Briefing for:

Ad Hoc Airport Regional Policy Committee – Meeting 14

February 12, 2009

San Diego County Regional Airport Authority
City of San Diego
San Diego Association of Governments
Port of San Diego
County of San Diego
Metropolitan Transit System
North County Transit District
United States Department of Defense
This presentation has been prepared in advance of a meeting of the Ad Hoc Airport Regional Policy Committee.

Minor changes to the information contained herein may be made prior to the meeting.

This document contains concepts and analyses for consideration and discussion which will be used as context during the meeting. No decision regarding the implementation of these concepts has been made.
Agenda

1. Recap of preliminary financial analysis
2. Next steps: concept implementation strategy
3. Revised draft summary report
4. Conclusion
Recap of Preliminary Financial Analysis

- Conclusion
- Destination Lindbergh costs
- Recovery and Reinvestment Act Review
- Funding sources
Conclusions

- The Opening Day phase of the Destination Lindbergh program potentially can be financed in a viable manner.

- Key assumptions include:
  - TIFIA loan availability; identification of repayment sources
  - Financial markets return to “normal” – needed for bond sale
  - Inflation does not materially exceed 4% annually
  - CONRAC should be sized according to CFC funding capacity

- Destination Lindbergh would be a unique intermodal facility
  - It should be eligible for a wide array of “special” funding in the form of grants or low-interest loans
  - Such funding cannot be assured, given the availability and competitive nature of these funding sources
  - Public-private partnerships may also be a viable funding source
The entire project is estimated to cost approximately $3.8 billion, measured in 2009 dollars.

**PROJECT COST SUMMARY**  
(Constant 2009 Dollars)

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
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<tbody>
<tr>
<td>Opening Day</td>
<td>$457 m</td>
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<tr>
<td>PAL 1</td>
<td>$1,885 m</td>
</tr>
<tr>
<td>PAL 2</td>
<td>$1,476 m</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$3,818 m</strong></td>
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</tbody>
</table>

*Project costs include hard costs, soft costs, and contingencies. Excludes off-airport mitigation.*
The entire project at ultimate buildout is estimated to cost approximately $4.9 billion to $11.2 billion, in escalated dollars.

The inflation range considered: 2% to 8% annually.

The primary focus of the analysis is Opening Day – improvements through 2015.

PROJECT COST SUMMARY*
(Escalated Dollars)

<table>
<thead>
<tr>
<th></th>
<th>Low Estimate (2% Escalation)</th>
<th>Intermediate (4% Escalation)</th>
<th>High Estimate (8% Escalation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Day</td>
<td>$495 m</td>
<td>$535 m</td>
<td>$644 m</td>
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<tr>
<td>PAL 1</td>
<td>$2,253 m</td>
<td>$2,676 m</td>
<td>$3,920 m</td>
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<tr>
<td>PAL 2</td>
<td>$2,150 m</td>
<td>$3,099 m</td>
<td>$6,612 m</td>
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<tr>
<td>Total</td>
<td>$4,898 m</td>
<td>$6,310 m</td>
<td>$11,176 m</td>
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</tbody>
</table>

*Project costs include hard costs, soft costs, and contingencies. Excludes off-airport mitigation.
All of the costs for Opening Day are projects related to the Northside.

Major ITC projects on Opening Day include the CONRAC, other parking structures, the transit/rail station and associated roadways.

### Intermediate Cost Estimates

<table>
<thead>
<tr>
<th>INTERMEDIATE COST ESTIMATES</th>
<th>Opening Day</th>
<th>PAL 1</th>
<th>PAL 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Traditional&quot; Airport projects</td>
<td>$</td>
<td>$2,046</td>
<td>$1,927</td>
<td>$3,362</td>
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<tr>
<td>Rental Car/CONRAC</td>
<td>300</td>
<td>24</td>
<td>101</td>
<td>425</td>
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<tr>
<td>Parking</td>
<td>85</td>
<td>225</td>
<td>894</td>
<td>1,204</td>
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<tr>
<td>Transit/rail</td>
<td>65</td>
<td>13</td>
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<td>78</td>
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<tr>
<td>Roads</td>
<td>50</td>
<td>311</td>
<td>145</td>
<td>505</td>
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<tr>
<td>Tunnel/Walkway/Land and ROW Acq.</td>
<td>35</td>
<td>13</td>
<td>33</td>
<td>81</td>
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<tr>
<td>I-5 Ramp</td>
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<td>43</td>
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<td>654</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$535</strong></td>
<td><strong>$2,676</strong></td>
<td><strong>$3,099</strong></td>
<td><strong>$6,310</strong></td>
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</tbody>
</table>

