Review of Cost Estimate

Presented to
Burbank-Glendale-Pasadena Airport Authority

November 5, 2018
BACKGROUND INFORMATION
General Information

- Total outstanding debt (estimated as of July 1, 2018): $99,115,000
  - 2012 issue: $75,945,000  
    Final Maturity – July 1, 2042
    Bonds were issued to build the Regional Intermodal Transportation Center/Consolidated Rental Car Facility. Bonds are fully supported by the Customer Facility Charge and residual rent payment from the Rental Car Companies signatory to the Concession and Lease Agreement.
  - 2015 issue: $23,170,000  
    Final Maturity – July 1, 2024
    Bonds were issued to refund the 2005 bonds for savings and will be fully repaid in July 2024.

- Fitch Ratings – Affirmed “A” Rating with Stable Outlook (September 26, 2018)

- Current ratings of A2 by Moody’s and A+ by S&P

- Moody’s and S&P surveillance scheduled for mid-November
REPLACEMENT PASSENGER TERMINAL
INITIAL COST REVIEW
Activity Highlights to Date

Replacement Passenger Terminal Project

- **Airport Layout Plan**
  - A revised Airport Layout Plan ("ALP") reflecting the proposed Replacement Passenger Terminal was completed and conditionally approved by the FAA in October 2017.

- **Human Health Risk Assessment – Phase II**
  - HHRA Phase II was completed with the findings that the conditions on the preferred site (Adjacent Property) are compatible for the construction of and operation of an airport replacement passenger terminal and associated facilities (replacement terminal complex). A covenant and environmental restriction on the property reflecting these findings is being prepared with the California Regional Water Quality Control Board.
Activity Highlights to Date

Replacement Passenger Terminal Project (continued)

- **Environmental Impact Study**
  - An Environmental Impact Study ("EIS") for the Replacement Passenger Terminal with the FAA as the lead agency, began on May 3, 2018. A draft EIS is anticipated to be completed within 22-24 months from the start date of the study. RS&H is the consultant undertaking the study. The Authority received an AIP grant for this study last summer.
  - During the EIS process, the Authority is limited to the level of design work for the entire project (25%) it may undertake without causing a “predetermination” of the study.
  - FAA preparing to schedule public scoping session.

- **Public Charrette Process**
  - Under the terms of the Development Agreement with the City of Burbank, the Authority is required to hold at least six public design charrettes. A two-step RFQ and RFP process for a Charrette Facilitator has been undertaken with an award of contract anticipated in December. The first charrette meeting is expected to be held in the beginning of 2019.
Activity Highlights to Date

- **Concept Validation Cost Estimate**
  - **Assumptions:**
    - Due to early nature and limited design work, conservative cost estimates used for the levels of contingencies and soft costs.
    - Conservative escalation factor used for the forecast period.
    - Costs for TSA equipment and tenant improvements are not included in project funding forecast.
    - Estimates broken into main components of the project:
      - **Airside**
        - Ramp, Taxiways A and C extension
      - **Landside**
        - New entrance roadway, parking facilities
      - **Terminal**
      - **Demolition**
        - Under Development Agreement, current terminal required to be demolished within 12 months of opening of Replacement Passenger Terminal.
# Concept Validation Cost Estimate

