

2022 Capital Improvement Program



Agenda

- **Capital Priorities**
- **2018 Capital Improvement Program**
- **2022 Capital Improvement Program**
- **Continuous Improvements**
- **Outreach and Economic Impact**

Capital Priorities

Strategic Goals:

1. Foster Equitable Economic Growth & Sustainability in our Region
- 2. Build & Operate Facilities to Meet Evolving Demand**
3. Develop Workforce & Organizational Capabilities for the Future
4. Provide Exceptional Guest Experiences
5. Enhance Financial Capacity
6. Ensure Safety & Security for Guests and Employees

Core Values

Respect

Service

Inclusivity

Collaboration

Innovation

2018 Capital Improvement Program

105

Total Projects & Programs

- 42 Closed
- 28 Substantially Complete
- 35 Active

35

Active LAWA Projects

- 8 LAMP
- 7 Terminal
- 6 Airside, Landside, Utilities
- 6 Sustainability Projects
- 7 Security & Technology
- 1 Facility Maintenance

Major Deliverables

Automated People Mover



Midfield Satellite Concourse - North



LAX Economy Parking (ITF-West)



United Airlines Terminal 7 & 8



ConRAC



Airport Police Facility



Industry Recognition & Certifications

Midfield Satellite Concourse-North

- Design Build Institute of America
- Los Angeles Architectural Awards
- Los Angeles Business Council

LAX Economy Parking (ITF-West)

- Design Build Institute of America
- International Parking & Mobility Institute

LAX Economy Parking (ITF-West)

- National Parking Association

United Airlines Terminal 7 & 8

- ENR California

Airport Policy Facility

- Design Build Institute of America -Western Pacific Region

Automated People Mover

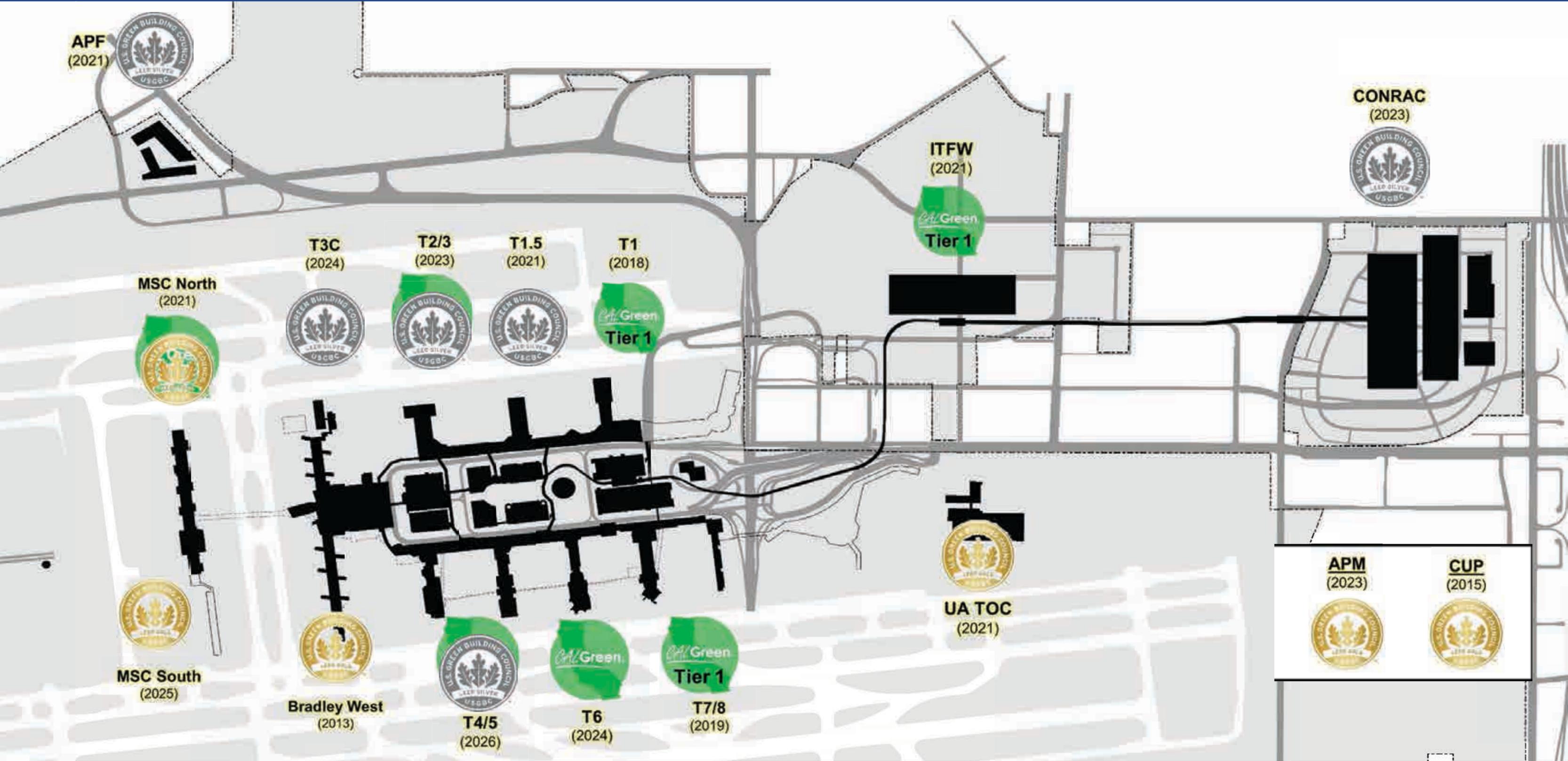
- Womens Transportation Seminar-LA
- Institute for Sustainable Infrastructure

ConRAC

- American Road & Transportation Builders Assoc

12 LEED Certifications

Certifications



2022 Capital Improvement Program

- **Airfield and Terminal Modernization Program (ATMP)**
 - **Concourse 0 - Terminal 9* - Roadways* - Airfields***
 - **Cargo Modernization**
 - **Terminal Development***
 - **Landside Access Modernization Program***
 - **Land Improvements**
 - **Landscaping**
 - **Wayfinding***
 - **Van Nuys** & Palmdale**
- * **Potential FAA Grant Funding**
 - * **Potential Bipartisan Infrastructure Law (BIL)**

2022 Capital Improvement Program

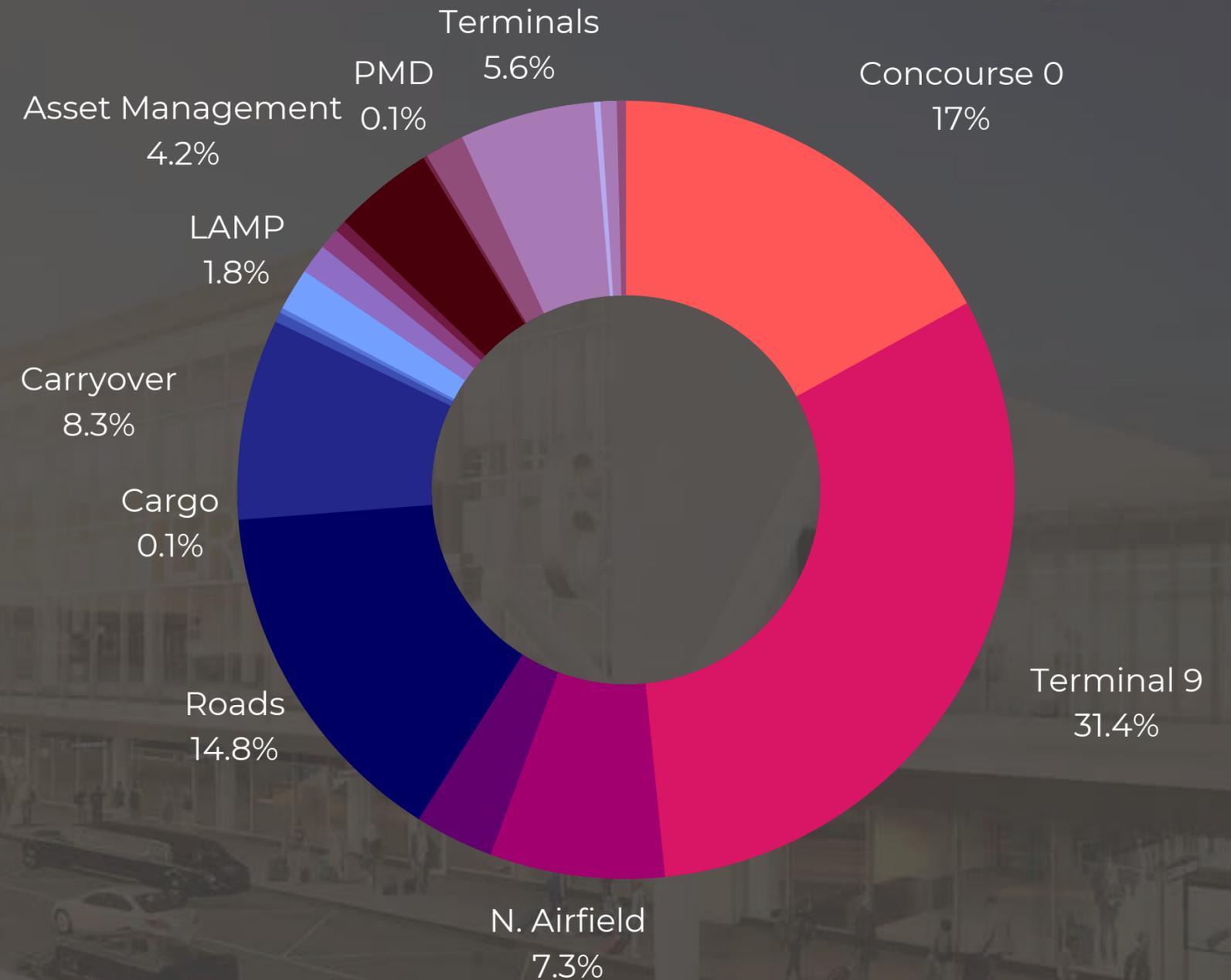
- **Guest Experience Transformation**
- **Environmental/ Sustainability**
- **Commercial Development**
- **Asset Management**
- **Safety & Security**
- **Mobility**

2022 Capital Improvement Program

- **\$10.4B - \$12.5B Unescalated**
- **Capped at \$15B Escalated**

Included:

- **Soft Costs (On Call, Design)**
- **Construction**
- **Environmental Studies**
- **Equipment and Fleet**
- **Capitalized Maintenance**

