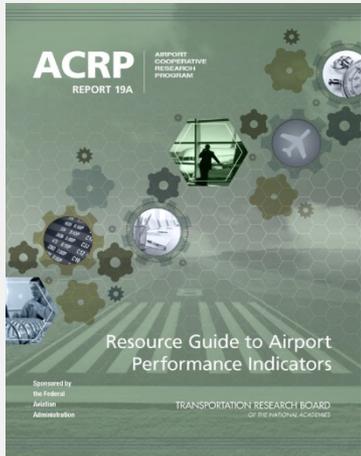


Four Sustainability Metrics: Environmental, **Financial**, Capacity and Durability

Susan Warner Dooley

Airport Financial Performance Indicators



Financial (FN)

Financial performance measures are used to track all aspects of an airport's financial performance, including revenues and costs for the airport in total and its various departments and functions.

Core Indicators

Airline Cost per Enplanement	FN C-9
Airport Cost per Enplanement	FN C-10
Bond Rating	FN C-11
Days Unrestricted Cash on Hand	FN C-12
Debt per Enplanement	FN C-13
Debt Service Coverage Ratio	FN C-14
Non-Aeronautical Operating Revenue as % of Total Operating Revenue	FN C-15
Non-Aeronautical Operating Revenue per Enplanement	FN C-16
Operating Cost per Enplanement	FN C-17

Key Indicators

Accounts Receivable Aging – Days	FN K-1
Airline Cost per Operation	FN K-2
Airport Revenue from Non-Passenger-Dependent Sources (%).....	FN K-3
Contract Services Cost as % of Total Operating Cost.....	FN K-4
Debt Service as % of Operating Revenue	FN K-5
Investment Income as % of Invested Assets	FN K-6
Long-Term Debt per Enplanement	FN K-7
Net Operating Income per Enplanement	FN K-8
Net Working Capital (Operating Liquidity)	FN K-9
Operating Cost per Operation.....	FN K-10
Personnel Cost per Enplanement.....	FN K-11

