

Spokane Airports 2023 Budget

Spokane International Airport / Airport Business Park/ Felts Field



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Spokane Airport Board

Spokane International Airport / Airport Business Park / Felts Field

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Spokane International Airport
GEG – GENERATING ECONOMIC GROWTH

AIRPORT BUSINESS PARK



Spokane Airport Board

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Section II. Introduction

The SPOKANE AIRPORT BOARD (Board), operates Spokane International Airport (SIA or GEG), Felts Field (SFF) and the Airport Business Park (ABP), collectively referred to as the SPOKANE AIRPORTS (Airport), under and pursuant to the Constitution and Laws of the State of Washington, including Ch. 14.08 RCW, RCW 14.08.200 that certain Joint Resolution and Operating Agreement of Spokane County and the City of Spokane dated October 7, 2019.

The agreement intends the expenses of operating Spokane International Airport, Airport Business Park, and Felts Field shall be paid, *to the maximum extent possible*, from the operating revenues of each area (emphasis added).

The Airport does not receive any funds from either the County or City of Spokane, nor does it receive any local tax revenues. Operating funds come from user fees, tenant rents in varying forms along with airline landing fees. Capital funds come from debt financing, federal and state grants and agreements, facility charges through airlines and rental car agencies along with airport funds generated through operations.

As of December 31, 2019, the Airport employed approximately 134 full and part-time employees responsible for providing access to the global air service network by managing, developing, maintaining and promoting the Airport. Given the pandemic's impact on air transportation, staffing levels decreased to approximately 109 full- and part-time employees in 2020, to 106 as of December 31, 2021, and to 99 full- and part-time employees as of October 2022. As the regional economy and air transportation sector recovers from the pandemic, the Airport will increase staff size appropriately. Employees work diligently to provide quality facilities and services along with a high quality customer experience.

The 2023 budget provides funds to accomplish goals while keeping the cost to airlines reasonable in comparison to previous years, funding important capital projects that will improve airport capacity, safety and security, maintaining aging facilities while designing new facilities and improving customer service. Through these initiatives, the budget provides funds for activities that provide economic impact and stimulus by creating jobs in the local area.

AIRLINE OPERATING AGREEMENT (AOA)

This 2023 budget is prepared based on the airline agreement with signatory airlines originally dated January 1, 2010. This agreement was extended, mutually by the Airport and the airlines through December 31, 2015. The Airport and airlines extended the agreement again, with minor modifications, for additional years to provide time to continue negotiating a modernized AOA. The agreement, as amended, now expires on December 31, 2022. Management proposed a one-year extension of the agreement with one modification to increase the cash amount retained by the Airport.

The Airport Airline Affairs Committee (AAAC) convened on October 4, 2022 to discuss the 2023 rates and charges. The AAAC is comprised of Airport staff members along with representatives of the Signatory and Non-Signatory Airlines and the major Cargo Carriers. The Airline members of the AAAC currently do not have any veto rights on the Airport's budget, however they do provide input for consideration.

The amended continuing agreement, on which the 2023 Budgets is based, utilizes a residual rate setting method. This approach is common, but not universal, among US airport operators. A pure residual rate setting method effectively applies all operating revenues and expenses into the models that set rates charged to airlines.

During discussions and consultations, it was agreed to continue to allow the Airport to apply a portion of operating net revenue, rather than all net operating revenue, effectively allowing the Airport to retain a larger amount of generated revenue to fund capital projects beneficial to passengers, the Airport and the air carriers.

2022 saw a continued recovery in passenger activity and aircraft operations from 2020 levels as the region, nation and world recovers from the COVID-19 pandemic. Passenger activity is anticipated to increase approximately 17% over 2021 activity. 2023 activity is forecasted to continue recovery towards 2019 levels. In developing the 2023 budget, the goal is to stabilize and position the Airport for a continued recovery while continuing as an attractive location for adding new airline service and maintaining current destinations.

THE BUDGET PROCESS

The budget process begins each year around July as the staff reviews the expenditures of the first six months of the current fiscal year. A budget packet was distributed including a budget calendar and general directions for each department's budget submittal. The Airport utilizes a budget process in which each expenditure line item is evaluated on its own merit each year. Specific department budgets are then developed to identify resources necessary to meet the daily functions of operating the airports and implementing the necessary airport improvement projects.

The Airport Finance Department continues to work with a third party consultant to develop the Airport's Rates and Charges structure and collaborate with staff on departmental allocations in preparation for modernizing the AOA.

Departments submitted their budgets which were rolled into the Rates and Charges Model (see Section V) to calculate the upcoming year's Terminal Rental Rates and Landing Fees. Each department's initiatives are reviewed before the proposed draft is completed and submitted for review and comment by the Board.

The Capital Improvement Program is also refined to examine its effect on rates and charges. Future period major capital projects are added to the modeling as most of these projects and expenditures affect budget periods beyond the current period under examination.

FINANCIAL SUMMARY

The table below summarizes the 2023 Consolidated Spokane Airport Board Budget. Subsequent sections and exhibits throughout this document will focus on the individual details of the summary shown.

2023	Operating	Capital	Total
GEG	\$47,736,563	\$118,450,499	\$166,187,062
ABP	1,299,432	1,187,000	2,486,432
Felts Field	1,686,911	3,935,500	5,622,411
2023 Consolidated	\$50,722,906	\$123,572,999	\$174,295,905
% Change vs 2022	17.6%	63.6%	46.9%
2022	Operating	Capital	Total
GEG	\$40,339,938	\$71,612,000	\$111,951,938
ABP	1,075,795	430,000	1,505,795
Felts Field	1,709,949	3,512,000	5,221,949
2022 Consolidated	\$43,125,682	\$75,554,000	\$118,679,682

The Total Spokane Airport Board 2023 budget presented for approval is \$173,963,860 representing a 46.9% increase from the 2022 Budget. This change is due to a 17.6% increase in the Operating Budget and a 63.6% increase in the Capital Budget. The increase in the Operating Budget is related to continued recovery of passenger activity, and therefore expenses, and inflationary impacts to wages, materials and supplies. The increase in the Capital Budget is due, in part, to anticipated construction activity for Concourse C Terminal Renovation and Expansion (TREN) project.

Consolidated Operating Revenues are forecast to increase by 22.3% from the 2022 budget to \$50.7 million. SIA operating revenues are forecast to increase by 23.4% from the 2022 budget, due to the increase in passenger activity which affects revenues from airline landing fees, concession and rental car activity. Included in the 2023 revenue increase is a 3.8% increase in the rental rates for terminal tenants and a 3.7% increase in the 2023 landing fee rate.

The **Parking / Ground Transportation** cost center recorded revenue declines due to the decrease in passenger activity in 2020 and 2021. 2022 parking revenue is forecasted to be near 2019 levels and is expected to exceed the 2022 budget by 12.6%. The 2023 parking revenue budget is expected to increase by 20.7% compared to the 2022 forecast. There are no changes proposed to the parking rate structure in 2023 or to the commercial vehicle trip fee.

Consolidated Operating Expenses, including depreciation and debt service, are projected to increase 17.8% to \$50.8 million. Operating expenses, not including depreciation and debt service, are projected to increase 29.4% over the 2022 budget to \$38.4 million. This

increase corresponds to increasing activity levels at the Airport as the region, nation and world recover from the global pandemic. The budget model is forecasting passenger activity to increase 2.3% over projected 2022 levels.

The 2023 Capital Improvements Program budget represents a 63.6% increase from the 2022 Capital Program budget. The total planned capital expenditures in 2023 are \$123.6 million.

Sources of funds for capital improvements are largely dependent on the Federal Grant process through the Airport Improvement Program (AIP), other funds obtained through the Department of Transportation (DOT), and the Passenger Facility Charge (PFC) Application process. Anticipated 2023 capital improvements projects are, or will be, funded for the upcoming year through AIP Grant applications, a DOT BUILD grant, Bipartisan Infrastructure Law (BIL) grants, pre-collected PFCs, Customer Facility Charges (CFCs) and debt issuance on approved projects. The Airport also uses funds from general operations to the extent expenditures do not reduce the reserve amount below a minimum targeted level.

Anticipated 2023 capital improvements projects at SIA include construction of roadway improvements, expansion of the Concourse C parking lot, Concourse C TREC construction, West terminal ramp and taxilane improvements, east cargo ramp expansion, aviation fuel facility improvements, elevator and escalator modernization and Ground Transportation Center Phase 3 improvements. Airport Business Park capital projects are anticipated to include roadway improvements and building rehabilitation. Felts Field anticipated projects include a new aircraft tie-down parking apron, rehabilitation and expansion of the terminal building, gateway streetscape improvements and the restoration of the historic Mamer Clock Tower. As noted above, these projects are, or will be, funded by AIP, BIL, DOT and state grants, PFCs, CFCs, Airport general funds and a debt issuance. The DOT and AIP grants contain a matching provision from the Airport's cash. Replacement of aging equipment and vehicles is planned in 2023 and will be funded with current year operating funds or those funds designated in prior years for projects that will be carried over to 2023.



Section III. Airline Activity Forecast

PASSENGER TRAFFIC

During the past decade, enplanement and total passenger increases were recorded each year from 2013 through the highest all-time activity level in 2019. Due to the global COVID-19 pandemic, and state-level stay-at-home orders, passenger enplanements decreased 52.4% in 2020. In 2021, enplanements were up 70.8% compared to 2020 and estimated 2022 enplanements are forecasted to increase 16.9% over 2021 levels. Given concerns regarding the potential for a recession in 2023, a conservative approach has been taken regarding the passenger activity forecast for budgeting purposes, which assumes that 2023 enplaned passengers will remain below 2019 levels by approximately 3.0%.

The following table shows actual passenger activity by airline for 2019 through 2021 with estimates for 2022 and 2023, which are incorporated into the 2023 budget. The table also shows the current breakdown of passengers traveling out of the two terminals.

