

An aerial photograph of an airport, showing the terminal building, runways, taxiways, and numerous aircraft parked at gates. A semi-transparent rectangular overlay is placed over the center of the image, containing the title text.

2. Program Overview

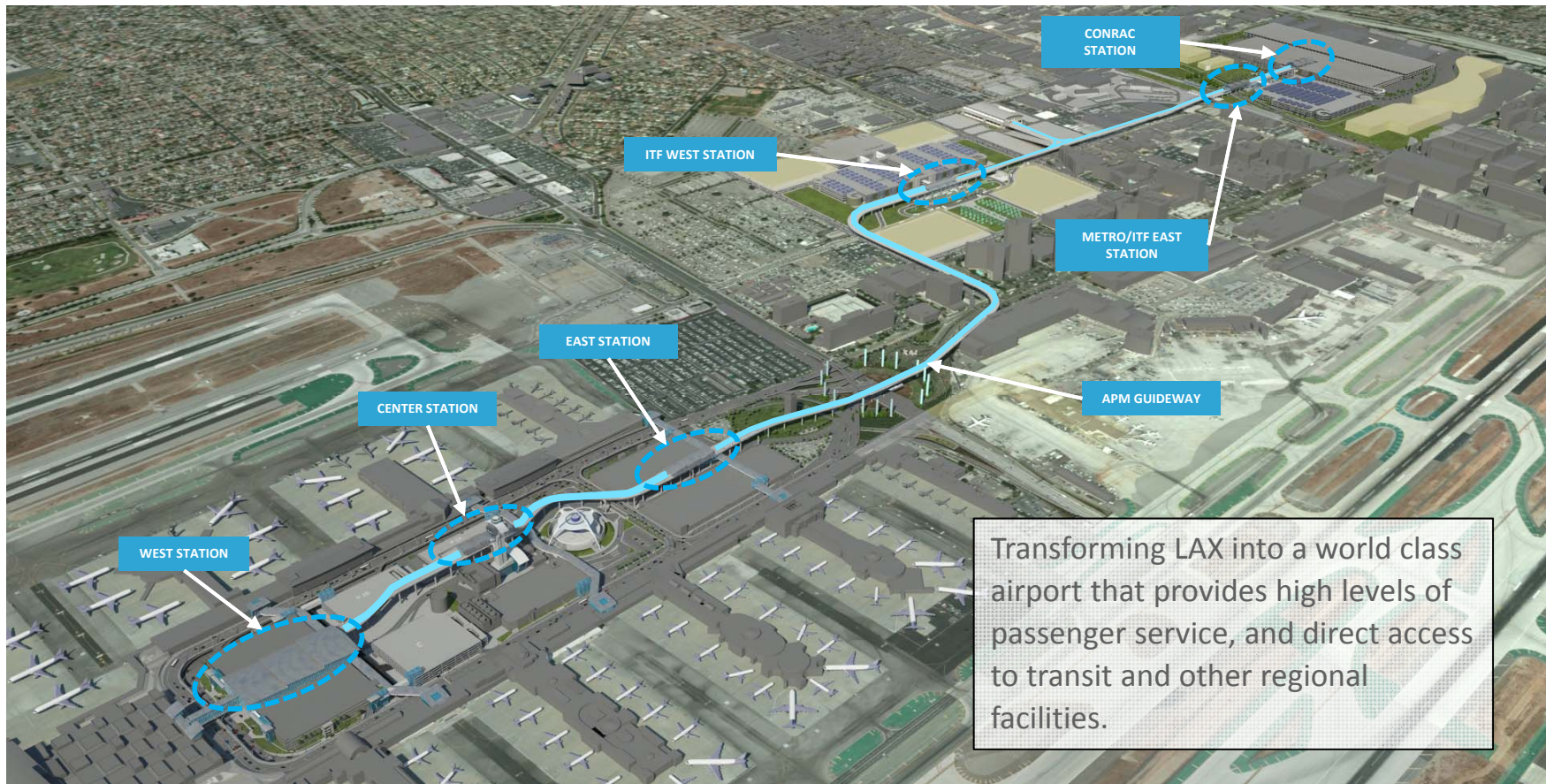
2. Program Overview

- 2.1 Review Program Components**
- 2.2. Program Delivery Timeline and Capital Cost Estimate**
- 2.3 Delivery Strategy**
- 2.4 Financial**
- 2.5 Doing Business with LAWA**

An aerial photograph of an airport, showing the terminal building, runways, taxiways, and several aircraft parked at gates. A semi-transparent rectangular box is overlaid on the center of the image, containing the text '2.1 Program Components'.

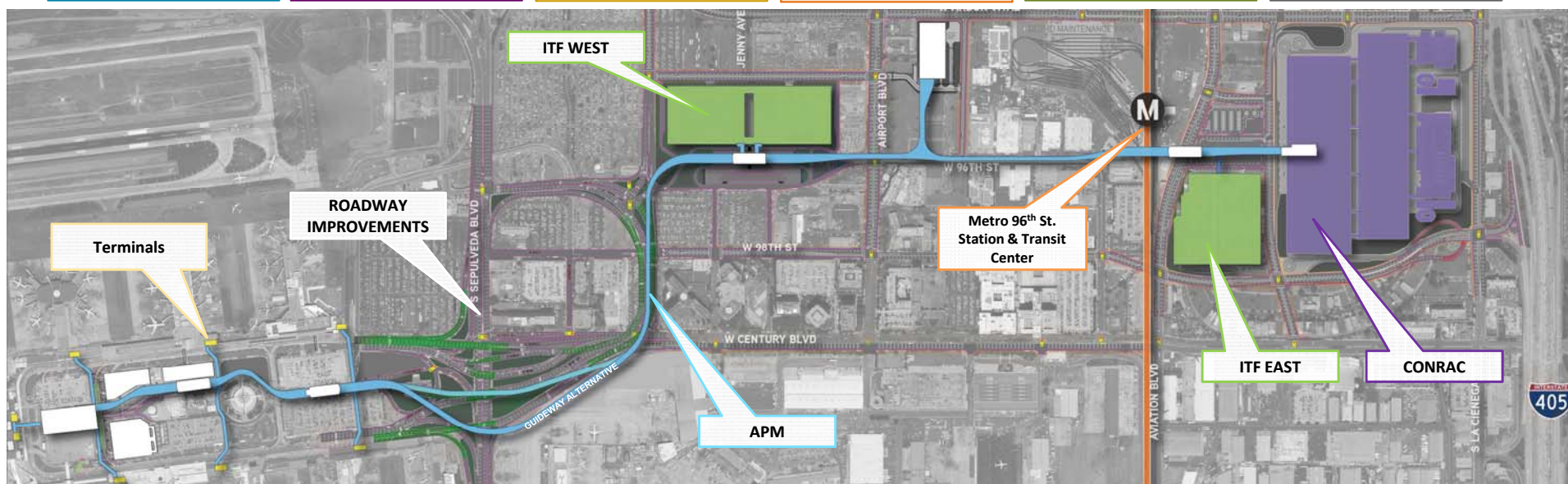
2.1 Program Components

Landside Access Modernization Program



Six Major Program Elements

APM	CONRAC	Terminals	Metro	ITFs	Roads
<ul style="list-style-type: none"> • APM Fixed Facilities • APM Operating System • Other components 	<ul style="list-style-type: none"> • Customer Service Building • Rental Car Storage • Vehicle prep and light maintenance 	<ul style="list-style-type: none"> • Terminal interface for pedestrian bridges • Vertical cores 	<ul style="list-style-type: none"> • Connection to 96th Street Metro Station (Metro Project) 	<ul style="list-style-type: none"> • Pick-up/drop-off curbs • Commercial modes • Parking 	<ul style="list-style-type: none"> • Roadways, site work, utilities



Automated People Mover (APM)

