Chapter 8 – Financial Feasibility Analysis

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INTRODUCTION

This chapter presents a financial analysis of the estimated costs of the capital improvements recommended in the Master Plan (MP) for Palm Springs International Airport (the Airport or PSP), as presented earlier in this document. This chapter describes the financial framework for the Airport, including the airline rates and charges methodology as specified in the Airport Use and Lease Agreement (AULA). It also includes an analysis of the Airport's historical revenues and expenses for Fiscal Years[1] (FYs) 2019 through 2023, and projections of revenues and expenses through FY2035. In addition, the recommended funding sources for the capital projects in the MP are presented. The financial projections reflect the anticipated effects of funding the MP Capital Improvement Program (CIP). The funding plan anticipates the use of Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants; Passenger Facility Charges (PFCs); Bipartisan Infrastructure Law (BIL) grants; Department of Transportation (DOT) Transportation Infrastructure Finance and Innovation Act (TIFIA) funds; Customer Facility Charges (CFCs), Airport funds, and bonds. The financial analysis uses the FAA-approved air traffic forecast contained in the **Aviation Activity Forecast** chapter as a basis for the financial projections presented in this chapter.

[1] The Airport's fiscal year is comprised of the 12 months ending on June 30th. Except where otherwise indicated, all information is presented in terms of the Airport's fiscal year.

AIRPORT FINANCIAL FRAMEWORK

The Airport is owned and operated by the City of Palm Springs, California (City). The Airport is a city enterprise fund that operates in accordance with generally accepted accounting principles (GAAP). Financial statements for the Airport are prepared each fiscal year based on GAAP and audited by independent certified public accountants. The Airport also maintains internal financial records, which contain more detailed itemization of revenues and expenses, including details by cost center.

The financial projections reflect key provisions of, and terms defined in, the Indenture of Trust dated July 1, 2019 (Indenture). The Indenture establishes priorities for the application of Revenues (as defined by the Indenture) to various funds and accounts, which are first deposited into the Revenue Fund and then flow to other funds and accounts to pay O&M (Operation and Maintenance) expenses and bond debt service, among other items. The Airport's outstanding bonds were issued pursuant to the Indenture, and this financial analysis assumes that all future bonds will also be issued pursuant to the Indenture. Specific terms from the Indenture used in this chapter are capitalized.

PROPOSED CAPITAL PROGRAM

The recommended capital improvements necessary to accommodate the future needs of PSP are presented in the **Facilities Implementation Plan**. The recommended capital projects are presented in the following phases: Short Term (2025 to 2029), Mid Term (2030 to 2034), Long Term (2035 to 2045), and Beyond (2045+). **Table 8-1** summarizes the estimated project costs for the MP CIP.

As shown in **Table 8-1**, the total estimated project costs for the MP CIP is $3.0 billion in 2024 dollars, or $3.7 billion in year of expenditure (YOE) dollars.

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Table 8-1: Master Plan Capital Improvement Program Project Costs

Time Period	Total Project Costs (2024 dollars)	Total Project Costs (year of expenditure)
Near-Term	$1,082,602,175	$1,185,272,178
Mid-Term	$317,157,900	$367,211,062
Long-Term	$1,516,616,985	$1,968,681,402
Beyond Planning Period	$89,779,568	$147,732,688
Total	**$3,006,156,628**	**$3,668,897,331**

Sources: *PSP International Airport; Mead & Hunt; Unison Consulting; Compiled by Unison Consulting.*

PROPOSED FUNDING PLAN

The recommended funding plan includes the following sources:

- FAA AIP Grants (Entitlement and Discretionary)
- PFCs
- BIL Grants: Airport Infrastructure Grants (AIG) and Airport Terminal Program (ATP) Grants
- DOT TIFIA Funds
- General Airport Revenue Bonds (GARBs)
- CFCs
- Airport Funds

FAA Airport Improvement Program Grants

FAA AIP grants are administered to develop and maintain infrastructure projects that increase the capacity, safety, and security at airports across the United States. The FAA issues either entitlement (passenger or cargo) or discretionary grants for projects. AIP passenger entitlement grants are awarded using an enplanement-based formula. The FAA awards AIP discretionary grants based on established funding priorities and the allocation of discretionary funds among nine FAA regions. The distribution of the funds to the FAA regions is based on considerations including the number and types of airports in each region, and the identified capital needs of those airports. This analysis assumes that the FAA AIP grant program will continue throughout the projection period.

Table 8-2 presents the projections for AIP passenger entitlement funds for PSP, using the current enplanement-based formula, which is assumed to be in place for the entire forecast period. AIP entitlement funding amounts are based on passenger traffic forecasts. Some projects, in particular terminal development, are only partially eligible for AIP funding. For those projects, the entitlement funding amounts reflect the percentage of eligibility typical for such projects, based on the team's airport funding experience. The maximum funding eligibility for airports such as PSP, a small hub as defined by the FAA, is 90 percent.

Demand for AIP discretionary grant funding consistently exceeds funding availability. AIP discretionary grant funding amounts are based on an evaluation of amounts that can be reasonably expected to be made available to the Airport considering historic AIP discretionary grant funding provided to the Airport, the timing of projects identified for AIP discretionary grant funding, and the level of AIP discretionary grant funding support provided to similar projects at comparable airports.

The funding plan assumes a total of $101.2 million in AIP passenger entitlement grant funding and $127.4 million in AIP discretionary grants for MP projects.

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Table 8-2: Projected Airport Improvement Program Entitlements

	Budget	Projected											Total	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033			2036-2040	2041-2045
Enplanements*	1,500,618	1,637,286	1,686,142	1,756,186	1,826,941	1,891,025	1,956,235	2,016,796	2,073,371	2,129,597	2,188,101	2,251,372	12,267,171	14,021,052
$15.60 for first 50,000 PAX	$780,000												$5,460,000	$3,900,000
$10.40 for next 50,000 PAX	$520,000												$3,640,000	$2,600,000
$5.20 for next 400,000 PAX	$2,080,000												$14,560,000	$10,400,000
$1.30 for next 500,000 PAX	$650,000												$4,550,000	$3,250,000
$1.00 for each over 1 million	$500,618	$637,286	$686,142	$756,186	$826,941	$891,025	$956,235	$1,016,796	$1,073,371	$1,129,597	$1,188,101	$1,251,372	$8,798,437	$9,021,052
Total AIP Entitlements	**$4,530,618**	**$4,667,286**	**$4,716,142**	**$4,786,186**	**$4,856,941**	**$4,921,025**	**$4,986,235**	**$5,046,796**	**$5,103,371**	**$5,159,597**	**$5,218,101**	**$5,281,372**	**$37,008,437**	**$29,171,052**

Sources: *PSP International Airport; Mead & Hunt; FAA.gov; Unison Consulting, Compiled by Unison Consulting.*
Note: ** Based on enplanements from two years prior. For example, 2023 AIP Entitlements are based on the 2021 enplanements.*

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Bipartisan Infrastructure Law Grants

The Bipartisan Infrastructure Law (BIL) is an investment in America's transportation network, which was signed into law in November 2021. The law provides for a $25 billion investment to modernize airport infrastructure, spread equally over five years (federal fiscal years (FFY) 2022 through 2026). The FAA plans to invest $15 billion in airport infrastructure to increase safety and expand capacity, $5 billion to improve aging terminal facilities, and $5 billion to improve air traffic facilities. The BIL grants will be used for terminal renovation projects, terminal enabling projects, terminal roadways projects, and the central heating and refrigeration plant project.

BIL-Airport Infrastructure Grant (AIG)

The $15 billion in airport infrastructure grants are allocated to airports using a two-step process. First, grants are allocated based on the same formula used for determining the allocation of FAA AIP entitlement grants. Second, any remaining balance is allocated based on each commercial airport's share of total U.S. enplanements. As enplanements grow from year-to-year, the amount of funds allocated based on the FAA AIP entitlement grant formula will increase, reducing the remaining balance to be allocated. Therefore, the funding plan assumes that the BIL grant amount allocated to the Airport by the FAA in FFY 2022 will remain unchanged over the life of the BIL program.

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BIL-Airport Terminal Program (ATP)

The $5 billion in ATP grants to improve aging terminal facilities is a competitive or discretionary program. However, no more than 20 percent of the total ($1 billion) can be awarded to small-hub airports; the Airport demand for competitive BIL grant funds is expected to exceed funding availability. ATP grant amounts are based on an evaluation of funds that can be reasonably expected to be made available to the Airport. The team assumed the allocation of BIL awards would follow similar patterns as the allocation of FAA AIP discretionary grants when developing the funding plan.

As with AIP funding, some terminal projects are only partially eligible for BIL funding. For those projects, the BIL funding amounts also reflect the eligibility percentage typical for such projects, based on the team's airport funding experience. The funding plan assumes approximately $40.2 million in total BIL grants for eligible MP project costs. The funding plan assumes approximately $29.1 million of the BIL grants will be ATP grants and $11.1 million will be AIG grants.

Passenger Facility Charges

PFCs are user fees imposed by an airport, collected for each enplaned passenger, and used for specific projects approved by the FAA. According to federal regulations, PFC projects must (1) preserve or enhance safety, security, or capacity of the national air transportation system; (2) reduce noise or mitigate noise impacts resulting from an airport; or (3) furnish opportunities for enhanced competition between or among air carriers. PSP is currently authorized by the FAA to collect a PFC of $4.50 per enplaned passenger.

Since the inception of the PFC program, PSP has received approval to collect and use a total of approximately $140.3 million in PFCs. PSP's most recent application was approved by the FAA on January 1, 2022. In FY2020, PSP issued approximately $22.3 million in PFC revenue bonds to finance a portion of the design, acquisition, and construction of ticketing hall and baggage handling system.

Table 8-3 shows the projected PFC collections during the planning horizon, based on the forecasts of passenger traffic presented in Chapter _ of the MP. Also shown are the projected uses of PFCs, which include the using PFCs on a pay-as-you-go basis for eligible costs of the MP CIP, outstanding General Airport Revenue Bond (GARB) debt service, and for future GARB debt service. It is assumed that PSP will submit several PFC applications to obtain approval to use PFCs for eligible costs, as needed during the planning horizon. As with AIP and BIL funding, some terminal projects are only partially eligible for PFC funding. For those projects, the PFC-eligible project costs reflect the percentage of eligibility typical for such projects.

The amount of PFCs available for the MP CIP funding is somewhat constrained by PFCs pledged to pay debt service on outstanding bonds through FY2031. Through FY2031, the annual debt service on the outstanding bonds for which PFCs are pledged averages 35.6 percent of projected annual PFCs in those years.

In developing the projections of PFCs to be used in the funding plan, the analysis considered the timing of PFC-eligible project costs, to optimize the amount of pay-as-you-go PFCs and to maximize the effect of leveraging PFCs in pledging them for GARB debt service. The MP CIP funding plan includes $22.6 million in PFCs on a pay-as-you go basis, with a large portion of the remaining PFCs collected during the projection period being used to fund GARB debt service. The strategy assumed for PFCs to be pledged to the payment of GARB debt service is described in the sub-section discussing GARB funding, below.

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Table 8-3: Projected PFC Cash Flow

	Budget	Projected											Total	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036-2040	2041-2045
Enplanements	1,686,142	1,756,186	1,826,941	1,891,025	1,956,235	2,016,796	2,073,371	2,129,597	2,188,101	2,251,372	2,317,763	2,385,030	12,955,103	14,766,443
Ineligible Enplanements (17%)*	(282,442)	(294,175)	(306,027)	(316,762)	(327,685)	(337,829)	(347,306)	(356,724)	(366,524)	(377,123)	(388,244)	(399,511)	(2,170,083)	(2,473,497)
PFC Eligible Enplanements	**1,403,699**	**1,462,011**	**1,520,914**	**1,574,263**	**1,628,550**	**1,678,966**	**1,726,065**	**1,772,873**	**1,821,577**	**1,874,250**	**1,929,519**	**1,985,518**	**10,785,020**	**12,292,946**
PFC Fund Beginning Balance	$10,376,020	$14,067,893	$5,143,987	$5,663,649	$6,422,099	$7,418,566	$6,219,657	$5,222,184	$4,425,886	$6,340,354	$8,375,347	$10,773,819	$12,160,643	$16,460,820
PFC Revenue ($4.39)	6,162,240	6,418,227	6,676,811	6,911,015	7,149,336	7,370,663	7,577,426	7,782,911	7,996,721	8,227,956	8,470,588	8,716,425	47,346,238	53,966,034
Interest Received (0.3%)	26,633	36,109	13,203	14,537	16,484	19,042	15,964	13,404	11,360	16,274	21,498	27,654	31,214	42,251
PFC Paygo Applied to Projects	-	(12,880,742)	-	-	-	-	-	-	-	(115,624)	-	(9,602,818)	-	-
PFCs pledged to Revenue Bond debt service:														
Currently outstanding Bonds	(2,497,000)	(2,497,500)	(2,498,750)	(2,495,500)	(2,497,750)	(2,495,000)	(2,497,250)	(2,499,000)	-	-	-	-	-	-
Series 2026 - GARB	-	-	(3,671,603)										(18,358,016)	
Series 2027 – GARB (portion of debt service)	-	-	-	-	-	(2,422,010)							(12,110,051)	
Series 2035 – GARB (portion of debt service)	-	-	-	-	-	-	-	-	-	-	-	-	(19,122,171)	
Total Debt Service	**($2,497,000)**	**($2,497,500)**	**($6,170,353)**	**($6,167,103)**	**($6,169,353)**	**($8,588,613)**	**($8,590,863)**	**($8,592,613)**	**($6,093,613)**	**($6,093,613)**	**($6,093,613)**	**($6,093,613)**	**($49,590,238)**	
PFC Fund Ending Balance	**$14,067,893**	**$5,143,987**	**$5,663,649**	**$6,422,099**	**$7,418,566**	**$6,219,657**	**$5,222,184**	**$4,425,886**	**$6,340,354**	**$8,375,347**	**$10,773,819**	**$3,821,467**	**$12,036,516**	**$20,950,300**

