

Master Plan Update

A stylized, dark silhouette of a mountain range with several peaks, positioned behind the main title text.

Durango La Plata County Airport

I. Financial Plan

Financial Plan

Introduction

The purpose of this analysis is to evaluate Durango-La Plata County Airport's capability to fund the Master Plan Capital Improvement Program (CIP) and finance operations during the Phase I, Phase II, and Phase III planning periods of the capital program. Results of the evaluation are presented in a detailed Financial Implementation Plan that provides a basis for matching the amounts and timing of estimated capital costs with projected capital funding sources. Detailed tables of projections for the capital program, operating expenses, operating revenues and cash flow are provided in support of the Financial Plan Summary which presents the results of this evaluation.

Overall Approach

Our overall approach for development of the Financial Implementation Plan included the following steps:

- Gathering and reviewing key Airport documents related to historical financial results, capital improvement plans, operating budgets, regulatory requirements and Airport policies.
- Interviewing key Airport management personnel to gain an understanding of the existing operating and financial environment and overall financial management philosophy.
- Reviewing the aviation traffic forecast previously developed in the Master Plan.
- Reviewing the Master Plan CIP, cost estimates and development schedule anticipated for the planning period and projecting the overall financial requirements for the

program.

- Determining and analyzing the sources and timing of capital funds available to meet the financial requirements for funding the capital program.
- Analyzing historical and budgeted operating expenses, developing operations and maintenance expense assumptions, reviewing assumptions with Airport management and projecting future operating costs for the planning period.
- Analyzing historical and budgeted revenue sources, developing revenue growth assumptions, reviewing assumptions with Airport management and projecting future revenues for the planning period.
- Completing results of the analysis and evaluation in a Financial Plan Summary that provides conclusions regarding the financial practicality of the planned capital program.

Sources of Capital Funding

The development of the Master Plan CIP is anticipated to be funded from several sources. These sources included federal grants, passenger facility charges (PFCs), state aviation grants, County capital subsidies, other funding and private third party financing. Each of these sources of funds is described briefly in the following section.

FAA Airport Improvement Program Grants. The Airport receives grants from the Federal Aviation Administration (FAA) to finance the eligible costs of certain capital improvements. These federal grants are allocated to commercial passenger service airports through the Airport Improvement Program (AIP). AIP grants include entitlement grants, which are allocated among airports by a formula that is driven by enplanements, and discretionary grants which are awarded in accordance with FAA guidelines. Under the AIP reauthorization legislation enacted in 2002, the Airport is projected to receive current year entitlements of about \$1.2 million in 2003 and future grants which grow to \$1.6 million by 2022 based on forecast enplanements. Non-Hub airports (those with annual enplanements up to about 328,000) can accumulate up to four years of unspent entitlements before the award is revoked. For 2003 expenditures, Durango accumulated about \$1,450,000 in unspent entitlements earned in prior years (\$250,000 in 2001 and \$1.2 million in 2002).

The approval of AIP discretionary funding is based on a project eligibility ranking method the FAA uses to award grants, at their discretion, based on a project's priority and importance to the national airport and airway system. For 2003, the FAA has

awarded a discretionary grant of about \$2.8 million to the Airport for a project to rehabilitate Runway 02/20 along with other related projects. The FAA has indicated to Airport management that it will provide approximately \$13.8 million in discretionary funds for a project to extend Taxiway "A" in the 2006-07 time period. It is reasonable to assume that the Airport will receive additional discretionary funding later during the planning period for higher priority, eligible projects, such as runway/taxiway, navigaids and aircraft apron or other airfield related improvements. It was assumed that about \$4.8 million in discretionary grants would be provided during Phase III of the planning period to fund projects for the rehabilitation of Taxiway "A" and terminal apron pavements.

FAA Facilities and Equipment Funds. Within the FAA's budget appropriation, money is available in the Facilities and Equipment (F&E) Fund to purchase navigational aids and air safety-related technical equipment for use at commercial service airports in the national airport system. The capital projection assumes such funding will be available for Durango for specifically identified projects in the CIP including upgrades and relocations of existing navigational aides and the installation of new navigational aides on Runway 20. The total amount of F&E funds available for Master Plan projects is assumed to be about \$930,000.

Passenger Facility Charges. The Aviation Safety and Capacity Expansion Act of 1990 established the authority for commercial service airports to apply to the FAA for imposing and using a Passenger Facility Charge (PFC) of up to \$3.00 per enplaned passenger. With the passage of AIR-21 in June 2000, airports can apply for an increase in the PFC collection amount from \$3.00 per eligible enplaned passenger to \$4.50. The proceeds from PFCs are eligible to be used for AIP eligible projects and for certain additional projects that preserve or enhance capacity, safety or security; mitigate the effects of aircraft noise; or enhance airline competition. PFCs may also be used to pay debt service on bonds (including principal, interest and issue costs) and other indebtedness incurred to carry out eligible projects. In addition to funding future planned projects, the legislation permits airports to collect PFCs to reimburse the eligible costs of projects that began on or after November 5, 1990.

Since 1994, Durango has submitted three PFC applications that are currently in effect and a fourth application that is in the process of preparation by the Airport. The collection authority for applications #1, #2 and #3 is \$1,840,892. Application #4 is anticipated to request authority to impose an additional \$2,685,000 in PFC revenues (at a \$3.00 collection level) for projects that are included in the Master Plan CIP. Although not currently anticipated, funding of the Master Plan CIP would be enhanced if the Airport considers increasing its PFC collection level from \$3.00 to \$4.50.

The implementation analysis assumes that the Airport will submit application #4 very shortly and will submit additional PFC applications and amendments, as required, to ensure that the collection of PFC revenues continues beyond the anticipated expiration date throughout the planning period. Although beneficial, the analysis does not assume that the Airport will apply for an increase in the PFC collection level from \$3.00 to \$4.50. PFC revenues are assumed to be used for numerous projects identified in the Master Plan CIP as well as interest expenses associated with a debt issue that is projected to be needed to provide cash flow support for funding the CIP during Phase I of the planning period.

Debt Financing. In the past, the Airport has used debt financing to fund capital improvements that could not be funded by other means. Currently, the Airport has no outstanding debt.

Phase I of the Master Plan CIP includes total projected expenditures of \$30.3 million. Anticipated funding for these projects includes \$3.5 million in PFC revenues while only \$1.7 million is projected to be available on a pay-as-you-go basis during this period. To meet cash flow requirements for funding the CIP, the Airport is projected to need a \$2 million debt issue in 2006 (a ten year term at 5.5% is assumed). Since the associated projects are eligible for PFCs, financing costs are also eligible. The addition of debt as a funding source is projected to allow the Airport's cash flow balances to remain positive during the planning period. Since the debt would be serviced with PFCs, the Airport's PFC application #4 will need to include a "project" that reflects the total cost of interest expense along with any associated issue costs.

Rental Car Customer Facility Charges (CFCs). The Airport currently charges its rental car tenants a fee per rental car day to support capital expenditures for improving/expanding rental car facilities when the need arises. The Master Plan CIP includes a project to expand the ready-car parking facility that is assumed to be funded with CFCs.

Private Third Party Financing. Many airports use private third party financing when the planned improvements will be primarily used by a private business or other outside organization. Such projects are not eligible for federal funding. Projects of this kind typically include hangars, FBO facilities, cargo facilities, exclusively leased aircraft parking aprons, industrial development areas, non-aviation commercial areas and various other projects. It was assumed that private third party funds would be used to finance an air cargo transfer facility during Phase III of the planning period.

