JACOBS CONSULTANCY

FINAL

# AIRPORT STRATEGIC DEVELOPMENT PROGRAM
## Will Rogers World Airport

Prepared for

Oklahoma City Department of Airports
Oklahoma City, Oklahoma

April 28, 2010

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*Chicago • Cincinnati • Dallas • London • Ottawa • San Francisco • Washington, D.C.*

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# I. INTRODUCTION

## 1. AIRPORT OVERVIEW

The Will Rogers World Airport or "Airport" is the primary commercial airport serving the greater Oklahoma City region and central Oklahoma market areas. In calendar year 2009 the Airport had 129,320 operations, 3,384,671 passengers, and 70,358,721 pounds of freight and mail. It is one of the largest small-sized hubs, according to the Federal Aviation Administration ("FAA"), and could soon rank as a medium-sized hub.*

The Airport, as reflected on Figure 1, is located southwest of the City of Oklahoma City's central business district and occupies approximately 8,100 acres. Serving the aviation needs of the region, the Airport maintains three runways: two parallel and one crosswind and a 409,708 square foot terminal facility providing 17 gates to serve scheduled carriers including American Airlines, Continental Airlines, Delta Air Lines, Frontier Airlines, Southwest Airlines, United Airlines, and several feeder airlines.

The Airport is home to approximately seventy (70) aviation support businesses and government offices. Prominent business facilities on Airport property include (1) the FAA Mike Monroney Aeronautical Center, (2) the Federal Bureau of Prisons Transfer Center, (3) a Southwest Airlines Reservation Center, and (4) Metro Tech Aviation Career Center. Approximately 1,300 acres of Airport property lies within the City's Foreign Trade Zone.

As shown on Figure 1, the Airport's prime location is reflected in roadway access to major transportation routes. Three interstate highways including Interstate Highway 35 (I-35), Interstate Highway 40 (I-40), and Interstate Highway 44 (I-44) are within close proximity to the Airport.

The Airport is owned by the City of Oklahoma City ("City") and is leased to and governed by the Oklahoma City Airport Trust ("Trust") pursuant to a Lease Agreement and Trust Indenture dated April 1, 1956. By law, the Trust is comprised of five members: (1) the Oklahoma City's City Manager, (2) Oklahoma City's Mayor, (3) a member of the Oklahoma City Council, and (4) two independent citizen trustees.

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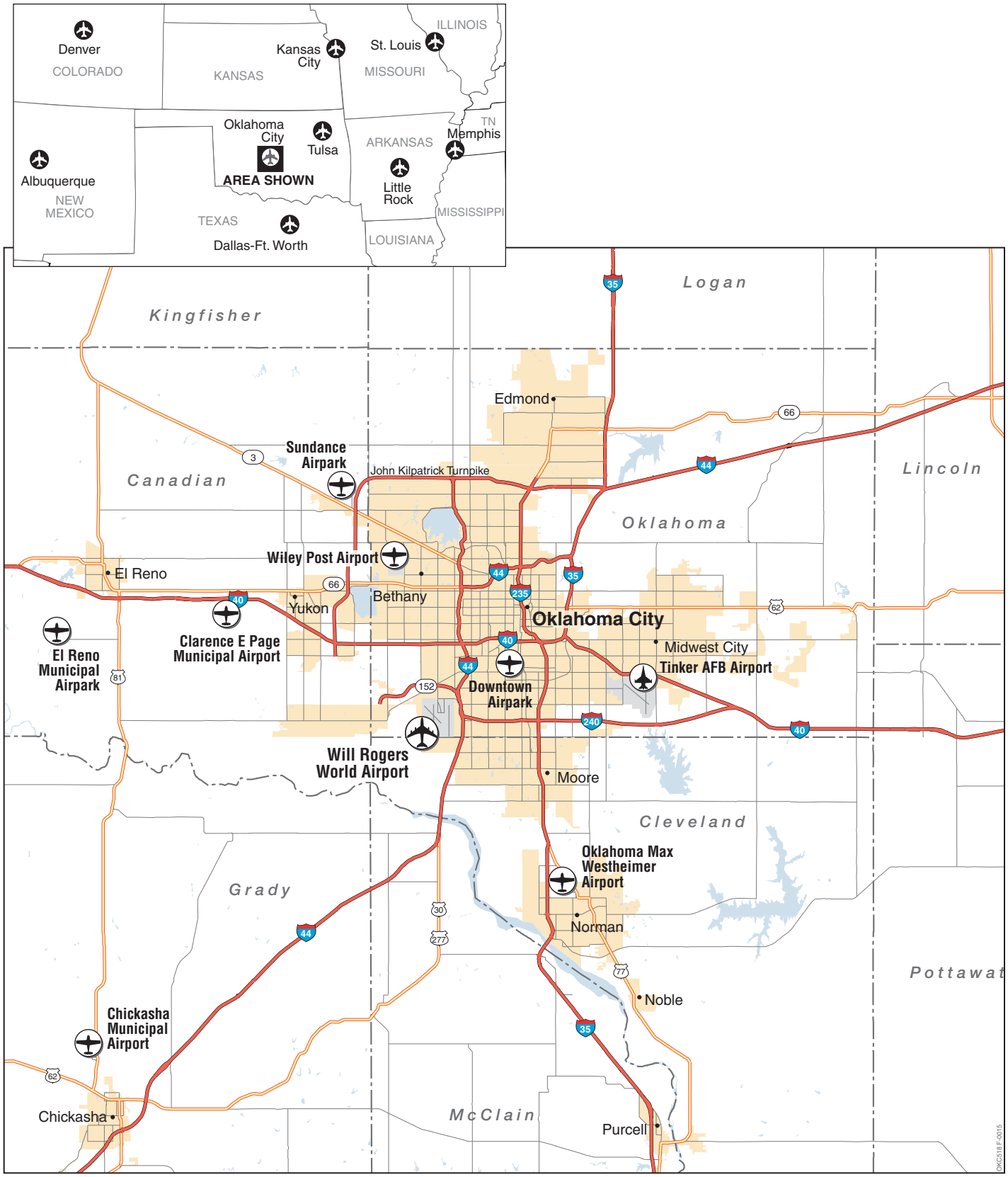
*A medium-hub airport is defined as one that has at least 0.25 but less that 1.0 percent of total enplaned passengers within the United States for the calendar year.




**LEGEND**

- Passenger air carrier airport
- General aviation airport
- Urban area

Figure 1

**AIRPORT ENVIRONS**

Strategic Development Plan
Oklahoma City Will Rogers World Airport

December 2009

JACOBS CONSULTANCY

## 2. BACKGROUND

The Airport provides the Oklahoma City area with a transportation hub that is well situated geographically, politically and economically to grow the Airport's core business of operating a first class air transportation facility. To enhance this core business, the Trust supports and encourages non-core business developments that are consistent with the City's mission to create partnerships that promote employment opportunities, and provide well managed and maintained infrastructure available for future Airport development.

The Trust, on behalf of the City, retained Jacobs Consultancy to create a "Will Rogers World Airport Development Strategy" to identify commercial development opportunities for Airport properties and to establish a business planning approach to best capitalize upon those opportunities. The results of this combined effort, (the "Strategic Development Plan") was prepared as a complementary document to the Airport's Master Plan, ("Master Plan"), and provides a comprehensive Airport strategic development program ("Program") for the future commercial land development activities of the Airport.

As presented herein, the results of the Program serve as a framework for the long-term development of the commercial areas within Airport property, specifically including the development of roughly 1,000 acres of vacant land located on the east side of the Airport property ("Development Area") that the Trust has identified as available for compatible commercial land uses. It primarily focuses on (1) providing a new program for the Airport for the purpose of generating non-airline related revenues in order to enhance the overall revenues of the Airport, (2) promoting the growth of air service, (3) creating jobs, and (4) ensuring the Airport remains financially self-sustaining. The planning efforts reflected in this Strategic Development Plan are presented as two separate components:

- The **Business Plan** component is directed to the overall land development initiatives at the Airport and includes: (1) determination of on-airport development opportunities and constraints related to the enabling legislation for the Airport and FAA requirements and approvals, (2) classification of land use types (highest and best uses) for both aviation (aeronautical and air cargo) and non-aviation (commercial) uses, (3) creation of a rates and charges program, (4) development of an infrastructure refunding program and common area maintenance program for the Development Area, (5) initial cost-benefit analysis and financial affordability of recommended plan, and (6) development of new land leasing policies and criteria.

- The **Land Use Plan** component is specifically directed to the Development Area and includes: (1) determination of the physical constraints and opportunities of the Development Area as reflected on a new base map, (2) preparation of a market demand study including absorption rate analysis, (3) preparation of development scenarios, concepts, and infrastructure planning and phasing, (4) creation of a recommended

development plan, and (5) creation of design criteria and development standards.

- The Business Plan component is intended to provide a framework for all future commercial land leases on Airport property, regardless of the location of the development. The Land Use Plan component was developed specifically for the Development Area of the Airport and is intended to help implement the strategy for marketing the Development Area.

## 3. METHODOLOGY-STRATEGIC DEVELOPMENT PLAN

The Airport's management team together with Jacobs Consultancy ("Project Team") established the overall framework for the Program. The initial objective was to insure the inclusion of the multiple stakeholders of the Airport in the development and approval of the Strategic Development Plan components. This multi-stakeholder collaborative process provided the opportunity for the stakeholders to create the goals and objectives for the development of the Program that would reflect the priorities of the Oklahoma City community.

As described below, the Project Team obtained the required approvals by the Federal Aviation Administration ("FAA") and assured the compliance by the Airport of the relevant FAA grant assurances with respect to the Program. In addition, the Project Team obtained support from the commercial passenger airlines ("Airline Affairs Committee") for the overall Program. Upon the creation of Program goals and objectives by the stakeholders and the receipt of the required approvals from the FAA and the Airline Affairs Committee, the Project Team initiated the specific development of the Business Plan component and Land Use Plan component.

### A. Community Stakeholder Coordination

The Trust assembled local technical and financial experts, Airport representatives and community leaders to create the following special committees and working groups. The efforts of the individuals and companies represented on the committees and working groups are described as follows:

- ***Steering Committee*** provided oversight and direction to the Project Team.
- ***Technical Working Group*** provided guidance and review to the Project Team on matters relating to development concepts and other real estate planning and technical matters.
- ***Utility Working Group*** provided guidance and review to the Project Team on matters relating to existing and future utility infrastructure needs. This group worked in coordination with the Technical Working Group.
- ***Finance Working Group*** advised on financial issues related to the Program.

- ***Developer Representatives*** will be presented information as a component of community outreach initiatives.

These committees and working groups met to review and provide feedback to the Project Team throughout the development of the Program, and the Business Plan and Land Use Plan components of this Strategic Development Plan reflect the input and feedback of these groups.

### B. Vision, Goals, and Objectives

The Steering Committee established a Vision and the Goals and Objectives for the Program. The results of those efforts are as follows:

- ***Vision***. Vision for the Airport Strategic Development Program was established by the Steering Committee as follows:

  *Enhance the economic strength and stability of the Airport and the region through sustainable and compatible development.*

- ***Goals and Objectives***. The development of the goals and objectives for the Program was based on the Airport's vision. The goals and objectives are not only consistent with the vision for the Airport but are an integral part in the pursuit of the most promising and productive opportunities for the Airport's commercial land development efforts.

The established Goals and Objectives were developed in multiple categories and are as follows:

*Financial Performance*

| | |
|---|---|
| Goal: | Create a sustaining source of revenues for the Airport Trust |
| Objectives: | *Create a leasing program* that reflects: (1) Costs incurred by the Airport Trust, and (2) Rental rates to achieve FAA mandated market based rates |
| | *Enhance funding opportunities* through Ground Lease Rates, Fees and Charges opportunities |

*Optimize Property Uses*

| | |
|---|---|
| Goal: | *Have the flexibility* to accommodate both large and small developments |
| Objectives: | *Let the market drive property use* to ensure that additional capacity is not constructed prematurely, yet can be built when it is needed |
| | *Prioritize land uses* to achieve optimal use of scarce real estate assets under changing circumstances, consistent with long-range Airport development plans |
| | *Consider interim uses* to ensure that service opportunities are not lost because available capacity is controlled by tenants and cannot be used efficiently |

*Meet Present and Future Community Needs*

| | |
|---|---|
| Goal: | Create jobs and develop sustainability |
| Objectives: | *Create program* to emphasize job creation |
| | *Develop a strategy* for highest and best uses while considering I-44 exposure |
| | *Develop design criteria* for direct and indirect aviation uses |

*Enhance National Reputation*

| | |
|---|---|
| Goal: | Be known as a center for aerospace and aviation |
| Objectives: | *Consider a strategy* for marketing to aviation users |
| | *Create a "park" or "development area"* with easy development opportunities to foster open and competitive access to third party developers and users |
| | Plan to meet parking needs of customers |
| | Plan for multimodal access to the Airport |

The Goals established by the Steering Committee have provided guidance through the entire planning process. The Objectives were identified as ways to facilitate the attainment of the Goals and were used as guidance in developing specific recommendations included in the Program.

### C. Due Diligence—Initial Meetings with Project Team

The establishment of the Project Team and the creation of the overall framework for the Program were the first steps in the due diligence efforts for the Program. Start-up meetings with the Airport Staff provided the overall direction for the Program,

and meetings with the Airport's Master Plan consultant provided the coordination required for Airport's Master Plan. In addition, the Project Team met with economic development representatives for the City to understand the current economic development activities of the City and the role of Airport property in such activities. Through these meetings with key Airport Staff, Airport consultants, and community leaders, Jacobs Consultancy was able to create the Program elements and initial schedule for the completion the Program. These initial meetings of the Project Team resulted in the following:

- ***Data acquisition***—data was obtained including the existing Airport Layout Plan ("ALP"), documentation pertaining to location of utilities, identification of development constraints, existing financial models, FAA grant information, existing land use planning documentation including land inventory maps, applicable Airport leases, and Chamber of Commerce information.

- ***Site visits***—an overall Airport tour was conducted and several site visits to the Development Area, and included the review of field surveys of existing properties, existing developments, and Airport infrastructure.

- ***Airport leases***—copies of major commercial leases were obtained, including current leasing policies, Minimum Standards for Aeronautical Activities, and other documentation related to leasing practices and terms.

- ***Financial information***—existing financial information was obtained for the Airport to facilitate the creation of a preliminary financial model for the cost/benefit analysis and a preliminary spread sheet for lease terms/criteria to facilitate the creation of an Airport cost center for commercial leases.

- ***Regional economic information***—regional economic information and Airport commercial development information provided by the Greater Oklahoma City Chamber was obtained.

### D. Assessment of Development Area

The Development Area was identified as roughly 1,000 acres of undeveloped land located on the east side of the Airport property. The initial task in the assessment of the Development Area was to determine any constraints related to FAA requirements for parcels within the Development Area acreage. All Airport property acquired with Airport Improvement Program ("AIP") grant funding from the FAA is subject to the various requirements contained in the FAA's grant assurances and other FAA regulations and orders. Prior to the initiation of the development of the Land Use Plan, the Project Team reviewed the Airport's records including the Airport's Land Inventory Maps and support materials to determine any potential constraints, including grant assurances associated with the parcels located in the Development Area. As a result of this initial due diligence it was determined that the Development Area land was acquired with AIP grant funding and that the FAA

Southwest Region had certain acreage (a portion of Parcel Number 35) in the Development Area designated as "noise land" under Grant Assurance 31. The Project Team successfully worked with the FAA to reconcile the FAA designations with the Airport's records and the classification of "noise land" was eliminated.

### E. Approval for Non-aviation Uses in Development Area

The *Airport Improvement Program Handbook* (FAA Order 5100.38C), dated June 28, 2005, stipulates the acquisition of any interest in land is eligible for AIP funding when it is necessary for "airport purposes" as determined in the latest airport master plan. The term "airport purposes", as used therein, refers to all aviation activities normally found on an airport. Although many infrastructure and construction elements are not eligible for AIP funding, the land they occupy would be eligible for acquisition. This AIP eligibility extends to the acquisition of land for future airport development, if such acquisition is based on reasonable projections of aeronautical need in the orderly development of an airport, as determined by the FAA.

Land purchased pursuant to an FAA grant is presumed to be in pursuit of an aeronautical purpose. However, aeronautical property may be used for a compatible non-aviation purpose while at the same time serving the primary purpose for which was acquired. This alternative use is considered a concurrent use of aeronautical property. FAA Order 5190.6B – Airport Compliance Manual, Chapter 22; Section 22.5 stipulates that a request must be specifically approved by FAA to use land acquired with AIP grant funding for non-aviation concurrent use.

The Master Plan for the Airport designates the Development Area for "Future Airport Land Development." The highest and best use for a significant portion of the acreage contained in the Development Area is designated as aeronautical use. However, since compatible non-aviation uses for certain acreage were anticipated to be a component of the Land Use Plan, FAA approval of the proposed non-aviation uses was required.

On behalf of the Trust, the Project Team requested FAA concurrence and support of the Program, and specifically the approval of the proposed non-aviation uses to be reflected in the Land Use Plan for the Development Area. The Project Team presented a detailed letter outlining the proposed land uses for the Development Area, and received approval from the FAA. Copies of the letter to the FAA and the letter of approval from the FAA are attached hereto as Attachment A.

Upon completion of the Strategic Development Plan, the FAA will be provided the opportunity to confirm and approve the final Land Use Plan. It is anticipated that the FAA will require an Environmental Assessment ("EA") for development activities at the Airport including the Development Area. As the EA is completed and all environmental requirements are met, the FAA will demonstrate the final approval of the Land Use Plan by approving a revised ALP.

### F. Support from Airline Affairs Committee

Subsequent to the initial review and support of the Program from the FAA, the Project Team presented the Program to the Airline Affairs Committee. Although Airline Affairs Committee approval was not required under any airline agreement with the Trust, the Project Team, the Trust, and the FAA desired concurrence and support of the Program by the commercial airlines serving the Airport. The Project Team presented the details of the Program, the proposed land uses for the Development Area, and the benefits of the Program with respect to generating nonairline related revenues to help ensure the Airport remains financially self-sustaining. The Airline Affairs Committee commended the Trust for the initiation of the Program and presented a letter of support, a copy of which is attached hereto as Attachment B.

# II. BUSINESS PLAN

## 1. INTRODUCTION

The purpose of the Business Plan component of the Program is to create the business strategy to assist the Trust in promoting the City of Oklahoma and the Will Rogers World Airport, and to specifically address Airport land leasing protocols, policies and procedures to be used by the Trust in the implementation of the Program. The Business Plan is intended to apply to the development of new direct aviation uses and non aviation uses of Airport property under future ground leases of Airport property classified by the FAA as "future airport development land" needed in conjunction with the operation and maintenance of the Airport, and specifically includes the property located in the Development Area. The Business Plan does not address the development of core business facilities (such as passenger airline terminals, passenger airline parking facilities, rental car facilities, etc.) nor does it address the sale of any Airport lands.

The Business Plan outlines the results from the (1) review of on-airport development opportunities and constraints related to FAA requirements and approvals, (2) classification of land use types (highest and best uses) for both aviation (aeronautical; and commercial air cargo) uses and non-aviation commercial (retail, office, and industrial) uses, (3) creation of land use categories for purposes of establishing an appropriate rates, fees and charges schedule, (4) development of infrastructure refunding program and common area maintenance program, (5) identification of incentive program criteria, (6) development strategies and processes, and (7) review of best industry practices for development of airport properties. As a result of the creation of the Business Plan, new land leasing policies and criteria that reflect the goals and objectives of the Trust were developed. The criteria for aeronautical uses is reflected in the Airport's Minimum Standards for Aeronautical Activities, and the criteria for the aviation and non-aviation commercial uses (retail, office, industrial and commercial air cargo) is reflected in the Airport's Commercial Land Leasing Policy.

The Business Plan (and the resulting Minimum Standards and Leasing Policy) was developed to provide flexibility to changing market conditions related to development of Airport property, changes to federal, state and local laws and regulations pertaining to Airport development, the dynamics of the aviation industry, and economic forces affecting commercial development. Therefore, the Business Plan, the Minimum Standards and/or the Leasing Policy may be reviewed, modified, and updated on a regular basis.

## 2. FEDERAL REQUIREMENTS

The Airport Improvement Program is authorized by Chapter 471 of Title 49 of the United States Code (U.S.C.). The *FAA Airport Improvement Program Handbook* (FAA Order 5100.38C), dated June 28, 2005, provides guidance and sets forth policy and procedures to be used in the administration of the AIP and provides funding for

airport planning and development projects. The *FAA Compliance Program* (Order 5190.6B), dated September 30, 2009, hereinafter referred to as the "Order", is designed to monitor and enforce federal obligations agreed to by airports in exchange for valuable benefits and rights granted by the United States, including the direct grants for the acquisition of land for airport purposes under the AIP. These federal obligations are designed to ensure that the public interest in civil aviation is served.

### A. Grant Assurances

As of September 2009, there were thirty-nine (39) numbered grant assurances ("Grant Assurances") that apply to federal airport development grant agreements. Several of these Grant Assurances are particularly relevant to the Business Plan and are briefly identified as follows:

- Grant Assurance 5, *Preserving Rights and Powers*, the Airport cannot take any action that may deprive it of its rights and powers so it can direct and control airport development. Grant Assurance 5 requires the Airport not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit "A" without the prior approval of the FAA.

- Grant Assurance 21, *Compatible Land Use*, the Airport is obligated, to the extent possible, to ensure compatible land use both on airport and off-airport.

- Grant Assurance 22, *Fair and Reasonable Terms*, the Airport is required to operate for the use and benefit of the public and is to be made available to all types, kinds, and classes of aeronautical activity on fair and reasonable terms and without unjust discrimination. The prohibition on unjust discrimination does not prevent the Airport from making reasonable distinctions among users and assessing different fees on certain qualifications or categories of users based on those distinctions. This assurance is specifically applicable to aeronautical activities and has been generally adopted as best practice for non-aviation activities.

- Grant Assurance 23, *Exclusive Rights*, the sponsor of a federally obligated airport "...will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities..."

- Grant Assurance 24, *Fee and Rental Structure*, provides, in pertinent part, that the sponsor of a federally obligated airport "will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport ... " In addition, the Airport must charge fair market

value ("FMV") rents for non-aviation uses of airport land and facilities whenever a non-aviation use is justified and approved by the FAA.

- Grant Assurance 25, *Airport Revenues,* dictate that revenues generated by a public airport must be expended solely for the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the airport owner or operator and directly and substantially related to the air transportation of passengers or property.

- Grant Assurance 29, *Airport Layout Plan*, requires the Airport to keep up to date at all times an ALP of the Airport. Specifically, Grant Assurance 29 requires the Airport to show on its ALP the boundaries of the Airport and all proposed additions thereto, and the location of all existing and proposed non-aviation uses.