Sources: *PSP International Airport, Unison Consulting, Compiled by Unison Consulting*

Note: ** Ineligible enplanements refer to a passenger boarding that does not qualify for a PFC. The most common example is passengers that have 3 or more legs of a flight are not required to pay a PFC after the 2nd leg.*

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DOT Transportation Infrastructure Finance and Innovation Act (TIFIA)

The TIFIA program provides credit assistance for transportation infrastructure of regional and national significance. Eligible applicants include state and local governments, transit agencies, railroad companies, special authorities, special districts, and private entities. The TIFIA program provides support through direct loans; loan guarantees; and standby lines of credit. TIFIA interest rates are equivalent to Treasury rates, which are often lower than what can be achieved in the private market. Airport projects can be considered for assistance under this program. Eligibility requirements include but are not limited to the following:

- Included in the applicable State Transportation Improvement Program
- Capital cost of at least $50 million
- Credit assistance is limited to a maximum of 33 percent of the total eligible project costs[2]
- Senior debt must be rated investment grade
- Project also must be supported in whole or in part from user charges or other non-Federal dedicated funding sources
- Construction contracting process can commence no more than 90 days from execution of a TIFIA credit instrument
- Foster partnerships that attract public and private investment for the project

The funding plan assumes three series of TIFIA financing to support eligible projects. The funding plan assumes TIFIA loans will be used for terminal construction projects, up to 33% of the total cost. The estimated debt service associated for the Series 2029, Series 2035, and Series 2045 is approximately $9.0 million, $35.0 million, and $3.2 million per year, respectively. Further detail regarding Airport debt service by series is depicted in **Table 8-4**. The TIFIA financing assumes a 30-year term, a 4.4 percent annual interest rate, a 1.5 percent cost of issuance, and a one-year capitalized interest period.

General Airport Revenue Bonds

GARBs are debt instruments secured by the Airport's Revenues. As previously discussed, PFCs can be used to pay debt service for PFC eligible portions of project costs.

Currently, PSP has 1 outstanding GARB issue. However, as discussed above, the debt service is paid for with PFC funds. The funding plan assumes six future GARB issuances (excludes TIFIA loans). **Figure 8-1** depicts total annual debt service compared to the amount of annual debt service for which Pledged PFCs are used.

[2] Projects that meet certain rural, transit or transit-oriented development eligibility or is part of the Rural/INFRA/Mega grant Extra programs that provide a compelling justification can be eligible for up to 49 percent.

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The bullets below summarize the GARB issuances required for the MP CIP.

- For one of the series of future GARBs (Series 2026), it is assumed that a portion of future annual PFC revenues will be pledged to pay all of the debt service throughout the life of the bonds. The estimated debt service is $3.7 million per year.
- For two of the series of future GARBs (Series 2027 and Series 2035), it is assumed that a portion of future annual PFC revenues will be pledged to pay a portion of the debt service throughout the life of the bonds. The estimated debt service is $3.7 million per year for the Series 2027 and $76.5 million per year for Series 2035. PFCs will be used to pay $2.4 million (Series 2027) and $3.8 million (Series 2035) of the debt service.
- For the other three series of future GARBs, it is assumed that all debt service will be paid from Airport revenues other than PFC revenues.
- The GARB financing assumes a 30-year term, a 5.5 percent annual interest rate, and a 1.5 percent cost of issuance. A one-year period of capitalized interest is anticipated for Series 2029, Series 2035, and Series 2045. A two-year period of capitalized interest is anticipated for Series 2027 and Series 2030. No capitalized interest is assumed for Series 2026 as PFC revenues are assumed to be pledged for all of the debt service.

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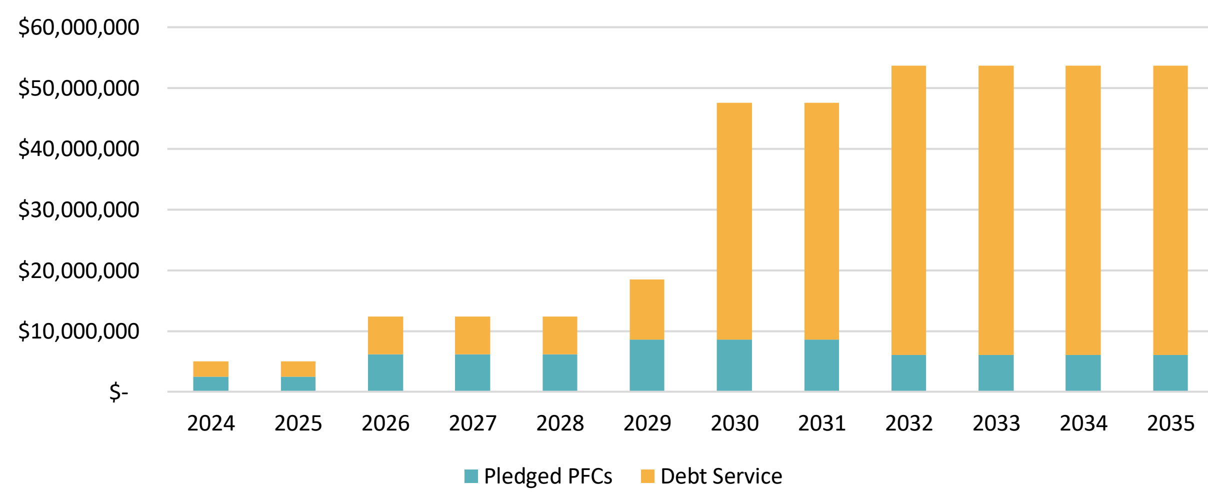
The projected debt service by series, depicted in **Table 8-4**, is projected to increase from $2.5 million FY2024 to $39.0 million in FY2030. Projected debt service continues to increase to an annual average of $45.9 million between FY2031 and FY2035, $159.0 million between FY2036 and FY2045, and $167.1 million between FY2046 and FY2050. PFCs used to fund debt service increase from $2.5 million in FY2024 to an annual average of $6.7 million between FY2025 and FY2031. The amount of PFCs used to pay debt service decreases to $6.1 million between FY2032 and 2035 before reaching $9.9 million in FY2026 and remaining stable through the forecast period. In addition to PFCs, airport capital will be used to fund debt service. Surplus Airport net revenues will be used beginning in FY2036 with an average of $23.6 million used to fund debt service annually through FY2050.

Figure 8-1: Total Debt Service and Total PFCs Pledged to Debt Service



Sources: *PSP International Airport, Unison Consulting, Compiled by Unison Consulting.*

Table 8-4: Projected Airport Debt Service

	Budget	Projected											Total	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036-2040	2041-2045
Total Outstanding Debt Service	**$2,497,000**	**$2,497,500**	**$2,498,750**	**$2,495,500**	**$2,497,750**	**$2,495,000**	**$2,497,250**	**$2,499,000**	-	-	-	-	-	-
Assumed Future series:														
Series 2026 - GARB	-	-	$3,671,603										$18,358,016	
Series 2027 - GARB	-	-	-	-	-	$3,726,170							$18,630,848	
Series 2029 - GARB	-	-	-	-	-	-	$20,100,386						$100,501,932	
Series 2029 - TIFIA	-	-	-	-	-	-	$8,996,668						$44,983,339	
Series 2030 - GARB	-	-	-	-	-	-	-	-	$11,115,991				$55,579,956	
Series 2035 - GARB	-	-	-	-	-	-	-	-	-	-	-	-	$382,443,418	
Series 2035 - TIFIA	-	-	-	-	-	-	-	-	-	-	-	-	$174,858,879	
Series 2045 - GARB	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Series 2045 - TIFIA	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	**$2,497,000**	**$2,497,500**	**$6,170,353**	**$6,167,103**	**$6,169,353**	**$9,892,773**	**$38,992,077**	**$38,993,827**	**$47,610,818**	**$47,610,818**	**$47,610,818**	**$47,610,818**	**$795,356,386**	
Less Pledged PFC:														
Outstanding Bonds	$2,497,000	$2,497,500	$2,498,750	$2,495,500	$2,497,750	$2,495,000	$2,497,250	$2,499,000	-	-	-	-	-	-
Future Bonds	-	-	$3,671,603	$3,671,603	$3,671,603	$6,093,613	$6,093,613	$6,093,613	$6,093,613	$6,093,613	$6,093,613	$6,093,613	$49,590,238	
Total Pledged PFCs	$2,497,000	$2,497,500	$6,170,353	$6,167,103	$6,169,353	$8,588,613	$8,590,863	$8,592,613	$6,093,613	$6,093,613	$6,093,613	$6,093,613	$49,590,238	
Less Pledged CFC:														
Outstanding Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Future Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Pledged CFCs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Airport Funds Applied to Debt Service:														
Outstanding Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Future Bonds	-	-	-	-	-	-	-	-	-	-	-	-	$96,000,000	$119,000,000
Total Airport Funds Applied to Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	$96,000,000	$119,000,000
Net Debt Service	**-**	**-**	**-**	**-**	**-**	**$1,304,159**	**$30,401,213**	**$30,401,213**	**$41,517,205**	**$41,517,205**	**$41,517,205**	**$41,517,205**	**$649,766,149**	**$626,766,149**

Sources: *PSP International Airport, Unison Consulting, Compiled by Unison Consulting.*

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Customer Facility Charges

CFCs are charges imposed by airports on rental car companies to support the development and/or operation of rental car facilities. PSP is authorized to collect $9 per rental car transaction day, up to 5 days maximum. PSP will use CFCs to support the development of a consolidated rent-a-car facility (CONRAC) including land acquisition, environmental assessments, design, and construction. PSP is restricted as a result of California Code, that limits CFCs to a maximum of $9 per day and caps the number of transaction days that can be charged under an individual rental car contract to 5 days[3].

The funding plan assumes that PSP will use CFCs in a pay-go capacity to support early action items for the development of the CONRAC including the environmental assessment and design in both phase 1 and phase 2. The funding plan assumes a public-private partnership to facilitate the development of the CONRAC, with PSP contributing CFCs to the developer.

Airport Fund

PSP's Airport Fund receives annual deposits based on the revenues collected during the fiscal year less funds used to meet PSP's obligations, including O&M expenses, debt service and capital expenditures. As of the end of 2023, PSP's Airport Fund had a balance of approximately $87.5 million. The MP funding plan assumes a total of $218.4 million in project costs will be funded with Airport Funds. Refer to **Table 8-6** for details regarding the Airport Fund over the planning horizon.

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[3] Information regarding California CFC limitations was obtained from https://codes.findlaw.com/ca/government-code/gov-sect-50474-3/

Table 8-5: Projected CFC Cash Flow

	Budget	Projected											Total	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036-2040	2041-2045
Enplanements	1,686,142	1,756,186	1,826,941	1,891,025	1,956,235	2,016,796	2,073,371	2,129,597	2,188,101	2,251,372	2,317,763	2,385,030	12,955,103	14,766,443
Rental Car Transactions (16%)	269,783	280,990	292,311	302,564	312,998	322,687	331,739	340,736	350,096	360,220	370,842	381,605	2,072,816	2,362,631
Rental Car Transaction Days (3.6)	971,218	1,011,563	1,052,318	1,089,230	1,126,792	1,161,674	1,194,262	1,226,648	1,260,346	1,296,791	1,335,031	1,373,777	7,462,139	8,505,471
CFC Fund Beginning Balance	$39,324,779	$48,166,675	$56,882,376	$32,709,820	$42,596,852	$27,706,189	$27,777,305	$27,848,603	$27,920,084	$27,991,749	$28,063,597	$28,135,630	$21,712,795	$21,992,889
CFC Revenue	$8,740,958	$9,104,068	$9,470,862	$9,803,073	$10,141,124	$10,455,069	$10,748,358	$11,039,831	$11,343,115	$11,671,115	$12,015,281	$12,363,994	$67,159,254	$76,549,242
Interest Received (0.3%)	$100,938	$123,633	$146,005	$83,959	$109,337	$71,116	$71,298	$71,481	$71,665	$71,849	$72,033	$72,218	$55,732	$56,451
CFC Funded Projects	-	($512,000)	($33,789,422)	-	($15,000,000)	-	-	-	-	-	-	($23,887,525)	-	-
CFC Contributions to P3	-	-	-	-	($10,141,124)	($10,455,069)	($10,748,358)	($11,039,831)	($11,343,115)	($11,671,115)	($12,015,281)	($12,363,994)	($67,159,254)	($76,549,242)
CFC Fund Ending Balance	**$48,166,675**	**$56,882,376**	**$32,709,820**	**$42,596,852**	**$27,706,189**	**$27,777,305**	**$27,848,603**	**$27,920,084**	**$27,991,749**	**$28,063,597**	**$28,135,630**	**$4,320,323**	**$21,768,527**	**$22,049,340**

Sources: *PSP International Airport, Unison Consulting, Compiled by Unison Consulting.*

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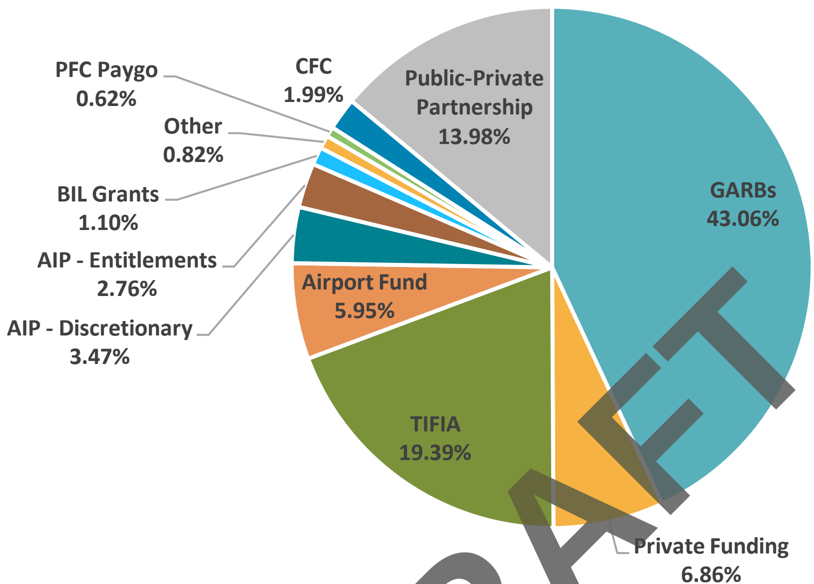
Funding Plan Summary

Figure 8-2, **Table 8-6**, and **Table 8-7** summarize MP project sources and uses of funds by project, reflecting the estimated escalated project costs. **Table 8-8** illustrates the MP sources and uses by project type.