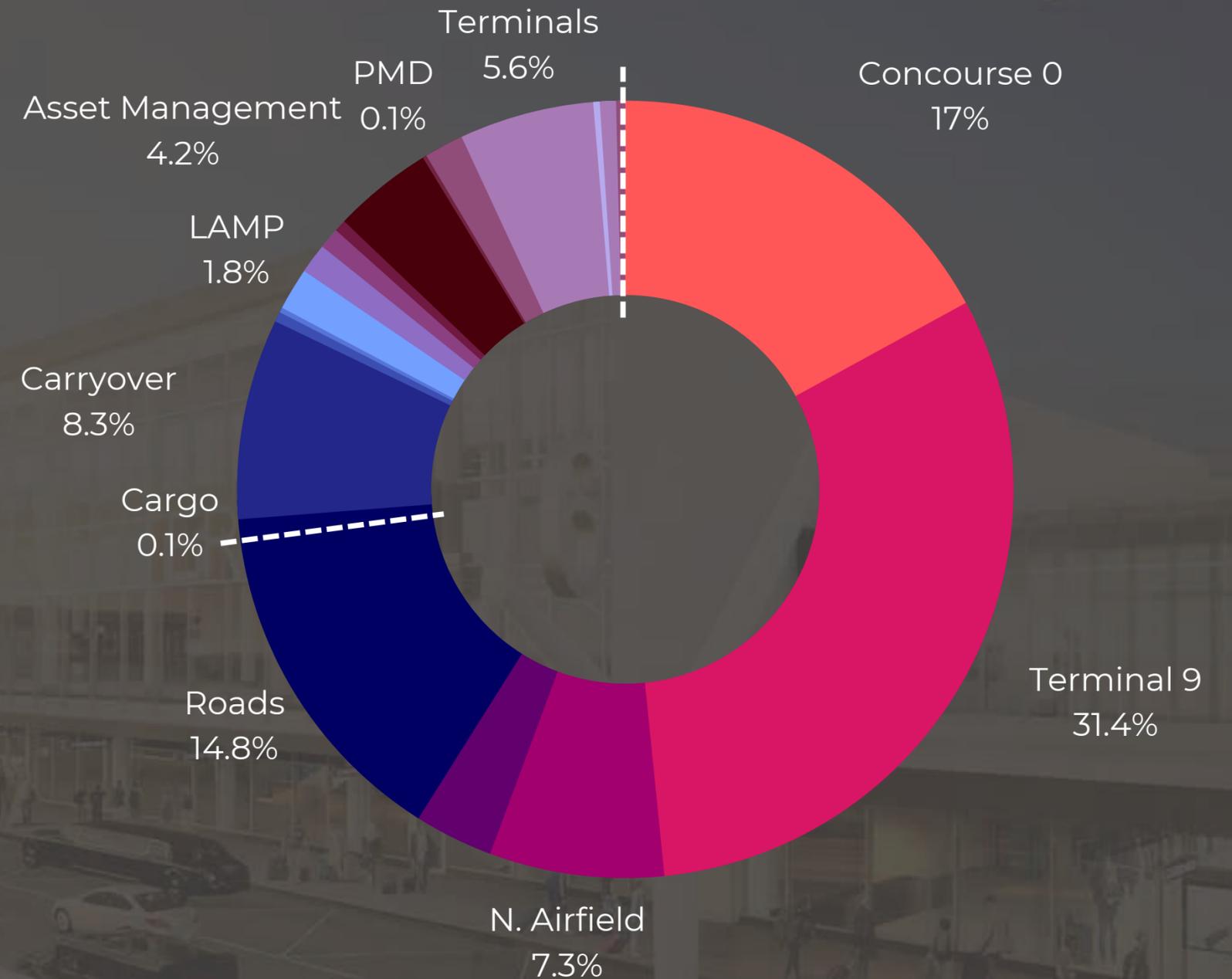


ATMP Elements

ATMP ~70% of the 2022 CIP

Included:

- Concourse 0 & Enabling
- Terminal 9 & Enabling
- Roadway Reconfiguration
- N. Airfield - N. Exit Taxiways, Taxilane Extensions D & E
- S. Airfield - Extends Taxiway C



CIP Programs

LAMP

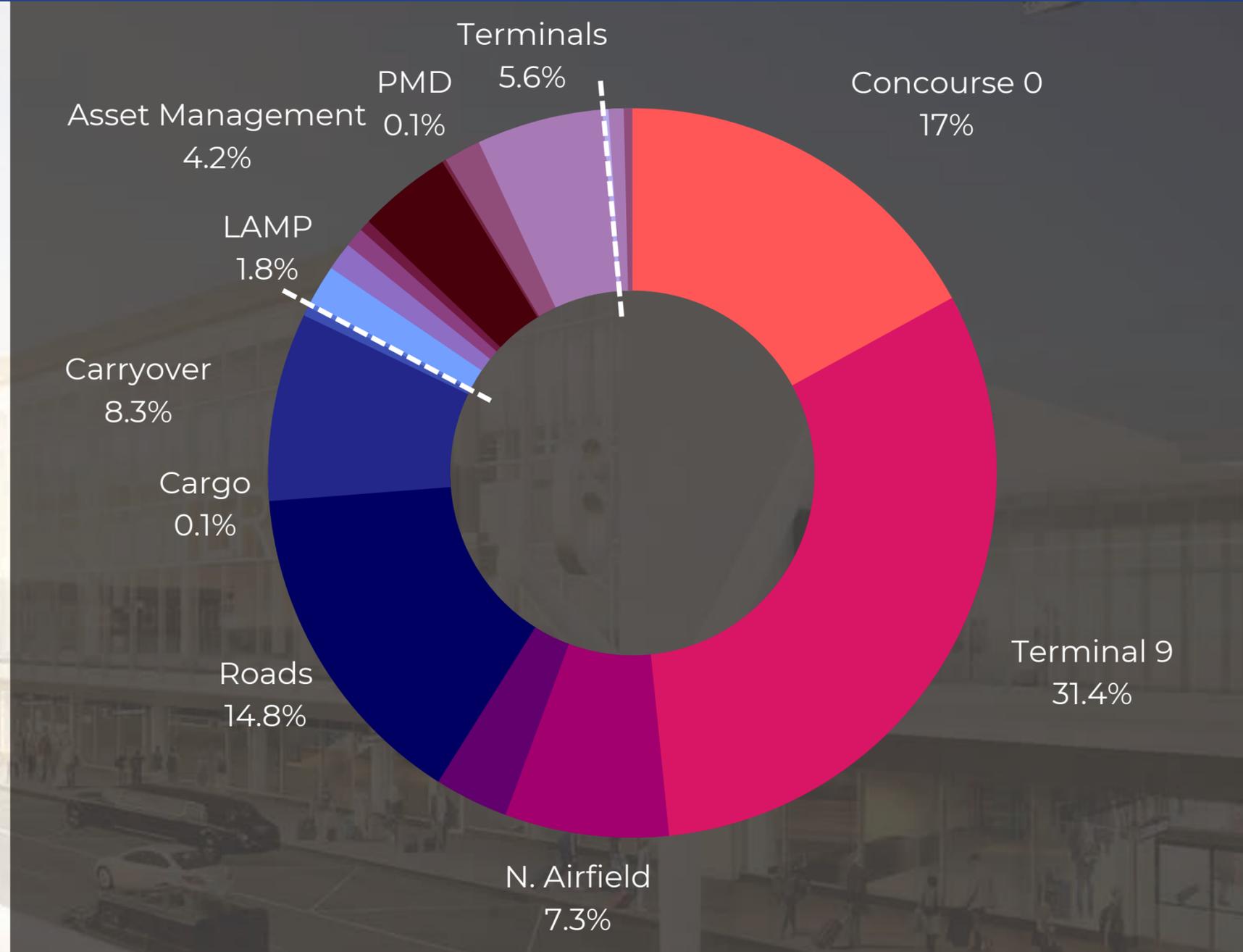
- Century Blvd. Rehab
- Auxiliary Curbs

Asset Management

- Capital Renewal
- Sustainability Infrastructure

Terminals

- Baggage Optimization Program 2
- eDigital Antenna Systems
- MSC-South
- T5 CTX Recapitalization
- T2 FIS Improvements



CIP Programs

LAX Land Improvements (1.2%)

- West Campus Redevelopment

Van Nuys (.7%)

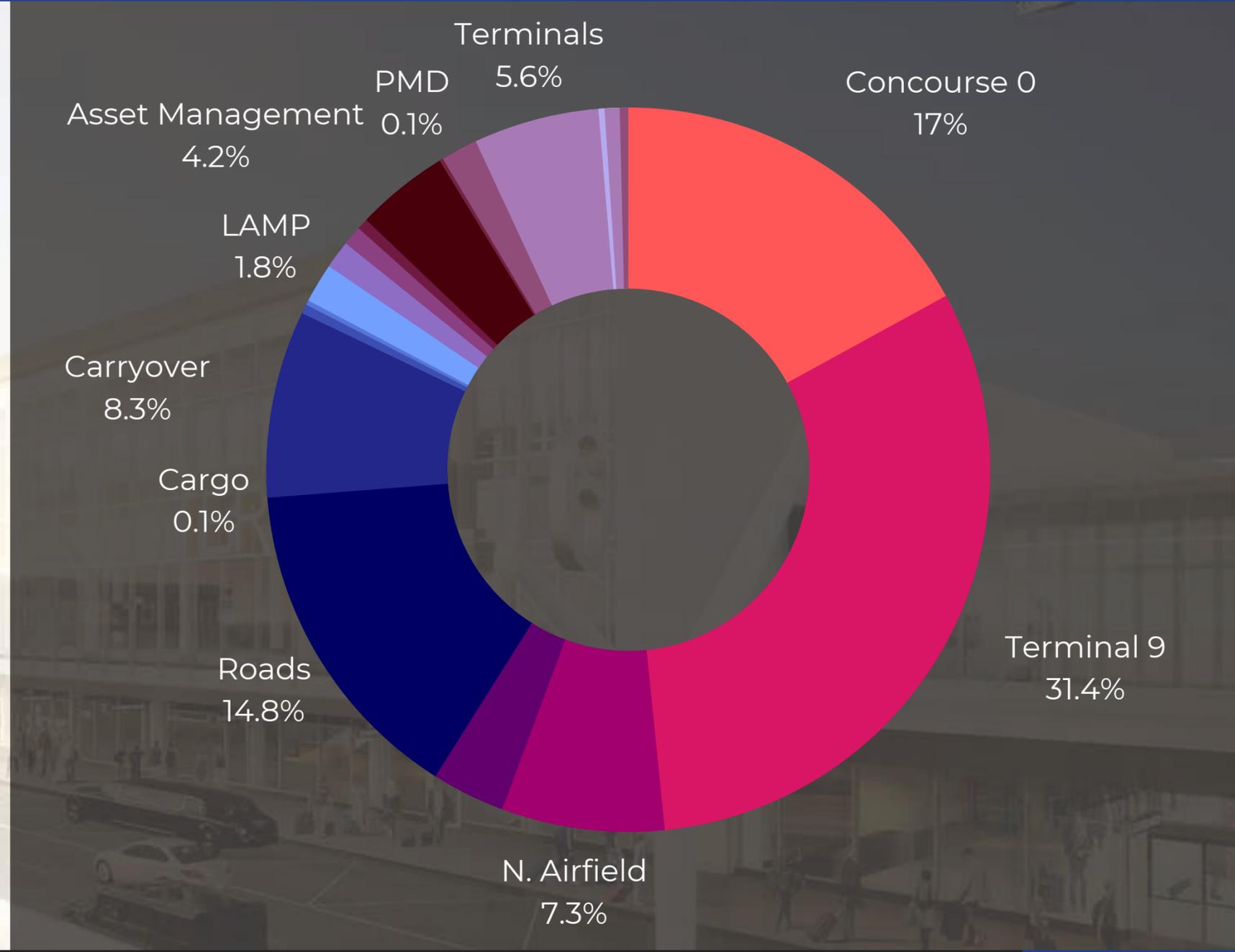
- VNY Airfield Program

Mobility (.5%)