### B. Revenue Use

The *FAA's Policy and Procedures Concerning the Use of Airport Revenue,* 64 Fed. Reg. 7696, February 16, 1999, addresses the allocation of indirect costs, discusses permitted uses of airport property, and lists prohibited uses of airport revenues. The policy clarifies certain allowable uses of airport revenues and provides guidance on reporting and auditing requirements, cost allocation practices, and monitoring and compliance procedures.

The allowable use of revenue to develop airport land is clear for land that serves a direct aviation purpose (use of airport revenue is allowed for the development of this land and revenue generated from this land must be used for airport purposes). The use of airport revenue to develop land not used for direct aviation purposes (developing land set aside for noise buffers) requires FAA approval.

To further support the Program goals pertaining to continued FAA compliance with respect to use of Airport revenues, the Trust has established a distinct cost center accounting fund to specifically account for the funds allocated to and the revenues received from the aviation and non-aviation commercial land leases in the Development Area. This separate cost center accounting will (1) demonstrate that Airport revenues associated with airline rates and charges are not used for non-aviation commercial development, (2) provide a transparent accounting for all funds associated with non-aviation commercial leasing activities at the Airport, and (3) further demonstrate compliance with applicable Grant Assurances and FAA requirements pertaining to revenue use.

### C. Land Use Classifications

The Airport Airway Improvement Act of 1982 (Public Law 97-248) states that airports may retain land purchased with federal funding as future airport development land if it is needed for aviation purposes, serves as noise buffer land, or prevents the introduction of non-compatible land uses. Airports may develop such future airport development land for "concurrent commercial development

uses" (as set forth in the Order) if revenue from any use (whether interim or long term) of such land contributes to the financial self-sufficiency of the airport and the airport has made in good faith effort to derive optimum revenue from such use.

The Master Plan classifies the Development Area as Future Airport Development Land suitable for direct aviation uses and "concurrent commercial development" uses. Utilizing the principles and requirements of the federal regulations and in coordination with the FAA, the Project Team created four land use classifications ("Classifications") for uses of Development Area properties reflected in the Land Use Plan. These Classifications are intended to identify the proposed uses for the Airport property located in the Development Area and to obtain FAA approval (as required by the Order) for the concurrent commercial development of land not used for direct aviation purposes. The Classifications were presented to the FAA by the Project Team and are set forth in the FAA letter of support, attached hereto as Attachment A. General descriptions of the Classifications are as follows:

- ***Direct Aviation.*** Direct Aviation development is designated as aviation use, and includes taxiways, taxilanes, ramp, access infrastructure, base infrastructure and other facilities or amenities for passenger air service, general aviation, aircraft maintenance, aircraft manufacturing, commercial air cargo, and other direct aviation facilities requiring access to the airfield.

- ***Direct Aviation Support.*** Direct Aviation Support development which may or may not require direct access to the airfield can be designated as either aviation or concurrent commercial use, including facilities for companies providing logistics, materials, cargo warehousing/distribution operations and other ancillary support for direct aviation uses, and providing such services for direct aviation users, including the passengers, employees, agents and contractors, guests, and the tenants of the Airport.

- ***Indirect Aviation.*** Indirect Aviation development is designated as concurrent commercial use, including offices, industrial facilities, retail, and similar facilities which do not have airfield access, on land not currently needed for direct aviation development. The primary purpose for these areas is to ensure an adequate noise buffer and to retain the property for future direct aviation uses if required, and to provide goods and services for the direct aviation users, including the passengers, employees, agents and contractors, guests, and the tenants of the Airport.

- ***Non-aviation.*** Non-aviation development is designated as concurrent commercial use, including offices, industrial facilities, retail, and similar facilities which do not have airfield access, on land not currently needed for direct aviation development. The primary purpose for these areas is to ensure an adequate noise buffer, and ensure land development and uses compatible to direct aviation and direct aviation support uses. In addition, concurrent commercial non-aviation development is desired to generate

non-airline related revenues to enhance the overall revenues of the Airport, and thereby promoting the growth of air service, and ensure the Airport remains self sustaining. The Airport revenues obtained from concurrent commercial non-aviation development will be used to develop required infrastructure for the Development Area and as a source of repayment for infrastructure funding incurred by the Trust for land development under the Land Use Plan.

The Trust and the FAA further agreed that the Trust will continue to provide to the FAA all updated concept plans and leasing programs developed for the Land Use Plan, for approvals as may be required. Any deviation from the above described Classification of land development for the Development Area will be presented to the FAA for independent consideration. The development of any property in the Development Area, including concurrent commercial non-aviation development, does not have the effect of releasing the property from any term, condition, reservation, restriction or covenant of any applicable FAA compliance agreement.

Furthermore, the Trust will continue to coordinate with the FAA for airspace analysis, environmental requirements, compatible land use reviews, and other obligations under the Grant Assurances. As stated above, all revenue generated by facility development in the Development Area will be applied to the development, operations and maintenance of Airport facilities.

Provided that the actual uses resulting from the development of land in the Development Area are consistent with the uses authorized by the FAA for the Program (and provided that all other federal requirements pertaining to environmental compliance, etc. are met), it is anticipated that individual parcels leased for non-aviation commercial development will not need to be individually approved by the FAA. The ALP and other corresponding FAA documents will be updated as each parcel is developed.

### D. Land Leasing Principle

As described above, FAA approval for development of all parcels located in the Development Areas is subject to the Trust's ability to demonstrate compliance with all applicable federal requirements including Grant Assurances. Since the land lease Classifications approved by the FAA represent the potential for a variety of aviation and concurrent commercial non-aviation development uses, and therefore a variety of leasing terms and conditions, the Trust desired to develop an overall principle to reflect the parameters for land leases at the Airport.

The Classifications of property, together with the provisions contained in the applicable Grant Assurances related to the lease of airport properties and the setting of rates and charges, provided the direction for the establishment of the Land Leasing Principle for the Airport, as follows:

*The Trust, through the Airport Director, shall make Airport properties available for lease on fair and reasonable terms without unjust discrimination. The prohibition of unjust*

*discrimination does not present the Airport from making reasonable distinction among users based on certain qualifications and categories of users and assessing different fees based on those distinctions.*

## 3. RATES AND CHARGES PROGRAM

Airports have a requirement to be as self-sustaining as possible and to ensure that the airport maintains a rate and fee structure that conforms to the Grant Assurances and is consistent with the *FAA's Policy Regarding Airport Rates and Charges,* 61 Fed. Reg. 31994, June 21, 1966, and as amended at 73 Fed. Reg. 40430, July 14, 2008. The requirement recognized that individual airports will differ in their ability to be fully self-sustaining, given difference in conditions at each airport. The purpose of the self sustaining rule is to maintain the utility of the federal investment in the airport.

The Order sets forth additional guidance with respect to airport rates and charges. Charges for aeronautical uses of the airport must be reasonable. For aeronautical users, the FAA considers charges that reflect the cost of the services or facilities satisfies the self-sustaining requirement. Accordingly the FAA does not consider the self sustaining obligation to require the airport to charge fair market value rate to aeronautical users.

Aeronautical fees for landside or non-movement areas airfield facilities (hangars and aviation offices) may be at a fair market rate, but are not required to be higher than a level that reflect the cost of services and facilities. In other words, those charges can be somewhere between cost and fair market value.

At some airports, market conditions may not permit the establishment of fees that are sufficiently high to recover aeronautical costs and sufficiently low to attract and retain commercial aeronautical services. Therefore, the airport should establish long term goals and targets to make the airport as financially self-sustaining as possible.

The FAA defines aeronautical use as all activities that involve or are directly related to the operation of aircraft, including activities that make the operation of aircraft possible, and safe. Services located on the airport that are directly and substantially related to the movement of passengers, baggage, mail and cargo, are considered aeronautical uses.

The Order also provides that rates charged for non-aviation use of the airport must be based on fair market value. Fair market fees for use of the airport, while required for non-aviation use of the airport, are optional for non-airfield aviation use. Fair market pricing of airport facilities can be determined by reference to negotiated fees charges for similar uses of the airport or by appraisal of comparable properties. The appraisers will need to account for airport restrictions when comparing on airport with off airport commercial non aeronautical property in making fair market value determinations.

If market rents for non-aviation uses result in a surplus, that surplus can be used to subsidize aviation uses of the airport. It is to the benefit of aviation and the

traveling public that aviation users be able to use the airport at rates and charges below the cost of providing the aviation facilities and services if these are effectively subsidized by non-aviation revenues. The FAA has indicated that it promotes the practice of using non-aviation revenues to subsidize aviation activities since it reduces the economic impact on aviation users and the aviation public. All uses of the airport which are not defined by the FAA as aviation uses are considered to be non-aviation uses.

### A. Industry Standards and Practices

There are four primary approaches or methodologies to establishing market based rental rates that are typically utilized throughout the industry for on-airport properties, as follows: (a) negotiation, (b) competitive proposal, (c) fair market value appraisal, and (d) market rent study.

Notwithstanding the fact that an airport can establish a final market based rental rate through a direct negotiation or competitive proposal, such methods by themselves do not guarantee the establishment of ground lease rental rates that can be consistently applied to the same categories of airport users. Therefore, an airport will benefit from baseline information derived from the fair market value appraisal and/or market rent study approaches when establishing a final rental rate based on negotiation or establishing a minimum rent in a competitive proposal process.

Furthermore, certain approaches are more suitable for the unique nature of aviation property, while other approaches are best suited for commercial development properties, as follows:

- ***Aviation Use.*** The property at an airport with direct access to the airfield that is available for development is truly unique in its characteristics from a commercial real estate development standpoint. Clearly the highest and best use for property with airfield access will be developments for aviation uses including but not limited to air cargo, aviation support, and aircraft manufacturing; and aviation support facilities for companies providing logistics, materials, cargo, warehousing or distribution operations, and other ancillary support for direct aviation uses. Airports offering property for lease to developers interested in development of direct aviation facilities establish rental rates that are competitive with other airports providing similar airfield access development opportunities.

  Often times, appraisers (especially appraisers who have little, or no, experience appraising airport properties) make the mistake of comparing on-airport (aviation) properties to off-airport (commercial, non-aviation) properties located near the airport or they make comparisons to properties that they think are related in use (but in fact, are not). In addition, inexperienced appraisers frequently fail to take into account the limitations associated with developing (and operating on) airport property (e.g., compliance with 14 CFR, Part 77 requirements) and/or they fail to recognize the benefit of having access to the airport infrastructure (e.g., runways, taxiways,

ramp/aprons, etc.) that is typically funded through federal grants. These differences can have a dramatic impact values derived through the typical fair market appraisal process.

Therefore, consideration should be given to utilizing an appraisal approach only when dealing with commercial air cargo or other large commercial aviation users and to procuring more than one fair market value appraisal to determine a fee value range that might better reflect the value of the airfield access to the parcel. Appraisals are also appropriate when a value is specifically or legally needed (e.g., to facilitate the sale, acquisition, or financing of airport property or if a value is required by a lease, use, or operating agreement to calculate the rental rate).

A market rent study, on the other hand, is a streamlined approach used to determine an appropriate (market) rental rate for land and/or improvements for aviation property. The market rent study identifies comparable airports and a comparative analysis of rental rates is conducted. If properly performed, the information compiled and analyzed through the market rent study process is more than sufficient to establish an appropriate (market) rental rate. In addition, this approach is consistent with the FAA's policy whereby airport sponsors are given flexibility in establishing market rents and can set rents (for aviation properties) using any reasonable method. A rental rate established based on comparative analysis is typically subject to periodic increases through out the term of the applicable ground lease.

- ***Commercial Use.*** An airport's master plan identifies the property of an airport that is needed for the long term, primary business of the airport – aviation. Other property within an airport's boundaries but outside the envelope of property identified in the master plan for aviation is retained by airports to ensure an adequate noise buffer, and ensure land development and uses that are compatible with the primary aviation business of the airport. In many cases, the FAA supports certain concurrent commercial development of property outside the aviation designated property, since development of such property generates non-airline related revenues that enhance the overall revenues of the Airport, thereby promoting the growth of air service, and helping to ensure the Airport remains self sustaining. This concurrent commercial development is typically for indirect aviation and non-aviation uses, (office, retail and industrial).

  Airport property available for concurrent commercial development does not typically compete with other airports providing similar development opportunities, but competes instead with the local real estate development opportunities in the surrounding communities. Therefore, unless an airport has enabling legislation or requirements in its primary documents requiring rental rates based on a fully allocated cost methodology or other formula, fair market value appraisals are the preferred method for establishing market rents for concurrent commercial properties. Airports typically

establish rental rates per square foot per year for land leases that are in relation to the fair market value of land for similar property on and outside to the airport. The ground lease rental rates are to be stated as a percent per year of appraised fair market value of the property to result or be as close to the same overall cost for the developer as the developer would incur purchasing available property for sale in areas surrounding the Airport. Ground lease rental rates are subject to periodic increases through out the term of the applicable ground lease. Additional rents may include a percentage of gross sales or activity-related fees.

- ***Public Purpose Uses – Governmental.*** Many airports create a specific category of airport property use for public, community purposes, or based on specific criteria for use by a governmental entity. The prohibition on unjust discrimination does not prevent an airport from making reasonable distinctions among users and assessing different fees on certain categories of users based on those distinctions. The Airport may make airport property available for temporary, public community purposes at less than fully allocated costs or fair market value when such community uses (1) meet the tests for compliance with federal regulations and grant assurances, and (2) do not compromise airport operations, development plans or financial objectives.

  Ground rentals established for this specific category of community purpose are distinct from any incentive program to support airport property development and are typically subject to periodic increases throughout the term of the applicable ground leases.

### B. Factors Affecting Rates and Charges

Once an airport establishes the market rent methodology for the use and lease of airport property, there are several considerations that may affect the annual rental and/or the ground lease rental rates for a particular development project on airport property. Some factors affecting rates and charges include the following:

- ***Term***. The length of term of a ground lease can be directly proportional to the ground rental rates an airport can charge. Simply put, the greater the financial investment that is required of the developer, the longer the lease term will need to be to amortize the cost of improvements and generate a return on the investment. Since the leasehold property and all improvements revert to the airport sponsors at the end of the ground lease term, lease terms must be of sufficient length to provide an overall cost for the developer as the developer would incur purchasing available property for sale in areas surrounding the airport.

- ***Incentive Based Rental Rate***. An economic incentive based ground rental rate is the rental rate amount certain stakeholders of an airport may want an airport to charge to "stimulate" economic development or growth.

Typically the economic incentive rate is below the fully allocated cost of the airport for the property, and therefore the development is literally at the expense of the airport and may fail to meet the tests for compliance with federal regulations and FAA Grant Assurances. However, ground rental rates established on fair market rent methodologies can provide incentives based on reasonable distinctions among users within each on a case by case basis, which may result in a different fee structure charged between such users.

- ***Blended Rates***. Some airports charge a combined rent that encompasses all land and facility improvements (i.e., the entire leasehold)—this approach is commonly referred to as charging a "blended" rate because the rental rates for each of the various components of the leasehold (land and improvements) are not segregated. This approach is not representative of best management practices and should be avoided. In lieu of a blended rate, most airports assess a distinct facility rental based on fair market value appraisal of the facility improvements located on the site and owned by the airport.

- ***Prime Property***. Ground rental rates for airport property within the same general category of development use can differ from area to area at the airport. For example, airport property with airfield access that result in developments for direct aviation commercial warehouse facilities may have a higher rental rate than immediately adjacent properties for direct aviation commercial warehouse facilities that do not have airfield access.

- ***Improved Property***. Ground rental rates for airport property that is "site ready" with utility and roadway infrastructure to the site will require a higher ground rental rate than similarly situated property without supporting infrastructure. However, many airports choose to retain the same ground rental rate structure and provide economic reimbursements (like rent "credits") when a developer constructs utility and/or roadway infrastructure to the site which benefits the airport, the public or other tenants.

- ***Services***. For most airport property ground leases, ground rental rates reflect triple net terms, where the developer/tenant is responsible for all costs of maintenance and operations including utilities, insurance, and taxes related to the premises and the day-to-day operational activities. In the event the airport provides any services or infrastructure related to the premises, the same is typically referred to as "additional rent".

- ***Concession Fees***. In addition to the ground lease rental rate for a commercial aviation use or concurrent commercial use, some airports include a percentage of gross receipts derived from the aviation-related services provided at the site (ground handling, fueling, etc.), and/or retail sales.

- ***Assignment Fees***. Certain airports include provisions in the ground leases that provide additional revenues to the airport based upon certain actions taken by the developer. For example, an airport can require as a condition to an assignment of the ground lease, a premium payment by the developer/tenant/user of land based on the amount for which the consideration of the assignment to be paid to the developer/tenant/user exceeds the straight-line depreciated cost of the leasehold improvements and trade fixtures on the land leased. Certain airports also change a percentage fee on sublease revenue earned by the developer/tenant for an on airport facility.

### C. Rate Making Methodologies

The Trust considered various methodologies for establishing market based ground and facility rents for Airport properties. Taking into consideration (1) the FAA requirements related to aeronautical and non aviation airport rates and charges (2) the types of existing property leases and the historical leasing program at the Airport, (3) the goals for the Program, and (4) the limitations imposed by the Grant Assurances, the Trust has established two general rate making methodologies for Airport properties as follows:

- ***Aeronautical Rate Method.*** An Airport Base Rate is established by the Trust from time to time for Direct Aviation uses, (save and except commercial air cargo); and qualifying Direct Aviation Support uses. This rate is determined based on the historical rates at the Airport, current market rents studies of comparable airports, and the costs associated with all operations, maintenance, capital outlays, debt service, reserves and amortization incurred for the sites.

- ***Fair Market Value Method.*** Fair Market Value Rents are based on appraisals obtained by the Trust for commercial air cargo uses, Indirect Aviation uses, and Non-aviation commercial uses of Airport property.

In addition to determining the methodology for establishing ground rents, the Airport wanted the ability to make reasonable distinctions among the current and future uses of Airport property when establishing the rates, fees and charges for ground and facility leases. Therefore, the Trust has established three general land lease categories of Airport property ("Category" or "Categories") as follows:

- ***Aeronautical Rents Category.*** Aeronautical rents are based on Airport Base Rates and are applicable to aeronautical users for Direct Aviation uses, (save and except commercial air cargo); and qualifying Direct Aviation Support uses of Airport property.

- ***Fair Market Value Rents Category.*** Fair Market Value Rents are determined by appraisal on a case by case basis and are applicable to aeronautical users for commercial air cargo uses of Airport property, and

commercial users for Indirect Aviation uses and Non-aviation commercial uses of Airport property.

- ***Government Rents Category.*** Government Rents are determined on a case by case basis and are applicable to qualifying governmental agencies using Airport Base Rates or Fair Market Value Rents for Indirect Aviation uses and Non-aviation commercial uses of Airport property.

The three Categories and the resulting rate making methodology established for the Categories were developed taking into considerations the best business practices associated with each Category. The rates and charges methodology for each Category described in this Business Plan establishes a preferred rate making methodology but is not intended to restrict the Trust's ability to make reasonable distinctions among users within each Category on a case by case basis, which may result in different fees between such users. For any given development within each Category, such developer/tenant/user may be afforded an incentive and/or may be assessed facility rents, additional rents, and percentage rents, as such additional charges are described herein.

## 4. AIRPORT INCENTIVE PROGRAMS

In determining the level of interest in leasing airport property for commercial development, commercial land developers are interested in understanding what economic incentives are available to them. In addition to an airport's commercially viable, market based development program, airport incentives based on specific criteria and consistently applied are useful tools in stimulating commercial development on airport property. In addition to airport sponsored incentives, local or regional economic development agencies may provide incentives for development on airport property, local municipalities may abate and defer utility or other infrastructure costs or use fees for infrastructure required for the development, local taxing jurisdictions may provide tax deferrals or abatements consistent with local qualification criteria (job creation) for development of airport property, and in some cases the State can provide economic incentives for specific developments on airport property. An airport will want to have information on all available incentives for airport development from these governmental agencies as a component of the marketing program for commercial development of airport property.

### A. Categories of Development Incentives

Each community will have different details pertaining to incentives provided by economic development agencies and taxing jurisdictions, but some categories of development incentives provided by airports generally include the following:

- ***Pioneering Period***. Called by many different names at different airports, a pioneering period during a ground lease term is that period of time typically at the beginning of the lease term, where the ground rental or other rates and charges are reduced or deferred, providing the developer a specific period of time to develop and commence use or obtain a sublease

prior to the initiation of the full rates and charges levels. This period of time may include only the facility development time frame, but can often extend beyond date of beneficial occupancy, allowing for a "ramp up" period after facility completion.

- ***Conduit Financing***. The enabling legislation of certain airports and airport sponsors can provide the ability to offer a financing arrangement for qualifying private developments on airport property.

- ***Ad Valorem Tax - Leasehold Interest Tax***. In situations where the ground lease provides that the leasehold improvements (facilities) made to airport property become owned by the airport on the date of substantial completion, the developer may be relieved of the ad valorem tax obligation for the value of the leasehold improvements and may (depending on local tax laws) be only obligated to pay taxes on the leasehold interest and the personal property held by the developer.

- ***Construction Management***. Subject to procurement related legislation and governing policies, in the situation where the developer has agreed to provide airport infrastructure to the development site that would have otherwise been an obligation of the airport (and in some cases could support other airport development), the airport could agree to provide fees (including profit) for the construction management services provided by the developer in addition to the reimbursement of the actual direct infrastructure costs.

- ***Incentive Based Rates***. An economic incentive based ground rental rate may be offered by the airport for a specific development at the request of a local authority to "stimulate" economic development or growth. Since the economic incentive rate is typically below the fully allocated cost to the airport for the property, such an offer may fail to meet the tests for compliance with federal regulations and FAA grant assurances, the airport will require additional funding from other sources outside the airport to apply to the required revenues for any ground lease designated with an economic incentive based ground rental rate.

- ***Brokerage Fees and Commissions***. Real estate brokerage fees and commissions can be used as a marketing tool in cases where market demand is not strong. However, due to the unique nature of airport leases as required by the FAA, many airports do not engage brokers to market airport property.

In the event the developer/tenant/user has engaged a site selection broker, the airport can require that the developer/tenant/user absorb the cost of such firm. Payment by the airport for the broker in these instances would be an additional economic incentive.

It is important that any airport sponsored incentive program meet the FAA guidelines to insure compliance with respect to non-discriminatory practices in user rates and charges.

### B. Potential Airport Incentives

Consistent with the goals and objectives established for the Program, the Trust determined certain incentives provided by the Trust in the form of reduced or deferred rent would be appropriate when developing specific project business deals for development of Airport property ("Incentive"). The type of Incentive and the duration of an Incentive will be determined on a case by case basis, in the sole discretion of the Trust. Factors such as stimulating commercial development on Airport property, job creation, direct and indirect economic benefit for the Airport and the City, and type of proposed development will all be factors considered in the development of a specific Incentive.