APM Overview

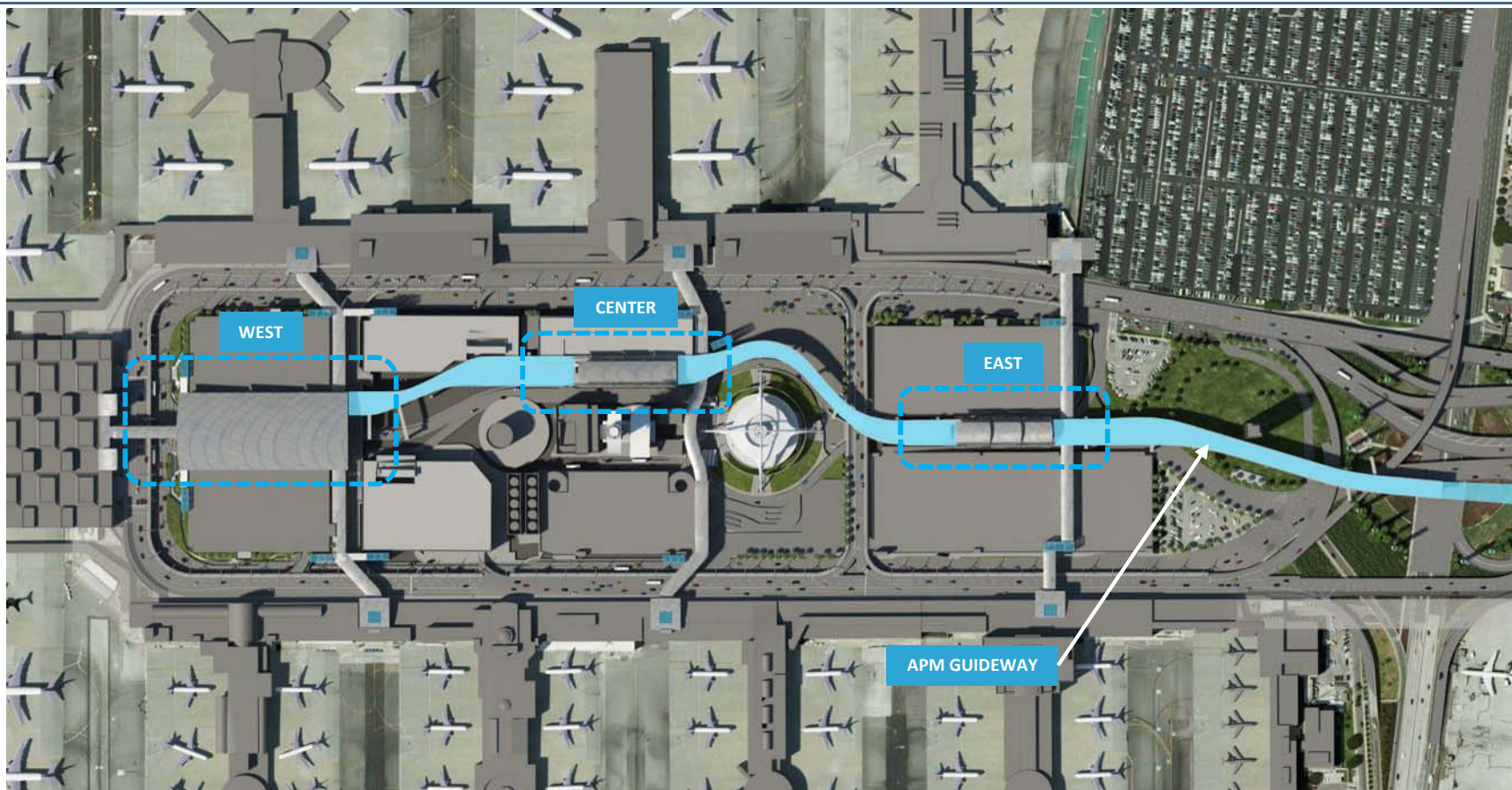
APM

Element	Description
Guideway	<ul style="list-style-type: none"> 2-1/4 miles long 50 to 70 feet above ground Width: 35-75 feet wide Columns every 100 feet (typical)
Stations	<ul style="list-style-type: none"> Six APM stations
Trains	<ul style="list-style-type: none"> As required to meet peak demand of approximately 5,600 people per hour per direction
System Operation	<ul style="list-style-type: none"> Pinched-loop operation with 2-minute headways
Pedestrian Access	<ul style="list-style-type: none"> Walkways to terminals and parking garages Moving walkways



CTA Stations

APM



APM Stations

APM

- Train arrives every 2 minutes for both inbound and outbound directions
- Easy to navigate
- Center platform at all “through” stations
- Split platforms at end stations
- Vertical cores away from boarding/ deboarding areas



CTA Pedestrian Walkways

APM

- Convenient connectivity to terminals for APM and CTA garage users
- Moving walkways provide passenger convenience
- Walkway system eliminates pedestrians crossing CTA roads (improves safety)



Terminals

Terminal Vertical Cores

Terminals



Terminal Vertical Cores Overview

Terminals

- Provide connectivity from pedestrian walkways to terminals for APM and CTA garage users
- Located to provide convenient access to/from all terminals
- Unifying element/wayfinding component



Terminal Vertical Cores

Terminals

- Vertical cores will serve all terminal levels:
 - Bag claim
 - Ticketing
 - Concourse (where possible)
 - Pedestrian bridge
- Up to 4 elevators & 4 escalators - two up, two down - per core (except for Bradley Terminal)



CONRAC

CONRAC Overview

CONRAC

Improved Passenger Experience

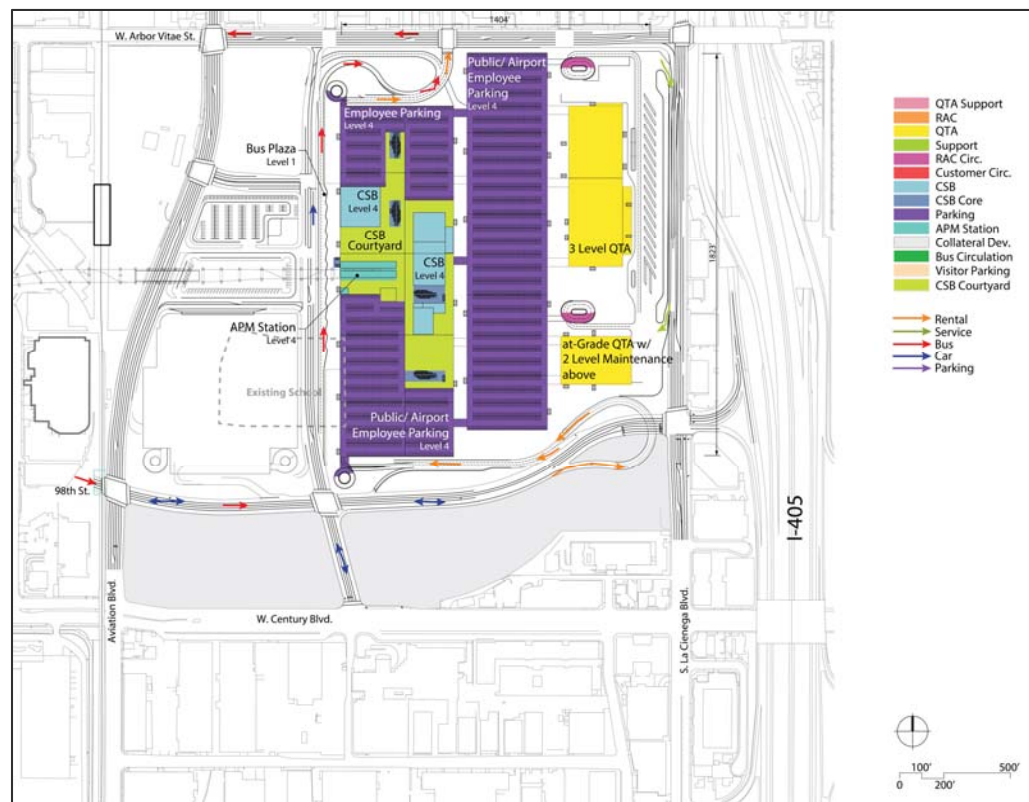
- Consolidated location linked to the CTA by an APM provides enhanced customer experience
- Direct access to freeways reduces rental car traffic in neighborhood streets

Improved Traffic Flow and Curb Utilization

- Improves CTA curb usage
- Eliminates rental car shuttles within the CTA upon operation of APM

Operational Efficiencies

- Rental car operators share space, resources and transportation



CONRAC Functions

CONRAC

CONRAC Concept:

- Located conveniently adjacent to I-405
- Sized to accommodate the rental car industry requirements
- 24/7, 365-days per year operation

Design Accommodations Include:

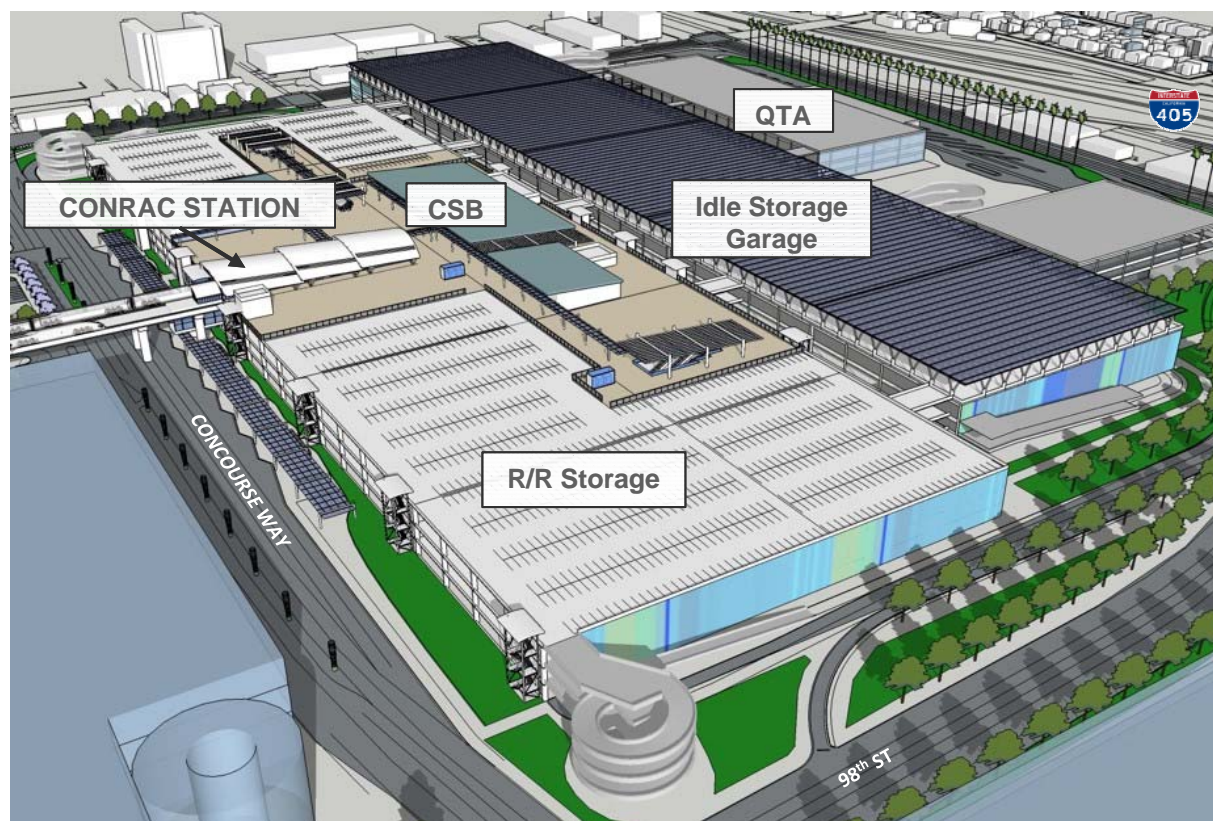
- Streamlined vehicle flows
- Split APM boarding/de-boarding platforms
- Multi-level fueling/car-wash
- Fleet delivery
- Secure access by brand family
- Emergency/redundant shuttle curb



CONRAC Elements

CONRAC

- 4-Story, 6,580,000 SF facility consolidates all airport rental car operations into a single facility accessible by APM.
- Four primary building components:
 - Ready/Return Garage (R/R Storage)
 - Customer Service Building (CSB)
 - Idle Storage Garage
 - Quick Turnaround (QTA)
- Roadway improvements

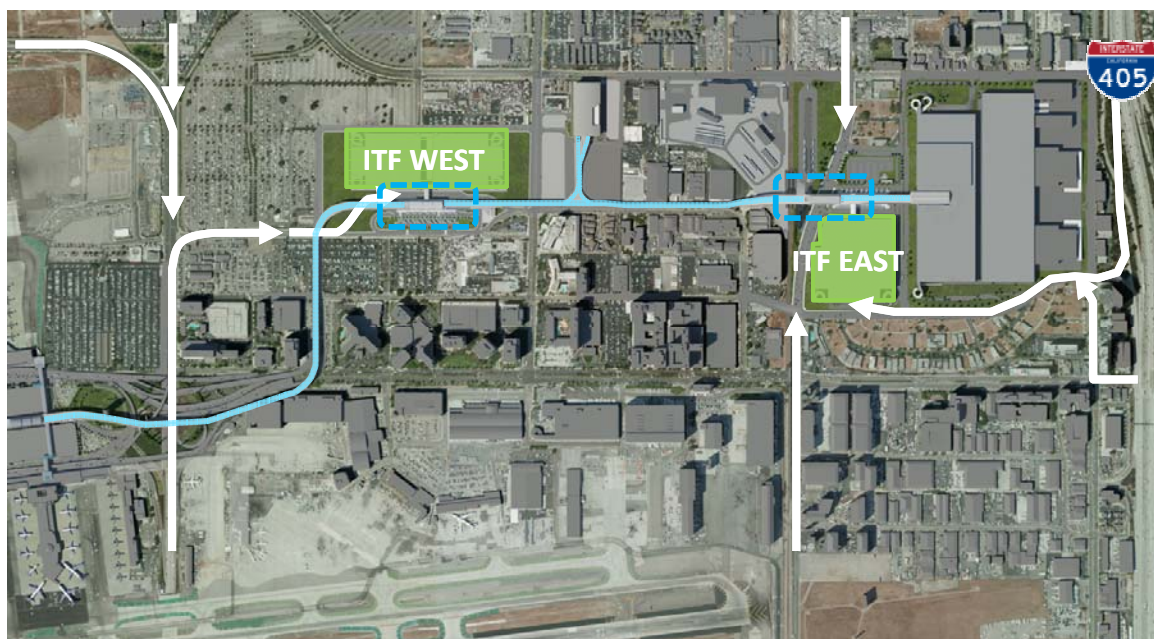


Intermodal Facilities

ITF Overview

ITFs

- Fast and efficient access to the APM
- Airport parking for private vehicles
- Passenger pick-up/drop-off
- Connections/transfers to hotels, parking, and other airport-area shuttles
- Amenities such as waiting areas, concessions, and ticketing/ information kiosks



ITF West

ITFs

Three primary facility components:

- APM station
- Public parking garages
 - Garage A – 280,000 SF, 4 levels (3,600 stalls)
 - Garage B – 280,000 SF, 5 levels (4,300 stalls)
- Public and commercial vehicle curbs



ITF East

ITFs

Three primary components:

- APM station
- Public parking garage
 - 510,000 SF
 - 5 levels above grade
 - 7,900 parking stalls
- Public and commercial vehicle curbs



Adjacent Projects:

- CONRAC
- Metro
 - Crenshaw Line
 - 96th St Station
 - Metro bus facility
 - Metro Yard