Figure 8-2: Sources of Capital Funding MP Projects



Sources: *PSP International Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.*

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Table 8-6: Airport Capital Fund

	Budget	Projected										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Beginning Balance	$87,493,393	$89,811,503	$80,352,769	$15,232,537	$22,085,053	$5,835,818	$3,390,111	$10,680,936	$4,077,723	$15,707,169	$30,394,439	$41,704,932
Revenues	$43,126,974	$44,902,286	$52,425,802	$56,438,816	$58,931,447	$66,633,507	$98,966,847	$101,907,110	$110,391,078	$113,164,205	$115,995,955	$120,069,354
O&M Expenses	($40,198,444)	($40,695,603)	($42,268,098)	($43,910,513)	($45,564,024)	($47,287,744)	($49,105,905)	($51,001,866)	($52,979,200)	($55,041,654)	($57,193,156)	($59,437,818)
Outstanding Debt Service	($2,497,000)	($2,497,500)	($2,498,750)	($2,495,500)	($2,497,750)	($2,495,000)	($2,497,250)	($2,499,000)	-	-	-	-
Future Debt Service	-	-	($3,671,603)	($3,671,603)	($3,671,603)	($7,397,773)	($36,494,827)	($36,494,827)	($47,610,818)	($47,610,818)	($47,610,818)	($47,610,818)
Airport Funded Projects	-	($12,564,480)	($72,198,664)	($3,185,792)	($26,971,501)	($16,703,897)	($7,970,723)	($22,653,735)	($2,780,529)	($123,794)	($3,802,952)	($49,490,371)
Airport Funds Applied to Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
PFCs Used for Debt Service	$2,497,000	$2,497,500	$6,170,353	$6,167,103	$6,169,353	$8,588,613	$8,590,863	$8,592,613	$6,093,613	$6,093,613	$6,093,613	$6,093,613
Airline Revenue Share[1]	($610,421)	($1,100,937)	($3,079,272)	($2,489,995)	($2,645,157)	($3,783,413)	($4,198,181)	($4,453,509)	($1,484,699)	($1,794,281)	($2,172,149)	($2,863,607)
CFCs Used for Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Annual Deposit to Capital Fund	$2,318,109	($9,458,734)	($65,120,232)	$6,852,516	($16,249,234)	($2,445,707)	$7,290,824	($6,603,213)	$11,629,446	$14,687,271	$11,310,493	($33,239,647)
Ending Balance	**$89,811,503**	**$80,352,769**	**$15,232,537**	**$22,085,053**	**$5,835,818**	**$3,390,111**	**$10,680,936**	**$4,077,723**	**$15,707,169**	**$30,394,439**	**$41,704,932**	**$8,465,286**

Sources: *PSP International Airport, Unison Consulting, Compiled by Unison Consulting.*

[1] Per AULA Appendix D Section III, 50% of Net Remaining Revenues are shared with the Airlines. The amortization of airport-funded projects rather than the capital expenditure in that year is used in calculating Net Remaining Revenues subject to Airline sharing.

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Table 8-7: Estimated Capital Costs and Funding Sources (Part 1 of 2)

Project Description	Project Category	Total Project Costs in 2024 $	Total Escalated Projected Costs	AIP Entitlements	AIP Discretionary	Other	BIL Grants	PFC Paygo	Airport Fund	GARBs	CFC	TIFIA	Private Funding	Public-Private Partnership
Near-Term (2025-2029)														
TWY W & A1 Rehabilitation- (Construct)	Airside	$14,000,000	$14,336,000	$4,667,286	$2,776,974	-	$5,552,758	$1,338,982	-	-	-	-	-	-
Construct Temporary FIS	Terminal	$7,000,000	$7,168,000	-	-	-	-	$5,376,000	$1,792,000	-	-	-	-	-
GTC design/renovation	GT/Parking	$1,000,000	$1,024,000	-	-	-	$972,800	$51,200	-	-	-	-	-	-
Shade installation - TNC & Taxi islands - Design and install	GT/Parking	$500,000	$512,000	-	-	-	-	-	$512,000	-	-	-	-	-
Convert vacant terminal space into a lounge	Terminal	$1,000,000	$1,024,000	-	-	-	-	-	$1,024,000	-	-	-	-	-
Convert grass/turf areas to desert landscape Phase 1	Other	$300,000	$307,200	-	-	-	-	-	$307,200	-	-	-	-	-
Installation of new public announcement system in terminal and concourses	Terminal	$250,000	$256,000	-	-	-	-	-	$256,000	-	-	-	-	-
Terminal interior remodel/renovate/rehabilitation	Terminal	$500,000	$512,000	-	-	-	$316,160	$16,640	$179,200	-	-	-	-	-
Bono Elevator replacements	Terminal	$2,000,000	$2,048,000	-	-	-	$1,945,600	$102,400	-	-	-	-	-	-
Procure AWS screening equipment and any possible remodel/electrical	Terminal	$500,000	$512,000	-	-	-	-	-	$512,000	-	-	-	-	-
Replace both Bono escalators	Terminal	$3,000,000	$3,072,000	-	-	-	$2,918,400	$153,600	-	-	-	-	-	-
Automated Exit Lane design, demo and installation	Terminal	$1,500,000	$1,536,000	-	-	-	-	-	$1,536,000	-	-	-	-	-
Solid waste separator & hazmat storage- Design and construct	Infrastructure	$500,000	$512,000	-	-	-	-	$332,800	$179,200	-	-	-	-	-
Microlight Upgrade	Other	$200,000	$204,800	-	-	-	-	$133,120	$71,680	-	-	-	-	-
Hangar 18 outfall repair by GA hangars	Infrastructure	$500,000	$512,000	-	-	-	-	-	$512,000	-	-	-	-	-
ARFF station (Design)	Other	$3,500,000	$3,584,000	-	-	-	-	$3,046,400	$537,600	-	-	-	-	-
Environment Assessment for CONRAC	GT/Parking	$500,000	$512,000	-	-	-	-	-	-	-	$512,000	-	-	-
HVAC infrastructure replacement- 2 boilers, 3 chillers, and pumps	Terminal	$3,000,000	$3,072,000	-	-	-	-	$1,996,800	$1,075,200	-	-	-	-	-
Main terminal loop road and KDW crack seal and sealcoat	Infrastructure	$1,000,000	$1,024,000	-	-	-	-	-	$1,024,000	-	-	-	-	-
WiFi outdoor	Other	$300,000	$307,200	-	-	-	-	-	$307,200	-	-	-	-	-
Environmental Assessment for Terminal Phase 1	Terminal	$500,000	$512,000	-	-	-	-	$332,800	$179,200	-	-	-	-	-
Main Terminal Wexler Façade Restoration	Terminal	$1,500,000	$1,536,000	-	-	-	-	-	$1,536,000	-	-	-	-	-
Airport monument signs replacement	Other	$1,000,000	$1,024,000	-	-	-	-	-	$1,024,000	-	-	-	-	-
Terminal Restroom remodel - (construction -Phase 1) (Bono & Courtyard)	Terminal	$10,000,000	$10,485,760	-	-	-	-	-	-	$10,485,760	-	-	-	-
Remain Overnight (RON) Parking- (Design & Construct)	Airside	$10,000,000	$10,485,760	-	$2,230,000	-	-	-	-	$8,255,760	-	-	-	-

Project Description	Project Category	Total Project Costs in 2024 $	Total Escalated Projected Costs	AIP Entitlements	AIP Discretionary	Other	BIL Grants	PFC Paygo	Airport Fund	GARBs	CFC	TIFIA	Private Funding	Public-Private Partnership
Baggage Claim Phase 1	Terminal	$22,500,000	$23,592,960	-	-	$5,000,000	$6,495,000	-	-	$12,097,960	-	-	-	-
Outbound Baggage Handling System and Terminal expansion- (Construct) Phase 1	Terminal	$32,500,000	$34,078,720	-	-	$12,500,000	$3,247,500	-	-	$18,331,220	-	-	-	-
Employee parking lot, Economy lot, and Lot A - (Construction)	GT/Parking	$10,000,000	$10,485,760	-	-	-	-	-	$10,485,760	-	-	-	-	-
Runway 13R/31L Rehabilitation & Taxiway A & J Connectors - (Design)	Airside	$3,000,000	$3,145,728	-	$2,851,917	-	-	-	$293,811	-	-	-	-	-
New Fire Alarm System-Main Terminal (minus ticketing), Bono Terminal, RJ Terminal	Terminal	$500,000	$524,288	-	-	-	-	-	$524,288	-	-	-	-	-
Design Phase 1 of the RCC	GT/Parking	$32,224,104	$33,789,422	-	-	-	-	-	-	-	$33,789,422	-	-	-
Terminal interior remodel/renovate/rehabilitation	Terminal	$500,000	$524,288	-	-	-	-	-	$524,288	-	-	-	-	-
Perimeter Fence Rehabilitation/Security Enhancements (Phase 1)	Other	$1,000,000	$1,048,576	-	$950,639	-	-	-	$97,937	-	-	-	-	-
Terminal Phase 1 (Design only)	Terminal	$66,997,541	$70,252,014	-	-	-	$10,000,000	-	$60,252,014	-	-	-	-	-
Convert airport vehicles to zero emissions	Other	$210,000	$220,201	-	$199,634	-	-	-	$20,567	-	-	-	-	-
Outbound Baggage Handling System and Terminal expansion- (Construct) Phase 2	Terminal	$32,500,000	$34,896,609	-	-	$12,500,000	$3,247,500	-	-	$19,149,109	-	-	-	-
Runway 13R/31L Rehabilitation & Taxiways A & J - (Construct)	Airside	$30,000,000	$32,212,255	-	$12,117,975	-	-	-	-	$20,094,280	-	-	-	-
Airport drainage Master Plan and/or project to address drainage	Infrastructure	$5,000,000	$5,368,709	-	$4,867,272	-	-	-	$501,437	-	-	-	-	-
Parking Revenue System (phase 2)	GT/Parking	$500,000	$536,871	-	-	-	-	-	$536,871	-	-	-	-	-
Terminal Restroom remodel - (construction -Phase 2)(Wexler)	Terminal	$5,000,000	$5,368,709	$4,786,186	-	-	-	-	-	$582,523	-	-	-	-
Perimeter Fence Rehabilitation/Security Enhancements (Phase 2)	Other	$1,000,000	$1,073,742	-	$973,454	-	-	-	-	$100,287	-	-	-	-
Terminal interior remodel/renovate/rehabilitation	Terminal	$500,000	$536,871	-	-	-	-	-	$187,905	$348,966	-	-	-	-
Main Terminal - Roof Rehabilitation (Design & Construct)	Terminal	$500,000	$536,871	-	-	-	-	-	$187,905	$348,966	-	-	-	-
Rubber removal/paint removal equipment	Airside	$1,000,000	$1,073,742	-	-	-	-	-	$1,073,742	-	-	-	-	-
Rehabilitate Taxilane G	Airside	$1,000,000	$1,073,742	-	$973,454	-	-	-	-	$100,287	-	-	-	-
Crack seal and sealcoat Runway 13L/31R	Airside	$650,000	$697,932	-	-	-	-	-	$697,932	-	-	-	-	-
Convert airport vehicles to zero emissions	Other	$210,000	$225,486	-	$204,425	-	-	-	-	$21,060	-	-	-	-
Signature Terminal and Apron Relocation	Hangar/FBO	$58,937,500	$64,802,467	-	$9,066,000	-	-	-	$10,000,000	-	-	-	$45,736,467	-
Construct Phase 1 of RCC	GT/Parking	$290,016,936	$318,876,993	-	-	-	-	-	-	-	$15,000,000	-	-	$303,876,993
Land Acquisition - 8.06 acre Parcel South of Airport between KDW and Ramon	Land Acquisition	$10,780,000	$11,852,735	-	$10,745,690	-	-	-	-	$1,107,045	-	-	-	-