Traffic Activity					
Spokane International Airport					
(for the 12 months ending December 31; numbers in thousands)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
Enplaned Passengers					
Alaska	706	334	544	643	658
Allegiant (non-sig)	0	-	18	38	39
Delta	501	202	385	500	511
Frontier (non-sig)	35	15	19	13	14
Southwest	464	235	384	457	468
American	123	89	149	96	98
United	191	85	142	162	165
Others	3	1	1	10	10
Total	2,023	962	1,643	1,920	1,964
Enplaned Passengers	2,023	962	1,643	1,920	1,964
% Change YoY	1.2%	-52.4%	70.8%	16.9%	2.3%
% Change to 2019		-52.4%	-18.8%	-5.1%	-3.0%
By Terminal					
Terminal C	828	424	693	739	756
Terminal A&B	1,195	539	950	1,181	1,208
Total	2,023	962	1,643	1,920	1,964

AIRCRAFT LANDED WEIGHT FORECAST

The Airport collects landing fees from air carriers based on an aircraft's Maximum Gross Landed Weight (MGLW). The costs of operating the airfield are recovered through the Landing Fee Rate multiplied by the MGLW of each aircraft. The accuracy of the landed weight forecast of each air and cargo carrier has an impact on the Landing Fee Rate. Section IV, which discusses Cost Centers, Allocations, Rate Making and CPE, examines the methodology of rate making under a Residual Airline Agreement in place with the airlines. Typically, the higher the landed weight forecast, the lower the budgeted unit cost rate for the upcoming year.

The following table shows actual passenger and cargo landed weight for 2019 through 2021 along with forecasts for 2022 and 2023, which has been incorporated into the 2023 budget. 2023 landed weight is forecasted to be above 2019 levels by 1.5% due to an increase in cargo operations.

Traffic Activity					
Spokane International Airport					
(for the 12 months ending December 31; numbers in thousands)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
Landed Weight (per 1,000 lbs.)					
Passenger Airlines					
Alaska	741	532	698	728	724
Allegiant (non-sig)	1	-	26	39	41
Delta	554	407	543	561	582
Frontier (non-sig)	33	21	24	14	14
Southwest	513	392	422	462	459
American	142	129	186	104	171
United	247	140	180	181	171
Others	7	2	3	4	11
Subtotal - Passenger	2,239	1,623	2,084	2,093	2,173
Cargo					
Signatory	429	414	456	465	475
Non-signatory	66	130	93	123	126
Subtotal - Cargo	495	544	550	589	600
Total	2,733	2,168	2,633	2,682	2,774
% Change YoY	1.0%	-20.7%	21.5%	1.9%	3.4%
% Change to 2019		-20.7%	-3.7%	-1.9%	1.5%



Section IV. Cost Centers, Allocations, Rate Making and CPE

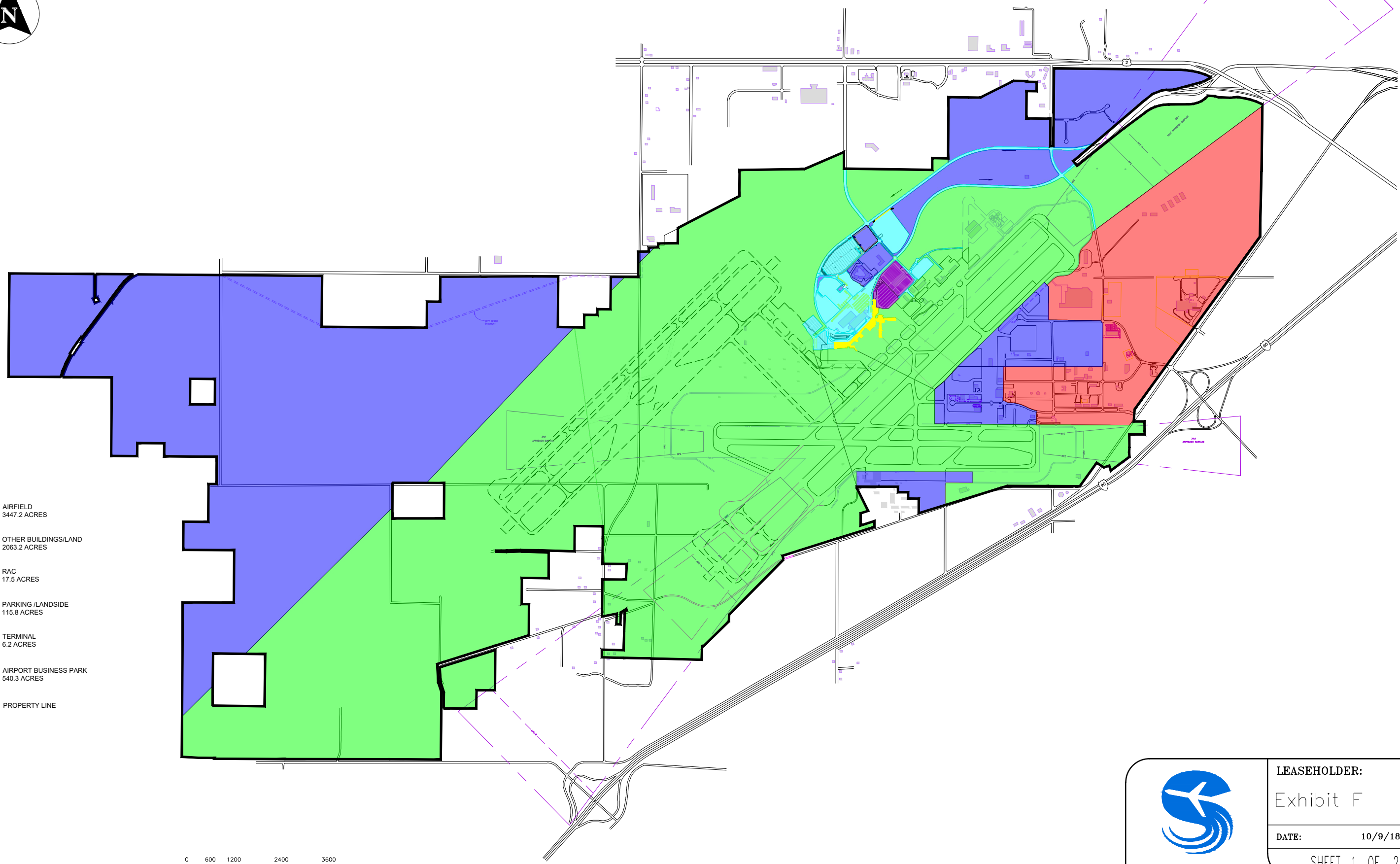
COST CENTERS

The Airport is currently organized with seven direct cost centers with a goal to continue to refine the cost centers and allocations to them each year to provide better forecasts for rate making. The direct cost centers are Airfield (including Operations and the Fuel Facility), GEG Terminal, Parking and Ground Transportation, Other Buildings and Grounds, Rental Car Facilities, the ABP and Felts Field. There are five indirect cost centers in Planning and Engineering, Airport Rescue and Fire Fighting (ARFF), Information Technology, Police / Dispatch, and Airport Administration.

ALLOCATIONS

To develop rates, the expenses from four of the indirect costs centers, excluding administration, are allocated to the direct costs centers based on an analysis of the staff hours dedicated to a center along with the budgeted costs within each indirect cost center. After those indirect costs are allocated to the direct cost centers, administration is allocated based on the total actual direct and indirect costs for each direct cost center. The allocation percentages for 2023 are shown below. These allocation rates are reviewed annually and potentially revised at the end of each review period to reflect actual operations and maintenance for all of the facilities.

M&O Expense Allocation Percentages Spokane Airport Board								
	Airfield	Fuel	Terminal	Parking	OB&G	QTA	ABP	Felts
Indirect Allocations								
Airfield Maintenance	65.0%	0.0%	0.0%	20.0%	10.0%	0%	0.0%	5.0%
Terminal Maintenance	0.0%	0.0%	80.0%	20.0%	0.0%	0%	0.0%	0.0%
Operations	90.0%	0.0%	2.5%	2.5%	0.0%	0%	0.0%	5.0%
Fuel	100.0%	0.0%	0.0%	0.0%	0.0%	0%	0.0%	0.0%
Engineering	40.0%	1.0%	40.0%	10.0%	1.0%	0%	1.0%	7.0%
IT	25.0%	0.0%	25.0%	25.0%	18.0%	0%	2.0%	5.0%
ARFF/Fire	73.3%	3.2%	15.9%	0.9%	4.6%	0%	2.1%	0.0%
Police	1.0%	0.0%	80.0%	15.0%	1.5%	0%	2.5%	0.0%
Communications	1.0%	0.0%	80.0%	15.0%	1.5%	0%	2.5%	0.0%
Administration	29.8%	2.2%	31.5%	25.8%	3.5%	0%	3.9%	3.3%
Airport Business Park	0.0%	0.0%	0.0%	0.0%	0.0%	0%	100.0%	0.0%
Felts Field	0.0%	0.0%	0.0%	0.0%	0.0%	0%	0.0%	100.0%



LEGEND:

- AIRFIELD
3447.2 ACRES
- OTHER BUILDINGS/LAND
2063.2 ACRES
- RAC
17.5 ACRES
- PARKING /LANDSIDE
115.8 ACRES
- TERMINAL
6.2 ACRES
- AIRPORT BUSINESS PARK
540.3 ACRES
- PROPERTY LINE

0 600 1200 2400 3600

SCALE: 1" = 1200'

NOTE: SCALE SHOWN IS FOR 22 X 34 EXHIBITS, IF PLOTTED ON 11 X 17 SCALE IS HALF SIZE.