Translating Sustainability for Airport Systems

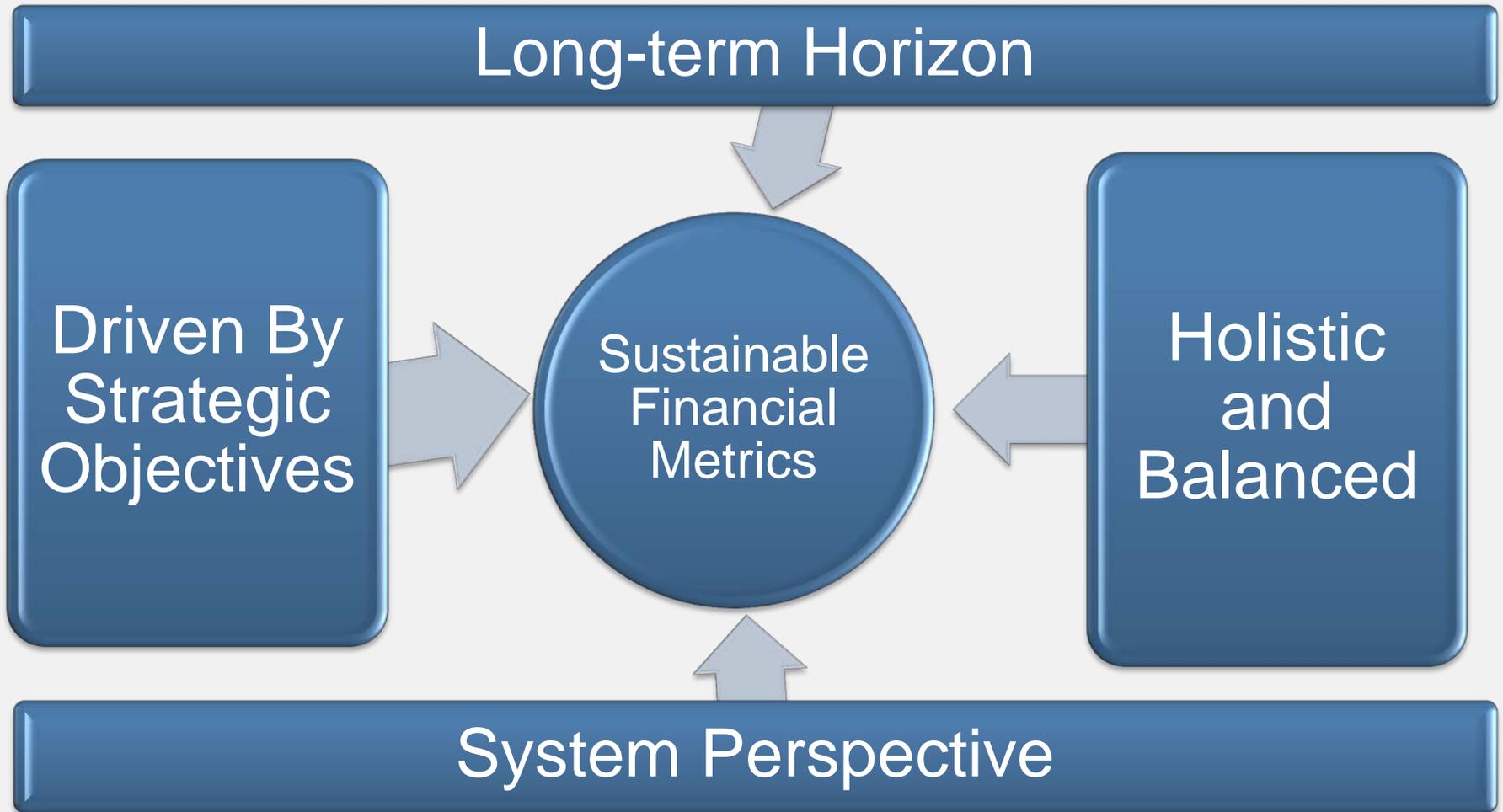
Sustainability Principles

- Economic development that meets the needs of the present generation without compromising the ability future generations to meet their own needs.

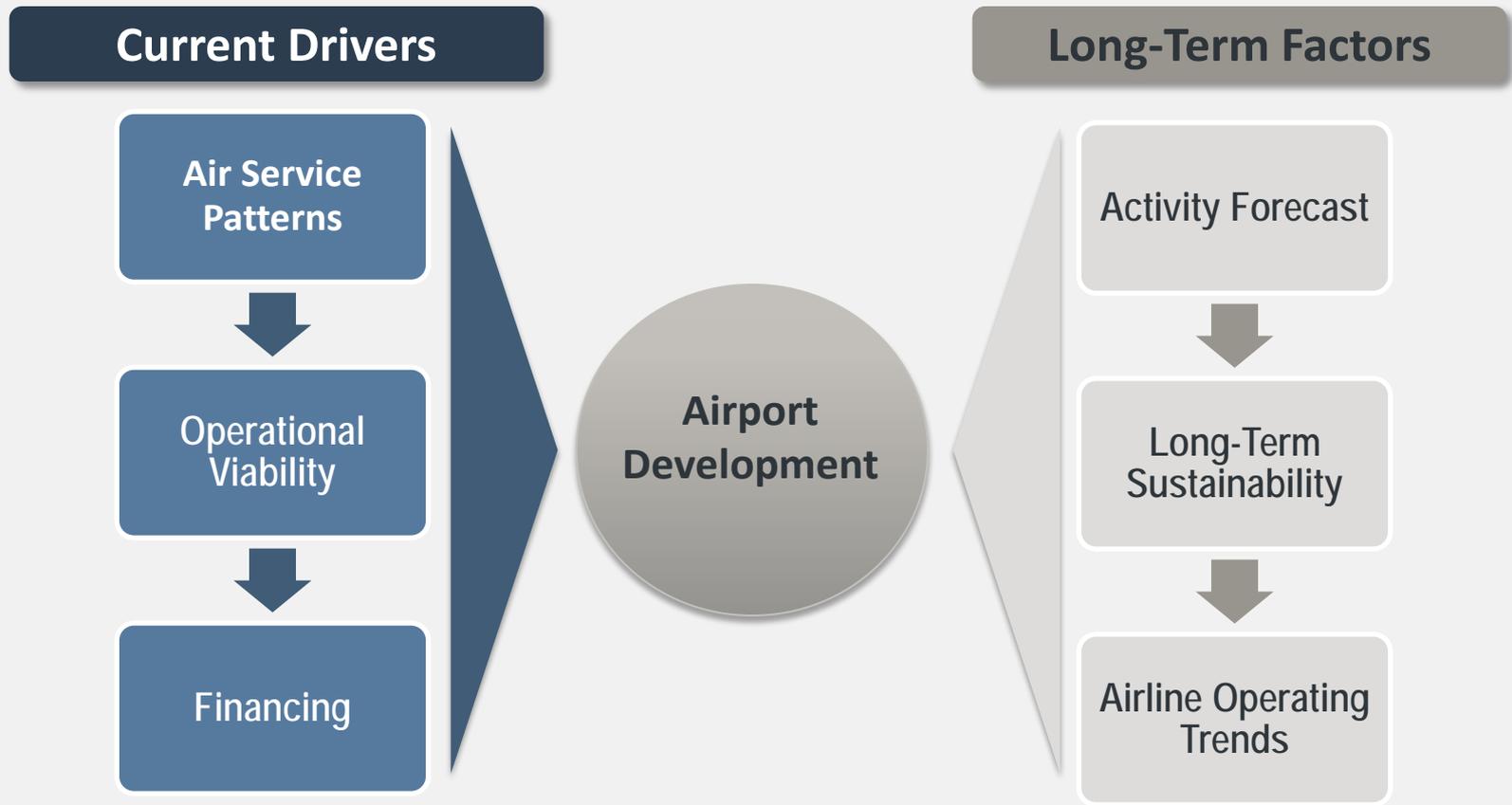
Airport/Aviation System Sustainability Mandate