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Project Description	Project Category	Total Project Costs in 2024 $	Total Escalated Projected Costs	AIP Entitlements	AIP Discretionary	Other	BIL Grants	PFC Paygo	Airport Fund	GARBs	CFC	TIFIA	Private Funding	Public-Private Partnership
Rehabilitate commercial aircraft parking apron around concourses	Airside	$22,000,000	$24,189,256	$4,716,142	-	-	$5,552,758	-	$13,920,356	-	-	-	-	-
Main terminal loop road and KDW rehabilitation	Infrastructure	$3,000,000	$3,298,535	$2,990,452	-	-	-	-	-	$308,083	-	-	-	-
Bono Tent Roof Replacement	Terminal	$2,000,000	$2,199,023	$1,866,489	-	-	-	-	-	$332,534	-	-	-	-
ASOS replacement	Airside	$500,000	$549,756	-	$498,409	-	-	-	-	$51,347	-	-	-	-
Conference/Meeting Rooms	Other	$100,000	$109,951	-	-	-	-	-	$109,951	-	-	-	-	-
Terminal interior remodel/renovate/rehabilitation	Terminal	$500,000	$549,756	-	-	-	-	-	$192,415	$357,341	-	-	-	-
Redesign VIP to expand ALT Control Center and incorporate Landside Operations	Other	$2,500,000	$2,748,779	-	-	-	-	-	$2,748,779	-	-	-	-	-
Maintenance Facility Phase 1	Other	$5,000,000	$5,497,558	-	-	-	-	-	-	$5,497,558	-	-	-	-
Terminal Phase 1 Construct (Excludes Design & CONRAC)	Terminal	$364,873,194	$410,810,695	-	-	-	-	-	$12,000,000	$263,243,166	-	$135,567,529	-	-
New Operations Control Center	Other	$2,500,000	$2,814,750	-	-	-	-	-	$2,814,750	-	-	-	-	-
ADA Improvements - Hearing, sight, sensory, mobility Impaired	Terminal	$750,000	$844,425	$765,556	-	-	-	-	-	$78,869	-	-	-	-
New 1500 Gal ARFF Apparatus	Other	$800,000	$900,720	-	$816,593	-	-	-	-	$84,127	-	-	-	-
Relocate Fuel Truck Parking	Other	$1,502,900	$1,692,115	-	-	-	-	-	$1,692,115	-	-	-	-	-
Solar Panel Development - Phase 1	Infrastructure	$5,000,000	$5,629,500	$4,155,469	-	-	-	-	-	$1,474,030	-	-	-	-
Terminal interior remodel/renovate/rehabilitation	Terminal	$500,000	$562,950	-	-	-	-	-	$197,032	$365,917	-	-	-	-
Total Near-Term		**$1,082,602,175**	**$1,185,272,178**	**$23,947,579**	**$49,272,436**	**$30,000,000**	**$40,248,476**	**$12,880,742**	**$131,624,335**	**$362,816,199**	**$49,301,422**	**$135,567,529**	**$45,736,467**	**$303,876,993**

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Table 8-8: Estimated Capital Costs and Funding Sources (Part 2 of 2)

Project Description	Project Category	Total Project Costs in 2024 $	Total Escalated Projected Costs	AIP Entitlements	AIP Discretionary	Other	BIL Grants	PFC Paygo	Airport Fund	GARBs	CFC	TIFIA	Private Funding	Public-Private Partnership
Mid-Term (2030-2034)														
ARFF Station - (Construct)	Other	$35,000,000	$40,352,253	-	$31,095,849	-	-	-	$6,052,838	$3,203,565	-	-	-	-
Taxiway D, B, & H Reconfiguration(s)	Airside	$4,410,300	$5,084,730	-	$4,609,816	-	-	-	-	$474,914	-	-	-	-
Rehabilitate TWY E & C	Airside	$20,000,000	$23,058,430	-	$4,408,262	-	-	-	-	$18,650,168	-	-	-	-
Crack seal and sealcoat TWY W & A1	Airside	$1,000,000	$1,152,922	-	-	-	-	-	$1,152,922	-	-	-	-	-
Inter-Modal Transportation Facility	GT/Parking	$50,000,000	$57,646,075	$4,986,235	-	-	-	-	-	$52,659,840	-	-	-	-
GA Customs Facilities	Hangar/FBO	$10,314,100	$12,176,740	-	-	-	-	-	$7,306,044	$4,870,696	-	-	-	-
Demo Dilapidated Hangars/Buildings (3)	Hangar/FBO	$8,000,000	$9,444,733	-	-	-	-	-	$9,444,733	-	-	-	-	-
Flight Kitchen	Other	$12,333,800	$14,561,181	-	-		-	-	-	-	-	-	$14,561,181	-

Project Description	Project Category	Total Project Costs in 2024 $	Total Escalated Projected Costs	AIP Entitlements	AIP Discretionary	Other	BIL Grants	PFC Paygo	Airport Fund	GARBs	CFC	TIFIA	Private Funding	Public-Private Partnership
Covered Solar Public Parking	GT/Parking	$5,000,000	$5,902,958	-	-	-	-	-	$5,902,958	-	-	-	-	-
Crack seal and sealcoat Runway 13R/31L & Taxiways A & J connectors	Airside	$2,000,000	$2,417,852	-	-	-	-	-	$2,417,852	-	-	-	-	-
Convert grass/turf areas to desert landscape Phase 2	Other	$300,000	$362,678	-	-	-	-	-	$362,678	-	-	-	-	-
Alejo Lot Upgrades	GT/Parking	$100,000	$123,794	-	-	-	-	-	$123,794	-	-	-	-	-
Landside Wayfinding Improvements	Other	$1,000,000	$1,237,940	$1,122,316	-	-	-	$115,624	-	-	-	-	-	-
Repave Lots "A" through "D"	GT/Parking	$3,000,000	$3,802,952	-	-	-	-	-	$3,802,952	-	-	-	-	-
Address ROFA to meet standards for Runway 13R/31L	Airside	$2,731,300	$3,148,975	-	$2,854,860	-	-	-	-	$294,114	-	-	-	-
Maintenance Facility Phase 2	Other	$5,000,000	$5,764,608	-	-	-	-	-	-	$5,764,608	-	-	-	-
Taxiways G & H Reconfiguration	Airside	$4,890,200	$5,638,017	-	$5,111,426	-	-	-	-	$526,591	-	-	-	-
Taxiways K & L Pavement Re-markings	Airside	$663,500	$764,963	-	-	-	-	-	$764,963	-	-	-	-	-
Runway 13L/31R Rehabilitation (small rwy) - Construct	Airside	$4,000,000	$4,611,686	-	$4,180,955	-	-	-	-	$430,731	-	-	-	-
Vertiport	Airside	$125,800	$145,038	-	-	-	-	-	-	$145,038	-	-	-	-
Atlantic Aviation Apron Expansion - South Leasehold	Hangar/FBO	$6,163,300	$7,105,801	-	-	-	-	-	-	-	-	-	$7,105,801	-
Land Acquisition - Tribal Parcel Northeast of Airport	Land Acquisition	$17,000,000	$19,599,666	-	$2,599,666	-	-	-	-	$17,000,000	-	-	-	-
Taxiway to Aviation Related Development	Airside	$2,484,600	$2,864,549	-	-	-	-	-	-	$2,864,549	-	-	-	-
Apron Expansion adjacent to Taxilane G	Airside	$32,060,200	$36,962,894	-	-	-	-	-	-	$36,962,894	-	-	-	-
Hangar Construction adjacent to Relocated Signature FBO	Hangar/FBO	$16,171,900	$18,644,931	-	-	-	-	-	-	-	-	-	$18,644,931	-
Hangar Construction adjacent to Taxilane G	Hangar/FBO	$50,312,500	$58,006,363	-	-	-	-	-	-	-	-	-	$58,006,363	-
Signature Fuel Farm Expansion	Hangar/FBO	$8,152,400	$9,399,077	-	-	-	-	-	-	-	-	-	$9,399,077	-
Atlantic Aviation Apron Expansion - North Leasehold	Hangar/FBO	$2,814,000	$3,244,321	-	-	-	-	-	-	-	-	-	$3,244,321	-
Atlantic Aviation Terminal Expansion & Building Remodel	Hangar/FBO	$7,130,000	$8,220,330	-	-	-	-	-	-	-	-	-	$8,220,330	-
Solar Panel Development - Phase 2	Infrastructure	$5,000,000	$5,764,608	-	$5,226,193	-	-	-	-	$538,414	-	-	-	-
Total Mid-Term		**$317,157,900**	**$367,211,062**	**$6,108,552**	**$60,087,027**	**-**	**-**	**$115,624**	**$37,331,733**	**$144,386,121**	**-**	**-**	**$119,182,005**	**-**

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Project Description	Project Category	Total Project Costs in 2024 $	Total Escalated Projected Costs	AIP Entitlements	AIP Discretionary	Other	BIL Grants	PFC Paygo	Airport Fund	GARBs	CFC	TIFIA	Private Funding	Public-Private Partnership
Long-Term (2035-2044)														
Terminal Phase 2	Terminal	$1,145,490,054	$1,486,931,102	$10,150,167	-	-	-	-	$43,000,000	$943,093,671	-	$490,687,264	-	-
Terminal Phase 3	Terminal	$93,188,731	$120,965,889	$25,299,546	-	-	-	-	-	$59,376,576	-	$36,289,767	-	-
Eastside Hangars and Landside Access	Hangar/FBO	$66,843,800	$86,768,213	-	-	-	-	-	-	-	-	-	$86,768,213	-
Eastside Hangar(s) Apron	Hangar/FBO	$13,476,600	$17,493,627	-	$10,000,000	-	-	$7,493,627	-	-	-	-	-	-
Runway 13L/31R & Taxiway E Extension	Airside	$6,805,800	$8,834,433	-	$8,009,297	-	-	$825,136	-	-	-	-	-	-
Taxiway Removal	Airside	$989,200	$1,284,055	-	-	-	-	$1,284,055	-	-	-	-	-	-
Maintenance Facility Phase 3	Other	$5,000,000	$6,490,371	-	-	-	-	-	-	$6,490,371	-	-	-	-
Convert grass/turf areas to desert landscape Phase 3	Other	$300,000	$389,422	-	-	-	-	-	-	$389,422	-	-	-	-
Crack seal and sealcoat TWY W & A1	Airside	$1,000,000	$1,298,074	-	-	-	-	-	$1,298,074	-	-	-	-	-
Crack seal and sealcoat Runway 13R/31L and Taxiways all connectors	Airside	$3,000,000	$3,894,223	-	-	-	-	-	$3,894,223	-	-	-	-	-
Crack seal and sealcoat Runway 13L/31R and all connectors	Airside	$1,000,000	$1,298,074	-	-	-	-	-	$1,298,074	-	-	-	-	-
Environmental Assessment for RCC Phase 2	GT/Parking	$500,000	$649,037	-	-	-	-	-	-	-	$649,037	-	-	-
RCC Phase 2 (Design)	GT/Parking	$17,902,280	$23,238,488	-	-	-	-	-	-	-	$23,238,488	-	-	-
RCC Phase 2 (Construct)	GT/Parking	$161,120,520	$209,146,392	-	-	-	-	-	-	-	-	-	-	$209,146,392
Total Long-Term		**$1,516,616,985**	**$1,968,681,402**	**$35,449,714**	**$18,009,297**	**-**	**-**	**$9,602,818**	**$49,490,371**	**$1,009,350,040**	**$23,887,525**	**$526,977,030**	**$86,768,213**	**$209,146,392**
Beyond Planning Period (2045+)														
Terminal Phase 4	Terminal	$89,779,568	$147,732,688	$35,677,473	-	-	-	-	-	$63,303,428	-	$48,751,787	-	-
Total Beyond Planning Period		**$89,779,568**	**$147,732,688**	**$35,677,473**	**-**	**-**	**-**	**-**	**-**	**$63,303,428**	**-**	**$48,751,787**	**-**	**-**
Total Mater Plan		**$3,006,156,628**	**$3,668,897,331**	**$101,183,318**	**$127,368,761**	**$30,000,000**	**$40,248,476**	**$22,599,184**	**$218,446,439**	**$1,579,855,789**	**$73,188,947**	**$711,296,347**	**$251,686,685**	**$513,023,386**

Sources: *PSP International Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.*

Note: *Projects are listed in the time period when they will be completed.*

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Table 8-9: Sources and Uses of Capital Funding

Description	Near-Term	Mid-Term	Long-Term	Beyond Planning Period	Total
Sources of Capital Funding					
GARBs	$362,816,199	$144,386,121	$1,009,350,040	$63,303,428	$1,579,855,789
Private Funding	$45,736,467	$119,182,005	$86,768,213	-	$251,686,685
TIFIA	$135,567,529	-	$526,977,030	$48,751,787	$711,296,347
Airport Fund	$131,624,335	$37,331,733	$49,490,371	-	$218,446,439
AIP - Discretionary	$49,272,436	$60,087,027	$18,009,297	-	$127,368,761
AIP - Entitlements	$23,947,579	$6,108,552	$35,449,714	$35,677,473	$101,183,318
BIL Grants	$40,248,476	-	-	-	$40,248,476
Other	$30,000,000	-	-	-	$30,000,000
PFC Paygo	$12,880,742	$115,624	$9,602,818	-	$22,599,184
CFC	$49,301,422	-	$23,887,525	-	$73,188,947
Public-Private Partnership	$303,876,993	-	$209,146,392	-	$513,023,386
Total Sources	**$1,185,272,178**	**$367,211,062**	**$1,968,681,402**	**$147,732,688**	**$3,668,897,331**
Uses of Capital Funding					
Airside	$87,764,170	$85,850,054	$16,608,860	-	$190,223,084
Land Acquisition	$11,852,735	$19,599,666	-	-	$31,452,401
Terminal	$617,011,939	$0	$1,607,896,991	$147,732,688	$2,372,641,618
GT/Parking	$365,737,046	$67,475,779	$233,033,918	-	$666,246,743
Other	$21,759,078	$62,278,659	$6,879,793	-	$90,917,530
Infrastructure	$16,344,744	$5,764,608	-	-	$22,109,351
Hangar/FBO	$64,802,467	$126,242,297	$104,261,840	-	$295,306,604
Total Uses	**$1,185,272,178**	**$367,211,062**	**$1,968,681,402**	**$147,732,688**	**$3,668,897,331**

Sources: *PSP International Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.*

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The key constraints of the proposed funding plan for the MP CIP are the following:

- The amount of PFCs available for the MP CIP funding is somewhat constrained by PFCs pledged to pay debt service on outstanding bonds through FY2031. Through FY2031, the annual debt service on the outstanding bonds for which PFCs are pledged averages 35.6 percent of projected annual PFCs in those years.
- In addition, there is additional PFC eligibility for several projects. However, the annual PFC deposits do not allow PSP to fully fund the PFC eligible project costs.
- The funding plan assumes private funding for the design and construction of a CONRAC. The total project cost including the environmental assessment, design, and construction is projected to be $487.3 million of which 97.7 percent is anticipated to be privately funded. PSP is restricted in its

ability to increase CFCs as result of limitations set by the state of California[4] ($9 per transaction day), which could pose a challenge to PSP funding the CONRAC and PSP's ability to find private investment.

