

# Spokane Airports 2020 Budget

*Spokane International Airport / Airport Business Park/ Felts Field*

## WHEN IT'S TIME TO FLY



Alaska

American  
Airlines

DELTA

FRONTIER

Southwest

UNITED





# 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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*Al French*  
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*Lawrence J. Krauter, CEO*  
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## **Section II. Introduction**

The SPOKANE AIRPORT BOARD (Board), operates Spokane International Airport (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, Felts Field and the Airport Business Park 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 loans, federal and state grants and agreements, facility charges through airlines and rental car agencies along with airport funds generated through operations.

The Airport employs approximately 160 full and part-time employees responsible for providing access to the global air service network by managing, developing, maintaining and promoting the Airport. Employees work diligently to provide quality facilities and services along with a high quality customer experience.

The 2020 budget provides funds to accomplish these goals while keeping the cost to airlines low in comparison to other airports, funding important capital projects that will improve airport 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 2020 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, 2019.

The Airport Airline Affairs Committee (AAAC) convened on October 11 and November 15, 2019 to discuss the 2020 rates and charges and to continue discussions on attempting to write a new agreement. The AAAC is comprised of Airport staff members along with representatives of the Signatory Airlines. 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.

Through the discussions, it was agreed to amend the agreement as it is written with minor modifications, which are outlined in the next paragraphs.

The amended continuing agreement, on which the 2020 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. Other rate setting methods isolate revenues and expenses into cost centers and apply only the Airfield and Terminal Cost Centers into rate setting models.

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.

The airline industry continues to excel in profitability while carriers continually monitor capacity and segments throughout its network. 2019 saw increases in airline capacity, passenger activity, and aircraft operations. In developing the 2020 budget, the goal is to continue to position the Airport as an attractive location for adding new airline service while maintaining current destinations.

## **THE BUDGET PROCESS**

The budget process begins each year in 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 Airport's Rates and Charges structure and educate staff on department allocations in preparation for modernizing the AOA as the current extended agreement approaches expiration.

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 2020 Consolidated Spokane Airport Board Budget. Section X and various exhibits throughout this presentation will focus on the individual details of the summary shown.

### SPOKANE AIRPORT BOARD 2020 BUDGET SUMMARY

<u>2020</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
GEG	\$43,489,547	\$40,919,000	\$84,408,547
ABP	1,206,695	620,000	1,826,695
Felts Field	<u>1,577,180</u>	<u>1,278,000</u>	<u>2,855,180</u>
2020 Consolidated	<u>\$46,273,422</u>	<u>\$42,817,000</u>	<u>\$89,090,422</u>
% Change	9.1%	-16.1%	-4.7%

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<u>2019</u>			
GEG	\$38,786,626	\$44,248,200	\$83,034,826
ABP	1,612,985	-	1,612,985
Felts Field	<u>2,005,352</u>	<u>6,800,000</u>	<u>8,805,352</u>
2019 Consolidated	<u>\$42,404,963</u>	<u>\$51,048,200</u>	<u>\$93,453,163</u>

**The Total Spokane Airport Board 2020 Budget** presented for approval is \$89,090,423 representing a 4.7% decrease from the 2019 Budget. This change due to a 9.1% increase in the Operating Budget and a 16.1% decrease in the Capital Budget. The increase in the Operating Budget directly corresponds to the cumulative increases in 2017 through 2019 passenger activity. Fluctuations in the Capital Budget can occur due to the timing of Federal and Local funding streams and the timing of construction progress of individual projects.

**Consolidated Operating Revenues** are forecast to increase by 10.0% from the 2019 budget to \$47.2 million. SIA operating revenues are forecast to increase by 10.8% over 2019, due to increases in passenger activity in 2019 and 2020 along with increases certain rental rates and non-aeronautical revenue increases. Included in the 2020 revenue increase is a 5.4% increase in rental rates for terminal tenants, a 5.1% decrease in the 2020 landing fee rate, a rate structure modification in Parking, a scheduled increase in the Trip Fee rate in Ground Transportation, and Concession revenue increases. The fourth year of refining cost tracking and allocations of indirect costs across direct cost centers (see Section IV) is showing positive results in obtaining the proper airline rate structure.

The **Parking / Ground Transportation** cost center has shown marked revenue increases since 2015 is forecast to increase again in 2020. Included in the 2020 Budget is a rate structure adjustment, but no actual hourly or daily rate maximum. The per hour rate remains the same at \$2 per hour up to the daily maximum for each lot.

An increase in trip fees in Ground Transportation was memorialized in 2017 for the years 2018 – 2021 as efforts to modernize Ground Transportation rate structures continue. The rate for 2020 is \$1.75 per trip, an increase of \$0.25 per trip over 2019. The Ground Transportation staff works with taxis, shuttles, charter busses and Transportation Networking Companies (TNCs). Promotion of the Airport's parking products has shown considerable positive effect on revenues and will continue.

**Consolidated Operating Expenses**, including depreciation and debt service, are projected to increase 9.1% to \$46.3 million. Operating expenses, not including depreciation and debt service, are projected to increase 6.8% over the 2019 budget to \$35.5 million. This increase corresponds with the 2017 through 2020 increases in passenger traffic. The budget model is forecasting continued passenger growth and utilizes a conservative increase of 2% in 2020. The increased passenger activity causes increases in staffing, building and equipment maintenance, janitorial services and supplies, snow removal and pavement de-icing measures.

The 2020 **Capital Program** shows a 16.1% decrease from the 2019 budget. The total planned capital expenditures in 2020 are \$42.8 million.

Capital sources of funds are heavily dependent on the Federal Grant process through the Airport Improvement Program (AIP) and the Passenger Facility Charge (PFC) Application process. The majority of the 2020 projects scheduled are funded for the upcoming year through Grant applications, pre-collected PFCs and Customer Facility Charges (CFCs) on approved projects. Annual discussions in Washington, DC may have some impact on subsequent year budgets, but not the current budget cycle. The Airport also uses funds from general operations to the extent expenditures do not reduce the reserve amount below a prescribed level.

The Department of Transportation (DOT) announced on November 6, 2019 the approval of an \$11.3 million Better Utilizing Investment to Leverage Development (BUILD) Grant to fund construction of a new rail facility on airport property.

Capital expenditures are forecast to include design of the aforementioned rail facility, a taxiway Alpha reconstruction, Airport Drive Realignment (Phase 1), terminal and airfield security projects, certain terminal rehabilitation projects which will enable future terminal projects, replacement of in-line Explosive Detection Screening devices, and Rental Car Facility improvements at Spokane International. These projects are funded by DOT and Federal Airport Improvement Program (AIP) grants, Passenger Facility Charges (PFCs), a Transportation Security Administration (TSA) agreement, Customer Facility Charges (CFC) and Airport general funds. The DOT and AIP grants contain a matching provision from the Airport's cash. The planned Rental Car Facility improvements will utilize CFCs. Also planned are parking lot and public roadway improvements, and replacement of aging equipment and vehicles to be funded with current year operating funds or those funds earmarked in prior years for projects that will be carried over to 2020.

## **CUSTOMER SERVICE INITIATIVES**

As a service to the Airport's travelers, the past few years have seen significant construction and general maintenance in parking lots. Revenue control systems have been upgraded to provide secure transaction processing for travelers. A new Economy Lot opened in

November 2018 which provided an additional 1,400 spaces for travelers. An expansion to the surface parking lot nearest the terminal was completed in 2019 and added 500 spaces.

Construction of a convenience store pad along with a return-to-terminal circulation roadway was completed in the Fall of 2018. The convenience store pad is able to house a national branded convenience store and gas station.

A privately owned hotel near the terminal building is scheduled to open late 2019 or early 2020 providing an additional lodging option on Airport property.

Recent modernization of the Airport's Ground Transportation resolution to re-organize how passengers access taxis, shuttles and TNCs such as Uber and Lyft reconfigured the access points to these transportation options and has shown considerable improvement for the general passenger traveler.

Inside the terminal, the lobby circulation areas have been staffed by Queuing Line Assistants (QLA) to direct travelers to the proper concourse and to point out the difference between general boarding and TSA Pre-check.

The Airport continues to provide access to TSA Pre-check in the enrollment center located near the Airport Police offices in the C-Concourse.





## Section III. Airline Activity Forecast

### PASSENGER TRAFFIC

The Airport has seen enplanement and total passenger increases each year since 2013. Should the forecasts hold for 2019, it will be the highest year in the history of SIA surpassing the high mark set in 2018. 2017 showed an increase of 10.6% over 2016; 2018 was 12.1% over 2017; 2019 is projected at 1% above the forecast of late 2018 and 2.5% above 2018 actual totals. The forecast for the purposes of the 2020 budget was an increase in enplaned passengers of 2.0% over the projected 2019 total. Through September 2019, enplanements are 3.5% above the same period in 2018.

