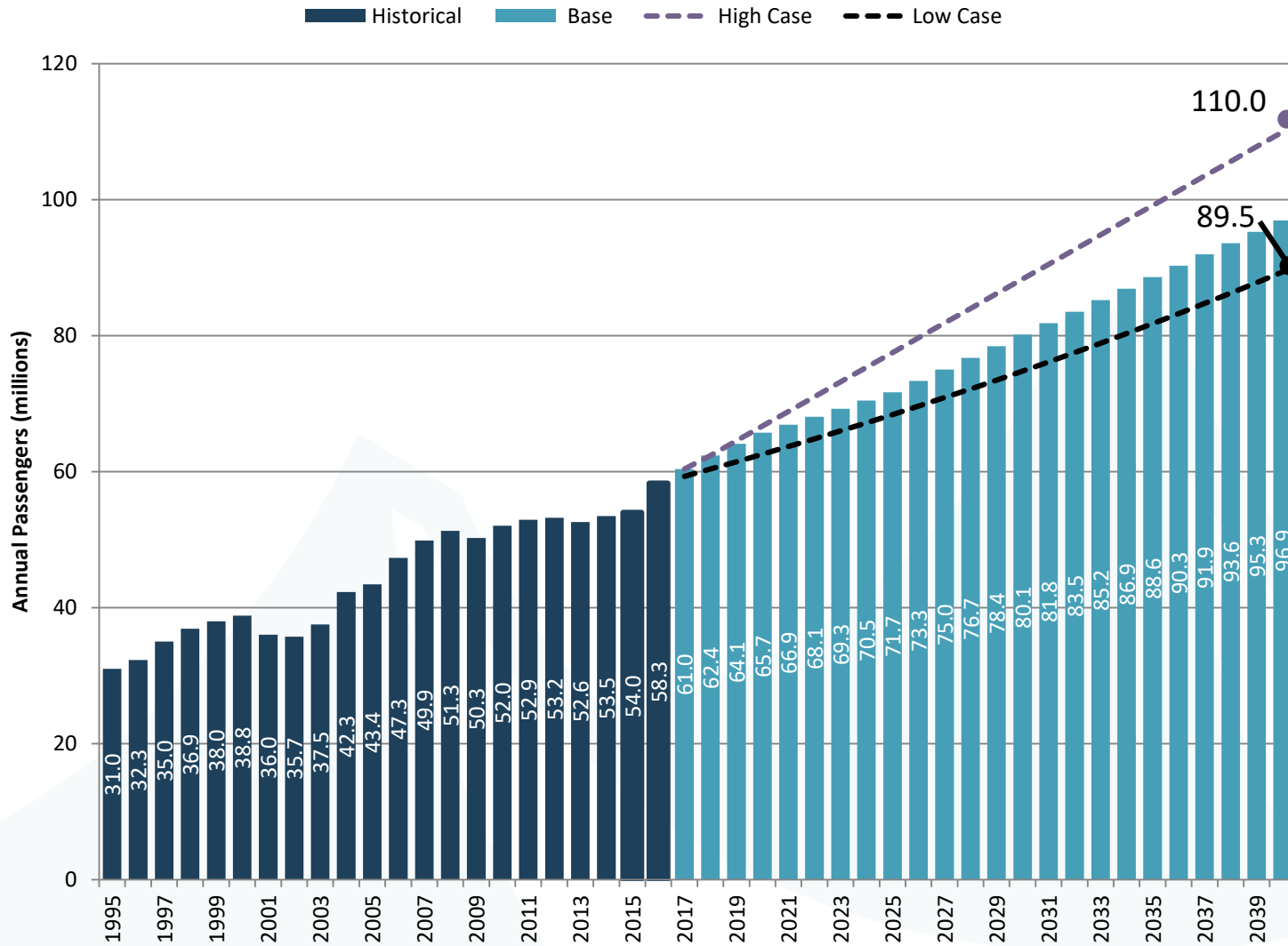




DEN PRELIMINARY CIP 2018-2022 GATE EXPANSION PROGRAM

GISELA SHANAHAN, CHIEF FINANCIAL OFFICER
PATRICK HECK, CHIEF COMMERCIAL OFFICER