- Ground Transportation Management System Infrastructure
- EV Employee Shuttles and EV Charging

Commercial (.4%)

- APM West Station Guest Amenities and Concessions

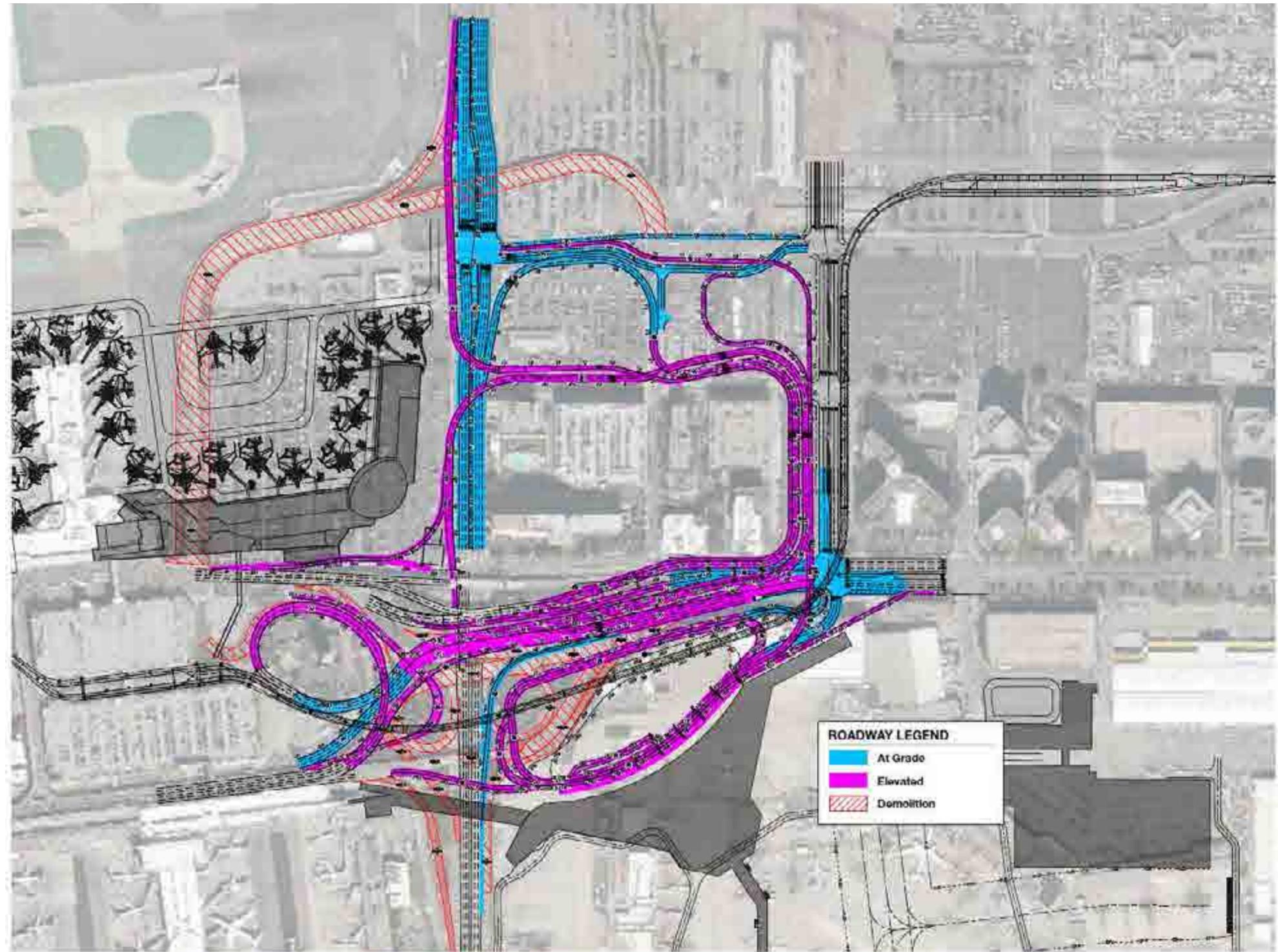


ATMP Roadways

OVERVIEW

New roadways associated with the ATMP Program will alleviate congestion along local roads such as Sepulveda Blvd and allow for development of the Concourse 0 site.

| ATMP Roadways | Roadway Quantity (Lane - Miles) |
|--|------------------------------------|
| At-Grade Roads <i>(Slab-on-Grade)</i> | ≈9.9 |
| Grade-Separated Roads <i>(Retained Earth)</i> | ≈2.5 |
| Elevated Road Structures <i>(Bridges)</i> | ≈5.8 |
| Totals | ≈18.1 |



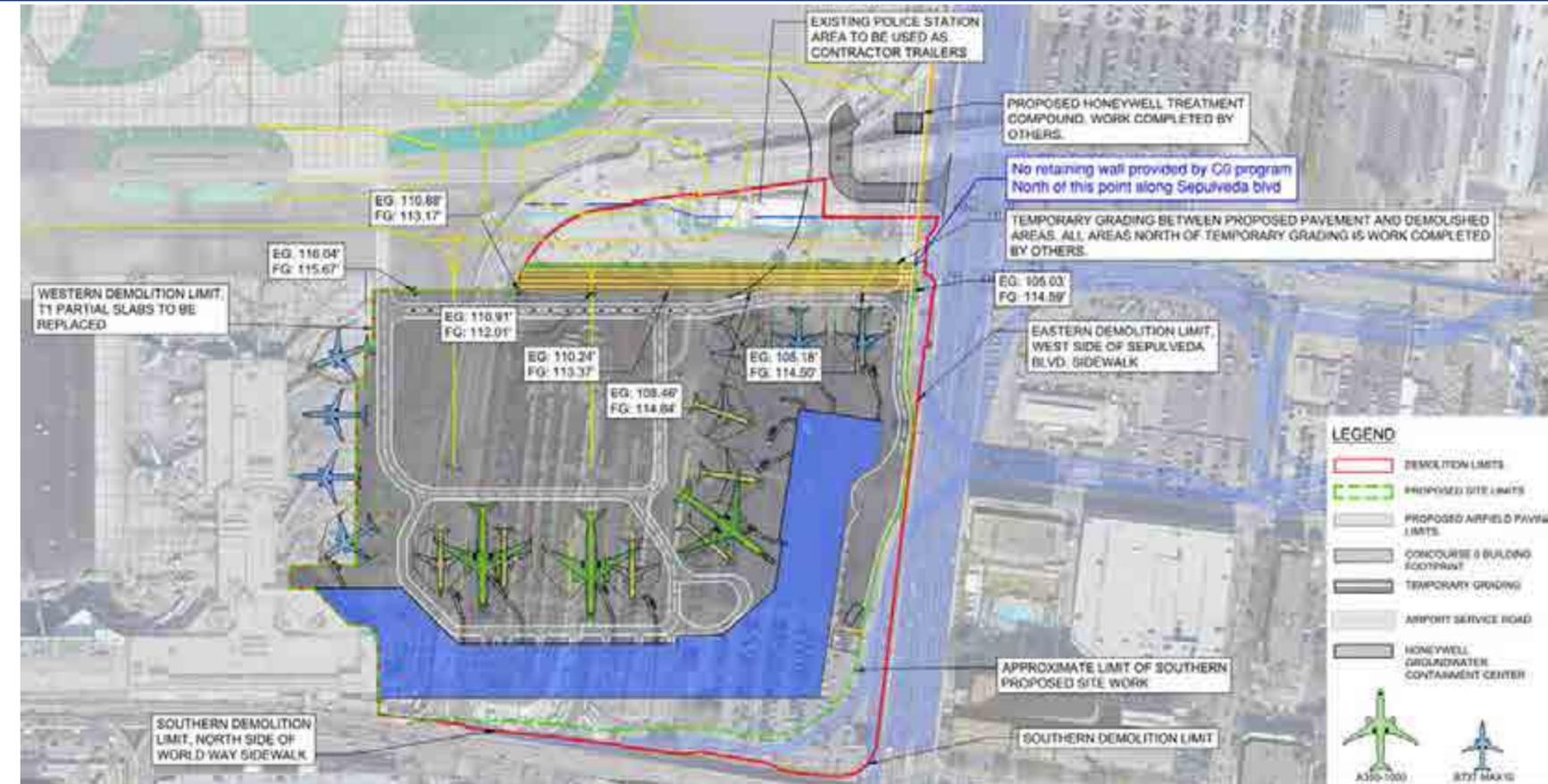
Concourse 0

OVERVIEW

- Extension of Terminal 1
- 665,000 SqFt - 3 Levels
- 9 narrow-body (4 wide-body) gates
- SWA 22 total gates between C0 & T1
- New core connecting to APM
- New domestic/international bus gate



Future Concourse 0 Site
(Existing Park One & LAX-it)