The following table shows actual passenger activity by airline for 2017 and 2018 along with estimates for 2019 and 2020, which are incorporated into the 2020 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 except rates)

	Actual 2017	Actual 2018	Projected 2019	Budgeted 2020
Enplaned Passengers				
Alaska	650	665	679	693
Allegiant (non-sig)	2	0	0	0
Delta	416	445	495	505
Frontier (non-sig)	-	25	38	39
Southwest	423	463	481	491
American	102	141	120	122
United	188	256	232	237
Others	2	3	4	4
Total	1,782	1,999	2,050	2,091
Enplaned Passengers	1,782	1,999	2,050	2,091
% Change	10.6%	12.1%	2.5%	2.0%
By Terminal				
Terminal C	753	806	799	815
Terminal A&B	1,030	1,193	1,251	1,276
Total	1,782	1,999	2,050	2,091

## AIRCRAFT LANDED WEIGHT FORECAST

The Airport collects landing fees from landing 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 and Rate Making will examine the methodology of rate making under a Residual Airline Agreement such as the agreement at GEG. Simply stated, 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 along with forecast incorporated into the 2020 Budget.

<b>Traffic Activity</b> <b>Spokane International Airport</b> <b>(for the 12 months ending December 31; numbers in thousands except rates)</b>				
	Actual 2017	Actual 2018	Projected 2019	Budgeted 2020
Landed Weight				
Passenger Airlines				
Alaska	683	714	709	850
Allegiant (non-sig)	1	1	-	-
Delta	471	522	552	560
Frontier (non-sig)	-	25	37	38
Southwest	435	515	541	549
American	85	163	136	138
United	138	282	244	248
Others	-	8	7	7
Cargo				
Signatory	410	424	445	452
Non-signatory	62	55	61	62
Total	2,284	2,708	2,733	2,904
% Change	2.0%	18.5%	1.0%	6.3%



## 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), Parking and Ground Transportation, Other Buildings and Grounds, GEG Terminal, 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 2019 and 2020 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.

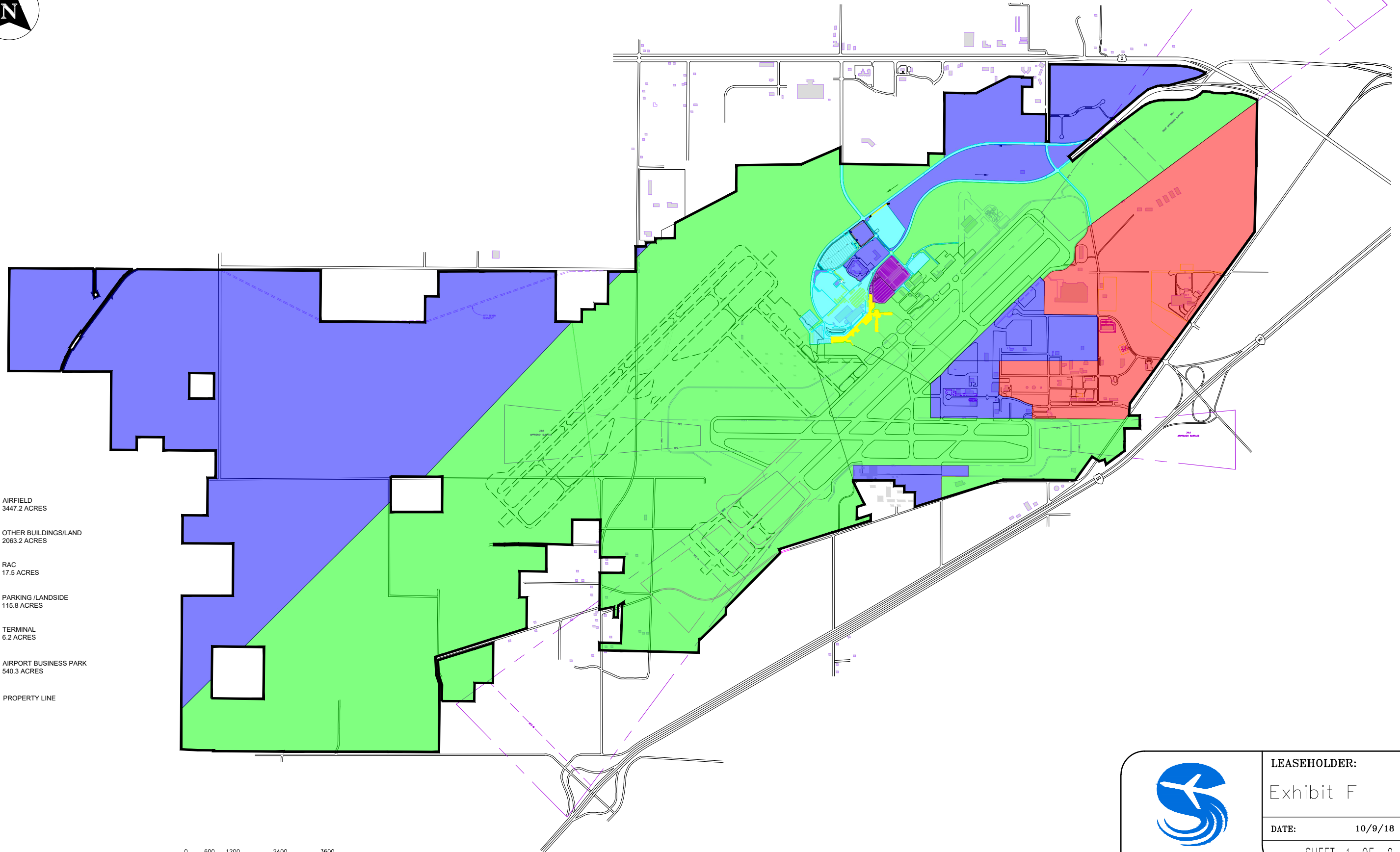
#### Indirect Allocation Percentages Spokane Airport Board

	Airfield	Fuel	Terminal	Landside	OB & G	ABP	Felts
<b>Indirect Allocations</b>							
Airfield Maintenance	65.0%			20.0%	10.0%		5.0%
Terminal Maintenance	0.0%		80.0%	20.0%			
Operations	90.0%		2.5%	2.5%			5.0%
Fuel	100.0%						
Engineering	40.0%	1.0%	40.0%	10.0%	1.0%	1.0%	7.0%
IT	25.0%		25.0%	25.0%	18.0%	2.0%	5.0%
ARFF/Fire	73.3%	3.2%	15.9%	0.9%	4.6%	2.1%	
Police	1.0%		80.0%	15.0%	1.5%	2.5%	
Communications	1.0%		80.0%	15.0%	1.5%	2.5%	
Airport Business Park						100.0%	
Felts Field							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:

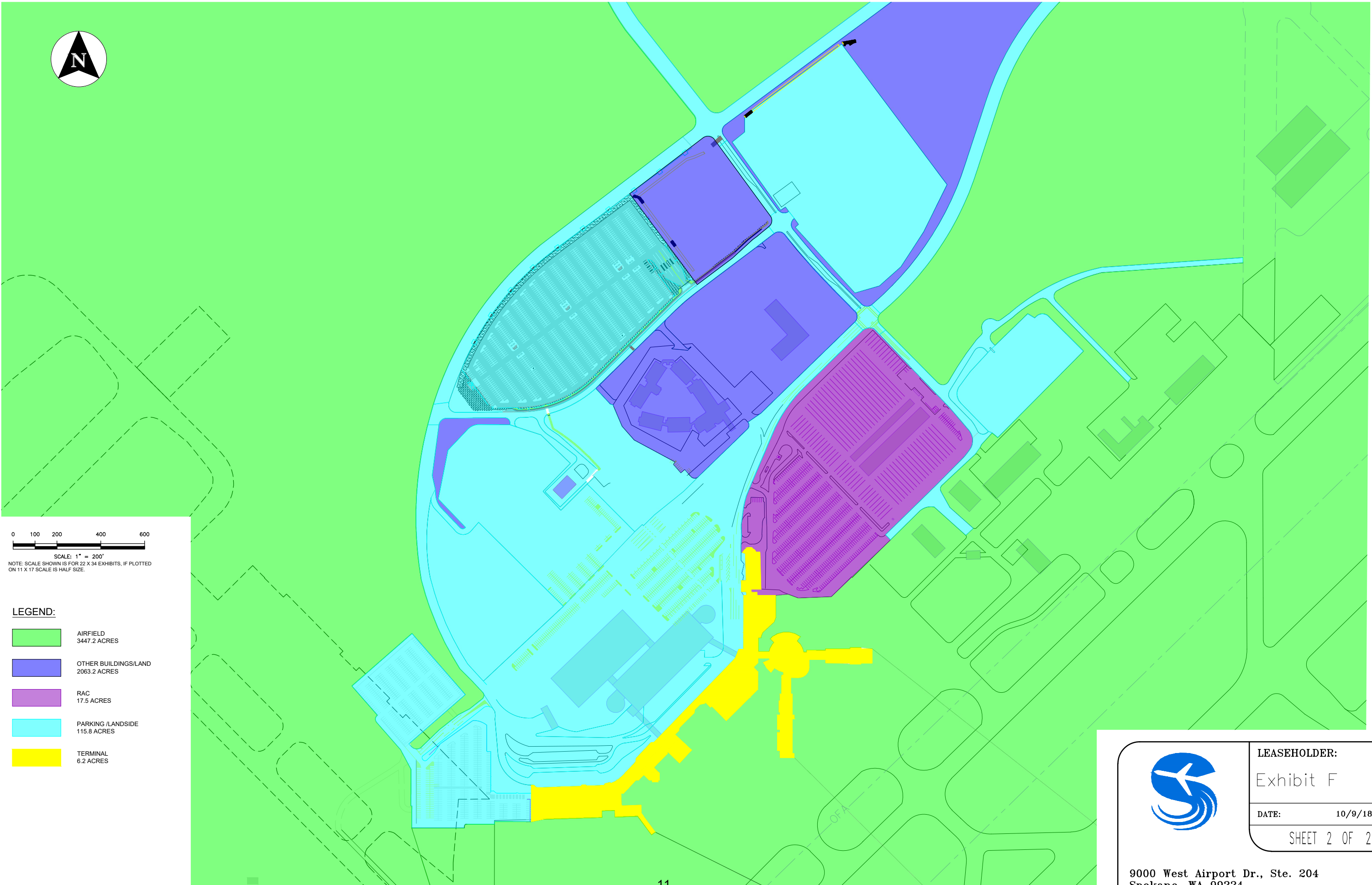
Exhibit F

DATE: 10/9/18

SHEET 1 OF 2

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

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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 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 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 current year terminal rental rate for Class 1 space (generally public areas) is \$64.73 per square foot per annum (sfpa), an increase from \$61.44 (5.4%) sfpa in 2019. 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 nonairline revenues, and the prior year carry forward surplus (deficit) to yield the Landing Fee Requirement.