LEASEHOLDER:
Exhibit F

DATE: 10/9/18






SHEET 1 OF 2

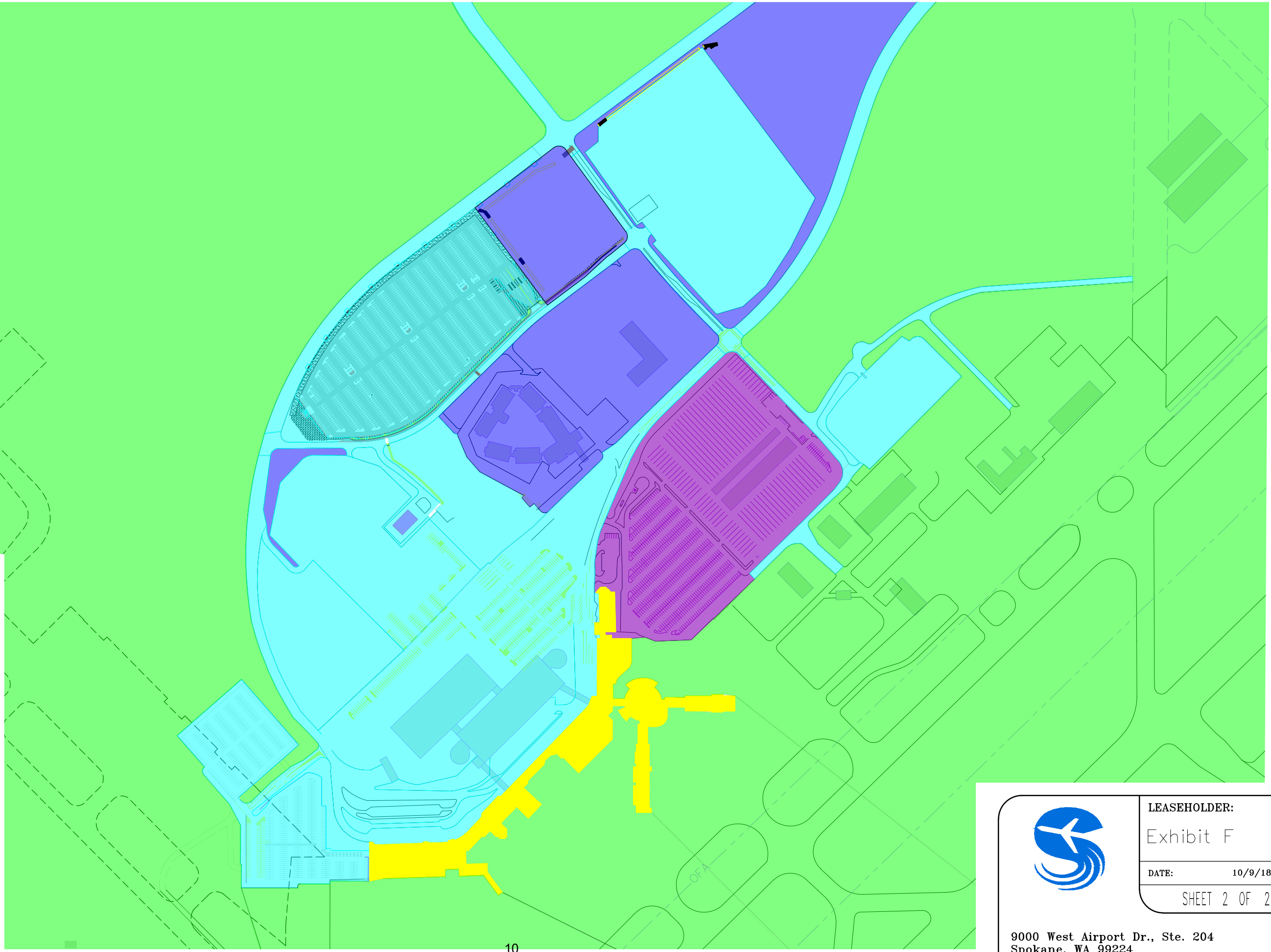
9000 West Airport Dr., Ste. 204
Spokane, WA 99224



SCALE: 1" = 200'
NOTE: SCALE SHOWN IS FOR 22 X 34 EXHIBITS, IF PLOTTED ON 11 X 17 SCALE IS HALF SIZE.

LEGEND:

	AIRFIELD 3447.2 ACRES
	OTHER BUILDINGS/LAND 2063.2 ACRES
	RAC 17.5 ACRES
	PARKING /LANDSIDE 115.8 ACRES
	TERMINAL 6.2 ACRES



LEASEHOLDER:
Exhibit F

DATE: 10/9/18

SHEET 2 OF 2

9000 West Airport Dr., Ste. 204
Spokane, WA 99224

RATE MAKING

The Airport operates under an existing AOA with a residual ratemaking methodology where generally, with some exceptions, all revenues are shared with the signatory air carriers. Under the current AOA there is no specified methodology for each rate making calculation, however, there are federal guidelines for establishing rates. Currently the signatory airlines participate, in a consultation role only, in the budget and rate setting process and agreed to modifications to the rate making methodology outlined in the Introduction section under the Airline Operating Agreement (AOA).

Terminal Rental Rate Calculation

The existing AOA does not prescribe a methodology for calculating terminal building rentals, fees, and charges. However, exhibits provided annually to the air carriers with updated rates prescribes the fees and charges and the relative weighting of such charges. The Airport uses a cost center residual methodology to calculate a cost recovery terminal building rental rate.

The Terminal Building Cost includes allocable M&O Expenses, debt service (net of allocable PFC or CFC revenues), any debt service coverage, depreciation charges (net of bond-funded projects, grants, and PFC revenues), and M&O Reserve deposit requirements. The resulting Terminal Building Cost is reduced by Terminal Concession Revenues, Non-airline Terminal Rentals, a percentage of the estimated surplus revenue generated from the Parking/Landside cost center (with the remainder flowing into the airport residual landing fee rate), Other Terminal Payments, and Loading Bridge Fees to yield the Net Terminal Building Requirement.

The Net Terminal Building Requirement is divided by Rented Space weighted by the weight classifications to derive the Terminal Building Rental Rate per square foot per year. The 2023 terminal rental rate for Class 1 space (generally public areas) is \$63.02 per square foot per annum (sfpa), an increase of 3.8% from \$60.70 sfpa in 2022. The calculation of the Terminal Rental Rate is displayed in Section V.

Landing Fee Calculation

The methodology for calculating the landing fee rate is based on an airport residual approach where the total cost of SIA is credited with airline terminals rentals, other airline fees and charges, non-signatory airline landing fees, and non-airline revenues to yield the landing fee revenue requirement. The landing fee requirement is then divided by signatory airline landed weight forecast to derive the landing fee rate per 1,000 pound unit.

More specifically, the methodology consists of the following steps:

1. The SIA rate base includes M&O Expenses, debt service, debt service coverage, depreciation charges (net of grants and PFC revenues), and the M&O Expense Reserve deposit requirement. The rate base also includes an amount to provide sufficient funding for the Airport's share of funding the CIP.

2. The Airfield Requirement is then reduced by airline revenues other than landing fees and non-airline revenues, and the prior year carry forward surplus (deficit) to yield the Net Landing Fee Requirement.

3. The Net Landing Fee Requirement is divided by forecast Total Landed Weight of passenger and cargo carriers (as weighted for premiums) to derive the Signatory Airline Landing Fee Rate per 1,000-pound unit.

The 2023 landing fee rate is \$2.24 per 1,000 pounds of landed weight, an increase of 3.7% from the 2022 rate of \$2.16 / 1,000 pounds. The calculation of the Landing Fee Rate is displayed in Section V.

COST PER ENPLANEMENT (CPE)

The calculations of the Terminal Rent Rate and the Landing Fee result in charges to the air carriers. Those charges contribute to both Terminal and Airfield Revenue. One measure of the cost to operate at an airport by an airline is the Cost Per Enplanement (CPE) calculation.

The average CPE represents the net cost incurred by the commercial airlines based on their regular operations at the Airport. The table below shows the actual CPE for 2019 through 2021 along with forecasts for 2022 and 2023. The 2022 estimated CPE is \$5.79 as compared to a budgeted CPE of \$6.19, which was presented in the 2022 Budget. The improvement in the CPE relates to the recovery of passenger activity in 2022 and lower operating expenses than budgeted. The 2023 budgeted CPE is \$6.13, which is lower than actual 2019.

Airline Cost per Enplaned Passenger					
Spokane International Airport					
(for the 12 months ending December 31; numbers in thousands except rates)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
Passenger Airline Payments					
Passenger Airline Signatory Landing Fees	\$ 5,186	\$ 3,106	\$ 4,221	\$ 4,399	\$ 4,722
Terminal Building Rent	6,751	6,916	6,504	5,987	6,549
Loading Bridge Fees	247	260	265	380	384
RON and Airfield Fees	260	112	211	209	217
Subtotal	\$ 12,444	\$ 10,394	\$ 11,202	\$ 10,975	\$ 11,871
Nonsignatory Passenger Landing Fees	112	59	137	141	171
Total Airline Revenues	\$ 12,556	\$ 10,453	\$ 11,338	\$ 11,116	\$ 12,041
Enplaned Passengers	2,023	962	1,643	1,920	1,964
Airline Cost per Enplaned Passenger	\$ 6.21	\$ 10.86	\$ 6.90	\$ 5.79	\$ 6.13



Section V. Terminal Rent Rate and Landing Fee Calculations

The tables below show the actual calculation of the average terminal rent rate and the airfield landing fee as described in Section IV Rate Making.

Calculation of Terminal Building Rental Rate					
Spokane International Airport					
(for the 12 months ending December 31; numbers in thousands except rates)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
TERMINAL BUILDING COST					
M&O Expenses	\$ 9,824	\$ 8,441	\$ 9,093	\$ 10,499	\$ 12,137
M&O Reserve Fund Requirement	641	-	-	79	1,289
Debt Service	-	-	-	-	-
CARES Act Grants for Debt Service	-	-	-	-	-
Debt Service Coverage	-	-	-	-	-
Net Depreciation Charges	2,263	2,194	2,085	1,662	1,537
Terminal Building Cost	\$ 12,729	\$ 10,635	\$ 11,178	\$ 12,240	\$ 14,963
Less: Terminal Non-Airline Revenues Associated With Rented Space					
Terminal Concession Revenues	\$ (2,223)	\$ (1,291)	\$ (1,680)	\$ (2,462)	\$ (2,518)
Nonairline Terminal Rentals	(686)	(650)	(633)	(797)	(797)
Share of Parking Surplus @ 35% (2022 / 2023)	(1,848)	(892)	(2,962)	(3,422)	(3,912)
Other Terminal Payments	(844)	(642)	(1,079)	(1,171)	(1,136)
CARES Reimbursement	-	(3,551)	-	(32)	-
Loading Bridge Fees	(247)	(260)	(265)	(380)	(384)
Net Terminal Building Requirement	\$ 6,880	\$ 3,349	\$ 4,559	\$ 3,976	\$ 6,216
Weighted Rented Space	96	99	99	99	99
Charged Average Terminal Rental Rate (per sq ft per year)	\$ 61.44	\$ 64.73	\$ 59.19	\$ 60.70	
Calculated Average Terminal Rental Rate (per sq ft per year)	\$ 71.79	\$ 33.95	\$ 46.22	\$ 40.31	\$ 63.02
Rented Space	96	99	99	99	99
Subtotal	\$ 5,889	\$ 6,384	\$ 5,838	\$ 3,976	\$ 6,216
Other Airline Terminal Payments ¹	333	333	333	333	333
Airline Terminal Rentals	\$ 6,221	\$ 6,717	\$ 6,170	\$ 4,309	\$ 6,549

