



*Buchanan Field Airport
Master Planning Program*

Buchanan Field

I. FINANCIAL IMPLEMENTATION ANALYSIS

I > Financial Implementation Analysis

The primary objective of the financial implementation analysis is to demonstrate the Airport's ability to fund the projects in the master plan. This section includes: 1) historical airport operating results; 2) annual projected airport operating results through Phase I of the capital improvement plan (FY2008-2013) and a five-year summary of projected operating results for Phase II of the capital improvement plan (FY2014-2018); and, 3) a summary of the recommended Phase I and Phase II capital improvement plan with anticipated sources of funding.

This section discusses the Airport's historical operating revenues and expenses, debt service, and capital spending for the FY2002-2006 period as a component of the County's Airport Enterprise Fund. Historical operating performance is summarized with a focus on the most recent fiscal year's actual results.

Historical Airport Operating Results

The following table summarizes the operating performance for Buchanan Field and the Airport Enterprise Fund for the period FY2002-2006. During the five-year period, Buchanan Field generated an average of \$3.0 million a year in operating revenues and \$2.3 million a year in operating expenses (excluding depreciation), resulting in an average net operating income of \$704,000 annually.

As described previously in the Master Plan (Inventory of Existing Conditions Chapter, page A.2). Buchanan Field is owned by Contra Cost County and is operated as part of the Airports Division of the County Public Works Department. The Airport Division operates Buchanan Field Airport and Byron Airport, another general aviation airport owned by the County, as an enterprise fund within Contra Costa County, supporting the operating and capital expenses of the Division solely from airport-generated revenues. Byron Airport has operated at an average net operating loss of \$184,000 for the FY2002-2006 period and, historically, net revenues from Buchanan Field Airport have been applied to offset Byron Airport's shortfall in the Airport Enterprise Fund. Net of the Byron Airport annual net operating loss, approximately \$519,000 in net operating revenue have been available for debt service and capital investment.

The Airport Enterprise Fund pays annual debt service related to funds borrowed for the construction of Byron Airport and capital improvements at Buchanan Field. Average annual debt service for the FY2002-2006 period was \$546,000, with a reduced payment in FY2006 due

to a refinancing of the debt. The outstanding principal is currently \$1.3 million.

Net of debt service, the Airport Enterprise Fund has experienced an average net loss of \$26,000 for the five-year period.

The Airport Enterprise Fund has maintained a positive balance for each year in the FY2002-2006 period, with an ending year balance of \$728,000 on average.

HISTORICAL OPERATING RESULTS AIRPORT ENTERPRISE FUND (for the 12 months ended June 30)

	2002	2003	2004	2005	2006	Average 2002-06
Buchanan Field						
Operating Revenues	\$ 2,867,469	\$ 2,804,349	\$ 2,942,519	\$ 3,143,909	\$ 3,032,643	\$ 2,958,178
Operating Expenses /1	1,930,018	2,151,247	2,102,830	2,452,187	2,636,742	2,254,605
Net Operating Income	\$ 937,451	\$ 653,101	\$ 839,690	\$ 691,722	\$ 395,901	\$ 703,573
Byron Airport						
Operating Revenues	\$ 304,402	\$ 297,942	\$ 351,491	\$ 363,442	\$ 412,997	\$ 346,055
Operating Expenses /2	263,744	404,934	597,906	612,081	773,460	530,425
Net Operating Loss	\$ 40,658	\$ (106,992)	\$ (246,415)	\$ (248,639)	\$ (360,463)	\$ (184,370)
Net Operating Revenues	\$ 978,109	\$ 546,109	\$ 593,275	\$ 443,083	\$ 35,438	\$ 519,203
Less: Debt service /3	866,169	834,537	450,189	451,019	125,900	545,563
Net Income (Loss)	\$ 111,940	\$ (288,428)	\$ 143,086	\$ (7,936)	\$ (90,462)	\$ (26,360)
Airport Enterprise Fund						
Beginning Balance	\$ 781,838	\$ 893,778	\$ 605,350	\$ 748,436	\$ 740,500	\$ 753,980
Change in net income	111,940	(288,428)	143,086	(7,936)	(90,462)	(26,360)
Ending balance	\$ 893,778	\$ 605,350	\$ 748,436	\$ 740,500	\$ 650,038	\$ 727,620

Source: Airports Division, Contra Costa County. Note: 1. Excludes debt service, assessments, and depreciation. 1 Excludes debt service. 2 The Airport Enterprise Fund pays annual debt service with 54% allocated to Buchanan Field Airport and 46% allocated to Byron Airport. Debt service shown is for both Buchanan Field Airport and Byron Airport. A refinancing in FY2005 resulted in a reduced interest only payment in FY2006.