While the Incentives set forth herein provide the framework for the types and duration of certain incentives, the Incentive program described herein is for the sole benefit of the Trust and the while the Trust will not unjustly discriminate between like users, the Trust in its sole discretion will determine whether or not to apply an incentive to any specific development. Furthermore, the Trust may modify any component of the incentive program for the benefit of the Airport operations at any time. The initial Incentives for property located in the Development Area include:

- ***Pioneering Period***. This Incentive is intended to stimulate specific development activity in certain property located in the Development Area, as may be designated by the Trust from time to time. This Incentive will apply only to certain parcels and will only be offered for a specific period of time. The Pioneering Period incentive will provide for reduced or deferred ground rental rates for a specific period of time of the individual lease term, as determined by the Trust on a case by case basis, and can be applied to Direct Aviation and Direct Aviation Support uses.

- ***Fee Value Range.*** With respect to developments in the Fair Market Rents and Government Rents Categories, individual properties (improved or unimproved) will be appraised for the determination of the high and low values per square foot of land ("Fee Value Range") during negotiations for development. The determination of the specific fee value for the property within the Fee Value Range shall by made by the Trust based on job creation, direct and indirect economic benefit for the Airport and the City, the type of proposed development, and the qualifications of the developer/tenant/user, ("Fee Value"). The determination of the Fee Value for individual properties will be made on a case by case basis. Even with the application of an Incentive, market value based rents consistent with FAA requirements will be applied to Airport properties.

- ***Airport Base Rate***. With respect to Direct Aviation uses (save and except commercial air cargo) and qualifying Direct Aviation Support uses,

individual properties (improved or unimproved) leased for Aeronautical purposes will be subject to ground rental rates as set forth in the Minimum Standards which are based on current market rent studies of comparable airport rental rates ("Airport Base Rate"). Specific Incentives may be applied by the Trust on a case by case basis to the Airport Base Rate for the property based on job creation, direct and indirect economic benefit for the Airport and the City, the type of proposed development, and the qualifications of the developer/tenant/user. All incentives will be consistently applied to result in fair and reasonable terms and without unjust discrimination.

- ***Brokerage Fees and Commissions***. Real estate brokerage fees and commissions will not be paid by the Trust for the development of Airport property.

The Trust will continue to monitor the use of Incentives for Airport development to insure compliance with FAA guidelines with respect to non-discriminatory practices in user rates and charges, and the establishment of fair market value based rates.

### C. Additional Incentives

Additional incentives may be provided by economic development agencies and taxing jurisdictions based on the criteria established by such entities. The initial categories of development incentives that may be available from other entities that were identified in the development of this Business Plan for property located in the Development Area include:

- ***Conduit Financing***. Conduit bond financing may be available on a case by case basis from the City's Economic Development Trust, and can be applied to aviation and non-aviation, commercial leases.

- ***Aviation Programs***. The EDGE Initiative (Economic Development Generating Excellence), the state's core economic development strategy, which has identified aerospace as a critical industry cluster, the Oklahoma Aeronautics Commission (OAC) which is a leader in the promotion of the state's aerospace and aviation industry, and the Oklahoma Aerospace Alliance, an association of more than 250 pubic and private entities formed to promote the development of Oklahoma's aerospace industry may be resources for incentive funding for certain qualifying developments.

- ***Local and Regional Economic Development Programs***. The City's Chamber of Commerce and the Regional Economic Development agencies will include the Development Area properties as areas eligible for economic development incentives for those developments meeting the economic development criteria and as may be deemed appropriate on a case by case basis.

- ***Tax abatements and Tax Deferrals***. The City and other taxing jurisdictions for the Development Area properties have established tax abatement and deferral programs for qualifying developments and such programs will be available for developments located in the Development Area.

- ***Foreign Trade Zone/Freeport Exemptions***. The Development Area is located in Foreign Trade Zone No. 106, and qualifying developments may take advantage of the tax advantages afforded by the FTZ upon application and approval of the Foreign Trade Zone Board of the Department of Commerce, USA.

## 5. INFRASTRUCTURE IMPROVEMENT PROGRAM

### A. Infrastructure Funding Strategy

Establishing the infrastructure funding strategy for an airport commercial land development program requires not only the identification of funding sources for infrastructure (and related airport costs related to the ground leases) but also the determination of the cost benefit/return on investment for the direct costs incurred by the airport relative to the ground rentals and other fees received by the airport from the commercial development program.

Typically airports with a strategic development program have taken a long term business approach for the program, understanding that a significant financial investment for infrastructure is initially required to establish a program that will provide direct rental revenues and fees at the airport for decades in the future.

Communities owning the airport and/or surrounding airport property also obtain indirect economic benefit from the development of airport property and often participate in the funding of base infrastructure needed for airport development. Those airports without the ability to provide funding for base infrastructure development will trade off the ability to maximize airport revenues generated from commercial development, for the shifting of the airport infrastructure funding responsibility to a developer. Typical infrastructure funding sources include:

- ***On-Airport Infrastructure***. The sources for infrastructure funding for installations and extensions of infrastructure located on airport property related to roadways, water, sanitary sewer and drainage (on airport infrastructure) have historically been either airport revenues (with approval of the FAA) or revenues from the governmental owner of the airport.

  In many cases, the infrastructure required for commercial development of airport property is not eligible for funding from the traditional FAA funding sources typically used for airport improvements (Grants, Airport Improvement Program proceeds, and Passenger Facility Charges). Therefore, if funding for installations and extensions of airport infrastructure is required to be provided by the airport, other sources of airport revenue (save and except rates and charges from airlines) or funds obtained

through airport financings are commonly the primary source of funding. If allowed under the terms contained in the use and lease agreement with the airlines, and whether or not the cost of the infrastructure will be paid by airline rates and charges, airline consent may be required prior to using airport revenues for infrastructure funding. Also, depending on the enabling legislation for the airport an airport may be able to issue several types of debt instruments to finance infrastructure improvement in addition to the use of existing airport revenues.

The most common method used by a governmental owner to fund and construct installations and extensions of airport infrastructure on airport property related to roadways, water, sanitary sewer and drainage is to treat such work as a component of its governmental services available for all developmental property in the community. The governmental entity funds the improvements by some type of debt instruments and would recapture its investment through impact, tap or meter fees, and/or usage charges. However, to the extent allowed by State legislation, a governmental owner may be able to take advantage of tax increment financing, instituting a sales tax for economic development, or employ special assessments or public improvement districts to assist in funding airport infrastructure.

Gas, electricity, telephone, telecommunications and other utilities needed for on airport commercial development, are provided by private companies and are typically extended as airport properties are developed. The developer contracts directly for the service provider.

- ***Off-Airport Infrastructure***. Extensions of existing roadways, water, sanitary sewer and drainage from surrounding municipality to the airport boundary (off airport infrastructure) may in some instances be accomplished by an inter-local agreement; a formal agreement outlining each governmental entities' respective to accomplish mutual goals.

  Funding from State and Federal sources may also be available for certain types of roadway improvements, provided those facilities are part of a State for Federally designated system. Also, special assessments or public improvement districts are tools that allow local governments to levy and collect special assessments on property located within a designated geographic area, and can cover a wide array of improvements including construction costs and maintenance costs.

The Trust and the City anticipate active roles in assisting the development of Airport property for commercial land use due to its potential to facilitate job creation and economic development. Specifically, the initial infrastructure investment associated with roadways, water, sanitary sewer, and other base infrastructure improvements, whether funded by the Airport or the City, would be in compliance with applicable federal regulations, codes and ordinances of the City, and the laws of the State of

Oklahoma. The anticipated infrastructure construction for the Development Area is described below:

- ***City Funded Water Infrastructure.*** The City is considering the option to install the 48"water transmission line in conjunction with the realignment of Portland Avenue or elsewhere across the Development Area in accordance with standard specifications and all ordinances of the City.

- ***City Funded Infrastructure for Portland Avenue.*** The City shall fund all or a portion of the realignment of Portland Avenue. Funding for the City's portion of the project was included in the City's 2007 General Obligation Bonds and is anticipated to commence construction during calendar year 2010.

- ***Airport Funded Infrastructure for Development Area.*** The Trust, with the use of existing funds in the Airport's retained earnings, or other funding as authorized by the Trust and the FAA, will construct roadways, sanitary sewer, water distribution lines, and other base infrastructure improvements associated with the Development Area, and as appropriate other Airport property, on an as needed basis based on the infrastructure development phasing as anticipated in the Land Use Plan. As a component of the rates and charges program for the Development Area, the Trust will amortize the cost of Airport funded infrastructure, and recover a pro rata share of the cost from the developer/tenant/users as infrastructure improvement rent. Future ground rents and other revenues paid to the Trust for leases in the Development Area will be dedicated by the Trust to help fund future infrastructure requirements.

- ***Airport Funded Aviation Infrastructure Costs.*** The Trust, with the use of existing funds in the Airport's retained earnings, federal funding for AIP eligible project costs, or other funding as authorized by the Trust will construct airfield improvements or other base infrastructure (taxilanes, ramps, etc.) to support Direct Aviation development. The recovery of such costs shall be dependent on the type of improvements to support such development, and the specific lease terms of the development agreement or lease with the developer/tenant/user.

### B. Airport Infrastructure Ownership and Maintenance Program

The Trust has historically transferred to the City the Trust funded and constructed infrastructure improvements which were then included in the City's infrastructure system for maintenance and repair. The Trust has historically retained ownership of and provided the maintenance and repair for direct aviation improvements or other infrastructure and such infrastructure was not included in the City infrastructure system. Consistent with the current infrastructure development program, the Development Area infrastructure improvement program will include the following:

- ***Water, Sanitary Sewer and Roadway.*** Ownership of City funded water, sanitary sewer, roadway, and other base infrastructure projects will be retained by the City. Upon completion of project, the ownership of Trust funded water, sanitary sewer, roadway, other base infrastructure projects will be transferred to the City to be included in the City's infrastructure system for maintenance and repair.

- ***Direct Aviation Improvements.*** Notwithstanding the foregoing, the ownership of Trust funded direct aviation infrastructure and improvements (airfield, ramp, aircraft fueling and related infrastructure) shall be retained by the Trust (and not included in the City infrastructure system) and will be maintained and repaired by the Trust.

- ***Developer/Tenant/User infrastructure.*** Improvements and infrastructure constructed on leased property will be owned by the developer/tenant/user or the Trust, and the maintenance and repair of such infrastructure will be accomplished pursuant to the ground lease terms.

- ***Franchise Utilities.*** Gas, electricity, telephone, telecommunications and other utilities will be provided by private companies directly to the developer/tenant/user.

## 6. COMMON AREA MAINTENANCE PROGRAM

The Land Use Plan includes concept drawings showing existing and anticipated future land uses, building uses and densities, streets, pedestrian and transit way, open space, utilities, drainage, lighting, and other aspects or characteristics of land development, design standards specifying the criteria for building design, signage landscaping and other improvements.

In addition to the initial designation of the parcels available for development, the Land Use Plan anticipates the development of the following areas:

- ***Common Area.*** Property and improvements that are used in common or for the benefit of all developer/tenant/users of the Development Area, such as utility corridors that are not adjacent to a leased premises, streets, street lighting, islands, median strips, lakes, water features, entrance parks and other park and open areas, entry monument signs and walls, and pedestrian malls and walkways.

- ***Right of Way Area.*** Property and improvements that lay between the developer/tenant/user's boundary of the leased premises and the back of a roadway curb. The Right of Way Area is primarily used as a utility set back area.

The Trust has determined that the installation and maintenance of the Common Area and the Right of Way Area improvements shall be as follows:

- ***Common Area Improvements***. The Trust will install, maintain, improve, and beautify, or cause to be maintained, improved, and beautified, the Common Area in a desirable manner for the benefit of the developer/ tenant/users to the extent that such maintenance, improvement and beautification are not being accomplished by a developer/tenant/user, the City, or other public or quasi public organizations or districts charged with said responsibility. The required maintenance activities shall include, but not be limited to mowing of lawns, trimming of hedges, adequate irrigation, replacement of dead, diseased or unsightly landscaping, removal of weeks from planted areas, and appropriate pruning of plant materials. Additional land may be added to the Common Area as authorized by the Trust, and the obligations for Common Area maintenance will extend to such additional acreage.

- ***Right of Way Area Improvements***. Prior to the development of individual leased premises, property included in the Right of Way will be considered a component of the Common Area and will be maintained by the Trust. As parcels are leased, the developer/tenant/user will be required to install and maintain the landscape materials set forth in the Airport's development standards and/or design criteria in the applicable Right of Way Area adjacent to their leased premises. The required maintenance activities of the developer/tenant/user shall include, but not be limited to mowing of lawns, trimming of hedges, replacement of dead, diseased or unsightly landscaping, removal of weeks from planted areas, and appropriate pruning of plant materials. Developer/tenant/users are required to install and maintain the irrigation system for Right of Way Area adjacent to their leased premises. The applicable Right of Way Area is defined as that area that lies between the developer/tenant/user's boundary of the applicable leased premises and the back of a roadway curb.

## 7. ADDITIONAL RENT

It is common in ground leases for development of airport property for the airport to charge a developer/tenant/user a combination of rates, charges, and fees for the use and occupancy of the specific leased premises. These rates, charges, and fees can vary as between different types of uses and can reflect payment obligations not included in the calculation of rents for the ground lease (and facility lease if applicable) and can include but not be limited to (1) the specific services provided by the airport to the leased premises, (2) the costs associated with providing certain improvements or to an individual developer/tenant/user, (3) specific capital or maintenance costs for enhancements or repairs to airport areas benefiting the developer/tenant/user, and (4) fees based on sales of goods and services or assignments of a leasehold interest. In addition, ground leases often include language obligating the developer/tenant/user to pay "such nondiscriminatory fees

assessed by the airport from time to time to all or certain users of the airport that are reflected in the airport's rules and regulations." In this way, special assessments imposed on the airport as a whole can be passed through to all users of the airport.

Due to the unique nature of these rates, fees and charges and the varying application of the fees between individual leased premises, they are often designated as "Additional Rent" to the ground rental obligation in the ground lease documentation.

As described in the Business Plan, the Trust has established the methodology and criteria for establishing ground and facility rates, fees, and charges for based on the ground rent Category of such development. Applicable Additional Rent components may be applied to all ground and facility leases at the Airport on a case by case basis. In the Development Area, Additional Rents may include (but are not limited to) the following components:

- ***Infrastructure Improvement Rent***. To the extent Airport revenues are used to construct roadways, water, sanitary sewer, drainage, (and on a case by case basis aircraft ramp paving or other aviation infrastructure), or other base infrastructure improvements ("Trust Funded Infrastructure") the Trust will amortize such cost and recover the cost over time as Infrastructure Improvement Rent. While the Trust Funded Infrastructure may be installed in development phases ("Infrastructure Phase[s]") as determined by the Trust and based on the Land Use Plan, such infrastructure will be needed for the development of all parcels included in the 40 year development program reflected in the Land Use Plan for the Development Area ("Program Term"). The Trust anticipates the recovery of such infrastructure investment through a pro-rata share method. Under this method, the Trust will pay the costs for installing required infrastructure and as development occurs, the developer/tenant/users would be assessed a pre-determined fee based on the acres leased for the infrastructure then in place.

- The Infrastructure Improvement Rent shall be based upon the cost of the installation of the applicable Trust Funded Infrastructure, amortized pursuant to then current amortization methods utilized by the Trust for the Airport for similar infrastructure, and divided by the total leasable acres projected for the Program Term. The actual acreage within the Development Area leased during the Program Term shall be allocated the pro rata cost per acre per year, to be paid to the Trust on a monthly basis as Infrastructure Improvement Rent. The amount and duration of the Infrastructure Improvement Rent applicable to individual leased premises shall be based on the amortization schedule prepared by the Trust for the cost of the components of the infrastructure, and the number of acres contained in the individual leased premises.

- The Infrastructure Improvement Rent for any individual leased premises may change from time to time during the term of the ground lease, based

upon the cost of additional Trust Funded Infrastructure installed in the Development Area during the Program Term.

- ***Common Area Maintenance Fee***. All developer/tenant/users with leased property located in the Development Area shall pay a fee for the maintenance of all Common Areas, including the utility corridors, designated by the Trust from time to time for the Development Area. This fee, (the "Common Area Maintenance Fee") shall be based upon the amortized cost of the installation of all Common Area improvements, and the estimated annual maintenance of all Common Areas divided by the total leasable acres in the Development Area projected for the Program Term. The actual acreage within the Development Area leased during the Program Term shall be assessed the cost per acre per year, to be paid to the Trust on a monthly basis as Common Area Maintenance Fees. The amount of the Common Area Maintenance Fee applicable to individual leased premises shall be determined using the pro rata cost per acre, and the number of acres contained in the individual leased premises.

  The Common Area Fee shall change from year to year based upon budgeted costs. In addition, the Trust may at its discretion, charge special assessments or year-end assessments to cover unanticipated costs incurred during the applicable year.

## 8. DIRECT AVIATION—AERONAUTICAL RENTS

Aeronautical rents are based on Airport Base Rates described below and are applicable to aeronautical users for Direct Aviation uses, (including general aviation, aircraft manufacturing, aircraft maintenance, and other direct aviation facilities requiring access to the airfield); and qualifying Direct Aviation Support uses of Airport property. During Program development, a Market Rent Study for General Aviation Leases (the "GA Study") was performed to determine the benchmarks for these types of direct aviation uses. The GA Study included an analysis of the improved and unimproved aeronautical lease arrangements at the Airport which were evaluated and surveyed against select comparable airports in order to identify recommended rates and charges levels for future aeronautical ground and facilities leases at the Airport. The results of the GA Study are provided in Attachment D.

The benchmarking effort included such leases as those for fixed base operators (FBO), hangar developments, and other aeronautical activities. As shown in the GA Study, the lease rates varied among the airports for a number of reasons, such as: (1) demand for general aviation services, (2) regional economy and population, (3) number of based aircraft, and (4) Airport rate setting policies.

As shown in Table 1, the recommended lease rates are based on the results of the GA Study.

Table 1

**RECOMMENDED MARKET RENT FOR AERONAUTCAL LEASES**
Will Rogers World Airport Strategic Development Plan

| Lease element | Recommend rate | Survey comparison |
|---|---|---|
| Unimproved rate | $0.25 / sq. ft. | Range: $0.085 – 0.49 |
| Improved rate | $0.40 / sq. ft. | Range: $0.20 – 0.46 |
| Building rate | $6.00 / sq. ft. | Range: $1.00 – 8.00 |
| Fuel flowage fee | $0.10 | Range: $0.05 – 0.12 |
| Percent of gross | 5%-15% for certain fees | 20% - 50% for certain fees |

### A. Aeronautical "Base Rate" Methodology

Based on the GA Study, the historical rates at the Airport, and industry standards described herein, the methodology for the establishment of rates, fees and charges for aeronautical operators at the Airport is described herein. The Trust retains the flexibility to maximize revenues through aeronautical lease negotiations. The aeronautical rates and charges methodology ("Aeronautical Rate Methodology") is as follows:

- ***Aeronautical Ground Rent***

  – Individual properties (improved or unimproved) leased for aeronautical purposes will be subject to ground rental rates as is set forth from time to time as the ground rental rate set forth in the "Minimum Standards for Aviation Activities and Leasing of Land and Facilities at Oklahoma City Airports" ("Minimum Standards") adopted by the Trust ("Airport Base Rate").

  – Aeronautical ground rent is determined by multiplying Airport Base Rate with square footage of the leased property ("Aeronautical Ground Rent").

  – An initial Aeronautical Ground Rent will be determined using the Airport Base Rate in effect at the commencement of the ground lease ("Initial Aeronautical Ground Rent").

  – Initial Aeronautical Ground Rent may be escalated every year on a percentage basis or on a set amount, as determined by the Trust and as reflected from time to time in the Minimum Standards.

- In addition to established escalation provisions, Aeronautical Ground Rent may be subject to periodic increases based on new Airport Based Rates, as determined by updated market rents studies performed by the Trust from time to time.

- For certain aeronautical operators – Aeronautical Ground Rent may be established as the minimum rent for the leased property, and the operator will also pay a percentage of the gross income for retail operations ("Percentage Rent").

- For certain aeronautical operators – a premium will be added to the Airport Base Rate at the election of the Trust for aeronautical ground leases in prime locations at the Airport, ("Premium Rent").

- For certain aeronautical operators – an Incentive may be applied to the Aeronautical Ground Rent, (subject to compliance with FAA guidelines with respect to non-discriminatory practices in user rates and charges, and the establishment of value based rates).

• ***Aeronautical Facility Rent***

- Individual aeronautical facilities owned by the Trust will be appraised on a case by case basis for the determination of the value on a square footage basis, ("Fee Value") or as may be set forth from time to time in the Minimum Standards.

- A facility rental rate will be established equal to a stated percentage of the Fee Value or as may be set forth from time to time in the Minimum Standards ("Aeronautical Facility Rental Rate").

- Aeronautical Facility rent is determined by multiplying the Aeronautical Facility Rental Rate with square footage of the facility ("Aeronautical Facility Rent").

- Aeronautical Facility Rent may be escalated annually on a percentage basis or a set amount, as determined by the Trust.

- Aeronautical Facility Rents may be subject to increases based on new fair market appraisals conducted on a periodic basis throughout the term.

• ***Aeronautical Additional Rents***

- Individual properties (improved or unimproved) leased for Aeronautical purposes may be subject to additional fees and charges imposed by the Trust for all similarly situated aeronautical operators, including but not limited to facilities maintenance rentals, and ramp and parking lot maintenance fees.

- Certain aeronautical leases will be assessed Additional Rents (Infrastructure Improvement Rent and Common Area Maintenance Fees) based on the individual leased property.

- ***Rent Commencement Date***. Unless otherwise specifically set forth in the ground lease documentation or the Minimum Standards, the Aeronautical Ground Rent, Aeronautical Facility Rent (if applicable), and all applicable Additional Rents will commence on the Effective Date of the ground lease term.

- ***Minimum Standards Requirements***. Other operational requirements for aeronautical operators are set forth in the Minimum Standards and the rules and regulations of the Airport, as same may be in effect from time to time.

### B. Existing Aeronautical Leases—Transition Methodology

At the expiration of existing aeronautical ground/facility leases, the Trust and the applicable aeronautical operator (whether the prior tenant or new tenant) will enter into a new aeronautical ground/facility leases with terms consistent with the Aeronautical Rate Methodology, including new fair market valuations for Facility Rents. The foregoing notwithstanding, for any individual aeronautical operator wishing to extend the term of an existing aeronautical ground or facility lease at the expiration of that lease, the Trust will consider the history of the prior/existing aeronautical operator with respect to the operation and management of the leasehold, the payment of rents, the highest and best use for the property, and the value of additional improvements made by the existing aeronautical operator to the leased premises to determine whether or not to allow the existing aeronautical operator to retain the leasehold, and the Trust will determine the acceptable transition period ("Transition Period") to increase the ground rental rates in such lease to the then current Airport Base Rates. Transition Period rental rates may be adjusted on a case by case basis.