AIRLINE RATES AND CHARGES

The AULA sets forth the procedures for calculating landing fees, terminal building rentals, loading bridge fees, baggage handling system (BHS) fees, as well as certain other fees and charges further discussed below. The terminal rental rate, loading bridge fee, and baggage handling system fee are calculated using a compensatory ratemaking methodology while the landing fee uses a residual ratemaking methodology. The AULA will expire on June 30, 2028, not including two two-year extensions. The extensions of the AULA are subject to mutual agreement with 66 percent or more of signatory carriers needing to provide notice for the agreement not to be extended. For this analysis, it is assumed that the key provisions of the current airline rates and charges methodology will remain in effect throughout the planning horizon presented in this chapter.

PSP initially sets airlines rates and charges for the year using budget amounts for expenses and projections for airline activity. If expenses or airline activity used in the calculation of the fees are likely to vary by more than 10 percent, PSP can make an adjustment during the fiscal year, with 30-day written notice to the airlines. Upon completion of the fiscal year, PSP calculates the airline rates and charges using actual results. The difference between the fees collected by PSP and the actual results is billed or credited to the airlines and payable within 60 days.

The AULA includes a revenue share with the signatory carriers. Signatory carriers are granted a 50% share of net remaining airport revenues. Net remaining airport revenues equal total airport revenues less O&M expenses, O&M reserve, debt service, debt service coverage, other debt, and airport-funded capital expenditures.

Landing Fee

PSP establishes a landing fee in accordance with the provisions set for in the AULA. The landing fee is calculated by dividing the Net Landing Fee Requirement (the sum of cost attributable to the airfield less applicable credits) by total landed weight in thousand-pound units. The Landing Fee Requirement is comprised of the following:

- O&M expenses that are directly assignable to the airfield and those expenses associated with the maintenance and operation of the Airport that are not directly assignable but are allocated to the airfield.
- O&M reserve equal to the difference between the Airport's current fiscal year O&M budget less the prior year's fiscal year O&M budget.

[4] Information regarding California CFC limitations was obtained from https://codes.findlaw.com/ca/government-code/gov-sect-50474-3/

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- Debt service that is directly assignable to the airfield and debt service associated with the Airport that is not directly assignable but are allocated to the airfield.
- Debt service coverage equal to 25 percent of the debt service.
- Other debt is any debt other than bonds incurred by the City of Palm Springs including but not limited to interim financing.
- Capital expenditures reflect the amortization of any single item that costs $300,000 or more (net of PFCs, CFCs, grants, or insurance proceeds) with useful life more than 3-years acquired or constructed to improve, maintain, or develop the Airport.
- Capital outlays reflect any single item that costs $300,000 or less (net of PFCs, CFCs, grants, or insurance proceeds) acquired or constructed to improve, maintain, or develop the Airport.
- Credits are reductions to the above amounts primarily from revenues that are attributable to the airfield. These credits include rents from Airport use permits, airfield concessions, land rentals, electrical reimbursements, and FAA fingerprint reimbursement.

Terminal Rental Rate

PSP establishes an annual terminal rental rate in accordance with the provisions set for in the AULA. The terminal rental rate is calculated by dividing the Net Terminal Requirement (the sum of cost attributable to the terminal less applicable credits) by total rentable space. The Terminal Requirement is comprised of the following:

- O&M expenses that are directly assignable to the terminal and those expenses associated with the maintenance and operation of the Airport that are not directly assignable but are allocated to the terminal.
- O&M reserve equal to the difference between the Airport's current fiscal year O&M budget less the prior year's fiscal year O&M budget.
- Debt service that is directly assignable to the terminal and debt service associated with the Airport that is not directly assignable but are allocated to the terminal.
- Debt service coverage equal to 25 percent of the debt service.
- Other debt is any debt other than bonds incurred by the City of Palm Springs including but not limited to interim financing.
- Capital expenditures reflect the amortization of any single item that costs $300,000 or more (net of PFCs, CFCs, grants, or insurance proceeds) with useful life more than 3-years acquired or constructed to improve, maintain, or develop the Airport.
- Capital outlays reflect any single item that costs $300,000 or less (net of PFCs, CFCs, grants, or insurance proceeds) acquired or constructed to improve, maintain, or develop the Airport. Credits are reductions to the above amounts primarily from revenues that are attributable to the terminal.

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Loading Bridge Fee

PSP establishes an annual loading bridge fee in accordance with the provisions set for in the AULA. The loading bridge fee is calculated by dividing the Net Loading Bridge Requirement (the sum of cost attributable to the loading bridge less applicable credits) by the total number of loading bridges. The Loading Bridge Requirement is comprised of the following:

- O&M expenses that are directly assignable to the loading bridges and those expenses associated with the maintenance and operation of the Airport that are not directly assignable but are allocated to the loading bridges.
- O&M reserve equal to the difference between the Airport's current fiscal year O&M budget less the prior year's fiscal year O&M budget.
- Debt service that is directly assignable to the loading bridges and debt service associated with the Airport that is not directly assignable but are allocated to the loading bridges.
- Debt service coverage equal to 25 percent of the debt service.
- Other debt is any debt other than bonds incurred by the City of Palm Springs including but not limited to interim financing.
- Capital expenditures reflect the amortization of any single item that costs $300,000 or more (net of PFCs, CFCs, grants, or insurance proceeds) with useful life more than 3-years acquired or constructed to improve, maintain, or develop the Airport.
- Capital outlays reflect any single item that costs $300,000 or less (net of PFCs, CFCs, grants, or insurance proceeds) acquired or constructed to improve, maintain, or develop the Airport.
- Credits are reductions to the above amounts primarily from revenues that are attributable to the loading bridges. No loading bridge credits were assumed through the planning horizon.

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Baggage Handling System Fee

PSP establishes an annual BHS fee in accordance with the provisions set for in the AULA. The BHS fee is calculated by dividing the BHS Requirement (the sum of cost attributable to the baggage handling system) by the total number of total enplaned passengers. The fee per enplaned passenger is then multiplied by 125 percent to determine the non-signatory airlines[5] BHS revenue. The net signatory requirement is reduced by the total amount of revenue collected from the non-signatory airlines. The net signatory BHS fee is allocated to individual signatory airlines using a two-part allocation methodology:

1. 90 percent of the fee is allocated based on the signatory airlines share of enplaned passengers.
2. 10 percent of the fee is allocated in an equal amount to each signatory airline.

The BHS Requirement is comprised of the following:

- O&M expenses that are directly assignable to the BHS and those expenses associated with the maintenance and operation of the Airport that are not directly assignable but are allocated to the BHS.

[5] Signatory airlines are the airlines that have signed the AULA. Non-signatory airlines operate at PSP under an operating agreement but they are not party to the AULA.

- O&M reserve equal to the difference between the Airport's current fiscal year O&M budget less the prior year's fiscal year O&M budget.
- Debt service that is directly assignable to the BHS and debt service associated with the Airport that is not directly assignable but are allocated to the BHS.
- Debt service coverage equal to 25 percent of the debt service.
- Other debt is any debt other than bonds incurred by the City of Palm Springs including but not limited to interim financing.
- Capital expenditures reflect the amortization of any single item that costs $300,000 or more (net of PFCs, CFCs, grants, or insurance proceeds) with useful life more than 3-years acquired or constructed to improve, maintain, or develop the Airport.
- Capital outlays reflect any single item that costs $300,000 or less (net of PFCs, CFCs, grants, or insurance proceeds) acquired or constructed to improve, maintain, or develop the Airport.

Operation And Maintenance Expenses

O&M expenses support the operation, maintenance, and repair of the Airport, excluding capital expenditures. The major categories of O&M expenses are Personnel Costs, Materials, Supplies, Services, and Special Charges. Personnel Costs were the largest category in FY2023, representing 40.0 percent of total expenses. Materials, Supplies, and Services accounted for 25.3 percent of total expenses, while Special Charges accounted for the remaining 34.8 percent.

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Table 8-10: Historical O&M Expenses (For Fiscal Years 2019 to 2023)

	2019	2020	2021	2022	2023	CAGR
Personnel Costs	$12,224,439	$12,772,571	$14,210,489	$12,637,978	$10,664,662	-2.7%
Materials, Supplies, Services	$5,944,334	$6,017,307	$4,839,809	$6,694,733	$6,746,665	2.6%
Special Charges	$3,153,939	$2,816,300	$5,777,260	$8,576,601	$9,282,365	24.1%
Debt Service Audit Services	-	-	-	-	-	0.0%
Total O&M Expenses	**$21,322,712**	**$21,606,178**	**$24,827,558**	**$27,909,312**	**$26,693,692**	**4.6%**

Sources: *PSP International Airport, Compiled by Unison Consulting.*

As presented in **Table 8-10**, O&M expenses increased $5.4 million or 25.2 percent between FY2019 and FY2023. In FY2023 expenses decreased $1.2 million or 4.4 percent compared to FY2022 primarily as result lower personnel costs.

Table 8-11 shows the projected O&M expenses through the planning horizon. O&M expenses are expected to grow at a compound annual growth rate of 3.6 percent during the forecast period, with Personnel Costs continuing to be the largest cost driver, averaging 55.1 percent through FY2030.

Table 8-11: Projected O&M Expenses (For Fiscal Years 2024 to 2035)

	Budget	Projected											Total	Total	CAGR
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036 - 2040	2041 - 2045	2024 - 2045
Personnel Costs	$21,616,510	$22,323,356	$23,064,470	$23,835,888	$25,027,683	$26,279,067	$27,593,020	$28,972,671	$30,421,305	$31,942,370	$33,539,489	$35,216,463	$204,322,848	$260,773,484	4.5%
Materials, Supplies, Services	$13,938,775	$14,568,913	$15,229,060	$15,920,680	$16,286,855	$16,661,453	$17,061,328	$17,470,800	$17,890,099	$18,319,461	$18,759,128	$19,209,347	$103,187,415	$116,178,701	2.6%
Special Charges	$4,643,159	$3,803,333	$3,974,568	$4,153,945	$4,249,486	$4,347,224	$4,451,557	$4,558,395	$4,667,796	$4,779,823	$4,894,539	$5,012,008	$26,923,150	$30,312,772	1.4%
Debt Service Audit Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total O&M Expenses	**$40,198,444**	**$40,695,603**	**$42,268,098**	**$43,910,513**	**$45,564,024**	**$47,287,744**	**$49,105,905**	**$51,001,866**	**$52,979,200**	**$55,041,654**	**$57,193,156**	**$59,437,818**	**$334,433,413**	**$407,264,957**	**3.6%**

Sources: *PSP International Airport, Unison Consulting, Compiled by Unison Consulting.*

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Personnel Costs

Personnel Costs are expenses comprised of the salaries, wages, and fringe benefits paid to individuals employed by the Airport to operate and maintain the terminal, airfield, roadways, and other facilities of the airport. Other facilities include IT, HR, Engineering, Police, Fire, and the Airport's allocation of costs from City staff services. Personnel Costs are projected to increase from $21.6 million in FY2024 to $57.4 million in FY2045, a compound annual growth rate of 4.5 percent. The increase accounts for inflationary factors, higher demand for skilled workers, in addition to the likely need for additional staffing as a result of the redevelopment efforts.

Personnel Costs are projected to increase from $21.6 million in FY2024 to $57.4 million in FY2045, a compound annual growth rate of 4.5 percent. The increase accounts for inflationary factors, higher demand for skilled workers, in addition to the likely need for additional staffing as a result of the redevelopment efforts.

Materials, Supplies, and Services

Materials, Supplies, and Services are comprised of expenses related to contractual services, utilities, materials, and other items supporting the operation and repair of airport facilities. The largest component of this category is contractual services, which account for approximately 50 percent of the costs in FY2024. Material, Supplies, and Services are projected to increase from $13.9 million in FY2024 to $24.4 million in FY2045, a compound annual growth rate of 2.6 percent. Expenses within this category are projected to increase with inflation over the forecast period.

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Special Charges

Special Charges are comprised of expenses related to administrative services, insurance, vehicle repairs and maintenance, safety overhead, airline incentives. The City calculates these expenses on an annual basis and the Airport is charged for the support services in areas such as procurement, human resources, city clerk administration, IT administration, and facilities administration. The largest component of this category is administrative services, which account for approximately 45.9 percent of the costs in FY2024. Special Charges are projected to increase from $4.6 million in FY2024 to $6.4 million in FY2045, a compound annual growth rate of 1.4 percent. Expenses within this category are projected to increase with inflation over the forecast period.