Airport Cash Reserves/Net Revenues. In the past few years, the Airport has generated positive net revenues of up to \$200,000 per year. Its balance of cash reserves in the Operations and Construction Funds was approximately \$1.7 million as of the end of 2002. These balances are used by the Airport to support operations, fund the local match requirements for capital expenditures that are eligible for federal funds (if PFCs are not available) and to fund projects that are not eligible for federal grants. The projection assumes that about \$1.7 million in Airport cash reserves/net revenues will be needed to support the funding of Master Plan projects throughout the planning period.

Financial Analysis and Implementation Plan for the Master Plan Capital Improvement Program

This section, along with the Tables presented at the end of the chapter, provides the analysis and results of evaluating the financial reasonableness of implementing the Master Plan Capital Improvement Program during the planning period from 2003 through 2022.

Estimated Project Costs and Development Schedule. The estimated project costs and development schedule is derived from previous results of the Master Plan development analysis. The program for capital expansion and improvement projects is projected for the Phase I planning period from the years ending 2003 through 2008, for the Phase II period from the years ending 2009 through 2012 and for the Phase III period from the years ending 2013 through 2022. For each of these planning periods, Table I1 at the end of the chapter presents the capital program for the identified projects. The estimated timing and costs are presented in this Table along with the amounts and timing of the projected funding sources. As shown in Table I1, the total estimated cost of capital projects is \$53,269,586 in 2003 dollars. The estimated costs for projects scheduled during the period 2003 through 2022 are adjusted by an assumed 2.0% rate of annual inflation. Interest expenses related to the assumed debt issue are also added to the escalated project cost total. The resulting total escalated costs are \$62,652,694. Figure I1 below presents a summary of Table I1 and provides a comparison of 2003 base year costs with escalated costs adjusted for inflation and interest expense for each of the planning periods.

Figure I1

SUMMARY OF BASE YEAR AND ESCALATED COSTS FOR THE CAPITAL PROGRAM

Durango-La Plata County Airport Master Plan Update

Planning Periods	2003 Base Year Costs	Escalated Costs
Phase I Projects (2003 to 2008)	\$ 28,559,486	\$ 30,296,962
Phase II Projects (2009 to 2012)	\$4,043,600	\$4,955,423
Phase III Projects (2013 to 2022)	\$20,666,500	\$27,400,309
Total Project Costs	\$ 53,269,586	\$ 62,652,694

Source: Leibowitz & Horton AMC Analysis

Debt Issue Serviced with PFCs. As previously discussed, funding of the Master Plan CIP is projected to require a \$2 million debt issue in 2006 to support cash flow for capital expenditures. Table I2 at the end of the chapter, provides a debt service schedule for the projected issue. The issue date assumed is January 2006 with payments beginning in 2007. With an assumed interest rate of 5.5% and a term of ten years, the resulting projected debt service is about \$256,000 per year. Annual PFC revenues in Phases I and II (at a collection level of \$3.00) are projected to be sufficient to pay the debt service while maintaining a positive cash flow. As shown in Table I2, the total interest expense associated with the debt issue is projected to be about \$650,000 over the ten year term. This amount, as a separate line item, would need to be included in PFC application #4 in order to get FAA approval for the expenditure. Any issue costs associated with the debt issue are eligible, but have not been estimated.

If the Airport considers increasing its currently approved PFC collection level to \$4.50, the debt could be paid off sooner and interest expenses would be reduced. This could be done most efficiently by including the increase in application #4 that is currently being prepared.

Sources and Uses of Capital Funding. As discussed in previous sections of this analysis, a variety of sources are available for funding capital improvements at the Airport. The funding structure of the capital program depends on many factors, including project eligibility for the various funding sources, the ultimate type and use of facilities to be developed, the amounts and timing of funds availability and the priorities for scheduling project completion. For planning purposes, assumptions were made related to the funding source of each capital improvement. The detailed capital funding analysis is

provided in Table I3 at the end of the chapter. A summary of the capital plan with escalated project cost estimates and funding sources is presented in Figure I2 that follows.

Figure I2
SUMMARY OF SOURCES AND USES OF CAPITAL FUNDING
Durango-La Plata County Airport Master Plan Update

Sources of Capital Funding (2003 to 2022):		
	AIP Entitlement Grants	\$30,120,830
	AIP Discretionary Grants	20,966,302
	FAA Facilities & Equipment Funds	931,590
	Passenger Facility Charges	6,391,180
	State Aeronautics Division Grants	415,374
	Rental Car CFCs	178,055
	Private Third Party Financing	1,979,218
	Cash Reserves/Net Revenues	1,670,145
	Total Sources of Capital Funding	\$62,652,694
Uses of Capital Funding:		
	Phase I Projects (2003 to 2008)	\$30,296,962
	Phase II Projects (2009 to 2012)	4,955,423
	Phase III Projects (2013 to 2022)	27,400,309
	Total Project Costs	\$62,652,694

Source: Leibowitz & Horton AMC Analysis

Projected Operations & Maintenance Expenses. Operating and maintenance expense projections for the Phase I (2003 to 2008), the Phase II (2009 to 2012) and the Phase III (2013 to 2022) planning periods are based on the Airport's current budget, the anticipated impacts of inflation, aviation traffic increases, facility improvements and the recent experience of other similarly sized airports. Amounts budgeted for 2003 have been adjusted to reflect a mid-year estimate of year end results. Beginning in 2004, expenses are adjusted with an assumed 2% annual rate of inflation. Descriptions of the projected expenses include the following categories:

- **Personal Services** - This category includes regular, temporary and overtime salaries, payroll taxes, personnel insurance and other fringe benefits.
- **Materials & Supplies** - This category includes expenses for fuel, vehicle parts and other operating supplies.
- **Charges & Services** - This category includes expenses for professional services, liability insurance, publications, advertising, dues & memberships, utilities, radio services, professional development and a budgeted expense contingency.
- **Repairs & Maintenance** - This category includes repair and maintenance and other contract service expenses for the maintenance of Airport facilities and equipment.
- **Minor Capital Outlays** - This category includes expenditures for minor capital outlays (such as office equipment purchases) rather than major capital projects.
- **Administrative Fee** - This expense is an annual payment to the County for providing administrative services such as personnel, legal, accounting and other services to the Airport.

The projection of operations & maintenance expenses is provided in Table I4 at the end of the chapter. As shown in the Table, total expenses are expected to grow from \$1,346,990 estimated for 2003 to \$1,478,134 projected for 2008 with a total of \$8,470,278 during the six year Phase I period. During the four year Phase II period, expenses are projected to total \$6,195,978 and during the ten year Phase III period, expenses are projected to total \$17,680,094. The overall growth rate of expenditures during the projection period is 1.8% per year.

Table I4 also provides a comparison of Durango's total operating expenses per enplaned passenger versus the industry average for non-hub airports. Durango's operating expenses per enplaned passenger are projected to decline from \$12.92 estimated for 2003 to \$11.07 by the end of the twenty year planning period. During the same period, the industry average for non-hub airports ranges from \$16.23 in 2003 to \$22.72 during Phase III (Source: AAAE 2000-2001 Survey of Airport Rates and Charges with inflation adjustments after 2000). This shows that operating expenses at Durango are significantly below those of other similarly sized airports and are projected to remain lower throughout the twenty year projection period. This comparison implies that the Airport is projected to operate 20% to 50% more cost efficiently than other airports of similar size and operation.