In addition, the Trust may modify, amend and update the ground rental rates set forth in the Minimum Standards to establish a new Airport Base Rate during the current term of existing aeronautical leases and the Trust may transition current aeronautical lease rates to new Airport Base Rates as allowed under the terms of individual current aeronautical ground leases.

Aeronautical Facility Rents will be determined as set forth in the current aeronautical ground lease/facility lease and if applicable, will adjust under the same terms as set forth in the Aeronautical Rate Methodology.

Additional Rents under the same terms as set forth in the Aeronautical Rate Methodology will be applied to current aeronautical ground/facility leases as allowed under the terms of individual current aeronautical ground/facility leases.

### C. Methodology—New Aeronautical Leases

The Aeronautical Ground Rent is determined using the Airport Base Rent Rate in effect at the effective date of the ground lease as reflected in the Minimum Standards. At the election of the Trust, the Aeronautical Ground Rent may escalate on an annual basis based on a percentage or based on a set amount set forth in the Minimum Standards, and/or be subject to periodic increases based on new Airport Based Rates, as determined by updated market rents studies consistent with the Aeronautical Rate Methodology. The Aeronautical Ground Rent may be subject to an Incentive, Premium Rent, or Percentage Rent, consistent with the Aeronautical Rate Methodology.

If applicable, the Facility Rent will be established using a percentage of the Fee Value consistent with the Aeronautical Rate Methodology and as set forth in the Minimum Standards. At the election of the Trust, the Aeronautical Facility Rent may escalate on an annual basis based on a percentage or based on a set amount, and/or be subject to periodic increases based on new fair market appraisals establishing Fee Values.

If applicable, Additional Rents under the same terms as set forth in the Aeronautical Rate Methodology will be applied to new aeronautical ground/facility leases.

## 9. DIRECT AVIATION—AIR CARGO RENTS

Air Cargo rents are based on Fair Market Value Rents determined by appraisal on a case by case basis and is applicable to aeronautical users for commercial air cargo uses of Airport property. During Program development, an Air Cargo Facility Development/ Rent Study (the "Air Cargo Study") was performed and included an overall industry perspective as to the establishment of rates and charges for commercial developers of aviation facilities, those facilities with direct access to the airfield. The results of the Air Cargo Study are provided in Attachment E.

Airside facilities are most efficient for integrated operators (UPS and FedEx) and all-cargo airlines that may need quick handling of cargo next to their aircraft parking positions. While paying relatively more expensive rent, these operators seek to either gain value (in time) or reduce total operating costs by performing more functions at their on-airport site than would be possible elsewhere. Often, integrators will lease enough space on-airport to handle the most time-sensitive freight (a higher-revenue service) while locating other facilities off-airport for deferred freight handling.

In certain situations, freight operators may also seize opportunities to locate on airport property near—but not contiguous to—the aircraft parking ramp. Non-airside property is typically less expensive and may be more suitable for freight companies—such as freight forwarders—that consistently utilize aircraft space from multiple carriers but operate none or little of their own.

In addition to the payment of base rent, ground lease charges have often expanded to include participation rent, subleasing fees, financing fees, transfer fees and other indirect charges. The determination of base rent and the increases to base rent are often based on local market comparables not directly related to air cargo facilities, but rather to surrounding industrial land values.

Based on the Air Cargo Study and industry standards described herein, the methodology for the establishment of rates, fees and charges for Air Cargo users at the Airport is described herein. The Trust retains the flexibility to maximize revenues through Air Cargo lease negotiations. The Air Cargo rates and charges methodology ("Air Cargo Rate Methodology") is as follows:

### A. Air Cargo Rate Methodology

- ***Air Cargo Ground Rent***

  - Individual properties (improved or unimproved) will be appraised for the determination of the high and low values per square foot of land ("Fee Value Range") during negotiations for development. The determination of the specific fee value for the property within the Fee Value Range shall by made by the Trust based on the type of development and the qualifications of the developer/tenant/user, ("Fee Value"). The determination of the Fee Value for individual properties will be made on a case by case basis.

  - A ground rental rate equal to 10% of the Fee Value selected within the Fee Value Range will be established, ("Air Cargo Ground Rental Rate").

  - Ground rent is determined by multiplying the Air Cargo Ground Rental Rate with square footage of the leased property ("Air Cargo Ground Rent").

  - Air Cargo Ground Rent may be escalated every year on a percentage or on a set amount basis, as determined by the Trust.

  - Air Cargo Ground Rents may be subject to increases based on new fair market value appraisals conducted on a periodic basis throughout the term.

  - For certain retail developer/tenant/users – Air Cargo Ground Rent will be established as the minimum rent for the leased property, and the developer/tenant/user will also pay Percentage Rent.

  - For certain developer/tenant/users – an Incentive will be applied to the Air Cargo Ground Rent.

- ***Air Cargo Facility Rent***
  - Individual facilities owned by the Trust will be appraised for the determination of the value on a case by case basis, ("Fee Value").
  - A facility rental rate will be established equal to a percentage of the Fee Value ("Facility Rental Rate").
  - Facility rent is determined by multiplying the Facility Rental Rate with square footage of the facility ("Facility Rent").
  - Facility Rents may be escalated annually on a percentage basis or a set amount, as determined by the Trust.
  - Facility Rents may be subject to increases based on new appraisals conducted on a periodic basis throughout the term.
- ***Air Cargo Additional Rents***
  - Individual properties (improved or unimproved) leased for Air Cargo purposes may be subject to additional fees and charges imposed by the Trust for all similarly situated aeronautical operators, including but not limited to facilities maintenance rentals, and ramp and parking lot maintenance fees.
  - Certain air cargo leases will be assessed Additional Rents (Infrastructure Improvement Rent and Common Area Maintenance Fees) based on the individual leased property.
- ***Rent Commencement Date.*** Unless otherwise specifically set forth in the ground lease documentation, the Minimum Standards, or the Land Leasing Policy, the Air Cargo Ground Rent, Air Cargo Facility Rent (if applicable), and all applicable Additional Rents will commence on the Effective Date of the ground lease term.
- ***Minimum Standards Requirements.*** Other operational requirements for aeronautical operators, including air cargo operators are set forth in the Minimum Standards and the rules and regulations of the Airport, as same may be in effect from time to time.
- ***Commercial Land Leasing Policy.*** Commercial leases are subject to the terms set forth in the Airport's Commercial Land Leasing Policy and the rules and regulations of the Airport, as same may be in effect from time to time.

### B. Existing Air Cargo Leases -Transition Methodology

At the expiration of existing air cargo ground/facility leases, the Trust and the applicable air cargo operator (whether the prior tenant or new tenant) will enter into

a new air cargo ground/facility leases with terms consistent with the Air Cargo Rate Methodology, including new fair market valuations for Ground Rents and/or Facility Rents. The foregoing notwithstanding, for any individual air cargo operator wishing to extend the term of an existing air cargo ground or facility lease at the expiration of that lease, the Trust will consider the history of the prior/existing air cargo operator with respect to the operation and management of the leasehold, the payment of rents, the highest and best use for the property, and the value of additional improvements made by the existing air cargo operator to the leased premises to determine whether or not to allow the existing air cargo operator to retain the leasehold, and the Trust will determine the acceptable Fee Value for the leased property.

In addition, as allowed under the terms of individual current air cargo ground leases, the Trust may establish a new Fee Value during the current term of existing air cargo leases and the Trust may transition current air cargo lease rates to new Air Cargo Ground Rental Rates.

Air Cargo Facility Rents will be determined as set forth in the current air cargo ground lease/facility lease and if applicable, will adjust under the same terms as set forth in the Air Cargo Rate Methodology.

Additional Rents under the same terms as set forth in the Air Cargo Rate Methodology will be applied to current air cargo ground/facility leases as allowed under the terms of individual current air cargo ground/facility leases.

### C. Methodology—New Air Cargo Leases

The Air Cargo Ground Rent is determined using 10% of the Fee Value selected within the Fee Value Range. At the election of the Trust, the Air Cargo Ground Rent may escalate on an annual basis based on a percentage or based on a set amount, and/or be subject to periodic increases based on new fair market value appraisals, consistent with the Air Cargo Rate Methodology. The Air Cargo Ground Rent may be subject to an Incentive or to Percentage Rent, consistent with the Air Cargo Rate Methodology.

If applicable, the Air Cargo Facility Rent will be established using a percentage of the Fee Value consistent with the Air Cargo Rate Methodology. At the election of the Trust, the Facility Rent may escalate on an annual basis based on a percentage or based on a set amount, and/or be subject to periodic increases based on new fair market appraisals establishing Fee Values.

If applicable, Additional Rents under the same terms as set forth in the Air Cargo Rate Methodology will be applied to new Air Cargo ground/facility leases.

## 10. NON-AVIATION - COMMERCIAL RENTS

Commercial rents are based on Fair Market Value Rents determined by appraisal on a case by case basis and are applicable to FAA approved commercial uses, including

offices, industrial facilities, retail, and similar facilities on Airport property which does not have airfield access, and is not currently needed for Direct Aviation development. The primary purpose for these areas is to ensure an adequate noise buffer, and ensure land development and uses compatible to Direct Aviation and Direct Aviation Support uses. In addition, concurrent commercial development is desired to generate non-airline related revenues to enhance the overall revenues of the Airport, and thereby promoting the growth of air service, and ensure the Airport remains self sustaining.

Pursuant to FAA regulations, while serving the primary purpose for which it was acquired, the concurrent commercial use rate making methodology should for Airport land should generate fair market value revenue to be used for Airport purposes. The Commercial rates and charges methodology ("Commercial Rate Methodology") is as follows:

### A. Commercial Rate Methodology

- ***Commercial Ground Rent***

  - Individual properties (improved or unimproved) will be appraised for the determination of the high and low values per square foot of land ("Fee Value Range") during negotiations for development. The determination of the specific fee value for the property within the Fee Value Range shall by made by the Trust based on the type of development and the qualifications of the developer/tenant, ("Fee Value"). The determination of the Fee Value for individual properties will be made on a case by case basis.

  - A ground rental rate equal to 10% of the Fee Value selected within the Fee Value Range will be established, ("Commercial Ground Rental Rate").

  - Ground rent is determined by multiplying the Commercial Ground Rental Rate with square footage of the leased property ("Commercial Ground Rent").

  - Commercial Ground Rent may be escalated every year on a percentage or on a set amount basis, as determined by the Trust.

  - Commercial Ground Rents may be subject to increases based on new fair market value appraisals conducted on a periodic basis throughout the term.

  - For certain retail developer/tenant/users – Commercial Ground Rent will be established as the minimum rent for the leased property, and the developer/tenant/user will also pay Percentage Rent.

  - For certain developer/tenants – an Incentive will be applied to the Commercial Ground Rent.

- ***Commercial Facility Rent***
  - Individual facilities owned by the Trust will be appraised for the determination of the value on a case by case basis, ("Fee Value").
  - A facility rental rate will be established equal to a percentage of the Fee Value ("Facility Rental Rate").
  - Facility rent is determined by multiplying the Facility Rental Rate with square footage of the facility ("Facility Rent").
  - Facility Rents may be escalated every year on a percentage basis or a set amount, as determined by the Trust.
  - Facility Rents may be subject to increases based on new appraisals conducted on a periodic basis throughout the term.
- ***Commercial Additional Rents***
  - Individual properties (improved or unimproved) leased for Commercial purposes may be subject to additional fees and charges imposed by the Trust for all similarly situated commercial or aeronautical operators.
  - Certain commercial leases will be assessed Additional Rents (Infrastructure Improvement Rent and Common Area Maintenance Fees) based on the individual leased property.
- ***Rent Commencement Date.*** Unless otherwise specifically set forth in the ground lease documentation, or the Land Leasing Policy, the Commercial Ground Rent, Commercial Facility Rent (if applicable), and all applicable Additional Rents will commence on the Effective Date of the ground lease term.
- ***Commercial Land Leasing Policy.*** Commercial leases are subject to the terms set forth in the Commercial Land Leasing Policy and the rules and regulations of the Airport as same may be in effect from time to time.

### B. Existing Commercial Leases – Transition Methodology

At the expiration of existing commercial ground leases, the Trust and the applicable commercial tenant (whether the prior tenant or new tenant) will enter into a new ground lease with terms consistent with the Commercial Rate Methodology, including new fair market valuations for Ground Rents and/or Facility Rents where applicable. The foregoing notwithstanding, for any individual commercial tenant wishing to extend the term of an existing commercial ground or facility lease at the expiration of that lease, the Trust will consider the history of the prior/existing commercial tenant with respect to the operation and management of the leasehold, the payment of rents, the highest and best use for the property, and the value of

additional improvements made by the existing commercial tenant to the leased premises to determine whether or not to allow the existing commercial tenant to retain the leasehold, and the Trust will determine the acceptable Fee Value for the leased property.

Existing leases where renewals terms are not specifically set forth therein will be treated as a new commercial Lease at such renewal date with terms consistent with the Commercial Rate Methodology.

In addition, as allowed under the terms of individual current commercial ground leases, the Trust may establish a new Fee Value during the current term of existing commercial leases and the Trust may transition current commercial lease rates to new Commercial Ground Rental Rates.

Commercial Facility Rents will be determined as set forth in the current commercial ground lease/facility lease and if applicable, will adjust under the same terms as set forth in the Commercial Rate Methodology.

Additional Rents under the same terms as set forth in the Commercial Rate Methodology will be applied to current air cargo ground/facility leases as allowed under the terms of individual current commercial ground/facility leases.

### C. Methodology—New Commercial Leases

The Commercial Ground Rent is determined using 10% of the Fee Value selected within the Fee Value Range. At the election of the Trust, the Commercial Ground Rent may escalate on an annual basis based on a percentage or based on a set amount, and/or be subject to periodic increases based on new fair market value appraisals, consistent with the Commercial Rate Methodology.

Based on the type of developer/tenant/user – the Commercial Ground Rent may be subject to an Incentive or to Percentage Rent, consistent with the Commercial Rate Methodology.

If applicable, the Commercial Facility Rent will be established using a percentage of the Fee Value consistent with the Commercial Rate Methodology. At the election of the Trust, the Facility Rent may escalate on an annual basis based on a percentage or based on a set amount, and/or be subject to periodic increases based on new fair market appraisals establishing Fee Values.

If applicable, Additional Rents under the same terms as set forth in the Commercial Rate Methodology will be applied to new commercial ground/facility leases.

## 11. NON-AVIATION - GOVERNMENT RENTS

Government facilities serve a significant public, community purpose, and the ground rental rates and other rates and charges for government leases on Airport property will be determined on a case by case basis. The designation of a current or potential user of Airport property as a governmental entity and whether such user

will occupy such property for government purposes shall be determined in the sole discretion of the Trust.

### A. Government Rate Methodology

Government Rents are applicable to qualifying governmental agencies and may result in a rate that is distinct from commercial or aeronautical rates for similarly situated property at the Airport. The Governmental rates and charges methodology is the same methodology as the Aeronautical Rate Methodology using Airport Base Rates for Direct Aviation and Direct Aviation Support purposes, or the Commercial Rate Methodology using Fair Market Value Rents for Indirect Aviation and Non-aviation commercial purposes, as applicable ("Governmental Rate Methodology") and is subject to the following:

- ***Government Ground Rent***
  - An initial ground rental rate will be established either by the equal to the Airport Base Rate or a percentage of the Fee Value selected within the Fee Value Range, as applicable, ("Government Ground Rental Rate").
  - Government Ground rent is determined by multiplying the Government Ground Rental Rate with square footage of the leased property ("Government Ground Rent").
  - Government Ground Rent may be escalated every year on a percentage or on a set amount basis, as determined by the Trust.
  - Government Ground Rents may be subject to increases based on new fair market value appraisals conducted or on increases in the Airport Base Rates on a periodic basis throughout the term.
  - For certain government uses – Government Ground Rent will be established as the minimum rent for the leased property, and the governmental entity will also pay Percentage Rent.
- ***Government Facility Rent***
  - On a case by case basis, individual facilities owned by the Trust will be appraised for the determination of the value on a case by case basis, ("Fee Value").
  - A facility rental rate will be established equal to a percentage of the Fee Value ("Government Facility Rental Rate").
  - Government facility rent is determined by multiplying the Government Facility Rental Rate with square footage of the facility ("Government Facility Rent").

- Government Facility Rents may be escalated every year on a percentage basis or a set amount, as determined by the Trust.
- Government Facility Rents may be subject to increases based on new appraisals conducted on a periodic basis throughout the term.

- ***Government Additional Rents***
  - Individual properties (improved or unimproved) leased for Government purposes may be subject to additional fees and charges imposed by the Trust for all similarly situated commercial or aeronautical operators.
  - Certain governmental leases will be assessed Additional Rents (Infrastructure Improvement Rent and Common Area Maintenance Fees) based on the individual leased property.

- ***Rent Commencement Date.*** Unless otherwise specifically set forth in the ground lease documentation, or the Land Leasing Policy, the Government Ground Rent, Government Facility Rent (if applicable), and all applicable Additional Rents will commence on the Effective Date of the ground lease term.

- ***Commercial Land Leasing Policy.*** Government leases are subject to the terms set forth in the Commercial Land Leasing Policy and the rules and regulations of the Airport as same may be in effect from time to time.

### B. Existing Government Leases – Transition Methodology

Each existing ground lease will be reviewed to determine if lease terms permit transition to Government Rate Methodology. If allowed by current lease terms, the Trust may establish transition period to increase the ground rental rates to the then current Airport Base Rates or Fee Value. At the expiration of existing ground leases, the Trust and any new or prior/existing qualifying government agency will enter into a new ground lease with terms consistent with the Government Methodology, including new fair market valuations for ground and facility rents where applicable.

Existing leases where the terms and conditions for renewals are not specifically set forth therein will be treated as a new Government lease at such renewal date with terms consistent with the Government Methodology.

Prior to the date of a renewal at the option of the Trust, or the expiration of a existing lease, the Trust will consider the significant public, community purpose for the use of Airport property, the history of the prior government agency with respect to the operation with respect to the management of the leasehold, the payment of rents, the highest and best use for the property, and the value of additional improvements made by the governmental agency to the property to determine whether or not to allowed the government agency to retain the leasehold interest on the property, under terms consistent with the Government Rate Methodology. The

Trust may institute a transition period to increase the ground rental rates to the then current Airport Base Rates or Fair Market Value Rates, as applicable.

Should a governmental entity with an existing governmental lease request an expansion of the leased premises, notwithstanding the terms of the primary lease, the leasehold interest on such expansion area may be leased under terms consistent with the Government Rate Methodology.

### C. New Government Leases – Methodology

The Government Ground Rent is determined using a percentage of the Fee Value selected within the Fee Value Range or the Airport Base Rate, as applicable. At the election of the Trust, the Government Ground Rent may escalate on an annual basis based on a percentage or based on a set amount, and/or be subject to periodic increases based on new fair market value appraisals, consistent with the Government Rate Methodology.

Based on the type of governmental entity and the proposed governmental facility use for the leased property – the Government Ground Rent may be subject to an Incentive or to Percentage Rent, consistent with the Government Rate Methodology.

If applicable, the Government Facility Rent will be established using a percentage of the Fee Value consistent with the Government Rate Methodology. At the election of the Trust, the Government Facility Rent may escalate on an annual basis based on a percentage or based on a set amount, and/or be subject to periodic increases based on new fair market appraisals establishing Fee Values.

If applicable, Additional Rents under the same terms as set forth in the Government Rate Methodology will be applied to new Government ground/facility leases.

## 12. PROCUREMENT OPTIONS

Historically, airport staffs have managed development efforts for airport property suitable for aviation and related development. Often times, the airport merely responds to a request from a third party to lease airport land for airport suitable development. However, many airports have transitioned from a position of responding to development requests from third parties, to a position of actively pursuing aviation and non aviation commercial development for the purpose of generating non-airline related revenues. As a result, the methods and processes for securing aviation and non aviation commercial development at airports have become more specific and sophisticated.

At many airports, a combination of direct negotiation, competitive proposal processes, and partnership with a master developer is used to achieve the airport property development program. Often times the procurement method selected is a result of the unique attributes of the airport property, the skill set and availability of airport staff and the amount of airport funding available for infrastructure.

### A. Direct Negotiation

Direct negotiation can be effectively utilized by airports provided that certain protocols, policies and procedures are in place to insure compliance with FAA regulations, and to facilitate the development process. Sample components for inclusion in an airports land leasing policy include the following:

- ***Available land and Land Use Plan.*** It is important that the airport has identified the property suitable for commercial development and highest and best or preferred uses for the parcels.

- ***Rates and Charges Schedule.*** The airport should also have available a specific market based rates and charges schedule.

- ***Infrastructure Program***. The airport should have identified the property locations with existing infrastructure suitable for development and/or infrastructure funding options.

- ***Qualifications for Developer or User***. Airport should establish the minimum qualifications for developer or user and require potential developers provide the airport with a business plan, site plan, financial plan, marketing plan (if development is speculative), references and experience, and other information that may be of particular interest to the airport, (jobs creation plan, or environmental plan).

- ***Marketing Program.*** The airport should have a transparent program and provide a fair opportunity for all qualified parties to participate in development opportunities. A marketing or out reach program is effective in communicating to the community (including the development community) that the airport is "open for business" on a "first come first served" basis for desired uses and qualified developers.

- ***Commissions***. The airport should determine in advance if the airport will pay brokerage fees/commissions.

### B. Competitive Processes

In some situations, in particular where airport property in general or certain types of airport property (ramp access) is in limited supply; where the airport has been approached by two or more interested third parties for the same development opportunity; where the political or legal environment makes direct negotiation problematic; or where an airport desires a specific development and would like to "test the market" for such development, airports often initiate a competitive process to secure the most qualified developer.

Different methods in the competitive process can be used by airport sponsors, and certain methods are sometimes required by enabling legislation or airport policies. In each case however, the development opportunity will be advertised to the public, which for many airport sponsors achieves the desire for a fair opportunity for all

interested parties. Some distinctions between the competitive processes include the following:

- ***Statements of Interest (SOI)***. An SOI is typically used in circumstances where a parcel of airport property is available for development and the airport has not determined a preferred development use. The advertisement for SOIs allows any interested developer to propose a development for the property. These SOIs are typically presented at a "concept level" by the developers and would not have the detail sufficient to determine the specific development program. Based on the response to the SOI, the airport can enter into direct negotiations with respondents to the SOI, or use the information presented in the SOIs for the development of RFQs or RFPs.

- ***Requests for Qualifications.*** An RFQ is typically used in circumstances where a parcel of airport property is available for development and the airport has a highest and best preferred development use already determined. RFQs are advertised for this preferred development use and include the specific criteria requested to determine a qualified proposer. The cost to the developer to prepare a statement of qualifications is much less than a full proposal required in a RFP process. Based on the response to the RFQ, the airport can enter into direct negotiations with respondents to the RFQ, or issue an RFP for the developers deemed to be qualified through the RFQ process.