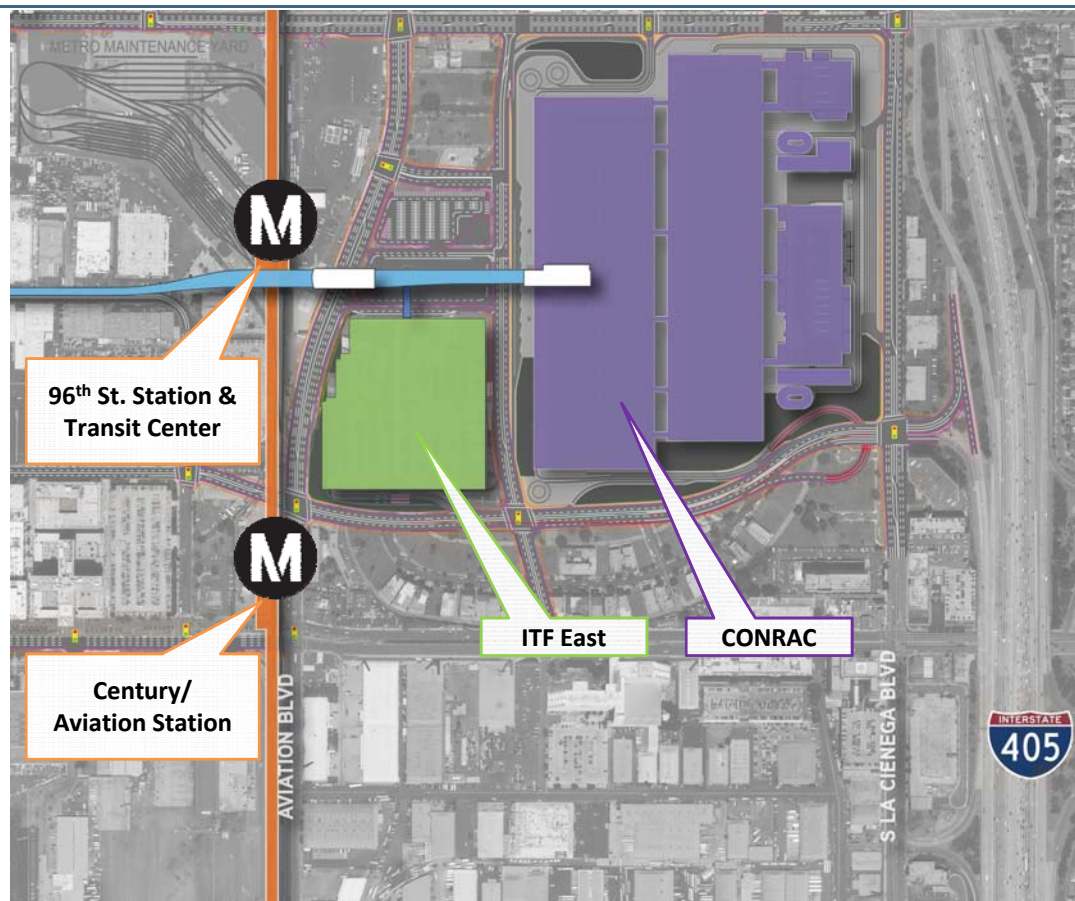


Airport Metro Connector

Metro – Overview

Metro

- Metro is currently constructing the Crenshaw/LAX Corridor Light Rail Line, scheduled to open in 2019
- Metro is planning to connect to the APM with a new 96th St station
- Metro is proceeding with the 96th St station and is in the planning and environmental phase.



Roadway Improvements

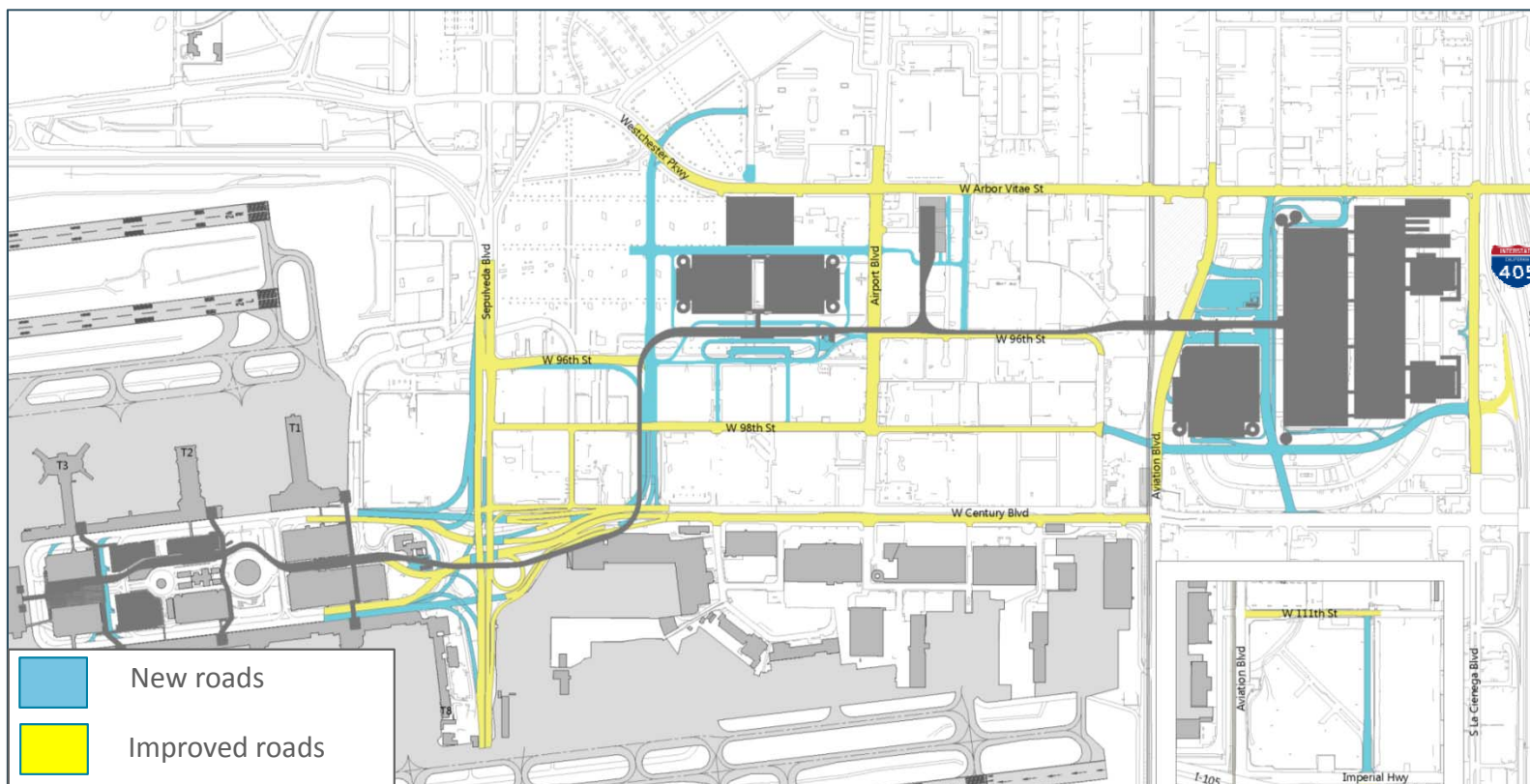
Roadway Improvements Purpose

Roads

- Enable passengers to access LAX more efficiently
- Easy and efficient transitions from I-405 and I-105 to CONRAC and ITFs
- Improve high volume intersections and roadway segments
- Improve local circulation

Comprehensive Roadway Plan

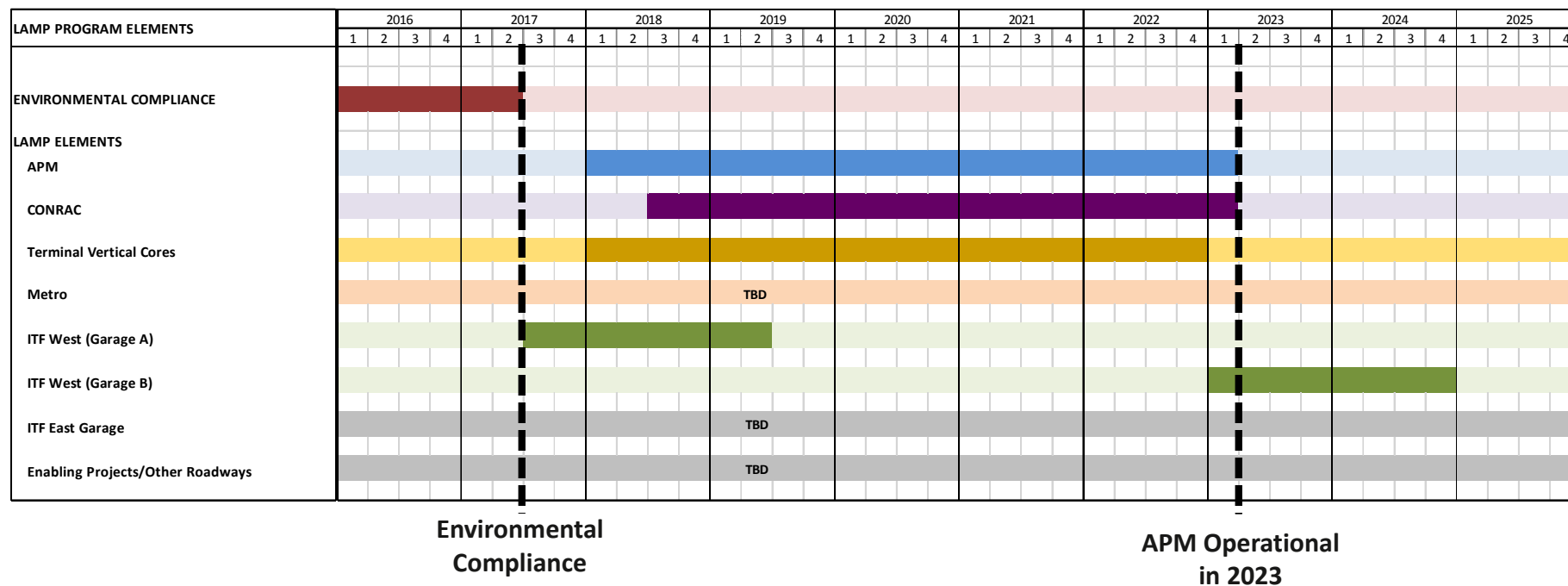
Roads



An aerial photograph of an airport, showing the terminal building, multiple runways, taxiways, and numerous aircraft parked at gates. A semi-transparent rectangular box is overlaid on the center of the image, containing the title text.

