC)

The Authority currently collects a CFC of \$4.50 per rental car transaction from the rental car companies serving ECP to fund the costs for construction, improvement, repair, and maintenance of the rental car facilities and the refurbishment of the CFC Refurbishment Fund. This analysis assumes that the CFC will fund the loop road and rental car turn around facility (Project #17 on **Table 9-2**) included in PAL 2. **Table 9-9** presents the CFC calculation for ECP based on the enplanement projections presented in **Table 9-1**, as well as the annual funding plan for these revenues. As shown, approximately \$3.5 million in CFCs are required to fund the eligible portions of the CIP on a pay-go basis.

Triumph Funds

Triumph Gulf Coast, Inc. (Triumph), is a nonprofit corporation organized to oversee the expenditure of 75 percent of all funds recovered by the Florida attorney general for economic damages to the State that resulted from the 2010 Deepwater Horizon oil spill. Triumph is required to administer the distribution of the funds to be used for the recovery, diversification,

and enhancement of the eight Northwest Florida counties disproportionately affected by the oil spill, including Bay County which is where ECP is located. ECP is required to submit an application to Triumph to provide justification for the receipt of these funds. As shown in **Table 9-4**, approximately \$38.2 million in Triumph funds are assumed to fund the CIP. ECP has currently applied for the use of approximately \$4.5 million in Triumph Funds to fund economic development that encourages aviation-related businesses to locate at ECP (Project Gator included in Project #3 on **Table 9-3**). The remaining Triumph Funds are earmarked to fund approximately \$8.7 million in additional economic development projects (Project Goodwrench and Project Venus) and \$25 million of the crosswind runway (Project #19 on **Table 9-2**).

ECP Funds

As shown in **Table 9-4**, approximately \$303.5 million in ECP funds are assumed to fund the remainder of the CIP. Due to a difference in the timing of the project spend versus the availability of ECP revenues, approximately \$215.5 million of the CIP is required to be funded with future loans. **Table 9-10** presents the debt service for the future loans. While this analysis does not make any recommendations on the type of debt obligation ECP will undertake, historically the Authority has leveraged funds through SIB loans. As a result, this analysis assumes the placement of a 30-year loan at 5 percent interest in 2025 and 2029.

According to the Airline-Airport Use and Lease Agreements (Airline Agreements) between the Authority and the Signatory Airlines, airfield, terminal, and an allocation of indirect projects can be recovered through airline rates and charges. If a capital expenditure is greater than \$150,000, it is amortized in the rate base and if it is less than, it is directly expensed. As shown in **Table 9-4**, approximately \$85.7 million of Authority-funded projects are assumed to be amortized through airline rates and charges and approximately \$2.2 million of Authority-funded projects are assumed to be directly expensed. **Table 9-11** presents the Authority-funded projects and estimated amortization. The projects are amortized over their useful life at 5 percent.

Table 9-6 – Outstanding SIB Loans (in 000s)

Fiscal Year	SIB Loan			Funding (a)			Cost Center Allocation-ECP Funded				
	Loan 1	Loan 2	Total	PFC	ECP	Total	Airfield	Terminal	Ground Trans	Other	Total
				52%	48%		61.5%	13.9%	13.8%	10.8%	
2019	\$1,668	\$1,422	\$3,090	\$1,607	\$1,483	\$3,090	\$912	\$206	\$205	\$160	\$1,483
2020	\$1,668	\$1,422	\$3,090	\$1,607	\$1,483	\$3,090	\$912	\$206	\$205	\$160	\$1,483
2021	\$1,668	\$1,422	\$3,090	\$1,607	\$1,483	\$3,090	\$912	\$206	\$205	\$160	\$1,483
2022	\$1,668	\$1,422	\$3,090	\$1,607	\$1,483	\$3,090	\$912	\$206	\$205	\$160	\$1,483
2023	\$1,668	\$1,422	\$3,090	\$1,607	\$1,483	\$3,090	\$912	\$206	\$205	\$160	\$1,483
2024	\$1,668	\$1,422	\$3,090	\$1,607	\$1,483	\$3,090	\$912	\$206	\$205	\$160	\$1,483
2025	\$1,668	\$1,422	\$3,090	\$1,607	\$1,483	\$3,090	\$912	\$206	\$205	\$160	\$1,483
2026	\$1,668	\$1,422	\$3,090	\$1,607	\$1,483	\$3,090	\$912	\$206	\$205	\$160	\$1,483
2027	\$1,668	\$1,422	\$3,090	\$1,607	\$1,483	\$3,090	\$912	\$206	\$205	\$160	\$1,483
2028	\$1,668	\$1,422	\$3,090	\$1,607	\$1,483	\$3,090	\$912	\$206	\$205	\$160	\$1,483
2029	\$1,668	\$1,422	\$3,090	\$1,607	\$1,483	\$3,090	\$912	\$206	\$205	\$160	\$1,483
2019			\$3,090	\$1,607	\$1,483	\$3,090	\$912	\$206	\$205	\$160	\$1,483
PAL 1 (2020-2024)			\$15,448	\$8,033	\$7,415	\$15,448	\$4,560	\$1,031	\$1,023	\$801	\$7,415
PAL 2 (2025-2029)			\$15,448	\$8,033	\$7,415	\$15,448	\$4,560	\$1,031	\$1,023	\$801	\$7,415
PAL 3 (2030-2034)			\$15,448	\$8,033	\$7,415	\$15,448	\$4,560	\$1,031	\$1,023	\$801	\$7,415
PAL 4 (2035-2039) (b)			\$9,269	\$4,820	\$4,449	\$9,269	\$2,736	\$618	\$614	\$480	\$4,449

(a) Per PFC #07-02-C-01-ECP debt service associated with the SIB loans is 52% PFC-eligible.