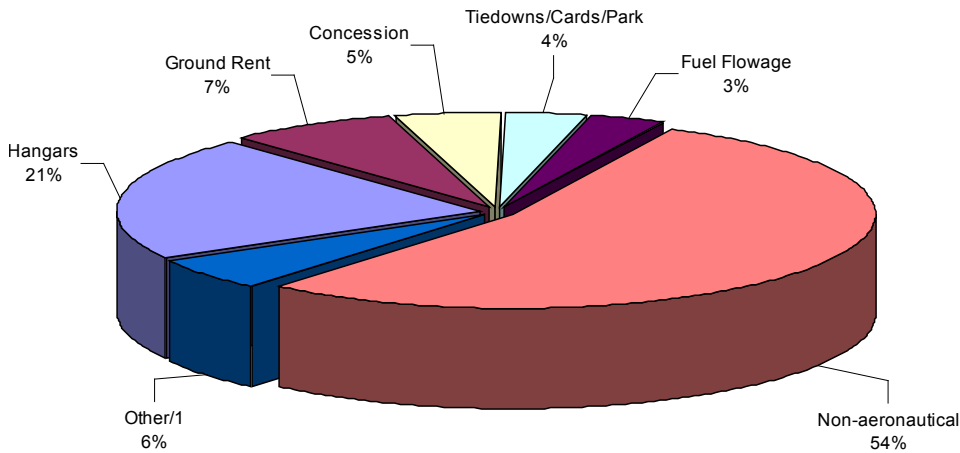
Airport Operating Revenues – FY2006

Generally, factors affecting airport revenues include: 1) inflation; 2) the strength of the regional economy; 3) activity levels; and, 4) airport rates and charges.

The Airport derives revenues from aeronautical and non-aeronautical sources. Non-aeronautical sources are not directly related to aviation—that is, not involving the operation or service or aircraft—but may be indirectly related in terms of the attraction to an airport location. Aeronautical sources, such as hangar fees, tiedown fees, and fuel flowage fees, are directly related to the services provided to users of the Airport.

In FY2006, Buchanan Field Airport operating revenues totaled \$3.0 million with 54% (\$1.6 million) from non-aeronautical sources and remaining revenues from hangar rents (\$650,000), ground rent (\$223,000), concession fees (\$145,000), tiedown fees and transient parking (\$113,000), fuel flowage (\$97,000), and other sources [\$169,000, which includes Federal Aviation Administration (FAA) tower rent of \$20,000].

OPERATING REVENUES - FY2006 BUCHANAN FIELD AIRPORT



Source: Airports Division, Contra Costa County. Note: 1. "Other" includes development fees, utilities, control tower rent, and other miscellaneous revenues.

The Airport maintains long-term leases with most major tenants. Long-term lease agreements with non-aeronautical lessees Reynolds & Brown, Airport Capital Group, Lithia Automotive, Budget Rent-A-Car, Buchanan Fields Golf Course, and others generate significant Airport revenue, have lease terms that extend beyond FY2010 and past FY2040 in some cases, and provide an uncommon level of revenue diversification to the Airport.