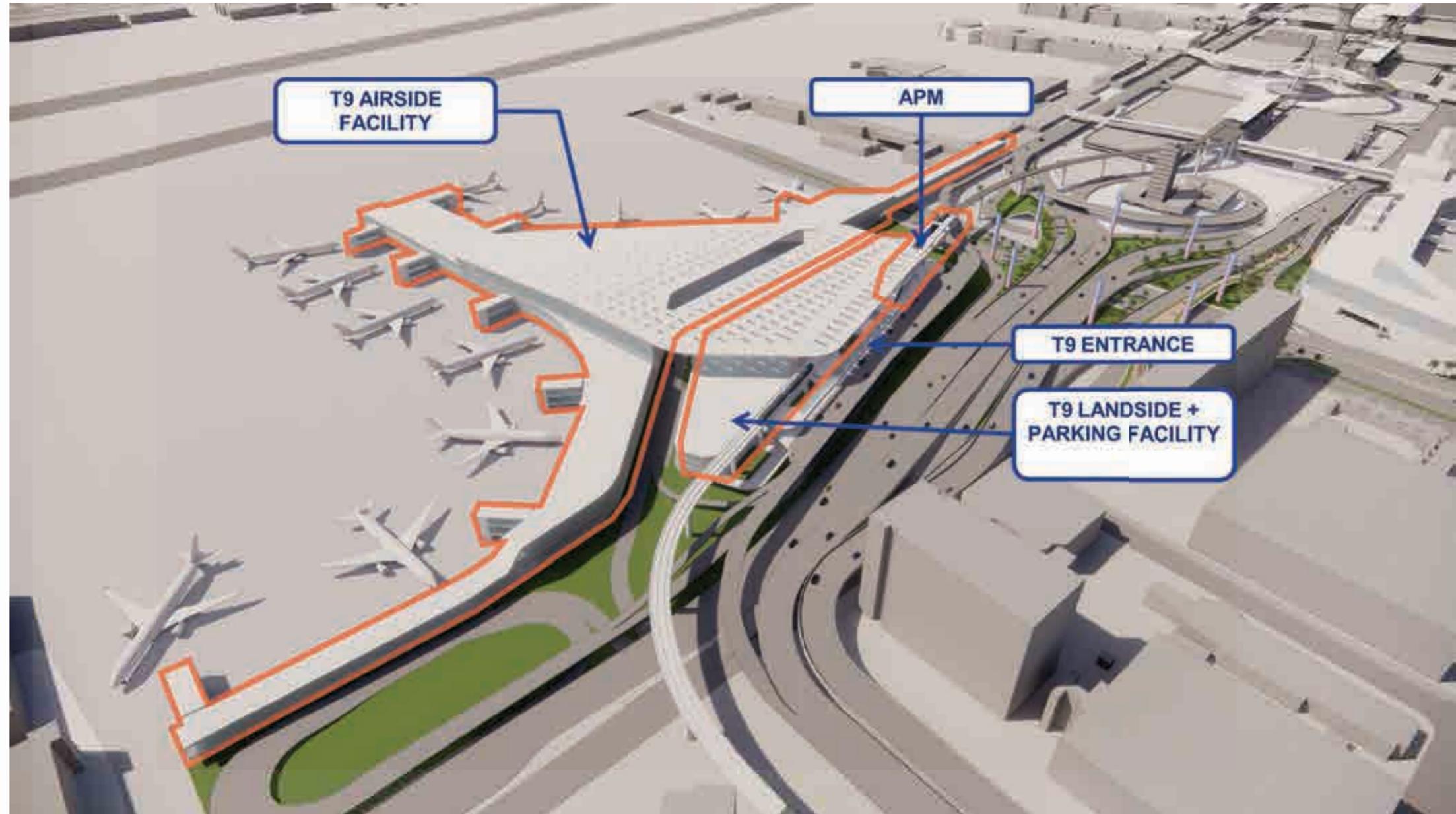


- Two new domestic baggage claim devices
- Expanded Terminal 1 Security Checkpoint
- Sterile Corridor for International Arrivals
- FIS shell space (for future int'l passenger processing)
- Expanded concessions program

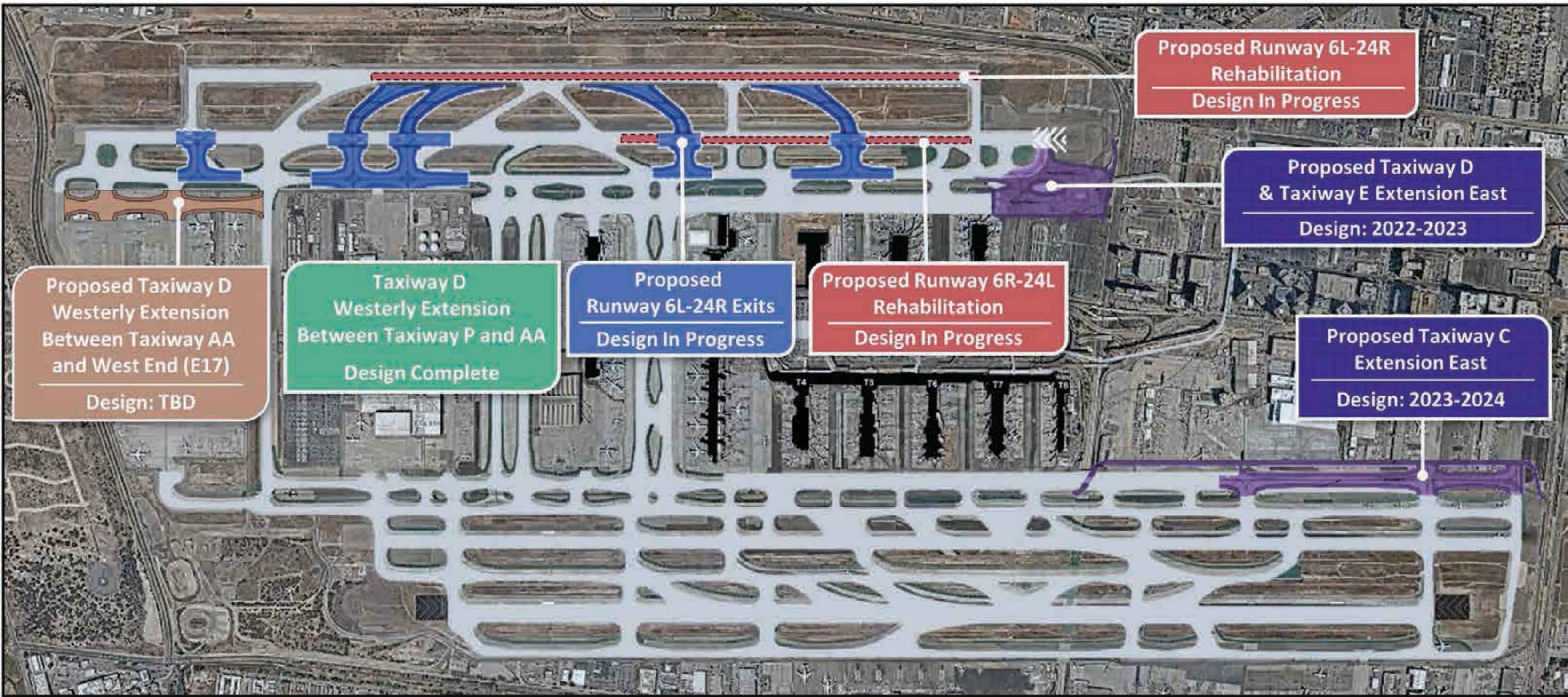
Terminal 9

OVERVIEW

- New ~1.4M SqFt international, common-use terminal facility
- 18 narrow-body (12 wide-body) gates
- Parking Structure (550 spaces)
- APM Station
- Domestic/International bus gate
- Domestic/International baggage claim
- Security Checkpoint
- FIS & Sterile Corridor for International Arrivals
- Robust lounge & concessions program
- Non-sterile (pedestrian) and sterile (passenger) connectivity to existing Terminal 8



Airfield Improvement Program Overview



LAX Landscaping Improvement Program

OVERVIEW

- **Outdoor Plazas** (≈ 13 Acres) - West CTA Plaza, Central CT, Plaza, East CTA Plaza, Economy Parking Plaza
- **Parking Structure Façades** (≈ 103,000 ft²) - Vertical Landscaping, Digital Screens & Super-Graphics, Other Technology



Other Enhancements - Curbside Improvements (Bollards, Lighting, etc.), Mobility Improvements (Pathways, Crosswalks, etc.), Other Improvements (APM-Columns, Bridge-Facades, etc.)



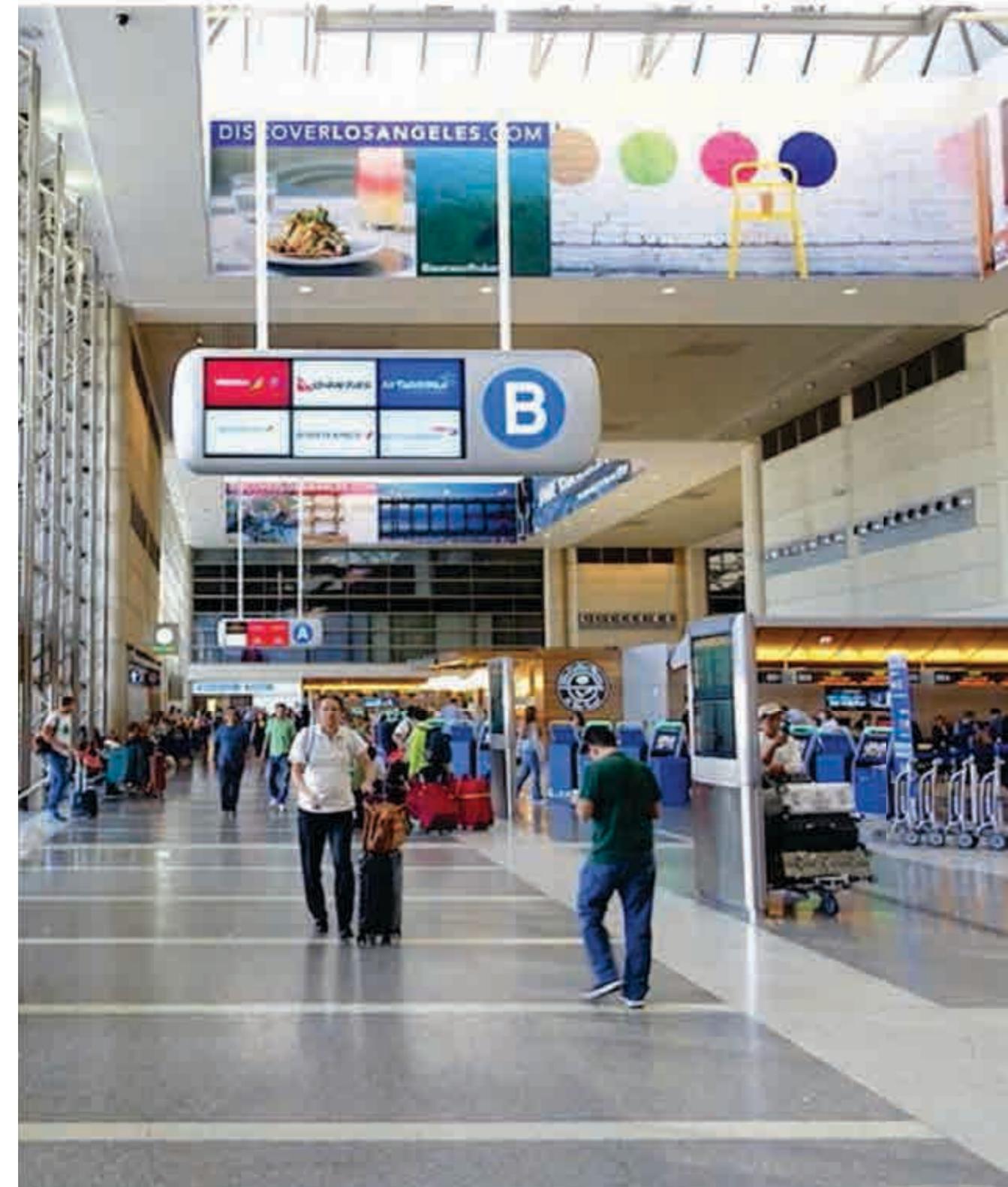
AERIAL VIEW OF LAX WEST PARK

Signage and Wayfinding

Overview

- LAWA is seeking to deliver a series of new signage & wayfinding improvements throughout LAX, thereby creating an intuitive guest experience navigating to & through the LAX Campus.
- Includes all facets of the journey:
 - Virtual gateways
 - APM and associated facilities
 - Roadways
 - Parking
 - Curbside
 - Terminals
 - Concessions
 - Gates
- Includes the development of an airport-wide implementation and prioritization plan for all signage upgrades

| | |
|---|--|
| <ul style="list-style-type: none"> • Digital • Static • Architectural Elements • Super Graphics | <ul style="list-style-type: none"> • Dynamic • Interactive signs • Terminal directories • Displays |
|---|--|