3. The 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 2020 landing fee rate is \$2.24 per 1,000 pounds of landed weight, reduced from \$2.36 / 1,000 pounds (-5.1%). 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 CPE for 2017 and 2018 along with forecasts for 2019 and 2020. In the 2019 budget, the ending CPE for 2018 was estimated at \$5.52 and the table below shows the actual amount being \$5.12 per passenger. The 2019 forecast CPE is \$5.06 as compared to a budgeted CPE of \$6.18 which was presented in the 2019 Budget. (The actual 2019 CPE cannot be calculated until the final audit work is completed, or not until approximately June of 2020.) These results are still below comparable sized airports. Section IX, shows comparisons of the Airport's CPE, and other metrics, with other airports of similar size and destination airports.

Also shown below is the forecast CPE of each individual air carrier. The fluctuation between air carriers is related to both their incurred costs and their passenger activity.

#### **Airline Cost per Enplaned Passenger**

##### **Spokane International Airport**

(for the 12 months ending December 31; numbers in thousands except rates)

	Actual 2017	Actual 2018	Projected 2019	Budgeted 2020
Passenger Airline Payments				
Passenger Airline Signatory Landing Fees	\$ 3,747	\$ 4,609	\$ 3,658	\$ 5,247
Terminal Building Rent	4,912	5,173	6,221	7,469
Loading Bridge Fees	190	226	228	231
RON and Airfield Fees	145	149	154	158
Subtotal	\$ 8,994	\$ 10,157	\$ 10,261	\$ 13,105
Nonsignatory Passenger Landing Fees	1	81	121	116
Total Airline Revenues	\$ 8,995	\$ 10,238	\$ 10,382	\$ 13,222
Enplaned Passengers	1,782	1,999	2,050	2,091
Airline Cost per Enplaned Passenger	\$ 5.05	\$ 5.12	\$ 5.06	\$ 6.32



## 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 2017	Actual 2018	Projected 2019	Budgeted 2020
<b>TERMINAL BUILDING COST</b>				
M&O Expenses	\$ 8,113	\$ 8,471	\$ 8,829	\$ 10,251
M&O Reserve Fund Requirement	368	(82)	472	628
Debt Service	-	-	-	-
Debt Service Coverage	-	-	-	-
Net Depreciation Charges	1,611	2,393	2,130	1,604
<b>Terminal Building Cost</b>	<b>\$ 10,092</b>	<b>\$ 10,782</b>	<b>\$ 11,432</b>	<b>\$ 12,483</b>
<b>Less: Terminal Non-Airline Revenues Associated With Rented Space</b>				
Terminal Concession Revenues	\$ (1,816)	\$ (2,255)	\$ (2,545)	\$ (2,617)
Nonairline Terminal Rentals	(611)	(627)	(665)	(650)
Share of Parking Surplus @ 25% (2019)	(2,002)	(2,982)	(2,105)	(1,425)
Other Terminal Payments	(689)	(392)	(416)	(424)
TSA Security Reimbursement	(299)	(263)	-	-
Loading Bridge Fees	(190)	(226)	(228)	(231)
<b>Net Terminal Building Cost</b>	<b>\$ 4,487</b>	<b>\$ 4,036</b>	<b>\$ 5,472</b>	<b>\$ 7,137</b>
Weighted Rented Space	90	90	96	110
<b>Charged Average Terminal Rental Rate (per sq ft per year)</b>	<b>\$ 50.82</b>	<b>\$ 53.71</b>	<b>\$ 61.44</b>	
<b>Calculated Average Terminal Rental Rate (per sq ft per year)</b>	<b>\$ 49.79</b>	<b>\$ 44.78</b>	<b>\$ 57.09</b>	<b>\$ 64.73</b>
Rented Space	90	90	96	110
<b>Subtotal</b>	<b>\$ 4,580</b>	<b>\$ 4,841</b>	<b>\$ 5,889</b>	<b>\$ 7,137</b>
Other Airline Terminal Payments <sup>1</sup>	332	332	332	332
<b>Airline Terminal Rentals</b>	<b>\$ 4,912</b>	<b>\$ 5,173</b>	<b>\$ 6,221</b>	<b>\$ 7,469</b>

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 2017	Actual 2018	Projected 2019	Budgeted 2020
<b>Landing Fee Requirements</b>					
M&O Expenses		\$ 25,114	\$ 24,939	\$ 28,038	\$ 32,009
Net Depreciation					
Total SIA Depreciation - Existing Assets		20,831	21,423	23,244	22,581
Less Grant, PFC and Bond Funded Assets		(13,518)	(12,777)	(13,998)	(13,666)
Future SAB Funded Assets (Net of AIP/PFC)		-	-	-	-
Return on Investment in Land			1,245	1,245	1,245
Additional Discretionary Cash Flow (if Extension)		500	500	1,800	1,800
Debt Service					
Debt Service - Outstanding GARBs		-	-	-	-
Debt Service - Future GARBs		-	-	-	-
Debt Service - Outstanding Subordinate Lien		468	468	468	468
Required Debt Service Coverage		-	-	-	-
M&O Reserve Fund		1,140	(242)	1,499	1,962
Subtotal		\$ 34,534	\$ 35,556	\$ 42,296	\$ 46,399
Less:					
Airline Terminal Building Rent		(4,912)	(5,173)	(6,221)	(7,469)
Other Airline Revenues		(1,053)	(1,225)	(1,232)	(1,239)
Total Nonairline Revenues		(22,943)	(24,634)	(27,811)	(28,986)
Subtotal		\$ 5,626	\$ 4,524	\$ 7,032	\$ 8,705
<b>Less Non-Operating Revenues Available for Debt Service</b>					
Interest Income		\$ (314)	\$ (578)	\$ (565)	\$ (565)
TSA Security Reimbursement		(299)	(263)	-	-
Air Service Expenses/Waivers		(50)	(396)	(122)	(350)
Transaction Fees ("CFC") Allocable to Debt Service/Coverage		-	-	-	-
<b>TOTAL LANDING FEE REQUIREMENT</b>		\$ 4,963	\$ 3,287	\$ 6,344	\$ 7,790
Plus Unfunded Pension Liability*	\$ 3,665				
Prior Year Carry Over (Surplus)/Deficit		(386)	(147)	(1,663)	(1,157)
<b>Net Landing Fee Requirement</b>		\$ 4,577	\$ 3,140	\$ 4,681	\$ 6,633
Signatory Landed Weight (millions/lbs)		1,812	2,195	2,182	2,345
Signatory Cargo Landed Weight (adjusted for premium)	105%	430	446	468	475
Non-Signatory Use Agmt Landed Weight (adjusted)	115%	1	38	51	52
Itinerant Landed Weight (adjusted)	150%	93	83	92	93
Adjusted Total Landed Weight		2,335	2,761	2,793	2,965
Change		1.9%	18.2%	1.1%	6.2%
<b>Calculated Signatory Airline Landing Fee Rated (per 1000 lbs)</b>		\$ 1.96	\$ 1.14	\$ 1.68	\$ 2.24
Charged Signatory Airline Landing Fee Rate		2.07	2.10	2.36	
Charged Signatory Cargo Airline Landing Fee Rate	105%	2.17	2.21	2.48	2.35
Non-Signatory Use Agmt Landing Fee Rate	115%	2.38	2.42	2.71	2.57
Itinerant Landing Fee Rate	150%	3.10	3.15	3.54	3.36



## Section VI. Operating Revenues and Expenses

### OPERATING REVENUES

Operating revenues are revenues generated through the daily operations of the Airport. The cost centers outlined earlier, Airfield (including Fuel Facility), Parking and Ground Transportation, Other Buildings and Grounds, GEG Terminal, Rental Car Facilities, the ABP and Felts Field are broken down here into smaller components for analysis. Other revenue sources are typically Non-operating and are generated from facility charges and interest income.