Long-term lease provisions for both aeronautical and non-aeronautical tenants include a periodic CPI adjustment to rates and charges. Additionally, most major long-term lease agreements have periodic reviews¹ to increase minimum annual guarantees and/or rental rates. Management also indicates that, beginning in FY2008, rates and charges for hangars will be adjusted annually for inflation.²

SCHEDULED RENTAL RATE ADJUSTMENTS SELECTED MAJOR TENANTS

Company	CPI	Periodic Review /1	MAG	FMV Test	Percentage Rent
FBOs					
Apex	▪	▪			▪
Concord Jet Services (new -- effective 5/1/07)	▪	▪		▪	
Concord Jet Services		▪		▪	▪
HG Limited (Grover)/2		▪		▪	▪
Pacific States Aviation	▪	▪			▪
Sterling Aviation/2		▪			▪
Hangar Lessors					
Buchanan Airport Hangar Owners Assoc.	▪				
Buchanan East Hangar Co.	▪				
L.C.A. Inc.	▪	▪			
Non-aeronautical					
Hotel (Airport Capital Group)		▪	▪		▪
Buchanan Fields Golf Course		▪	▪		▪
Budget Rent-A-Car (JR Leasing & Sales)/3	▪				▪
Lithia Automotive/3	▪	▪		▪	
Reynolds & Brown		▪	▪		▪

Source: Airports Division, Contra Costa County. Notes: 1. Other than an annual review.

1. Ramp rates increase w/county tiedown rate.

2. Also pays a per car fee.

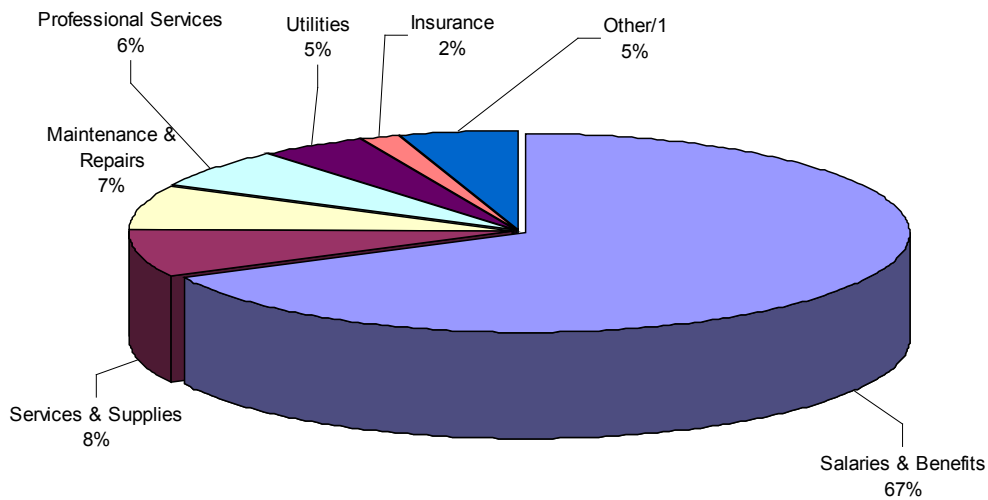
¹ Certain leases also specify fair market value readjustments and/or reappraisals.

² Current Airport published rates and charges were effective December 2000

Airport Operating Expenses – FY2006

Generally, factors affecting airport operating expenses include: 1) inflation; 2) staffing and salary levels, including overtime; 3) the cost of contracted services and supplies; and, 4) activity levels. In FY2006, Airport operating expenses totaled \$2.6 million with salaries and benefits accounting for 67% (\$1.8 million) of the total. Other operating expenses include services and repairs (\$204,000), maintenance and repairs (\$190,000), professional services (\$170,000), utilities (\$120,000), insurance (\$40,000), and other charges (\$134,000). On a percentage basis, operating expenses are generally comparable to those at other airports.

OPERATING EXPENSES - FY2006 BUCHANAN FIELD AIRPORT



Source: Airports Division, Contra Costa County. **Note:** 1. "Other" includes use of County vehicles and equipment, employee travel, data processing charges, and other miscellaneous charges.

Historical Capital Expenditures

Since 1984, Buchanan Field Airport has received more than \$14 million in AIP grants. For the period FY2002-2006, the Airport received a total of \$2.7 million in federal AIP funds and \$117,000 in state funds for ongoing capital projects, an average of \$530,000 and \$23,000 annually from federal and state sources, respectively. Due to the timing differences that occur between receiving AIP funds and project expenditures, net Capital Improvement Plan expenditures have a tendency to vary from year to year.

