

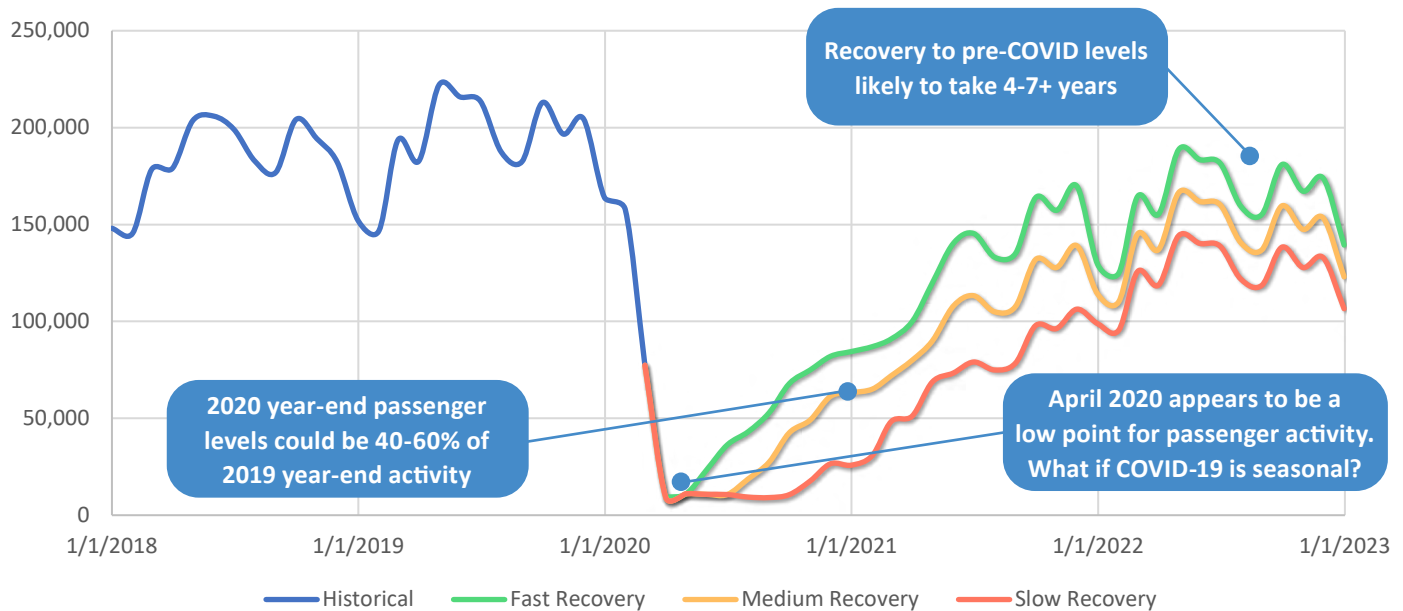


AIRPORT MANAGEMENT IN THE TIME OF COVID-19:

PASSENGER RECOVERY SCENARIOS OPTIMIZING REVENUES AND COSTS VALIDATING CAPITAL PROGRAMS

With COVID-19 and the dramatic reduction in passenger flow and operations, airports have been significantly affected by the slowdown in traffic. The shock has created operational, planning, and financial challenges. Airports need to take action to understand the potential magnitude of impacts due to COVID-19 as well as timelines for recovery to make decisions related to the usage of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) support, reprioritization and timing of capital improvement plans, and opportunities to manage and reduce operating costs as activity levels are limited while also finding ways to optimize customer service and revenues.

Illustrative Monthly Enplanement Forecast



UNPRECEDENTED STATISTICS:

~50%
OF U.S. FLEET
GROUNDED

90-95%
REDUCTION IN TSA
PASSENGER SCREENINGS
IN APRIL AND MAY

8-12
WEEK CLOSURE OF
INTERNATIONAL
BORDERS

55+
AIRLINES GROUNDED
WORLDWIDE

Airports that can demonstrate consideration of how COVID-19 impacts operations and capital programs, will be better positioned to receive AIP or other stimulus funding from the FAA.



ADDRESSING KEY AIRPORT CHALLENGES IN 2020 AND BEYOND

	CHALLENGES AND QUESTIONS	J D APPROACH AND AIRPORT ACTION
FORECASTING 	<p>What are the airlines going to do?</p> <p>When will passengers be back?</p> <p>How is long-term growth affected?</p>	<ul style="list-style-type: none"> • Develop scenario-based recovery forecasts • Update scenarios frequently as new information becomes available
FACILITY NEEDS 	<p>How do changing passenger demands affect Airport facility requirements?</p> <p>What do changing tenant business models mean for Airport infrastructure?</p>	<ul style="list-style-type: none"> • Review Master Plan facility requirements • Consider realignment of major Capital Improvement Program (CIP) elements • Update FAA justification documentation
OPERATIONAL SUPPORT 	<p>Should Airports continue with major capital improvement programs?</p> <p>How can costs be minimized in the near- and long- term?</p>	<ul style="list-style-type: none"> • Develop facility consolidation, closure, and/or reactivation plans • Develop data-driven plans for concession re-opening • Review construction phasing opportunity
STRATEGIC PLANNING 	<p>What new policies will CDC, FAA, or others impose on air travelers?</p> <p>What new revenue opportunities exist?</p>	<ul style="list-style-type: none"> • Monitor health guidelines and developed flexible and phased implementation plans • Review landside pricing strategy, concessions program, and O&M costs
FINANCIAL REVIEWS 	<p>What are the impacts to Airport revenues and debt obligations?</p> <p>Can the Airport meet debt requirements?</p> <p>Are tenants businesses still viable?</p>	<ul style="list-style-type: none"> • Revise projections and review obligations • Conduct sensitivity testing of various recoveries using rates and charges models • Revalidate CFC/PFC affordability



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