Projected Operating Revenues. Operating revenue projections for the Phase I (2003 to 2008), the Phase II (2009 to 2012) and the Phase III (2013 to 2022) planning periods are

based on the Airport's current budget, the anticipated impacts of inflation, aviation traffic increases, facility expansions and the recent experience of other similarly sized airports. Annual growth assumptions from 2003 through 2022 for the revenue categories that follow are provided below.

- **Airline Revenues**

- Landing Fees - Projections are based on the 2003 budget and estimated amounts for 2004 and 2005. Beginning in 2006, fees are assumed to grow with a 2% annual inflation rate and plus increases in aircraft landed weight using annual growth at ½ the rate of Master Plan forecast of passenger enplanements. This reflects the airlines' practice of managing increased load factors before additional flights are provided.
- Terminal Rent - Projections are based on the budget for 2003 with 2% annual inflation growth thereafter.

- **Non-Airline Revenues**

- Other Carrier Landing Fees - Based on the 2003 budget with growth at a 2% annual inflation rate and plus increases in aircraft landed weight using annual growth at ½ the rate of Master Plan forecast of passenger enplanements.
- Land Rent-Hangar Sites - Based on the 2003 budget with 2% annual inflation growth thereafter; the 2004 projection includes a 30% increase and 2005 includes a 45% increase due to a planned expansion of hangar site facilities during those periods.
- FBO Rent - Based on the 2003 budget and 2% annual inflation thereafter.
- Fuel Flowage Fees - Based on the 2003 budget and 2% annual inflation plus ½ the annual rate of forecast enplanement growth.
- State Fuel Tax Rebates - Based on the 2003 budget and 2% annual inflation plus ½ the annual rate of forecast enplanement growth.
- Rental Car Concession Fees - Based on the 2003 budget and 2% annual inflation plus the annual rate of forecast enplanement growth.
- Ground Transportation Concession Fees - Based on the 2003 budget and 2% annual inflation plus the annual rate of forecast enplanement growth.
- Parking Concession Fees - Based on the 2003 budget and 2% annual inflation plus the annual rate of forecast enplanement growth.
- Snack Bar Concession Fees - Based on the 2003 budget and 2% annual inflation plus the annual rate of forecast enplanement growth.
- Gift Shop Concession Fees - Based on the 2003 budget and 2% annual inflation plus the annual rate of forecast enplanement growth.

- Advertising Concession Fees - Based on the 2003 budget and 2% annual inflation.
- Telephone Commissions - Based on the 2003 budget and 2% annual inflation plus the annual rate of forecast enplanement growth.
- Other Terminal Rent - Based on the 2003 budget and 2% annual inflation.
- Gasoline Sales - Based on the 2003 budget and 2% annual inflation.
- Interest Income - Based on the 2003 budget and fixed thereafter.
- TSA Security Reimbursement - Based on the 2003 budget with future reimbursements not expected.
- Other Reimbursed Expenses - Assumed at \$18,000 in 2004 with 2% annual inflation thereafter.
- Other Revenues - Based on the 2003 budget and 2% annual inflation.

The projection of operating revenues is provided in Table I5 at the end of the chapter. As shown in the Table, total revenues are expected to grow from \$1,301,706 budgeted for 2003 to \$1,544,752 projected for 2008 with a total of \$8,475,673 during the six year Phase I period. During the four year Phase II period, revenues are projected to total \$6,769,471 and during the ten year Phase III period, revenues are projected to total \$22,064,715. The overall annual growth rate for revenues is 3.5%.

Table I5 also provides a comparison of the Airport's airline cost per enplaned passenger versus the industry average for non-hub airports. The airline cost per enplaned passenger (airline fees and rentals divided by enplaned passengers) is a measure airlines use to compare their cost of operations among the airports they serve. Durango's airline cost per enplaned passenger is projected to range from \$2.74 budgeted for 2003 to \$2.99 during the twenty year planning period. During the same period, the industry average for non-hub airports ranges from \$5.55 in 2003 to \$7.77 at the end of Phase III (Source: AAAE 2000-2001 Survey of Airport Rates and Charges with inflation adjustments after 2000). This result shows that airline rates & charges at Durango are currently low and are projected to remain significantly below those of other similarly sized airports throughout the planning period. If rates could be adjusted to more closely reflect the cost of providing Airport facilities and services, an additional source of capital funding would be generated. However, the current significant financial weakness in the airline industry effectively precludes any substantive increase in airline rates & charges. In future years, when airline financial conditions improve and stabilize, the Airport should consider a review of rates & charges to determine methods for increasing the airlines' contribution for covering the Airport's cost of operations and capital.

Table I5 also provides a comparison of Durango's total operating revenue per enplaned passenger versus the industry average for non-hub airports. Durango's operating revenue per enplaned passenger is projected to grow from \$12.49 budgeted for 2003 to

\$15.00 during the twenty year planning period. During the same period, the industry average for non-hub airports ranges from \$16.22 in 2003 to \$22.71 by the end of Phase III (Source: AAAE 2000-2001 Survey of Airport Rates and Charges with adjustments for inflation after 2000). This shows that total Airport revenues at Durango are currently low and are projected to remain below those of other similarly sized airports throughout the planning period. This result occurs primarily because airline rates are lower than non-hub industry averages. Non-Airline rates appear to be within a reasonable range of other similarly sized airports.

Financial Plan Summary

The Financial Plan Summary presented in Table I6 at the end of the chapter includes projection totals for operating revenues, operating expenses, capital expenditures, capital funding and cash flow that result from the projections previously presented.

In previous sections of this analysis, Table I1 provided a practical approach for scheduling capital expenditures to match the availability of capital financing. Table I3 provided a practical approach for matching specific capital funding sources with each of the identified projects. Based on the assumptions underlying the Financial Implementation Plan summarized in Table I6, implementation of the Master Plan CIP is financially reasonable.

Key assumptions supporting the financial plan relate to the availability and timeliness of the funding sources that have been identified. Continuation of the AIP entitlement program at authorized funding levels is essential. Funding levels enacted with AIR-21 in June 2000 resulted in a doubling of entitlement grants from previous years with the provision that Congress continue to appropriate at least \$3.2 billion in AIP funds annually. If future appropriations fall below \$3.2 billion, entitlement grants will revert to the pre-2000 levels. Receiving AIP discretionary grants of about \$13.8 million in 2006-2007 for the Taxiway "A" extension indicated in Table I3 is key to the financial feasibility of implementing these projects. Without this level of discretionary funding, the Taxiway "A" projects are not feasible and would have to be delayed or cancelled. The projection also indicates the need for debt financing in 2006 to ensure that cash flows available for operations and capital remain positive. The analysis demonstrated that the debt could be serviced with annual PFC revenues generated for the period 2007 through 2016 if the interest expense portion of the debt service is included as a project cost in the next PFC application. It was noted in the analysis that if the Airport considers increasing its currently approved PFC collection level to \$4.50, the debt could be paid off sooner and interest expenses would be reduced. This could be done most efficiently by including the increase in application #4 that is currently being prepared.