(b) The SIB loans mature in FY 2037.

Source: DKMG Consulting, 2021.

Table 9-7 – Application of PFCs (in 000s)

	Source Table	Total	PAL 1					PAL 2					PAL 3	PAL 4
			Actual	Budget	Forecast			Forecast					(2030- 2034)	(2035- 2039)
			2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
Enplanements	9-1		437	365	449	552	679	722	768	817	868	923		
% of enpl revenue producing (a)			84.5%	85.9%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%		
Enplanements for PFC			369	313	381	469	577	614	653	694	738	785		
\$4.50 per enplanement (b)			\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39		
Total PFC revenue			\$1,619	\$1,375	\$1,674	\$2,060	\$2,534	\$2,695	\$2,865	\$3,047	\$3,240	\$3,445	\$18,318	\$20,225
PFC Account beginning balance		\$721		\$721	\$489	\$557	\$1,010	\$1,937	\$3,025	\$2,164	\$1,484	\$996	\$712	\$363
Plus: PFC revenue		\$61,477		\$1,375	\$1,674	\$2,060	\$2,534	\$2,695	\$2,865	\$3,047	\$3,240	\$3,445	\$18,318	\$20,225
Less: PFC eligible debt service														
Outstanding SIB loans (c)	9-6	(\$27,312)		(\$1,607)	(\$1,607)	(\$1,607)	(\$1,607)	(\$1,607)	(\$1,607)	(\$1,607)	(\$1,607)	(\$1,607)	(\$8,033)	(\$4,820)
Future loans	9-8	(\$29,789)		\$0	\$0	\$0	\$0	\$0	(\$2,120)	(\$2,121)	(\$2,122)	(\$2,123)	(\$10,634)	(\$10,670)
Ending balance		\$5,098		\$489	\$557	\$1,010	\$1,937	\$3,025	\$2,164	\$1,484	\$996	\$712	\$363	\$5,098

(a) Based on historical trends.

(b) The PFC formula is defined in 49 United States Code § 40117. PFC of \$4.50 less airline collection fee of \$0.11.

(c) PFC #07-02-C-01-ECP which expires in FY 2038, was approved to fund the PFC-eligible debt service associated with the SIB Loans issued to fund the relocation and expansion of ECP in 2011.

Source: DKMG Consulting, 2021.

Table 9-8 – PFC-Eligible Future Debt Service (in 000s)

Fiscal Year	Source Table	Series 2024 Bonds (a)	Allocation to Cost Centers		
			Airfield	Terminal	Total
2023		\$0	\$0	\$0	\$0
2024		\$0	\$0	\$0	\$0
2025		\$0	\$0	\$0	\$0
2026		\$2,120	\$0	\$2,120	\$2,120
2027		\$2,121	\$0	\$2,121	\$2,121
2028		\$2,122	\$0	\$2,122	\$2,122
2029		\$2,123	\$0	\$2,123	\$2,123
2030		\$2,124	\$0	\$2,124	\$2,124
2031		\$2,125	\$0	\$2,125	\$2,125
2032		\$2,127	\$0	\$2,127	\$2,127
2033		\$2,128	\$0	\$2,128	\$2,128
2034		\$2,129	\$0	\$2,129	\$2,129
2035		\$2,131	\$0	\$2,131	\$2,131
2036		\$2,132	\$0	\$2,132	\$2,132
2037		\$2,134	\$0	\$2,134	\$2,134
2038		\$2,136	\$0	\$2,136	\$2,136
2039		\$2,137	\$0	\$2,137	\$2,137
PAL 1 (2020-2024)		\$0			
PAL 2 (2025-2029)		\$8,485			
PAL 3 (2030-2034)		\$10,634			
PAL 4 (2035-2039)		\$10,670			
Construction fund deposit	9-2	\$30,774			
Par amount		\$36,198			

(a) Net of capitalized interest.
Source: DKMG Consulting, 2021.

Table 9-9 – Application of CFCs (in 000s)

	Source Table	Total	PAL 1				PAL 2					PAL 3	PAL 4
			Budget	Forecast			Forecast					(2030- 2034)	(2035- 2039)
			2021	2022	2023	2024	2025	2026	2027	2028	2029		
Rental car transactions (a)			387	476	586	721	767	815	867	922	980		
CFC charge per day			\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50		
CFC revenue			\$1,742	\$2,143	\$2,637	\$3,245	\$3,450	\$3,669	\$3,901	\$4,149	\$4,412	\$23,454	\$25,896
Beginning Balance		\$2,973	\$2,973	\$2,961	\$3,352	\$4,236	\$5,727	\$7,424	\$9,340	\$11,489	\$13,884	\$13,021	\$27,709
Plus: CFC revenue		\$78,698	\$1,742	\$2,143	\$2,637	\$3,245	\$3,450	\$3,669	\$3,901	\$4,149	\$4,412	\$23,454	\$25,896
Less: amort & operating expenses		(\$28,767)	(\$1,514)	(\$1,514)	(\$1,514)	(\$1,514)	(\$1,514)	(\$1,514)	(\$1,514)	(\$1,514)	(\$1,514)	(\$7,570)	(\$7,570)
Less: CFC Refurbishment Fund		(\$4,542)	(\$239)	(\$239)	(\$239)	(\$239)	(\$239)	(\$239)	(\$239)	(\$239)	(\$239)	(\$1,195)	(\$1,195)
Less: Master Plan projects - pay-go	9-2	(\$3,522)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$3,522)	\$0	\$0
Ending balance		\$44,840	\$2,961	\$3,352	\$4,236	\$5,727	\$7,424	\$9,340	\$11,489	\$13,884	\$13,021	\$27,709	\$44,840

(a) FY 2020 rental car transactions reflect actual amounts. FY 2021 through FY 2039 rental car transactions are forecast to grow with enplanement growth.