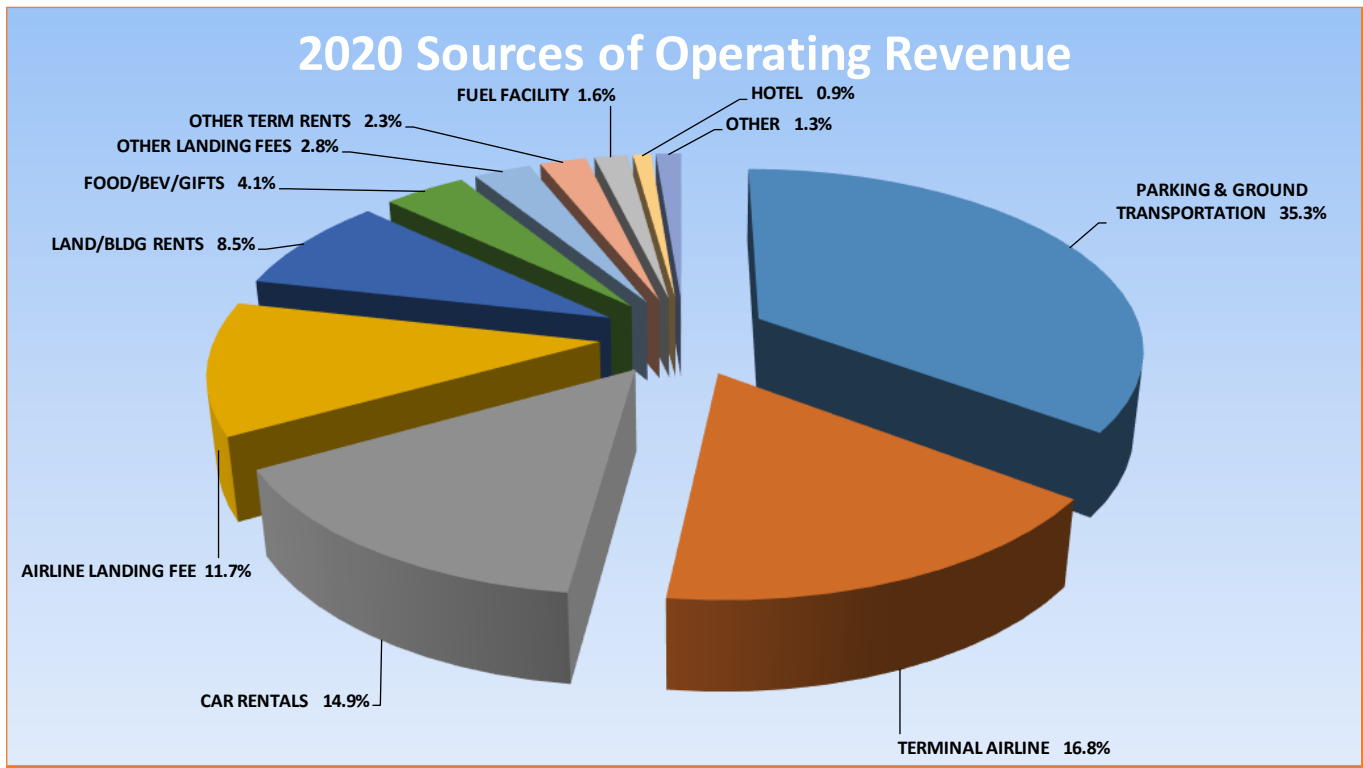
#### Highlights:

- **Parking and Ground Transportation** is forecast to have an increase in revenue of 12.3% over the 2019 budget (and 6.5% over estimated 2019 results) based on the airline activity forecasts showing increases in passengers, a parking rate restructure and the programmed increase in the GTC Trip Fee. Current year revenues are ahead of 2019 budget levels and are expected to remain there.
- **Airfield Revenue** shows a decrease in revenue of 5.6% due to the 5.1% decrease in the Landing Fee rate along with a forecast of Fuel Flowage revenue decreasing 9.4%.
- **Airline Terminal Rents** show anticipated increases due to the scheduled increase in terminal rent rates applied to rented space.
- **Food, Beverage and Retail Revenues** are forecast 23% above 2019 budget numbers and 20% above estimated 2019 results based on increasing passengers and increased hours of operation.
- **Car Rental** revenues is forecast at 17.9% above the 2019 Budget, but only 1.2% above estimated 2019 final results.

The following table and the chart on the next page shows the main revenue sources for 2019 and 2020.

<b>Sources of Operating Revenue</b>									
<i>This table shows general categories of revenues as a percentage of total operating revenues</i>									
<u>Rank</u>	<u>Description</u>	Year End							
		<u>Budgeted</u> <u>2019</u>	<u>FY 2019 % of</u> <u>Total Rev</u>	<u>Estimate</u> <u>2019</u>	<u>FY 2019 % of</u> <u>Total Rev</u>	<u>Budgeted</u> <u>2020</u>	<u>FY 2020 % of</u> <u>Total Rev</u>	<u>\$ Change</u>	<u>%Change</u>
1	Parking / Landside / GTC	14,815,000	34.5%	15,626,171	34.9%	16,635,000	35.2%	1,820,000	12.3%
2	Terminal Rent (airline)	6,578,853	15.3%	6,904,000	15.4%	7,912,000	16.8%	1,333,147	20.3%
3	Car Rentals	5,958,270	13.9%	6,942,729	15.5%	7,026,500	14.9%	1,068,230	17.9%
4	Airline Landing Fees	5,996,159	14.0%	5,169,909	11.6%	5,512,181	11.7%	(483,978)	-8.1%
5	Commercial Land/Bldg Rents	3,896,462	9.1%	4,061,486	9.1%	3,990,935	8.5%	94,473	2.4%
6	Food/Bevs/Gifts	1,567,105	3.7%	1,883,095	4.2%	1,929,600	4.1%	362,495	23.1%
7	Landing Fees (other)	1,238,941	2.9%	1,271,236	2.8%	1,339,692	2.8%	100,751	8.1%
8	Terminal Rent (other)	1,104,500	2.6%	1,095,879	2.4%	1,087,700	2.3%	(16,800)	-1.5%
9	Fuel Facility	849,720	2.0%	805,000	1.8%	770,000	1.6%	(79,720)	-9.4%
10	Hotel	363,674	0.8%	410,000	0.9%	425,000	0.9%	61,326	16.9%
	Other Revenue	550,716	1.3%	571,877	1.3%	592,816	1.3%	42,100	7.6%
	<b>Total Operating Revenues</b>	<b>\$ 42,919,400</b>	<b>100.0%</b>	<b>\$ 44,741,382</b>	<b>100.0%</b>	<b>\$ 47,221,424</b>	<b>100.0%</b>	<b>\$ 4,302,024</b>	<b>10.0%</b>

Notes: Estimated combined revenue derived from Air Carriers for 2019 = 27.0% and 2020 = 28.4%; reclassifications have been made to prior year to conform with 2020 presentation



Note: Estimated combined revenue derived from Air Carriers for 2019 = 27.0% and 2020 = 28.4%

*This chart shows revenues in 2020 as a percentage of total operating revenues*

## OPERATING EXPENSES

Operating expenses are generated through the daily operations of the Airport. Operating expenses are tracked in the direct and indirect cost centers described earlier. 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 table and chart following this breaks down expenses into smaller components for analysis.

### Highlights:

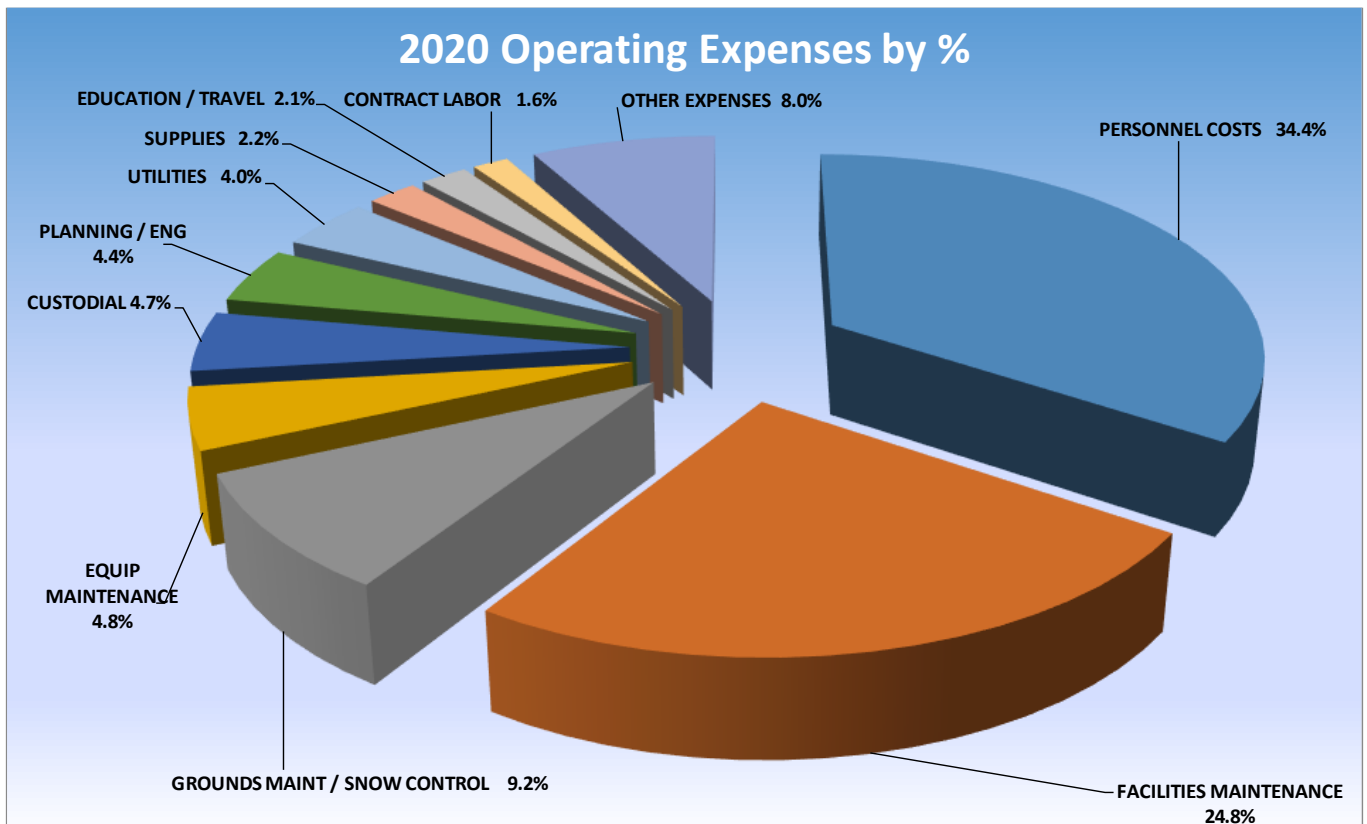
- Personnel Compensation and Benefits** is the largest area of expense totalling 34.4% of operating expenses. 2020 shows an increase of 10.1% over the prior year and is related to increases in benefits mandated by the state minimum wage laws, state retirement system, sick and safe leave legislation, staffing level increases and modest increases in wages and medical benefits. Although this area shows a 10% increase, as a total of expenses this category is below the 34.6% of all operating expenses shown in the prior year's budget.
- Facilities and Grounds maintenance** is the second largest expense at a combined 24.8% of operating expenses. The Airport is an older facility (although significant rehabilitation has been accomplished in improvements with more to follow) and demands attention. The addition of a new surface parking lots increases staffing, grounds maintenance, snow removal and pavement de-icing efforts.