- To provide the facilities and services necessary for safe and secure airport operations
- To provide the facilities to meet the long-term community/region air service and aviation needs
- While maintaining the long-term financial viability of the airport/system

Sustainability Financial Framework for Aviation Systems



Long-term Horizon





DALLAS/FORT WORTH
INTERNATIONAL AIRPORT

FY 2012 Financial Plan

March 31, 2012



DFW Finance Department
P. O. Box 619428
DFW Airport, Texas 75261-9428

DENVER

DIA'S 10-YEAR FINANCIAL STRATEGY

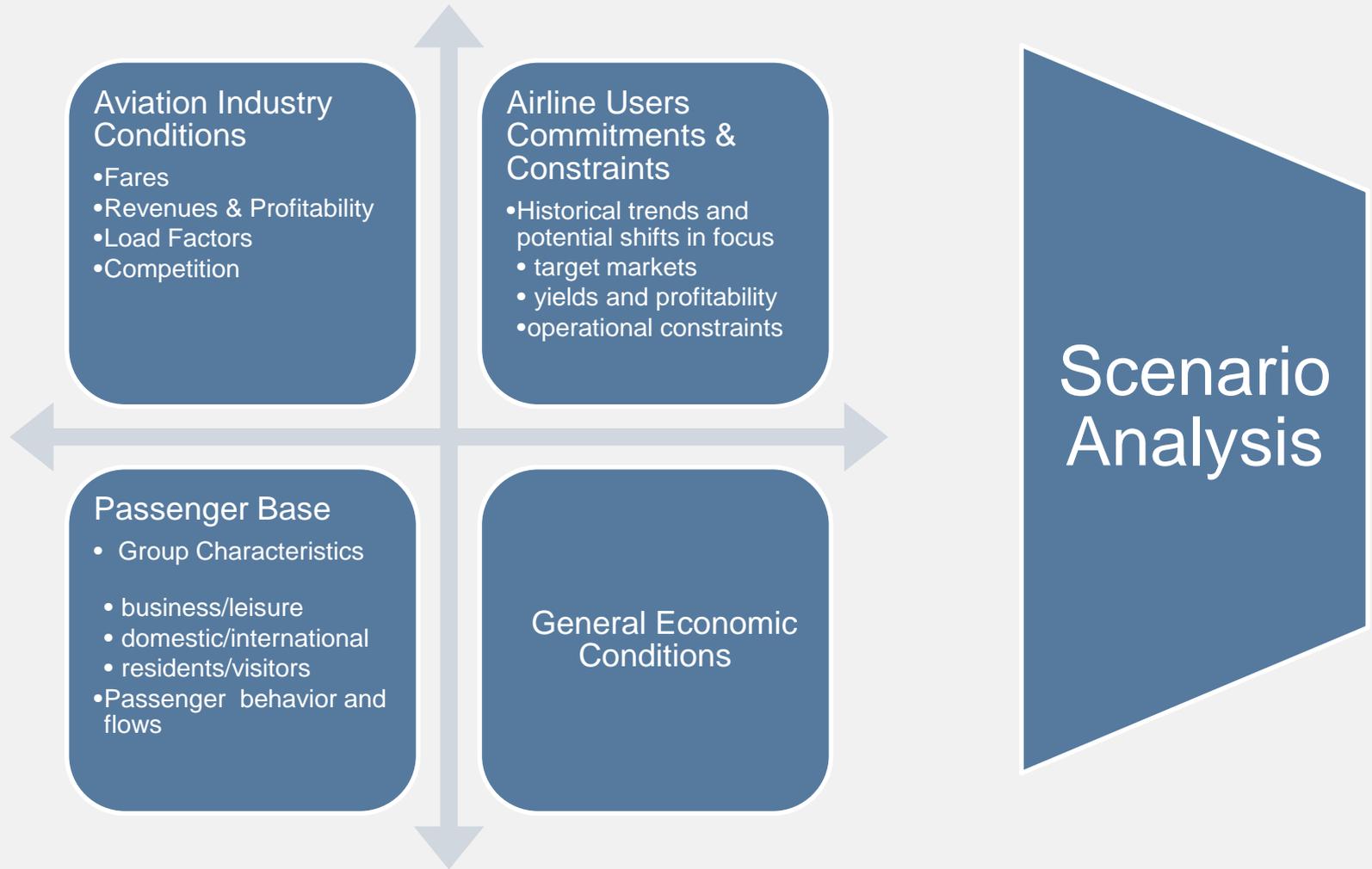
FEBRUARY 2011

DENVER INTERNATIONAL AIRPORT
TOGETHER WE SOAR

Strategic Objectives



Using Financial Metrics to Monitor Operating Environment and Strategic Risks



Consideration of Financial Impact on Stakeholders

Airport Sponsor

Aviation Users

- Airlines
- Business Users
- Recreational Users
 - Based
 - Transits