Source: DKMG Consulting, 2021.

Table 9-10 – ECP-Funded Future Debt Service (in 000s)

Fiscal Year	Source Table	2025 Loan	2029 Loan	Total Future Bonds	Allocation to Cost Centers			
					Airfield	Terminal	General Aviation	Total Future Bonds
2025		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027		\$10,895	\$0	\$10,895	\$0	\$10,895	\$0	\$10,895
2028		\$10,901	\$0	\$10,901	\$0	\$10,901	\$0	\$10,901
2029		\$10,906	\$0	\$10,906	\$0	\$10,906	\$0	\$10,906
2030		\$10,912	\$0	\$10,912	\$0	\$10,912	\$0	\$10,912
2031		\$10,918	\$3,952	\$14,870	\$0	\$14,169	\$700	\$14,870
2032		\$10,925	\$3,954	\$14,878	\$0	\$14,177	\$701	\$14,878
2033		\$10,931	\$3,956	\$14,887	\$0	\$14,186	\$701	\$14,887
2034		\$10,938	\$3,958	\$14,896	\$0	\$14,194	\$702	\$14,896
2035		\$10,945	\$3,960	\$14,905	\$0	\$14,203	\$702	\$14,905
2036		\$10,953	\$3,962	\$14,915	\$0	\$14,212	\$702	\$14,915
2037		\$10,960	\$3,965	\$14,925	\$0	\$14,222	\$703	\$14,925
2038		\$10,968	\$3,967	\$14,935	\$0	\$14,232	\$703	\$14,935
2039		\$10,977	\$3,970	\$14,946	\$0	\$14,243	\$704	\$14,946
PAL 1 (2020-2024)		\$0	\$0	\$0				
PAL 2 (2025-2029)		\$32,702	\$0	\$32,702				
PAL 3 (2030-2034)		\$54,624	\$15,818	\$70,442				
PAL 4 (2035-2039) (b)		\$54,803	\$19,824	\$74,626				
Construction fund deposit	9-2	\$158,179	\$57,370	\$215,548				
Par amount		\$186,058	\$67,481	\$253,540				

Source: DKMG Consulting, 2021.

Table 9-11 – ECP-Funded Expenditures and Amortization (in 000s)

	Source Table	Project Costs	PAL 1				PAL 2					PAL 3	PAL 4
			Budget	Forecast			Forecast					(2030-2034)	(2035-2039)
			2021	2022	2023	2024	2025	2026	2027	2028	2029		
Direct expensed													
Master Plan	9-2	\$261	\$0	\$32	\$0	\$210	\$0	\$0	\$0	\$0	\$2	\$18	\$0
Capital expenditures	9-3	1,983	218	185	303	383	553	171	123	48	0	0	0
Total		\$2,245	\$218	\$217	\$303	\$593	\$553	\$171	\$123	\$48	\$2	\$18	\$0
Summary by cost center													
Airfield		\$986	\$77	\$112	\$125	\$212	\$234	\$122	\$61	\$24	\$2	\$18	\$0
Terminal		800	127	54	161	105	240	27	61	24	0	0	0
Ground Transportation		426	14	19	17	276	79	21	0	0	0	0	0
Other		32	0	32	0	0	0	0	0	0	0	0	0
Total direct expensed		\$2,245	\$218	\$217	\$303	\$593	\$553	\$171	\$123	\$48	\$2	\$18	\$0
Amortized													
Prior year		N/A	\$497	\$497	\$497	\$350	\$328	\$203	\$147	\$147	\$111	\$151	\$119
Master Plan	9-2	35,749	0	0	113	113	311	311	311	311	311	3,461	8,749
Capital expenditures	9-3	49,968	0	549	669	734	802	887	2,063	2,542	3,003	19,529	20,048
Total		\$85,717	\$497	\$1,046	\$1,279	\$1,197	\$1,440	\$1,400	\$2,522	\$3,000	\$3,424	\$23,142	\$28,916
Summary by cost center													
Airfield			\$209	\$346	\$579	\$624	\$686	\$662	\$1,234	\$1,279	\$1,242	\$7,260	\$8,663
Terminal			163	163	163	143	137	121	473	690	920	6,475	6,734
Ground Transportation			96	123	123	36	229	229	430	647	877	7,224	10,280
Other			29	414	414	394	389	389	385	385	385	2,183	3,239
Total amortization			\$497	\$1,046	\$1,279	\$1,197	\$1,440	\$1,400	\$2,522	\$3,000	\$3,424	\$23,142	\$28,916

Source: DKMG Consulting, 2021.

9.3 FINANCIAL FEASIBILITY

This section of the financial analysis presents the projected operating expenses and revenues resulting from the daily operation of ECP. In addition, the funding of the CIP is layered into the projections to determine if it is feasible for the Authority to undertake the CIP from PAL 1 through PAL 4.