HISTORICAL CAPITAL EXPENDITURES BUCHANAN FIELD AIRPORT

	2002	2003	2004	2005	2006	Average 2002-06
Grant Receipts						
AIP	23,373	934,836	844,318	426,478	422,757	530,352
State	-	-	57,713	55,163	3,669	23,309
Total Grants receipts	\$ 23,373	\$ 934,836	\$ 902,031	\$ 481,641	\$ 426,426	\$ 553,661
Less: Buchanan Field Capital Expenditures	\$ 115,520	\$ 971,218	\$ 1,013,461	\$ 362,702	\$ 397,160	\$ 572,012
Net CIP expenditures	\$ (92,147)	\$ (36,382)	\$ (111,430)	\$ 118,939	\$ 29,266	\$ (18,351)

Source: Airports Division, Contra Costa County.

Projected Airport Operating Results

Projected operating results for the FY2008-2013 period are summarized below. Based on this projection, net operating revenues (net of debt service and the projected Byron Airport operating loss) will be sufficient to fund the annual local portion of the capital improvement plan (as described in the next section) for Phase I projects and over the five-year period FY2014-2018 for Phase II projects. FY2008 net income is estimated at \$174,000, taking into account expected revenue enhancements including one-time payments, the estimated Byron Airport net operating loss, and debt service. Net income declines in FY2009 due to a reduction in hangar revenues, as described in the next paragraph, and this decline is partially offset by \$95,000 in other future revenue enhancements used to fund a portion of operating and capital expenses.

Net income increases annually between FY2011 and FY2013 due to declining debt service and improved operating results at Byron Airport. Debt payoff in FY2011 allows for additional net income for capital projects after FY2011. Airport management expects financial performance at Byron Airport to improve gradually over the next eight years as development projects are completed and estimates that, after FY2014, Byron Airport’s net operating loss will be zero.

The Airport Enterprise Fund is projected to maintain a positive balance for each year in the FY2007-2013 period, with an ending balance of \$832,000 on average.

PROJECTED OPERATING RESULTS AIRPORT ENTERPRISE FUND (for the 12 months ended June 30)

	2007B	2008	2009	2010	2011	2012	2013	Total 2014-2018
Projected Operating Results								
Buchanan Field								
Operating Revenues								
Aeronautical /1	\$ 1,351,590	\$ 1,801,821	\$ 1,600,136	\$ 1,650,247	\$ 1,701,943	\$ 1,755,274	\$ 1,810,290	\$ 9,937,701
Non-aeronautical	1,659,510	1,735,439	1,787,502	1,841,127	1,896,361	1,953,252	2,011,849	11,001,617
Other revenues	144,900	161,062	163,782	166,583	169,469	172,441	175,502	926,741
Future Revenues Enhancements/2	-	-	95,162	-	-	-	-	-
Total Operating Revenues	\$ 3,156,000	\$ 3,698,322	\$ 3,646,582	\$ 3,657,958	\$ 3,767,773	\$ 3,880,966	\$ 3,997,642	\$ 21,866,060
Less: Operating Expenses /3	2,614,763	2,721,614	2,830,478	2,943,697	3,061,445	3,183,903	3,311,259	18,652,241
Buchanan Net Operating Income	\$ 541,237	\$ 976,708	\$ 816,103	\$ 714,260	\$ 706,328	\$ 697,064	\$ 686,383	\$ 3,213,819
Less: Byron Net Operating Loss (est.) /4	519,000	446,340	381,465	316,590	251,715	186,840	121,965	57,090
Net Operating Revenues	\$ 22,237	\$ 530,368	\$ 434,638	\$ 397,670	\$ 454,613	\$ 510,224	\$ 564,418	\$ 3,156,729
Less: Debt service /5	205,278	356,330	356,331	356,330	178,165	-	-	-
Net Income / (loss)	\$ (183,041)	\$ 174,038	\$ 78,307	\$ 41,340	\$ 276,448	\$ 510,224	\$ 564,418	\$ 3,156,729
Buchanan Field Capital Plan Funding								
Net Income / (loss)	\$ (183,041)	\$ 174,038	\$ 78,307	\$ 41,340	\$ 276,448	\$ 510,224	\$ 564,418	\$ 3,156,729
Less: Capital Improvement Projects Local Match	47,706	2,089	78,308	38,788	88,032	44,441	216,493	714,408
Surplus/ (Shortfall)	\$ (230,747)	\$ 171,950	\$ (0)	\$ 2,553	\$ 188,415	\$ 465,782	\$ 347,925	\$ 2,442,321
Airport Enterprise Fund								
Beginning Balance	\$ 650,038	\$ 419,291	\$ 591,240	\$ 591,240	\$ 593,793	\$ 782,208	\$ 1,247,991	\$ 1,595,916
Change in net income	(183,041)	174,038	78,307	41,340	276,448	510,224	564,418	3,156,729
Capital expenses local match	(47,706)	(2,089)	(78,308)	(38,788)	(88,032)	(44,441)	(216,493)	(714,408)
Ending balance	\$ 419,291	\$ 591,240	\$ 591,240	\$ 593,793	\$ 782,208	\$ 1,247,991	\$ 1,595,916	\$ 4,038,237
Growth Rate (%)								
Buchanan Field								
Operating Revenues								
Aeronautical /1		33.3%	-11.2%	3.1%	3.1%	3.1%	3.1%	
Non-aeronautical		4.6%	3.0%	3.0%	3.0%	3.0%	3.0%	
Other revenues		11.2%	1.7%	1.7%	1.7%	1.8%	1.8%	
Total Operating Revenues		17.2%	-1.4%	0.3%	3.0%	3.0%	3.0%	
Less: Operating Expenses		4.1%	4.0%	4.0%	4.0%	4.0%	4.0%	
Net Operating Income		80.5%	-16.4%	-12.5%	-1.1%	-1.3%	-1.5%	