1. Storage – Outside, Janitorial, Boarding Areas Walkway, Ramp - Equipment Storage, and Glycol Pad.

Calculation of Landing Fee					
Spokane International Airport					
(for the 12 months ending December 31; numbers in thousands except rates)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
Landing Fee Requirements					
M&O Expenses	\$ 29,380	\$ 24,931	\$ 24,374	\$ 29,649	\$ 37,129
Net Depreciation					
Total SIA Depreciation - Existing Assets	23,806	27,889	28,131	27,892	22,929
Less: Future Capital Outlays					
Less Grant, PFC and Bond Funded Assets	(14,120)	(16,821)	(17,708)	(17,584)	(13,631)
Net SIA Depreciation - Existing Assets	9,686	11,067	10,423	10,308	9,298
Future SAB Funded Assets (Net of AIP/PFC)	-	-	-	-	1,542
Return on Investment in Land	990	990	990	990	992
Additional Discretionary Cash Flow (if Extension)	1,800	1,800	1,800	1,800	2,500
Debt Service					
Debt Service - Outstanding GARBs	-	-	-	-	-
Debt Service - Future GARBs	-	-	-	-	-
Debt Service - Outstanding Subordinate Lien	468	468	4,089	-	-
Required Debt Service Coverage	-	-	-	-	-
M&O Reserve Fund	1,876	-	-	216	3,841
Subtotal	\$ 44,199	\$ 39,256	\$ 41,676	\$ 42,964	\$ 55,302
Less:					
Airline Terminal Building Rent	(6,751)	(6,916)	(6,504)	(5,987)	(6,548)
Other Airline Revenues	(1,333)	(1,107)	(1,347)	(1,482)	(1,750)
Total Nonairline Revenues, incl CARES	(28,179)	(26,495)	(25,379)	(31,875)	(33,998)
Subtotal	\$ 7,937	\$ 4,737	\$ 8,447	\$ 3,619	\$ 13,005
Less Non-Operating Revenues					
Interest Income	\$ (661)	\$ (642)	\$ (501)	\$ (600)	\$ (600)
Air Service Incentive Waivers	(65)	(46)	(50)	(50)	(50)
CARES Act Grants for Debt Service			(4,089)	-	-
TOTAL LANDING FEE REQUIREMENT	\$ 7,211	\$ 4,049	\$ 3,807	\$ 2,969	\$ 12,355
Plus Unfunded Pension Liability			861		
Prior Year Carry Over (Surplus)/Deficit	(2,167)	(957)	(995)	(1,898)	(4,923)
Net Landing Fee Requirement	\$ 5,044	\$ 3,093	\$ 3,674	\$ 1,072	\$ 7,432
Landing Fees Paid	\$ 6,524	\$ 4,346	\$ 5,571	\$ 5,995	
Signatory Landed Weight (millions/lbs)					
Signatory Cargo Landed Weight (adjusted for premium)	105%	450	435	479	489
Non-Signatory Use Agmt Landed Weight (adjusted)	115%	47	26	62	76
Itinerant Landed Weight (adjusted)	150%	99	195	140	189
Adjusted Total Landed Weight		2,794	2,257	2,711	2,775
Change		1.2%	-19.2%	20.1%	2.4%
Calculated Signatory Airline Landing Fee Rated (per 1000 lbs)	\$ 1.81	\$ 1.37	\$ 1.36	\$ 0.39	\$ 2.24
Charged Signatory Airline Landing Fee Rate					
Charged Signatory Cargo Airline Landing Fee Rate	105%	2.36	2.24	2.10	2.16
Non-Signatory Use Agmt Landing Fee Rate	115%	2.48	2.35	2.21	2.27
Itinerant Landing Fee Rate	150%	2.71	2.58	2.42	2.48
		3.54	3.36	3.15	3.24



Section VI. Operating Revenues and Expenses

OPERATING REVENUE

Operating revenue is generated from the Airport's primary business activities and reported through the cost centers outlined earlier (Airfield, Fuel Facility, GEG Terminal, Parking and Ground Transportation, Other Buildings and Grounds, Rental Car Facilities, ABP and Felts Field). Non-Operating revenue is generated from facility charges, interest income and the periodic sale of surplus land.

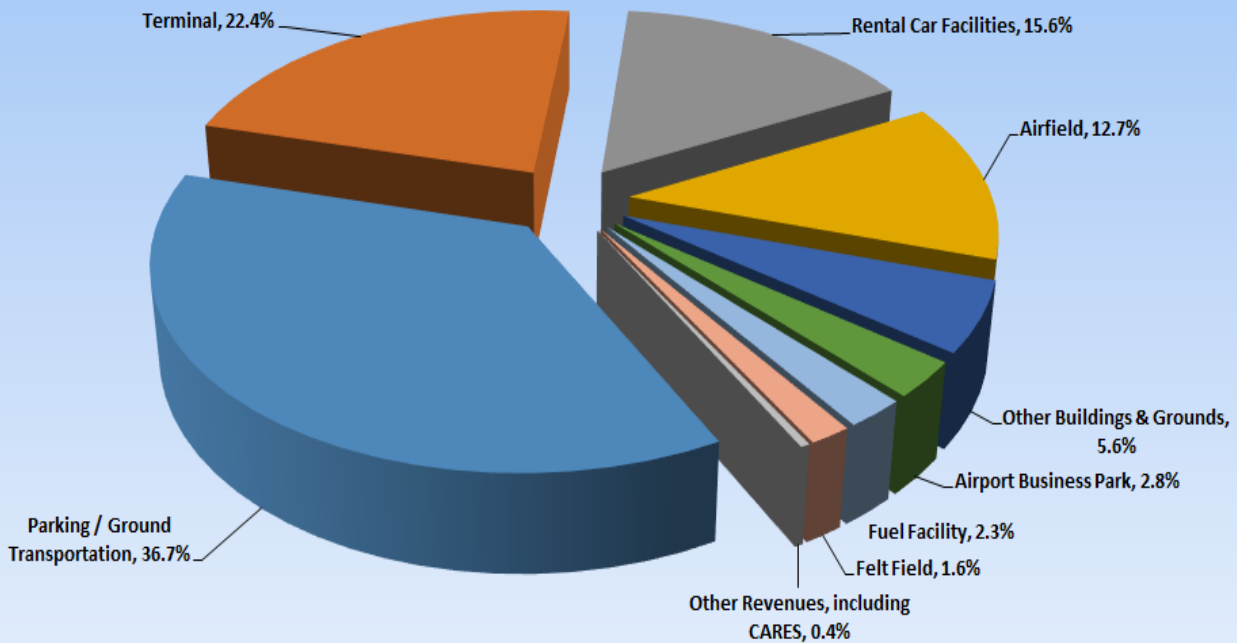
Highlights:

- **Parking and Ground Transportation** revenue is estimated to increase 35.9% compared to 2022. Parking and Ground Transportation comprises 36.7% of SIA's operating revenues.
- **Terminal and Other Commercial Land / Building Rents** are more exposed to the fluctuations in passenger activity, market demand varies for leased space products available in the Business Park and periodic land lease opportunities for aeronautical and non-aeronautical uses. Airline Terminal revenue is 22.4% of SIA's operating revenue.
- **Rental Car Facilities** represents 15.6% of total revenues and is estimated to increase 24.3% over the prior year.

This table and the chart on the next page shows the main revenue sources for 2022 and 2023.

Sources of Operating Revenue									
<i>This table shows general categories of revenues as a percentage of total operating revenues</i>									
Rank	Description	Year End							
		Budgeted 2022	FY 2022 % of Total Rev	Estimate 2022	FY 2022 % of Total Rev	Budgeted 2023	FY 2023 % of Total Rev	\$ Change	% Change
1	Parking / Ground Transportation	13,702,000	33.0%	15,425,050	32.4%	18,624,734	36.7%	4,922,734	35.9%
2	Terminal	9,674,941	23.3%	10,823,960	22.7%	11,369,163	22.4%	1,694,222	17.5%
3	Rental Car Facilities	6,377,500	15.4%	8,927,224	18.7%	7,925,041	15.6%	1,547,541	24.3%
4	Airfield	6,548,474	15.8%	6,327,706	13.3%	6,431,544	12.7%	(116,930)	-1.8%
5	Other Buildings & Grounds	2,083,582	5.0%	2,842,052	6.0%	2,817,766	5.6%	734,184	35.2%
6	Airport Business Park	1,466,000	3.5%	1,453,000	3.0%	1,435,179	2.8%	(30,821)	-2.1%
7	Fuel Facility	735,800	1.8%	893,555	1.9%	1,150,000	2.3%	414,200	56.3%
8	Felt Field	718,751	1.7%	785,122	1.6%	796,600	1.6%	77,849	10.8%
9	Other Revenues, including CARES	164,300	0.4%	175,870	0.4%	179,300	0.4%	15,000	9.1%
Total Operating Revenues		\$ 41,471,348	100.0%	\$ 47,653,540	100.0%	\$ 50,729,326	100.0%	\$ 9,257,978	22.3%

2023 Sources of Operating Revenue



OPERATING EXPENSES

Operating expenses are incurred through normal and customary business operations of the Airport and tracked in the direct and indirect cost centers described previously. Along with the direct cost centers tracking revenue, there are five indirect cost centers in Planning and Engineering, Airport Rescue and Fire Fighting (ARFF), Information Technology, Police and Dispatch along with Airport Administration. The following table and chart breaks down expenses into smaller categories for analysis.

Highlights:

- **Personnel Compensation and Benefits** accounts for 41.0% of total operating expenses. This expense category is budgeted at 11.7% over the prior year and is related to anticipated increases in staffing levels due to the recovery of passenger activity.
- **Ground Maintenance and Snow Control** accounts for 15.6% of total operating expenses in 2023. This expense category is budgeted at 16.6% over the prior year due to an increase in roadways and vehicle parking areas required to be maintained as well as to address deferred maintenance on assets during the COVID-19 pandemic and recovery.
- **Utilities** accounts for 7.2% of total operating expenses in 2023 and represents an increase of 18.2% over the 2022 budget. The increase partially relates to increasing cost of power and increasing power usage in the terminal.