OCTOBER 2017

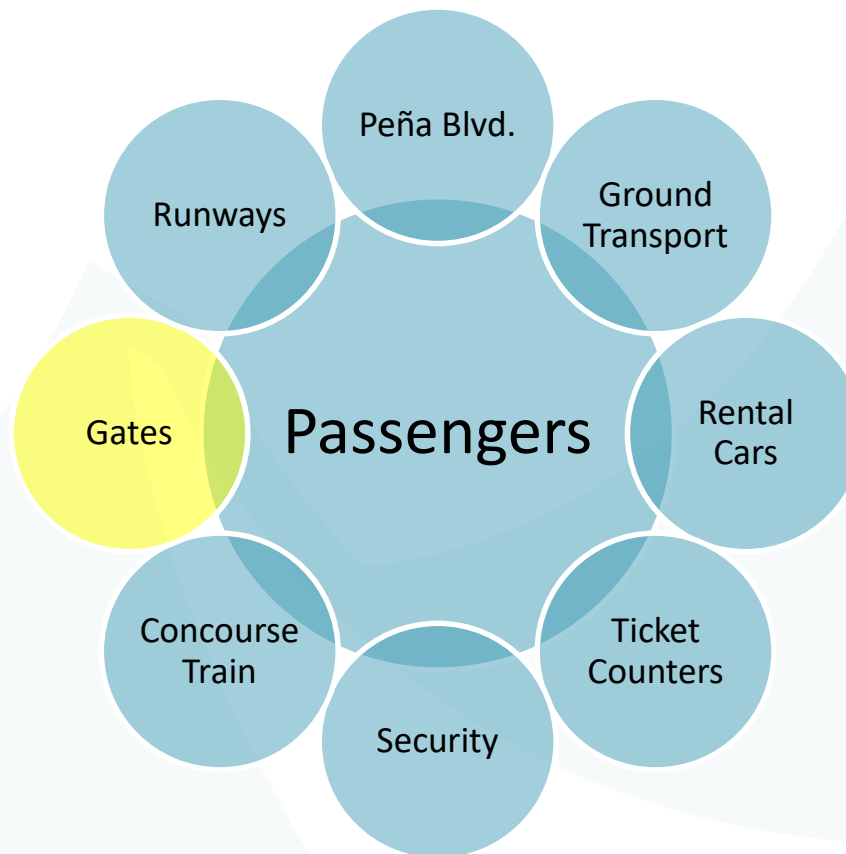
DEN CONTINUES TO GROW



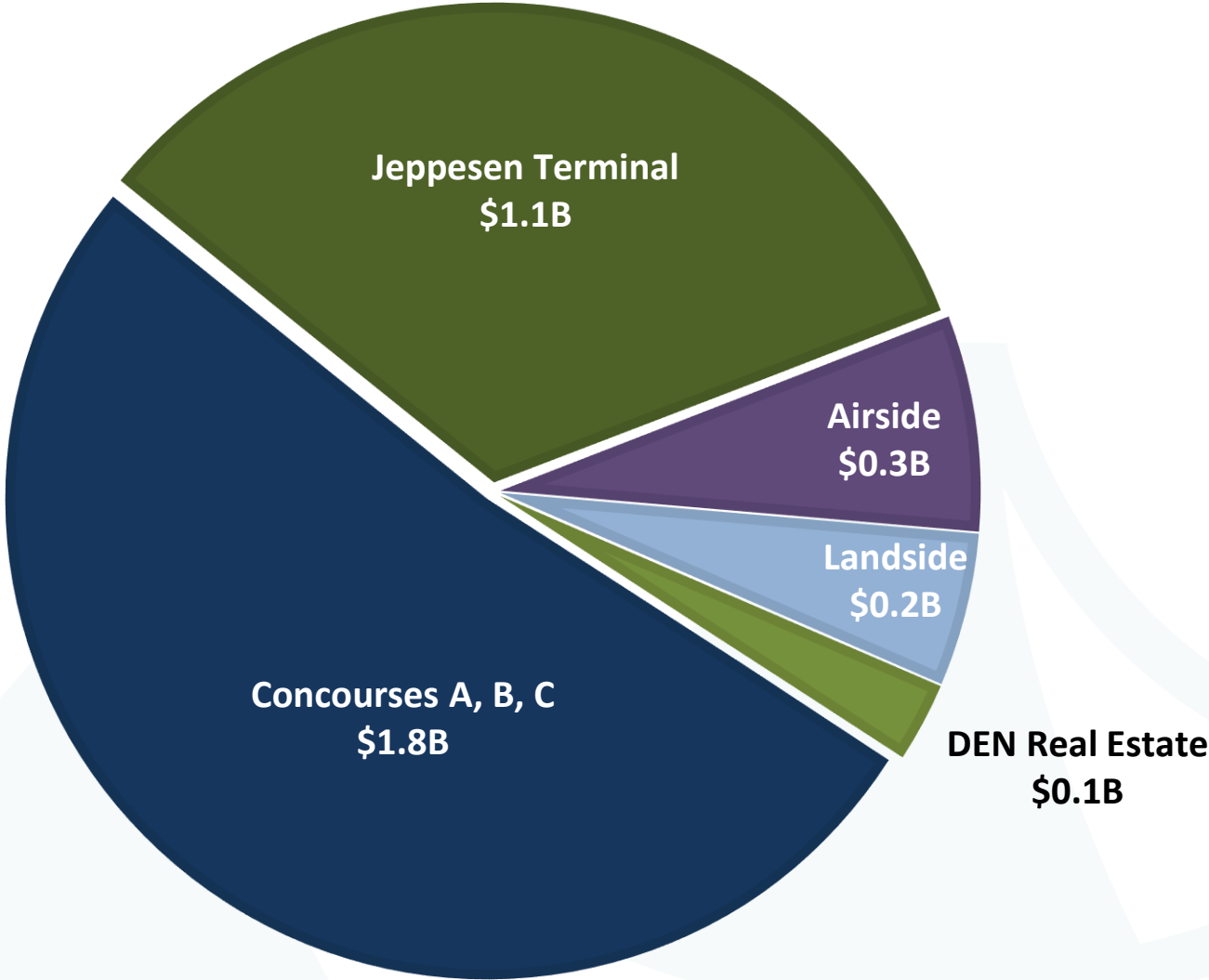
ACCOMMODATING GROWTH



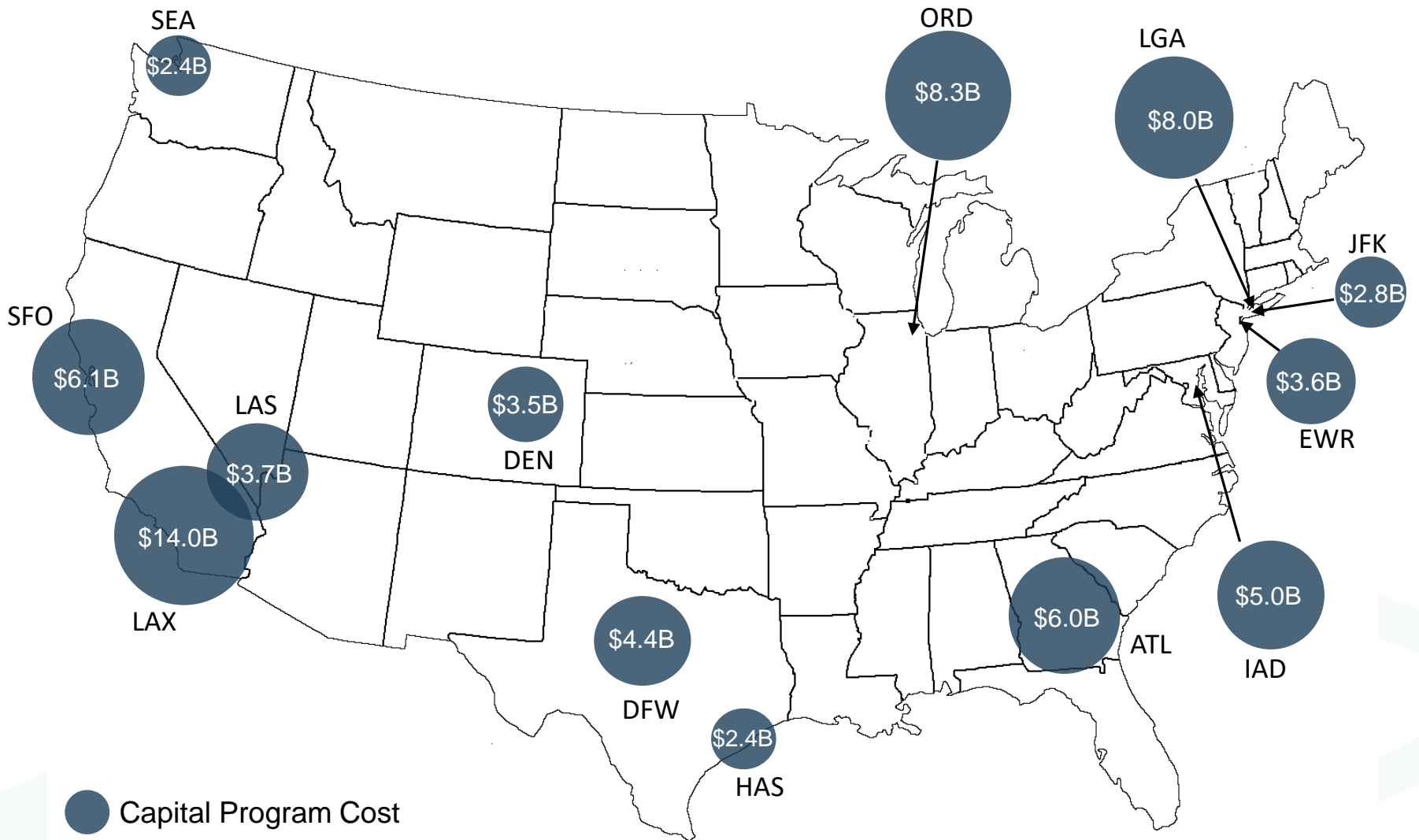
- DEN has prepared a capital plan to accommodate the growth that balances the various elements of the airport so that there is not a single choke point