Source: Airports Division, Contra Costa County and John F. Brown Company. Notes: 1. Aeronautical revenues in FY2008 includes one-time completion fee payments of \$250,000 for 8 box hangars at \$10,000 per hangar and 34 T-hangars at \$5,000 per hangar.

1. Future revenue enhancements from new development are set equal to the minimum remaining amount necessary to fund all requirements on an annual basis.
2. Excludes debt service, assessments, and depreciation.
3. Assumes future development at Byron Airport eliminates their net loss incrementally over the next eight years.
4. The Airport Enterprise Fund pays annual debt service with 54% allocated to Buchanan Field Airport and 46% allocated to Byron Airport. Debt service shown is for both Buchanan Field Airport and Byron Airport. Final payment is scheduled to occur in FY2011.

Operating revenues are budgeted to increase 17% in FY2008, primarily due to incremental hangar revenues of \$330,000 from new development including the Concord Jet project and the DHI hangar project, as well as anticipated revenues from the East Ramp Hangar project.³ Per lease negotiations with a new tenant, the Airport will receive completion fees of approximately \$250,000 upon completion of the new hangar construction project, providing a one-time boost to aeronautical revenues in FY2008. Additionally, Airport hangar rates will increase annually with CPI beginning with FY2008.⁴

³ The Concord Jet development consists of about 48,000 sq. ft. of hangar space and 4,000 sq. ft. of office space built on about 5.5 acres on the west side of the Airport. DHI is building a new executive hangar and office space on 0.86 acres on the west side of the Airport.

⁴ The Airport re-acquired 17 hangars in February 2007 due to lease expiration. At full occupancy and under current rates, the hangars would produce annual revenues of approximately \$94,000 at FY2007 rates.

Throughout the remainder of the forecast period, operating revenues are projected to increase with CPI at 3% annually, excluding one-time revenue enhancements.