Continuous Improvements

- Lessons Learned
- LAWA Contractor Assessment
- Key Performance Indicators
- Process Improvements
- Contract Refinements
- Training & Mentoring
- Design Construction Handbook (DCH)



Outreach & Economic Impact



- XBE
- Procurement Process
- Contract Refinement
- Partnering

- HireLAX-Local Worker Hiring
- Mentor Protégé
- Internships
- Third Party Coordination



Preliminary Feasibility Analysis And Plan of Finance



BOARD OF AIRPORT COMMISSIONERS MANAGEMENT REPORT | DECEMBER 15, 2022

LAX

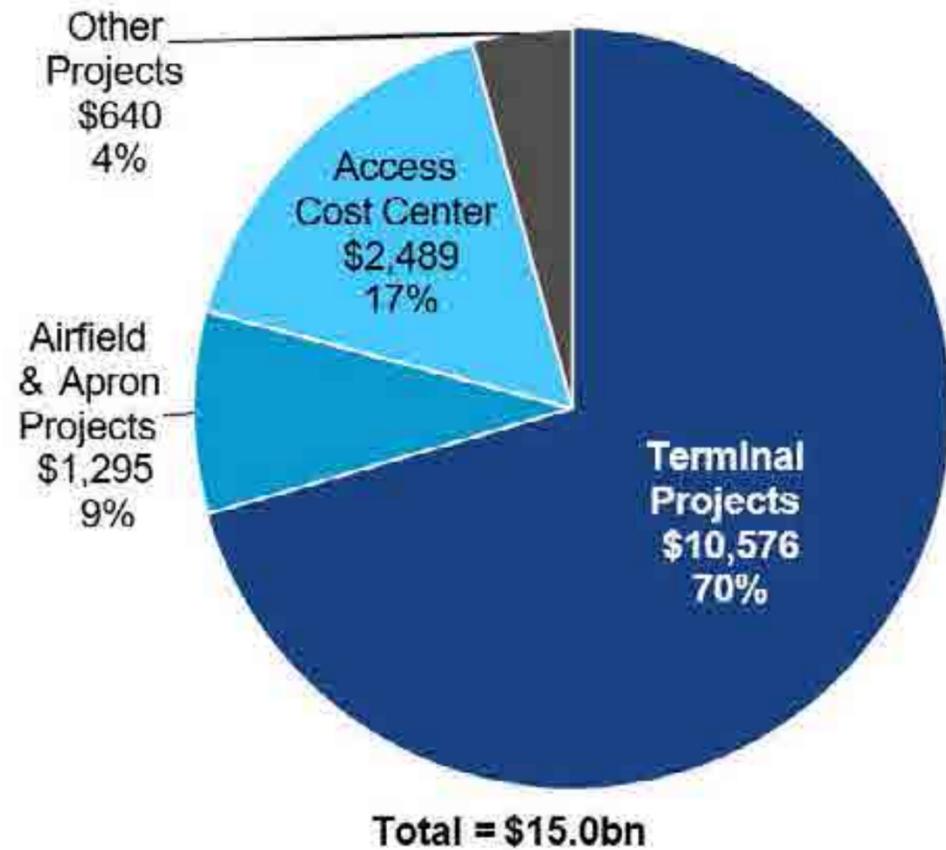
2022 Capital Improvement Program

- **LAX Capital Program Financial Feasibility Analysis is based on the financial forecast through FY2030.**
- **FY2030 LAX Financial Forecast included changes in LAX Aviation and Non-Aviation Revenues, Operating Expenses and Debt Service driven by the traffic forecast, assumed annual growth rates, and new facilities completed during the forecast period:**
 - **LAX Traffic Forecast assumed a recovery of domestic and international passenger numbers in FY2025 and a 1.7% increase per year thereafter, which is the average annual 20-year growth rate from FY1999 and FY2019.**
 - **LAX Aviation Revenues Forecast is consistent with the current Terminal Rate and Landing and Apron Fee Methodologies.**
 - **LAX Non-Aviation Revenue Forecast is based on FY2023 Budget and assumed increases associated with traffic growth and future facilities.**
 - **LAX Operating Expenses Forecast is based on FY2023 Budget, assumed 6% annual growth rate and increases associated with new facilities.**
 - **Debt Service Forecast is based on the current outstanding debt and projected future debt that will be issued for the Next CIP, assuming a 7% interest rate.**

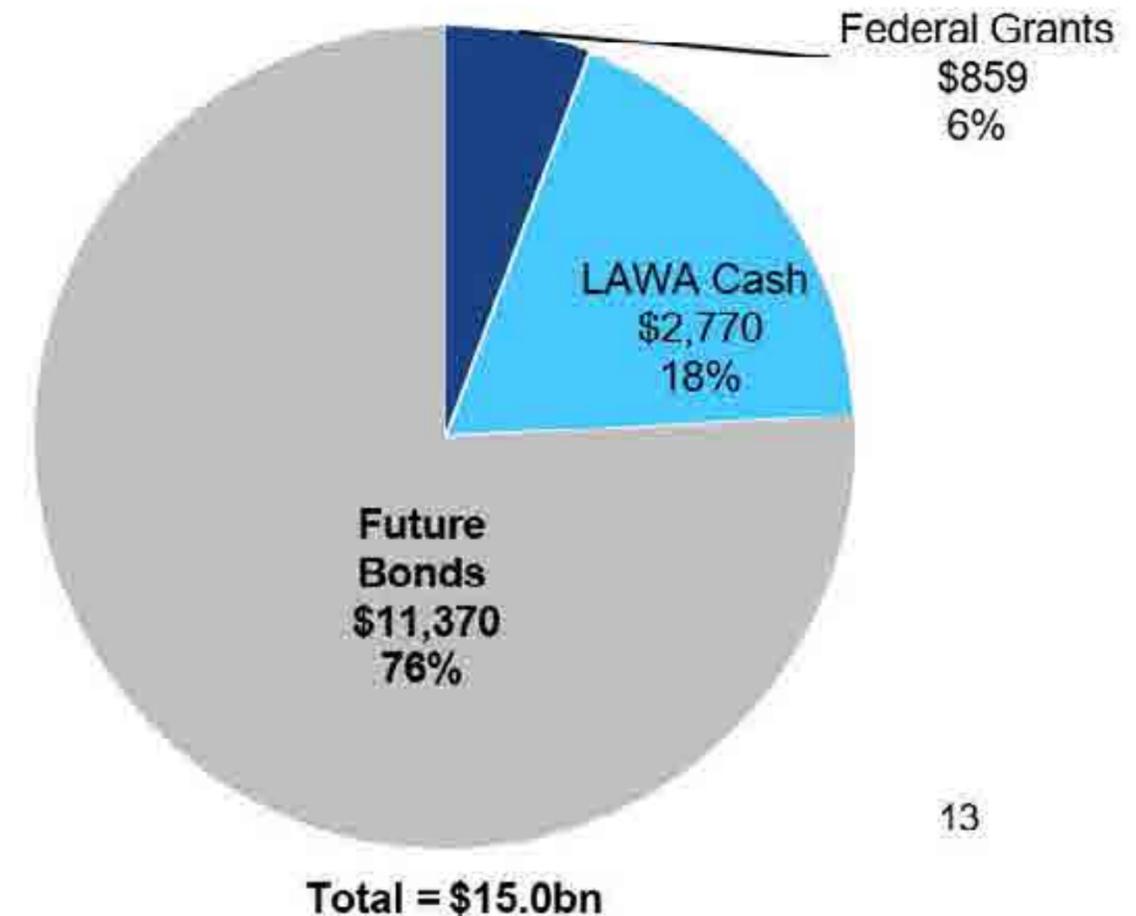
Next Airport Capital Program - Plan of Finance

- The initial feasibility analysis assumed estimated \$15 billion Next Capital Program, which includes an escalation reserve.
- Allocation into Airport Cost Centers is based on the current Rates and Charges methodology.
- The Plan of Finance includes all available pay-go resources with the balance to be funded with Airport Revenue Bonds.
- Pay-go funds include LAWA cash and Federal grants from the Airport Improvement Program and Bipartisan Infrastructure Bill programs.

Next Airport Capital Program by Project Costs (\$mm)¹



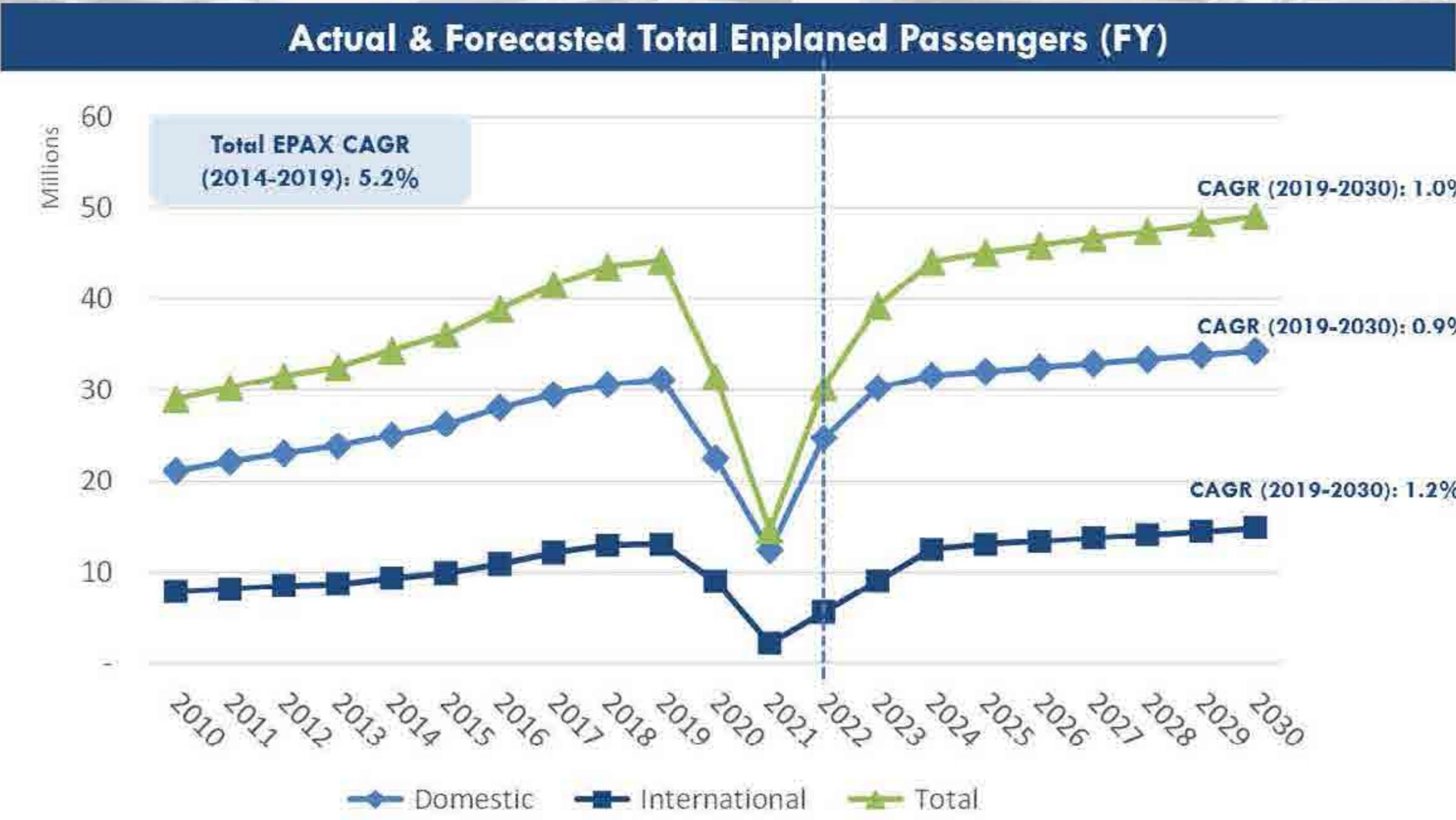
Next Capital Program by Funding Source (\$mm)¹



