Capital Program Scenarios

Capital Planning Committee

July 20, 2020
## Approved Capital Program (CIP)

<table>
<thead>
<tr>
<th>Program</th>
<th>Current Budget</th>
<th>Earned to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascent Program</td>
<td>7,269,598,822</td>
<td>4.405B</td>
</tr>
<tr>
<td>Infrastructure Program (FY19/20)</td>
<td>350,818,078</td>
<td>0.045B</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>7,620,417,135</strong></td>
<td><strong>4.45 B</strong></td>
</tr>
</tbody>
</table>

58%
Obtained Commission approval on June 2nd to add four (4) projects to the CIP:

<table>
<thead>
<tr>
<th>New FY20/21 Infrastructure Projects</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Runway 10L-28R Rehabilitation</td>
<td>137,000,000</td>
</tr>
<tr>
<td>Taxiway A&amp;B</td>
<td>40,000,000</td>
</tr>
<tr>
<td>Noise Insulation 2020-2024</td>
<td>12,777,039</td>
</tr>
<tr>
<td>MLTP Sanitary Sewer Improvements</td>
<td>30,000,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>219,777,039</strong></td>
</tr>
</tbody>
</table>
## Approved Capital Program (CIP)

<table>
<thead>
<tr>
<th>Program</th>
<th>Current Budget</th>
<th>Earned to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascent Program</td>
<td>7,269,598,822</td>
<td>4.405B</td>
</tr>
<tr>
<td>Infrastructure Program (FY19/20)</td>
<td>350,818,078</td>
<td>0.045B</td>
</tr>
<tr>
<td>Infrastructure Program (FY20/21)</td>
<td>219,777,039</td>
<td>0B</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>7,840,194,174</strong></td>
<td><strong>4.45 B</strong></td>
</tr>
</tbody>
</table>

57%
CIP Evaluation in Response to COVID-19

✓ Step 1: Reprioritize CIP Projects
  • Ascent projects have been categorized into A, B, and C
    ▪ Category A: Project is in construction; has grant funding; is essential to operations
    ▪ Category B: Critical projects that can be suspended for a period
    ▪ Category C: Discretionary projects that can wait

✓ Step 2: Develop Capital Plan Scenarios
  • Worst Case Plan: $5.20B CIP
  • Baseline Plan: $6.65B CIP
  • Best Case Plan: $7.84B+ CIP

☐ Step 3: Establish Triggers for Re-Activating Suspended Projects
  • Passenger Count / TSA Throughput; Revenue Generation

☐ Step 4: Develop a 4th Capital Plan Scenario: $6B “Reduced Baseline” Plan
  • On 6/24/20, Director Satero requested a new ~$6B CIP Scenario be developed
Trigger Points for Project Re-Activation

Establish Trigger Points based on:
- Passenger Count / TSA Throughput
- Domestic Spend Rate
- International Traffic Return
- International Spend Rate

Methodology:
- Sustained Month over Month Growth
  - Example: 50% increase in passengers for 3 straight months.
    Evaluate recovery trajectory/curve.
- Minimum Passenger Throughput Totals
  - Example: Passenger Count at 25%, 50%, 75%, etc. of FY19 levels
  - Example: 15K, 30K, 45K, 60K Passengers/Day
- Spend Rate: Domestic, International
  - Example: Spend Rate at 50%, 75%, 90%, etc. of FY19

Note: Consider Trigger Points to move towards Worst Case Scenario (additional project/scope suspensions), if recovery flattens or declines.
“Likely” Recovery Scenario: U-Shaped 3-Years
ON-RAMPS: Suspended CIP Scope

**T3 West Phase 1**
Airfield (5 Gates Closed) and Structure [$300M]

Re-Activate $50M of Category B Projects

25% of Traffic Returns: Re-activate $350M of Ascent CIP

**T3 West Phase 2**
Pre-Security and East Addition [ADD $400M to CIP]

Re-Activate $150M of Category C Projects

50% of Traffic Returns: Re-activate $130M of Ascent CIP and Capital Plan Approval for $400M

**T3 West Phase 3**
Post-Security Build-Out and BHS [$560M]

Re-Activate $150M of Category C Projects

75% of Traffic Returns: Re-activate $710M of Ascent CIP

Today

- FY 2019 Passengers: 28.6
- February 2020 Projections: 31.7
- U-shaped recovery (3 years): 30.3

Enplaned passengers (millions)

- July 2018: 28
- July 2019: 26
- July 2020: 22
- July 2021: 20
- July 2022: 20
- July 2023: 25
- July 2024: 26
- July 2025: 30
- July 2026: 31
- July 2027: 31.5
- July 2028: 31.7
- July 2029: 30.3
- July 2030: 28
Trigger Points

- Finalize and obtain concurrence on “Triggers” for re-activating Suspended Projects, based on passenger count and revenue generation.
- **Deadline:** August 15, 2020

“Reduced Baseline” CIP Scenario

- Develop a Reduced Baseline CIP Scenario for the Director’s review and approval
- Target a $6B CIP, which would require only $800K of additional funding, instead of the $1.45B required by the Baseline Scenario.
- Category A Projects will need to be suspended for this scenario (the Baseline Scenario only suspends Category B and C projects)
- Major projects and scope, such as Terminal 1 North, the Courtyard 3 Connector office block build-out, and the ITB Phase 2 project will likely need to be suspended.
Thank You