- ***Requests for Bid and Requests for Proposals.*** As with a direct negotiation procurement approach, the competitive procurement process requires the airport to determine the minimum qualifications for the developer and user. Unlike the direct negotiation procurement approach however, the competitive procurement process requires the airport to determine the specific criteria upon which the selection of competing proposers will be based, and the ranking (or weights) of the various criteria to assist the airport in selecting the best proposal. Some airport sponsors are limited by legislation or governing policy to competitive processes based solely on cost to the airport or revenue generated for the airport from qualified proposers. In this case, the airport will advertise under a Request for Bid process, where (once the proposers are deemed to be qualified) the determining selection criteria will be cost/revenue. For those airport sponsors who are allowed to issue Requests for Proposals, the general factors comprising selection criteria often include but are not limited to:

  – The demonstrated quality of planned development.

  – Compatibility with airport expectations for services provided to the airport guests and the public.

  – Degree of economic benefit returned to the Airport.

- Financial feasibility of project pro forma.
- Development team member's professional qualifications.
- References for the Proposer.
- Experience with similar types of development, leasing and property management.
- Demonstrated ability to access and obtains private equity and debt.
- Presentation of confirmed commercial users/tenants and/or ability to market to local, regional and national commercial users/tenants.
- Demonstrated experience and financial strength to complete the project on budget and on schedule.
- The Proposer's proposed project approach.
- The level of comprehensiveness of the Proposer's submitted Proposal.
- Each factor or criteria is given a weight based on the airport's goals for the project, or as required by governmental policy. The airport will either reject all proposals if desired, or will commence direct negotiations with the qualified Proposer with the highest score.

- ***Master Developer-Public Private Partnership***. Historically, most airports working with regional economic development agencies have marketed and managed lease development of airport property. However, as airports look to initiate a pro active commercial development program and/or develop larger tracts of airport property than was done in the past, many airports are faced with two challenges, a large capital investment required for infrastructure development to make the airport property suitable for lease and development, and the lack of available airport staff and/or expertise of airport staff to market and manage a large scale commercial development project.

Notwithstanding legislative or government policy constraints, airports typically have the option to manage development of activity at an airport on their own or by engaging a third party. The tradeoff between these two options is the balance between risk and reward (i.e., level of net revenues). By managing a development on their own, airports could realize the highest level of revenues, but would also assume the risk that the return on any investments required by the development may be lower than expected (or negative). Conversely, by engaging a third party, the airport would likely minimize risk but also reduce potential returns.

The selection process for a master developer is determined by the airport using the same processes as described herein for selecting a developer for a specific parcel.

Typically an RFP process is used for and the primary objective of the RFP is to identify a qualified master developer who will be responsible for private development, leasing and property management of the designated airport property.

The criteria for selecting a master developer and business deal points outlined in the RFP for the program (including the developer experience, length of lease term, phasing program, infrastructure development, ground rental rates and percentage fees, management responsibilities, and marketing leasing responsibilities) can be significantly different from an airport managed development program.

## 13. LAND LEASING POLICIES

The Trust is pursuing sustainable and compatible aviation and non aviation commercial development at the Airport to enhance the economic strength and stability of the Airport and the region. In order to respond consistently to the various commercial development requests pertaining to Airport property, the Trust has established a Land Leasing Policy for Airport property. A copy of the Land Leasing Policy is attached hereto as Attachment G.

This Land Leasing Policy reflects the land leasing priorities of the Trust and, together with the components of the Program, forms the basis for the protocols, policies and procedures for the use and lease of Airport properties reflected in the Trust's Minimum Standards for Aeronautical Users and the Trust's Commercial Leasing Standards.*

### A. Land Leasing Priorities

Priorities for development and use of Airport property are as follows:

- ***Direct Aviation.*** Direct aviation development designated as aviation use, and includes taxiways, taxilanes, ramp, access infrastructure, base infrastructure and other facilities or amenities for passenger air service, general aviation, aircraft maintenance, aircraft manufacturing, commercial air cargo and other direct aviation facilities requiring access to the airfield.

- ***Direct Aviation Support.*** Direct Aviation Support development which may or may not require direct access to the airfield can be designated as either aviation or concurrent commercial use, including facilities for companies providing logistics, materials, cargo, and certain warehousing/distribution operations; and providing such aviation support services for direct aviation users, including the passengers, employees, agents and contractors, guests, and the tenants of the Airport.

- ***Indirect Aviation.*** Indirect Aviation development is designated as concurrent commercial use, including offices, industrial facilities, retail, and similar facilities which do not have airfield access, on land not currently needed for direct aviation development. The primary purposes for these

areas is to ensure adequate noise buffer and to retain the property for future direct aviation uses if required, and to provide goods and services for the direct aviation users, including the passengers, employees, agents and contractors, guests, and the tenants of the Airport.

- ***Non-aviation.*** Non-aviation development is designated as concurrent commercial use, including offices, industrial facilities, retail, and similar facilities which do not have airfield access, on land not currently needed for direct aviation development. The primary purposes for these areas is to ensure adequate noise buffer and to ensure land development and uses compatible to direct aviation and direct aviation support uses. In addition, concurrent commercial non-aviation development is desired to generate non-airline related revenues to enhance the overall revenues of the Airport, and thereby promoting the growth of air service, and ensure the Airport remains self sustaining.

### B. Minimum Standards for Aeronautical Uses

The Trust, recognizing the necessity of protecting the public health, safety, and interest in the Oklahoma City-owned airports, and in order to foster, encourage and insure the economic growth and orderly development of aeronautical activities has promulgated and adopted the "Minimum Standards for Aviation Activities and Leasing of Land and Facilities at Oklahoma City Airports" ("Minimum Standards"), a copy of which is attached hereto as Attachment F. The Minimum Standards apply to aeronautical activities (as same are defined therein) and to the leasing of land and facilities for Direct Aviation uses, (including general aviation, aircraft manufacturing, aircraft maintenance, and other direct aviation facilities requiring access to the airfield, but excluding commercial air cargo); qualifying Direct Aviation Support uses, and qualifying governmental uses of Airport property.

### C. Commercial Leasing Standards

The Trust, through the implementation of this Program desires to enhance the economic strength and stability of the Airport and the region through sustainable and compatible development. Airport property which does not have airfield access, and is not currently needed for Direct Aviation development may be developed for FAA approved commercial uses, including offices, industrial facilities, retail, and similar facilities to generate non-airline related revenues to enhance the overall revenues of the Airport, and thereby promoting the growth of air service, and ensure the Airport remains self sustaining. The Trust has developed and adopted the Commercial Leasing Standards ("Commercial Standards") applicable to commercial air cargo uses, Indirect Aviation commercial uses, Non-aviation commercial uses, and qualifying governmental uses of Airport property. A copy of the Commercial Leasing Standards is attached hereto as Attachment K.

*NOTE: *The Land Leasing Policy, Minimum Standards and the Commercial Standards ("Leasing Policies") are formally adopted by the Trust. The Trust has the right and authority to modify, amend, or change any provision of any or all of the Leasing Policies and therefore, such Leasing Policies should be reviewed and*

*Airport Staff consulted by any developers/tenants/users interested in development opportunities at the Airport. These policies and standards are not intended to be all inclusive. Any developer, tenant or user of Airport property shall be subject to additional federal, state, and local laws, codes, ordinances, lease provisions and other similar regulatory measures, including the Airport's rules and regulations.*

## 14. COST BENEFIT ANALYSIS

The Land Use Plan component of the Strategic Development Plan identifies a recommended development plan for the Development Area. A cost-benefit analysis was conducted to identify the payback and discounted cash flow analysis that can be expected in implementing the recommended development plan from a cost-benefit perspective. The analysis compares the potential revenue derived from development of the property in the Development Area to the cost of providing the Trust funded infrastructure necessary to develop the property for a stated period of time.

Two approaches are used in the cost-benefit analysis ("CBA") developed to evaluate the financial impact of the Land Use Plan, a payback period analysis and a discounted cash flow analysis. The payback period analysis determines the year when total revenue derived from the Development Area exceeds the cost of infrastructure investment. The payback period analysis does not take into account the time value of money. The discounted cash flow analysis does consider the time value of money to estimate a net present value of the proposed development.

The CBA includes all estimated revenues and expenses over a 40-year period from 2010 through 2049. Leases entered into in 2050 are not considered in this analysis. Furthermore multi-year lease revenues extending beyond 2049 are not considered after 2049. Given the uncertainty of any long term forecast, it is difficult to accurately predict market conditions 40-years in the future, and therefore this CBA analysis is to be used for internal general planning purposes only.

A copy of the full Cost Benefit Analysis Report ("CBA Report") is attached hereto as Attachment J. The assumptions, methodologies and major findings of the cost-benefit analysis are summarized below.

### A. Development Area

The CBA assumes that the property, and the sites parceled, will be developed according to the findings described as the Recommended Development Plan set forth in the Land Use Plan component of the Strategic Development Plan (see Figure 18).

The Recommended Development Plan and Facility Requirements section of the Land Use Plan discusses the appropriate mix of direct versus indirect aviation property for the Development Area, and identifies the amount of land to be held as a reserve ("Strategic Land Reserve") for future development opportunities and resulted in the assumption that the Development Area will yield approximately 778 acres of leaseable land, as summarized in Table 1 of the CBA Report.

The Recommended Development Plan includes both aviation and non-aviation commercial development opportunities. To forecast the absorption rates for commercial property, the mid-range capture rate from the Market Analysis section of the Land Use Plan was used. This indicates approximately 81% of commercial development related property will be leased, resulting in approximately 90 acres of the 112 available acres leased by the end of the 40-year study period. Also, it is assumed that 70% of aviation related property will be leased, resulting in approximately 364 acres of the 520 available acres leased by the end of the 40-year study period.

### B. Revenues

Only land lease revenues and certain infrastructure fees and expenses were considered in this analysis. Other revenue sources such as taxes (inventory tax, sales tax, leasehold interest tax. or alcoholic beverage tax) were not included. Utility fees and charges collected by other utility providers, and common area maintenance reimbursements to the Trust are also excluded.

This study assumes that 90% of available acres designated as aviation land will be leased under the Aeronautical Rate Methodology, and the remaining10% of available acres designated for Air Cargo and related uses will be leased under the Air Cargo Rate Methodology. The study also assumes that 100% of available acres designated as non-aviation land will be leased under the Commercial Rate Methodology applicable to concurrent commercial developments.

The Airport Base Rent assumed for the value of Aeronautical Rents was obtained from the Minimum Standards. For the purposes of this analysis only, it is assumed that the Airport Base Rate will increase by one cent per year for 10 years and then will stabilize at $0.20 for the remainder of the 40 year analysis term.

To estimate future fair market lease rates for Air Cargo Rents and for non-aviation Commercial Rents, assumptions were made on comparable future land values in the Airport area. These assumptions were derived through the appraisals provided by RC Borders & Co. Due to the uncertainty of future land values, the present mid range fair market values were held constant through the 40 year analysis term.

Infrastructure Improvement Rent (amortized over the useful life of the improvements) was also determined to be reflected in the revenue stream for the CBA. Since Common Area Maintenance Fees reflect a reimbursement of annual operating costs, such fees are not considered revenue in the CBA.

Total revenues of $115.5 million are generated over the life of the study period.

### C. Infrastructure Development Costs

The CBA details the infrastructure costs necessary to develop the property. The infrastructure costs include all utilities (water and sewer), roadway improvements and landscape improvements paid with Trust funding. The cost estimates include

all soft costs (such as engineering and testing) and construction cost contingencies. It was assumed that the initial infrastructure improvements would be completed within a 10-year timeframe. The anticipated timing of infrastructure development expenditures were allocated assuming approximately 60% of such costs was incurred within the initial 5 years of the 10 year timeframe. Total project costs for the Development Area acreage are estimated to be $11.2 million.

The total Cumulative Benefit ($115.5 million/revenue and $11.2 million/cost) is $104.3 million.

### D. Payback Period

The Payback period, or the time taken to recover the initial $11.2 million capital outlay as calculated using the CBA assumptions related to timing of the revenue stream and infrastructure cost outlay, is 16 years. The first positive cumulative benefit occurs in the year 2025.

### E. Discounted Cash Flow Calculation

To account for risk, opportunity cost, uncertainty of cash flows, opportunity costs, and risk, future cash flows were converted into a present value through the process of discounting. Expected outlays and projected cash inflows are reduced by a discount rate (also known as the marginal rate of return on capital) of 5.5% reflecting the average rate for outstanding maturities of Airport junior lien bonds.

Using the assumptions set forth in the CBA Report, the discounted cash flow analysis for the Development Area shows a net present value of $15.4 million. Of this total, the infrastructure improvement rent has a net present value of $4.6 million.

### F. Conclusion

The leasable land in the Development Area for the 40-year study period is approximately 113 acres for commercial property, 346 acres for direct aviation development with airfield access and 174 acres for indirect aviation development without airfield access. Total leasable land area is approximately 632 acres with a further 146 acres classified as a strategic reserve or for future airfield expansion.

The projected leased acreage for commercial property at the end of the 40 year lease period is 7.4 acres of office, 37.5 acres of retail, 8.8 acres of flex-space industrial, and 37.5 acres for industrial-warehouse purposes. For direct aviation related development, the leased acreage is forecast to be 218 for aeronautical uses and 24 acres for commercial air cargo. The projected leased acreage for indirect aviation property at the end of the 40 year lease period is 6.1 acres of office, 24.3 acres of retail, 30.4 acres of flex-space industrial, and 60.8 acres for industrial-warehouse purposes.

The land use mix of leased property is 3.0 percent office, 13.6 percent retail, 8.6 percent industrial flex-space 21.6 percent warehouse-industrial, 47.9 percent aeronautical and 5.3 percent air cargo.

Overall, it is projected that 90 acres will be leased in Phase 1 (2010 to 2019), 127 acres in Phase 2 (2020 to 2029) and 119 acres in Phases 3 & 4 (2030 to 2049). Approximately 323 developable acres remain for future lease (including strategic reserve land, and assuming all acres projected to lease during the 40-year period are actually leased).

The total development costs for the Airport Trust are estimated to be $11.2 million to develop the 455 acres projected to be leased during the 40 year study period. Phase 1 improvements are estimated to cost approximately $6.9 million and Phase 2 improvements are estimated to be $4.3 million in 2009 dollars. The total revenue generated from all land during the study period is estimated to be $115.5 million.

The break-even year for the initial infrastructure costs incurred in Phases 1 and 2 is estimated to be 2025 using the payback period assumptions. The net present value of leasing the property is estimated to be $15.4 million over the 40-year study period.

# III. LAND USE PLAN

## 1. LAND USE PLAN OVERVIEW

The main objective of the Land Use Plan was to create an optimal mix of compatible land uses and determine necessary infrastructure requirements for the 1,000 acre tract of land located along I-44 ("Development Area"). Specific goals established for the plan were: (1) to create a long-term, self-sustaining source of revenue for the Oklahoma City Airport Trust and (2) to promote economic development and create jobs for the Oklahoma City region. The Land Use Plan is intended to guide marketing and use of the Development Area property for years to come.

In support of these goals, the Land Use Plan provides a cohesive cost-effective approach to development opportunities for the Development Area. The Development Area was determined in coordination with the development of the Airport's Master Plan and has been identified as property not included in the forecasted need for additional terminal and runway infrastructure at the Airport.

The Land Use Plan is based on a market driven analysis that determines the highest and best use of the Development Area as suitable for concurrent commercial use. The Plan defines criteria such as visibility, road access, appropriate adjacent land uses, terrain and large tracts to create a distinct development strategy for the future.

The Land Use Plan ensures that certain Airport land with airfield access will be reserved strictly for aviation activities and permits lands surplus to aviation requirements to be devoted to the development of non-aviation activities in a manner compatible with both the Airport and off-Airport land uses.

Implementation of the Land Use Plan will assist the Airport to become a magnet of growth in the Oklahoma City area by supplying private developers with the benefits of available land, worldwide transport, and shipping and travel opportunities from a central location.

## 2. MARKET ASSESSMENT

### A. Airport Market Region

Both the population and economy are growing for the Oklahoma City region and central Oklahoma market areas. Compared to the nation, the region, with falling unemployment, one of the country's strongest housing markets and solid growth in agriculture, energy and manufacturing is best positioned among the nation's metropolitan areas to ride out the current economic crisis*. The 3-year average median household income in 2007 was $41,046 which is considered low for such a large city, according to the U.S. Census Bureau, but is made up for by the region's low cost of living. The June 2009 unemployment rate was 6.0%, according to the Greater Oklahoma City Chamber of Commerce, 3.5% below the national rate.

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*Forbes Magazine April 2008.

## B. Commercial Development Market Analysis

The Development Area is located on airport property and is reflected as a Zoning Overlay District for Airport Environs Zone I-2, as set forth in Division 4, of Article II of Chapter 12 of the Oklahoma City Municipal Code. Property located adjacent to the development area is predominantly zoned R-1, single-family residential. Based on the OKC Plan 2000 – 2020 Land Use Plan for the City of Oklahoma City, the Development Area is located in an area specified for Industrial Development. Across the Interstate, which is identified as an "Appearance Corridor", is an area that is identified for Urban Development, promoting high-quality commercial, office, and mixed use businesses that are compatible with Aviation activity.

To assess the current real estate market conditions for the Development Area, an analysis was conducted to determine the supply and demand for commercial and industrial space on the Airport property available for development.

### *STUDY ASSUMPTIONS*

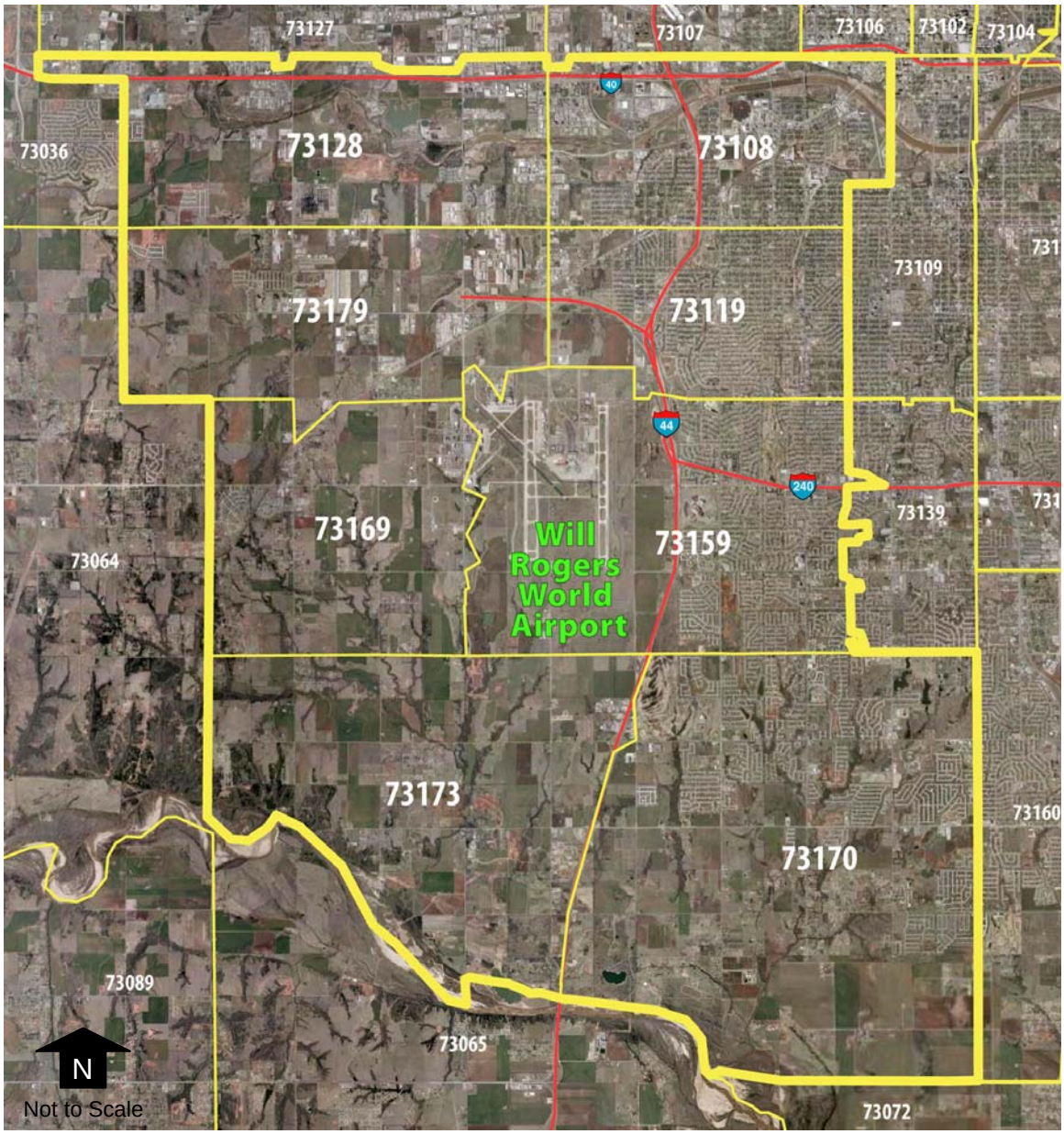
The following assumptions were used in this study:

- Four commercial real estate product types were identified: (1) industrial - warehouse, (2) industrial - flex, (3) office and (4) retail. Industrial - flex space is defined as a structure with a clear height less than 18 feet, and industrial - warehouse space is space with a clear height above 18 feet. This analysis does not forecast demand for aviation-related space since this type of land use does not compete with the private submarket.

- The study timeframe was established as 40 years, based on an overall evaluation of the market and the amount of available property. To conduct this analysis, the overall timeframe was divided in 4 phases: Phase 1, from 2010 to 2019, Phase 2, from 2020 to 2029, Phase 3, from 2030 to 2039 and Phase 4, from 2040 to 2049.

- The total market is Oklahoma City. The submarket was established by identifying competitive market areas for the Airport. The airport submarket area was defined to include the following zip codes: 73108, 73119, 73159, 73169, 73179, 73170, 73173 and 73128, as illustrated on Figure 2.

Figure 2
**AIRPORT SUBMARKET**




## *STUDY METHODOLOGY*

Employment and total personal income for Oklahoma City were selected as the economic indicators to project demand for space. Historical data for Oklahoma City for each real estate product type (industrial – warehouse, industrial – flex, office and retail) was compiled and the relationship to employment and income was examined. Employment serves as a good indicator for future space requirements for industrial-flex type space. Industrial-warehouse, office and retail space requirements are best forecasted using a combination of both socioeconomic factors. Future employment

and total personal income were forecasted and the demand for space was projected for the total market.

The submarket area performance relative to the total market was then established. The demand for space and the supportable new space was projected for industrial – warehouse, industrial – flex, office and retail on an annual basis, and then aggregated into Phases 1 to 4. The future supply of space for the Airport submarket was derived from the forecasted space demand for the total market, based on the following assumptions:

- The vacancy rates, defined as the percentage of all rental units not rented or unoccupied at a given time, were assumed to be equal to the average historical vacancy rates in the submarket (based on 7 years of historical data).