¹ Series 2022GH Official Statement, Table 15

Traffic Recovery Forecasts

LAWA uses conservative traffic growth forecasts with domestic traffic returning to 2019 levels in 2024 and international traffic in 2025.

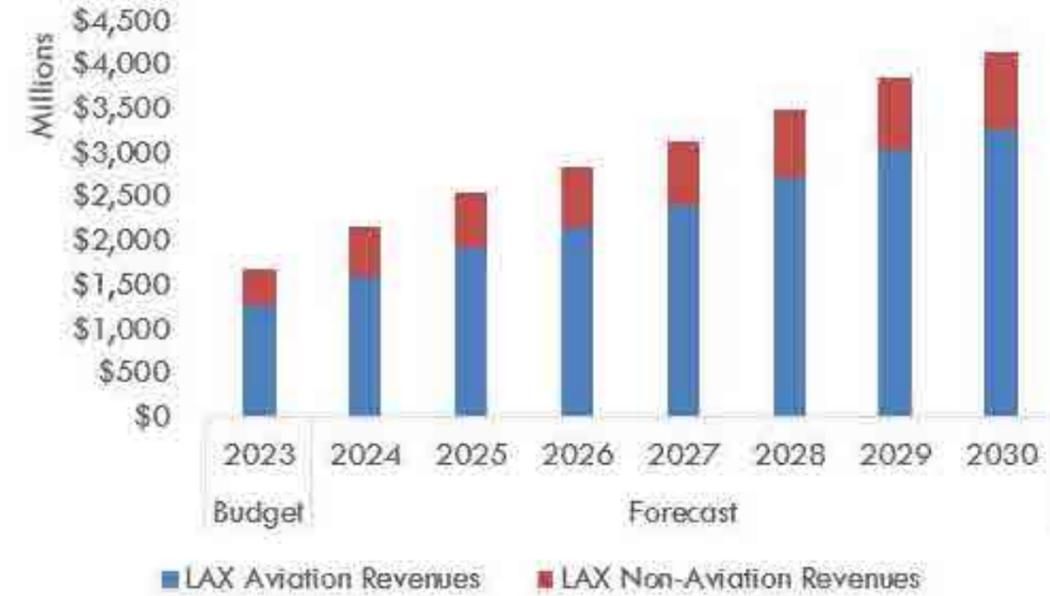


FY2030 LAX Financial Forecast - Key Outputs

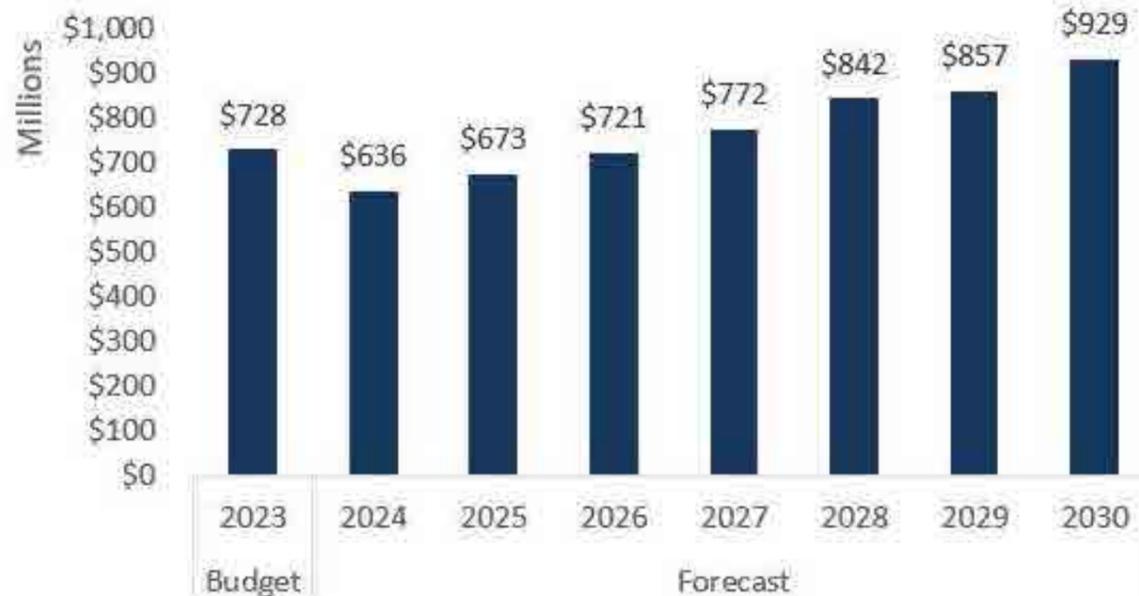
Operating Revenues, Expenses and Debt Service Financial Forecast



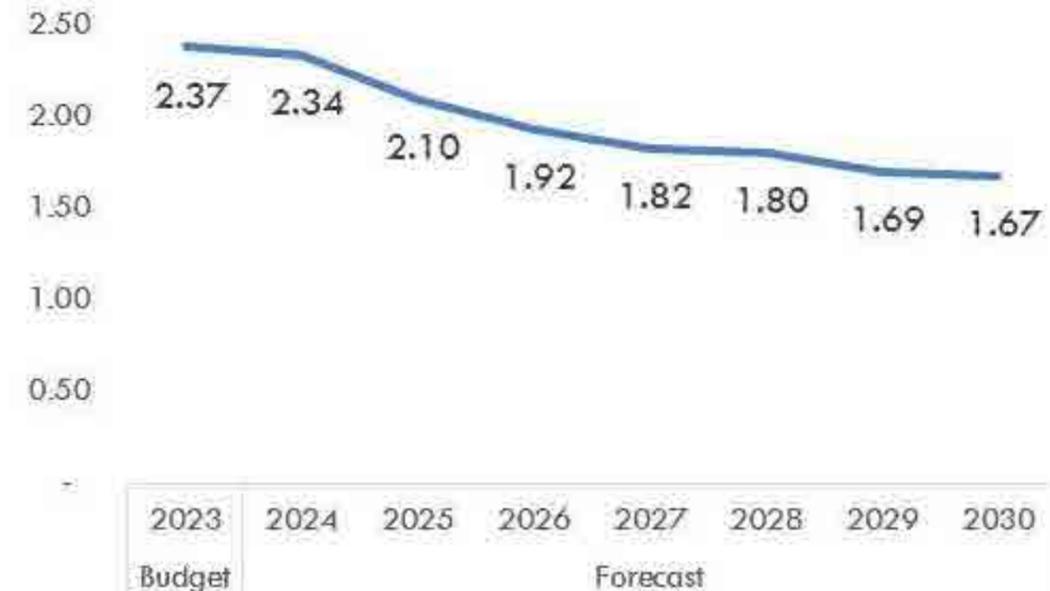
Aviation and Non-Aviation Revenue Forecast