9.3.1 Operating Expenses

Operating expenses at ECP include personnel costs; supplies, materials, and maintenance; general administrative; maintenance contracts; and utilities and insurance. The FY 2020 operating expenses reflect actual amounts as of September 30, 2020 and the FY 2021 operating expenses reflect the FY 2021 Budget. **Table 9-12** presents operating expenses by line item for FY 2020 through FY 2039. As shown in the table, operating expenses were approximately \$8.2 million in FY 2020 and are budgeted to be approximately \$9.2 million in FY 2021.

Operating expenses are forecast to be approximately \$19.5 million in FY 2039 (PAL 4), reflecting a CAGR of 4.3 percent from FY 2021 based on the following:

- ✈ A review of historical trends and the anticipated effects of inflation assumed at 1.7 percent annually, reflecting the most recent 10-year average of the South Region Consumer Price Index (CPI).
- ✈ An increase to account for the maintenance and operation of the new and expanded terminal facilities (Project #2, #14, and #31 in **Table 9-2**) of 50 percent in FY 2027 and 16 percent in FY 2031, which are the dates of beneficial occupancy for the various phases. The increase percentages are based on the existing operating expense per square footage rate multiplied by the additional square footage projected for those years.

9.3.2 Operating Revenues

ECP operating revenues are derived primarily from landing fees, terminal rentals, rental car companies, parking, terminal concessions, hangar and land rentals, fixed base operator (FBO), fuel flowage fees, and other revenues. Transactions related to financing and investing activities are reported as non-operating revenues.

Table 9-13 presents historical and forecast operating revenues for ECP. As shown in the table, total operating revenues were approximately \$13.6 million in FY 2020 and are budgeted to decrease to approximately \$12.1 million in FY 2021. The 11% decrease in FY 2021 is primarily the result of the continued impact of COVID-19.

Table 9-12 – Operating Expenses (in 000s)

	PAL 1					PAL 2					PAL 3	PAL 4
	Actual	Budget	Forecast			Forecast					(2030-2034)	(2035-2039)
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
Line items												
Personnel costs	\$4,221	\$4,861	\$4,943	\$5,027	\$5,113	\$5,200	\$5,288	\$5,378	\$5,469	\$5,562	\$29,263	\$31,836
Supplies, materials, & maintenance	514	625	636	647	658	669	680	692	704	716	3,764	4,095
General & administrative	760	880	894	910	925	941	957	973	990	1,006	5,295	5,761
Maintenance contracts	1,686	1,725	1,754	1,784	1,815	1,845	1,877	1,909	1,941	1,974	10,385	11,299
Utilities & insurance	1,063	1,096	1,115	1,134	1,153	1,173	1,193	1,213	1,234	1,255	6,600	7,180
Increase for terminal expansion	0	0	0	0	0	0	0	4,800	4,800	4,800	33,000	35,250
Total	\$8,244	\$9,187	\$9,343	\$9,502	\$9,663	\$9,827	\$9,995	\$14,964	\$15,137	\$15,313	\$88,307	\$95,421
Departments												
Administrative	\$465	\$541	\$550	\$559	\$569	\$578	\$588	\$598	\$608	\$619	\$3,254	\$3,540
Executive	1,406	1,611	1,638	1,666	1,694	1,723	1,752	1,782	1,812	1,843	9,697	10,550
Operations	1,999	2,159	2,196	2,233	2,271	2,310	2,349	2,389	2,430	2,471	13,000	14,144
Maintenance	1,939	2,122	2,158	2,195	2,232	2,270	2,309	2,348	2,388	2,428	12,776	13,899
Police	1,437	1,636	1,664	1,692	1,721	1,750	1,780	1,810	1,841	1,872	9,848	10,714
ARFF	998	1,118	1,137	1,157	1,176	1,196	1,217	1,237	1,258	1,280	6,732	7,324
Increase for terminal expansion	0	0	0	0	0	0	0	4,800	4,800	4,800	33,000	35,250
Total	\$8,244	\$9,187	\$9,343	\$9,502	\$9,663	\$9,827	\$9,995	\$14,964	\$15,137	\$15,313	\$88,307	\$95,421
Cost Centers												
Airfield	\$2,420	\$2,575	\$2,619	\$2,663	\$2,708	\$2,754	\$2,801	\$2,636	\$2,683	\$2,731	\$14,178	\$15,434
Terminal	3,978	4,596	4,674	4,753	4,834	4,916	5,000	10,228	10,317	10,407	62,803	67,659
Ground Transportation	1,457	1,579	1,606	1,633	1,661	1,689	1,718	1,653	1,682	1,711	8,918	9,706
Other	390	437	445	452	460	468	476	448	456	464	2,409	2,622
Total	\$8,244	\$9,187	\$9,343	\$9,502	\$9,663	\$9,827	\$9,995	\$14,964	\$15,137	\$15,313	\$88,307	\$95,421
Annual percent change		11.4%	1.7%	1.7%	1.7%	1.7%	1.7%	49.7%	1.2%	1.2%		
CAGR from 2021					1.7%					6.6%	5.5%	4.3%

Sources: ECP (FY 2020 and FY 2021), DKMG Consulting LLC (FY 2022 - FY 2039), 2021.