## Operating Expenditures by Rank

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

Rank	Description	Budgeted 2019	FY 2019 % of Total Exp	Year End Estimate 2019	FY 2019 % of Total Exp	Budgeted 2020	FY 2020 % of Total Exp	\$ Change	% Change
1	Personnel (Incl taxes / benefits)	14,297,812	34.6%	13,088,920	31.6%	15,741,929	34.4%	1,444,117	10.1%
2	Facilities, Hangars, Bldgs, Depreciation	9,675,866	23.4%	11,553,626	27.9%	11,356,905	24.8%	1,681,039	17.4%
3	Grounds Maintenance / Snow Control	4,963,000	12.0%	4,222,829	10.2%	4,205,500	9.2%	(757,500)	-15.3%
4	Equipment Maintenance	2,021,500	4.9%	1,952,850	4.7%	2,205,000	4.8%	183,500	9.1%
5	Custodial Services & Supplies	1,931,470	4.7%	1,851,169	4.5%	2,137,450	4.7%	205,980	10.7%
6	Research / Planning / Engineering	1,893,740	4.6%	1,896,339	4.6%	1,996,288	4.4%	102,548	5.4%
7	Utilities (Power/Nat. Gas/Water/Sewer)	1,741,500	4.2%	1,748,565	4.2%	1,828,000	4.0%	86,500	5.0%
8	Other Supplies	603,900	1.5%	789,730	1.9%	992,400	2.2%	388,500	64.3%
9	Employee Education / Travel	610,000	1.5%	663,345	1.6%	947,000	2.1%	337,000	55.2%
10	Contract Labor	627,470	1.5%	486,343	1.2%	720,125	1.6%	92,655	14.8%
	Other Operating Expenses	2,985,542	7.2%	3,199,520	7.7%	3,688,190	8.0%	702,648	23.5%
	<b>Total Operating Expenses</b>	<b>\$ 41,351,800</b>	<b>100.0%</b>	<b>\$ 41,453,236</b>	<b>100.0%</b>	<b>\$ 45,818,787</b>	<b>100.0%</b>	<b>\$ 4,466,987</b>	<b>10.8%</b>

*Note: Minor reclassifications have been made to prior years to conform with 2020 presentation and some totals or % may not add exactly due to rounding*



*Chart shows operating expenses in 2020 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, ideally, a five-year period. Projects that may require FAA funding in the future are updated with the FAA annually. The projects developed through the planning process require the use of Federal funding through the FAA, DOT, and the TSA along with State grants, PFCs, CFCs 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 plan for capital development during the next three to four 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 table below shows a summary of projects by department for 2019-2020.

<b>2018 - 2020 CAPITAL IMPROVEMENT PROGRAM</b>			
<b>SPOKANE INTERNATIONAL AIRPORT</b>	<b><u>Actual 2018</u></b>	<b><u>Projected 2019</u></b>	<b><u>2020 Budget</u></b>
Parking / Ground Transportation	\$10,403,324	\$4,005,723	\$15,445,000
Airfield / Ops / Fuel	25,075,540	4,494,383	2,015,000
Other Buildings & Grounds	625,217	2,206,946	7,100,000
Terminal	3,021,618	16,567,202	15,060,000
ARFF	50,137	14,845	729,000
I.T.	25,640	-	120,000
Police / Security	121,729	-	300,000
Admin	72,904	430,731	150,000
Sub-Total	\$39,396,109	\$27,719,830	\$40,919,000
<b>AIRPORT BUSINESS PARK</b>	<u>838,943</u>	<u>-</u>	<u>\$620,000</u>
<b>FELTS FIELD</b>			
Airfield	1,648,852	1,053,818	630,000
Other Buildings / Grounds	2,559,040	4,089,266	50,000
Terminal	-	-	598,000
Land Acquisitions	387,532	79,507	-
Sub-Total	<u>\$4,595,424</u>	<u>\$5,222,591</u>	<u>\$1,278,000</u>
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<u><b>\$44,830,476</b></u>	<u><b>\$32,942,421</b></u>	<u><b>\$42,817,000</b></u>



## Section VIII. Debt Service

The Airport has covenants to maintain a bond debt service coverage ratio of not less than 1.3, which it has successfully maintained. The Airport currently maintains A+ Standard & Poor's, A+ Fitch, and A-2 Moody's ratings. The calculation from 2017 and 2018, along with forecasts for 2019 and 2020 is shown below. The Airport defeased a 2008 bond and redeemed a 2005 bond in 2017 leaving only four Washington State Community Economic Revitalization Board (CERB) loans as long term debt. These loans carry interest rates ranging from 0% - 1% and were utilized to complete projects housing tenants providing services for the aeronautical clients of the Airport.

The Airport has entered into agreements with Spokane County to borrow, on a short term basis, up to \$7,500,000 if needed to fund construction. The Airport has also entered into an agreement to borrow from the City of Spokane, on a long term basis, up to \$5,000,000 if needed to fund construction of a hangar at Felts Field. As of November 2019, the Airport has not exercised either of these options, therefore there is no effect on the 2020 Budget.

The low level of debt carried currently favorably positions the Airport to be able to pursue funding needed for the upcoming Terminal Renovation and Expansion (TRES) project.

### Debt Service by Series and Cost Center

#### Spokane International Airport

(for the 12 months ending December 31; numbers in thousands except rates)

	Actual 2017	Actual 2018	Projected 2019	Budgeted 2020
<b>By Series</b>				
<b>Senior Lien</b>				
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	\$ -	\$ -	\$ -	\$ -
<b>Subordinate Lien</b>				
2005 CERB Loan	\$ 51	\$ 51	\$ 51	\$ 51
2006 CERB Loan	48	48	48	48
2008 CERB Loan	118	118	118	118
2010 CERB Loan	250	250	250	250
Total Subordinate Debt Service	\$ 468	\$ 468	\$ 468	\$ 468
<b>Subordinate Lien - Felts Field</b>				
2018 City Hangar Loan	-	-	-	-
<b>Senior Lien</b>				
2005 Revenue Bonds - ABP	\$ 1,445	\$ -	\$ -	\$ -
<b>TOTAL DEBT SERVICE</b>	<b>\$ 1,913</b>	<b>\$ 468</b>	<b>\$ 468</b>	<b>\$ 468</b>



## Section IX. Benchmark Table of Other Airports

This table compares Spokane International Airport's various statistics with airports of similar size. The table on the following page shows the same statistics for those airports that are direct connections. Comparing statistics from one airport to another can be problematic as each airport operates under differing conditions and corporate formation. Spokane's Landing Fee (LF) and Cost per Enplanement (CPE) numbers show the year 2017 along with expected 2018 and 2019 calculations for comparison purposes only.