It was also noted in the analysis that rates & charges for airline tenants are low in comparison to other non-hub airports of similar size and operation. In future years when the financial condition of the airline industry improves and stabilizes, the Airport should consider a review of its rates & charges structure to ensure that operating and capital costs are recovered at a reasonable level and that airlines contribute more significantly to the operation, maintenance and development of Airport facilities.

Additionally, the Financial Implementation Plan relies on achievement of the Master Plan forecast of aviation activity. Actual aviation traffic may temporarily vary from the projected levels of activity without a significant adverse impact on the capital program. If decreased traffic levels occur and persist, implementation of all the proposed projects may not be financially feasible. It should also be noted, however, that if the forecast activity levels are not met, then a number of the planned capital improvements may not be necessary.

Tables I1 through I6, which provide the detailed financial analysis for implementation of the Master Plan CIP, are provided on the following pages.

DURANGO-LA PLATA COUNTY AIRPORT
Durango, Colorado

Table 11

Master Plan Capital Improvement Program
Estimated Project Costs and Development Schedule

18-Jul-03

Funding Schedule										
Capital Improvement Program	Phase I						Phase II	Phase III	Total	
	2003	2004	2005	2006	2007	2008	Total	2009-2012	2013-2022	Escalated Costs
Funds Used for Capital Improvement Projects										
AIP Entitlement Grants	\$2,661,943	\$1,315,314	\$1,321,930	\$1,328,627	\$1,335,407	\$1,342,271	\$9,305,491	\$5,542,900	\$15,272,439	\$30,120,830
AIP Discretionary Grants	2,847,902	0	0	7,277,800	6,494,629	0	16,620,331	0	4,345,970	20,966,302
FAA Facilities & Equipment Funds	0	0	53,477	0	0	0	53,477	0	878,113	931,590
Passenger Facility Charges (@ \$2.92)	477,753	243,200	246,205	249,248	256,725	264,427	1,737,558	1,139,451	3,514,170	6,391,180
New Debt (Serviced with PFCs)	0	0	0	2,000,000	0	0	2,000,000	0	0	2,000,000
Less Principal Payments	0	0	0	0	(155,336)	(163,879)	(319,215)	(750,745)	(930,041)	(2,000,000)
State Aeronautics Division	0	15,000	0	0	0	0	15,000	68,921	331,453	415,374
Rental Car CFCs	178,055	0	0	0	0	0	178,055	0	0	178,055
Private Third Party Financing	0	0	0	0	0	0	0	0	1,979,218	1,979,218
Airport Net Revenues	(45,285)	(73,460)	3,641	14,275	39,606	66,618	5,396	573,493	4,384,621	4,963,510
Funds Available Current Year	6,120,369	1,500,054	1,625,253	10,869,950	7,971,031	1,509,437	29,596,094	6,574,021	29,775,943	65,946,058
Funds Carried Over from Prior Year (Operations and Construction Funds)	1,726,893	1,961,176	2,885,230	1,856,006	2,113,876	233,018	1,726,893	1,026,025	2,644,623	1,726,893
Funds Used Current Year	(5,886,086)	(576,000)	(2,654,477)	(10,612,080)	(9,851,889)	(716,430)	(30,296,962)	(4,955,423)	(27,400,309)	(62,652,694)
Funds Carried Over to Next Year	\$1,961,176	\$2,885,230	\$1,856,006	\$2,113,876	\$233,018	\$1,026,025	\$1,026,025	\$2,644,623	\$5,020,258	\$5,020,258

Estimated Project Costs and Development Schedule										
Capital Project Description	2003 Base Year Costs	Phase I						Phase II	Phase III	Total
		2003	2004	2005	2006	2007	2008	Total	2009-2012	2013-2022
Phase I Projects (2003-2008)										
A.1 Rehabilitate Runway 02/20 Pavement, Correct Longitudinal Gradient at North End, Construct Runway Shoulders & Blast Pads at Each End, Install Lighted Distance Remaining Signs	\$4,777,527	\$4,777,527						\$4,777,527		\$4,777,527
A.2 Expand Wastewater Treatment System	120,000	120,000						120,000		120,000
A.3 Expand Passenger Terminal Auto Parking Facility	510,504	510,504						510,504		510,504
A.4 Expand Rental-Car Ready Parking Facility	178,055	178,055						178,055		178,055
A.5 Realign Segment of Airport Road at Passenger Terminal Complex & Resurface Roadways	300,000	300,000						300,000		300,000
A.6 Construct New Apron, Taxiway, and Infrastructure (Vehicular Access & Utilities) to Serve Future Northwest General Aviation Development Area	1,700,000		204,000	1,560,600				1,764,600		1,764,600
A.7 Slurry Seal Taxiway "A" and Throats	15,000		15,000					15,000		15,000
A.8 Acquire Glycol Recovery System	100,000		102,000					102,000		102,000
A.9 Relocate Existing Localizer Antenna Array	0		0					0		0
A.10 Conduct Environmental Assessment for Taxiway "A" Extension	200,000		204,000					204,000		204,000
A.11 Acquire Property to Control Runway 02 RPZ (Approx. 9 Acres)	50,000		51,000					51,000		51,000
A.13 Upgrade Runway 02 VASIs with PAPIs	51,400			53,477				53,477		53,477
A.14 Design Taxiway "A" Extension (South End)	1,000,000			1,040,400				1,040,400		1,040,400
A.15 Extend Taxiway "A" (South End) with MITLs (Phase One)	10,000,000				10,612,080			10,612,080		10,612,080
A.16 Extend Taxiway "A" (South End) with MITLs (Phase Two)	9,000,000					9,741,889		9,741,889		9,741,889
A.17 Construct Runway 02 Run-Up Apron	557,000						614,973	614,973		614,973
Financing Costs for Debt Serviced with PFCs	-					110,000	101,457	211,457		211,457
Total Phase I Projects	\$28,559,486	\$5,886,086	\$576,000	\$2,654,477	\$10,612,080	\$9,851,889	\$716,430	\$30,296,962	\$0	\$0

DURANGO-LA PLATA COUNTY AIRPORT
Durango, Colorado

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FAA Facilities & Equipment Funds	0	0	53,477	0	0	0	53,477	0	878,113	931,590
Passenger Facility Charges (@ \$2.92)	477,753	243,200	246,205	249,248	256,725	264,427	1,737,558	1,139,451	3,514,170	6,391,180
New Debt (Serviced with PFCs)	0	0	0	2,000,000	0	0	2,000,000	0	0	2,000,000
Less Principal Payments	0	0	0	0	(155,336)	(163,879)	(319,215)	(750,745)	(930,041)	(2,000,000)
State Aeronautics Division	0	15,000	0	0	0	0	15,000	68,921	331,453	415,374
Rental Car CFCs	178,055	0	0	0	0	0	178,055	0	0	178,055
Private Third Party Financing	0	0	0	0	0	0	0	0	1,979,218	1,979,218
Airport Net Revenues	(45,285)	(73,460)	3,641	14,275	39,606	66,618	5,396	573,493	4,384,621	4,963,510
Funds Available Current Year	6,120,369	1,500,054	1,625,253	10,869,950	7,971,031	1,509,437	29,596,094	6,574,021	29,775,943	65,946,058
Funds Carried Over from Prior Year (Operations and Construction Funds)	1,726,893	1,961,176	2,885,230	1,856,006	2,113,876	233,018	1,726,893	1,026,025	2,644,623	1,726,893
Funds Used Current Year	(5,886,086)	(576,000)	(2,654,477)	(10,612,080)	(9,851,889)	(716,430)	(30,296,962)	(4,955,423)	(27,400,309)	(62,652,694)
Funds Carried Over to Next Year	\$1,961,176	\$2,885,230	\$1,856,006	\$2,113,876	\$233,018	\$1,026,025	\$1,026,025	\$2,644,623	\$5,020,258	\$5,020,258