Note: Traditional Airport Projects include the People Mover. Excluding off-airport mitigation costs. All costs expressed in escalated dollars. Numbers may not add due to rounding.
Potential Funding Sources

- Funding for Destination Lindbergh can potentially come from a variety of sources

<table>
<thead>
<tr>
<th><strong>Traditional Airport</strong></th>
<th><strong>Non-Traditional Airport</strong></th>
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</thead>
<tbody>
<tr>
<td>Federal Airport Improvement Program (AIP) grants</td>
<td>Special facility bonds</td>
</tr>
<tr>
<td>Passenger Facility Charges (PFCs)</td>
<td>Rental Car Customer Facility Charges (CFC)</td>
</tr>
<tr>
<td>Airport revenue bonds</td>
<td>Third party funding (rental car customer facility charges)</td>
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<tr>
<td>Internally generated airport capital</td>
<td>Transportation Infrastructure Finance and Innovation Act (TIFIA) loan proceeds</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Non-Airport</strong></th>
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<tbody>
<tr>
<td>State and local funding</td>
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<tr>
<td>Tax increment financing</td>
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<tr>
<td>Public-private partnerships</td>
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<tr>
<td>Transportation Development Act (TDA) sales tax funds</td>
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<td>Local street and road funds</td>
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<tr>
<td>State Transportation Improvement Program (STIP) funds</td>
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<tr>
<td>TransNet sales tax funds</td>
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</tbody>
</table>
## Conceptual Funding Sources

### Preliminary Financial Analysis

<table>
<thead>
<tr>
<th>Source: Jacobs Consultancy</th>
<th>Primary Source</th>
<th>Secondary Source</th>
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</table>

### Table

<table>
<thead>
<tr>
<th>Project</th>
<th>Internally Generated Airport Capital</th>
<th>Airport Revenue Bonds</th>
<th>Federal Airport Grants</th>
<th>PFCs</th>
<th>CFCs &amp; Rental Car Companies</th>
<th>Federal Highway/Transit Grants</th>
<th>State &amp; Local Funds</th>
<th>Tax Increment Financing</th>
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</thead>
<tbody>
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<td>ITC</td>
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<td>Property &amp; rail right of way acquisition</td>
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<td>Rail station &amp; alignment</td>
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<td>Parking (air)</td>
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<td>Overhead Passenger Gateway</td>
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<td>Rental Car/CONRAC</td>
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<td>Other projects</td>
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<td>Airport Landside</td>
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</tbody>
</table>

Source: Jacobs Consultancy

Primary source                      | Secondary source
Relevance for Destination Lindbergh

- Large components of Destination Lindbergh projects would likely not be directly eligible for many of these funds, due to the compressed stimulus timeline requirements
- A second-round of stimulus and/or the upcoming restructuring of the federal surface and aviation programs may provide opportunities
- It is too early to tell what those opportunities may be
- Access to the funding for which Destination Lindbergh projects would be eligible will be competitive
- Conservative approach to Opening Day projects, with emphasis on currently available sources of finance, remains the best path to take
- Difficult to gauge best financing structure for PAL 1 and PAL 2 projects at this juncture

Note: Additional information on this topic is provided in the Appendix.
A funding scenario for ITC projects for the Opening Day phase of construction is presented in the table below (based on intermediate cost estimate):