### SIMILAR SIZE AIRPORT COMPARISONS

Hub Size	Airport Name	LOC_ID	Enplanements	Signatory Landing Fee	CPE	FTEs @ Year End
M	EPPLEY - OMAHA	OMA	2,519,934	2.89	6.57	168.00
S	MEMPHIS	MEM	2,150,535	1.25	9.05	306.00
S	TED GREEN	PVD	2,140,422	4.59	9.87	147.00
S	CHARLESTON	CHS	2,096,750	-	9.38	171.00
S	RENO/TAHOE	RNO	2,064,968	2.95	6.82	278.00
S	LONG BEACH	LGB	2,006,292	4.00	9.13	130.00
S	SPOKANE	GEG	1,998,949	2.10	6.01	137.00
S	RICHMOND	RIC	1,922,428	1.34	5.65	183.00
S	BOISE	BOI	1,898,766	1.51	3.62	110.00
S	LOUISVILLE	SDF	1,818,676	1.13	5.23	163.00
S	TUCSON	TUS	1,782,050	1.04	7.47	233.00
S	NORFOLK	ORF	1,741,125	4.03	6.45	202.00
S	GERALD R FORD	GRR	1,639,968	2.97	9.21	102.00
S	EL PASO	ELP	1,576,390	1.80	6.17	232.00
S	ORLANDO SANFORD	SFB	1,531,881	1.37	2.30	95.00
S	ALBANY	ALB	1,466,706	2.92	6.57	211.00
S	TULSA	TUL	1,430,909	3.62	8.69	141.00
S	BIRMINGHAM	BHM	1,409,531	5.69	12.22	166.00
S	SAVANNAH	SAV	1,395,040	3.00	8.05	205.00
S	DES MOINES	DSM	1,386,278	2.95	8.95	56.00
	AVERAGE		1,811,892	2.58	7.33	169.33

Memphis, Charleston, Richmond, Boise, Louisville have significant non-passenger traffic influence on rates  
(Source: 2018 FAA Form 127)

## DIRECT CONNECTION AIRPORT COMPARISONS

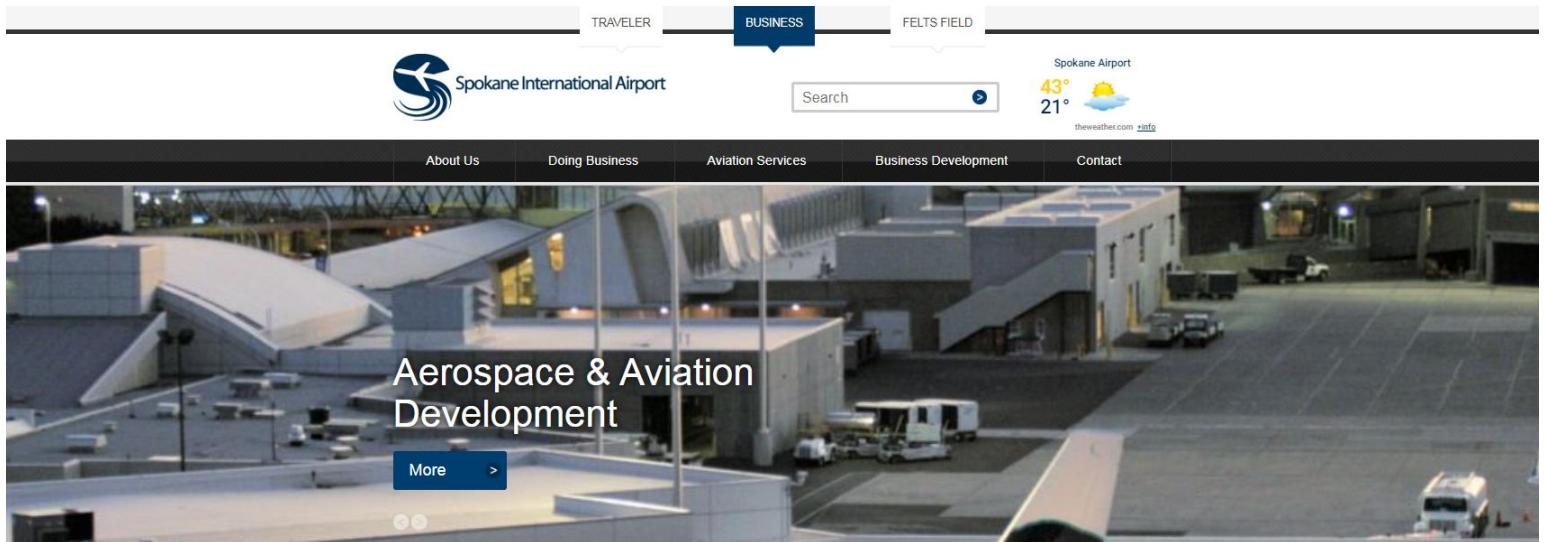
<u>Hub Size</u>	<u>Airport Name</u>	<u>LOC ID</u>	<u>Signatory Landing Fee</u>	<u>CPE</u>
S	SPOKANE	GEG	2.10	6.01
L	LOS ANGELES	LAX	4.60	16.75
L	OHARE	ORD	9.78	17.87
L	DALLAS/FORT WORTH	DFW	3.09	12.90
L	DENVER	DEN	4.75	10.24
L	SAN FRANCISCO	SFO	5.24	20.63
L	SEATAC	SEA	3.77	10.79
L	MC CARRAN	LAS	1.93	10.05
L	PHOENIX	PHX	1.91	6.26
L	MINNEAPOLIS	MSP	2.90	6.74
L	SALT LAKE CITY	SLC	2.27	4.17
L	SAN DIEGO	SAN	1.74	9.72
L	PORTLAND	PDX	3.19	10.22
M	SAN JOSE	SJC	2.45	10.01
M	OAKLAND	OAK	3.19	12.05
M	SACRAMENTO	SMF	3.71	13.36
S	BOISE	BOI	1.51	3.62
AVERAGE W/O GEG			3.50	10.96

(Source: 2018 FAA Form 127)

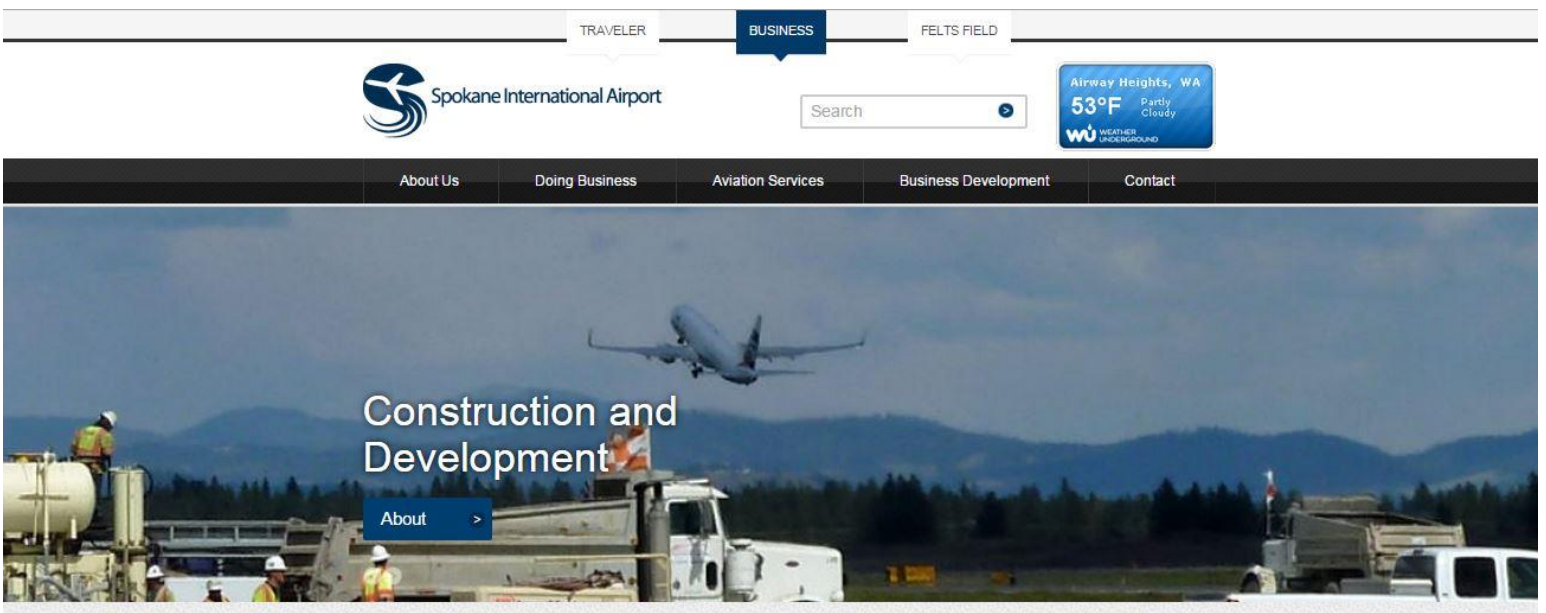




## Section X. Budget Summaries by Cost Center



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



# SPOKANE AIRPORT BOARD

## 2020 BUDGET SUMMARY

*Note: reclassifications have been made to prior years to conform with 2020 presentation  
and some totals or % may not add exactly due to rounding*