2.2 Program Delivery Timeline and Capital Cost Estimate

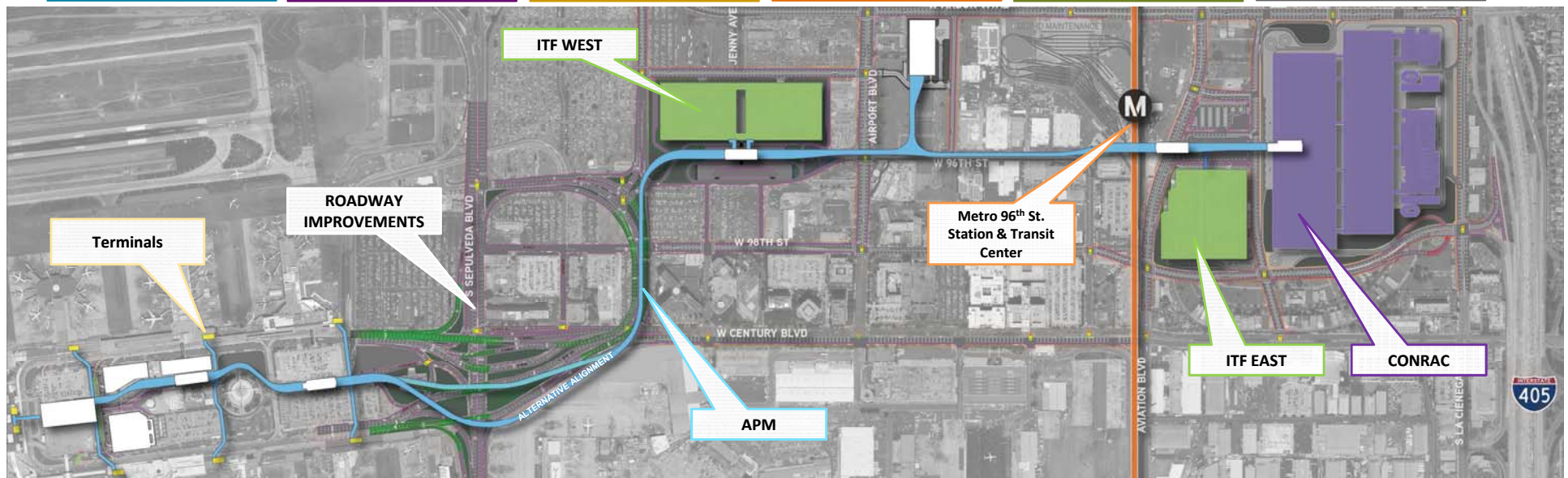
Program Delivery Timeline



- CONRAC – operational no later than 2023, can open early with busing operation
- Enabling/Other – to be determined

Program Capital Cost Estimate - \$5.5 Billion

APM	CONRAC	Terminals	Metro	ITFs	Roads
<ul style="list-style-type: none"> APM Fixed Facilities APM Operating System Other components 	<ul style="list-style-type: none"> Customer Service Building Rental Car Storage Vehicle prep and light maintenance 	<ul style="list-style-type: none"> Terminal interface for pedestrian bridges Vertical cores 	<ul style="list-style-type: none"> Connection to 96th Street Metro Station (Metro Project) 	<ul style="list-style-type: none"> Pick-up/drop-off Curbs Commercial modes Parking 	<ul style="list-style-type: none"> Roadways, site work, utilities
\$2.7B	\$1.0B	\$400M	By Metro	\$600M	\$800M



An aerial photograph of an airport, showing the terminal building, runways, taxiways, and numerous aircraft parked at gates. A semi-transparent rectangular box is overlaid on the center of the image, containing the section header text.

2.3 Delivery Strategy

Key Delivery Objectives

- Deliver high quality improvements at LAX
- Control capital costs
 - Construction cost
 - Finance cost
- Expedite delivery (goal: no later than 2023)
- Capture life cycle cost efficiencies
- Capture economies of scale
- Minimize construction impacts on existing LAX operations and surrounding communities
- Cultivate diverse business opportunities
- Recognize LAWA values and responsibilities

Delivery Strategy

- Program will utilize multiple delivery methods and a variety of contracts
- Design-Build-Finance-Operate and Maintain (DBFOM) is the selected delivery method for the APM and the CONRAC
- LAWA is currently evaluating procurement and delivery methods for other elements of the Program

Element	Delivery Methods					
	D-B-B	CM@R	DB	DBOM	DBFOM	Other
APM						
CONRAC						Tenant
Terminals						Tenant
Metro						Metro MOU
ITF Garage(s)						
Other Elements						

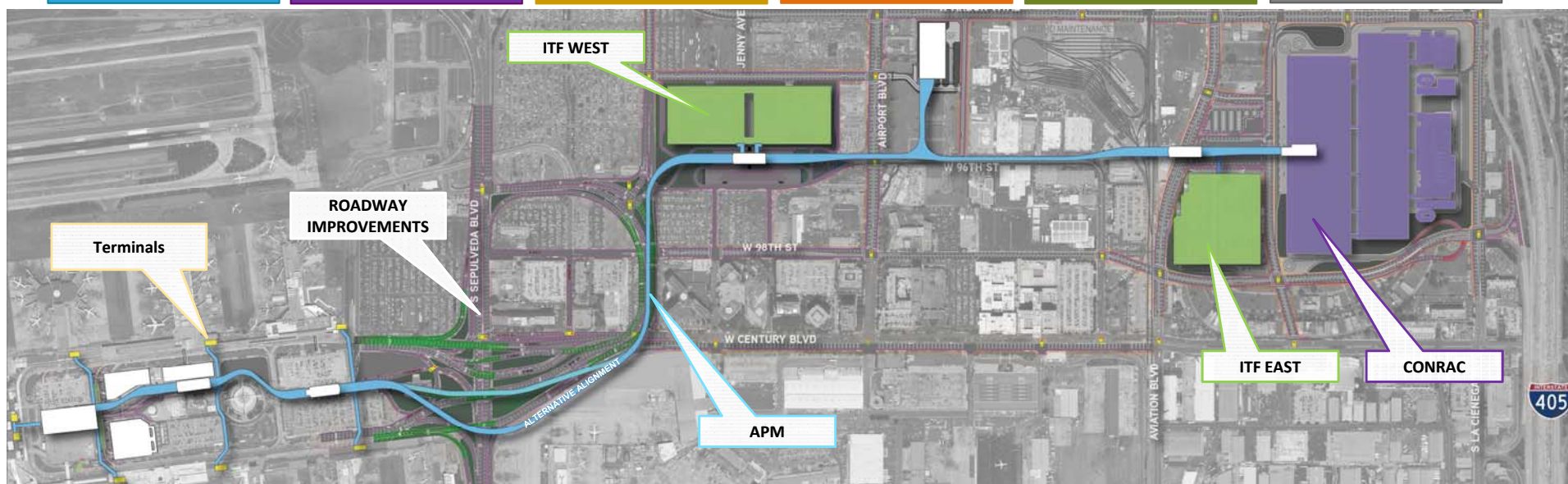
Selected delivery method
 Delivery methods under consideration

DBFOM Delivery Strategy

- Appropriate allocation of risks between LAWA and the DBFOM Developer Team
 - Risk controlled by party best suited to manage
- Payments by LAWA:
 - Capital and Operations & Maintenance
 - At milestone completion = **Milestone Payments**
 - Availability of specified performance of completed project = **Availability Payments**
 - No revenue risk transferred to Developer Team
- Aligned common interest in timely completion of high performing assets

Proposed Strategy

APM	CONRAC	Terminals	Metro	ITFs	Other
<ul style="list-style-type: none"> APM Fixed Facilities APM Operating System Other components 	<ul style="list-style-type: none"> Facilities Associated roadways CONRAC APM Station 	<ul style="list-style-type: none"> Terminal interfaces for pedestrian bridges Vertical cores 	<ul style="list-style-type: none"> Connection to 96th Street Metro (MOU with Metro Project) 	<ul style="list-style-type: none"> ITF West Garage ITF East Garage <p>To be addressed in future outreach</p>	<ul style="list-style-type: none"> Enabling Projects Other roadway projects <p>To be addressed in future outreach</p>
DBFOM	DBFOM	TBD	Metro	TBD	TBD



Other Projects Outside the DBFOM Contracts

There are many projects outside the two DBFOM contracts which will be defined and procured in the future. These projects potentially include but are not limited to the following:

- Demolition projects
- Site clearing and grading
- Advanced utility relocations
- Roadway construction
- ITF parking garages
- Terminal vertical cores

Please continue to monitor the website for future announcements regarding these and other potential opportunities.