REVENUES

Revenues are comprised of all revenues collected by the City with respect to the Airport. Neither the General Fund of the City or any operating revenues of the Airport other than PFC Revenues are pledged to or liable for the repayment of the Bonds[6].

Operating Revenues are comprised of Airlines Revenues, Concession Fees, Ground Transportation Fees, and Other Fees. Ground Transportation Fees were the largest revenue category in FY2023, representing 62.2 percent of total operating revenues. Airline Revenues accounted for 20.7 percent of total operating revenues, Concessions Fees accounted for 8.7 percent of total operating revenues, while Other Fees accounted for the remaining 8.3 percent of total operating revenues.

Table 8-12: Historical Operating Revenues (For Fiscal Years 2019 to 2023)

	2019	2020	2021	2022	2023	CAGR
Airline Revenues						
Airfield Landing Fees	$4,002,544	$3,434,360	$4,343,933	$5,470,737	$5,990,047	8.4%
Terminal Rents	$2,714,154	$7,535,878	$6,119,334	$2,180,132	$2,187,696	-4.2%
Baggage Handling System Fees	-	-	-	-	$6,904	0.0%
Aircraft Gate Fees	-	-	-	$1,374,922	$1,472,314	0.0%
Total Airline Revenues	**$6,716,697**	**$10,970,239**	**$10,463,267**	**$9,025,791**	**$9,656,961**	**7.5%**
Concession Fees						
Airfield Concessions	$2,213,032	$2,087,460	$2,297,412	$2,805,445	$3,019,063	6.4%
Terminal Concessions	$1,063,885	$970,230	$732,232	$1,008,842	$1,039,825	-0.5%
Total Concession Fees	**$3,276,917**	**$3,057,690**	**$3,029,644**	**$3,814,286**	**$4,058,888**	**4.4%**
Ground Transportation Fees						
Parking	$3,843,087	$3,306,433	$2,705,212	$5,379,712	$6,223,971	10.1%
Ground Transportation	$735,603	$722,316	$418,682	$1,149,617	$1,313,982	12.3%
On-Airport Rental Car Revenue	$7,614,455	$7,500,952	$5,685,145	$11,131,881	$12,747,751	10.9%
Off Airport Rental Car Revenue	$36,034	$32,599	$42,029	$4,264,713	$8,730,169	199.8%
Total Ground Transportation Fees	**$12,229,179**	**$11,562,301**	**$8,851,067**	**$21,925,923**	**$29,015,873**	**18.9%**

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[6] Obtained from the 2019 Airport Passenger Facility Charge Revenue Bonds Official Statement

	2019	2020	2021	2022	2023	CAGR
Other Fees						
Non-Airline Rental Revenue	$1,865,207	$1,574,235	$1,091,525	$1,814,396	$2,754,722	8.1%
Miscellaneous	$909,053	$745,878	$573,724	$62,863	$1,137,896	4.6%
Total Other Fees	**$2,774,261**	**$2,320,113**	**$1,665,248**	**$1,877,259**	**$3,892,618**	**7.0%**
Total Operating Revenues	**$24,997,055**	**$27,910,343**	**$24,009,226**	**$36,643,260**	**$46,624,340**	**13.3%**

Sources: *PSP International Airport, Compiled by Unison Consulting.*

As presented in **Table 8-12**, operating revenues increased $21.6 million or 86.5 percent between FY2019 and FY2023. The increase in revenues was primary due to the 16.8 million in Ground Transportation Fees due to increased rental car activity that occurred at PSP because of the increased passenger activity during the Covid 19 Pandemic. Additionally, Airline Revenues increased by 2.9 million as a result of increased airline activity at PSP. **Table 8-13** shows the projected operating revenues through the planning horizon. Operating revenues are expected to grow at a compound annual growth rate of 7.5 percent during the forecast period, with Airline Revenues being the largest revenue stream, averaging 59.0 percent through FY2030. The increase in Airline Revenues is driven by the additional debt service that is projected to be collected from the airlines in the Terminal.

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Table 8-13: Projected Operating Revenues (For Fiscal Years 2024 to 2035)

	Budget	Projected											Total		CAGR
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036 - 2040	2041 - 2045	2024 - 2045
Airline Revenues															
Airfield Landing Fees	$6,716,963	$6,933,610	$8,105,961	$8,163,656	$8,747,954	$12,671,855	$13,037,784	$13,943,195	$20,447,643	$20,901,797	$21,257,208	$21,700,672	$116,070,107	$123,836,242	6.3%
Terminal Rents	$8,310,132	$8,884,276	$10,680,710	$12,858,206	$13,297,564	$13,789,805	$35,349,603	$35,734,826	$36,009,677	$36,428,606	$36,865,559	$37,321,367	$537,978,456	$544,746,690	12.4%
Loading Bridge Fees	$1,187,685	$1,054,453	$1,233,176	$1,294,835	$1,333,232	$1,386,116	$1,442,348	$1,500,554	$1,561,336	$1,624,815	$1,691,119	$1,760,379	$9,954,413	$12,217,990	3.7%
Baggage Handling System Fees	$897,000	$986,700	$3,876,239	$3,928,041	$3,926,360	$5,794,155	$5,821,884	$5,849,217	$5,877,206	$5,905,866	$5,935,215	$5,965,268	$30,302,988	$31,170,174	9.3%
Aircraft Gate Fees	$4,378,744	$4,667,830	$5,404,304	$6,307,516	$6,552,329	$6,909,614	$15,434,252	$15,944,447	$16,452,818	$17,069,746	$17,754,152	$18,467,993	$269,206,932	$310,079,077	13.1%
Total Airline Revenues	**$21,490,524**	**$22,526,870**	**$29,300,390**	**$32,552,254**	**$33,857,439**	**$40,551,544**	**$71,085,872**	**$72,972,239**	**$80,348,679**	**$81,930,830**	**$83,503,252**	**$85,215,678**	**$963,512,895**	**$1,022,050,172**	**9.3%**
Concession Fees															
Airfield Concessions	$2,437,483	$2,502,441	$2,568,641	$2,635,900	$2,728,180	$2,808,744	$2,889,133	$2,971,323	$3,057,163	$3,148,243	$3,244,023	$3,342,348	$18,269,494	$21,130,352	2.8%
Terminal Concessions	$1,047,880	$1,074,228	$1,101,263	$1,129,002	$1,274,865	$1,312,094	$1,350,844	$1,390,569	$1,431,748	$1,474,870	$1,519,717	$1,565,940	$10,393,691	$12,297,698	4.3%
Total Concession Fees	**$3,485,363**	**$3,576,669**	**$3,669,904**	**$3,764,902**	**$4,003,045**	**$4,120,838**	**$4,239,977**	**$4,361,892**	**$4,488,910**	**$4,623,113**	**$4,763,740**	**$4,908,288**	**$28,663,185**	**$33,428,051**	**3.3%**
Ground Transportation Fees															
Parking	$4,918,870	$5,106,577	$5,297,864	$5,491,523	$5,681,231	$5,856,993	$6,710,795	$6,892,682	$7,081,971	$7,286,702	$7,501,567	$8,642,263	$48,127,047	$61,415,396	4.9%
Ground Transportation	$726,690	$741,687	$756,998	$772,630	$825,963	$851,533	$976,093	$1,002,563	$1,030,105	$1,059,892	$1,091,147	$1,257,552	$7,003,624	$8,940,419	4.8%
On-Airport Rental Car Revenue	$9,555,451	$9,921,356	$10,293,963	$10,671,168	$11,283,642	$11,891,979	$12,509,833	$13,148,047	$13,823,806	$14,554,960	$15,333,551	$16,146,720	$94,166,221	$120,497,791	4.7%
Off Airport Rental Car Revenue	$40,511	$42,062	$43,642	$45,241	$47,873	$50,490	$53,152	$55,904	$58,818	$61,972	$65,330	$68,840	$402,237	$516,175	4.8%
Total Ground Transportation Fees	**$15,241,522**	**$15,811,683**	**$16,392,468**	**$16,980,562**	**$17,838,709**	**$18,650,995**	**$20,249,874**	**$21,099,196**	**$21,994,701**	**$22,963,526**	**$23,991,596**	**$26,115,376**	**$149,699,130**	**$191,369,781**	**19.3%**
Other Fees															
Non-Airline Rental Revenue	$2,090,479	$2,147,558	$2,206,289	$2,266,723	$2,318,857	$2,372,191	$2,429,123	$2,487,422	$2,547,121	$2,608,251	$2,670,849	$2,734,950	$14,691,411	$16,541,058	2.3%
Miscellaneous	$819,086	$839,507	$856,751	$874,375	$913,397	$937,938	$962,000	$986,361	$1,011,667	$1,038,485	$1,066,517	$1,095,063	$5,918,650	$6,708,910	2.5%
Total Other Fees	**$2,909,565**	**$2,987,064**	**$3,063,041**	**$3,141,098**	**$3,232,254**	**$3,310,129**	**$3,391,123**	**$3,473,783**	**$3,558,787**	**$3,646,736**	**$3,737,367**	**$3,830,012**	**$20,610,061**	**$23,249,968**	**2.4%**
Total Operating Revenues	**$43,126,974**	**$44,902,286**	**$52,425,802**	**$56,438,816**	**$58,931,447**	**$66,633,507**	**$98,966,847**	**$101,907,110**	**$110,391,078**	**$113,164,205**	**$115,995,955**	**$120,069,354**	**$1,162,485,271**	**$1,270,097,972**	**7.5%**

Sources: *PSP International Airport, Compiled by Unison Consulting.*

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Airline Revenues

Airlines Revenues consist of Airline Landing Fees, Terminal Rents, Loading Bridge Fees, BHS Fees, and Aircraft Gate Fees. Airline Revenues grew from $6.7 million in FY2019 to $9.7 million in FY2023, representing a compound annual growth rate of 7.5 percent over the same period.

Airline Revenues are projected to increase at a compound annual growth rate of 9.3 percent from FY2024 through FY2045 to $209.7 million. Terminal Rents are the primary driver of the increase as a result of the facility improvements included within the MP CIP.

Airline Landing Fees

Airlines Landing Fees grew from $4.0 million in FY2019 to $6.0 million in FY2023, representing a compound annual growth rate of 8.4 percent over the same period. Airline Landing Fees comprised 62.0 percent of Airline Revenues and 12.8 percent of Operating Revenues in FY2023.

As shown in **Table 8-14**, Airline Landing Fees are expected to increase from $6.7 million in FY2024 to $21.7 million in FY2035, representing a compound annual growth rate of 10.3 percent over the same period. The increase is driven primarily by debt service related to airfield improvement contained in the MP CIP. The projected landing rate is forecasted to increase from $3.76 in FY2024 to $9.29 in FY2035. Airline weights are expected to increase an average of 2.5 percent per year from FY2024 to FY2035.

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Table 8-14: Calculation or Projected Airline Landing Fees (For Fiscal Years 2024 to 2035)

	Budget	Projected											Total	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036 - 2040	2041 - 2045
O&M Expenses	$8,486,163	$8,701,530	$8,925,781	$9,157,028	$9,527,872	$9,915,257	$10,323,337	$10,749,717	$11,195,260	$11,660,875	$12,147,510	$12,656,163	$71,757,342	$88,441,698
O&M Reserve	-	$215,367	$224,251	$231,247	$370,844	$387,385	$408,080	$426,380	$445,544	$465,614	$486,635	$508,653	$2,911,960	$3,642,867
Debt Service	-	-	$616,462	$616,462	$616,462	$2,182,874	$2,189,250	$2,189,250	$7,082,031	$7,082,031	$7,082,031	$7,082,031	$35,410,155	$35,410,155
Debt Service Coverage	-	-	$154,116	$154,116	$154,116	$545,719	$547,312	$547,312	$1,770,508	$1,770,508	$1,770,508	$1,770,508	$8,852,539	$8,852,539
Other Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	$214,889	$214,889	$251,025	$296,949	$465,835	$2,097,726	$2,097,726	$2,631,372	$2,631,372	$2,680,361	$2,612,861	$2,612,861	$13,175,717	$6,095,972
Capital Outlay	$215,000	$50,000	$229,000	$50,000									$250,000	
Airfield Costs	**$8,916,052**	**$9,181,787**	**$10,400,634**	**$10,505,801**	**$11,185,129**	**$15,178,962**	**$15,615,705**	**$16,594,030**	**$23,174,715**	**$23,709,389**	**$24,149,545**	**$24,680,216**	**$132,357,713**	**$142,693,231**
Less:														
Credits	$2,199,089	$2,248,176	$2,294,673	$2,342,145	$2,437,175	$2,507,106	$2,577,921	$2,650,835	$2,727,072	$2,807,592	$2,892,337	$2,979,545	$20,891,325	$25,659,816
Net Airfield Requirement	**$6,716,963**	**$6,933,610**	**$8,105,961**	**$8,163,656**	**$8,747,954**	**$12,671,855**	**$13,037,784**	**$13,943,195**	**$20,447,643**	**$20,901,797**	**$21,257,208**	**$21,700,672**	**$111,466,388**	**$117,033,414**
Total Landed Weights	1,788,072	1,823,834	1,860,310	1,897,517	1,954,541	2,005,350	2,050,002	2,097,442	2,149,596	2,207,318	2,271,511	2,337,029	12,688,341	14,443,881
Landing Fee Rate	$3.76	$3.80	$4.36	$4.30	$4.48	$6.32	$6.36	$6.65	$9.51	$9.47	$9.36	$9.29	$8.78	$8.10
Landing Fee Rate (2024 $)	$3.76	$3.62	$3.95	$3.72	$3.68	$4.95	$4.75	$4.72	$6.44	$6.10	$5.75	$5.43	-	-

Sources: PSP International Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

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Terminal Rents

Terminal Rents declined from $2.7 million in FY2019 to $2.2 million in FY2023, representing a compound annual growth rate of -4.2 percent over the same period. Terminal Rents comprised 22.7 percent of Airline Revenues and 4.7 percent of Operating Revenues in FY2023.