- The capture rates for the submarket were assumed to be equal to the average historical capture rates for the submarket (based on 7 years of historical data). The market capture rate is defined as the percentage of the new supply being built in the market that could be "captured" and built on vacant airport land in the development area.

The forecasts of supply of commercial space were converted to forecasts of absorption of land by commercial uses.

The level of new supply supportable on Airport property was determined after assessing the potential market capture rate for the land available for development. The development area is approximately 860 useable acres; this number assumes that space has been reserved for the relocated Portland Avenue and for a utilities corridor along it. Three scenarios were then created with varying capture rates:

- Low-range capture rate (19%): this scenario assumes that the share of development to be built is equal to the Airport's historical share of development in the submarket.

- Mid-range capture rate (34%): this scenario uses a midpoint of the low and high range capture rates.

- High-range capture rate (49%): In this scenario, the Airport's supply of available vacant land relative to the supply in the submarket was used to determine capture rates. It was assumed that the share of new supply to be built on airport property is equal to the Airport's share of available land. Therefore, because 49% of the land available for development in the submarket is on airport property, the airport market capture rate would be 49%.

This analysis assumes the following:

- The Airport can overcome preference for "buy" deals over "lease" deals, because it will not sell parcels to developers
- The developers trust the Airport's ability to "get the deal done," overcoming legacy concerns that government can move slowly
- Lease terms and rental rates would be competitive and established to be "equal to Fee Simple Title" costs
- Infrastructure costs and permitting processes/costs would be similar to private property
- Ground leases would incorporate necessary lender provisions
- A marketing program would be established for the Development Area

The methodology is summarized on **Figure 3**.

## *RESULTS*

The results of the three scenarios, as presented in **Tables 2 and 3**, are as follows:

**Low-Range Capture Rate Scenario**. For the Airport, the highest demand is for industrial-warehouse space. In the low-range capture rate scenario, the Airport's property industrial space projections range from approximately 19,500 square feet annually in Phase 1, to 13,000 square feet in Phase 2 and 12,400 square feet annually in Phases 3 and 4. Approximately 572,200 square feet of industrial-warehouse space would be projected for the study period.

The second highest market in demand would be retail space. Total retail space projection for the study period would be approximately 278,800 square feet. Supportable new supply on Airport property would hold stable at approximately 9,300 square foot annually during Phases 2, 3 and 4.

Supportable new construction of industrial-flex space would be limited to around 3,500 square feet annually in Phase 1, and to roughly 2,300 square feet annually in Phases 2 to 4. Total flex space would be projected to be 105,400 square feet over the 40-year planning period.

Office space has the least demand of the land uses examined. Approximately 62,700 square feet would be projected for the study period. Supply projections would decline from 2,100 square feet annually in Phase 1 to 1,100 square feet annually in Phase 4.

## Figure 3
## STUDY METHODOLOGY

***Step 1**: forecast demand for space in the total market, i.e. Oklahoma City*

**Input Data**

- **Real estate inventory data** incl. leased and total space for each land use type (industrial-warehouse, industrial-flex, office and retail)
- **Economic data** incl. historical and forecast data on employment and total personal income for Oklahoma City

**Assumptions**

- **Study timeframe**: 40 years (2010-2049)
- **Total market**: Oklahoma City
- **Airport submarket**: area in the following zip codes: 73108, 73119, 73159, 73169, 73179, 73128, 73170 and 73173

Multiple regression analysis was used to establish a correlation between the historical economic factors and the historical leased space per product type for the total market. Regression equations were established; these equations were used to project future space demand based on projected values of employment and total personal income for Oklahoma City.

**Result**

Forecasted demand for real estate per land use type (industrial-warehouse, industrial-flex, office and retail) for the total market

***Step 2**: derive the future supply of space in the Airport submarket*

**Assumptions**

| | Industrial - Warehouse | Industrial - Flex | Office | Retail |
|---|---|---|---|---|
| Vacancy rate in submarket | 13% | 16% | 13% | 13% |
| Submarket capture rate | 45% | 35% | 3% | 14% |

The future supply of space for the Airport submarket was derived from the forecasted space demand for the total market, based on the following assumptions:
- The vacancy rates were assumed to be equal to the average historical vacancy rates in the submarket (based on five years of historical data)
- The capture rates for the submarket were assumed to be equal to the average historical capture rates for the submarket (based on five years of historical data)

**Result**

Forecasted supply of space per product type (industrial-warehouse, industrial-flex, office and retail) for the Airport submarket

***Step 3**: convert forecasts of supply of space to forecasts of absorption of land by commercial use*

**Assumptions**

| | Industrial-Warehouse | Industrial-Flex | Office | Retail |
|---|---|---|---|---|
| **Non-usable space (to account for hallways, mechanical, etc)** | Add 5% to usable space | Add 5% to usable space | Add 10% to usable space | Add 20% to usable space |
| **Building types** | | | | |
| One-story buildings | 100% | 100% | 50% | 100% |
| Three-story buildings | | | 25% | |
| Five-story buildings | | | 25% | |
| **Parking requirements** | | | | |
| Number of car spaces per 1,000 sf GFA | 1 | 2 | 5 | 5 |
| Parking stall size (including drive and landscaping) | 450 sf | 450 sf | 450 sf | 450 sf |

In step 2, the forecasted supply of space was calculated in net square footage. This forecast was then translated into forecast of absorption of land (in acres) by:
- Calculating the forecasted supply of space in gross square footage
- Calculating the footprint of the new supply being built
- Adding to this footprint the parking space requirements, the number of parking spaces being determined by following Oklahoma City Municipal Code guidelines

**Result**

Forecast of absorption of land per land use type (industrial-warehouse, industrial-flex, office and retail) for the airport submarket

***Step 4**: determine the Airport capture rate i.e. determine the share of new supply being built in the submarket that could be built on Airport property*

**Input Data**

Inventory of vacant land, for lease or for sale, available in the Airport submarket

**Assumptions**

Calculated 3 capture rates (low-range, mid-range and high-range capture rates)
- Low-range: Assumes that the share of development to be built is equal to the Airport's historical share of development in the submarket
- Medium-range: Average of the low and high ranges.
- High-range: Assumes that the share of development to be built on airport property is equal to the Airport's share of available land. 49% of the land available for development in the submarket is on airport property so it was assumed that the Airport will attract 49% of the new supply being built.

**Result**

Area (in acres) to be developed on Airport property per land use type (industrial-warehouse, industrial-flex, office and retail)

**Mid-Range Capture Rate Scenario**. In the mid-range capture rate scenario (34% capture rate) the Airport's property industrial space projections would range from approximately 34,500 square feet annually in Phase 1, to 23,000 square feet in Phase 2 and 22,000 square feet annually in Phases 3 and 4, for an excess of 1 million square feet over the study period.

Total retail space projection for the study period would be approximately 493,900 square feet. Supportable new supply on Airport property would hold stable at 16,500 square foot annually during Phases 2 to 4.

Supportable new construction of industrial-flex space would be limited to around 6,100 square feet annually in Phase 1, and to roughly 4,100 square feet annually in Phases 2, 3 and 4. Total flex space would be projected to be 186,900 square feet over the 40-year planning period.

111,200 square feet of office space is projected for the study period. Supportable new construction anticipates about 3,600 square feet annually during the first two phases and 1,900 square feet annually during Phases 3 and 4.

**High-Range Capture Rate Scenario.** In the high-range capture rate scenario (49% capture rate), the Airport's property industrial space projections would range from approximately 49,500 square feet annually in Phase 1, to 33,000 square feet in Phase 2 and 31,500 square feet annually in Phases 3 and 4. Approximately 1.4 million square feet of industrial-warehouse space would be projected for the study period.

Total retail space projection for the study period would be approximately 709,000 square feet. Supportable new supply on Airport property would hold stable at 21,600 square foot annually during Phases 2 to 4.

Supportable new construction of industrial-flex space would be around 8,800 square feet annually in Phase 1, and to roughly 6,200 square feet annually in Phase 2 and 5,900 square feet annually in Phases 3 and 4. Total flex space would be projected to be 268,300 square feet over the 40-year planning period.

Approximately 159,600 square feet of office space would be projected for the study period. Supply projections decline from 5,200 square feet annually in Phases 1 and 2 to 2,800 square feet annually in Phases 3 and 4.

Table 2

**FORECASTED SUPPLY OF SPACE ON AIRPORT PROPERTY (IN SQUARE FEET)**
Will Rogers World Airport Strategic Development Program

LOW-RANGE CAPTURE RATE

| Time Period | Industrial-warehouse | Industrial-flex space | Office | Retail |
|---|---|---|---|---|
| **Total Phase 1 (2010-2019)** | 194,600 | 34,600 | 20,500 | 0 |
| Average per Year | 19,500 | 3,500 | 2,100 | 0 |
| **Total Phase 2 (2020-2029)** | 129,800 | 24,200 | 20,400 | 92,400 |
| Average per Year | 13,000 | 2,400 | 2,000 | 9,200 |
| **Total Phase 3 (2030-2039)** | 123,900 | 23,300 | 10,900 | 93,200 |
| Average per Year | 12,400 | 2,300 | 1,100 | 9,300 |
| **Total Phase 4 (2040-2049)** | 123,900 | 23,300 | 10,900 | 93,200 |
| Average per Year | 12,400 | 2,300 | 1,100 | 9,300 |
| **Total Phases 1 to 4** | **572,200** | **105,400** | **62,700** | **278,800** |

MID-RANGE CAPTURE RATE

| Time Period | Industrial-warehouse | Industrial-flex space | Office | Retail |
|---|---|---|---|---|
| **Total Phase 1 (2010-2019)** | 344,800 | 61,400 | 36,400 | 0 |
| Average per Year | 34,500 | 6,100 | 3,600 | 0 |
| **Total Phase 2 (2020-2029)** | 230,000 | 42,900 | 36,200 | 163,700 |
| Average per Year | 23,000 | 4,300 | 3,600 | 16,400 |
| **Total Phase 3 (2030-2039)** | 219,600 | 41,300 | 19,300 | 165,100 |
| Average per Year | 22,000 | 4,100 | 1,900 | 16,500 |
| **Total Phase 4 (2040-2049)** | 219,600 | 41,300 | 19,300 | 165,100 |
| Average per Year | 22,000 | 4,100 | 1,900 | 16,500 |
| **Total Phases 1 to 4** | **1,014,000** | **186,900** | **111,200** | **493,900** |

HIGH-RANGE CAPTURE RATE

| Time Period | Industrial-warehouse | Industrial-flex space | Office | Retail |
|---|---|---|---|---|
| **Total Phase 1 (2010-2019)** | 495,000 | 88,100 | 52,200 | 0 |
| Average per Year | 49,500 | 8,800 | 5,200 | 0 |
| **Total Phase 2 (2020-2029)** | 330,200 | 61,600 | 52,000 | 235,000 |
| Average per Year | 33,000 | 6,200 | 5,200 | 23,500 |
| **Total Phase 3 (2030-2039)** | 315,300 | 59,300 | 27,700 | 237,000 |
| Average per Year | 31,500 | 5,900 | 2,800 | 23,700 |
| **Total Phase 4 (2040-2049)** | 315,300 | 59,300 | 27,700 | 237,000 |
| Average per Year | 31,500 | 5,900 | 2,800 | 23,700 |
| **Total Phases 1 to 4** | **1,455,800** | **268,300** | **159,600** | **709,000** |

Source: Jacobs Consultancy.

Table 3

**FORECAST OF LAND ABSORPTION ON AIRPORT PROPERTY (IN ACRES)**
Will Rogers World Airport Strategic Development Program

LOW-RANGE CAPTURE RATE

| Time Period | Industrial-warehouse | Industrial-flex | Office | Retail | Total |
|---|---|---|---|---|---|
| **Total Phase 1 (2010-2019)** | 7.2 | 1.6 | 1.4 | 0.0 | 10.2 |
| Average per Year | 0.7 | 0.2 | 0.1 | 0.0 | 1.1 |
| **Total Phase 2 (2020-2029)** | 4.8 | 1.1 | 1.4 | 7.0 | 14.3 |
| Average per Year | 0.5 | 0.1 | 0.1 | 0.7 | 1.6 |
| **Total Phase 3 (2030-2039)** | 4.6 | 1.1 | 0.7 | 7.1 | 13.5 |
| Average per Year | 0.5 | 0.1 | 0.1 | 0.7 | 1.5 |
| **Total Phase 4 (2040-2049)** | 4.6 | 1.1 | 0.7 | 7.1 | 13.5 |
| Average per Year | 0.5 | 0.1 | 0.1 | 0.7 | 1.5 |
| **Total Phases 1 to 4** | **21.2** | **5.0** | **4.2** | **21.2** | **51.5** |

MID-RANGE CAPTURE RATE

| Time Period | Industrial-warehouse | Industrial-flex | Office | Retail | Total |
|---|---|---|---|---|---|
| **Total Phase 1 (2010-2019)** | 12.7 | 2.9 | 2.4 | 0.0 | 18.1 |
| Average per Year | 1.3 | 0.3 | 0.2 | 0.0 | 2.0 |
| **Total Phase 2 (2020-2029)** | 8.5 | 2.0 | 2.4 | 12.4 | 25.4 |
| Average per Year | 0.8 | 0.2 | 0.2 | 1.2 | 2.8 |
| **Total Phase 3 (2030-2039)** | 8.1 | 2.0 | 1.3 | 12.5 | 23.9 |
| Average per Year | 0.8 | 0.2 | 0.1 | 1.3 | 2.7 |
| **Total Phase 4 (2040-2049)** | 8.1 | 2.0 | 1.3 | 12.5 | 23.9 |
| Average per Year | 0.8 | 0.2 | 0.1 | 1.3 | 2.7 |
| **Total Phases 1 to 4** | **37.5** | **8.8** | **7.4** | **37.5** | **91.2** |

HIGH-RANGE CAPTURE RATE

| Time Period | Industrial-warehouse | Industrial-flex | Office | Retail | Total |
|---|---|---|---|---|---|
| **Total Phase 1 (2010-2019)** | 18.3 | 4.2 | 3.5 | 0.0 | 25.9 |
| Average per Year | 1.8 | 0.4 | 0.3 | 0.0 | 2.9 |
| **Total Phase 2 (2020-2029)** | 12.2 | 2.9 | 3.4 | 17.9 | 36.4 |
| Average per Year | 1.2 | 0.3 | 0.3 | 1.8 | 4.0 |
| **Total Phase 3 (2030-2039)** | 11.7 | 2.8 | 1.8 | 18.0 | 34.3 |
| Average per Year | 1.2 | 0.3 | 0.2 | 1.8 | 3.8 |
| **Total Phase 4 (2040-2049)** | 11.7 | 2.8 | 1.8 | 18.0 | 34.3 |
| Average per Year | 1.2 | 0.3 | 0.2 | 1.8 | 3.8 |
| **Total Phases 1 to 4** | **53.8** | **12.7** | **10.6** | **53.9** | **130.9** |

Source: Jacobs Consultancy.

## C. SWOT Analysis

This section summarizes the strengths, weaknesses, opportunities, and threats (SWOT) for the Airport Development Area. The primary objective of the SWOT analysis is to isolate and properly categorize (1) strengths and weaknesses of the Development Area and/or the Airport organization (from an "internal" perspective) and (2) opportunities and threats that exist to the Development Area and/or the Airport organization (from an "external" perspective). This analysis provides a basis to later match resources and capabilities to the competitive environment in which the Development Area is to be developed, operated and managed.

Strengths are items that are accomplished particularly well or they are unique assets that can be used better to accomplish the Airport's vision for the Development Area. Strengths should be preserved and developed to the greatest extent possible.

Weaknesses are those items that are not accomplished particularly well, prevent desired performance, or are lacking, in order to accomplish the vision of the Airport for the Development Area. Weaknesses should be addressed immediately and remedied to the greatest extent possible.

Opportunities are external factors (usually beyond the control of Airport management) that could potentially be capitalized upon to improve Airport performance with respect to the Development Area. Opportunities can be pinpointed as a result of careful analysis of trends or changes within the industry, the marketplace, or the community. Opportunities should be acted upon whenever they appear or become apparent.

Threats are external factors (usually beyond the control of Airport management) that could negatively affect the accomplishment of the Airport's vision for the Development Area. Threats should be managed or eliminated, to the greatest extent possible.

### *STRENGTHS*

The strengths of the Airport include:

- ***Regional Economic Growth and Road Proximity.*** The Airport is located in an area that is expected to experience growth in population, employment and business activity. The Development Area is located quite close to major road networks (Interstate highways I-40, I-44, and I-35).

- ***Available Airfield Capacity and Infrastructure.*** As indicated in the 2009 Airport Master Plan Update, there is sufficient airfield capacity to accommodate significant increases in activity at the Airport, as well as development of multiple new lines of business, such as air cargo and an industrial or business park. Additionally, the Airport's infrastructure is considered to be well managed.

- ***Available Land.*** The Airport's Development Area has about 1,000 acres of land available for both aviation and non-aviation development. These 1,000 acres represent the total acreage of the site. As individual parcels are laid out, their acreages will add up to less than 1,000 acres since space has to be set aside for infrastructures such as utilities, roadways, oil wells, and associated right-of-ways. Additionally, off-Airport land is available immediately adjacent to the Airport, which, provided the land is developed compatibly with Airport uses, is considered strength to the Airport.

- ***Foreign Trade Zone and Other Incentives.*** A Foreign Trace Zone ("FTZ") is a site in or near a U.S. Customs port of entry where foreign and domestic merchandise is generally considered to be in international trade. FTZ#106 serves a 41-county region and is conveniently located adjacent to the Airport in Oklahoma City. Approximately 1,300 acres of Airport property is available in FTZ#106 benefits. The property included in the Development Area can be granted FTZ benefits with a simple process of boundary modification to include the desired property area.

There are other incentives such as tax abatements and tax increment financing that may be offered by regional economic development agencies to encourage future development at or near the Airport.

- ***Lack of Off-Airport Development Constraints.*** At present, there is limited residential or commercial development located in the immediate vicinity of the Development Area. As such, the Development Area is potentially unconstrained as it relates to future development—whether such development is associated with increased aviation or non-aviation activity.

Additionally, the Airport is located in a clean air attainment area where the concentration of air pollutants does not exceed federal air quality standards.

- ***Experienced Airport Management.*** Airport management has broad political support from active regional economic development agencies. In addition, Airport management has assembled technical and financial experts, Airport representatives and community leaders in special committees and working groups under the direction of a Steering Committee for the preparation of the Development Plan.

- ***Financial Assets.*** The Airport is in receipt of Airport Improvement Program (AIP) funding and currently is well-managed fiscally.

- ***On-Airport Businesses.*** Sixty seven businesses and government offices are currently located on Airport property and provide a good platform for future growth.

### *WEAKNESSES*

The weaknesses of the Airport include:

- ***Regional Airport Competition.*** With respect to the expansion of cargo operations in the Development Area, the Dallas/Fort Worth International Airport and Alliance Airport (in Ft. Worth, Texas) are established centers of commerce related to cargo operations. Notwithstanding the generally positive regional economic and business growth outlook for the City, its distance from the Dallas/Fort Worth area has not been considered sufficiently high by shippers or freight forwarders to warrant significant development of air cargo facilities separate from those at Alliance or Dallas/Fort Worth International airports.

In addition, the cargo distribution and warehouse activity that is a by-product of regional economic expansion is being actively marketed by many of the other regional airports in Oklahoma and in north Texas.

- ***Nature of Economic Growth.*** While regional economic growth originating from the City is expected to continue, there is the prospect that a significant portion of this growth (e.g., retail, commercial) would not be located in the Airport Region, but would locate in other areas of the City to support population growth. To the extent this trend occurs, it may be a limitation on non-aviation development at the Airport. However, it should also be noted that light industrial development in the area has increased significantly.

- ***Maintenance of Infrastructure.*** The City currently maintains only a portion of the Airport infrastructure, and the remaining infrastructure is maintained by the Airport. While this approach may be more cost effective, the maintenance requirements at the Airport may not be addressed as quickly as they could be.

- ***Existing Easements and Rights of Way.*** The Airport has granted several easements constraining the utilization of the Development Area. Existing easement holders include:

  – Marathon Oil, which operates several oil wells and associated pipelines on the Development Area

  – Utilities providers (Oklahoma City Utilities Department, OG+E, and Oklahoma Natural Gas), which operate utility infrastructure along the current alignment of Portland Avenue

  – County roads – such as old Portland Avenue between SW 74th Street and 89th Street - are not vacated, therefore requiring to maintain right-of-ways associated with these roads

- ***Lack of Clearly Defined Stakeholder Relationships.*** The Airport is sponsored by the Trust, who, in turn, works with the City government and the local Chamber of Commerce. As such, while the political will may exist to develop the Airport, coordination of future development initiatives poses a significantly greater challenge when stakeholder relationships are not defined.

- ***Economic Benefit.*** There is no return on investment with respect to Airport funded infrastructure. The cost for on-Airport infrastructure to support development of leased areas is paid by the Airport, and upon completion, the infrastructure is transferred to the City at no cost. The Airport is currently unable to include a repayment of its infrastructure cost as a component of the lease payments, and does not receive the benefit of the tap in fees or other user fees associated with the use of the Airport constructed infrastructure. In addition, certain tax revenue benefits go to school districts, which do not provide funding for the Airport. There is no agreed-upon program for funding distribution for any potential Airport stakeholders.

### *OPPORTUNITIES*

The opportunities for developing new revenue-generating activities at the Airport include:

- Economic development (new jobs) associated with the continued growth in population and expansion of business activities within the City.

- ***Commercial/business/corporate Aviation Development.*** The City has traditionally been a strong aviation market. As such, it is expected that opportunities to develop additional or supplemental aviation businesses at the Airport including, but not limited to, aircraft manufacturing and assembly, corporate aviation and freight forwarding, will arise.

- ***Non-aviation Business Development.*** The expected regional economic growth together with Airport management programs and available land provide a significant opportunity to develop non-aviation businesses.

### *THREATS*

The threats that could prevent the development of new revenue-generating activities at the Airport include:

- ***Potential Commercial Business and Residential Development in the Surrounding Area.*** There is the potential for significant residential and the corresponding commercial development adjacent to the development area in the Airport Region, that would compete for non- aviation commercial real estate development.