Table 9-13 – Operating Revenues (in 000s)

	Source Table	PAL 1					PAL 2					PAL 3	PAL 4
		Actual	Budget	Forecast			Forecast					(2030- 2034)	(2035- 2039)
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
Airline													
Landing fees													
Passenger	9-14	\$3,135	\$2,302	\$1,713	\$2,799	\$2,972	\$4,010	\$3,917	\$4,259	\$4,308	\$4,293	\$22,976	\$23,674
Cargo		15	13	13	13	13	13	13	13	13	14	70	74
Terminal rentals	9-14	2,416	2,389	2,391	2,482	2,485	2,689	2,618	16,400	16,604	16,832	102,402	108,246
Per turn fees		0	52	45	58	60	74	72	228	230	233	1,381	1,453
Subtotal		\$5,565	\$4,755	\$4,162	\$5,352	\$5,530	\$6,786	\$6,620	\$20,900	\$21,156	\$21,371	\$126,829	\$133,447
% change			-14.6%	-12.5%	28.6%	3.3%	22.7%	-2.4%	215.7%	1.2%	1.0%		
Car rentals													
Concessions		\$2,433	\$2,078	\$2,557	\$3,146	\$3,870	\$4,116	\$4,376	\$4,654	\$4,949	\$5,262	\$27,977	\$30,890
Facility rents (CFCs) (a)	9-9	1,522	1,514	1,514	1,514	1,514	1,514	1,514	1,514	1,514	1,514	7,570	7,570
Subtotal		\$3,955	\$3,592	\$4,071	\$4,660	\$5,384	\$5,630	\$5,891	\$6,168	\$6,463	\$6,776	\$35,547	\$38,460
% change			-9.2%	13.3%	14.5%	15.6%	4.6%	4.6%	4.7%	4.8%	4.9%		
Terminal complex													
Ground transportation													
Parking		\$2,269	\$1,997	\$2,702	\$3,325	\$4,090	\$4,388	\$4,666	\$4,961	\$5,276	\$6,742	\$37,781	\$52,412
Parking passes		98	87	107	132	163	173	184	196	208	221	1,175	1,298
Shuttles		61	50	61	75	92	98	105	111	118	126	669	738
Taxi's		25	13	15	19	23	25	26	28	30	32	169	186
Terminal concessions													
Food and beverage		296	238	293	361	444	472	502	723	769	818	9,860	12,333
News and gifts		83	67	82	101	124	132	140	202	215	229	2,760	3,453
Advertising		73	75	92	114	140	149	158	228	242	257	3,104	3,883
Non-airline terminal rentals		148	190	192	194	196	198	200	202	204	206	1,063	1,117
Subtotal		\$3,054	\$2,717	\$3,546	\$4,320	\$5,273	\$5,634	\$5,981	\$6,652	\$7,063	\$8,631	\$56,581	\$75,419
% change			-11.0%	30.5%	21.8%	22.0%	6.9%	6.1%	11.2%	6.2%	22.2%		
General aviation													
Hangar/land rentals		\$360	\$402	\$406	\$410	\$414	\$419	\$423	\$427	\$431	\$436	\$5,089	\$6,077
FBO		344	351	355	358	362	365	369	373	376	380	1,959	2,058
Fuel flowage fees		65	56	56	57	58	58	59	59	60	60	312	328
Subtotal		\$769	\$809	\$817	\$825	\$834	\$842	\$850	\$859	\$868	\$876	\$7,359	\$8,463
% change			5.3%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%		
Other													
Fuel farm debt service		\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$699	\$699
Miscellaneous income		104	76	77	78	78	79	80	81	82	82	424	446
Subtotal		\$243	\$216	\$217	\$217	\$218	\$219	\$220	\$220	\$221	\$222	\$1,123	\$1,144
% change			-11.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%		
Total operating revenues		\$13,586	\$12,088	\$12,813	\$15,375	\$17,239	\$19,111	\$19,562	\$34,799	\$35,770	\$37,877	\$227,439	\$256,934
Annual percent change			-11.0%	6.0%	20.0%	12.1%	10.9%	2.4%	77.9%	2.8%	5.9%		
CAGR from 2021						12.6%					15.3%	11.4%	8.7%

(a) A portion of the annual CFC collection is used to pay the rental cars’ facility rents based on the amortization and operating expenses of the rental car facility .

Sources: ECP (FY 2020 and FY 2021), DKMG Consulting LLC (FY 2022 - FY 2039), 2021.

Total operating revenues are forecast to increase to approximately \$53.9 million in FY 2039, reflecting a CAGR of 8.7% from FY 2021. Operating revenues were forecast as follows:

- ✈ Historical trends including allowances for unit price inflation at 2.0% per year.
- ✈ The provisions of the Airline Agreements and other leases and agreements with tenants and users of ECP. If a lease expires during the forecast period, similar lease terms are assumed to be in place throughout the forecast period.
- ✈ Revenues from sources related to passengers, such as parking, rental car commissions, and terminal concessions were forecast to change in part as a function of the enplanement forecast shown in **Table 9-1**. This forecast reflects the recovery of FY 2019 enplaned passengers by FY 2024.
- ✈ Parking revenues were increased 7 percent in FY 2025, 28 percent in 2029, 29 percent in FY 2034, and 27 percent in FY 2039, which are the dates of beneficial occupancy for the various phases of the parking facility. The increased percentages are based on the existing parking revenue per space rate multiplied by the additional parking spaces projected for those years.
- ✈ Terminal concession revenues were increased 44 percent in FY 2027 and 162 percent in FY 2031, which are the dates of beneficial occupancy for the various phases of the terminal expansion. The increased percentages are based on the existing terminal concession revenue per square footage rate multiplied by the additional concession square footage projected for those years.
- ✈ Hangar rentals are increased in FY 2031 by the future debt service payment included in **Table 9-10** for general aviation attributable to the box hangar expansion (Project #22 on **Table 9-2**).

Airline revenues include landing fees, terminal rental revenues, and per turn fee revenue. The per turn fee for the use of the terminal by the non-signatory airlines is forecast to increase at the same rate as the terminal rental rate increase. Article 7 of the Airline Agreements describes the method for the calculation of the landing fee and terminal rental, which is a compensatory rate-setting methodology with a revenue-sharing mechanism. **Table 9-14** presents the landing fee and terminal rental rate calculations.