	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>Projected 2019 Yr End</u>	<u>2020 Budget</u>	<u>% Change 20 vs 19</u>
<b>Operations Revenues</b>					
Spokane International	\$ 38,376,899	\$ 40,825,324	\$ 42,675,144	\$ 45,234,537	
Airport Business Park	1,505,386	1,324,699	1,375,268	1,372,707	
Felts Field	751,123	769,377	690,970	614,180	
	<u>40,633,408</u>	<u>42,919,400</u>	<u>44,741,382</u>	<u>47,221,424</u>	10.0%
<b>Other Sources</b>					
Spokane International	563,274	291,225	531,138	566,138	
Airport Business Park	37,792	15,124	30,772	29,653	
Felts Field	18,365	-	-	-	
(To) / From CIP Carryover	(5,191,593)	(820,786)	(3,396,893)	(1,543,792)	
	<u>(4,572,162)</u>	<u>(514,437)</u>	<u>(2,834,983)</u>	<u>(948,001)</u>	
<b>Total Operations / Other Sources</b>	<u>\$ 36,061,246</u>	<u>\$ 42,404,963</u>	<u>\$ 41,906,399</u>	<u>\$ 46,273,423</u>	9.1%
<b>Operations Expenses</b>					
Spokane International	\$ 25,236,239	\$ 31,416,029	\$ 29,840,017	\$ 34,117,941	
Airport Business Park	526,891	1,133,846	632,742	678,856	
Felts Field	651,419	666,266	627,071	671,555	
	<u>26,414,549</u>	<u>33,216,141</u>	<u>31,099,830</u>	<u>35,468,352</u>	6.8%
<b>Debt Service</b>					
Spokane International	451,701	453,163	453,163	454,636	
Airport Business Park	-	-	-	-	
Felts Field	-	600,000	-	-	
	<u>451,701</u>	<u>1,053,163</u>	<u>453,163</u>	<u>454,636</u>	
<b>Operations &amp; Debt Service</b>	<u>26,866,250</u>	<u>34,269,304</u>	<u>31,552,993</u>	<u>35,922,988</u>	4.8%
<b>Non-Cash Depreciation</b>					
Spokane International	8,032,229	6,917,434	9,060,980	8,916,970	
Airport Business Park	515,243	479,139	614,791	527,839	
Felts Field	647,524	739,086	677,635	905,625	
	<u>9,194,996</u>	<u>8,135,659</u>	<u>10,353,406</u>	<u>10,350,435</u>	
<b>Total Operations/ Other Expenditures</b>	<u>\$ 36,061,246</u>	<u>\$ 42,404,963</u>	<u>\$ 41,906,399</u>	<u>\$ 46,273,423</u>	9.1%
<b>Capital Sources</b>					
Spokane International	39,396,109	44,248,200	27,719,830	40,919,000	
Airport Business Park	838,943	-	-	620,000	
Felts Field	4,595,424	6,800,000	5,222,591	1,278,000	
	<u>\$ 44,830,476</u>	<u>\$ 51,048,200</u>	<u>\$ 32,942,421</u>	<u>\$ 42,817,000</u>	-16.1%
<b>Capital Expenditures</b>					
Spokane International	39,396,109	44,248,200	27,719,830	40,919,000	
Airport Business Park	838,943	-	-	620,000	
Felts Field	4,595,424	6,800,000	5,222,591	1,278,000	
	<u>\$ 44,830,476</u>	<u>\$ 51,048,200</u>	<u>\$ 32,942,421</u>	<u>\$ 42,817,000</u>	-16.1%
<b>Consolidated Sources</b>	<u>\$ 80,891,722</u>	<u>\$ 93,453,163</u>	<u>\$ 74,848,820</u>	<u>\$ 89,090,423</u>	-4.7%
<b>Consolidated Expenditures</b>	<u>\$ 80,891,722</u>	<u>\$ 93,453,163</u>	<u>\$ 74,848,820</u>	<u>\$ 89,090,423</u>	-4.7%

# SPOKANE INTERNATIONAL AIRPORT

## 2020 OPERATIONS BUDGET SUMMARY

Note: reclassifications have been made to prior years to conform with 2020 presentation

and some totals or % may not add exactly due to rounding

	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>Projected 2019 Yr End</u>	<u>2020 Budget</u>	<u>% Change 20 vs. 19</u>
<b>Operations Revenues</b>					
Parking / Ground Transportation	\$ 13,257,078	\$ 14,815,000	\$ 15,626,171	\$ 16,635,000	
Airfield	5,915,001	7,217,300	6,398,209	6,811,993	
Fuel Facility	849,840	849,720	805,000	770,000	
Other Buildings & Grounds	2,240,987	2,244,860	2,508,719	2,528,778	
Terminal	9,520,244	9,894,358	10,533,618	11,606,200	
Rental Car Facilities	6,337,267	5,616,270	6,662,729	6,726,500	
Other Revenues	256,482	187,816	140,698	156,066	
<b>Total Operations Revenue</b>	<u>\$ 38,376,899</u>	<u>\$ 40,825,324</u>	<u>\$ 42,675,144</u>	<u>\$ 45,234,537</u>	10.8%
<b>Operations Expenses</b>					
Parking / GTC / Landside	4,759,094	6,032,700	5,318,809	6,759,300	
Airfield & Operations	5,513,407	7,223,550	6,960,190	6,937,110	
Fuel Facility	464,877	501,110	451,265	495,890	
Other Buildings & Grounds	343,094	485,500	451,113	471,113	
Terminal	4,933,972	5,025,625	5,245,570	5,655,785	
Rental Car Facilities	360,177	431,100	384,906	426,500	
Other Indirect Centers					
Engineering	430,770	690,462	509,430	677,126	
Fire	2,068,856	2,357,583	2,351,273	2,485,032	
Information Technology	405,909	692,960	544,473	792,656	
Police	1,545,951	2,003,020	1,888,925	2,376,864	
Communication	484,267	584,745	488,360	728,250	
General Administration	3,925,865	5,387,674	5,245,703	6,312,315	
<b>Sub-Total Operations Expenses</b>	<u>25,236,239</u>	<u>31,416,029</u>	<u>29,840,017</u>	<u>34,117,941</u>	8.6%
<b>Revenues over Expenditures pre Deprec</b>	<u>\$ 13,140,660</u>	<u>\$ 9,409,295</u>	<u>\$ 12,835,127</u>	<u>\$ 11,116,596</u>	
<b>Gross Depreciation</b>	<u>(21,343,577)</u>	<u>(19,766,246)</u>	<u>(23,415,063)</u>	<u>(22,733,698)</u>	
<b>Credit for Funded Assets</b>	<u>13,311,348</u>	<u>12,848,812</u>	<u>14,354,083</u>	<u>13,816,728</u>	
<b>Net Depreciation</b>	<u>(8,032,229)</u>	<u>(6,917,434)</u>	<u>(9,060,980)</u>	<u>(8,916,970)</u>	
<b>Operations Revenues over Expenses</b>	<u>\$ 5,108,431</u>	<u>\$ 2,491,861</u>	<u>\$ 3,774,147</u>	<u>\$ 2,199,626</u>	
<b>Other Sources Available / (Used)</b>					
Interest Income	578,100	305,582	565,000	600,000	
Debt Interest	<u>(14,826)</u>	<u>(14,357)</u>	<u>(33,862)</u>	<u>(33,862)</u>	
<b>Total Other Sources Available</b>	<u>563,274</u>	<u>291,225</u>	<u>531,138</u>	<u>566,138</u>	94.4%
<b>Available for Debt / Projects / Reserves</b>	<u>5,671,705</u>	<u>2,783,086</u>	<u>4,305,285</u>	<u>2,765,764</u>	-0.6%
<b>Total Debt Principal</b>	<u>(451,701)</u>	<u>(453,163)</u>	<u>(453,163)</u>	<u>(454,636)</u>	
<b>Sources over (Expenses)</b>	<u>\$ 5,220,004</u>	<u>\$ 2,329,923</u>	<u>\$ 3,852,122</u>	<u>\$ 2,311,128</u>	

# AIRPORT BUSINESS PARK

## 2020 OPERATIONS BUDGET SUMMARY

*Note: reclassifications have been made to prior years to conform with 2020 presentation  
and some totals or % may not add exactly due to rounding*

	<u>2018 Actual</u>	<u>2019 Budget</u>	<u>Projected 2019 Yr End</u>	<u>2020 Budget</u>	<u>% Change 20 vs. 19</u>
<b>Operating Revenues</b>					
Building / Office Leases	\$ 1,243,760	\$ 1,077,208	\$ 1,113,566	\$ 1,126,652	
Land Leases	241,453	241,201	236,305	222,805	
Miscellaneous	<u>20,173</u>	<u>6,290</u>	<u>25,397</u>	<u>23,250</u>	
<b>Total Operating Revenues</b>	\$1,505,386	\$1,324,699	\$1,375,268	\$1,372,707	3.6%
<b>Operating Expenses</b>					
Buildings	\$283,703	\$803,990	\$436,138	\$423,500	
Grounds	107,012	99,620	77,733	84,150	
General Administration	<u>136,176</u>	<u>230,236</u>	<u>118,871</u>	<u>171,206</u>	
<b>Total Operating Expenses</b>	<u>526,891</u>	<u>1,133,846</u>	<u>632,742</u>	<u>678,856</u>	-40.1%
<b>Revenues over Expenses (Pre Deprec)</b>	\$ 978,495	\$ 190,853	\$ 742,526	\$ 693,851	
Depreciation	<u>(515,243)</u>	<u>(479,139)</u>	<u>(614,791)</u>	<u>(527,839)</u>	
<b>Operating Revenue over (Expense)</b>	<u>\$ 463,252</u>	<u>\$ (288,286)</u>	<u>\$ 127,735</u>	<u>\$ 166,012</u>	
<b>Other Sources Available / Used</b>					
Interest Income	14,853	3,250	14,841	15,000	
Interest Expense	-	-	-	-	
Other Non-Operating Income (Expense)	<u>22,939</u>	<u>11,874</u>	<u>15,931</u>	<u>14,653</u>	
Total Other Sources Available	<u>37,792</u>	<u>15,124</u>	<u>30,772</u>	<u>29,653</u>	
Available for Debt / Projects / Reserves	501,044	(273,162)	158,507	195,665	
Total Debt Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Sources over Expenditures incl Deprec</b>	<u>\$ 501,044</u>	<u>\$ (273,162)</u>	<u>\$ 158,507</u>	<u>\$ 195,665</u>	