Future revenue enhancements will be required to fund the capital plan as programmed. In addition to the new development scheduled for completion in FY2008, current projects in various stages of development include the following:

- *ADG. A new hangar and office space complex located on over nine acres, on the west side of the Airport. The hangars will be sold and the sizes will be varied based on market demand, ranging from 45' x 45' to 80' x 80' (or larger if desired by a tenant).*
- *Sterling Aviation. Redevelopment of an existing fixed based operation, which includes additional land to the immediate north of the site, totaling about 5.5 acres (east side of Airport). The project will include hangars, office space, a full-service restaurant, a smaller eatery, and a multi-story parking complex.*
- *CCR Hangars. A new hangar and large office space complex on approximately 11 acres, on the north side of the Airport. The hangar sizes will be varied and based on market demand, ranging from 45' x 45' to 50' x 60'.*
- *Airport Properties. Additional redevelopment of about 2.0 acres of the east ramp tiedown area into a combination of box hangars, t-hangars, and shade hangars. Partial development plans after FY2008 may include eight additional box hangars, 17 additional t-hangars, and 18 shade hangars.*

Operating expenses are projected to increase at 4% annually through the forecast period. Salaries and benefits comprise the largest component of operating expenses. Airport management expects incremental Operations & Maintenance (O&M) requirements from new development and planned capital projects to be minimal because tenants are responsible for all direct O&M expenses and the planned capital projects are airfield projects and security enhancements with low O&M impact. Additionally, Airport personnel believe a 4% annual increase is a reasonable assumption based on historical performance and current expectations for future expenses.

Airport Development Plan

The table below summarizes the recommended capital improvement program for near-term (Phase I) and long-term (Phase II) planning time frame. The capital improvements provide for continued Airport development and preservation of critical Airport assets.

CAPITAL IMPROVEMENT PLAN PROJECT AND FUNDING SUMMARY BUCHANAN FIELD AIRPORT (for the 12 months ended June 30; in nominal \$)

Projects	Year (s)	Total	AIP	State	Local
Near Term					
Design - Overlay Taxiway (TW) E (N of TW J to Approach End of Runway (RW) 19R] & TW Golf & Run-Up Area for RW 1L	2008	\$ 79,568	\$ 75,589	\$ 1,890	\$ 2,089
Construct - Overlay/Reconstruct TW E (N of TW J to Approach End RW 19R) & TW Golf & Run-Up Area RW 1L	2009	1,070,872	1,017,329	25,433	28,110
Security Improvements (Fencing, Gates, Lights, Cameras, etc.)	2009	1,092,727	1,038,091	25,952	28,684
New Noise Monitoring and Flight Tracking System (Multilateration)	2009	819,545	778,568	19,464	21,513
Design - Overlay Eastside FBO Taxiway (TL) & TW J (S of TW A to App End of RW 32R)	2010	191,336	181,770	4,544	5,023
Reconstruction of Eastside FBO TL & TW J (S of TW A to App End of RW 32R) w/drainage	2011	1,970,766	1,872,228	46,806	51,733
Conduct Obstruction and Approach Survey - All Runways	2011	57,964	55,066	1,377	1,522
Design - East T-Hangars TL Rehab/Reconstruct & Drainage	2012	328,364	311,946	7,799	8,620
Construct - East T-Hangars TL Rehab/Reconst & Drainage	2013	3,276,384	3,112,565	77,814	86,005
Design Parallel Access Taxiway to 19 Acre Development Area	2013	60,264	57,251	1,431	1,582
Construct Parallel Access Taxiway to 19 Acre Development Area	2013	1,205,276	1,145,013	28,625	31,639
Construct Access Roadways for 19 Acre Development Area	2013	2,299,864	2,184,871	54,622	60,371
Capital Maintenance Reserve Phase 1	2013	141,261	-	-	141,261
Long Term					
Construct - Overlay/Reconst RW 1L/19R	2014	6,333,850	6,017,158	150,429	166,264
Construct - Overlay/Reconst RW 14L/32R	2015	6,523,866	6,197,673	154,942	171,251
Reconstruct Taxiway B	2016	4,475,242	4,251,479	106,287	117,475
Construct Airport Service Road From Hotel Ramp to Taxiway E	2017	1,554,771	1,477,033	36,926	40,813
Remove Portions of Taxiway D at Taxiway A; Construct Airport Service Road to East Development Area	2018	641,592	609,513	15,238	16,842
Capital Maintenance Reserve Phase 2	2014 - 2018	201,764	-	-	201,764
Total		\$ 32,325,278	\$ 30,383,140	\$ 759,579	\$ 1,182,559

Source: Airports Division, Contra Costa County. Notes: Project costs were prepared in 2006 dollars and have been increased at a three percent annual rate to reflect future construction cost inflation.