Estimated Project Costs and Development Schedule										
Capital Project Description	2003 Base Year Costs	Phase I						Phase II	Phase III	Total
		2003	2004	2005	2006	2007	2008	Total	2009-2012	2013-2022
Phase II Projects (2009-2012)										
B.1 Expand Water Treatment System on Airport Property	\$500,000							\$0	\$574,343	\$574,343
B.2 Relocate TVOR	287,600							0	330,362	330,362
B.3 Rehabilitate General Aviation Apron Pavements	1,500,000							0	1,723,029	1,723,029
B.4 Purchase SRE Equipment	200,000							0	229,737	229,737
B.5 Implement Pavement Maintenance Projects	75,000							0	86,151	86,151
B.6 Conduct Survey Work to Implement Runway 20 GPS Approach	10,000							0	11,487	11,487
B.7 Expand General Aviation Ramp East of ARFF Facility and North of Existing GA Ramp	1,471,000							0	1,689,717	1,689,717
Financing Costs for Debt Serviced with PFCs	-							0	310,598	310,598
Total Phase II Projects	\$4,043,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,955,423	\$0

DURANGO-LA PLATA COUNTY AIRPORT
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Table 11

Master Plan Capital Improvement Program
Estimated Project Costs and Development Schedule

18-Jul-03

Funding Schedule										
Capital Improvement Program	Phase I							Phase II 2009-2012	Phase III 2013-2022	Total Escalated Costs
	2003	2004	2005	2006	2007	2008	Total			
Funds Used for Capital Improvement Projects										
AIP Entitlement Grants	\$2,661,943	\$1,315,314	\$1,321,930	\$1,328,627	\$1,335,407	\$1,342,271	\$9,305,491	\$5,542,900	\$15,272,439	\$30,120,830
AIP Discretionary Grants	2,847,902	0	0	7,277,800	6,494,629	0	16,620,331	0	4,345,970	20,966,302
FAA Facilities & Equipment Funds	0	0	53,477	0	0	0	53,477	0	878,113	931,590
Passenger Facility Charges (@ \$2.92)	477,753	243,200	246,205	249,248	256,725	264,427	1,737,558	1,139,451	3,514,170	6,391,180
New Debt (Serviced with PFCs)	0	0	0	2,000,000	0	0	2,000,000	0	0	2,000,000
Less Principal Payments	0	0	0	0	(155,336)	(163,879)	(319,215)	(750,745)	(930,041)	(2,000,000)
State Aeronautics Division	0	15,000	0	0	0	0	15,000	68,921	331,453	415,374
Rental Car CFCs	178,055	0	0	0	0	0	178,055	0	0	178,055
Private Third Party Financing	0	0	0	0	0	0	0	0	1,979,218	1,979,218
Airport Net Revenues	(45,285)	(73,460)	3,641	14,275	39,606	66,618	5,396	573,493	4,384,621	4,963,510
Funds Available Current Year	6,120,369	1,500,054	1,625,253	10,869,950	7,971,031	1,509,437	29,596,094	6,574,021	29,775,943	65,946,058
Funds Carried Over from Prior Year (Operations and Construction Funds)	1,726,893	1,961,176	2,885,230	1,856,006	2,113,876	233,018	1,726,893	1,026,025	2,644,623	1,726,893
Funds Used Current Year	(5,886,086)	(576,000)	(2,654,477)	(10,612,080)	(9,851,889)	(716,430)	(30,296,962)	(4,955,423)	(27,400,309)	(62,652,694)
Funds Carried Over to Next Year	\$1,961,176	\$2,885,230	\$1,856,006	\$2,113,876	\$233,018	\$1,026,025	\$1,026,025	\$2,644,623	\$5,020,258	\$5,020,258

Estimated Project Costs and Development Schedule										
Capital Project Description	2003 Base Year Costs	Phase I						Phase II 2009-2012	Phase III 2013-2022	Total Escalated Costs
		2003	2004	2005	2006	2007	2008			
Phase III Projects (2013-2022)										
C.1 Construct Eastside Parallel Taxiway (North & South Segments) w/MITLs to ADG IV Standards	\$2,326,000							\$0	\$3,069,108	\$3,069,108
C.2 Remove Existing Taxiway Connector "A-4"	239,000							0	315,355	315,355
C.3 Purchase ARFF Equipment	200,000							0	263,896	263,896
C.4 Relocate Segment of Co. Road 309A Outside of Existing/Future Runway 20 RPZ	2,510,000							0	3,311,892	3,311,892
C.5 Conduct Environmental Assessment for 734-foot Runway Extension to North	200,000							0	263,896	263,896
C.6 Relocate Existing Utilities to Accommodate Runway Extension	50,000							0	65,974	65,974
C.7 Extend Segment of Co. Road 309A to Connect with S.H. 172	2,675,000							0	3,529,606	3,529,606
C.8 Construct 734-foot Runway Extension to North with HIRLs	1,750,000							0	2,309,088	2,309,088
C.9 Extend Taxiway "A" (North End) & Construct New Taxiway Connector with MITLs to Serve Runway Extension	809,000							0	1,067,458	1,067,458
C.10 Upgrade/Relocate Runway 20 VASIs with PAPIs	51,400							0	67,821	67,821
C.11 Relocate Runway 20 REILs	75,000							0	98,961	98,961
C.12 Construct Air Cargo Transfer Facility with Auto Parking	1,500,000							0	1,979,218	1,979,218
C.13 Construct Air Cargo Apron/Taxiway Connectors	1,500,000							0	1,979,218	1,979,218
C.14 Rehabilitate Taxiway "A" Pavements	2,500,000							0	3,298,697	3,298,697
C.15 Rehabilitate Terminal Apron Pavements	1,500,000							0	1,979,218	1,979,218
C.16 Conduct Survey Work to Revise Runway 20 GPS Approach	10,000							0	13,195	13,195
C.17 Install Runway 20 MALs	539,100							0	711,331	711,331
C.18 Construct Runway 20 Run-up Apron	557,000							0	734,950	734,950
C.19 Install FAA Contract Air Traffic Control Tower	1,000,000							0	1,319,479	1,319,479
C.20 Purchase ARFF Equipment	400,000							0	527,792	527,792
C.21 Purchase SRE Equipment	200,000							0	263,896	263,896
C.22 Implement Pavement Maintenance Projects	75,000							0	98,961	98,961
Financing Costs for Debt Serviced with PFCs	-							0	131,301	131,301
Total Phase III Projects	\$20,666,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,400,309	\$27,400,309
Total Project Costs	\$53,269,586	\$5,886,086	\$576,000	\$2,654,477	\$10,612,080	\$9,851,889	\$716,430	\$30,296,962	\$4,955,423	\$62,652,694