Operating Expenditures by Rank

This table shows general categories of expenses as a percentage of total operating expenses

Rank	Description	Budgeted	FY 2022 % of	Year End	FY 2022 % of	Budgeted	FY 2023 % of	'23 vs '22 Budget	
		2022	Total Exp	Estimate	Total Exp	2023	Total Exp	\$ Change	% Change
1	Personnel (Incl taxes / benefits)	14,601,075	43.5%	14,365,260	46.6%	16,309,274	41.0%	1,708,199	11.7%
2	Grounds Maintenance / Snow Control	5,312,800	15.8%	2,888,139	9.4%	6,194,850	15.6%	882,050	16.6%
3	Utilities (Power/Nat. Gas/Water/Sewer)	2,423,600	7.2%	2,456,718	8.0%	2,865,527	7.2%	441,927	18.2%
4	Facilities, Hangars, Bldgs	1,808,750	5.4%	1,646,640	5.3%	2,557,676	6.4%	748,926	41.4%
5	Custodial Services & Supplies	1,747,694	5.2%	1,906,610	6.2%	2,178,500	5.5%	430,806	24.6%
6	Professional Services	1,209,911	3.6%	1,610,310	5.2%	2,038,964	5.1%	829,053	68.5%
7	Other Supplies	740,700	2.2%	731,207	2.4%	913,270	2.3%	172,570	23.3%
8	Equipment Maintenance	721,300	2.1%	644,199	2.1%	869,777	2.2%	148,477	20.6%
9	Insurances	625,750	1.9%	664,868	2.2%	744,324	1.9%	118,574	18.9%
10	Research / Planning / Engineering	510,000	1.5%	260,062	0.8%	443,951	1.1%	(66,049)	-13.0%
	Other Operating Expenses	3,890,761	11.6%	3,650,529	11.8%	4,674,154	11.7%	783,393	20.1%
	Total Operating Expenses	\$ 33,592,341	100.0%	\$ 30,824,544	100.0%	\$ 39,790,269	100.0%	\$ 6,197,928	18.5%

Note: Minor reclassifications have been made to prior years to conform with 2023 presentation and some totals or % may not add exactly due to rounding

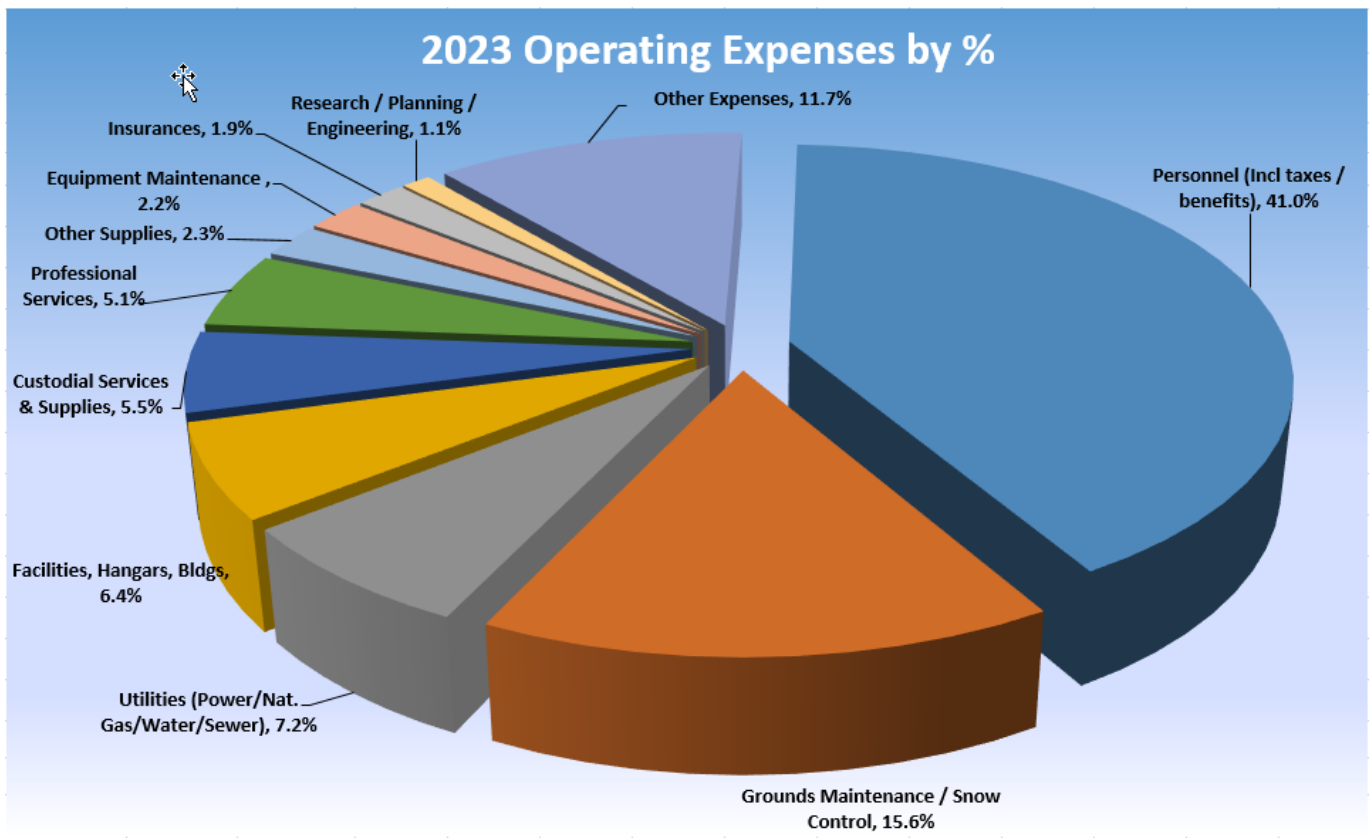


Chart shows operating expenses in 2023 as a percentage of total operating expenses



Section VII. Capital Improvement Program

The Capital Improvement Program (CIP) is developed annually and updated throughout each year. The purpose of the CIP process is to evaluate, prioritize, and coordinate proposed projects for a period of several years. Projects that may require FAA funding in the future are updated through consultation with the FAA annually. Funding for CIP projects typically comes from the FAA, DOT, and the TSA along state grants, PFCs, CFCs, debt issuance and cash generated by operation of the Airport.

The primary goal of the CIP is the development of a detailed capital budget for the current fiscal year and a flexible and rolling plan for capital development for the next several years. By updating and approving the CIP, a strategy and schedule is set for budgeting and constructing facilities at SIA, ABP, and Felts Field. The Airport Board reviews and approves all major CIP projects on an individual basis.

The table below shows a summary of projects by area anticipated for 2023.

Summary of 2023 Capital Improvement Program			
Spokane Airports			
(for the 12 months ending December 31; numbers in thousands)			
	Budget 2023		Budget 2023
CIP PROJECT COSTS		SOURCES OF FUNDS	
Spokane International Airport		Spokane International Airport	
Airfield	\$ 37,605	AIP - Entitlement	\$ 9,000
Terminal - Other	8,492	AIP - Discretionary	51,000
Terminal - TREX	48,000	GARBs	7,000
Parking / Landside Roadways	8,825	PFC-Supported Bonds	10,312
Hangars & Buildings (Incl RAC)	8,700	PFC pay-as-you-go	5,360
ARFF	1,065	CFC	3,500
IT	2,075	SAB	31,278
Police	100	Other	1,000
Fuel	3,075		
Admin	513		
Subtotal - SIA	118,450	Subtotal - SIA	\$ 118,450
Felts Field	3,936	Felts Field	3,936
Airport Business Park	1,187	Airport Business Park	1,187
Total CIP	\$ 123,573	Total CIP	\$ 123,573

Spokane Airports

Proposed Capital Improvement Program

Item No.	Project Description	Airport	Cost Center	FEDERAL FUNDS		BONDS		LOCAL FUNDS			TOTAL
				DI	Entitlement	PFC	GARB	PFC	CFC	OTHER	
2023 (FY January - December 2023)											
Spokane International Airport											
1	Landside/Parking Projects:										
2	Development Projects										
3	Realign Spotted Road with Interchange - Environmental Assessment and Design	SIA	Parking								\$75,000
4	Flint Road Intersection Improvements - Design and Construction	SIA	Parking								\$1,000,000
5	Concourse C South Parking Lot Improvements - Design and Construction	SIA	Parking								\$3,500,000
6	Terminal Crosswalk Improvements - Design and Construction	SIA	Parking								\$750,000
7	Mill and Overlay Airport Drive Outbound - Spotted Road to Flint Road - Design and Construction	SIA	Parking								\$1,000,000
8	Install Electric Vehicle Charging Stations in Garage and Outside Lot	SIA	Parking								\$500,000
9	Sanitary Sewer Improvements Project	SIA	Parking								\$1,500,000
10	Roadway Lighting Upgrades - ESCO	SIA	Parking								\$500,000
11	Equipment and Other Purchases										
12											
13	Airfield Projects:										
14	Development Projects										
15	West Terminal Ramp and Taxilane Improvements - Design and Construction, Phase 1	SIA	Airfield		\$3,500,000						\$350,000
16	West Terminal Ramp and Taxilane Improvements - Design and Construction, Phase 2	SIA	Airfield	\$17,500,000	\$5,000,000						\$2,250,000
17	Reconstruct Taxiway A - Design	SIA	Airfield		\$500,000						\$50,000
18	East Air Cargo Ramp Expansion - Design and Construction	SIA	Airfield								\$7,000,000
19	New Fuel Island Design	SIA	Airfield								\$75,000
20	Airfield Sign Replacements	SIA	Airfield								\$125,000
21	Vehicles, Equipment and Other Purchases										
22	Toro Grounds Master Mower (Replace)	SIA	Airfield								\$125,000
23	Rhino Mower Deck (Replace)	SIA	Airfield								\$35,000
24	Portable Variable Message Sign (Replace)	SIA	Airfield								\$15,000
25	Fleet Vehicle 988 (Replace 1999 F250)	SIA	Airfield								\$65,000
26	Fleet Vehicle 989 (Replace 1999 F250)	SIA	Airfield								\$65,000
27	Snow Equipment (Replace 903 Runway Broom with Broom/Plow Unit)	SIA	Airfield								\$950,000
28											
29	Fuel Facility Projects:										
30	Thermal Relief Valve and Sump Improvements - Design and Construction	SIA	Fuel								\$1,500,000
31	New AST Jet-A Fuel Receipt Tank (500,000 gal) - Design and Construction	SIA	Fuel								\$1,500,000
32	Ground Fueling Station Controls Upgrade - Design and Construction	SIA	Fuel								\$75,000
33											
34	Aviation Leased Property Projects:										
35											
36	Non Aviation Leased Property Projects:										
37											
38											
39	Rental Car Facilities Projects:										
40	GTC Improvements - Design and Construction, Phase 3	SIA	Hangars & Buildings						\$3,500,000		\$3,500,000
41											