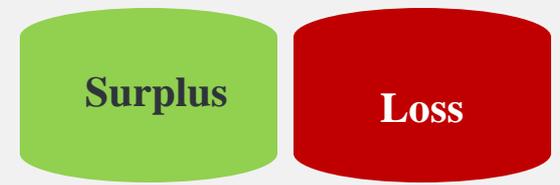
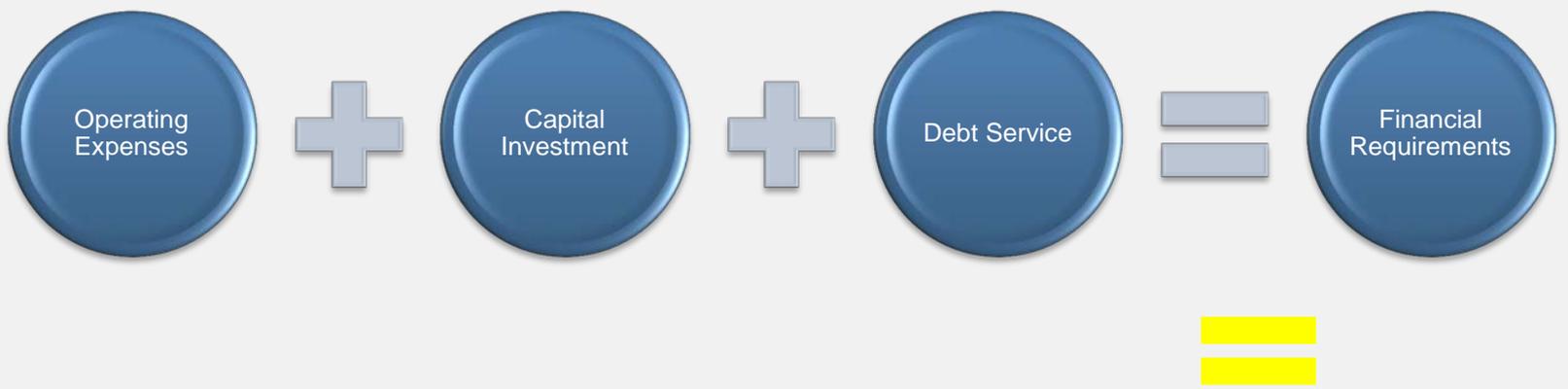
Service Providers

- FBOs /Fuel Providers
- Avionics
- Restaurant

Community

- Local
 - Business
 - Residents
- Region/State/National
 - Economy

Airport Financial Self-Sufficiency



or

Example Self-Sufficiency Metrics

Ability to Meet Current Financial Requirements



Annual Net Revenues or Operating Income/Loss



Debt Service Coverage



Days Cash on Hand

Financial Capacity to Meet Long Term Financial Requirements



Debt per Enplanement



Debt to Asset Ratio

Understanding Funding Sources & Financing Costs

Airport
Revenues

Grant
Funding

Financing

Understanding Funding Sources & Financing Costs

Sustainability Goal/Metrics

Airport Revenues

- Airline Charges
- Other User Fees
- Passenger Facility Charges
- Terminal & Rental Car Concession Revenues
- Commercial /Industrial Development
- Natural Resources Sales or Renewal Energy Generation