PRELIMINARY CIP 2018-2022



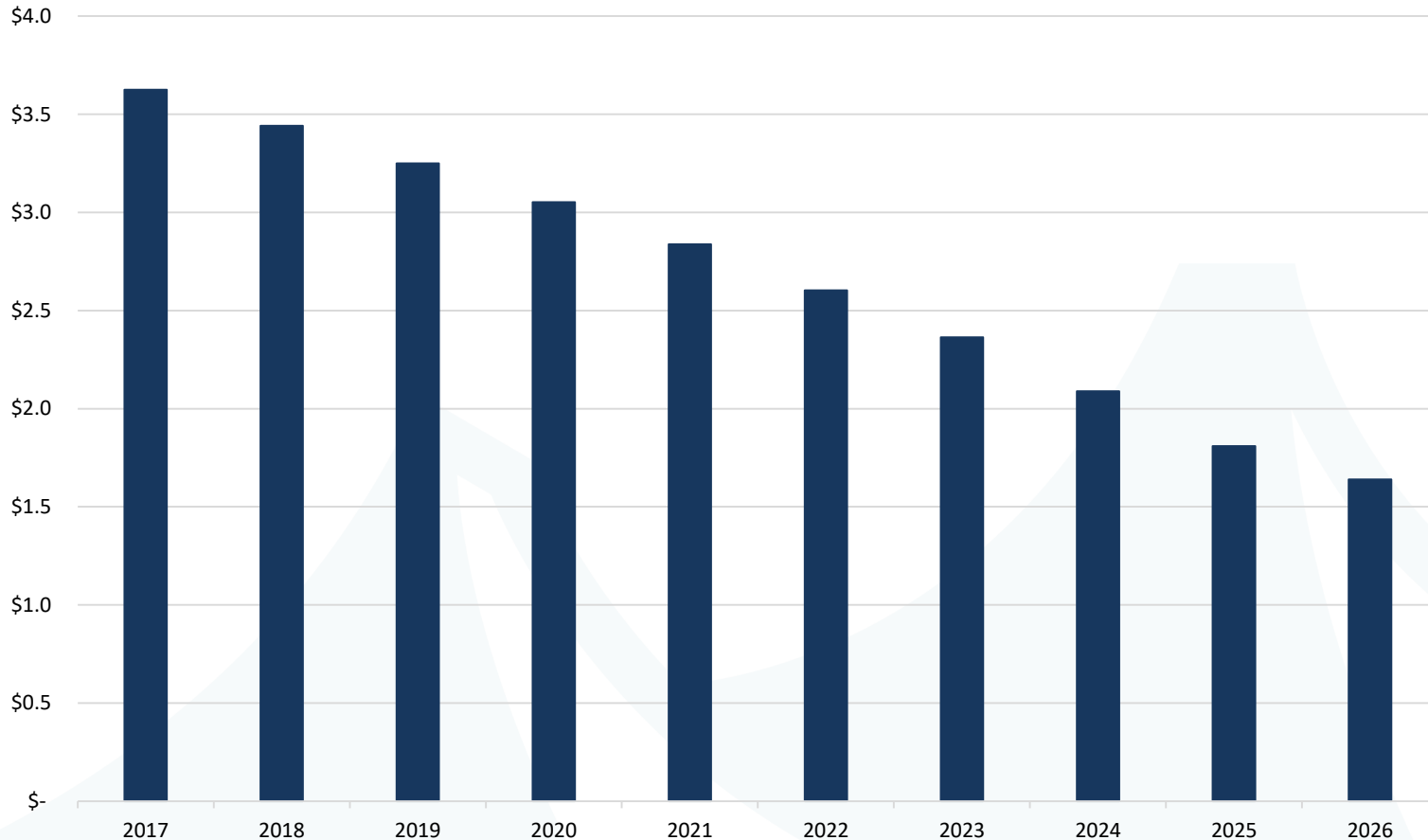
MAJOR U.S. AIRPORT CAPITAL PROGRAMS



BOND DEBT PROFILE



Total Bond Debt Outstanding
(\$ in billions)



- **\$2.2 Billion in bond principal matures by 2026**

2022 COST PER ENPLANED PASSENGER FORECAST



2022 Cost per Enplaned Passenger Forecast



MAJOR CAPITAL PROJECTS 2018-2022



- Concourses A, B, C
 - Gate Expansion Program:
 - Concourse A West
 - Concourse B West
 - Concourse B East
 - Concourse C East
 - Airfield/Paving
 - Signage & Wayfinding Upgrades
 - Public Restroom Remodel
 - Conveyance Replacement Program
- Jeppesen Terminal
 - Great Hall Program
 - Automated Guideway Transit System
 - Baggage System Upgrades

MAJOR CAPITAL PROJECTS CONTINUED



- Airside
 - Airfield Rehabilitation