The Authority intends on using approximately \$5.9 million in COVID-19 Relief Grants to reimburse itself for SIB loan payments from FY 2021 through FY 2024. Of this amount, approximately \$4.5 million is assumed to reduce the Signatory Airlines' rate base. The Authority also intends on using approximately \$800,000 in COVID-19 Relief Grants to reimburse itself for a portion of FY 2022 operating expenses all of which is assumed to reduce the Signatory Airlines' rate base.

At the end of each fiscal year, the Authority shares with the Signatory Airlines 50 percent of the net remaining revenues as defined in Article 8.07 of the Airline Agreements. **Table 9-15** shows the calculation of net remaining revenues, as well as the Signatory Airlines' share.

The Signatory Airline cost per enplanement (CPE) was \$4.11 in FY 2019 and increased to \$9.42 per enplanement in FY 2020, primarily due to the decrease in enplanements resulting from COVID-19. **Table 9-16** presents the forecasted Signatory Airline CPE calculation for ECP. As shown in the table, the Signatory Airline CPE is estimated to increase to \$12.26 per enplanement in FY 2021, which still reflects the decrease in enplanements resulting from COVID-19. The CPE is forecast to decrease to \$4.55 per enplanement in FY 2024, which is when enplanements are forecast to recover to FY 2019 levels.

During the forecast period, the CPE reaches a high of \$21.48 per enplanement in FY 2027, which is the date of beneficial occupancy of the terminal expansion project. While it is anticipated that the CPE should increase upon completion of a terminal expansion, a CPE above \$20.00 per enplanement may be considered high when compared to airports of similar size. For example, according to a report prepared by Moody's Investor Service in November 2020, titled *Fiscal 2019 Medians*, the average CPE for small-hub airports in 2019 was \$7.20 per enplanement.

Table 9-14 – Airline Rates and Charges (in 000s)

	Source Table	PAL 1				PAL 2					PAL 3	PAL 4
		Budget	Forecast			Forecast					2034	2039
		2021	2022	2023	2024	2025	2026	2027	2028	2029		
Terminal Rental Rate												
Operating expenses	9-12	\$4,596	\$4,674	\$4,753	\$4,834	\$4,916	\$5,000	\$10,228	\$10,317	\$10,407	\$13,223	\$13,743
Direct expensed (capital < \$150)	9-11	127	54	161	105	240	27	61	24	0	0	0
Amortization (capital > \$150)	9-11	163	163	163	143	137	121	473	690	920	1,347	1,347
Debt service												
Outstanding debt service	9-6	206	206	206	206	206	206	206	206	206	206	0
Less: COVID-19 Relief Grants (a)		(206)	(206)	(206)	(206)	0	0	0	0	0	0	0
Future debt service	9-10	0	0	0	0	0	0	10,895	10,901	10,906	14,194	14,243
Total requirement		\$4,886	\$4,890	\$5,077	\$5,082	\$5,500	\$5,354	\$21,864	\$22,137	\$22,439	\$28,970	\$29,333
Total usable space (b)		80	80	80	80	80	80	144	144	144	176	176
Terminal rental rate		\$61.06	\$61.12	\$63.45	\$63.52	\$68.74	\$66.92	\$151.54	\$153.43	\$155.53	\$164.17	\$166.22
Airline rented space (b)(c)		39	39	39	39	39	39	108	108	108	131	131
Terminal rental revenues		\$2,389	\$2,391	\$2,482	\$2,485	\$2,689	\$2,618	\$16,400	\$16,604	\$16,832	\$21,461	\$21,729
Landing Fee												
Operating expenses	9-12	\$2,575	\$2,619	\$2,663	\$2,708	\$2,754	\$2,801	\$2,636	\$2,683	\$2,731	\$2,926	\$3,197
Less: COVID-19 Relief Grants (a)		0	(800)	0	0	0	0	0	0	0	0	0
Direct expensed (capital < \$150)	9-11	77	112	125	212	234	122	61	24	2	18	0
Amortization (capital > \$150)	9-11	209	346	579	624	686	662	1,234	1,279	1,242	1,452	1,723
Debt service												
Outstanding debt service	9-6	912	912	912	912	912	912	912	912	912	912	0
Less: COVID-19 Relief Grants (a)		(912)	(912)	(912)	(912)	0	0	0	0	0	0	0
Future debt service	9-10	0	0	0	0	0	0	0	0	0	0	0
Total requirement		\$2,861	\$2,277	\$3,367	\$3,544	\$4,586	\$4,497	\$4,844	\$4,898	\$4,887	\$5,308	\$4,920
Less: non-airline revenues												
FBO	9-13	(\$351)	(\$355)	(\$358)	(\$362)	(\$365)	(\$369)	(\$373)	(\$376)	(\$380)	(\$400)	(\$420)
Fuel farm debt service	9-13	(140)	(140)	(140)	(140)	(140)	(140)	(140)	(140)	(140)	(140)	(140)
Fuel flowage fees	9-13	(56)	(56)	(57)	(58)	(58)	(59)	(59)	(60)	(60)	(64)	(67)
Cargo landing fees	9-13	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(14)	(14)	(15)
Adjusted requirement		\$2,302	\$1,713	\$2,799	\$2,972	\$4,010	\$3,917	\$4,259	\$4,308	\$4,293	\$4,690	\$4,278
Landing weight	9-1	511	565	626	692	697	702	707	712	717	741	766
Landing Fee - Signatory		\$4.50	\$3.03	\$4.47	\$4.29	\$5.75	\$5.58	\$6.02	\$6.05	\$5.99	\$6.33	\$5.59

(a) The District intends on using a portion of the COVID-19 Relief Grants to fund operating expenses and debt service.