DURANGO-LA PLATA COUNTY AIRPORT
Durango, Colorado

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Table I2

Master Plan Capital Improvement Program
Debt Issue Serviced with PFCs

Principal: \$2,000,000
Issue Date: Jan-06
Interest: 5.5%
Term: 10 Years

Payment Number	Year	Beginning Principal	Annual Debt Service	Interest Payment	Principal Payment	Ending Principal
1	2007	\$2,000,000	265,336	\$110,000	\$155,336	\$1,844,664
2	2008	1,844,664	265,336	101,457	163,879	1,680,785
3	2009	1,680,785	265,336	92,443	172,892	1,507,893
4	2010	1,507,893	265,336	82,934	182,401	1,325,492
5	2011	1,325,492	265,336	72,902	192,433	1,133,058
6	2012	1,133,058	265,336	62,318	203,017	930,041
7	2013	930,041	265,336	51,152	214,183	715,858
8	2014	715,858	265,336	39,372	225,963	489,894
9	2015	489,894	265,336	26,944	238,391	251,503
10	2016	251,503	265,336	13,833	251,503	(0)
Totals			<u>\$2,653,355</u>	<u>\$653,355</u>	<u>\$2,000,000</u>	

NOTE: Debt issue costs are not included in the principal amount.

DURANGO-LA PLATA COUNTY AIRPORT
Durango, Colorado

Master Plan Capital Improvement Program
Projected Capital Funding Sources

Table I3

18-Jul-03

Capital Improvement Projects	Total Escalated Costs	AIP Entitlement Funding	AIP Discretionary Funding	Total AIP Funding	FAA F & E Funds	Passenger Facility Charges	State Aeronautics Division	Rental Car CFCs	Private Third Party Financing	Cash Reserves/ Net Revenues	Total Funding
Phase I Projects (2003-2008)											
A.1 Rehabilitate Runway 02/20 Pavement, Correct Longitudinal Gradient at North End, Construct Runway Shoulders & Blast Pads at Each End, Install Lighted Distance Remaining Signs	\$4,777,527	\$1,451,872	\$2,847,902	\$4,299,774		\$477,753					\$4,777,527
A.2 Expand Wastewater Treatment System	120,000			0						120,000	120,000
A.3 Expand Passenger Terminal Auto Parking Facility	510,504			0						510,504	510,504
A.4 Expand Rental-Car Ready Parking Facility	178,055			0				178,055			178,055
A.5 Realign Segment of Airport Road at Passenger Terminal Complex & Resurface Roadways	300,000			0		300,000					300,000
A.6 Construct New Apron, Taxiway, and Infrastructure (Vehicular Access & Utilities) to Serve Future Northwest General Aviation Development Area	1,764,600	1,588,140		1,588,140		176,460					1,764,600
A.7 Slurry Seal Taxiway "A" and Throats	15,000			0			15,000				15,000
A.8 Acquire Glycol Recovery System	102,000			0		102,000					102,000
A.9 Relocate Existing Localizer Antenna Array	0			0	0						0
A.10 Conduct Environmental Assessment for Taxiway "A" Extension	204,000	183,600		183,600		20,400					204,000
A.11 Acquire Property to Control Runway 02 RPZ (Approx. 9 Acres)	51,000	45,900		45,900		5,100					51,000
A.13 Upgrade Runway 02 VASIs with PAPIs	53,477			0	53,477						53,477
A.14 Design Taxiway "A" Extension (South End)	1,040,400	936,360		936,360		104,040					1,040,400
A.15 Extend Taxiway "A" (South End) with MITLs (Phase One)	10,612,080	2,273,072	7,277,800	9,550,872		1,061,208					10,612,080
A.16 Extend Taxiway "A" (South End) with MITLs (Phase Two)	9,741,889	2,273,072	6,494,629	8,767,700		974,189					9,741,889
A.17 Construct Runway 02 Run-Up Apron	614,973	553,476		553,476		61,497					614,973
Financing Costs for Debt Serviced with PFCs	211,457			0		211,457					211,457
Total Phase I Projects	\$30,296,962	\$9,305,491	\$16,620,331	\$25,925,823	\$53,477	\$3,494,103	\$15,000	\$178,055	\$0	\$630,504	\$30,296,962
Phase II Projects (2009-2012)											
B.1 Expand Water Treatment System on Airport Property	\$574,343			\$0						\$574,343	\$574,343
B.2 Relocate TVOR	330,362	297,326		297,326		33,036					330,362
B.3 Rehabilitate General Aviation Apron Pavements	1,723,029	1,550,726		1,550,726		172,303					1,723,029
B.4 Purchase SRE Equipment	229,737	206,763		206,763		22,974					229,737
B.5 Implement Pavement Maintenance Projects	86,151			0			68,921			17,230	86,151
B.6 Conduct Survey Work to Implement Runway 20 GPS Approach	11,487			0						11,487	11,487
B.7 Expand General Aviation Ramp East of ARFF Facility and North of Existing GA Ramp	1,689,717	1,520,745		1,520,745		168,972					1,689,717
Financing Costs for Debt Serviced with PFCs	310,598			0		310,598					310,598
Total Phase II Projects	\$4,955,423	\$3,575,560	\$0	\$3,575,560	\$0	\$707,882	\$68,921	\$0	\$0	\$603,060	\$4,955,423

DURANGO-LA PLATA COUNTY AIRPORT
Durango, Colorado

**Master Plan Capital Improvement Program
Projected Capital Funding Sources**

Table I3

18-Jul-03

		Total Escalated Costs	AIP Entitlement Funding	AIP Discretionary Funding	Total AIP Funding	FAA F & E Funds	Passenger Facility Charges	State Aeronautics Division	Rental Car CFCs	Private Third Party Financing	Cash Reserves/ Net Revenues	Total Funding
Capital Improvement Projects												
Phase III Projects (2013-2022)												
C.1	Construct Eastside Parallel Taxiway (North & South Segments) w/MITLs to ADG IV Standards	\$3,069,108	2,762,197		\$2,762,197		306,911					\$3,069,108
C.2	Remove Existing Taxiway Connector "A-4"	315,355			0			252,284			63,071	315,355
C.3	Purchase ARFF Equipment	263,896	237,506		237,506		26,390					263,896
C.4	Relocate Segment of Co. Road 309A Outside of Existing/Future Runway 20 RPZ	3,311,892	2,980,703		2,980,703		331,189					3,311,892
C.5	Conduct Environmental Assessment for 734-foot Runway Extension to North	263,896	237,506		237,506		26,390					263,896
C.6	Relocate Existing Utilities to Accommodate Runway Extension	65,974	59,377		59,377		6,597					65,974
C.7	Extend Segment of Co. Road 309A to Connect with S.H. 172	3,529,606	3,176,645		3,176,645		352,961					3,529,606
C.8	Construct 734-foot Runway Extension to North with HIRLs	2,309,088	2,078,179		2,078,179		230,909					2,309,088
C.9	Extend Taxiway "A" (North End) & Construct New Taxiway Connector with MITLs to Serve Runway Extension	1,067,458	960,712		960,712		106,746					1,067,458
C.10	Upgrade/Relocate Runway 20 VASIs with PAPIs	67,821			0	67,821						67,821
C.11	Relocate Runway 20 REILs	98,961			0	98,961						98,961
C.12	Construct Air Cargo Transfer Facility with Auto Parking	1,979,218			0					1,979,218		1,979,218
C.13	Construct Air Cargo Apron/Taxiway Connectors	1,979,218	1,781,296		1,781,296		157,222				40,700	1,979,218
C.14	Rehabilitate Taxiway "A" Pavements	3,298,697		2,968,827	2,968,827		329,870					3,298,697
C.15	Rehabilitate Terminal Apron Pavements	1,979,218	404,153	1,377,143	1,781,296		182,710				15,212	1,979,218
C.16	Conduct Survey Work to Revise Runway 20 GPS Approach	13,195			0						13,195	13,195
C.17	Install Runway 20 MALs	711,331			0	711,331						711,331
C.18	Construct Runway 20 Run-up Apron	734,950	661,455		661,455						73,495	734,950
C.19	Install FAA Contract Air Traffic Control Tower	1,319,479	1,187,531		1,187,531						131,948	1,319,479
C.20	Purchase ARFF Equipment	527,792	475,012		475,012						52,779	527,792
C.21	Purchase SRE Equipment	263,896	237,506		237,506						26,390	263,896
C.22	Implement Pavement Maintenance Projects	98,961			0			79,169			19,792	98,961
	Financing Costs for Debt Serviced with PFCs	131,301			0		131,301					131,301
Total Phase III Projects		\$27,400,309	\$17,239,779	\$4,345,970	\$21,585,749	\$878,113	\$2,189,194	\$331,453	\$0	\$1,979,218	\$436,581	\$27,400,309
Total Project Costs		\$62,652,694	\$30,120,830	\$20,966,302	\$51,087,131	\$931,590	\$6,391,180	\$415,374	\$178,055	\$1,979,218	\$1,670,145	\$62,652,694