 - Gate Apron Rehab & Drainage Improvements Program
 - 7th Runway Study
- Landside
 - East Peña Blvd. Y-Split Realignment
 - Annual Roadway Rehab
 - Revenue Control System Replacement



WHY WE NEED MORE GATES

- Gate utilization: most gates average more than 6 turns per day
- Accommodating international flights requires creative maneuvering of flight schedules and holding of aircraft
- DEN needs 39 gates to meet demand from the airlines by 2025
- As a result, we have plans to build 39 gates to accommodate planned and expected growth, with gates open by 2021

GATE EXPANSION PROGRAM



	Gates
A-WEST	12
B-WEST	4
B-EAST	7
C-EAST	16
TOTAL	39

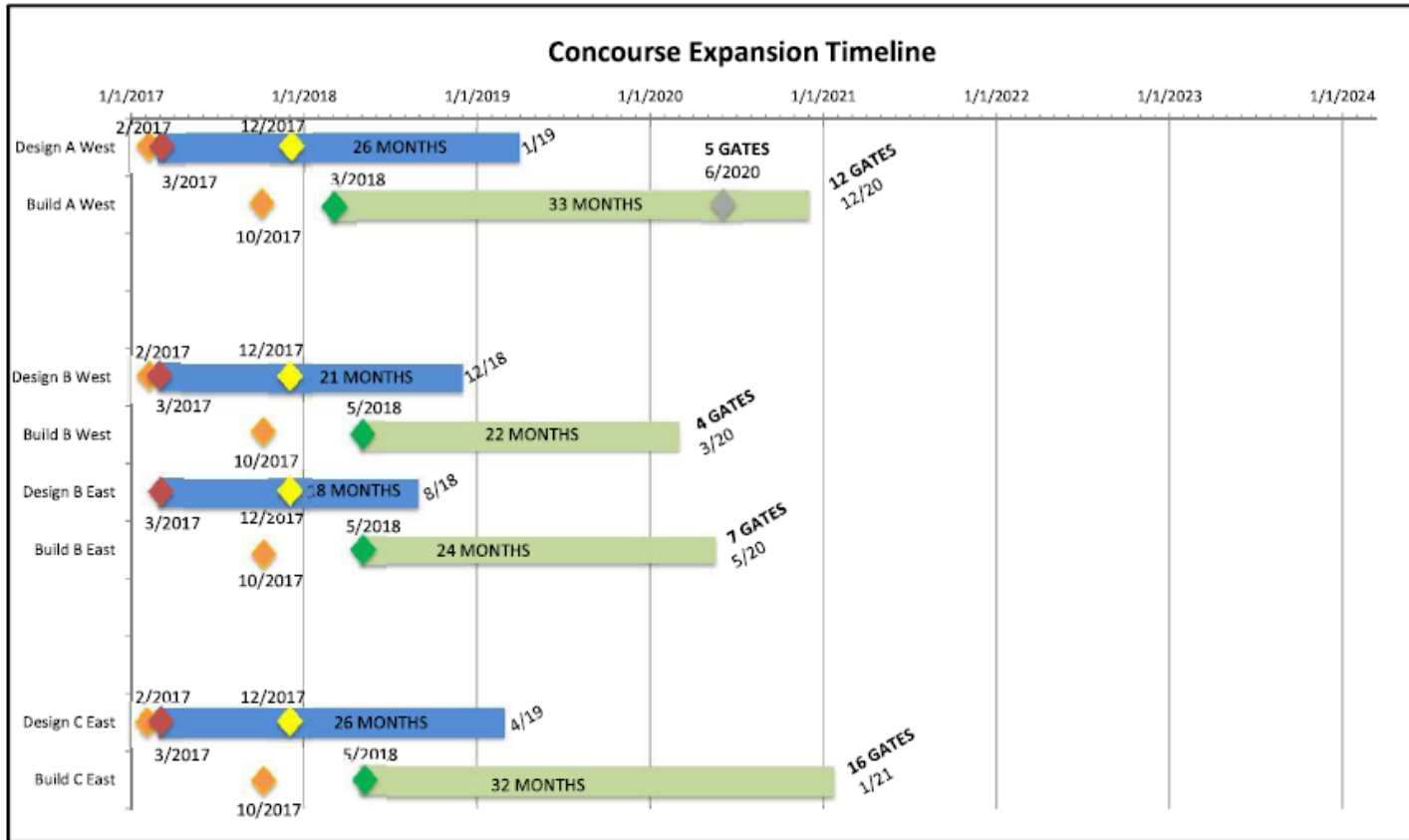
- Concourse A East ground facility adds 6 temporary gates in December, 2017