Spokane Airports
Proposed Capital Improvement Program

Item No.	Project Description	Airport	Cost Center	FEDERAL FUNDS		BONDS		LOCAL FUNDS			TOTAL
				DI	Entitlement	PFC	GARB	PFC	CFC	OTHER	
2023 (FY January - December 2023)											
42	Terminal Projects:										
43	Development Projects										
44	Concourse C TREX - PFC #12 - Construction	SIA	Terminal	\$28,000,000		\$7,000,000	\$8,500,000	\$4,500,000			\$48,000,000
45	Concourse C TREX Automated Exit Lane - Design & Construction	SIA	Terminal				\$1,812,499	\$860,000			\$2,672,499
46	Administrative Office Building - Design & Construction	SIA	Terminal	\$3,000,000							\$3,000,000
47	Replace Bag Makeups OHD (14 Doors)	SIA	Terminal							\$180,000	\$180,000
48	Replace Chiller 4 - Concourse A - ESCO	SIA	Terminal							\$145,000	\$145,000
49	Elevator Modernization - Cars 2, 3 and 4 - ESCO	SIA	Terminal							\$1,200,000	\$1,200,000
50	Escalator Modernization - 2 at Main Terminal - ESCO	SIA	Terminal							\$1,100,000	\$1,100,000
51	Vehicles, Equipment and Other Purchases										
52	Replace Snow Equipment (Small Tractor)	SIA	Terminal							\$45,000	\$45,000
53	Replace Fleet Vehicle 367 (2001 F350)	SIA	Terminal							\$75,000	\$75,000
54	Replace Fleet Vehicle 387 (1995 Jetway Box Van)	SIA	Terminal							\$75,000	\$75,000
55											
56	Aircraft Rescue and Fire Fighting (ARFF) Projects:										
57	Replace Fleet Vehicle 501	SIA	ARFF							\$65,000	\$65,000
58	Replace ARFF Vehicle 503	SIA	ARFF							\$1,000,000	\$1,000,000
59											
60	Information Technology Projects:										
61	Lenel Security Upgrades (Analog Camera Replacements)	SIA	IT							\$600,000	\$600,000
62	Security Video Network Upgrades (Network Switch Replacements)	SIA	IT							\$1,000,000	\$1,000,000
63	Security Server Replacements (Server Replacements)	SIA	IT							\$125,000	\$125,000
64	Admin Server Acquisition (Admin Server Replacements)	SIA	IT							\$50,000	\$50,000
65	Meeting Room A/V System Enhancements	SIA	IT							\$300,000	\$300,000
66											
67											
68	Security (Police/Communications):										
69	Development Projects										
70	Relocate Dispatch Center - Design and Construction	SIA	Police							\$100,000	\$100,000
71											
72	Equipment and Other Purchases										
73											
74	Administration:										
75	Development Projects										
76	Replace - Operation Department Building Roof - ESCO	SIA	Admin							\$123,000	\$123,000
77	Replace Operation Department Building HVAC - ESCO	SIA	Admin							\$180,000	\$180,000
78	Vehicles, Equipment and Other Purchases										
79	Engineering - Acquire New Vehicle	SIA	Admin							\$75,000	\$75,000
80	Replace Fleet Vehicle 198 (2014 Tahoe)	SIA	Admin							\$75,000	\$75,000
81	New Fleet Vehicle (Touring Van)	SIA	Admin							\$60,000	\$60,000
82											
83	Other:										
84	Rail - Truck Transload Facility (Phase III)	SIA	Hangars & Buildings	\$2,500,000					\$1,000,000	\$500,000	\$4,000,000
85	Land Acquisition	SIA	Hangars & Buildings							\$1,200,000	\$1,200,000
86											
87	Total Spokane International Airport FY 2023			\$51,000,000	\$9,000,000	\$7,000,000	\$10,312,499	\$5,360,000	\$3,500,000	\$1,000,000	\$31,278,000
88											

Spokane Airports
Proposed Capital Improvement Program

Item No.	Project Description	Airport	Cost Center	FEDERAL FUNDS		BONDS		LOCAL FUNDS			TOTAL		
				DI	Entitlement	PFC	GARB	PFC	CFC	OTHER		Airport	
2023 (FY January - December 2023)													
Spokane International Airport Business Park													
89	Non Aviation Leased Property Projects:												
90	Replace BLDG 43 Roof - ESCO	ABP	ABP								\$82,000	\$82,000	
91	Replace BLDG 43 HVAC - ESCO	ABP	ABP								\$55,000	\$55,000	
92	Water Tower Site Fencing	ABP	ABP								\$50,000	\$50,000	
93	Administrative:												
94													
95	Other:												
96	Roadway Improvements (Flightline Blvd, Pilot Drive, BP Sidewalks) - Design and Construction	ABP	ABP								\$1,000,000	\$1,000,000	
97													
98	Total Spokane International Airport Business Park FY 2023				\$0	\$0	\$0	\$0	\$0	\$0	\$1,187,000	\$1,187,000	
Felts Field													
99	Airfield:												
100	New Tie-Down Apron - Construction	FF	Airfield		\$750,000							\$750,000	
101	Rehabilitate Runway 4L/22R - Design	FF	Airfield		\$250,000						\$25,000	\$275,000	
102	Northeast Taxilane Development - Environmental Review	FF	Airfield		\$75,000						\$7,500	\$82,500	
103	Vehicles, Equipment and Other Purchases												
104	Replace Equipment (1230 field tractor transmission)	FF	Airfield								\$18,000	\$18,000	
105													
106	Aviation Leased Property Projects:												
107													
108	Fuel Facility:												
109	New AST for AvGas Fuel (12,000 gal)	FF	Hangars & Buildings								\$35,000	\$35,000	
110													
111	Terminal:												
112	Renovate and Expand Terminal, including CBP Facility - Preliminary Design	FF	Terminal								\$150,000	\$150,000	
113	Replace Terminal Boiler, Windows HVAC and Roof	FF	Terminal								\$200,000	\$200,000	
114													
115	Other:												
116	Restore Mamer Clock Tower - Construction	FF	Airfield							\$50,000	\$50,000	\$100,000	
117	Construct Child's Playground Area - Design and Construction	FF	Airfield							\$400,000	\$400,000	\$800,000	
118	Gateway Entrance - Preliminary Design and ROW/Easement Study	FF	Airfield								\$25,000	\$25,000	
119	Gateway Entrance - Design and Construction	FF	Airfield							\$500,000	\$500,000	\$1,000,000	
120	Land Acquisition	FF	Airfield								\$500,000	\$500,000	
121													
122	Total Felts Field FY 2023				\$0	\$1,075,000	\$0	\$0	\$0	\$0	\$950,000	\$1,910,500	\$3,935,500
123													
124	TOTAL FY 2023				\$51,000,000	\$10,075,000	\$7,000,000	\$10,312,499	\$5,360,000	\$3,500,000	\$1,950,000	\$34,375,500	\$123,572,999



Section VIII. Debt Service

As of the end of the 2022 fiscal year, the Airport has no outstanding debt. The debt service calculation for 2019 through 2021, along with forecasts for 2022 and 2023, is shown below. The Airport defeased a 2008 bond and redeemed a 2005 bond in 2017 and defeased four Washington State Community Economic Revitalization Board (CERB) loans in 2021. Since the Airport does not carry any municipal bond debt, it has not been required to obtain a bond rating, however the most recent ratings in 2017 were A+ Standard & Poor's, A+ Fitch, and A-2 Moody's.

Having no outstanding debt positions the Airport well to be able to pursue long-term bond financing to fund the Concourse C TREX construction project and potentially subsequent terminal expansion and renovation projects as well as other projects at Felts Field or in the Airport Business Park or at the new Transload Facility that will be operational in 2023.

Debt Service by Series and Cost Center					
Spokane International Airport					
(for the 12 months ending December 31; numbers in thousands)					
	Actual 2019	Actual 2020	Actual 2021	Estimate 2022	Budget 2023
By Series					
Senior Lien					
2008 Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
2010 Revenue Bonds	-	-	-	-	-
Total Existing Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Future PFC Debt Service	-	-	-	-	-
Less: PFC Revenues Pledged	-	-	-	-	-
Future GARB Debt Service	-	-	-	-	-
Total Senior Lien Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Subordinate Lien					
2005 CERB Loan	\$ 51	\$ 51	\$ 250	\$ -	\$ -
2006 CERB Loan	48	48	315	-	-
2008 CERB Loan	118	118	1,024	-	-
2010 CERB Loan	250	250	2,500	-	-
Total Subordinate Debt Service	\$ 468	\$ 468	\$ 4,089	\$ -	\$ -
Subordinate Lien - Felts Field					
2018 City Hangar Loan	-	-	-	-	-
Senior Lien					
2005 Revenue Bonds - ABP	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE	\$ 468	\$ 468	\$ 4,089	\$ -	\$ -



Section IX. Budget Summaries by Cost Center

- Spokane Airport Board Consolidated Summary
- Spokane International Operations Summary
- Business Park Operations Summary
- Felts Field Operations Summary
- Capital Improvement Program