Management Approach

- Recognize that both delivery and ongoing operations are not business as usual
- Implement recent LAWA re-org/re-structuring “kick off”:
 - Special purpose management group focused solely on successful execution of Program
- Secured experienced industry advisors retained to assist:
 - Frasca, mapLAX, Nossaman, Paslay Management Group; additional as needed
- Considering an independent engineer/certifier
- Expecting cooperative master utilities agreements
- MOU's with other stakeholders

An aerial photograph of an airport, showing the terminal building, runways, taxiways, and several aircraft parked at gates. A semi-transparent rectangular overlay is placed over the center of the image, containing the text '2.4 Financial'.

2.4 Financial

Two Distinct Procurement Packages

	1 APM Package	2 CONRAC Package
Estimated Capital Requirement	<ul style="list-style-type: none"> ▪ \$2.1-2.5 billion 	<ul style="list-style-type: none"> ▪ \$850 million- \$1 billion
Developer Team Responsibility	<ul style="list-style-type: none"> ▪ Design ▪ Build ▪ Finance ▪ Operate ▪ Maintain 	<ul style="list-style-type: none"> ▪ Design ▪ Build ▪ Finance ▪ Operate ▪ Maintain
Owner Payments to Developer Team	<ul style="list-style-type: none"> ▪ Milestone Payments ▪ Availability Payments 	<ul style="list-style-type: none"> ▪ Milestone Payments ▪ Availability Payments
Milestone Payments Sources	<ul style="list-style-type: none"> ▪ LAX cash (including CFCs) ▪ LAX bonds 	<ul style="list-style-type: none"> ▪ LAX cash (including CFCs) ▪ LAX bonds
Availability Payments Sources	<ul style="list-style-type: none"> ▪ CFCs ▪ LAX revenues ▪ LAX cash 	<ul style="list-style-type: none"> ▪ CFCs ▪ LAX revenues ▪ LAX cash

Project Payments

LAWA plans to use Milestone Payments and Availability Payments for both packages

Payment Characteristics

Milestone Payments

- ✓ BEFORE DBO PAYMENTS: Available upon completion and acceptance of discrete project elements or a definable completion standard
- ✓ AFTER DBO PAYMENTS: Available in multiple lump sum payments \approx 6-36 months after DBO (in addition to availability payments)
- ✓ Currently expected that milestone payments will be a percentage of project cost and will differ between APM and CONRAC packages

Availability Payments

- ✓ Paid after completion, acceptance and start of operations of project
 - Capital repayment
 - Operations & maintenance
- ✓ Subject to payment modifiers based on performance

Sources of Payments from LAWA

LAX Sources

General Airport Revenue:

- Airline rental payments
- Concession revenues
- Parking revenues
- Other Airport revenues

Other Sources:

- Passenger facility charges (“PFC”)
- Customer facility charges (“CFC”)
- Rental car rents and other charges⁽¹⁾

Payments to Developers

Milestone payments

- Funded from
 - General Airport Revenue Bonds
 - LAX cash (includes PFCs and CFCs)
 - CFC supported bonds

Availability payments

- Funded from
 - General airport revenues
 - LAX cash (includes PFCs and CFCs)
 - Facility related revenues

(1) New, currently non-pledged rental car rents and other charges.

Conceptual Plan of Finance




	1 APM Package	2 ConRAC Package
Construction Financing	Developer team to provide 100% of project construction financing	
Developer Team Financing	Minimum equity investment expected in addition to some share of long term financing	
Anticipated Lease Term	<ul style="list-style-type: none"> 30 to 35 years 	<ul style="list-style-type: none"> 20 to 35 years
Availability of Private Activity Bonds	<ul style="list-style-type: none"> Will be available 	<ul style="list-style-type: none"> Not available
Owner Financing	Currently anticipated to be limited to milestone payments	
TIFIA	Not anticipated on these components	
Governance	All budget financing agreements, terms and conditions are approved by the Board of Airport Commissioners and are subject to additional charter provisions	

LAX Credit Strength

LAX is one of the highest rated airports in the U.S.

- Largest originating and destination (O&D) airport in the U.S.
- Premier international gateway serving many markets domestically and around the world
- Leading airport in Los Angeles market – over 70% market share in nation's second largest metropolitan market
- Not dependent on a single, dominant carrier for air service
 - 64 passenger air carriers
 - No carrier has more than a 19% market share
- Strong financial metrics as of June 30, 2015
 - Aggregate debt service coverage of 2.5x
 - Unrestricted cash balances of \$729 million (412 days of operating and maintenance expenses)

Rating Agency Views

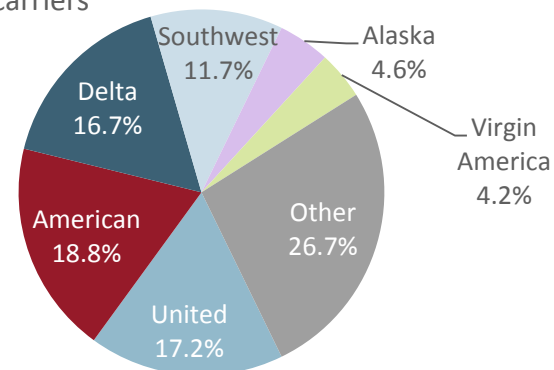
			
Senior Debt Ratings	<ul style="list-style-type: none"> ▪ AA ▪ Stable Outlook 	<ul style="list-style-type: none"> ▪ Aa3 ▪ Positive Outlook 	<ul style="list-style-type: none"> ▪ AA ▪ Stable Outlook
Subordinate Debt Ratings	<ul style="list-style-type: none"> ▪ AA- ▪ Stable Outlook 	<ul style="list-style-type: none"> ▪ A1 ▪ Positive Outlook 	<ul style="list-style-type: none"> ▪ AA- ▪ Stable Outlook

LAX Serves a Strong and Diverse Market

- Population: 18.6 million
- Cultural diversity
- Educated, high earning work force
- Diverse local economy
- High personal incomes

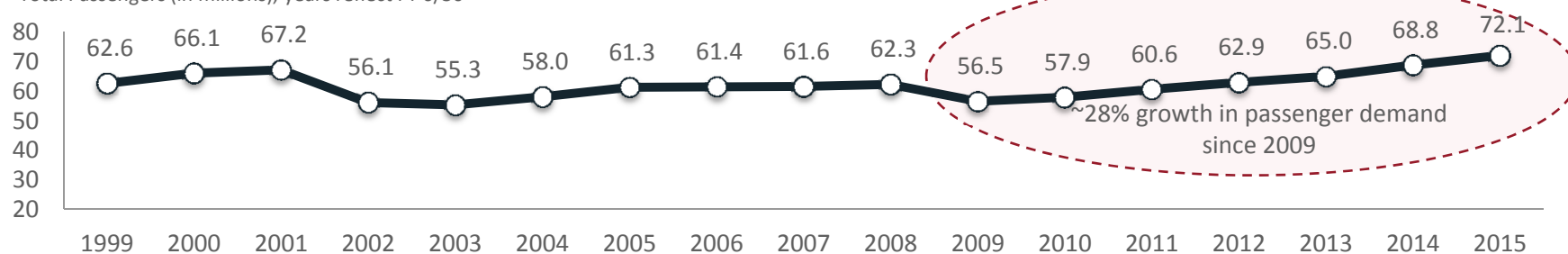


- LAX has a diverse air carrier mix with 23 domestic and 45 foreign flag carriers