DURANGO-LA PLATA COUNTY AIRPORT
Durango, Colorado

Master Plan Capital Improvement Program
Actual, Estimated and Projected Operations & Maintenance Expenses

18-Jul-03

Operations & Maintenance Expenses	Actual 2000	Actual 2001	Actual 2002	Phase I							Phase II Projected 2009-2012	Phase III Projected 2013-2022
				Estimated 2003	Projected					Total		
				2003	2004	2005	2006	2007	2008			
Personal Services	\$499,498	\$585,180	\$690,424	\$707,000	\$721,140	\$735,563	\$750,274	\$765,280	\$780,585	\$4,459,842	\$3,281,611	\$9,436,788
Annual Growth Rate	-	17.2%	18.0%	2.4%	2.0%	2.0%	2.0%	2.0%	2.0%	2.1%	2.0%	2.0%
Materials & Supplies	89,664	174,758	143,923	180,000	183,600	187,272	191,017	194,838	198,735	1,135,462	835,488	2,402,577
Annual Growth Rate	-	94.9%	-17.6%	25.1%	2.0%	2.0%	2.0%	2.0%	2.0%	5.5%	2.0%	2.0%
Charges & Services	223,750	338,688	277,109	305,000	311,100	317,322	323,668	330,142	336,745	1,923,977	1,415,688	4,071,033
Annual Growth Rate	-	51.4%	-18.2%	10.1%	2.0%	2.0%	2.0%	2.0%	2.0%	3.3%	2.0%	2.0%
Repairs & Maintenance	44,747	64,844	59,225	44,000	44,880	45,778	46,693	47,627	48,580	277,557	204,230	587,297
Annual Growth Rate	-	44.9%	-8.7%	-25.7%	2.0%	2.0%	2.0%	2.0%	2.0%	-3.2%	2.0%	2.0%
Total Operations & Maintenance Expenses	\$857,659	\$1,163,470	\$1,170,681	\$1,236,000	\$1,260,720	\$1,285,934	\$1,311,653	\$1,337,886	\$1,364,644	\$7,796,838	\$5,737,018	\$16,497,694
Annual Growth Rate	-	35.7%	0.6%	5.6%	2.0%	2.0%	2.0%	2.0%	6.1%	2.6%	2.0%	2.0%
Minor Capital Outlays	35,181	18,948	15,197	38,750	38,750	38,750	38,750	38,750	38,750	232,500	155,000	387,500
Administrative Fee	89,000	90,000	90,500	72,240	72,740	73,240	73,740	74,240	74,740	440,940	303,960	794,900
Total Operations & Maintenance Expenses, Minor Capital Outlays and Administrative Fee	\$981,840	\$1,272,418	\$1,276,378	\$1,346,990	\$1,372,210	\$1,397,924	\$1,424,143	\$1,450,876	\$1,478,134	\$8,470,278	\$6,195,978	\$17,680,094
Annual Growth Rate	-	29.6%	0.3%	5.5%	1.9%	1.9%	1.9%	1.9%	5.7%	2.5%	1.9%	1.9%
Operating Expenses Per Enplaned Passenger:												
Durango-La Plata County Airport	\$10.84	\$13.93	\$12.40	\$12.92	\$13.01	\$13.09	\$13.17	\$13.03	\$12.89	\$13.02	\$12.53	\$11.60
Non-Hub Industry Average	\$15.29	\$15.60	\$15.91	\$16.23	\$16.55	\$16.88	\$17.22	\$17.56	\$17.22	\$16.94	\$18.10	\$20.82

DURANGO-LA PLATA COUNTY AIRPORT
Durango, Colorado

Master Plan Capital Improvement Program
Actual, Budgeted and Projected Operating Revenues