(b) Space increases in the year of beneficial occupancy of the terminal expansion (Project #2, #14, and #31 in Table 9-2).

(c) Currently, approximately 80 percent of the airline space is leased. Once the terminal expansion is complete in PAL 1, it is assumed that 100 percent of airline space is leased.

Source: DKMG Consulting, 2021.

Table 9-15 – Airline Revenue Sharing (in 000s)

	Source Table	PAL 1				PAL 2					PAL 3	PAL 4
		Budget	Forecast			Forecast					2034	2039
		2021	2022	2023	2024	2025	2026	2027	2028	2029		
Revenues												
Total operating revenues	9-13	\$12,088	\$12,813	\$15,375	\$17,239	\$19,111	\$19,562	\$34,799	\$35,770	\$37,877	\$227,439	\$256,934
Interest income		6	6	6	6	6	6	6	6	6	29	29
Total revenues		\$12,094	\$12,819	\$15,381	\$17,245	\$19,116	\$19,567	\$34,804	\$35,776	\$37,883	\$227,469	\$256,964
Expenditures												
Operating expenses	9-12	\$9,187	\$9,343	\$9,502	\$9,663	\$9,827	\$9,995	\$14,964	\$15,137	\$15,313	\$88,307	\$95,421
Capital < \$150,000 (a)	9-11	229	217	303	593	553	171	123	48	2	18	0
Loan debt service												
Outstanding - Non-PFC eligible	9-6	1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	1,483	7,415	4,449
Future - Non-PFC eligible	9-10	0	0	0	0	0	0	10,895	10,901	10,906	70,442	74,626
Capital reserve		650	650	650	650	650	650	650	650	650	3,250	3,250
Total expenditures		\$11,549	\$11,693	\$11,938	\$12,389	\$12,514	\$12,298	\$28,116	\$28,218	\$28,354	\$169,432	\$177,746
Net remaining revenues		\$546	\$1,126	\$3,444	\$4,856	\$6,603	\$7,269	\$6,689	\$7,558	\$9,529	\$58,036	\$79,217
Amount allocated to airlines		\$273	\$563	\$1,722	\$2,428	\$3,301	\$3,635	\$3,344	\$3,779	\$4,764	\$29,018	\$39,609
Amount allocated to ECP		\$273	\$563	\$1,722	\$2,428	\$3,301	\$3,635	\$3,344	\$3,779	\$4,764	\$29,018	\$39,609

(a) Master Plan and capital expenditures have been updated since the budget was prepared, therefore, the FY 2021 number does not foot to Table 9-11.

Source: DKMG Consulting, 2021.

Table 9-16 – Airline Cost per Enplanement (in 000s)

	Source Table	PAL 1				PAL 2					PAL 3	PAL 4
		Budget	Forecast			Forecast					2034	2039
		2021	2022	2023	2024	2025	2026	2027	2028	2029		
Landing fees	9-14	\$2,302	\$1,713	\$2,799	\$2,972	\$4,010	\$3,917	\$4,259	\$4,308	\$4,293	\$4,690	\$4,278
Terminal rentals	9-14	2,389	2,391	2,482	2,485	2,689	2,618	16,400	16,604	16,832	21,461	21,729
Per turn fees	9-13	52	45	58	60	74	72	228	230	233	288	287
Revenue sharing	9-15	(273)	(563)	(1,722)	(2,428)	(3,301)	(3,635)	(3,344)	(3,779)	(4,764)	(6,939)	(9,413)
Total airline revenues		\$4,469	\$3,587	\$3,618	\$3,089	\$3,471	\$2,972	\$17,542	\$17,364	\$16,593	\$19,501	\$16,881
Enplanements		365	449	552	679	722	768	817	868	923	1,022	1,127
Airline cost per enplanement		\$12.26	\$8.00	\$6.55	\$4.55	\$4.81	\$3.87	\$21.48	\$20.00	\$17.97	\$19.08	\$14.98

Source: DKMG Consulting, 2021.

9.3.3 Pro Forma Cash Flow

Table 9-17 presents the pro forma cash flow of the Authority for the planning period, based on the projection of operating revenues, operating expenses, and debt service previously discussed. As shown in the table, the Authority has sufficient funds for its portion of the CIP through PAL 4.

As previously discussed, the implementation of the CIP results in a maximum CPE of \$21.48 in FY 2027. As shown in **Table 9-17**, the Authority is forecast to have excess funds in its surplus account, which could be used through the revenue sharing mechanism to reduce the airlines rates and charges.

The outstanding SIB loans mature in FY 2037 and are collateralized by a pledge of net revenues at 110 percent of debt service (rate coverage) and eligible PFC revenues. **Table 9-18** presents the debt service coverage calculation. As shown in the table, the Authority satisfies the rate coverage through PAL 4.