LAX continues to experience strong growth in passenger demand

Total Passengers (in millions), years reflect FY 6/30

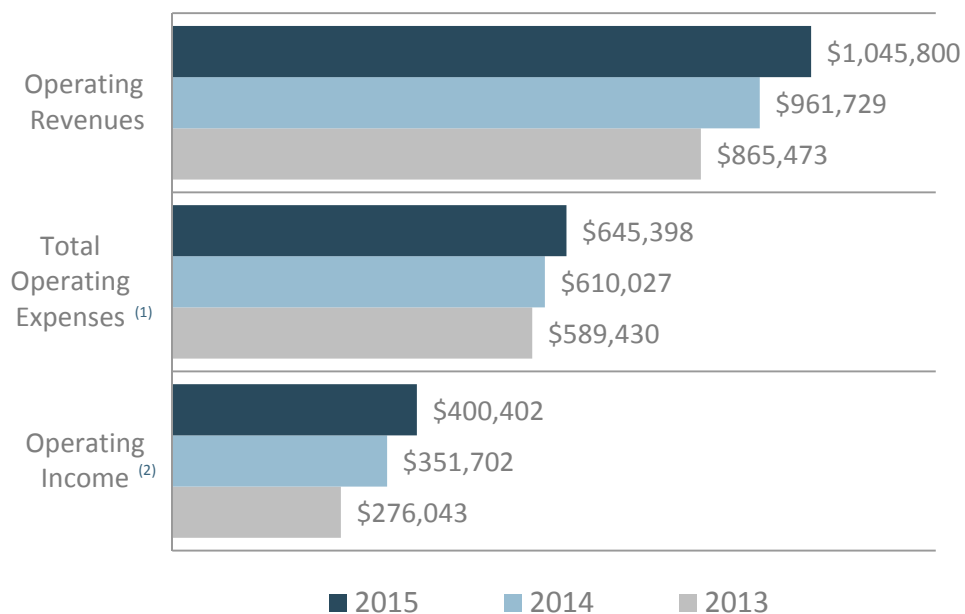


Source: LAWA's 2015 CAFR.

Operating Revenue

LAX generates ~\$1 billion in operating revenues annually.

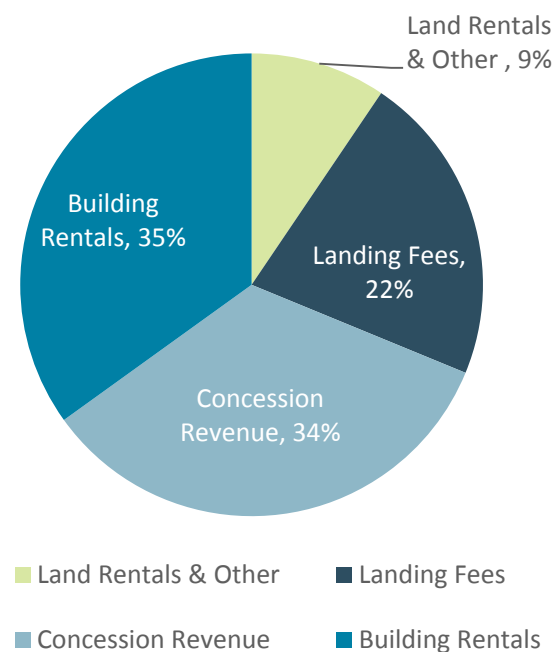
LAX Historical Revenue (\$ in thousands)



(1) Operating Expenses before depreciation and amortization.

(2) Operating Income is before depreciation and amortization and is available to fund debt service.

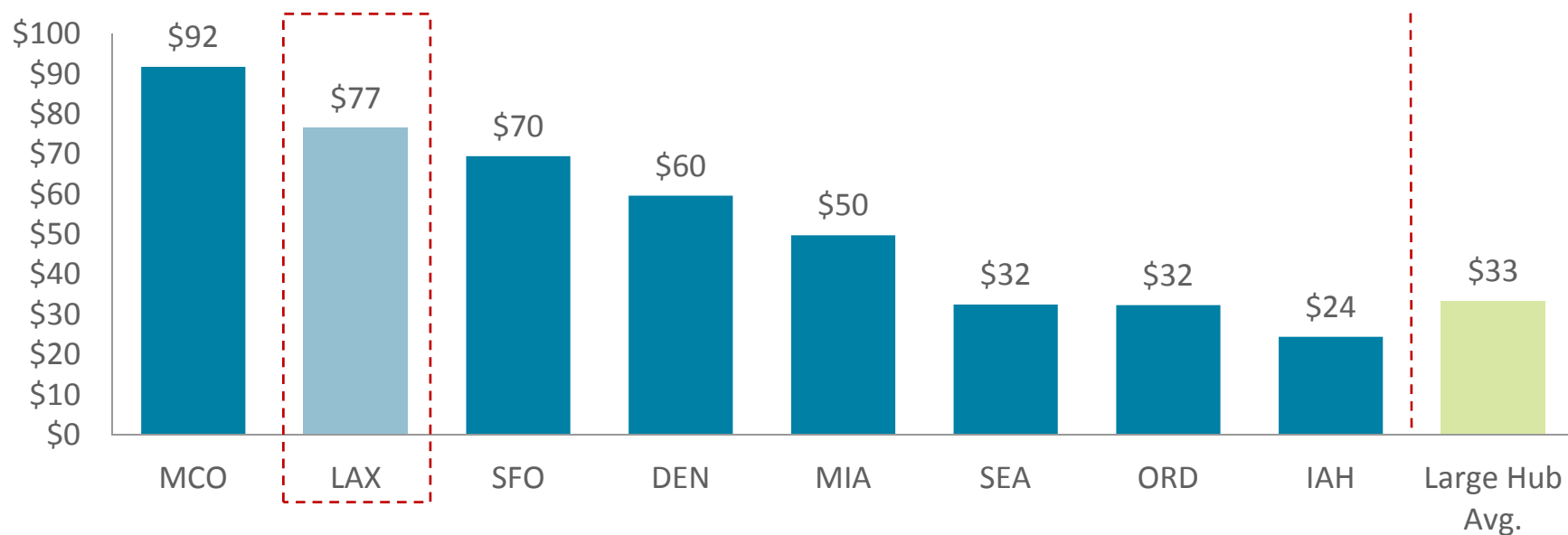
2015 Revenue by Segment



Rental Car Market

Rental Car Revenues

(\$ in millions)



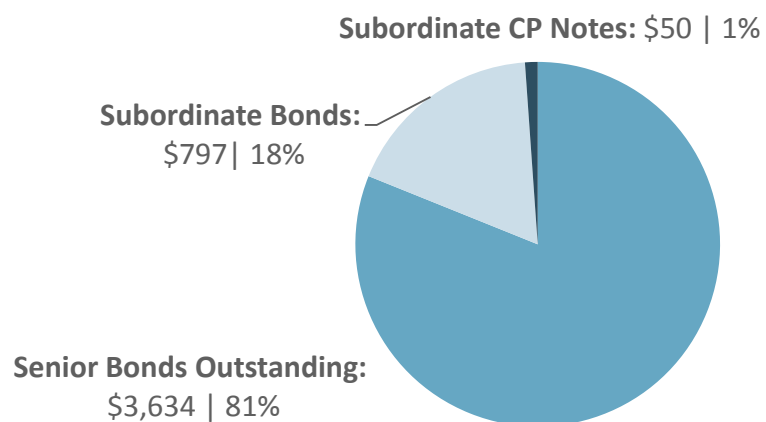
Source: FAA Form 127, 2014.