**INITIAL REPLACEMENT TERMINAL COST PROJECTION - SEPTEMBER 2018**

<table>
<thead>
<tr>
<th>Category</th>
<th>Direct</th>
<th>Indirect</th>
<th>Soft Costs</th>
<th>Contingency</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enabling</td>
<td>$ 14,526,047</td>
<td>$ 10,250,632</td>
<td>$ 6,205,968</td>
<td>$ 2,241,784</td>
<td>$ 33,224,431</td>
</tr>
<tr>
<td>Terminal</td>
<td>236,253,890</td>
<td>166,717,874</td>
<td>128,345,226</td>
<td>39,848,774</td>
<td>571,165,765</td>
</tr>
<tr>
<td>Loop Road &amp; Landside</td>
<td>23,272,528</td>
<td>16,422,783</td>
<td>10,320,781</td>
<td>4,025,728</td>
<td>54,041,820</td>
</tr>
<tr>
<td>Employee Surface Parking</td>
<td>755,000</td>
<td>528,500</td>
<td>333,710</td>
<td>121,291</td>
<td>1,738,501</td>
</tr>
<tr>
<td>Public Parking Structure</td>
<td>86,376,229</td>
<td>60,953,330</td>
<td>38,305,685</td>
<td>13,922,643</td>
<td>199,557,887</td>
</tr>
<tr>
<td>Airfield NEQ</td>
<td>40,126,109</td>
<td>28,315,892</td>
<td>17,110,500</td>
<td>6,416,438</td>
<td>91,968,939</td>
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<tr>
<td>Airfield SEQ</td>
<td>9,261,944</td>
<td>7,791,795</td>
<td>4,263,435</td>
<td>1,616,050</td>
<td>22,933,223</td>
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<tr>
<td>Support Facilities (Cargo and GSE Maint)</td>
<td>6,220,287</td>
<td>4,389,486</td>
<td>2,761,810</td>
<td>1,002,869</td>
<td>14,374,451</td>
</tr>
<tr>
<td>Demo SEQ</td>
<td>6,781,808</td>
<td>5,705,331</td>
<td>3,121,785</td>
<td>1,170,669</td>
<td>16,779,593</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 423,573,842</strong></td>
<td><strong>$ 301,075,622</strong></td>
<td><strong>$ 210,768,900</strong></td>
<td><strong>$ 70,366,245</strong></td>
<td><strong>$ 1,005,784,610</strong></td>
</tr>
<tr>
<td>TSA Equipment &amp; Install</td>
<td>$ 28,296,050</td>
<td>$ 19,967,744</td>
<td>$ 11,583,311</td>
<td>$ 4,488,533</td>
<td>$ 64,335,638</td>
</tr>
<tr>
<td>Concession Fit Out</td>
<td>9,376,030</td>
<td>6,616,407</td>
<td>5,117,580</td>
<td>1,583,251</td>
<td>22,693,267</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 461,245,922</strong></td>
<td><strong>$ 327,659,773</strong></td>
<td><strong>$ 227,469,791</strong></td>
<td><strong>$ 76,438,029</strong></td>
<td><strong>$ 1,092,813,515</strong></td>
</tr>
</tbody>
</table>

Source: Burbank-Glendale-Pasadena Airport Authority MOD2 with Employee Surface Parking
## Concept Validation Cost Estimate

Assumptions used for previous table

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Source</th>
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<tbody>
<tr>
<td>Project Construction Requirement</td>
<td>$1,092,813,515</td>
<td></td>
</tr>
<tr>
<td>Less Airport Development Fund</td>
<td>100,000,000</td>
<td>Authority funds</td>
</tr>
<tr>
<td>Less AIP Funds</td>
<td>137,000,000</td>
<td>Federal Grants</td>
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<td>Less Concessionaire Fit-Out</td>
<td>22,693,267</td>
<td>Concessionaires to fund</td>
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<tr>
<td>Less TSA Equipment &amp; Install</td>
<td>64,335,638</td>
<td>TSA to fund</td>
</tr>
<tr>
<td><strong>GARB and TIFIA Project Requirement</strong></td>
<td><strong>$768,784,610</strong></td>
<td>(Debt service on approx $80 million of the GARBs to be paid from PFCs)</td>
</tr>
</tbody>
</table>

1. The Authority considers this estimate to be an estimate from which to work downward.
2. Estimate contains significant allowances for soft and contingency costs.
3. Comparative cost estimate to be obtained.
4. The Authority is contributing $100 million of its funds to the project.
Preliminary Basic Cost Forecast

- Low cost estimate assumes the availability of a US DOT Credit Program loan and issuance of bonds at 4.16%.
- High cost estimate assumes no US DOT Credit Program loan and issuance of bonds at 5.33%.
- The Authority has not yet determined the project delivery method for the Replacement Passenger Terminal Project. The financial plan remains under development which includes funding for the associated airfield projects, landside projects, and the demolition of the current terminal.