18-Jul-03

Operating Revenues	Actual	Actual	Actual	Phase I						Phase II		Phase III
	2000	2001	2002	Budgeted	Projected					Total	Projected	Projected
				2003	2004	2005	2006	2007	2008		2009-2012	2013-2022
Airline Revenues												
Landing Fees	\$129,315	\$129,200	\$136,980	\$98,000	\$115,000	\$137,000	\$140,603	\$145,567	\$150,705	\$786,875	\$657,931	\$2,105,769
Terminal Rent	194,814	202,181	186,757	187,698	191,452	195,281	199,187	203,170	207,234	1,184,022	871,219	2,505,327
Total Airline Revenues	\$324,129	\$331,381	\$323,737	\$285,698	\$306,452	\$332,281	\$339,790	\$348,737	\$357,939	\$1,970,897	\$1,529,150	\$4,611,096
Annual Growth Rate	-	2.2%	-2.3%	-11.7%	7.3%	8.4%	2.3%	2.6%	7.7%	1.7%	2.7%	2.7%
Airline Cost Per Enplaned Passenger:												
Durango-La Plata County Airport	\$3.58	\$3.63	\$3.14	\$2.74	\$2.90	\$3.11	\$3.14	\$3.13	\$3.12	\$3.03	\$3.09	\$3.02
Non-Hub Industry Average	\$5.23	\$5.33	\$5.44	\$5.55	\$5.66	\$5.77	\$5.89	\$6.01	\$5.89	\$5.80	\$6.19	\$7.12
Non-Airline Revenues												
Other Carrier Landing Fees	\$28,776	\$12,819	\$77,578	\$28,500	\$29,250	\$30,019	\$30,809	\$31,896	\$33,022	\$183,495	\$144,164	\$461,409
Land Rent - Hangar Sites	13,805	16,812	18,959	18,630	24,703	36,536	37,267	38,012	38,773	193,922	163,002	468,737
FBO Rent	24,087	21,115	24,238	26,500	27,030	27,571	28,122	28,684	29,258	167,165	123,002	353,713
Fuel Flowage Fees	28,398	23,784	50,505	28,000	28,736	29,492	30,268	31,337	32,443	180,276	141,634	453,314
State Fuel Tax Rebates	25,769	33,887	85,353	28,000	28,736	29,492	30,268	31,337	32,443	180,276	141,634	453,314
Rental Car Concession Fees	327,738	402,104	380,054	316,000	350,000	400,000	413,042	433,942	455,899	2,368,884	2,066,252	7,360,028
Ground Transportation Concession Fees	1,725	1,650	1,713	1,700	1,755	1,813	1,872	1,966	2,066	11,172	9,364	33,353
Parking Concession Fees	155,270	197,632	205,065	205,000	211,684	218,586	225,713	237,134	249,133	1,347,251	1,129,135	4,022,001
Snack Bar Concession Fees	11,493	14,060	25,967	17,069	17,626	18,201	18,794	19,745	20,744	112,178	94,017	334,891
Gift Shop Concession Fees	14,368	16,090	15,868	10,431	10,771	11,122	11,485	12,066	12,676	68,550	57,452	204,646
Advertising Concession Fees	49,685	35,080	39,557	35,000	35,700	36,414	37,142	37,885	38,643	220,784	162,456	467,168
Telephone Commissions	2,562	1,727	816	500	516	533	551	578	608	3,286	2,754	9,810
Other Terminal Rent	490	3,494	13,825	15,500	15,810	16,126	16,449	16,778	17,113	97,776	71,945	206,889
Gasoline Sales	7,224	131,093	120,985	135,000	137,700	140,454	143,263	146,128	149,051	851,596	626,616	1,801,933
Interest Income	48,811	36,400	7,767	40,000	40,000	40,000	40,000	40,000	40,000	240,000	160,000	400,000
TSA Security Reimbursement	0	0	141,127	96,178	0	0	0	0	0	96,178	0	0
Other Reimbursed Expenses	17,781	1,464	45,454	0	18,000	18,360	18,727	19,102	19,484	93,673	81,911	235,547
Other Revenues	5,602	16,913	13,757	14,000	14,280	14,566	14,857	15,154	15,457	88,314	64,982	186,867
Total Non-Airline Revenues	\$763,584	\$966,124	\$1,268,588	\$1,016,008	\$992,298	\$1,069,285	\$1,098,628	\$1,141,745	\$1,186,813	\$6,504,776	\$5,240,321	\$17,453,618
Annual Growth Rate	-	26.5%	31.3%	-19.9%	-2.3%	7.8%	2.7%	3.9%	11.0%	-1.1%	4.0%	4.1%
Total Revenues	\$1,087,713	\$1,297,505	\$1,592,325	\$1,301,706	\$1,298,750	\$1,401,566	\$1,438,418	\$1,490,482	\$1,544,752	\$8,475,673	\$6,769,471	\$22,064,715
Annual Growth Rate	-	19.3%	22.7%	-18.3%	-0.2%	7.9%	2.6%	3.6%	10.2%	-0.5%	3.7%	3.8%
Operating Revenues Per Enplaned Passenger:												
Durango-La Plata County Airport	\$12.01	\$14.20	\$15.47	\$12.49	\$12.31	\$13.12	\$13.30	\$13.38	\$13.47	\$13.02	\$13.69	\$14.47
Non-Hub Industry Average	\$15.28	\$15.59	\$15.90	\$16.22	\$16.54	\$16.87	\$17.21	\$17.55	\$17.21	\$16.93	\$18.09	\$20.80

DURANGO-LA PLATA COUNTY AIRPORT
Durango, Colorado

DROMP.123

Table I6

Master Plan Capital Improvement Program
Financial Plan Summary
Estimated and Projected Net Revenues, Capital Funding and Capital Expenditures

18-Jul-03

	Phase I							Phase II	Phase III
	Estimated	Projected					Total	Projected	Projected
	2003	2004	2005	2006	2007	2008		2009-2012	2013-2022
Revenues:									
Airline Revenues	\$285,698	\$306,452	\$332,281	\$339,790	\$348,737	\$357,939	\$1,970,897	\$1,529,150	\$4,611,096
Non-Airline Revenues	1,016,008	992,298	1,069,285	1,098,628	1,141,745	1,186,813	6,504,776	5,240,321	17,453,618
Total Revenues	\$1,301,706	\$1,298,750	\$1,401,566	\$1,438,418	\$1,490,482	\$1,544,752	\$8,475,673	\$6,769,471	\$22,064,715
Expenses:									
Operations & Maintenance Expenses	\$1,236,000	\$1,260,720	\$1,285,934	\$1,311,653	\$1,337,886	\$1,364,644	\$7,796,838	\$5,737,018	\$16,497,694
Other Expenses	110,990	111,490	111,990	112,490	112,990	113,490	673,440	458,960	1,182,400
Total Expenses	\$1,346,990	\$1,372,210	\$1,397,924	\$1,424,143	\$1,450,876	\$1,478,134	\$8,470,278	\$6,195,978	\$17,680,094
Projected Net Revenue	(\$45,285)	(\$73,460)	\$3,641	\$14,275	\$39,606	\$66,618	\$5,396	\$573,493	\$4,384,621
Beginning Cash Balance (Operations and Construction Funds)	1,726,893	1,961,176	2,885,230	1,856,006	2,113,876	233,018	1,726,893	1,026,025	2,644,623
Total Airport Operating Funds Available For Capital Expenditures	\$1,681,609	\$1,887,716	\$2,888,871	\$1,870,281	\$2,153,482	\$299,636	\$1,732,289	\$1,599,518	\$7,029,244
Other Capital Funding Sources:									
AIP Entitlement Grants	\$2,661,943	\$1,315,314	\$1,321,930	\$1,328,627	\$1,335,407	\$1,342,271	\$9,305,491	\$5,542,900	\$15,272,439
AIP Discretionary Grants	2,847,902	0	0	7,277,800	6,494,629	0	16,620,331	0	4,345,970
FAA Facilities & Equipment Funds	0	0	53,477	0	0	0	53,477	0	878,113
Passenger Facility Charges (@ \$2.92)	477,753	243,200	246,205	249,248	256,725	264,427	1,737,558	1,139,451	3,514,170
New Debt (Serviced with PFCs)	0	0	0	2,000,000	0	0	2,000,000	0	0
Less Debt Service (10 yrs, 5.5%)	0	0	0	0	(155,336)	(163,879)	(319,215)	(750,745)	(930,041)
State Aeronautics Division	0	15,000	0	0	0	0	15,000	68,921	331,453
Rental Car CFCs	178,055	0	0	0	0	0	178,055	0	0
Private Third Party Financing	0	0	0	0	0	0	0	0	1,979,218
Total Other Capital Funding Sources	6,165,653	1,573,514	1,621,611	10,855,675	7,931,425	1,442,819	29,590,698	6,000,528	25,391,323
Total Funds Available for Capital Expenditures	7,847,262	3,461,230	4,510,483	12,725,956	10,084,908	1,742,455	31,322,987	7,600,046	32,420,567
Capital Improvement Program Expenditures	5,886,086	576,000	2,654,477	10,612,080	9,851,889	716,430	30,296,962	4,955,423	27,400,309
Ending Cash Balance	\$1,961,176	\$2,885,230	\$1,856,006	\$2,113,876	\$233,018	\$1,026,025	\$1,026,025	\$2,644,623	\$5,020,258