SPOKANE AIRPORT BOARD

2023 BUDGET SUMMARY

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>	<u>% Change '23 vs '22</u>
Operations Revenues (with CARES)						
Spokane International	\$ 42,796,506	\$ 38,764,805	\$ 42,889,578	\$ 45,415,418	\$ 48,484,962	
Airport Business Park	1,395,220	1,599,815	1,448,381	1,453,000	1,435,179	
Felts Field	772,149	866,944	808,295	785,122	796,600	
Total Operations Revenues	<u>44,963,875</u>	<u>41,231,564</u>	<u>45,146,254</u>	<u>47,653,540</u>	<u>50,716,741</u>	6.4%
Other Sources						
Spokane International	661,122	751,506	500,658	600,000	600,000	
Airport Business Park	15,127	16,337	11,363	13,000	16,000	
Felts Field	9,855	120,629	8,581	64,462	10,000	
(To) / From Reserves	(3,474,713)	(2,847,536)	(7,347,204)	(6,651,991)	(619,835)	
Total Other Sources	<u>(2,788,609)</u>	<u>(1,959,064)</u>	<u>(6,826,602)</u>	<u>(5,974,529)</u>	<u>6,165</u>	
Total Operations / Other Sources	<u>\$ 42,175,266</u>	<u>\$ 39,272,500</u>	<u>\$ 38,319,652</u>	<u>\$ 41,679,011</u>	<u>\$ 50,722,906</u>	21.7%
Operations Expenses						
Spokane International	\$ 29,419,101	\$ 26,104,978	\$ 22,292,284	\$ 29,709,187	\$ 38,438,681	29.4%
Airport Business Park	614,655	568,191	543,669	362,459	703,826	
Felts Field	596,296	547,688	456,573	752,898	647,762	
Total Operations Expenses	<u>30,630,052</u>	<u>27,220,857</u>	<u>23,292,526</u>	<u>30,824,544</u>	<u>39,790,269</u>	29.1%
Debt Service						
Spokane International	467,519	467,519	4,089,205	-	-	
Airport Business Park	-	-	-	-	-	
Felts Field	-	-	-	-	-	
Total Debt Service	<u>467,519</u>	<u>467,519</u>	<u>4,089,205</u>	<u>-</u>	<u>-</u>	
Operations & Debt Service	<u>31,097,571</u>	<u>27,688,376</u>	<u>27,381,731</u>	<u>30,824,544</u>	<u>39,790,269</u>	29.1%
Non-Cash Depreciation						
Spokane International	9,649,412	9,935,178	9,290,428	9,091,614	9,297,882	
Airport Business Park	556,887	536,935	506,783	622,255	595,606	
Felts Field	871,395	1,112,010	1,140,710	1,140,598	1,039,149	
Total Non-Cash Depreciation	<u>11,077,695</u>	<u>11,584,123</u>	<u>10,937,921</u>	<u>10,854,467</u>	<u>10,932,637</u>	
Total Operations / Other Expenditures	<u>\$ 42,175,266</u>	<u>\$ 39,272,500</u>	<u>\$ 38,319,652</u>	<u>\$ 41,679,011</u>	<u>\$ 50,722,906</u>	21.7%
Capital Sources						
Spokane International	30,435,966	13,345,017	29,266,302	71,612,000	118,450,499	
Airport Business Park	838,943	17,727	118,297	430,000	1,187,000	
Felts Field	4,243,194	444,535	1,237,398	3,512,000	3,935,500	
Total Capital Sources	<u>\$ 35,518,103</u>	<u>\$ 13,807,279</u>	<u>\$ 30,621,997</u>	<u>\$ 75,554,000</u>	<u>\$ 123,572,999</u>	63.6%
Capital Expenditures						
Spokane International	30,435,966	13,345,017	29,266,302	71,612,000	118,450,499	
Airport Business Park	838,943	17,727	118,297	430,000	1,187,000	
Felts Field	4,243,194	444,535	1,237,398	3,512,000	3,935,500	
Total Capital Expenditures	<u>\$ 35,518,103</u>	<u>\$ 13,807,279</u>	<u>\$ 30,621,997</u>	<u>\$ 75,554,000</u>	<u>\$ 123,572,999</u>	63.6%
Consolidated Sources	<u>\$ 77,693,369</u>	<u>\$ 53,079,779</u>	<u>\$ 68,941,649</u>	<u>\$ 117,233,011</u>	<u>\$ 174,295,905</u>	48.7%
Consolidated Expenditures	<u>\$ 77,693,369</u>	<u>\$ 53,079,779</u>	<u>\$ 68,941,649</u>	<u>\$ 117,233,011</u>	<u>\$ 174,295,905</u>	48.7%

SPOKANE INTERNATIONAL AIRPORT

2023 OPERATIONS BUDGET SUMMARY

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>	<u>% Change '23 vs '22</u>
Operations Revenues (with CARES)						
Parking / Ground Transportation	\$ 15,353,376	\$ 8,643,334	\$ 11,973,477	\$ 15,425,050	\$ 18,624,734	20.7%
Airfield	6,801,313	6,701,567	5,782,285	6,327,706	6,419,475	
Fuel Facility	825,519	734,404	870,240	893,555	1,150,000	
Other Buildings & Grounds	2,537,884	2,576,837	2,482,758	2,842,052	2,817,766	
Terminal	10,744,231	11,449,488	10,161,326	10,823,960	11,368,646	
Rental Car Facilities	6,328,214	3,826,865	7,226,568	8,927,224	7,925,041	
Other Revenues	205,969	196,512	304,144	164,300	179,300	
Indirect Cost Centers CARES Funds	-	4,635,798	4,088,780	11,570	-	
Total Operations Revenue	<u>\$ 42,796,506</u>	<u>\$ 38,764,805</u>	<u>\$ 42,889,578</u>	<u>\$ 45,415,418</u>	<u>\$ 48,484,962</u>	6.8%
Operations Expenses						
Parking / GTC / Landside	5,556,086	4,530,348	3,791,286	4,261,442	6,548,696	
Airfield & Operations	5,873,452	6,014,889	4,837,799	5,878,098	9,183,285	
Fuel Facility	422,847	367,705	302,487	427,635	622,721	
Other Buildings & Grounds	483,123	185,152	224,322	380,445	546,191	
Terminal	5,666,229	4,515,796	4,712,568	5,593,816	6,795,023	
Rental Car Facilities	389,351	419,353	266,718	558,497	469,000	
Other Indirect Centers						
Engineering	527,494	411,935	586,042	638,890	861,611	
Fire	2,275,829	2,151,699	2,200,514	2,635,794	2,302,235	
Information Technology	580,111	575,267	618,762	777,577	1,042,498	
Police	1,989,129	2,053,036	2,102,398	2,433,992	2,298,816	
Communication	548,394	518,029	541,334	548,028	780,656	
General Administration	5,107,056	4,361,769	2,108,054	5,574,973	6,987,949	
Sub-Total Operations Expenses	<u>29,419,101</u>	<u>26,104,978</u>	<u>22,292,284</u>	<u>29,709,187</u>	<u>38,438,681</u>	29.4%
Revenues over Expenses pre Deprec	\$ 13,377,405	\$ 12,659,827	\$ 20,597,294	\$ 15,706,231	\$ 10,046,281	
Gross Depreciation	23,808,566	26,756,561	26,998,286	26,675,282	22,928,959	
Credit for Funded Assets	<u>(14,159,154)</u>	<u>(16,821,383)</u>	<u>(17,707,858)</u>	<u>(17,583,668)</u>	<u>(13,631,077)</u>	
Net Depreciation	<u>9,649,412</u>	<u>9,935,178</u>	<u>9,290,428</u>	<u>9,091,614</u>	<u>9,297,882</u>	
Revenues over Expenses incl Deprec	\$ 3,727,993	\$ 2,724,649	\$ 11,306,866	\$ 6,614,617	\$ 748,399	
Other Sources Available / (Used)						
Interest Income	661,122	751,506	500,658	600,000	600,000	
Debt Interest	<u>(13,338)</u>	<u>(11,844)</u>	<u>(5,935)</u>	<u>-</u>	<u>-</u>	
Total Other Sources Available	<u>647,784</u>	<u>739,662</u>	<u>494,723</u>	<u>600,000</u>	<u>600,000</u>	0.0%
Available for Debt / Projects / Reserves	4,375,777	3,464,311	11,801,589	7,214,617	1,348,399	-81.3%
Total Debt Principal	<u>(451,701)</u>	<u>(454,636)</u>	<u>(4,083,270)</u>	<u>-</u>	<u>-</u>	
Sources over (Expenses)	<u>\$ 3,924,076</u>	<u>\$ 3,009,675</u>	<u>\$ 7,718,319</u>	<u>\$ 7,214,617</u>	<u>\$ 1,348,399</u>	

AIRPORT BUSINESS PARK
2023 OPERATIONS BUDGET SUMMARY

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>	% Change '23 vs '22
Operations Revenues (with CARES)						
Building / Office Leases	\$ 1,148,272	\$ 1,163,700	\$ 1,145,099	\$ 1,142,000	\$ 1,116,211	
Land Leases	239,825	299,681	303,282	311,000	317,968	
Miscellaneous	7,123	136,434	-	-	1,000	
Total Operating Revenues	<u>\$1,395,220</u>	<u>\$1,599,815</u>	<u>\$1,448,381</u>	<u>\$1,453,000</u>	<u>\$1,435,179</u>	-1.2%
Operating Expenses						
Buildings	\$ 408,304	\$343,528	\$ 285,239	\$ 206,833	\$ 368,611	
Grounds	70,340	70,340	160,338	59,327	129,743	
General Administration	136,011	154,323	98,092	96,299	205,472	
Total Operating Expenses	<u>614,655</u>	<u>568,191</u>	<u>543,669</u>	<u>362,459</u>	<u>703,826</u>	94.2%
Revenues over Expenses (Pre Deprec)	\$ 780,565	\$ 1,031,624	\$ 904,712	\$ 1,090,541	\$ 731,353	
Depreciation	556,887	536,935	506,783	622,255	595,606	
Operating Revenue over (Expense)	<u>\$ 223,678</u>	<u>\$ 494,689</u>	<u>\$ 397,929</u>	<u>\$ 468,286</u>	<u>\$ 135,747</u>	
Other Sources Available / Used						
Interest Income	15,127	16,337	11,363	13,000	15,000	
Interest Expense	-	-	-	-	-	
Other Non-Operating Income (Expense)	-	-	-	-	1,000	
Total Other Sources Available	<u>15,127</u>	<u>16,337</u>	<u>11,363</u>	<u>13,000</u>	<u>16,000</u>	
Available for Debt / Projects / Reserves	<u>238,805</u>	<u>511,026</u>	<u>409,292</u>	<u>481,286</u>	<u>151,747</u>	
Total Debt Principal	-	-	-	-	-	
Sources over Expenditures incl Deprec	<u>\$ 238,805</u>	<u>\$ 511,026</u>	<u>\$ 409,292</u>	<u>\$ 481,286</u>	<u>\$ 151,747</u>	