GATE EXPANSION COSTS



	New Gates	Program Budget (estimated)
A-WEST	12	\$655.8M
B-WEST	4	\$143.9M
B-EAST	7	\$212.5M
C-EAST	16	\$521.8M
TOTALS	39	\$1.534B

- Includes owner's soft costs, allowances, and contingencies



LEGEND:

	DATE:	3/20	5/20	6/20	12/20	1/21
	GATE COUNT:	+4(4)	+7(11)	+5(16)	+6(28)	+16(39)

- Design
- Construction
- Go/No Go
- Design NTP
- Early Gates
- Validation
- Construction NTP



- Financial metrics at completion of CIP program
 - Cost per Enplaned Passenger is forecasted to range from \$15-\$17
 - Debt Service Coverage is forecasted to range from 130% to 140% per DEN's General Bond Ordinance
 - Days Cash on Hand is forecasted to remain at 500
- Potential bond rating impact
 - Metrics for full build are below current levels
 - Strength of local economy and DEN's unique location, competition, stability and flexibility of CIP offset lower metrics
 - Significant pressure remains for downward rating action
- Mitigation strategies
 - CIP is reevaluated annually to adjust for current conditions and priorities
 - Debt service coverage level protection through Bond Ordinances and Airline Use and Lease Agreements

OTHER RISKS AND MITIGATION STRATEGIES



Risk	Mitigation Strategy
Passenger growth may not materialize as fast as airlines are projecting	Complete full design everything now and reserve option to defer construction based on airline commitments and industry trends
Inability to accommodate faster than anticipated airline growth	New gates could be executed in 2 years
Faster than planned international growth	Options to convert 4 additional domestic gates on Concourse A to international swing gates at about \$10M

CONTRACTS



- DEN issued RFP's in early 2017 for design and construction services related to the gate expansion program
- 4 separate contracts awarded covering design and construction
- Design contracts
 - Jacobs and HNTB selected
 - \$65M maximum contract liability for each contract
- Construction contracts
 - Turner/Flatirons and Holder/FCI selected
 - \$700M for Turner/Flatirons and \$655M for Holder/FCI
- Jacobs and Holder/FCI will design and construct projects on east end of concourses B and C
- HNTB and Turner/Flatirons will design and construct projects on west end of concourses A and B



GOALS

- The Division of Small Business Opportunity (DSBO) assigned a 24% M/WBE goal for each of the construction contracts and an 18% M/WBE goal for each of the design contracts.



DENVER INTERNATIONAL AIRPORT

DEN