<table>
<thead>
<tr>
<th>Capital costs (Escalated $ millions)</th>
<th>Funding Sources (Escalated $ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental car/CONRAC</td>
<td>TIFIA loan proceeds (b) $178</td>
</tr>
<tr>
<td>Parking</td>
<td>CFCs &amp; rental car cos. (b) 240</td>
</tr>
<tr>
<td>Rail</td>
<td>Airport revenue bond proceeds (b) 93</td>
</tr>
<tr>
<td>Roads</td>
<td>Federal Airport Grants 10</td>
</tr>
<tr>
<td>Other (a)</td>
<td>Other (non-Airport sources) 14</td>
</tr>
<tr>
<td><strong>Total</strong> $535</td>
<td><strong>Total</strong> $535</td>
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</tbody>
</table>

(a) Including property/ROW acquisition, and tunnel/walkway.
(b) TIFIA loan, CFC-backed bonds, and Airport Revenue Bonds would need to be repaid from various revenue sources.

NOTE: Amounts shown exclude off-Airport mitigation costs.
Next Steps:
Prepare Concept Implementation
Strategy for First Phase of Development

- Detailed physical planning
- Environmental planning
- Cost estimating
- Funding plan
- Programming
- Project sequencing
Approach to Detailed Physical Planning

Prepare detailed plans for first phase of development

- Refine facility requirements
  - Terminal space, rail station size
  - Parking and ground transportation needs
- Develop minimum customer standards guidelines
  - Walking distance guidelines
  - Operational service goals
- Closely evaluate facility and operational interfaces
  - Interfaces can be most challenging to build and operate
- Prepare for project implementation
  - Detailed go-forward plan
Detailed Physical Planning

**Intermodal Transit Center (ITC)**
- Develop guidelines for appropriate theme/image statement
- Refine footprint – specific orientation and location
- Refine land acquisition needs
- Prepare detailed plans for rail station
- Plan walkway connector between ITC and rail station
- Prepare detailed plan for customer service center
- Develop phasing/expansion plans

**Consolidated Rental Car Facility (CONRAC)**
- Coordinate Destination Lindbergh planning effort with CONRAC design
**Roads**
- Prepare detailed plans for on-airport dedicated roadway
- Coordinate proposed roadway alignment with FAA
- Prepare detailed plans for reconfiguration of the Sassafras Street/Pacific Highway intersection
- Prepare detailed plans for new airport roadways on north side, including kiss & ride drop-off adjacent to ITC

**Parking**
- Detailed phasing plans to meet parking demand at the Airport
- Plan improvements to north side surface parking
Environmental Planning

- Sustainability integration
  - Prepare sustainability opportunity guidelines for future designers
- Pre-NEPA and CEQA analyses
  - Integrate physical and environmental planning
  - Optimize environmental aspects
  - Facilitate smooth follow-on environmental processes
- Emissions analysis
  - Determine emissions/greenhouse gas reductions due to project
  - Develop policy brief to be used in seeking funding
Cost Estimating

- Refine capital cost estimates based on detailed planning
  - Value engineering for cost control
  - Revised construction costs
  - Reevaluate potential inflation escalation

- Independent cost estimate review for risk mitigation
  - Utilize independent expertise to corroborate/modify cost estimates
  - Improves funding viability because of reduced risk
Funding Plan

Specific plan of funding for detailed facility plan
- Traditional Airport funding sources
- Non-traditional sources
- Innovative funding sources
- Public-private partnership opportunities

Most likely funding sources for Opening Day projects include
- Customer Facility Charge Revenues (CFCs)
  - To be leveraged and to be used on a pay-as-you-go basis
- Transportation Infrastructure Finance and Innovation Act (TIFIA) Loans
- Airport Revenue Bonds
Programming

- Detailed space program developed for architectural and engineering designers
- Identify specialized project elements (e.g. elevated walkway, rail track modifications)
- Prepare recommended project packaging (scope of individual design and construction projects)

Project Sequencing

- Define individual project interrelationships and interfaces
- Delineate Airport operating factors/requirements
- Establish individual project priorities and recommended sequence of development
Revised Draft Summary Report