FELTS FIELD

2023 OPERATIONS BUDGET SUMMARY

	<u>2019 Actual</u>	<u>2020 Actual</u>	<u>2021 Actual</u>	<u>2022 Projected</u>	<u>2023 Budget</u>	<u>% Change '23 vs '22</u>
Operating Revenues						
Airfield	\$ 47,608	\$ 42,796	\$ 55,726	\$ 46,980	\$ 50,300	
Hangars/ Bldgs / Land	688,152	676,760	715,685	645,616	706,700	
Terminal	26,534	26,759	28,303	28,064	29,600	
Miscellaneous	<u>9,855</u>	<u>120,629</u>	<u>8,581</u>	<u>64,462</u>	<u>10,000</u>	
Total Revenues	\$ 772,149	\$ 866,944	\$ 808,295	\$ 785,122	\$ 796,600	1.5%
Operating Expenses						
Airfield	\$ 129,004	\$ 124,556	\$ 105,087	\$ 182,818	\$ 210,301	
Hangars/ Bldgs / Land	84,597	59,993	49,554	147,106	97,585	
Terminal	61,147	57,247	66,576	63,295	78,624	
General Admin	<u>321,548</u>	<u>305,892</u>	<u>235,356</u>	<u>359,679</u>	<u>261,252</u>	
Total Expenses	<u>596,296</u>	<u>547,688</u>	<u>456,573</u>	<u>752,898</u>	<u>647,762</u>	-14.0%
Revenue / (Expense) Pre Depreciation	\$ 175,853	\$ 319,256	\$ 351,722	\$ 32,224	\$ 148,838	
Depreciation	1,742,876	1,983,491	2,012,024	2,003,708	1,813,700	
Credit for Funded Assets	<u>(871,481)</u>	<u>(871,481)</u>	<u>(871,314)</u>	<u>(863,110)</u>	<u>(774,551)</u>	
Net Depreciation	<u>871,395</u>	<u>1,112,010</u>	<u>1,140,710</u>	<u>1,140,598</u>	<u>1,039,149</u>	
Revenue / (Expense) incl Depreciation	<u>\$ (695,542)</u>	<u>\$ (792,754)</u>	<u>\$ (788,988)</u>	<u>\$ (1,108,374)</u>	<u>\$ (890,311)</u>	
Cash Available for Debt Service	\$ 175,853	\$ 319,256	\$ 351,722	\$ 32,224	\$ 148,838	
Interest and Other Income	<u>9,855</u>	<u>120,629</u>	<u>8,581</u>	<u>64,462</u>	<u>10,000</u>	
Available for Debt / Projects / Reserves	185,708	439,885	360,303	96,686	158,838	
Debt Service	-	-	-	-	-	
Expenses over Sources	<u>\$ 185,708</u>	<u>\$ 439,885</u>	<u>\$ 360,303</u>	<u>\$ 96,686</u>	<u>\$ 158,838</u>	

SPOKANE AIRPORT BOARD

2023 CAPITAL SUMMARY

		2019	2020	2021	2022	2023
SPOKANE INTERNATIONAL AIRPORT		Actual	Actual	Actual	Estimated	Budget
SOURCES OF FUNDS						
	Federal & AIP Grants	-	5,000,305	11,282,598	-	60,000,000
	Other Federal Grants / Funds	-	-	1,980,625	12,000,000	-
	Other State / Local Funds	-	1,260	496,260	-	1,000,000
	Available / Used PFC Collections and Interest	16,076,555	3,618,625	6,542,293	3,500,000	5,360,000
	Revenue Bonds / PFC Supported	-	-	-	45,562,000	17,312,499
	Available CFC Collections	152,609	2,117,569	2,942,790	-	3,500,000
	Funds From Operations, Unrestricted Cash, CARES	14,206,802	2,607,259	6,021,736	10,550,000	31,278,000
	Total	30,435,966	13,345,017	29,266,302	71,612,000	118,450,499

EXPENDITURE OF FUNDS						
	Parking / Ground Transportation	3,742,347	18,831	438,344	3,300,000	8,825,000
	Landside Roadways	985,259	4,552,564	4,765,301	-	-
	Airfield / Ops / Fuel	4,503,841	567,626	8,502,025	6,600,000	40,680,000
	Other Buildings & Grounds	2,322,115	1,526,074	3,314,349	11,350,000	8,700,000
	Terminal	13,739,848	5,136,024	7,813,138	48,687,000	56,492,499
	ARFF	56,079	734,982	-	60,000	1,065,000
	I.T.	3,832,340	132,941	-	1,475,000	2,075,000
	Police / Security	918,876	-	-	75,000	100,000
	Admin	-	46,255	32,906	65,000	513,000
	Transload	-	613,273	4,360,828	-	-
	Land Acquisitions	335,261	16,447	39,411	-	-
	Total Expenditures	30,435,966	13,345,017	29,266,302	71,612,000	118,450,499

		2019	2020	2021	2022	2023
AIRPORT BUSINESS PARK		Actual	Actual	Actual	Estimated	Budget
SOURCES OF FUNDS						
	Funds From Operations & Unrestricted Cash	838,943	17,727	118,297	430,000	1,187,000
	Total Sources	838,943	17,727	118,297	430,000	1,187,000

EXPENDITURE OF FUNDS						
	Total Capital Projects	838,943	17,727	118,297	430,000	1,187,000
	Total Expenditures	838,943	17,727	118,297	430,000	1,187,000

		2019	2020	2021	2022	2023
FELTS FIELD		Actual	Actual	Actual	Estimated	Budget
SOURCES OF FUNDS						
	Federal & AIP Grants	-	150,275	801,821	90,000	1,075,000
	Other Grants	-	-	-	492,000	950,000
	Debt or Other Funds	-	-	-	-	-
	Funds From Operations & Unrestricted Cash	4,243,194	294,260	435,577	2,930,000	1,910,500
	Total Sources	4,243,194	444,535	1,237,398	3,512,000	3,935,500

EXPENDITURE OF FUNDS						
	Airfield	52,226	268,046	1,207,641	690,000	1,160,500
	Other Buildings / Grounds	4,096,106	176,489	29,757	600,000	1,925,000
	Terminal	15,355	-	-	1,572,000	350,000
	Land Acquisitions	79,507	-	-	650,000	500,000
	Total Expenditures	4,243,194	444,535	1,237,398	3,512,000	3,935,500

Note: The expenditures noted above do not necessarily represent specific projects, rather a variety of projects in a category that will be individually vetted by the Airport Board through the Committee process prior to authorization of expending of funds.



Section X. Selected 2023 Rates & Charges List

Space rates shown on a square foot per annum basis

Other rate basis are noted

(This list is not meant to be all inclusive.)

Change from 2022

Spokane International Airport	Signatory	Cargo Exempt*	w/ Use Agreement	Itinerant
Class 1 Space				
Airline Ticket Counters	\$ 63.02			
Airline Ticket Office (ATO)	63.02			
Queuing Areas	63.02			
Instant Travel Machines	63.02			
Concourse Hold Areas	63.02			
Baggage Claim	63.02			
Class 2 Space				
Baggage Service (BOS)	\$ 47.27			
Upper Concourse Office	47.27			
Ops Office	47.27			
Communications Office	47.27			
Baggage Make-Up	47.27			
Baggage Delivery	47.27			
Lower Concourse Office	47.27			
Storage Room	47.27			
Maintenance Office	47.27			
Baggage Cabinet	47.27			
Triturator Building	47.27			
Loading Bridge / mo	\$ 2,237.08			
Aircraft Parking / mo	\$ 500.00			
Boarding Walkway	\$ 11.25			
Ramp GSE Storage	\$ 4.34			
Glycol Pad	4.34			
Outside Storage	0.80			
Landing Fee / 1,000 lbs	\$ 2.24	\$ 2.35	\$ 2.58	\$ 3.36
Non Leased Loading Bridge / full turn	303.00		303.00	303.00
{Includes NON Leased Loading Bridge, A/C Parking, Concourse holding area}				
Non Leased Baggage System / turn	122.00		122.00	122.00
{Includes both baggage make-up for outbound AND baggage claim for inbound}				
Non Leased Ticketing / use	40.00		40.00	40.00
{Includes NON Leased Ticket Counter Only}				
Non Leased Aircraft Parking / use	125.00	131.00	144.00	187.00
{Includes NON Leased Aircraft Parking area away from a Bridge}				
Fuel Flowage Fee / Gallon	0.050	0.050	0.060	0.075

*Cargo Exempt: Cargo Carriers with on-airfield ramp & operation facilities



Section X. Selected 2023 Rates & Charges List

Space rates shown on a square foot per annum basis

Other rate basis are noted

(This list is not meant to be all inclusive.)

Change from 2022

Spokane International General Aviation	
Non Lease Aircraft Parking / day	
Single Engine Aircraft	\$ 25.00
Multi Engine / Small Jet	35.00
Q-400 / EJ / RJ or Greater	50.00

Use Agreement / month	
SIA	\$ 90.00
Felts Field	35.00

Felts Field Rates	
Landing Fee / 1000 lbs	\$ 2.50
Non Lease Aircraft / day	25.00
T-Hangar / mo	305.00
Tie-Down / mo	30.00
Fuel Flowage / Gallon	0.065

Mini Warehouse Rates	
amounts due in advance for entire billing term)	
Monthly Only	TBD
Includes WA St LH Tax	

Miscellaneous Items (not incl. applicable taxes)	
Security Badge Only	\$ 30.00
Badge Renewal or Fingerprinting	40.00
New Badge & Fingerprinting	60.00
1st Lost Badge	30.00
2nd Lost Badge	40.00
3rd Lost Badge	60.00
Telephone Line / mo	12.00
Fitness Center / mo	15.00
GTC Conf room / 4 hrs	25.00
Room Setup (if necessary)	25.00
Event or Conference Center / day	175.00
GTC Trip Fee / Trip	2.00

Force Account Rates	
Materials	Cost + 10%
Labor / hr.	\$ 62.50

ALL VEHICLE PARKING LOT RATES INCLUDE WA STATE SALES TAX					
Parking (Sales Tax Included)	Covered		Outside		Hourly
	Garage	Surface	C-Lot	Economy	
Length of Stay					
0 - 2 HR	\$ 4.00	\$ 4.00	\$ 4.00	\$ 6.00	\$ 2.00 / HR
2 - 3 HRS	6.00	6.00	6.00		
3 - 4 HRS	8.00	8.00	8.00		
4 - 5 HRS	10.00				
5-24 HRS	12.00				
DAILY MAX.	\$ 12.00	\$ 8.00	\$ 8.00	\$ 6.00	

Miscellaneous Vehicle Parking	
Employee Lots / mo	\$ 30.00
Employee Surface Lot / mo	130.00
Employee Garage Parking / mo	200.00
Passport / Executive / mo	200.00
Vendor / Contractor Parking / veh / year	50.00
Transponder Replacement	50.00
ALL VEHICLE PARKING INCLUDES WSST	

Notes: Certain other terminal and leasehold rental rates are set in conjunction with the Airline Operating Agreement (AOA) provisions while others are set by Fair Market Value appraisals. Rental Car and Concession rates are determined through negotiation and Request for Proposal (RFP) processes. Equipment rentals and other rates are available upon request.

Spokane Airports 2023 Budget

Spokane International Airport / Airport Business Park/ Felts Field



www.spokaneairports.net

Approved:
Spokane Airport Board, October 20, 2022