•Diversification of Revenue Sources

- % of Operating Revenues

•Affordability of User Charges

- Cost Per Enplanement

Understanding Funding Sources & Financing Costs

Sustainability Goal/Metrics

Grant Funding

- Federal AIP Entitlements
- Federal AIP Discretionary
- TSA, Vale and other Specialty Grants
- State Grants

• Maximizing Grant Funding of Eligible Capital Projects

• % Capital Project Costs Funded Through Grants

Understanding Funding Sources & Financing Costs

Sustainability Goal/Metrics

Financing

- Commercial Paper Construction Financing
- Long-term Revenue Bonds
- Long-term General Obligation Bonds
- Private Investment

- Reduction of Borrowing Costs
 - Total Interest Costs
 - Cash Flow Analysis
 - (% estimated cash flows actually spent)
- Debt Affordability
 - Debt Service Coverage Ratio
 - Debt Per Enplanement

Resource Materials

ACRP SYNTHESIS 19

Airport Revenue Diversification



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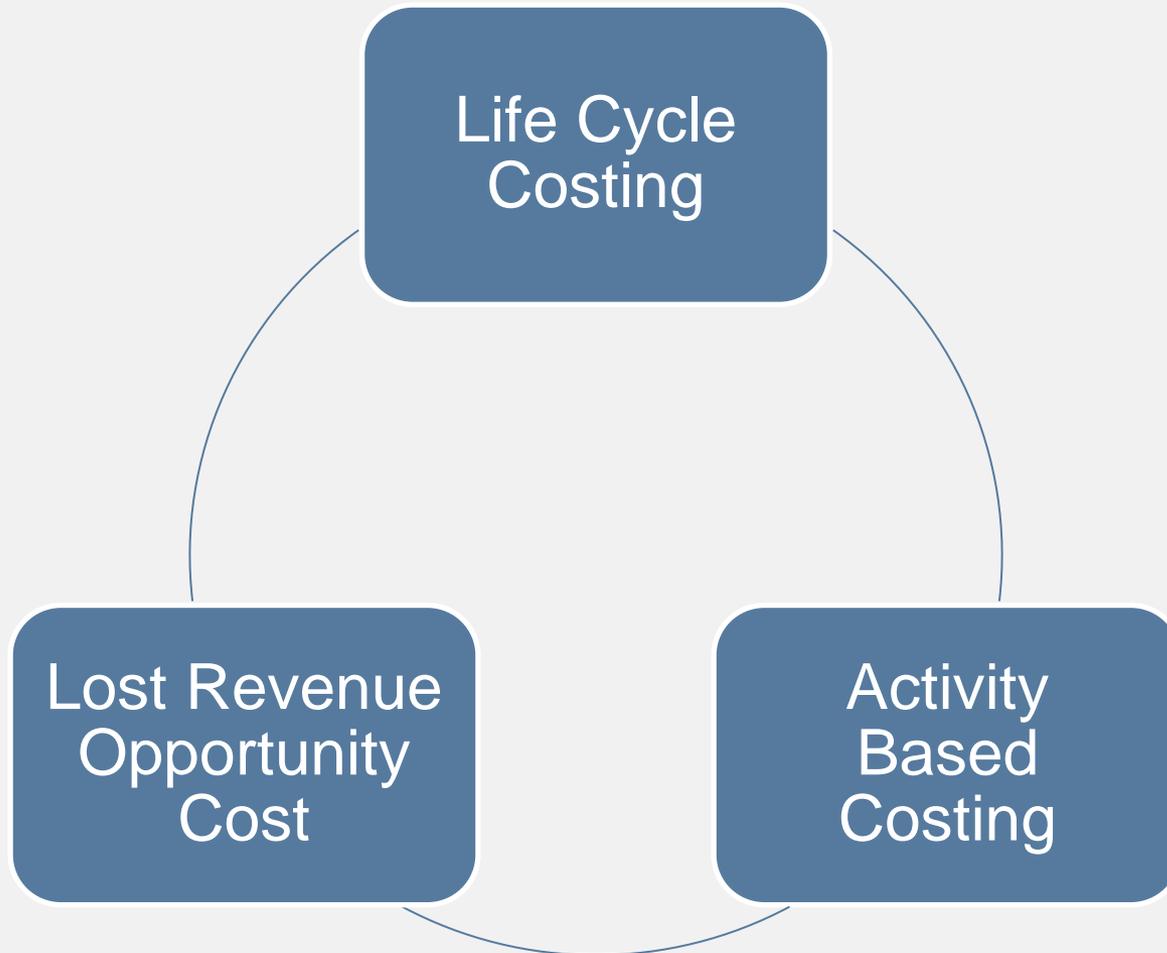
ACRP SYNTHESIS 1

