



## Review of Cost Estimate



*Presented to*  
***Burbank-Glendale-Pasadena Airport Authority***

***November 5, 2018***



# BACKGROUND INFORMATION

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## 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

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# 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.

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## 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.

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## 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:
  - i. Airside  
Ramp, Taxiways A and C extension
  - ii. Landside  
New entrance roadway, parking facilities
  - iii. Terminal
  - iv. 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

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

Source: Burbank-Glendale-Pasadena Airport Authority MOD2 with Employee Surface Parking



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# Concept Validation Cost Estimate

## Assumptions used for previous table

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

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	High Cost Estimate
RPT Debt Service in 2024	\$50,541,740	\$66,616,438
Less available PFCs	(\$7,000,000)	(\$7,000,000)
RPT Net Debt Service in 2024	\$43,541,740	\$59,616,438
Projected Enplanements	3,000,000	3,000,000
RPT Net Debt Service per Enplanement	\$14.51	\$19.87
Existing Debt + O&M per Enplanement	\$3.50	\$3.50
<b>Cost per Enplanement (CPE)</b>	<b>\$18.01</b>	<b>\$23.37</b>
New Bonds/US DOT Credit Program in 2020	\$847,970,498	\$973,605,000
Outstanding Series 2012 in 2020	\$72,545,000	\$72,545,000
Outstanding Series 2015 in 2020	\$16,185,000	\$16,185,000
Total Outstanding Debt in 2020	\$936,700,498	\$1,062,335,000
Projected Enplanements	3,000,000	3,000,000
<b>Debt per Enplanement (DPE)</b>	<b>\$312</b>	<b>\$354</b>

- 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.