As shown in **Table 8-15**, Terminal Rents are expected to increase from $8.3 million in FY2024 to $37.3 million in FY2035, representing a compound annual growth rate of 13.3 percent over the same period. The increase is driven primarily by debt service related to terminal improvement and developments contained in the MP CIP.

Loading Bridge Fees

As shown in **Table 8-16**, Loading Bridge Fee are expected to increase from $1.2 million in FY2024 to $1.8 million in FY2035, representing a compound annual growth rate of 3.3 percent over the same period. The increase is driven primarily by increases in O&M expenses as a result of inflationary pressures.

BHS Fee

As shown in **Table 8-17**, BHS Fees are expected to increase from $897.0 thousand in FY2024 to $6.0 million in FY2035, representing a compound annual growth rate of 17.1 percent over the same period. The increase is driven primarily by debt service related to terminal improvement and developments contained in the MP CIP.

Aircraft Gate Fee

Aircraft Gate Fees grew from $1.4 million in FY2022 to $1.5 million in FY2023, 7.1 percent. Aircraft Gate Fees comprised 15.2 percent of Airline Revenues and 3.2 percent of Operating Revenues in FY2023.

As shown in **Table 8-18**, BHS Fees are expected to increase from $4.4 million in FY2024 to $18.5 million in FY2035, representing a compound annual growth rate of 12.7 percent over the same period. The increase is driven primarily by debt service related to terminal improvement and developments contained in the MP CIP

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Table 8-15: Calculation of Projected Terminal Rental Rate (For Fiscal Years 2024 to 2035)

	Budget	Projected											Total	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036 - 2040	2041 - 2045
O&M Expenses	$13,308,675	$13,609,285	$14,240,625	$14,902,550	$15,458,427	$16,037,744	$16,648,910	$17,286,057	$17,950,375	$18,643,108	$19,365,563	$20,119,109	$113,091,178	$137,504,399
O&M Reserve	-	$300,610	$631,340	$661,925	$555,877	$579,318	$611,166	$637,147	$664,317	$692,733	$722,455	$753,545	$4,286,735	$5,310,961
Debt Service	-	-	$782,977	$782,977	$782,977	$958,388	$29,937,365	$29,937,365	$29,937,365	$29,937,365	$29,937,365	$29,937,365	$704,382,361	$704,382,361
Debt Service Coverage	-	-	$195,744	$195,744	$195,744	$239,597	$7,484,341	$7,484,341	$7,484,341	$7,484,341	$7,484,341	$7,484,341	$176,095,590	$176,095,590
Other Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	$701,507	$1,083,627	$1,922,742	$5,391,105	$5,847,595	$5,872,923	$6,119,538	$6,119,538	$5,901,184	$5,901,184	$5,901,184	$5,901,184	$37,978,066	$33,191,555
Capital Outlay	$295,000	$300,000	$612,500	$200,000	$50,000								$250,000	
Terminal Costs	**$14,305,182**	**$15,293,522**	**$18,385,929**	**$22,134,302**	**$22,890,620**	**$23,737,970**	**$60,851,321**	**$61,514,449**	**$61,987,582**	**$62,708,731**	**$63,460,908**	**$64,245,543**	**$1,036,083,930**	**$1,056,734,866**
Less:														
Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airport Funds Applied to Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	$110,000,000	$119,000,000
Terminal Net Costs	**$14,305,182**	**$15,293,522**	**$18,385,929**	**$22,134,302**	**$22,890,620**	**$23,737,970**	**$60,851,321**	**$61,514,449**	**$61,987,582**	**$62,708,731**	**$63,460,908**	**$64,245,543**	**$926,083,930**	**$937,734,866**
Total Terminal Rentable Space	116,271												-	-
Signatory Terminal Rental Rate	$123.03	$131.53	$158.13	$190.37	$196.87	$204.16	$523.36	$529.06	$533.13	$539.33	$545.80	$552.55	$1,592.97	$1,613.02
Non-Signatory Terminal Rental Rate	$153.79	$164.42	$197.66	$237.96	$246.09	$255.20	$654.20	$661.33	$666.41	$674.17	$682.25	$690.69	$1,991.22	$2,016.27
Signatory Terminal Rental Revenue	$7,786,706	$8,324,687	$10,007,969	$12,048,312	$12,459,997	$12,921,233	$33,123,055	$33,484,014	$33,741,553	$34,134,095	$34,543,526	$34,970,625	$504,093,072	$510,434,999
Non-Signatory Terminal Rental Revenue	$523,426	$559,590	$672,741	$809,893	$837,567	$868,572	$2,226,548	$2,250,812	$2,268,124	$2,294,511	$2,322,033	$2,350,743	$33,885,383	$34,311,691
Total Terminal Rental Revenue	**$8,310,132**	**$8,884,276**	**$10,680,710**	**$12,858,206**	**$13,297,564**	**$13,789,805**	**$35,349,603**	**$35,734,826**	**$36,009,677**	**$36,428,606**	**$36,865,559**	**$37,321,367**	**$537,978,456**	**$544,746,690**

Sources: *PSP International Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.*

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Table 8-16: Calculation of Projected Loading Bridge Fees (For Fiscal Years 2024 to 2035)

	Budget	Projected											Total	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036 - 2040	2041 - 2045
O&M Expenses	$1,187,685	$1,121,069	$1,177,122	$1,235,978	$1,284,605	$1,335,361	$1,388,854	$1,444,704	$1,503,020	$1,563,918	$1,627,518	$1,693,949	$9,574,924	$11,744,801
O&M Reserve	-	($66,616)	$56,053	$58,856	$48,627	$50,755	$53,494	$55,850	$58,316	$60,898	$63,601	$66,430	$379,488	$473,189
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Coverage	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Costs	**$1,187,685**	**$1,054,453**	**$1,233,176**	**$1,294,835**	**$1,333,232**	**$1,386,116**	**$1,442,348**	**$1,500,554**	**$1,561,336**	**$1,624,815**	**$1,691,119**	**$1,760,379**	**$9,954,413**	**$12,217,990**
Less:														
Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Requirement	**$1,187,685**	**$1,054,453**	**$1,233,176**	**$1,294,835**	**$1,333,232**	**$1,386,116**	**$1,442,348**	**$1,500,554**	**$1,561,336**	**$1,624,815**	**$1,691,119**	**$1,760,379**	**$9,954,413**	**$12,217,990**
Total Loading Bridges	8													
Loading Bridge Fee	$148,461	$131,807	$154,147	$161,854	$166,654	$173,264	$180,293	$187,569	$195,167	$203,102	$211,390	$220,047	$1,244,302	$1,527,249
Signatory Loading Bridge Fee	$101.69	$90.28	$105.58	$110.86	$114.15	$118.67	$123.49	$128.47	$133.68	$139.11	$144.79	$150.72	$170.45	$209.21
Non-Signatory Loading Bridge Fee	$127.11	$112.85	$131.98	$138.57	$142.68	$148.34	$154.36	$160.59	$167.10	$173.89	$180.98	$188.40	$213.07	$261.52

Sources: *PSP International Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.*

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Table 8-17: Calculation of Projected BHS Fees (For Fiscal Years 2024 to 2035)

	Budget	Projected											Total	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036 - 2040	2041 - 2045
O&M Expenses	$897,000	$941,850	$988,943	$1,038,390	$1,062,273	$1,086,705	$1,112,786	$1,139,493	$1,166,840	$1,194,845	$1,223,521	$1,252,885	$6,730,161	$7,577,488
O&M Reserve	-	$44,850	$47,093	$49,447	$23,883	$24,432	$26,081	$26,707	$27,348	$28,004	$28,676	$29,365	$157,738	$177,597
Debt Service	-	-	$2,272,164	$2,272,164	$2,272,164	$3,746,414	$3,746,414	$3,746,414	$3,746,414	$3,746,414	$3,746,414	$3,746,414	$18,732,071	$18,732,071
Debt Service Coverage	-	-	$568,041	$568,041	$568,041	$936,604	$936,604	$936,604	$936,604	$936,604	$936,604	$936,604	$4,683,018	$4,683,018
Other Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Requirement	**$897,000**	**$986,700**	**$3,876,239**	**$3,928,041**	**$3,926,360**	**$5,794,155**	**$5,821,884**	**$5,849,217**	**$5,877,206**	**$5,905,866**	**$5,935,215**	**$5,965,268**	**$30,302,988**	**$31,170,174**
Total Signatory Enplaned Passengers	1,591,778	1,657,903	1,724,698	1,785,196	1,846,757	1,903,928	1,957,337	2,010,416	2,065,646	2,125,377	2,188,051	2,251,554	12,230,084	13,940,055
Total Non-Signatory Enplaned Passengers	94,363	98,283	102,243	105,829	109,479	112,868	116,034	119,181	122,455	125,996	129,711	133,476	725,019	826,389
Total Enplaned Passengers	**1,686,142**	**1,756,186**	**1,826,941**	**1,891,025**	**1,956,235**	**2,016,796**	**2,073,371**	**2,129,597**	**2,188,101**	**2,251,372**	**2,317,763**	**2,385,030**	**12,955,103**	**14,766,443**
BHS Fee Per Total Enplaned Passengers	$0.53	$0.56	$2.12	$2.08	$2.01	$2.87	$2.81	$2.75	$2.69	$2.62	$2.56	$2.50	$2.34	$2.11
Non-Signatory BHS Fee Revenue	$62,750	$69,025	$271,162	$274,786	$274,668	$405,330	$407,270	$409,182	$411,140	$413,145	$415,198	$417,300	$2,119,844	$2,180,508
Net Signatory BHS Fee Revenue Requirement	$834,250	$917,675	$3,605,077	$3,653,255	$3,651,692	$5,388,825	$5,414,615	$5,440,035	$5,466,066	$5,492,722	$5,520,017	$5,547,968	$28,183,144	$28,989,666
Total BHS Fee Revenue	**$897,000**	**$986,700**	**$3,876,239**	**$3,928,041**	**$3,926,360**	**$5,794,155**	**$5,821,884**	**$5,849,217**	**$5,877,206**	**$5,905,866**	**$5,935,215**	**$5,965,268**	**$30,302,988**	**$31,170,174**

Sources: *PSP International Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.*

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Table 8-18: Calculation of Projected Aircraft Gate Fees (For Fiscal Years 2024 to 2035)

	Budget	Projected											Total	
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036 - 2040	2041 - 2045
Holdroom (Bono)														
Average Space Per Holdroom (sq. ft.)	1,948												9,740	
Terminal Rental Rate	$123.03	$131.53	$158.13	$190.37	$196.87	$204.16	$523.36	$529.06	$533.13	$539.33	$545.80	$552.55	$1,592.97	$1,613.02
Average Cost Per Holdroom	**$239,668**	**$256,227**	**$308,037**	**$370,837**	**$383,509**	**$397,705**	**$1,019,501**	**$1,030,611**	**$1,038,538**	**$1,050,620**	**$1,063,222**	**$1,076,367**	**$15,515,576**	**$15,710,775**
Signatory Per Use Fee - Aircraft Gate	$249.77	$261.11	$296.60	$339.61	$348.29	$358.02	$783.90	$791.51	$796.94	$805.22	$813.85	$822.85	$2,211.04	$2,237.78
Non-Signatory Per Use Fee - Aircraft Gate	$312.22	$326.39	$370.75	$424.52	$435.37	$447.52	$979.88	$989.39	$996.18	$1,006.52	$1,017.31	$1,028.57	$2,763.80	$2,797.22
Total Per Use Fee - Aircraft Gate Revenue	**$3,082,855**	**$3,287,296**	**$3,808,732**	**$4,448,305**	**$4,915,784**	**$5,184,378**	**$11,604,330**	**$11,988,121**	**$12,370,493**	**$12,834,571**	**$13,349,407**	**$13,886,400**	**$202,630,724**	**$233,396,659**
Holdroom (Agua Caliente)														
Average Space Per Holdroom (sq. ft.)	1,831												9,153	
Terminal Rental Rate	$123.03	$131.53	$158.13	$190.37	$196.87	$204.16	$523.36	$529.06	$533.13	$539.33	$545.80	$552.55	$1,592.97	$1,613.02
Average Cost Per Holdroom	**$225,212**	**$240,772**	**$289,457**	**$348,469**	**$360,376**	**$373,716**	**$958,006**	**$968,446**	**$975,895**	**$987,248**	**$999,090**	**$1,011,443**	**$14,579,703**	**$14,763,128**
Signatory Per Use Fee - Aircraft Gate	$239.87	$250.53	$283.87	$324.29	$332.45	$341.59	$741.79	$748.94	$754.04	$761.81	$769.92	$778.39	$2,082.84	$2,107.96
Non-Signatory Per Use Fee - Aircraft Gate	$299.84	$313.16	$354.84	$405.37	$415.56	$426.98	$927.23	$936.17	$942.55	$952.27	$962.41	$972.98	$2,603.55	$2,634.95
Total Per Use Fee - Aircraft Gate Revenue	**$1,295,889**	**$1,380,534**	**$1,595,572**	**$1,859,211**	**$1,636,545**	**$1,725,236**	**$3,829,923**	**$3,956,326**	**$4,082,324**	**$4,235,174**	**$4,404,744**	**$4,581,593**	**$66,576,208**	**$76,682,419**
Total Per Use Fee - Aircraft Gate Revenue	**$4,378,744**	**$4,667,830**	**$5,404,304**	**$6,307,516**	**$6,552,329**	**$6,909,614**	**$15,434,252**	**$15,944,447**	**$16,452,818**	**$17,069,746**	**$17,754,152**	**$18,467,993**	**$269,206,932**	**$310,079,077**

Sources: *PSP International Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.*

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Concessions Fees

Concession Fees include Airfield Concessions and Terminal Concessions. Airfield Concessions are fees that are primarily generated from third-party service vendors providing services to Airlines and general aviation. These services include but are not limited to fixed based operator service, fuel flowage fees, aircraft parking, and flight kitchens. Terminal Concessions are rental and permit fees for passenger facing services provided at the airport, primarily within the Terminal. These fees include food, beverage, retail, and advertising. Concessions Fees grew from $3.3 million in FY2019 to $4.1 million in FY2023, representing a compound annual growth rate of 4.4 percent over the same period. Refer to **Table 8-12** for details regarding the historical performance of Concessions Fees.