Table 9-17 – Pro Forma Cash Flow (in 000s)

	Source Table	PAL 1					PAL 2					PAL 3	PAL 4
		Actual	Budget	Forecast			Forecast					(2030- 2034)	(2035- 2039)
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
Total operating revenues	9-13	\$13,586	\$12,088	\$12,813	\$15,375	\$17,239	\$19,111	\$19,562	\$34,799	\$35,770	\$37,877	\$227,439	\$256,934
Interest income		7	6	6	6	6	6	6	6	6	6	29	29
Less: revenue sharing	9-15	(1,439)	(273)	(563)	(1,722)	(2,428)	(3,301)	(3,635)	(3,344)	(3,779)	(4,764)	(29,018)	(39,609)
Less: operating expenses	9-12	(8,244)	(9,187)	(9,343)	(9,502)	(9,663)	(9,827)	(9,995)	(14,964)	(15,137)	(15,313)	(88,307)	(95,421)
Plus: COVID-19 Relief Grants (a)	9-14	0	0	800	0	0	0	0	0	0	0	0	0
Less: Loan debt service													
Outstanding - Non-PFC eligible	9-6	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$1,483)	(\$7,415)	(\$4,449)
Future - Non-PFC eligible	9-10	0	0	0	0	0	0	0	(10,895)	(10,901)	(10,906)	(70,442)	(74,626)
COVID-19 Relief Grants (a)		0	1,483	1,483	1,483	1,483	0	0	0	0	0	0	0
Revenues available for capital		\$2,426	\$2,635	\$3,713	\$4,158	\$5,154	\$4,505	\$4,455	\$4,117	\$4,476	\$5,416	\$32,286	\$42,859
Unrestricted fund balance													
Beginning Balance (b)			\$18,594	\$14,166	\$14,763	\$17,804	\$19,059	\$21,950	\$11,570	\$9,600	\$8,289	\$2,862	\$15,489
Plus: revenues available for capital			\$2,635	\$3,713	\$4,158	\$5,154	\$4,505	\$4,455	\$4,117	\$4,476	\$5,416	\$32,286	\$42,859
Less: ECP funded projects to be amortized													
Master Plan	9-2		\$0	(\$1,407)	\$0	(\$2,468)	\$0	\$0	\$0	\$0	(\$4,752)	(\$13,180)	(\$13,941)
Capital expenditures	9-3		(\$6,845)	(\$1,492)	(\$814)	(\$838)	(\$1,061)	(\$14,664)	(\$5,964)	(\$5,740)	(\$6,090)	(\$6,460)	\$0
Less: ECP funded projects direct expensed													
Master Plan	9-2		\$0	(\$32)	\$0	(\$210)	\$0	\$0	\$0	\$0	(\$2)	(\$18)	\$0
Capital expenditures	9-3		(\$218)	(\$185)	(\$303)	(\$383)	(\$553)	(\$171)	(\$123)	(\$48)	\$0	\$0	\$0
Ending Balance			\$14,166	\$14,763	\$17,804	\$19,059	\$21,950	\$11,570	\$9,600	\$8,289	\$2,862	\$15,489	\$44,407

(a) The District intends on using a portion of the COVID-19 Relief Grants to fund operating expenses and debt service.

(b) Reflects the ending balance as of September 30, 2020.

Source: DKMG Consulting, 2021.

Table 9-18 – Rate Coverage (in 000s)

	Source Table	PAL 1					PAL 2					PAL 3	PAL 4
		Actual	Budget	Forecast			Forecast					2034	2039
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029		
Operating revenues	9-13	\$13,586	\$12,088	\$12,813	\$15,375	\$17,239	\$19,111	\$19,562	\$34,799	\$35,770	\$37,877	\$49,412	\$53,915
Interest income	9-17	7	6	6	6	6	6	6	6	6	6	6	6
Plus: PFCs for eligible SIB loan debt	9-6	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	0
Less: operating expenses	9-12	(8,244)	(9,187)	(9,343)	(9,502)	(9,663)	(9,827)	(9,995)	(14,964)	(15,137)	(15,313)	(18,487)	(19,493)
Plus: COVID-19 Relief Grants (a)	9-14	0	0	800	0	0	0	0	0	0	0	0	0
Amount available for debt service		\$6,955	\$4,514	\$5,883	\$7,486	\$9,188	\$10,896	\$11,179	\$21,447	\$22,246	\$24,176	\$32,537	\$34,428
Debt service													
Outstanding SIB loans	9-6	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090	\$3,090	\$0
Future loans	9-10	0	0	0	0	0	0	0	10,895	10,901	10,906	14,896	14,946
Less: COVID-19 Relief Grants	9-17	0	(1,483)	(1,483)	(1,483)	(1,483)	0	0	0	0	0	0	0
Total debt service		\$3,090	\$1,607	\$1,607	\$1,607	\$1,607	\$3,090	\$3,090	\$13,985	\$13,990	\$13,996	\$17,985	\$14,946
Rate Coverage		2.25x	2.81x	3.66x	4.66x	5.72x	3.53x	3.62x	1.53x	1.59x	1.73x	1.81x	2.30x

Source: DKMG Consulting, 2021.

9.4 SUMMARY

The financial projections were prepared on the basis of available information and assumptions set forth in this chapter. It is believed that such information and assumptions provide a reasonable basis for the projections to the level of detail appropriate for planning purposes. Some of the assumptions used to develop the projections may not be realized, and unanticipated events or circumstances may occur. Therefore, the actual results will vary from those projected, and such variations could be material.

The actual need for facilities is most appropriately established by airport activity levels rather than a specified date. Actual demand may be slower to develop than expected. On the other hand, high levels of demand may establish the need to accelerate the development. Although every effort has been made in this planning process to conservatively estimate when facility development may be needed, aviation demand will dictate when facility improvements need to be delayed or accelerated.

The financial feasibility of future projects will be determined by existing and future leases, federal and state funding levels, other funding sources, and the ability to generate internal cash flow from operations at ECP.