LAX Current Debt

- LAX has \$4.5 billion of debt outstanding⁽¹⁾
- LAX's outstanding long-term debt is 100% fixed-rate, with a final maturity of 2045

Summary of LAX Outstanding Debt⁽¹⁾

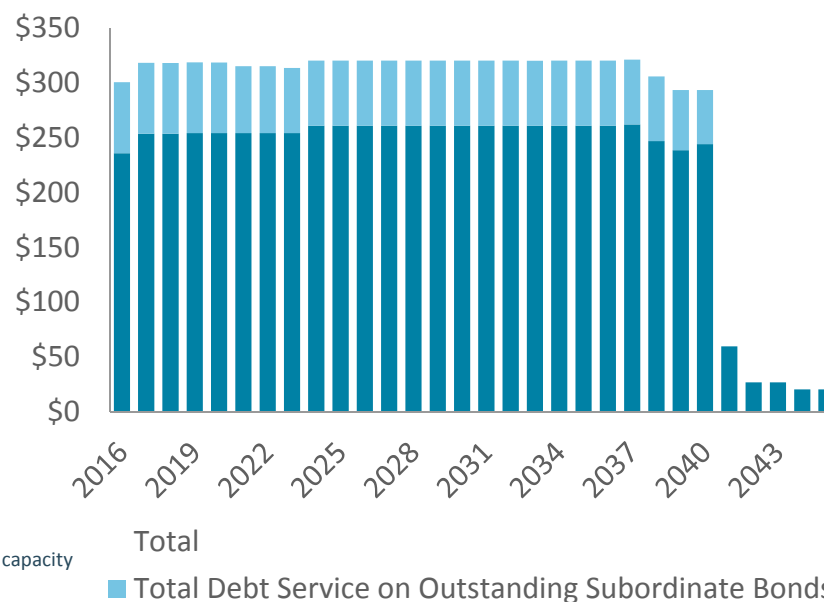
(\$ in millions)



1. As of November, 2015; includes subordinate commercial paper
2. Outstanding Commercial Paper as of October 1, 2015; the Commercial Paper Program has a total capacity of \$500 million

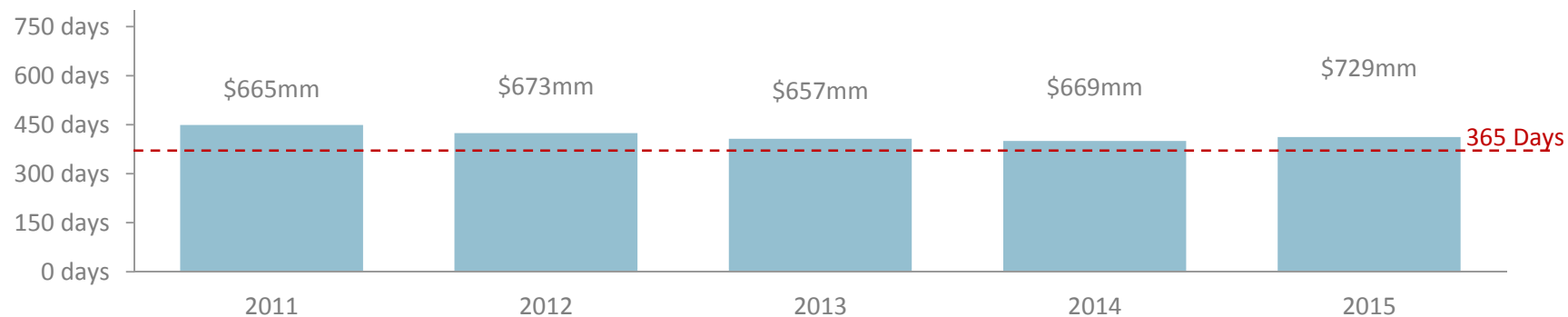
Summary of LAX Existing Debt Service

(\$ in millions)

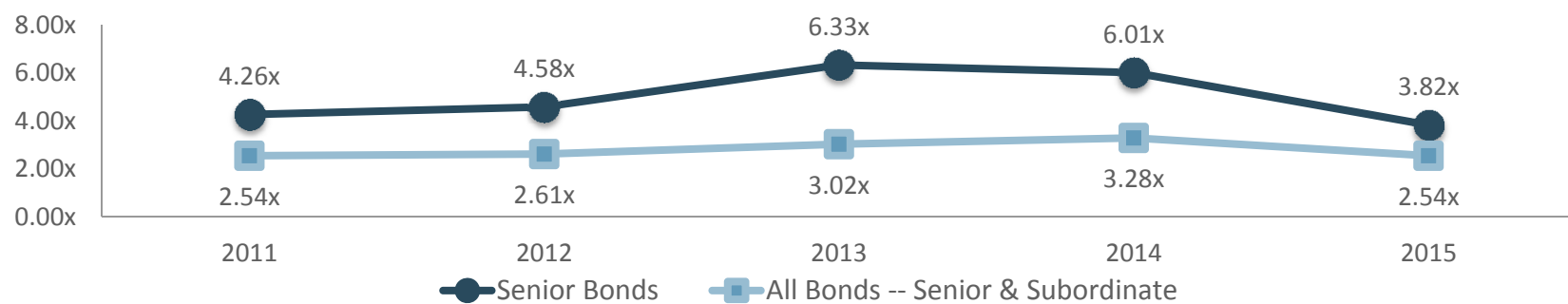


LAX Key Metrics

Days Unrestricted Cash on Hand

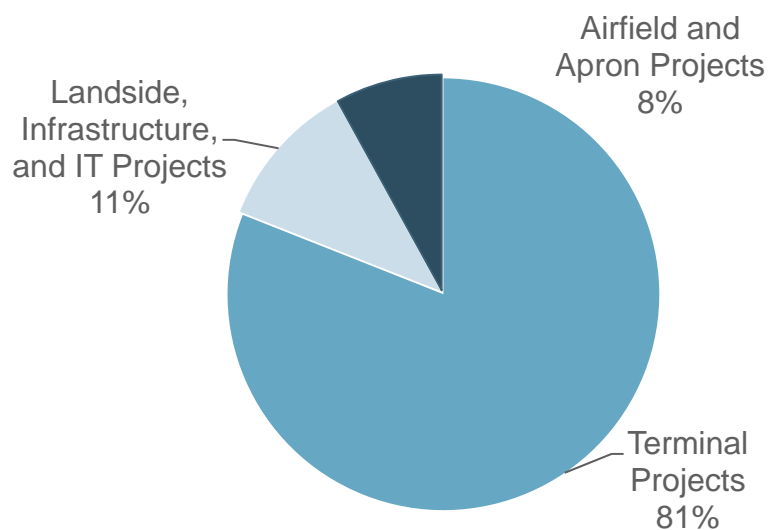


LAX Historical Debt Service Coverage



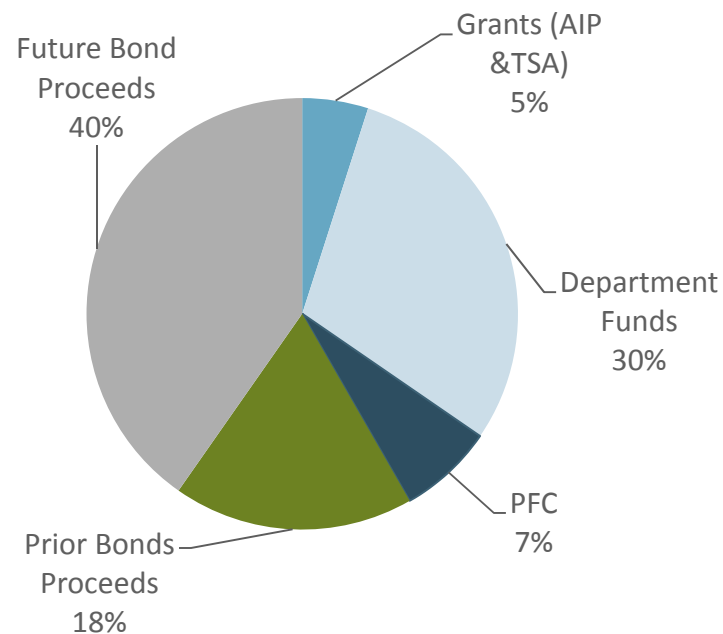
LAX's 2015-2021 Proposed Capital Program

Project Cost Composition



Estimated Project Costs: ~\$5.8 billion

Estimated Sources of Funds



Further information is available on the LAX investor relations website⁽¹⁾

(1) See 2015 Series DE Revenue Bond Official Statement at <http://www.lawa.org/InvestorRelations/investors.aspx>

Additional LAX Financial Information

www.connectinglax.com

www.lawa.org

www.lawa.org/InvestorRelations/investors.aspx

- Bond official statements
- Bond indentures
- Annual Financial reports
- Traffic statistics

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2.5 Doing Business with LAWA

Contracting Objectives

Existing LAWA Programs

- LAWA's Small Business Enterprise (SBE) program achieved 29% participation, which included 18% Minority and Women business participation in first two years
- The Local Business Participation Program (LBPP) program has resulted in robust awards to local businesses

For LAMP

- Specific policy and requirements for LAMP are in development
- Small, diverse and local business participation is imperative
- Maximum inclusion of small and diverse businesses sought at every level in all LAMP projects
- Policy input and suggestions are encouraged
- LAWA will be conducting future outreach for small, diverse, and local businesses to help develop LAWA policies and facilitate participation