Concession Fees are expected to increase from $3.5 million in FY2024 to $4.9 million in FY2035, representing a compound annual growth rate of 2.9 percent over the same period. Airfield Concession Fees are expected to increase from $2.4 million in FY2024 to $3.3 million in FY2035, representing a compound annual growth rate of 2.7 percent over the same period. Terminal Concession Fees are expected to increase from $1.0 million in FY2024 to $1.6 million in FY2035, representing a compound annual growth rate of 3.4 percent over the same period. The growth in Airfield Concessions Fees is primarily driven by inflation and operations growth over the forecast period. The growth in Terminal Concessions Fees is driven by inflation and passenger growth, as well increases in the expected spend per enplanements through space optimization as a result of the Terminal Redevelopment included in the MP CIP. Refer to

Table 8-13 for details of the revenues generated from Concessions Fees over the forecast period.

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Ground Transportation Fees

Ground Transportation Fees include Parking, Rental Car Revenues, and other Ground Transportation Fees. The fees generally relate to passengers accessing the Airport through some form of vehicular transportation. Ground Transportation Fees grew from $12.2 million in FY2019 to $29.0 million in FY2023, representing a compound annual growth rate of 18.9 percent over the same period. Refer to **Table 8-12** for details regarding the historical performance of Ground Transportation Fees. Ground Transportation Fees are expected to increase from $15.2 million in FY2024 to $26.1 million in FY2035, representing a compound annual growth rate of 4.6 percent over the same period. Refer to

Table 8-13 for details of the revenues generated from Ground Transportation Fees over the forecast period.

Public Parking

Public Parking Fees grew from $3.8 million in FY2019 to $6.2 million in FY2023, representing a compound annual growth rate of 10.1 percent over the same period. Parking Fees comprised 21.5 percent of Total Ground Transportation Fee Revenues and 13.3 percent of Operating Revenues in FY2023.

Public Parking Fees are expected to increase from $4.9 million in FY2024 to $8.6 million in FY2035, representing a compound annual growth rate of 4.8 percent over the same period. Parking revenues are primarily generated through passengers parking at the airport, with small ancillary revenues streams related to employee parking, and violations. The increase in parking revenues is driven by the increase in passenger traffic over the forecast period in addition rate increases occurring every 5 years beginning in 2030. The rate increases are determined by the cumulative impact of inflation over the previous 5 years.

Rental Car Revenue

Rental Car Revenue grew from $7.7 million in FY2019 to $21.5 million in FY2023, representing a compound annual growth rate of 46.1 percent over the same period. Rental Car Revenue comprised 74.0 percent of Total Ground Transportation Fee Revenues and 46.1 percent of Operating Revenues in FY2023.

Rental Car Revenues are expected to increase from $9.6 million in FY2024 to $16.2 million in FY2035, representing a compound annual growth rate of 4.5 percent over the same period. On-Airport Rental Car Revenues represent over 99.6 percent of all Rental Car Revenues are primarily generated through rental fees from car rental companies generally calculated as the greater of 10% of sales or the minimum annual guarantee (MAG). The increase in parking revenues is driven by the increase in passenger traffic over the forecast period.

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Ground Transportation Fees

Ground Transportation fees include fees received from taxis, limos, and shuttles that are permitted to service passengers at the Airport. Ground Transportation fees grew from $735.6 thousand in FY2019 to $1.3 million in FY2023, representing a compound annual growth rate of 12.3 percent over the same period. Ground Transportation Fees comprised 4.5 percent of Total Ground Transportation Fee Revenues and 2.8 percent of Operating Revenues in FY2023.

Ground Transportation Fees are expected to increase from $726.7 thousand in FY2024 to $1.3 million in FY2035, representing a compound annual growth rate of 4.7 percent over the same period. Ground Transportation Fees are primarily generated through per trip fees charged to taxis and other on-demand transportation services at the airport. The increase in Ground Transportation Fees is driven by the increase in passenger traffic over the forecast period in addition rate increases occurring every 5 years beginning in 2030. The rate increases are determined by the cumulative impact of inflation over the previous 5 years.

Other Fees

Other Fees include Non-Airline Rental Revenue and Miscellaneous Revenues. Non-Airlines Rental Revenues are fees that are primarily generated through rentals from non-aeronautical tenants primarily within the Terminal. Other Fees grew from $2.8 million in FY2019 to $3.9 million in FY2023, representing a compound annual growth rate of 7.0 percent over the same period. Refer to **Table 8-12** for details regarding the historical performance of Other Fees.

Other Fees are expected to increase from $2.9 million in FY2024 to $3.8 million in FY2035, representing a compound annual growth rate of 2.3 percent over the same period. Non-Airlines Rental Revenues are expected to increase from $2.1 million in FY2024 to $2.7 million in FY2035, representing a compound annual growth rate of 2.3 percent over the same period. Miscellaneous Revenues are expected to increase from $819.1 thousand in FY2024 to $1.1 million in FY2035, representing a compound annual growth rate of 2.4 percent over the same period. The growth in Other Fees is driven primarily by rent increases through inflation. Refer to
Table 8-13 for details of the revenues generated from Other Fees over the forecast period.

PROJECT DEBT SERVICE COVERAGE

PSP currently has one series of outstanding debt, the 2019 Bonds. The 2019 Bonds are secured under the Indenture, dated as of July 1, 2019, by and between the City and the Trustee and are special obligations of the City, payable from and secured by a pledge of and first lien on PFC Revenues. The 2019 Bonds are not secured by, and the Owners of 2019 Bonds have no security interest in or mortgage on, the property of the Airport or of the City, and the 2019 Bonds are not secured by a pledge of revenues other than the pledge of PFC Revenues. The City may issue additional obligations payable from PFC Revenues on a parity basis with the 2019 Bonds (Parity Debt). The City may issue additional debt, secured by a pledge of PFC revenues, with certain restrictions contained in the Indenture. One of those restrictions requires PFC Revenues for the most recent 12-month period are at least equal to 1.75 times the annual debt service on the Outstanding 2019 Bonds and Parity Debt, including the Parity Debt being issued.[7]

It is assumed that GARBs will require a minimum debt service coverage of ratio 1.25 times the debt service in each year.

Table 8-19 presents the projected debt service coverage calculation throughout the planning horizon. Debt service coverage is projected to remain at or above 1.25 times debt service through FY2035, thereby meeting or exceeding both the Rates and Charges Covenant and the Additional Bonds Test specified in the Indenture.

[7] Obtained from the 2019 Airport Passenger Facility Charge Revenue Bonds Official Statement

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COST PER ENPLANEMENT

Table 8-20 presents the Airline cost per enplanement (CPE). In general, the CPE is projected to increase in future years due to the projected increases in the annual debt service requirements allocated to the airline cost centers for the new facilities recommended in the MP. Also contributing to the increases in the CPE are projected increases in O&M expenses. The FY2024 CPE is budgeted to be $12.38. The CPE ranges from $12.20 in FY2025 to $34.53 in FY2035.

The average CPE for small hub airports was $6.55 in 2023, according to data compiled by the FAA through their Certification Activity Tracking System (CATS) Form 127, with four small hub airports reporting a 2023 CPE that exceeds PSP's FY2024 CPE. It is important to note that several small-hub airports are planning terminal renovations and expansions, which will most likely increase the average CPE for small-hub airports. In addition, the CPE at peer airports will increase over time as a result of increasing wages, expenses, and other inflationary factors.

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Table 8-19: Projected Debt Service Coverage

	Budget	Projected										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Revenues	**$43,126,974**	**$44,902,286**	**$52,425,802**	**$56,438,816**	**$58,931,447**	**$66,633,507**	**$98,966,847**	**$101,907,110**	**$110,391,078**	**$113,164,205**	**$115,995,955**	**$120,069,354**
O&M Expenses	$40,198,444	$40,695,603	$42,268,098	$43,910,513	$45,564,024	$47,287,744	$49,105,905	$51,001,866	$52,979,200	$55,041,654	$57,193,156	$59,437,818
Net Revenues	$2,928,530	$4,206,683	$10,157,704	$12,528,303	$13,367,423	$19,345,763	$49,860,942	$50,905,245	$57,411,879	$58,122,551	$58,802,799	$60,631,536
PFCs Applied to Debt Service	$2,497,000	$2,497,500	$6,170,353	$6,167,103	$6,169,353	$8,588,613	$8,590,863	$8,592,613	$6,093,613	$6,093,613	$6,093,613	$6,093,613
Airport Funds Applied to Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues Available for Coverage	**$5,425,530**	**$6,704,183**	**$16,328,057**	**$18,695,406**	**$19,536,776**	**$27,934,376**	**$58,451,805**	**$59,497,858**	**$63,505,492**	**$64,216,164**	**$64,896,412**	**$66,725,149**
Debt Service	**$2,497,000**	**$2,497,500**	**$6,170,353**	**$6,167,103**	**$6,169,353**	**$9,892,773**	**$38,992,077**	**$38,993,827**	**$47,610,818**	**$47,610,818**	**$47,610,818**	**$47,610,818**
Total Operating Revenues	**2.17**	**2.68**	**2.65**	**3.03**	**3.17**	**2.82**	**1.50**	**1.53**	**1.33**	**1.35**	**1.36**	**1.40**

Sources: *PSP International Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.*

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Table 8-20: Projected Cost per Enplaned Passenger

	Budget	Projected										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Airfield Landing Fees	$6,716,963	$6,933,610	$8,105,961	$8,163,656	$8,747,954	$12,671,855	$13,037,784	$13,943,195	$20,447,643	$20,901,797	$21,257,208	$21,700,672
Terminal Rents	$8,310,132	$8,884,276	$10,680,710	$12,858,206	$13,297,564	$13,789,805	$35,349,603	$35,734,826	$36,009,677	$36,428,606	$36,865,559	$37,321,367
Loading Bridges	$1,187,685	$1,054,453	$1,233,176	$1,294,835	$1,333,232	$1,386,116	$1,442,348	$1,500,554	$1,561,336	$1,624,815	$1,691,119	$1,760,379
Baggage Handling System Fees	$897,000	$986,700	$3,876,239	$3,928,041	$3,926,360	$5,794,155	$5,821,884	$5,849,217	$5,877,206	$5,905,866	$5,935,215	$5,965,268
Joint Use Space Charge	-	-	-	-	-	-	-	-	-	-	-	-
Aircraft Gate Fees	$4,378,744	$4,667,830	$5,404,304	$6,307,516	$6,552,329	$6,909,614	$15,434,252	$15,944,447	$16,452,818	$17,069,746	$17,754,152	$18,467,993
Per Use Fee - Ticket Counter	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Share	($610,421)	($1,100,937)	($3,079,272)	($2,489,995)	($2,645,157)	($3,783,413)	($4,198,181)	($4,453,509)	($1,484,699)	($1,794,281)	($2,172,149)	($2,863,607)
Total Airline Revenue	**$20,880,103**	**$21,425,933**	**$26,221,118**	**$30,062,259**	**$31,212,283**	**$36,768,131**	**$66,887,691**	**$68,518,730**	**$78,863,981**	**$80,136,549**	**$81,331,103**	**$82,352,071**
Enplanements	**1,686,142**	**1,756,186**	**1,826,941**	**1,891,025**	**1,956,235**	**2,016,796**	**2,073,371**	**2,129,597**	**2,188,101**	**2,251,372**	**2,317,763**	**2,385,030**
Cost Per Enplanement	**$12.38**	**$12.20**	**$14.35**	**$15.90**	**$15.96**	**$18.23**	**$32.26**	**$32.17**	**$36.04**	**$35.59**	**$35.09**	**$34.53**
Cost Per Enplanement (2024 $)	$12.38	$11.62	$13.02	$13.73	$13.13	$14.28	$24.07	$22.87	$24.39	$22.94	$21.54	$20.19

Sources: *PSP International Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.*

CONCLUSION

The following points highlight the financial feasibility of implementing the MP CIP projects:

- The funding plan assumes the use of AIP grants, BIL grants, and PFCs, when available, to reduce the financial impacts MP CIP
- PFCs have limited capacity to fund MP CIP projects as an average of 35.6 percent of annual PFC revenue is pledged to existing debt service through 2031
- Debt service coverage is projected to exceed the anticipated 1.25 times debt service requirement through FY2035
- The airline CPE is projected to remain reasonable, below $37 (under $25 in 2024 dollars) through 2035 which is similar to other small and medium-hub airports embarking on large redevelopment programs

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