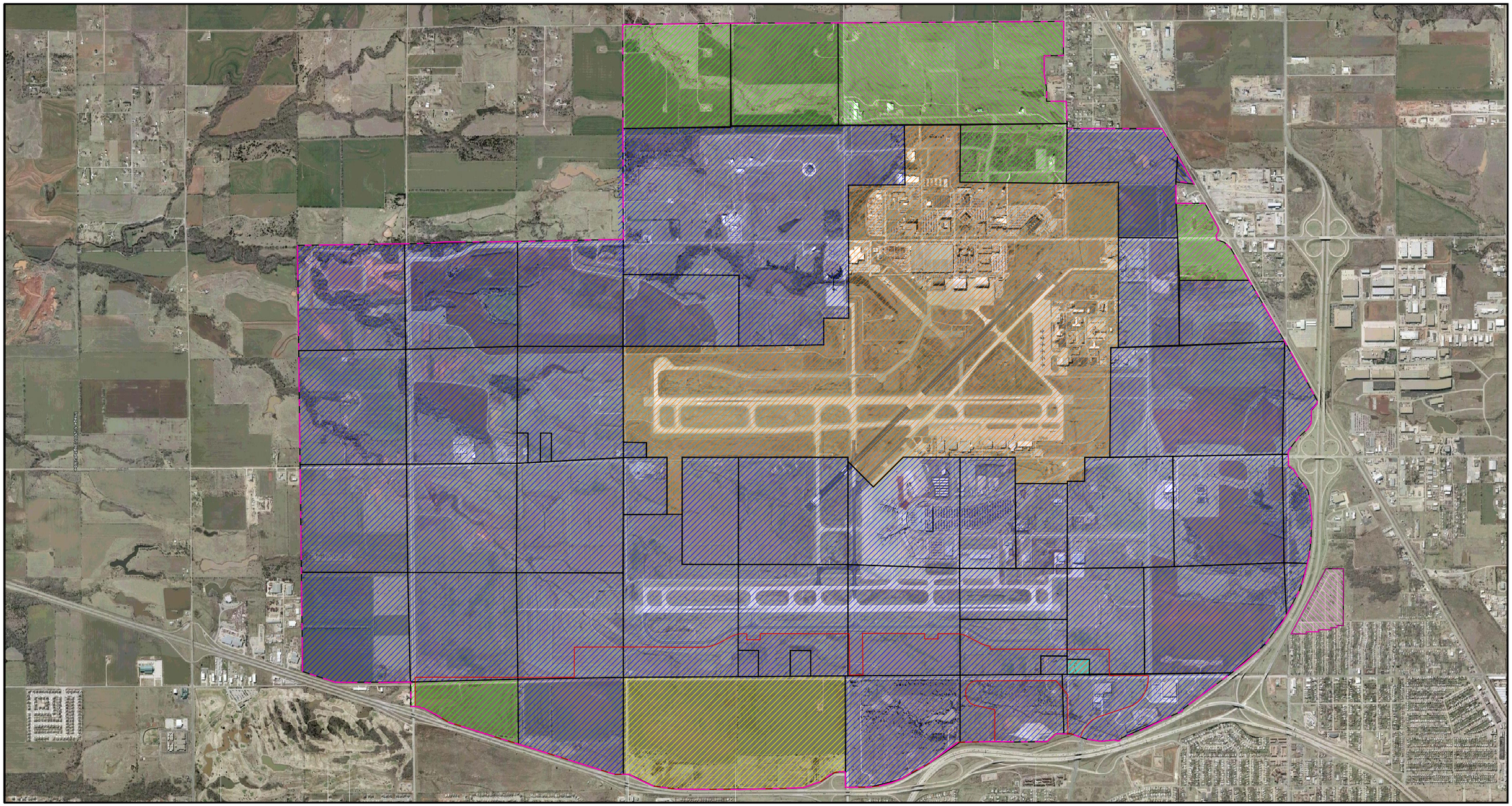
- ***Significant Vacant Land Areas.*** Other large parcels of vacant land exist in the Airport Region that competes with the Airport for non-aviation commercial real estate development. Each competing tract of land is unique and each has its own strengths and weaknesses, however many of these tracts are or will be available for sale (as opposed to a lease structure for Airport property) and many developers have a preference to purchase a fee simple title for development property. This weakness could be minimized by competitive measures such as creating a leasing rental program that creates lease rates that translate into "same as fee simple" cost to developers, and establishing incentives or minimizing charges, such that the Airport breaks even on developments, particularly for early "first-mover" developments that increase activity levels at the Airport and could possibly lead to future development.

## 3. DEVELOPMENT AREA CHARACTERISTICS

As previously discussed, the Development Area was identified by the Master Plan as property not included in the forecasted need for additional terminal and runway infrastructure at the Airport. The site targeted for development consists of approximately 1,000 total acres of undeveloped land on the east side of the Airport, between the airfield and Interstate 44. It is directly south of several smaller on-Airport parcels that have been developed as office and warehouse space.

### A. Property

**Figure 4** is the Airport property map, illustrating the location of the Development Area and how the parcels composing the site were acquired. It was established early in the process that a land parcel along I-44 was identified by the Federal Aviation Administration as "noise land." The Federal Aviation Administration (FAA) has approved the reclassification of this parcel to eligible airport development land needed in connection with the operation and maintenance of the Airport, and the interim use of any aviation property in the Development Area not needed for Direct Aviation uses, for use as Indirect Aviation, Concurrent Commercial development. There are currently no known remaining property constraints to airport development in the Development Area.



**LEGEND**

- Existing airport property line
- Development area
- Land bought with airport trust fund
- Land bought with FAA grants
- Land owned by OKC water
- US Government surplus property
- FAA noise land
- FAA noise land reclassified as airport development land

NORTH

0 1125 2250 4500

Scale: 1" = 2250'

**Figure 4**
**PROPERTY MAP**

Strategic Development Plan
Oklahoma City Will Rogers World Airport

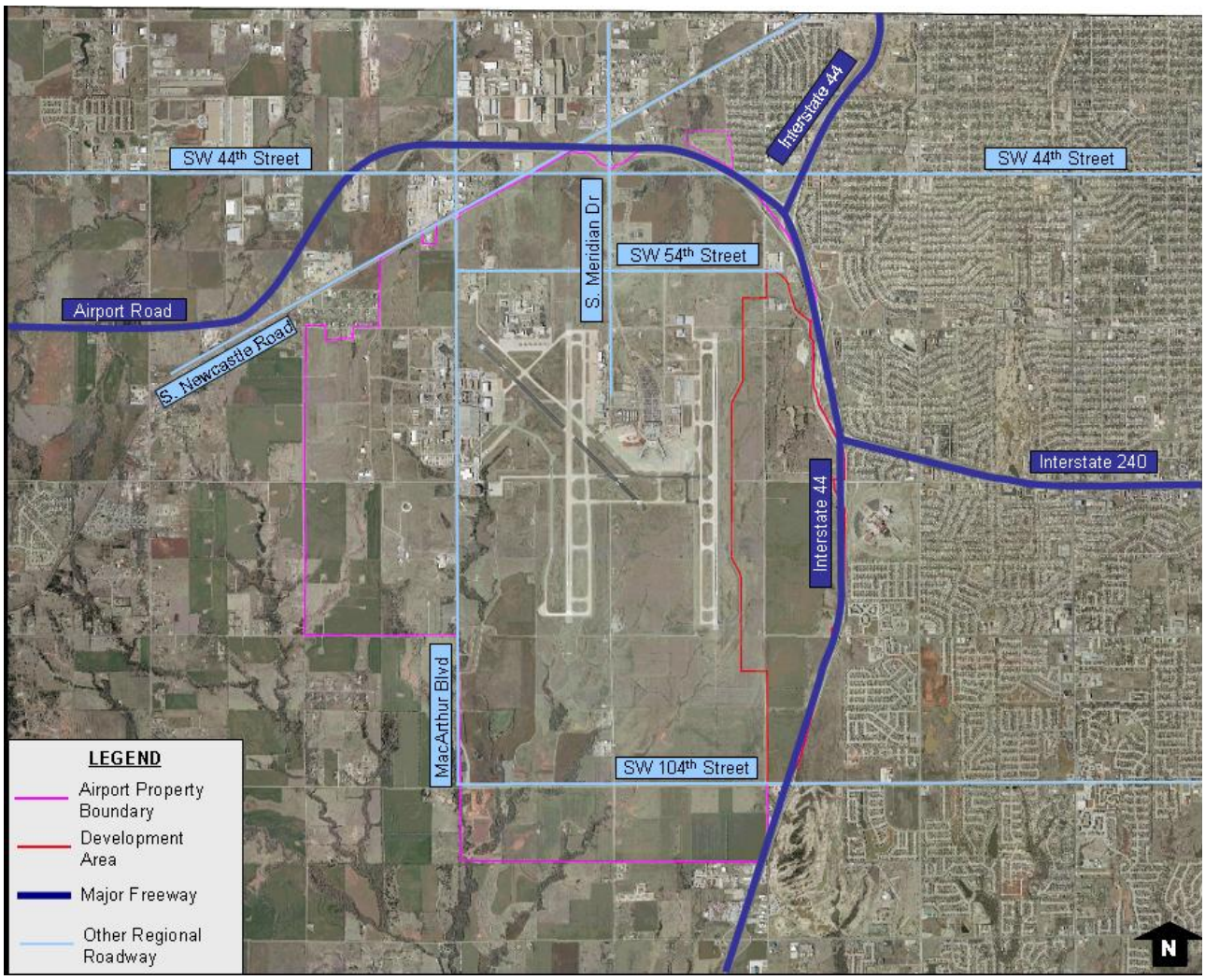
July 2009

JACOBS CONSULTANCY
*Airport Management Consulting*

## B. Roadway Access

As illustrated on **Figure 5** below, the property is located west of the Interstate 44, which provides access to downtown Oklahoma City. The site is crossed from north to south by South Portland Avenue. There are plans to relocate Portland Avenue east of its current location. Preliminary drawings of this improvement show that Portland Avenue would follow the eastern border of the site to be developed. The northern boundary of the site is marked by SW 54th Street and the southern boundary by SW 104th Street.

Figure 5
**ROADWAY ACCESS**




## C. Airfield Considerations

The Airport recently initiated a project to extend Taxiways H1, G and H2. The length of the Taxiway G extension remains to be determined: it could either be extended to or beyond the existing location of South Portland Avenue. This project will provide

airfield access to the land located along the western boundary of the property to be developed. The taxi distances to Runway 17L-35R would be very short, making the location particularly attractive for aviation land uses.

Other airfield considerations will come into play when planning the site. Building heights on the site will be limited by Obstacle Limitation Surfaces as defined in Federal Regulation Title 14 Part 77. Preliminary Part 77 surfaces drawings show that on the portion of the site located east of the existing South Portland Avenue, construction will be limited in height by the horizontal surface, i.e. buildings will have heights below 150 feet above airport elevation. On the western portion of the site, heights will be limited by the transitional surfaces for Runway 17L-35R. More detailed height restrictions are delineated in Attachment H, Development Standards Manual. It should be noted that these height restrictions are not seen as a significant impediment to development.

The taxiway extension project and the height limitations are illustrated on **Figure 6**. This figure also shows the building restriction line (BRL). This line identifies the suitable location for buildings on the Airport; no development shall be built west of the BRL.

### D. Utilities

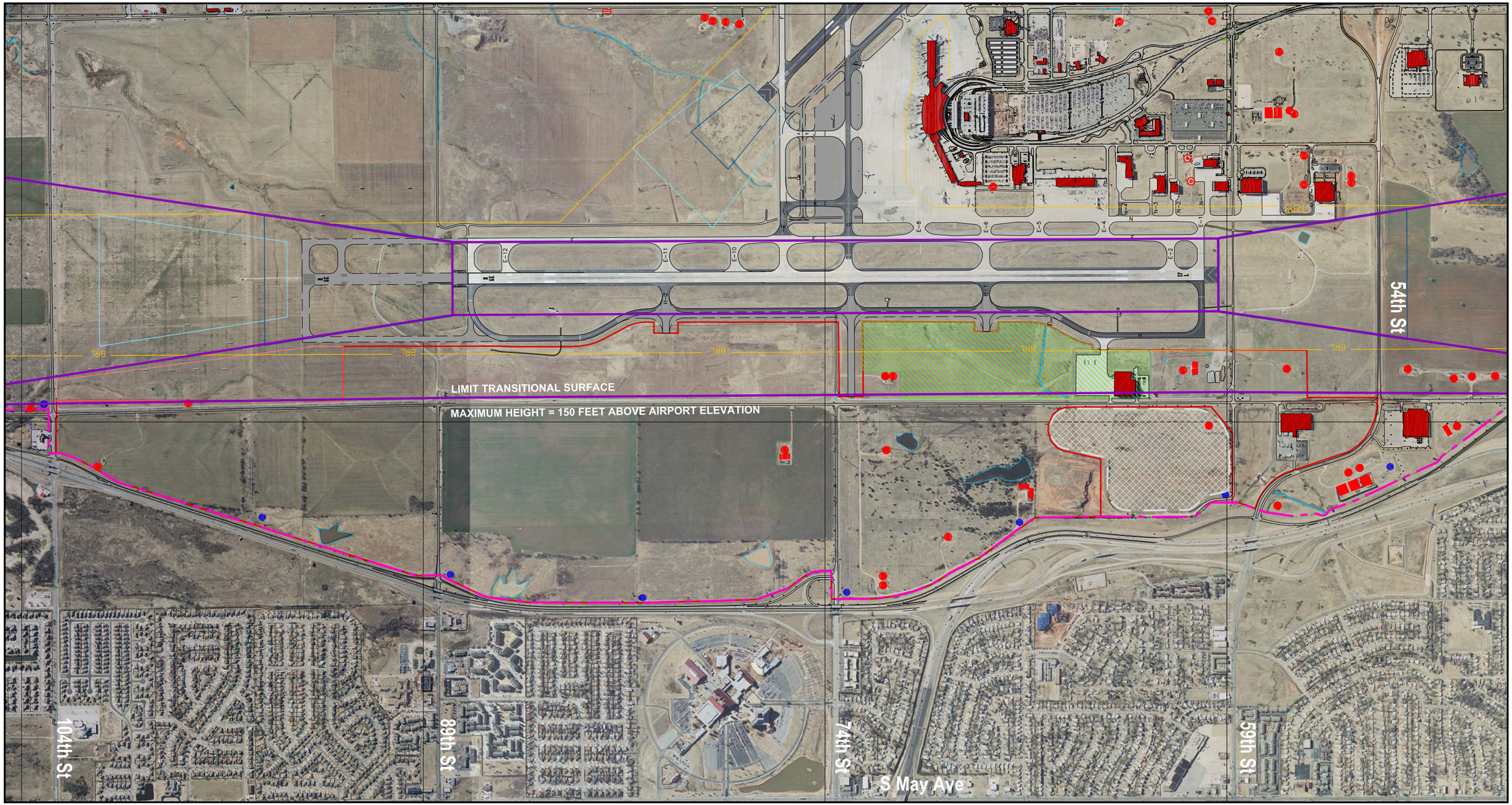
Significant utility infrastructure is located within the Development Area, with a main corridor of utilities located along South Portland Avenue, specifically:

- ***Water lines (Operated by Oklahoma City Utilities Department).*** There is a 36″ water line located along Portland Avenue and a 16″ pipeline, fire booster and sewer line located near the ARINC facility. Future expansion plans include a new pump station to be built by the City of Oklahoma City in the vicinity of SW 104th Street and Portland Avenue.

- ***Electric lines (Operated by Oklahoma Gas & Electric).*** The main electric feed into the Airport is located along 59th Street, underground west of Portland Avenue and aboveground east of Portland Avenue. A backup line is located along Portland Avenue. Future substations are planned outside the Airport boundary at 59th Street and I-44, 124th Street and Pennsylvania Ave, 81st Street and Pennsylvania Avenue.

- ***Gas lines (operated by Oklahoma Natural Gas).*** ONG operates a 24″ high-pressure transmission line along Portland Avenue.

The site also features several water wells operated by the City of Yukon, located along its eastern border. The City of Yukon is currently surveying the well locations.




LEGEND

- Existing airport property line
- Development area
- Land developable after airfield expansion
- Future airfield expansion
- Existing Runway Protection Zone
- Future Runway Protection Zone
- Building restriction line
- FAR Part 77 surface

Source: Airport Layout Plan provided by Barnard Dunkelberg

NORTH

0 625 1250 2500

Scale: 1" = 1250'

**Figure 6**
**AIRFIELD CONSIDERATIONS**

Strategic Development Plan
Oklahoma City Will Rogers World Airport

July 2009

JACOBS CONSULTANCY
*Airport Management Consulting*

### E. Oil Facilities

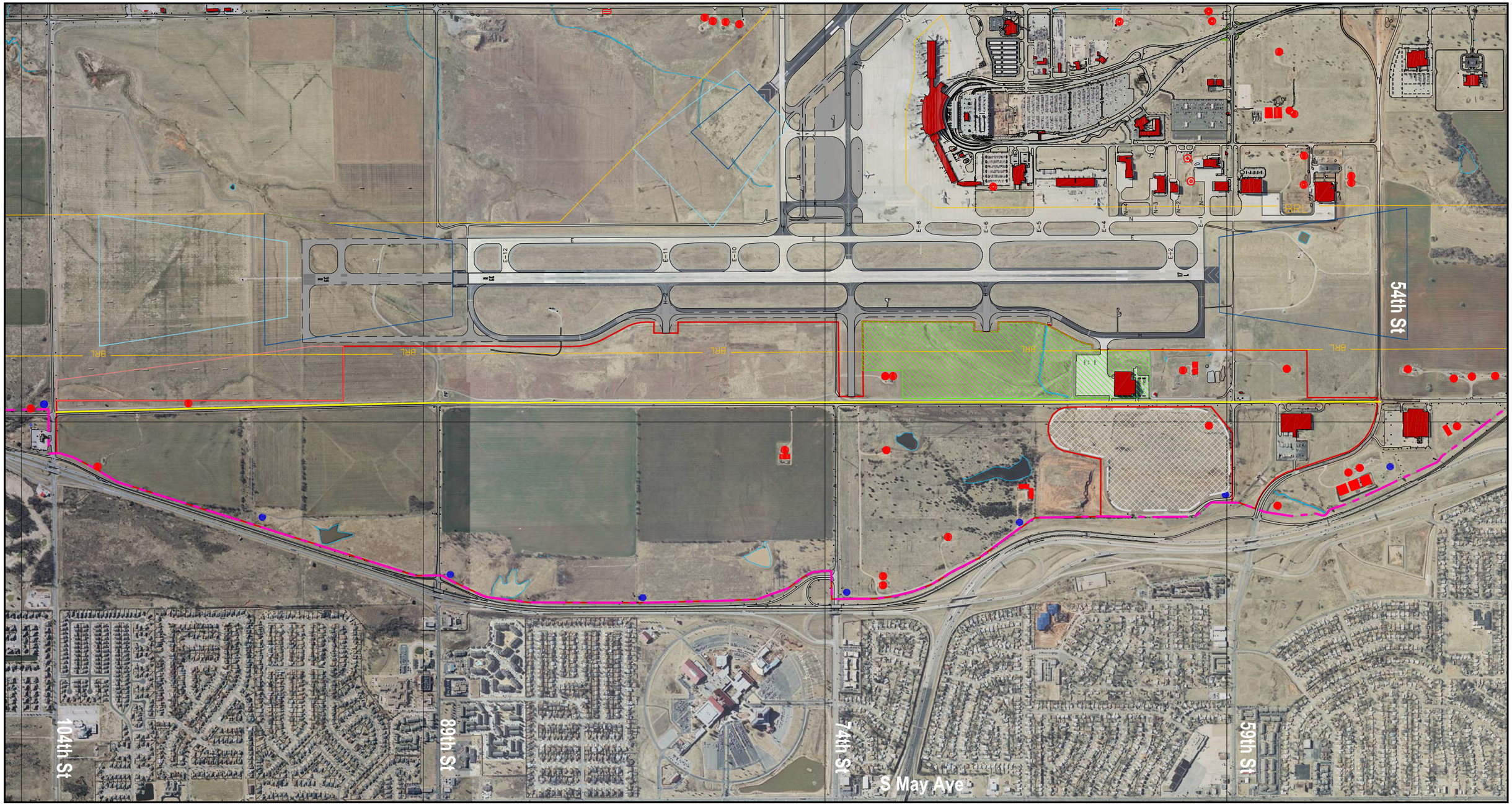
As shown on **Figure 7**, the Development Area features numerous oil wells, all but one operated by Marathon Oil. Marathon's installations are located north of 74th Street. It was assumed that for all petroleum pipelines, there is a 5-foot easement on either side of the line. Marathon Oil management confirmed that there are no plans for expansion on the study site.

Additional oil facilities include an oil well located south of 74th Street and owned by an independent operator, Sparks Wildcatter. There are no expansion plans for this site, but access to the site must be maintained and it is not available for other development.

### F. Environmental Considerations

Environmental characteristics of the site were also considered to determine if any environmental aspect could be an impediment to the development of the site. According to information provided on the Airport Layout Plan and provided by the Master Plan consultant, Barnard Dunkelberg & Company, there are several wetlands located on the property to be developed. They are mostly located on the northern half of the property, and a few others are located on the southern half, along I-44. These wetlands located are man-made and are not listed on the Corps of Engineers inventory, meaning they should not be considered as constraints.

Figure 7 summarizes all known development constraints that affect the development of the Development Area.




**LEGEND**

- Existing airport property line
- Development area
- Land developable after airfield expansion
- Future airfield expansion
- Existing Runway Protection Zone
- Future Runway Protection Zone
- Building restriction line
- Existing utilities corridor (See Figure 16 for additional details)
- Stormwater detention pond
- Water well
- Oil well
- Leased land

Source: Airport Layout Plan provided by Barnard Dunkelberg

NORTH

0 625 1250 2500

Scale: 1" = 1250'

**Figure 7**
**DEVELOPMENT CONSTRAINTS**

Strategic Development Plan
Oklahoma City Will Rogers World Airport

July 2009

JACOBS CONSULTANCY
*Airport Management Consulting*

# 4. DEVELOPMENT SCENARIOS AND FACILITY REQUIREMENTS

The scenario development process started with the identification of land uses that are appropriate for the development area. Development scenarios for the site were based on potential opportunities for various activities to be located on the Airport. Three development scenarios were formulated, including an estimate of the overall size of each land use, based on importance and likelihood. Using these scenarios, facility requirements were developed representing the full build-out of facilities.

## A. Potential Development Classifications

Land development was consolidated in four broad classifications as described in Section 2 (B) of the Business Plan: (1) Direct Aviation, (2) Direct Aviation Support, (3) Indirect Aviation, and (4) Non-aviation in order to forecast demand and calculate space needs.

### *DIRECT AVIATION*

**Corporate Aviation**. Companies that have headquarters or major operations in Oklahoma City may benefit from basing aircraft at the Airport. This type of aviation activity is growing because companies can use a private aircraft to transport several persons from one office or job site to another in one day, saving the expense of overnight accommodations and the time, expense, and logistics of regular commercial flights. In addition, the perceived security inconvenience at passenger airline terminals and cutbacks of air service to smaller cities and towns has contributed to this growing trend. In addition to actually owning the aircraft themselves, corporations and individuals now can purchase rights to a fleet of aircraft. Often called fractional ownership, these aircraft are "shared" by a number of companies or individuals and operated by a central umbrella organization. Under the fractional ownership concept, companies do not own the aircraft, but share a fleet of aircraft and pilots with other companies. In this manner, much of the cost of owning aircraft and training crews is saved by transferring the cost and risk to a consolidated firm such as NetJets. A fractional firm such as NetJets may own hundreds of aircraft and have pilots and crews located across the country. Thus the Airport may seek either companies to base their own aircraft at the Airport or a fractional ownership firm could develop a base at the Airport. It should be noted that Wiley Post Airport, also operated by the Airport Trust, serves a significant segment of corporate aviation activity. The type of activity that would potentially base at OKC would be the higher-end aircraft requiring an Instrument Landing System, 24-hour air traffic control, and longer runways.