Innovative Finance and Alternative Sources of Revenue for Airports

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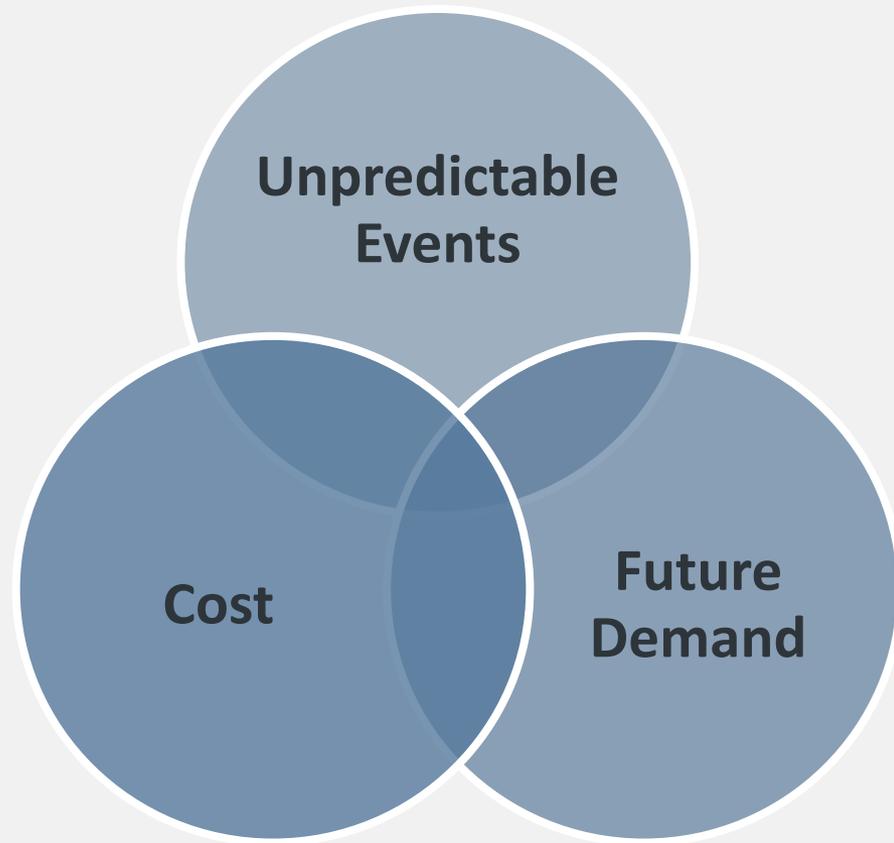