- New financial analysis section
- New conclusion section

Note: Public information and comment forum is provided at:
www.destinationlindbergh.com
Conclusions and Next Steps

- Project schedule
- Next steps
## Schedule

<table>
<thead>
<tr>
<th>Task</th>
<th>2008 April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>2009 Jan</th>
<th>Feb</th>
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<tr>
<td>1. Vision Structure</td>
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<td>2. Goal Setting/Community Input A</td>
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<td>3. Forecasting</td>
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<td>4. Context and Opportunities</td>
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<td>5. Community Input B</td>
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<td>6. Intermodal Concept Development</td>
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<td>7. Preliminary Vision</td>
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<td>8. Community Input C</td>
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<td>9. Final Vision and Concept</td>
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**Legend**
- Project Task
- Meeting
- Report

*Time now*
Next Steps

- Prepare final summary report
- Prepare final technical report
Thank You!

- Questions
- Comments
- Discussion
Appendices

- Recovery and Reinvestment Act (aka stimulus)
- Recommended development plan
Recovery and Reinvestment (aka stimulus)  
Major Assumptions, Principles and Components

Process (early February 2009):
- Senate considering its version of legislation passed in the House
- Assuming it passes the Senate, there will be a House-Senate Conference Committee to resolve disagreements
- President Obama hopes to have a bill by Washington’s birthday

Infrastructure Investments Translate to Benefits:
- Consensus that public investments are in the societal interest and, if properly designed, can help the economy and provide jobs
- Extraordinary shift over the past year in Washington’s support for infrastructure

Performance/Accountability:
- Transparent process portends well and sets the stage for second-stage stimulus and significant authorization efforts

Existing programs and “Ready-To-Go” Projects the Priority:
- Policymakers insisting that portions of projects be contracted out and started quickly to ensure that they can stimulate the economy in 2009

Reforms Will Await Authorizations and Other Major Policies:
- Shifts to a more sustainable transportation era only marginal now, will await the major decisions to come which will restructure programs
Economic Recovery: Outlines of House-Passed Legislation

- **Highways ($30 billion):** For construction provided through State and Metropolitan Transportation Improvement Improvement Plans. Priority to areas with high unemployment and poor economies.

- **Transit/Public Transportation/Amtrak ($10.1 billion):**
  - $6 billion for to purchase buses and equipment (through existing formulas)
  - $2 billion to modernize existing transit systems
  - $1 billion for capital infrastructure grants for new commuter rail or other light rail systems. FTA has $2.4 billion in previously approved projects
  - $1.1 billion to improve speed and capacity of Amtrak and other intercity passenger rail service

- **Airports ($3.5 billion):**
  - $3 billion for airport improvement projects that will improve safety and reduce congestion. $500 million to install explosive detection systems in the nation’s airports
  - Special short-term relief being considered for the majority of airport bonds for 2009/2010 (“private activity”) to encourage development
Economic Recovery: Outlines of House-Passed Legislation (related)

■ Energy/Emissions:
  • Assistance to state and local governments for alternative energy vehicles ($400 million), diesel emissions reductions ($300 million), and renewable energy generation ($8 billion)

■ Border Points of Entry:
  • Assistance to construct GSA and CBP land points of entry and to procure non-intrusive inspection technology at sea points of entry

■ Others:
  • There is money for environmental cleanup and restoration, support for the hiring and equipping of local law enforcement, and assistance to upgrade federal buildings

■ Regional/Local Strategies:
  • If governments and agencies maximize opportunities for stimulus, it may free-up previously set-aside monies for infrastructure projects. **The keys are to focus on projects which meet the criteria of stimulus, job creation and sustainability**
Recommended Development Plan

- Opening day facilities
- PAL 1 facilities
- PAL 2 facilities

Note: Some projects (such as the CONRAC) may be able to be accelerated due to the availability of previous planning.
Recommended Development Plan

Intermodal Transit Center

2nd Concourse
38 gates

1st Concourse
22 gates

Jacobs Consultancy

Destination Lindbergh
The Ultimate Build-Out