Historically, capital improvements at the Airport have been funded with a combination of federal and state grants and Airport funds and it is anticipated that future projects will be funded in the same manner. Under the proposed capital plan, 95% of the funding is anticipated to be provided by the federal AIP grants. The remaining 5% is expected to come from a combination of State and Airport net revenues. CALTRANS grants are anticipated to match the federal AIP-funded amount at the current 2.5% rate. Federal and state funds are programmed for all projects, except for the capital maintenance projects, which will be funded 100% from Airport net revenues.

PROJECTED CAPITAL EXPENDITURES BUCHANAN FIELD AIRPORT

	2007B	2008	2009	2010	2011	2012	2013	Average 2007B-13
Grant Receipts								
AIP	1,709,250	75,589	2,833,987	181,770	1,927,293	311,946	6,499,699	1,934,219
State	<u>85,412</u>	<u>1,890</u>	<u>70,850</u>	<u>4,544</u>	<u>48,182</u>	<u>7,799</u>	<u>162,492</u>	<u>54,453</u>
Total Grants receipts	\$ 1,794,662	\$ 77,479	\$ 2,904,837	\$ 186,314	\$ 1,975,475	\$ 319,745	\$ 6,662,191	\$ 1,988,672
Less: Buchanan Field Capital Expenditures	\$ 1,842,368	\$ 79,568	\$ 2,983,145	\$ 225,102	\$ 2,063,508	\$ 364,186	\$ 6,878,685	\$ 2,062,366
Net CIP expenditures	\$ (47,706)	\$ (2,089)	\$ (78,308)	\$ (38,788)	\$ (88,032)	\$ (44,441)	\$ (216,493)	\$ (73,694)

Source: Airports Division, Contra Costa County.

In the event that grant funds are not available for a scheduled project, Airport management indicates that the project would be delayed until such time that necessary grant funds are available.

In addition to Phase I and Phase II projects included in the financial plan, the Airport has developed a list of Phase III projects totaling \$9.1 million (in 2007 dollars)⁵ that it would like to complete in the FY2019-2028 time frame. The financial feasibility of Phase III projects will depend on the Airport’s actual experience over the next decade and the resulting change in demands for facilities and services, as well as the future availability of funds, among other factors; and, for this reason, the financial implementation plan does not include a projection of the feasibility of Phase III projects.

Due to the diversity of the Airport’s revenues and the long-term leases in place with most major tenants that provide for regular Consumer Price Index (CPI) adjustments, the strong economic growth in the region, and the flexibility to undertake projects in the capital plan depending on the availability of funding sources, no sensitivity analysis⁶ was performed as part of the financial feasibility analysis.

The projection is based on information and projections supplied by the Airport and on various other assumptions. To the extent that the Airport’s actions and the Airport’s actual operating performance differs from these projections and assumptions, the effect on operating results will be different from the projected results. Any projection is subject to uncertainties and there will usually be differences between actual and projected results because not all events and circumstances occur as expected. In preparing this projection assumptions were made regarding

⁵ Phase III projects total cost is in 2007 dollars rather than nominal dollars because project priority and timing within the FY2019-2018 period will depend on future demand and actual results until that time.

⁶ For some airports, a sensitivity test may be useful to assess financial risk. For example, an airport relying heavily on passenger facility charges (PFCs) may benefit from an analysis to test the sensitivity of the financial plan to different rates of passenger growth since PFC collections are directly related to passenger enplanements.

increases in operating and construction costs as a result of inflation, activity levels, and other factors and increases in revenues as a result of future rate increases due to inflation.

Key assumptions underlying this analysis include:

- **Overall O&M expenses increase at 4% annually.**
- **Airport rates and charges increase annually with inflation, estimated at 3%.**
- **Projects will be completed as scheduled (timing and cost) and construction costs will increase with inflation, estimated at 3%.**
- **FY2008 new development incremental revenues will meet budget.**
- **Byron Airport net operating income will increase as estimated by management.**
- **Airport activity levels will increase as forecasted in Chapter Two, Forecasts of Aviation Activity.**
- **Federal and state grants will be available as programmed in the capital plan.**