Measuring Total Costs Through Sustainable Financial Analysis



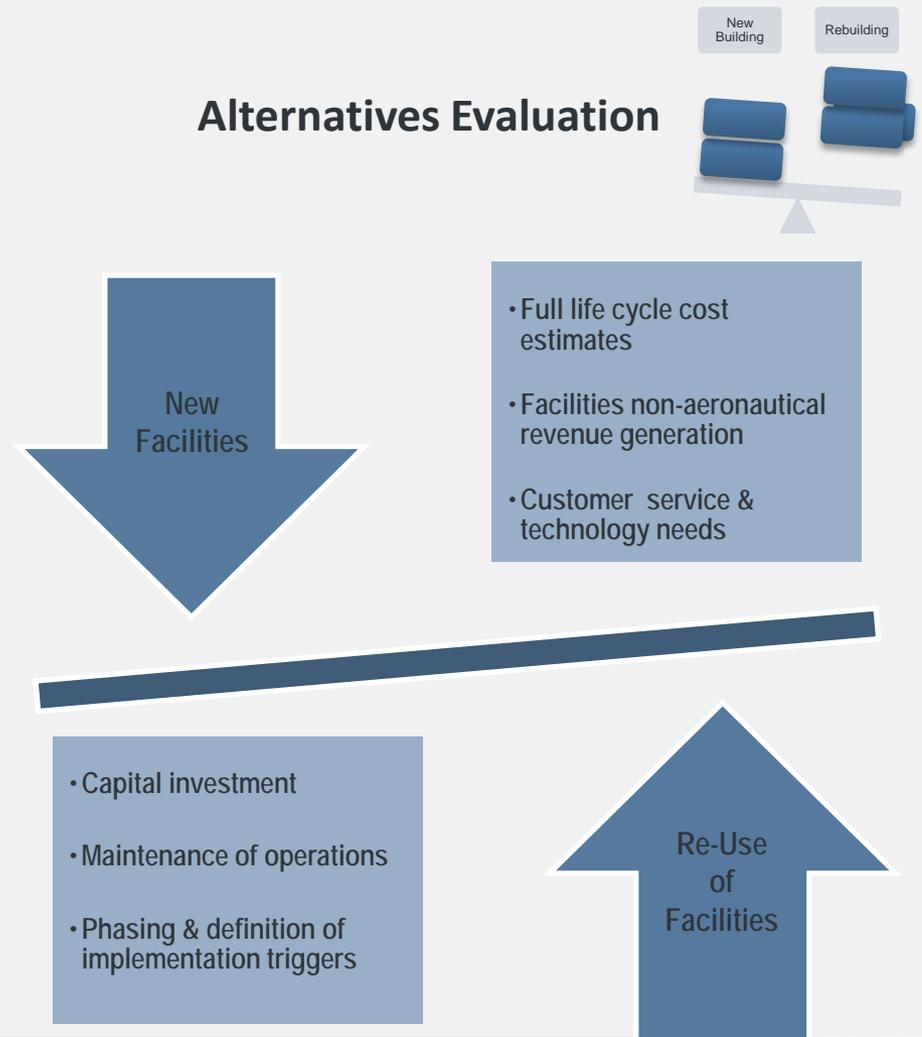
Sustainable Development Through Business Case Approach:

- Planning begins with the assessment of needs and financial parameters
- Managing facility and future demand requirements through optimal growth/re-use of facilities
- Cost factored into development of alternatives rather than later value-engineering
- Facilities built for measured growth but allow for unpredictable events



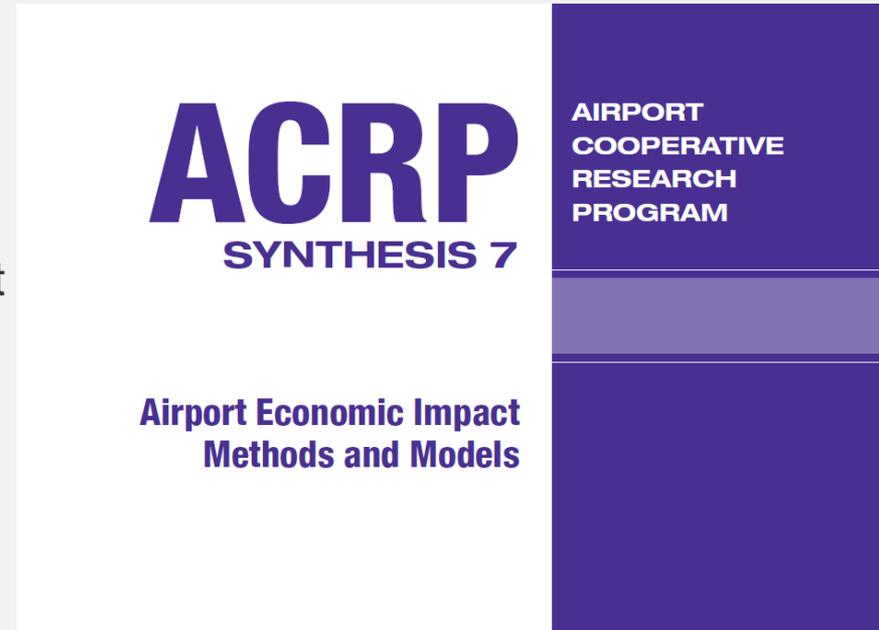
Business Case Evaluation of New vs Reuse

- Capital investment requirements
- Life-cycle operating and maintenance costs
- Concession revenue potential
- Adaptability to current airline operating model and technology requirements
- Airport projects which lower total operating costs
- Customer service levels
- Maintenance of operations during construction



External Financial Sustainability Measures

- Economic impact to the Community/Region/State
 - Direct
 - Employment and output generated directly by the airport
 - Indirect
 - Employment and output off-airport, but whose activities are attributable to the airport
 - Induced
 - Multiplier effects caused by successive rounds of spending throughout the economy as result of direct and indirect effects.