# FELTS FIELD

## 2020 OPERATIONS BUDGET SUMMARY

Note: reclassifications have been made to prior years to conform with 2020 presentation  
and some totals or % may not add exactly due to rounding

	E	F	I	J	
	2018 Actual	2019 Budget	Projected 2019 Yr End	2020 Budget	% Change 19 vs. 18
<b>Operating Revenues</b>					
Airfield	\$ 47,209	\$ 48,800	\$ 46,786	\$ 46,980	
Hangars/ Bldgs / Land	667,944	693,367	609,457	534,200	
Terminal	26,512	26,600	26,534	26,600	
Miscellaneous	9,458	610	8,193	6,400	
<b>Total Revenues</b>	<b>\$ 751,123</b>	<b>\$ 769,377</b>	<b>\$ 690,970</b>	<b>\$ 614,180</b>	-20.2%
<b>Operating Expenses</b>					
Airfield	\$ 134,609	\$ 198,000	\$ 166,500	\$ 217,500	
Hangars/ Bldgs / Land	106,131	91,500	89,961	58,375	
Terminal	56,719	85,500	63,150	86,750	
General Admin	353,960	291,266	307,460	308,930	
<b>Total Expenses</b>	<b>651,419</b>	<b>666,266</b>	<b>627,071</b>	<b>671,555</b>	0.8%
<b>Expenses over Revenues Pre Deprec</b>	<b>\$ 99,704</b>	<b>\$ 103,111</b>	<b>\$ 63,899</b>	<b>\$ (57,375)</b>	-155.6%
Depreciation	(1,519,005)	(1,610,567)	(1,549,116)	(1,777,106)	
Credit for Funded Assets	871,481	871,481	871,481	871,481	
<b>Net Depreciation</b>	<b>(647,524)</b>	<b>(739,086)</b>	<b>(677,635)</b>	<b>(905,625)</b>	
<b>Expenses over Revenue incl Deprec</b>	<b>\$ (547,820)</b>	<b>\$ (635,975)</b>	<b>\$ (613,736)</b>	<b>\$ (963,000)</b>	
<b>Cash Available for Debt Service</b>	<b>\$ 99,704</b>	<b>\$ 103,111</b>	<b>\$ 63,899</b>	<b>\$ (57,375)</b>	
Interest and Other Income	18,365	-	-	-	
Available for Debt / Projects / Reserves	118,069	103,111	63,899	(57,375)	
Debt Service	-	(600,000)	-	-	
<b>Expenses over Sources</b>	<b>\$ 118,069</b>	<b>\$ (496,889)</b>	<b>\$ 63,899</b>	<b>\$ (57,375)</b>	

# SPOKANE AIRPORT BOARD

## 2020 CAPITAL SUMMARY

*Note: reclassifications have been made to prior years to conform with 2020 presentation and some totals or % may not add exactly due to rounding*

<b>SPOKANE INTERNATIONAL AIRPORT</b>	2018 Actual	2019 Budget	Projected 2019 Yr End	2020 Budget
<b>SOURCES OF FUNDS</b>				
Federal & AIP Grants	14,455,213	18,600,000	1,476,301	7,656,100
Other Federal Grants / Funds	411,720	2,000,000	142,729	3,000,000
Other State / Local Funds	1,222	2,000,000	1,625,045	1,500,000
Available / Used PFC Collections and Interest	9,506,056	11,078,200	18,636,259	11,000,000
Available CFC Collections	-	2,825,000	29,652	5,100,000
Funds From Operations & Unrestricted Cash	15,021,897	7,745,000	5,809,844	12,662,900
	<b>39,396,109</b>	<b>44,248,200</b>	<b>27,719,830</b>	<b>40,919,000</b>

<b>EXPENDITURE OF FUNDS</b>				
Parking / Ground Transportation	10,403,324	1,470,000	4,005,723	15,445,000
Airfield / Ops / Fuel	25,075,540	26,436,000	4,494,383	2,015,000
Other Buildings & Grounds	625,217	5,325,000	2,206,946	7,100,000
Terminal	3,021,618	9,467,200	16,567,202	15,060,000
ARFF	50,137	900,000	14,845	729,000
I.T.	25,640			120,000
Police / Security	121,729	50,000		300,000
Admin	72,904	600,000	430,731	150,000
<b>Total Expenditures</b>	<b>39,396,109</b>	<b>44,248,200</b>	<b>27,719,830</b>	<b>40,919,000</b>

<b>AIRPORT BUSINESS PARK</b>	2018 Actual	2019 Budget	Projected 2019 Yr End	2020 Budget
<b>SOURCES OF FUNDS</b>				
Funds From Operations & Unrestricted Cash	838,943	-	-	620,000
<b>Total Sources</b>	<b>838,943</b>	<b>-</b>	<b>-</b>	<b>620,000</b>

<b>EXPENDITURE OF FUNDS</b>				
Total Capital Projects	838,943	-	-	620,000
<b>Total Expenditures</b>	<b>838,943</b>	<b>-</b>	<b>-</b>	<b>620,000</b>
Current Year Change of Reserves	\$ -	\$ -	\$ -	\$ -

<b>FELTS FIELD</b>	2018 Actual	2019 Budget	Projected 2019 Yr End	2020 Budget
<b>SOURCES OF FUNDS</b>				
Federal & AIP Grants	80,854	-	-	300,000
Other Grants	-	-	-	98,000
Debt or Other Funds	-	4,000,000	-	-
Funds From Operations & Unrestricted Cash	4,514,570	2,800,000	5,222,591	880,000
<b>Total Sources</b>	<b>4,595,424</b>	<b>6,800,000</b>	<b>5,222,591</b>	<b>1,278,000</b>

<b>EXPENDITURE OF FUNDS</b>				
Airfield	1,648,852	2,800,000	1,053,818	630,000
Other Buildings / Grounds	2,559,040	4,000,000	4,089,266	50,000
Terminal	-	-	-	598,000
Land Acquisitions	387,532	-	79,507	-
<b>Total Expenditures</b>	<b>4,595,424</b>	<b>6,800,000</b>	<b>5,222,591</b>	<b>1,278,000</b>

*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.*



## Selected 2020 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 2019

Spokane International Airport	Signatory	Cargo Exempt*	w/ Use Agreement	Itinerant
<b>Class 1 Space</b>				
Airline Ticket Counters	\$ 64.73			
Airline Ticket Office (ATO)	64.73			
Queuing Areas	64.73			
Instant Travel Machines	64.73			
Concourse Hold Areas	64.73			
Baggage Claim	64.73			
<b>Class 2 Space</b>				
Baggage Service (BOS)	\$ 48.55			
Upper Concourse Office	48.55			
Ops Office	48.55			
Communications Office	48.55			
Baggage Make-Up	48.55			
Baggage Delivery	48.55			
Lower Concourse Office	48.55			
Storage Room	48.55			
Maintenance Office	48.55			
Baggage Cabinet	48.55			
Triturator Building	48.55			
Loading Bridge / mo	\$ 1,916.67			
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	300.00		300.00	300.00
{Includes NON Leased Loading Bridge, A/C Parking, Concourse holding area}				
Non Leased Baggage System / turn	108.00		108.00	108.00
{Includes both baggage make-up for outbound AND baggage claim for inbound}				
Non Leased Ticketing / use	30.00		30.00	30.00
{Includes NON Leased Ticket Counter Only}				
Non Leased Aircraft Parking / use	100.00	105.00	125.00	150.00
{Includes NON Leased Aircraft Parking area away from a Bridge}				
Fuel Flowage Fee / Gallon	0.040	0.040	0.050	0.065

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



## Selected 2020 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 2019

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	230.00
Tie-Down / mo	30.00
Fuel Flowage / Gallon	0.065

Mini Warehouse Rates	
amounts due in advance for entire billing term)	
Monthly Only	\$ 56.00
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	1.75

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	Conc		
Length of Stay	Garage	Surface	C-Lot	Economy	Hourly
0 - 2 HR	\$ 4.00	\$ 4.00	\$ 4.00	\$ 5.00	\$ 2.00 / HR
2 - 3 HRS	6.00	6.00	6.00		
3 - 4 HRS	8.00	8.00	7.50		
4 - 5 HRS	10.00				
5-24 HRS	11.00				
<b>DAILY MAX.</b>	<b>\$ 11.00</b>	<b>\$ 8.00</b>	<b>\$ 7.50</b>	<b>\$ 5.00</b>	

Miscellaneous Vehicle Parking	
Tenant Employee Lots / mo	\$ 20.00
Tenant Employee Surface Lot / mo	40.00
Garage Employee Parking / mo	100.00
Commuter Employee Lot / mo	30.00
Commuter Surface Lot / mo	50.00
Commuter Garage / mo	100.00
Passport / Executive / mo	200.00
Vendor / Contractor Parking / veh / year	50.00
Transponder Replacement	50.00
<b>ALL VEHICLE PARKING INCLUDES WSST</b>	

**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 2020 Budget*

*Spokane International Airport / Airport Business Park/ Felts Field*



[www.spokaneairports.net](http://www.spokaneairports.net)

*Approved:*  
*Spokane Airport Board, November 21, 2019*