Net Remaining Revenues, Available for Capital Investment



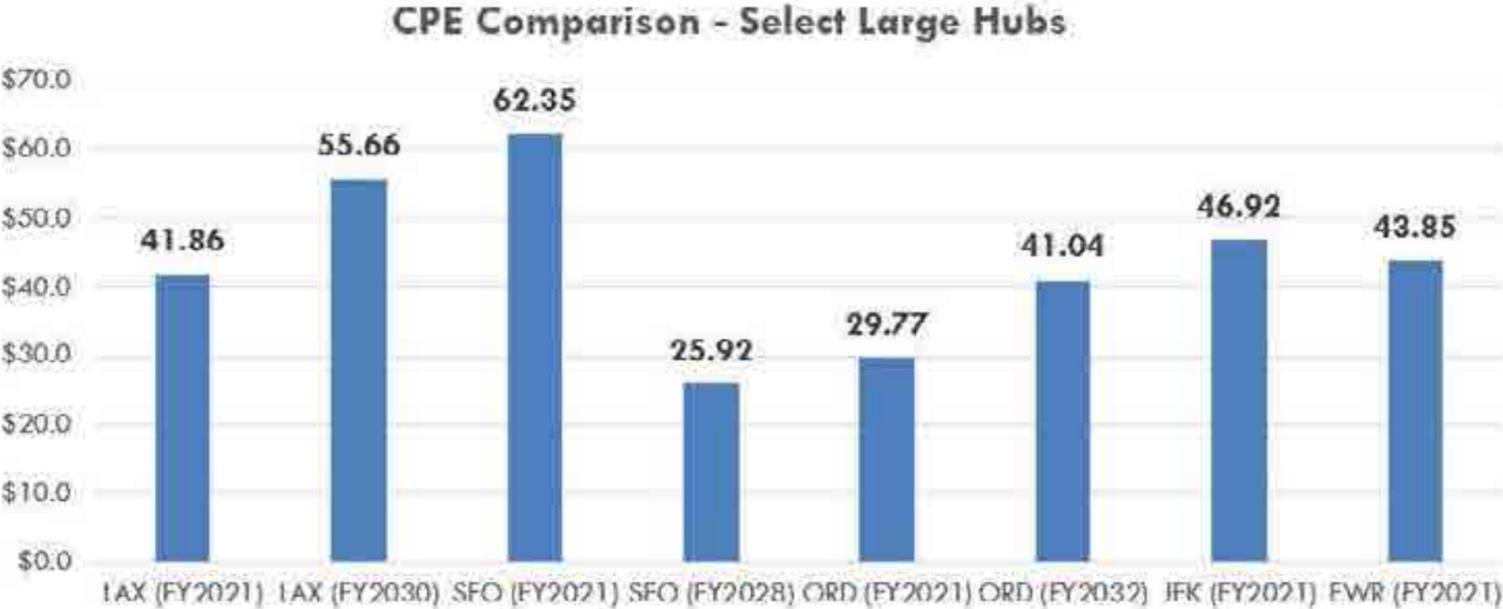
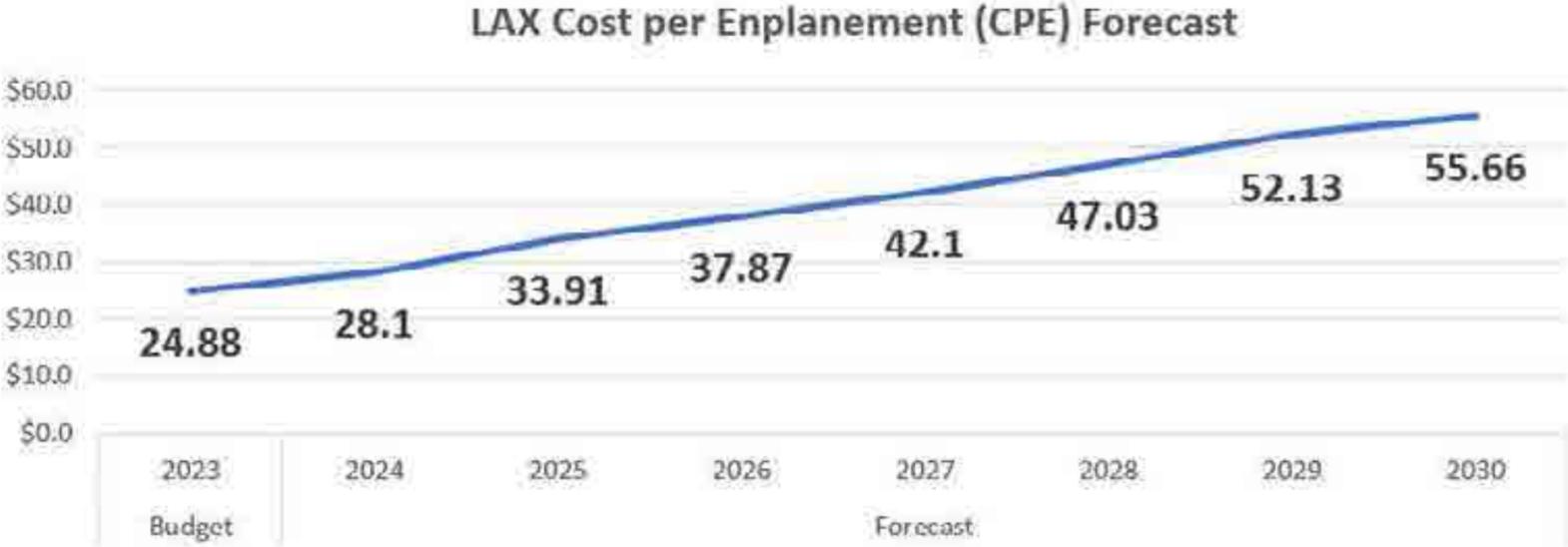
Total Debt Service Coverage



Note: Not including COVID-19 grants reimbursements.

FY2030 Cost Per Enplaned Passenger Exceeds \$55 but Remains Competitive for a Gateway Airport

Forecasted CPE including the funding of the Next Capital Program



Source: Series 2022GH Report of the Airport Consultant. WJA CPE Report. November 2022.



2022 Capital Improvement Program

| Program | Project | Project Details | |
|--|-------------|--|---|
| | Concourse 0 | <ul style="list-style-type: none"> • Extension of Terminal 1 • 665,000 SqFt - 3 Levels • 9 narrow-body (4 wide-body) gates | <ul style="list-style-type: none"> • SWA 22 total gates between C0 & T1 • New core connecting to APM • New domestic/international bus gate |
| Airfield and Terminal Modernization Program (ATMP) | Airfields | <p><u>Purpose and Need:</u></p> <ul style="list-style-type: none"> • Enhance operational management and safety • Address airfield congestion in the north airfield complex Rehabilitate and extend runway useful life • Ensures compliance with FAA Standards | <p><u>12/1 BOAC Approved:</u></p> <ol style="list-style-type: none"> 1. Runway 6L-24R Exits <ul style="list-style-type: none"> • Construct 4 new Exit Taxiways outside Runway 6R-24L high energy zone • Runway Status Lights & Improvement to FAA NAVAIDS • Decommission existing Exit Taxiways Z and Y 2. Runway 6L-24R Pavement Rehabilitation - Asphalt (AC) mill & overlay of the keel for 7,100 linear feet of runway pavement 3. Runway 6R-24L Pavement Reconstruction - Full depth PCC keel reconstruction of 3,400 linear feet of new pavement from existing Taxiway V to future Taxiway U <p><u>Upcoming Projects</u> (FY 2028)</p> <ul style="list-style-type: none"> • Construct Taxiway D Westerly Extension b/t Taxiway AA and Taxilane E17 • Reconstruct Taxiway E (Projected PCI 36) <p>(FY 2025)</p> <ul style="list-style-type: none"> • Construct Taxiway D & E Eastern Extension |

2022 Capital Improvement Program

| Program | Project | Project Details | |
|---|-------------------|---|---|
| Airfield and Terminal Modernization Program (ATMP) | Roadways | <p><u>Project Purpose:</u></p> <ul style="list-style-type: none"> To improve the ground transportation systems at Los Angeles International Airport (LAX). | <p><u>Project Goals:</u></p> <p>Enhance the Safety & Efficiency of Ground Transportation Systems at LAX</p> <ul style="list-style-type: none"> Provide Safe & Convenient Access for Motor Vehicles, Pedestrians, Cyclists, etc. Increase Ground Transportation Access to the CTA and LAMP Facilities Separate Airport Traffic from Local Traffic <p>Enhance the User Experience of Ground Transportation Systems at LAX</p> <ul style="list-style-type: none"> Reduce Traffic Congestion & Delays Increase Throughput-Capacity & Operational-Flexibility Enable Dynamic, Demand-Based Transportation Policies <p>Innovate the Transportation Technology Systems at LAX</p> <ul style="list-style-type: none"> Provide Real-Time Monitoring & Reporting Provide Dynamic, Demand-Based Messaging Integrate Transportation Technologies & Systems (GPS, Smart-Parking, Traffic-Monitoring, etc.) |
| | Terminal 9 | <p>Develop a new Terminal, Concourse, APM Station, and Parking Garage to serve our growing demand for air-service at LAX.</p> <ul style="list-style-type: none"> New ~1.4M Sq Ft international, common-use terminal facility 18 narrow-body (12 wide-body) gates | <ul style="list-style-type: none"> Security Checkpoint FIS & Sterile Corridor for International Arrivals Robust lounge & concessions program Non-sterile (pedestrian) and sterile (passenger) connectivity to existing Terminal 8 Parking Structure (550 spaces) APM Station Domestic/International bus gate Domestic/International baggage claim |

2022 Capital Improvement Program

| Program / Project | Project Details |
|--|---|
| <p>Cargo Modernization</p> | <p>Globally unprecedented, campus-wide redevelopment to transform LAX into a state-of-the-art cargo center. The anticipated multi-phase reconstruction will provide modern, highly efficient facilities that improve cargo throughput.</p> <ul style="list-style-type: none"> • Modeled Concept: High-level concept • Facility consolidation • Modern Facilities: open interiors with latest technology • Phased approach • Improves cargo processing efficiencies to meet demand |
| <p>Terminal Development</p> | <ul style="list-style-type: none"> • Midfield Satellite Concourse (MSC) South - an 8-gate modular complex that will be connected to the West Gates at Tom Bradley International Terminal. It will be a two-story, pre-engineered structure with eight gates that will be capable of serving narrow-body aircraft, such as the Boeing 737 and Airbus 320 families. The pre-engineered structural system will allow for greater flexibility and the ability to build quickly without significant impact on airport operations. The facility is anticipated to replace the eight-gate regional jet terminal located east of Terminal 8. • TBIT Baggage Optimization Program (BOP) II - seeks to improve passenger satisfaction by replacing and consolidating the Checked Baggage Inspection System in TBIT, as well as re-working of the baggage check-in and delivery systems from the ticket lobby through to the main baggage system. • Improvements in Bradley other LAX terminals: <ul style="list-style-type: none"> ◦ Deliver new interior connections between Terminals 1 & 2, thereby enhancing the guest experience and operational-flexibility for both Terminals. ◦ Deliver an expanded Domestic Bag Claim in TBIT, thereby enhancing the guest experience and operational flexibility of our gates at TBIT. |
| <p>Landside Access Modernization Program (Phases 3 & 4)</p> | <p>Phases 3 & 4 - Includes Roadway Improvements (the redevelopment of Century Blvd.) and the ITF auxiliary curbs</p> <ul style="list-style-type: none"> • ITF Auxiliary Curbs - This project will provide additional curb frontage and roadway improvements at the ITF West and ITF East Automated People Mover stations to enhance multi-modal pick up and drop off capacity. |

2022 Capital Improvement Program

| Program / Project | Project Details |
|-------------------|---|
| Land Improvements | <p>Reconfiguration / Relocation of LAWA facilities on the westside including the maintenance area.</p> <ul style="list-style-type: none">• Background:<ul style="list-style-type: none">◦ UAL's relocation of their Technical Operations Center and APD's relocation to the new Airport Police Facility creates a large land redevelopment opportunity at LAX westside campus.• Opportunities:<ul style="list-style-type: none">◦ Could allow for a combined redevelopment footprint to grow over 100+ acres◦ Could provide ample revenue-generating opportunity to LAWA◦ Could assist LAWA in meeting operational needs for aircraft parking & maintenance, GSE parking & maintenance, central distribution & receiving station, fuel farm expansion, etc.) |
| Landscaping | <p>Create four (4) new outdoor park spaces at LAX, paired with new landscaping and technology improvements throughout the CTA.</p> |
| Wayfinding | <p>LAWA is seeking to deliver a series of new signage & wayfinding improvements throughout LAX, thereby creating an intuitive guest experience navigating to & through the LAX Campus.</p> |
| Van Nuys | <p>VNY: Rehabilitation and reconstruction of existing runways and taxiways</p> <ul style="list-style-type: none">• Reconstruct Connector and Exit Taxiways (2024)• Taxilane A2 Rehabilitation (2025)• Slurry Seal Taxiways A & B (2026)• Slurry Seal Runways 16R-34L & 16L-34R (2027)• Reconstruct Taxiways C&R (PCC Sections) (2028)• Design Only - Reconstruct Taxilane B1 & B3 (2028) |