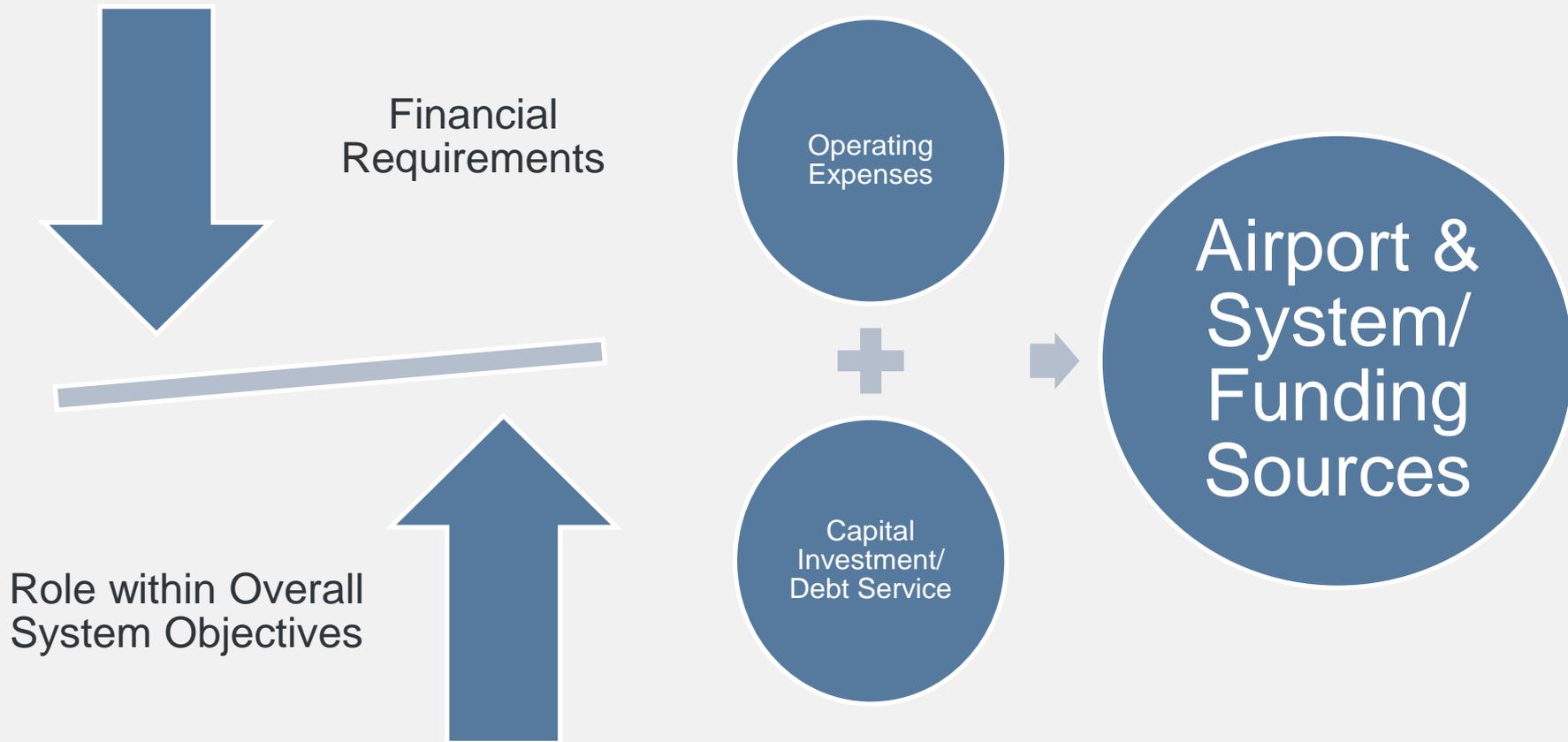
Aviation System Planning



Airport System Financial Self Sufficiency

Airport - Self Sufficiency Desired

System – Self Sufficiency Required



Sustainable Funding Plans Key to Airport System Planning

ACRP SYNTHESIS 14

Airport System Planning Practices

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TABLE 10
SUMMARY OF OBSTACLES TO PLAN IMPLEMENTATION

Factor Hindering Implementation	% of States Reporting Implementation Obstacles
Height obstructions	5
Incompatible land use encroachment	27
Lack of federal funding	57
Lack of state funding	46
Lack of local funding	46
Unreasonable plan recommendations	0
Lack of cooperation from individual airports	5

Considerations for System Prioritization



Sustainability Report Resources

ACRP SYNTHESIS 10

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Airport Sustainability Practices



Sustainability Reporting Guidelines &
Airport Operators Sector Supplement

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