2022 Capital Improvement Program

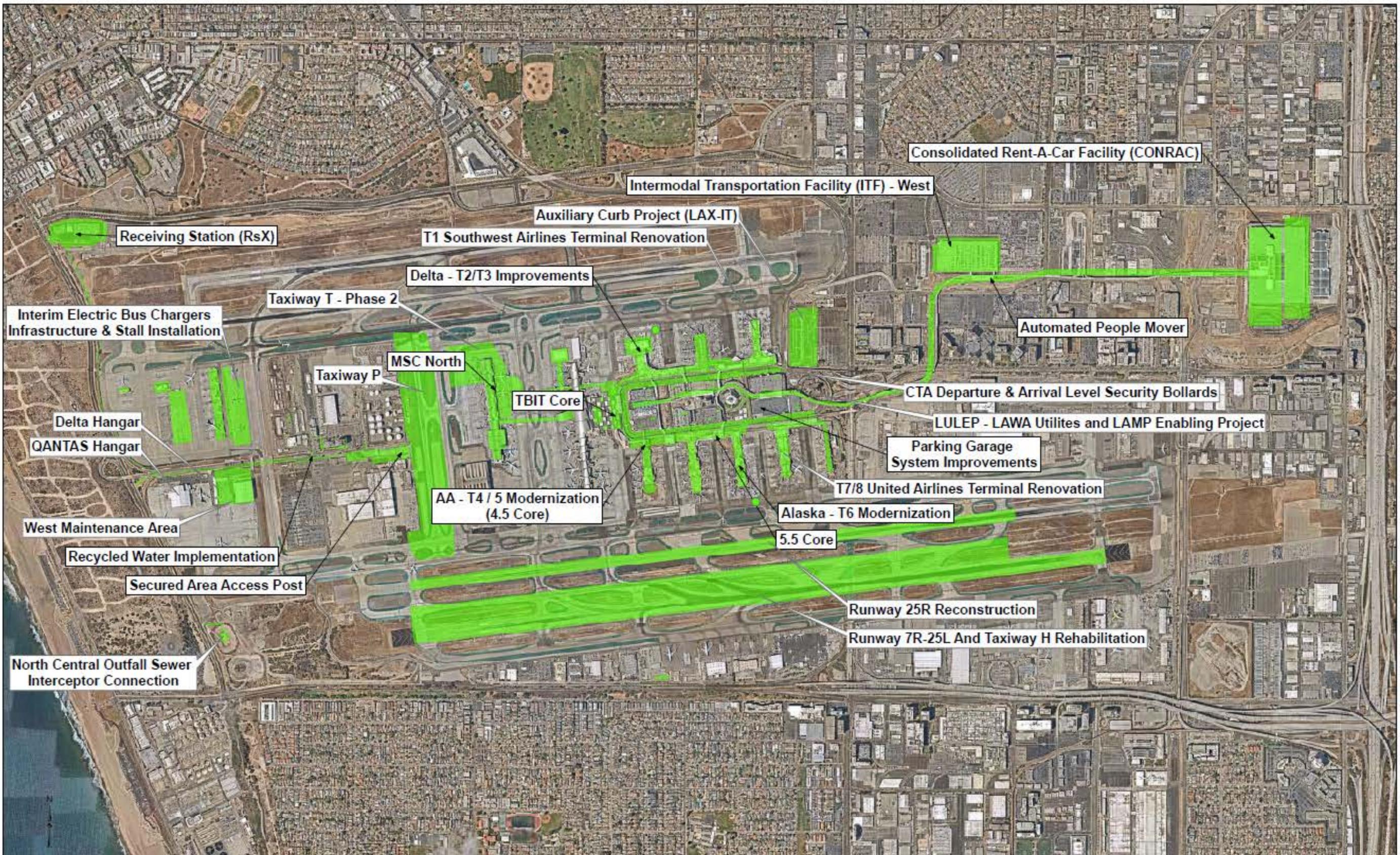
Program / Project

Palmdale

Project Details

PMD: Site 9 Building system improvements and road resurfacing (existing hangars owned by LAWA and leased to NASA)

- **New Deluge (or fire suppression) System: \$13 M (per Hill International, Inc. report)**
- **4 Electric Substations (significant repair or replacement of components): \$475K**
- **Asphalt Road Resurface: \$250K**
- **Roof Overlay Project: \$1.5 M**
- **Emergency Generator Replacement (Building 702) \$200K and (Building 704) \$200K**
- **Electric Transformer Disconnect: \$100K**



- Receiving Station (RsX)
- Interim Electric Bus Chargers Infrastructure & Stall Installation
- Delta Hangar
- QANTAS Hangar
- West Maintenance Area
- Recycled Water Implementation
- Secured Area Access Post
- North Central Outfall Sewer Interceptor Connection
- T1 Southwest Airlines Terminal Renovation
- Auxiliary Curb Project (LAX-IT)
- Delta - T2/T3 Improvements
- Taxiway T - Phase 2
- Taxiway P
- MSC North
- TBIT Core
- AA - T4 / 5 Modernization (4.5 Core)
- 5.5 Core
- Alaska - T6 Modernization
- Runway 25R Reconstruction
- Runway 7R-25L And Taxiway H Rehabilitation
- Intermodal Transportation Facility (ITF) - West
- Consolidated Rent-A-Car Facility (CONRAC)
- Automated People Mover
- CTA Departure & Arrival Level Security Bollards
- LULEP - LAWA Utilities and LAMP Enabling Project
- Parking Garage System Improvements
- T7/8 United Airlines Terminal Renovation

 Major Infrastructure Projects

LAWA Capital Improvement Program 1

Updated: October 2022



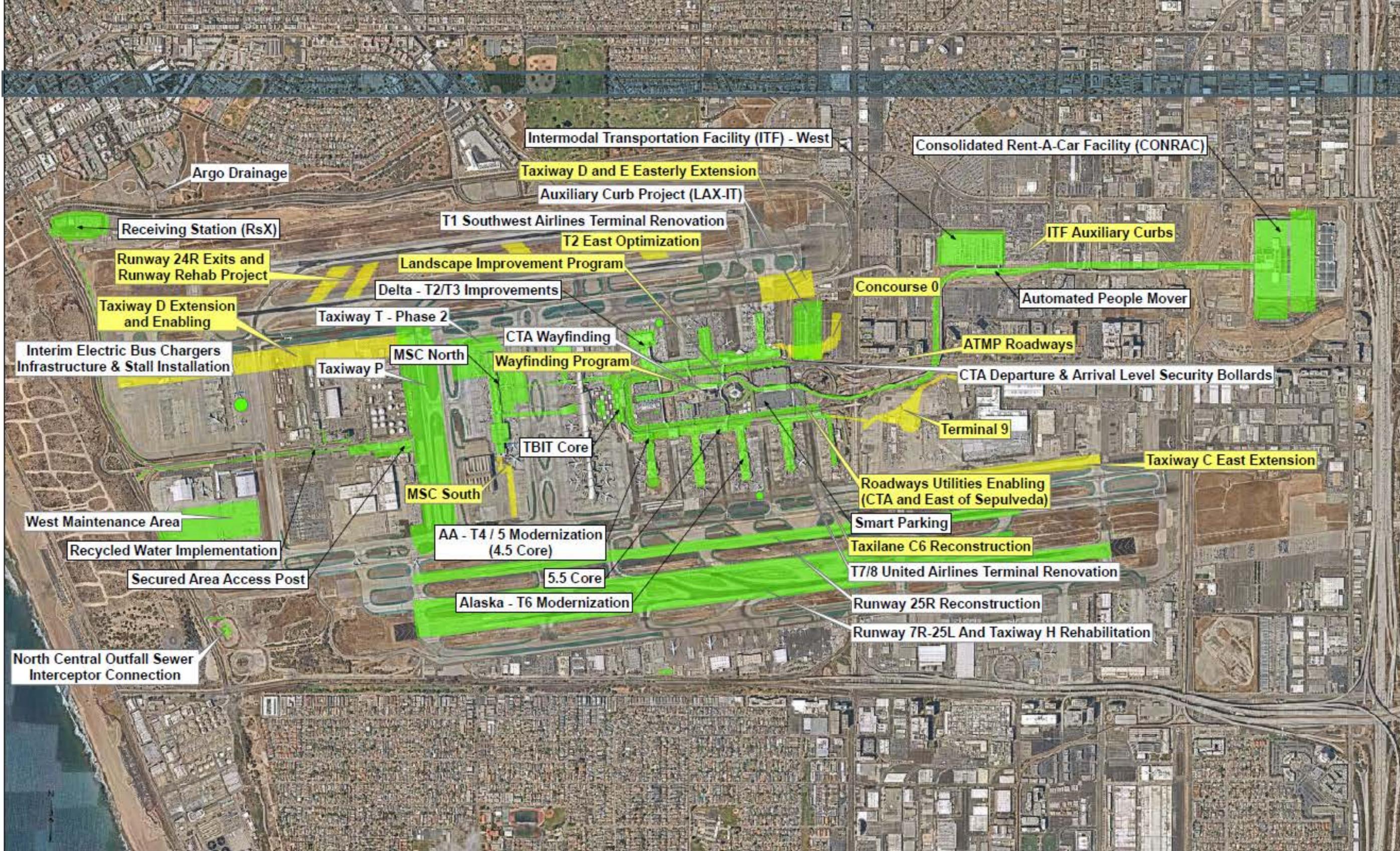


 Major Infrastructure Projects

LAWA Capital Improvement Program 2

Updated: October 2022





- Argo Drainage
- Receiving Station (RsX)
- Runway 24R Exits and Runway Rehab Project
- Taxiway D Extension and Enabling
- Interim Electric Bus Chargers Infrastructure & Stall Installation
- West Maintenance Area
- Recycled Water Implementation
- Secured Area Access Post
- North Central Outfall Sewer Interceptor Connection
- Intermodal Transportation Facility (ITF) - West
- Taxiway D and E Easterly Extension
- Auxiliary Curb Project (LAX-IT)
- T1 Southwest Airlines Terminal Renovation
- T2 East Optimization
- Landscape Improvement Program
- Delta - T2/T3 Improvements
- Taxiway T - Phase 2
- CTA Wayfinding Wayfinding Program
- MSC North
- Taxiway P
- TBIT Core
- MSC South
- AA - T4 / 5 Modernization (4.5 Core)
- 5.5 Core
- Alaska - T6 Modernization
- Consolidated Rent-A-Car Facility (CONRAC)
- ITF Auxiliary Curbs
- Automated People Mover
- Concourse 0
- ATMP Roadways
- CTA Departure & Arrival Level Security Bollards
- Terminal 9
- Taxiway C East Extension
- Roadways Utilities Enabling (CTA and East of Sepulveda)
- Smart Parking
- Taxilane C6 Reconstruction
- T7/8 United Airlines Terminal Renovation
- Runway 25R Reconstruction
- Runway 7R-25L And Taxiway H Rehabilitation

- CIP 1
- CIP 2

LAWA Capital Improvement Program

Updated: December 2022



Owner-Carried Costs

Costs of supporting a project apart from direct contracts and payments for construction.

LAWA's Owner-Carried Costs change based on the project Delivery Method.

- **9.3% Average Including Tenant-Acquisition Projects**
- **16.5% Average for Projects LAWA directly manages.**