**Air Cargo**. For this analysis, air cargo operators include the integrated carriers that offer air and ground transportation (FedEx, UPS, DHL/Airborne) and the traditional air cargo carriers including regularly scheduled passenger airlines who handle belly cargo, and all-cargo airlines. Air cargo includes both domestic and international shipments – typically the two types of cargo are consolidated on flights to and from gateway airports. Air cargo includes shipments associated with potential land uses such as an on-airport logistics center that stores, handles or ships products

on a just-in-time basis. Specialty air cargo can include live animal shipments, hazardous materials, refrigerated goods and other shipments requiring special facilities. The opportunities and challenges pertaining to cargo activity at Will Rogers World Airport were examined in coordination with the Airport Master Plan analysis.

### *DIRECT AVIATION SUPPORT*

**Freight Forwarding (Warehouse)**. Warehouse-related developments include both air cargo related and ground-shipped freight. Because both ground and air shipments are often mixed on trucks and at the warehouse, an airport location can be strategic. In addition, cargo shippers are becoming integrated with "logistics systems" adding to the traditional warehousing function. An airport, since it provides last minute shipment capability, is an ideal site for this type of activity. In general, the result is consolidation of warehouse space, reducing the need for large warehouses, because of smaller distribution centers at key points in the production/distribution cycle. It should be noted that the integrated air cargo carriers such as FedEx and UPS are transitioning more into ground shipments. In addition, the integrated carriers are now providing full-service logistics capabilities, such as collection, repair, and return of electronic components. Therefore, a distribution center for UPS, FedEx, or other integrated carrier on the site might include both air and ground shipments, as well as logistics functions.

**Aviation-Industrial Activities**. Aviation-industrial activities include aircraft manufacturing, maintenance and ancillary activities such as parts depots. Aircraft modification, painting, engine repair, or other aircraft upkeep services and facilities are included in this aircraft maintenance category. In general, maintenance, repair and overhaul demand has been reduced significantly as older aircraft were retired after September 11, 2001. However, aircraft require constant upkeep and various special aircraft modifications continually occur. The increased use of business aircraft also has raised the demand for corporate jet maintenance facilities. These corporate maintenance hangars are often co-located with major service points. Therefore, a combination maintenance hangar/crew base is possible if a major corporation or fractional jet firm locates on the Airport.

### *INDIRECT AVIATION*

**Retail-Indirect Aviation**. This includes light retail that would provide goods and services for the aviation-related users, including the passengers, employees, agents and contractors, guests, and the tenants of the Airport.

### *NON-AVIATION*

Non-aviation development includes the four commercial real estate product types that were identified in the commercial development market analysis: industrial – warehouse, industrial – flex, office and retail.

### *STRATEGIC LAND RESERVE*

A strategic land reserve, composed of large parcels for potential mega-developments, should be provided. This meets the project goals and objectives in maintaining the ultimate capability to accommodate a very large land use tenant.

## B. Development Scenarios

Three development scenarios were formulated based on varying levels of aviation and commercial development:

- Scenario 1: Heavy aviation use – Light non-aviation use
- Scenario 2: Medium aviation use – Medium non-aviation use
- Scenario 3: Light aviation use – Heavy non-aviation use

As detailed in the commercial development market analysis, to assess the real estate market conditions, a study was conducted to determine the supply and demand for commercial and industrial space on the Airport property available for development. Three scenarios were delineated for varying capture rates, the market capture rate being the percentage of the new supply being built in the market that could be "captured" and built on vacant airport land in the development area. These three scenarios were used to define the level of commercial development in each development scenario.

To facilitate the facility requirements effort, the percentage of the site that each use would occupy as well as the acreage of each use was estimated, the developable area being approximately 680 acres. This allowed a reality check on whether the amount of property allocated would be appropriate.

### *Scenario 1: Heavy Aviation Use*

The heavy aviation use scenario, described in **Table 4**, provides larger development sizes and maximizes the Airport's aviation assets. Approximately 620 acres are reserved for aviation-related uses. The concept allows for aviation-support and indirect aviation activities, such as aircraft manufacturing and parts distribution. Aircraft manufacturing, air cargo and freight forwarding are the largest land uses in this scenario.

The non-aviation uses are limited to 51 acres and there is no land reserve. The split between industrial, office and retail uses was derived from the low-range capture rate forecast of the market analysis.

Table 4

**SCENARIO 1 SPACE ALLOCATIONS**
Will Rogers World Airport Strategic Development Program

| Type of Use | Percent Site Occupancy | Acres |
|---|---|---|
| **Direct Aviation** | | |
| Corporate Aviation | 9% | 61 |
| Air Cargo | 15% | 101 |
| Subtotal | 24% | 162 |
| **Direct Aviation Support with Airside Access** | | |
| Aircraft Maintenance Facility | 15% | 101 |
| Aircraft Manufacturing | 29% | 198 |
| Subtotal | 44% | 299 |
| **Direct Aviation Support without Airside Access** | | |
| Freight Forwarding (warehouse) | 15% | 101 |
| Aircraft Parts Depot | 5% | 34 |
| Subtotal | 20% | 135 |
| **Indirect Aviation without Airside Access** | | |
| Retail - Indirect Aviation (supporting developed land uses) | 4% | 27 |
| Subtotal | 4% | 27 |
| **Non-aviation** | | |
| Industrial - Warehouse | 3% | 21 |
| Industrial - Flex | 1% | 5 |
| Office | 1% | 4 |
| Retail - Other | 3% | 21 |
| Subtotal | 8% | 51 |
| **Strategic Land Reserve** | **0%** | **0** |
| **TOTAL** | **100%** | **674** |

Note: Numbers may not add up due to rounding.

Source: Jacobs Consultancy.

### *Scenario 2: Medium Aviation Use*

This scenario, shown in **Table 5**, balances aviation, aviation support, indirect aviation and non-aviation uses. Approximately 450 acres are reserved for aviation-related uses, including aircraft manufacturing and parts distribution.

Aircraft manufacturing, with approximately 135 acres, is the largest land use in this scenario.

Land allocations for non-aviation uses were derived from the mid-range capture rate scenario. This concept also sets aside a 132-acre strategic land reserve for potential mega-developments.

Table 5

**SCENARIO 2 SPACE ALLOCATIONS**
Will Rogers World Airport Strategic Development Program

| Type of Use | Percent Site Occupancy | Acres |
|---|---|---|
| **Direct Aviation** | | |
| Corporate Aviation | 10% | 68 |
| Air Cargo | 10% | 68 |
| Subtotal | 20% | 135 |
| **Direct Aviation Support with Airside Access** | | |
| Aircraft Maintenance Facility | 10% | 68 |
| Aircraft Manufacturing | 20% | 135 |
| Subtotal | 30% | 203 |
| **Direct Aviation Support without Airside Access** | | |
| Freight Forwarding (warehouse) | 10% | 68 |
| Aircraft Parts Depot | 3% | 20 |
| Subtotal | 13% | 88 |
| **Indirect Aviation without Airside Access** | | |
| Retail - Indirect Aviation (supporting developed land uses) | 4% | 27 |
| Subtotal | 4% | 27 |
| **Non-aviation** | | |
| Industrial - Warehouse | 6% | 37 |
| Industrial - Flex | 1% | 9 |
| Office | 1% | 7 |
| Retail - Other | 6% | 38 |
| Subtotal | 13% | 91 |
| **Strategic Land Reserve** | 20% | 132 |
| **TOTAL** | **100%** | **677** |

Note: Numbers may not add up due to rounding.

Source: Jacobs Consultancy.

### *Scenario 3: Light Aviation Use*

The light aviation use scenario described in **Table 6** generally has smaller development sizes. There could be more flexibility in substituting land uses at a later time due to the smaller parcels.

This concept has less aviation use (330 acres) and more non-aviation uses (131 acres). Land allocations for non-aviation uses were derived from the high-range capture rate.

A 214-acre strategic land reserve is set aside for potential mega-developments.

Table 6

**SCENARIO 3 SPACE ALLOCATIONS**
Will Rogers World Airport Strategic Development Program

| Type of Use | Percent Site Occupancy | Acres |
|---|---|---|
| **Direct Aviation** | | |
| Corporate Aviation | 10% | 68 |
| Air Cargo | 10% | 68 |
| Subtotal | 20% | 135 |
| **Direct Aviation Support with Airside Access** | | |
| Aircraft Maintenance Facility | 10% | 68 |
| Aircraft Manufacturing | 0% | 0 |
| Subtotal | 10% | 68 |
| **Direct Aviation Support without Airside Access** | | |
| Freight Forwarding (warehouse) | 10% | 68 |
| Aircraft Parts Depot | 5% | 34 |
| Subtotal | 15% | 102 |
| **Indirect Aviation without Airside Access** | | |
| Retail - Indirect Aviation (supporting developed land uses) | 4% | 27 |
| Subtotal | 4% | 27 |
| **Non-aviation** | | |
| Industrial - Warehouse | 8% | 54 |
| Industrial - Flex | 2% | 13 |
| Office | 2% | 11 |
| Retail - Other | 8% | 54 |
| Subtotal | 19% | 131 |
| **Strategic Land Reserve** | **32%** | **214** |
| **TOTAL** | **100%** | **677** |

Note: Numbers may not add up due to rounding.

Source: Jacobs Consultancy.

## C. Site Activity Forecasts and Facility Requirements

### *Site Activity Forecasts and Facility Requirements Methodology*

The activity forecasts and facility requirements are closely integrated in this analysis due to the greenfield nature of the site. Because the site is not developed, historical development and activity data are not available and traditional planning tools such as trend line analyses and existing space utilization evaluations cannot be used. Therefore the activity levels and space needs have been developed together in a linked, integrated manner.

For reference purposes, **Table 7** shows the summary of activity forecasts and facility requirements that are presented in detail in the following sections. In general, it can be noted that aviation land uses generates higher employment levels, more aircraft operations and vehicle trips than non-aviation uses. Scenarios 2 and 3 generates less activity than Scenario 1, not only because they have less aviation activity, but also because some land is set aside as reserve for potential large-scale developments.

Table 7

**SITE ACTIVITY FORECASTS AND FACILITY REQUIREMENTS SUMMARY**
Will Rogers World Airport Strategic Development Program

| | Scenario 1 Heavy aviation use | Scenario 2 Medium aviation use | Scenario 3 Light aviation use |
|---|---|---|---|
| **Site Activity Levels** | | | |
| On-Site Employment | 9,540 | 7,700 | 8,050 |
| Daily Truck Trips | 11,610 | 8,120 | 8,250 |
| Daily Auto Trips | 20,880 | 16,610 | 17,310 |
| Daily Aircraft Departures | 560 | 400 | 370 |
| Annual Aircraft Operations | 375,240 | 253,700 | 232,490 |
| **Facilities Required (in Square Feet)** | | | |
| Apron | 8,565,600 | 6,188,400 | 3,945,800 |
| Hangar | 4,621,500 | 3,535,500 | 1,853,500 |
| Warehouse | 7,201,900 | 5,587,600 | 5,269,700 |
| Office | 1,816,500 | 1,751,400 | 1,673,100 |
| Truck Staging | 1,209,400 | 948,100 | 1,027,300 |
| Auto Parking | 4,572,700 | 4,400,200 | 4,911,000 |
| Circulation/Greenspace Amount | 1,371,800 | 1,320,100 | 1,473,300 |
| Undeveloped Space | 0 | 5,758,900 | 9,336,400 |
| **Facilities Required (in Acres)** | | | |
| Apron | 176 | 119 | 67 |
| Hangar | 85 | 58 | 19 |
| Warehouse | 165 | 128 | 121 |
| Office | 40 | 38 | 36 |
| Truck Staging | 28 | 22 | 24 |
| Auto Parking | 92 | 86 | 98 |
| Circulation/Greenspace Amount | 28 | 26 | 29 |
| Undeveloped Space | 0 | 132 | 214 |

Source: Jacobs Consultancy.

### *Scenario 1 Site Activity Forecasts*

Scenario 1 site activity forecast summary:

- 9,540 jobs
- 32,490 daily vehicle trips
- 375,240 annual aircraft operations

In Scenario 1, the fully-developed air cargo component can be expected to handle approximately 700,000 enplaned tons of cargo. Including the freight forwarding component, this would translate into approximately 2,000 on-site jobs and 19,400

annual aircraft operations. The number of vehicle trips (defined as either daily arriving or departing vehicles) expected for the air cargo and freight forwarding segment would be approximately 10,160 trucks and 5,880 cars.

Aircraft maintenance, aircraft parts depot and manufacturing activities would generate approximately 5,450 jobs, 10,900 car trips, and 910 truck trips. Annual aircraft operations are estimated at 332,000, although some portion of these would be using the Airport for passenger and cargo operations with scheduled maintenance during off-peak times.

The other aviation uses in this category are corporate aviation facilities, which would generate 600 jobs and 24,190 annual aircraft operations. Also included is a small area reserved for ancillary retail uses. This is expected to be in support of the overall development and would not be a "destination" retail center attracting significant numbers of off-site customers. Truck trips for these two uses would be minimal compared to air cargo and aircraft maintenance, while car trips would total approximately 2,300 trips for both uses.

The non-aviation uses occupy only 8% of the site in this scenario, and represent a minimal portion of the activity generated. Industrial, office and retail development would generate approximately 900 jobs, 250 daily truck trips and 1,810 daily truck trips.

The site activity forecast for Scenario 1 is detailed in **Table 8**.

Table 8

**SCENARIO 1 - SITE ACTIVITY FORECAST**
Will Rogers World Airport Strategic Development Program

| Type of Use | On-Site Employment | Daily Truck Trips | Daily Auto Trips | Daily Aircraft Departures | Annual Aircraft Operations |
|---|---|---|---|---|---|
| **Direct Aviation** | | | | | |
| Corporate Aviation | 605 | 19 | 1,210 | 76 | 24,193 |
| Air Cargo | 879 | 5,358 | 3,572 | 34 | 19,347 |
| Subtotal | 1,484 | 5,377 | 4,781 | 109 | 43,541 |
| **Direct Aviation Support with Airside Access** | | | | | |
| Aircraft Maintenance Facility | 1,005 | 167 | 2,009 | 84 | 61,119 |
| Aircraft Manufacturing | 1,967 | 328 | 3,933 | 164 | 119,643 |
| Subtotal | 2,971 | 495 | 5,943 | 248 | 180,762 |
| **Direct Aviation Support without Airside Access** | | | | | |
| Freight Forwarding (warehouse) | 1,153 | 4,806 | 2,307 | 0 | 0 |
| Aircraft Parts Depot | 2,481 | 414 | 4,962 | 207 | 150,932 |
| Subtotal | 3,634 | 5,219 | 7,269 | 207 | 150,932 |
| **Indirect Aviation without Airside Access** | | | | | |
| Retail - Indirect Aviation (supporting developed land uses) | 539 | 270 | 1,078 | 0 | 0 |
| Subtotal | 539 | 270 | 1,078 | 0 | 0 |
| **Non-aviation** | | | | | |
| Industrial - Warehouse | 252 | 21 | 504 | 0 | 0 |
| Industrial - Flex | 46 | 4 | 93 | 0 | 0 |
| Office | 184 | 9 | 368 | 0 | 0 |
| Retail - Other | 424 | 212 | 847 | 0 | 0 |
| Subtotal | 906 | 245 | 1,812 | 0 | 0 |
| **Strategic Land Reserve** | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | 9,535 | 11,606 | 20,884 | 564 | 375,235 |

Source: Jacobs Consultancy.

### *Scenario 1 Facility Requirements*

Scenario 1 facility requirements summary:

- 8.5 million square feet of aircraft parking apron
- 4.6 million square feet of aircraft hangar
- 9 million square feet of warehouse and office space

Given the distribution of site acreages to the various land uses, facility space needs were developed concurrently with the activity forecasts. These requirements define the square footages for aircraft parking apron, hangar, warehouse, office, truck and auto parking, and internal circulation.

Aircraft parking apron would require much of the space within the development area. The 100 acres designated for air cargo uses could accommodate 2.7 million square feet of apron, while aircraft maintenance and manufacturing would require another 4.9 million square feet. Corporate aviation would require 0.9 million square feet of aircraft parking apron.

Approximately 0.9 million square feet of hangar space is designated for corporate aircraft facilities. Additional hangar space would be needed for aircraft manufacturing activities (2.4 million square feet) and for aircraft maintenance (1.3 million square feet). Warehouse space of 6.5 million square feet would be used by aviation activities.

Non aviation industrial uses would require 678,000 square feet of warehouse space. Office and retail activities would occupy 335,000 square feet.

An appropriate amount of space was allocated to each land use for truck staging and auto parking. The total for these paved areas for all uses would be approximately 5.8 million square feet. A 1.4 million square foot allowance was made for space within the site to be used for circulation/green space and landscaping. As detailed site plans are developed for each scenario, these facility requirements will be adjusted. The Scenario 1 facility space requirements are presented in presented in **Table 9**.

Table 9

**SCENARIO 1 - SPACE REQUIREMENTS**

Will Rogers World Airport Strategic Development Program

| Type of Use | Apron | Hangar | Warehouse | Office | Truck Staging | Auto Parking | Circulation/ Greenspace Amount | Undeveloped Space | TOTAL (IN SQUARE FEET) | TOTAL (IN ACRES) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Direct Aviation** | | | | | | | | | | |
| Corporate Aviation | 907,244 | 907,244 | 0 | 90,724 | 0 | 567,028 | 170,108 | 0 | 2,642,350 | 61 |
| Air Cargo | 2,705,939 | 0 | 1,014,727 | 101,473 | 405,891 | 135,297 | 40,589 | 0 | 4,403,916 | 101 |
| Subtotal | 3,613,184 | 907,244 | 1,014,727 | 192,197 | 405,891 | 702,325 | 210,697 | 0 | 7,046,266 | 162 |
| **Direct Aviation Support with Airside Access** | | | | | | | | | | |
| Aircraft Maintenance Facility | 1,674,493 | 1,255,870 | 627,935 | 251,174 | 50,235 | 418,623 | 125,587 | 0 | 4,403,916 | 101 |
| Aircraft Manufacturing | 3,277,903 | 2,458,427 | 1,229,213 | 491,685 | 98,337 | 819,476 | 245,843 | 0 | 8,620,884 | 198 |
| Subtotal | 4,952,395 | 3,714,297 | 1,857,148 | 742,859 | 148,572 | 1,238,099 | 371,430 | 0 | 13,024,800 | 299 |
| **Direct Aviation Support without Airside Access** | | | | | | | | | | |
| Freight Forwarding (warehouse) | 0 | 0 | 3,652,309 | 192,227 | 384,454 | 134,559 | 40,368 | 0 | 4,403,916 | 101 |
| Aircraft Parts Depot | 0 | 0 | 0 | 0 | 124,054 | 1,033,783 | 310,135 | 0 | 1,467,972 | 34 |
| Subtotal | 0 | 0 | 3,652,309 | 192,227 | 508,508 | 1,168,342 | 350,503 | 0 | 5,871,888 | 135 |
| **Indirect Aviation without Airside Access** | | | | | | | | | | |
| Retail - Indirect Aviation (supporting developed land uses) | 0 | 0 | 0 | 354,797 | 21,288 | 614,071 | 184,221 | 0 | 1,174,378 | 27 |
| Subtotal | 0 | 0 | 0 | 354,797 | 21,288 | 614,071 | 184,221 | 0 | 1,174,378 | 27 |
| **Non-aviation** | | | | | | | | | | |
| Industrial - Warehouse | 0 | 0 | 572,278 | 0 | 91,564 | 198,096 | 59,429 | 0 | 921,368 | 21 |
| Industrial - Flex | 0 | 0 | 105,457 | 0 | 16,873 | 73,009 | 21,903 | 0 | 217,241 | 5 |
| Office | 0 | 0 | 0 | 55,669 | 0 | 96,350 | 28,905 | 0 | 180,924 | 4 |
| Retail - Other | 0 | 0 | 0 | 278,724 | 16,723 | 482,406 | 144,722 | 0 | 922,575 | 21 |
| Subtotal | 0 | 0 | 677,735 | 334,393 | 125,161 | 849,862 | 254,958 | 0 | 2,242,109 | 51 |
| **Strategic Land Reserve** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL (IN SQUARE FEET)** | **8,565,579** | **4,621,541** | **7,201,920** | **1,816,473** | **1,209,419** | **4,572,699** | **1,371,810** | **0** | | |
| **TOTAL (IN ACRES)** | **197** | **106** | **165** | **42** | **28** | **105** | **31** | **0** | | |

Note: All space requirements are in square feet.

Source: Jacobs Consultancy.

### *Scenario 2 Site Activity Forecasts*

Scenario 2 activity forecast summary:

- 7,700 jobs
- 24,730 daily vehicle trips
- 253,700 annual aircraft operations

Scenario 2 divides the land uses in the development area between aviation related and non-aviation uses and forecasts were developed to represent the expected number of employees and vehicle trips.

Freight activity, including air cargo and freight forwarding, would be expected to generate 1,360 jobs, 6,800 daily truck trips and 3,930 daily auto trips. Air cargo operations are projected to generate 12,960 annual aircraft operations.

Corporate aviation could employ 675 people and generate 1,350 daily auto trips and 27,000 annual aircraft operations.

The non-aviation uses occupy 13% of the site in this scenario. Industrial, office and retail development would generate approximately 1,605 jobs, 435 daily truck trips and 3,210 daily truck trips.

The employment and activity generated by the land uses in Scenario 2 are presented in **Table 10**.

Table 10

**SCENARIO 2 - SITE ACTIVITY FORECAST**
Will Rogers World Airport Strategic Development Program

| Type of Use | On-Site Employment | Daily Truck Trips | Daily Auto Trips | Daily Aircraft Departures | Annual Aircraft Operations |
|---|---|---|---|---|---|
| **Direct Aviation** | | | | | |
| Corporate Aviation | 675 | 21 | 1,350 | 84 | 27,001 |
| Air Cargo | 589 | 3,588 | 2,392 | 23 | 12,956 |
| Subtotal | 1,264 | 3,609 | 3,742 | 107 | 39,957 |
| **Direct Aviation Support with Airside Access** | | | | | |
| Aircraft Maintenance Facility | 673 | 112 | 1,346 | 56 | 40,927 |
| Aircraft Manufacturing | 1,346 | 224 | 2,691 | 112 | 81,855 |
| Subtotal | 2,018 | 336 | 4,037 | 168 | 122,782 |
| **Direct Aviation Support without Airside Access** | | | | | |
| Freight Forwarding (warehouse) | 772 | 3,218 | 1,545 | 0 | 0 |
| Aircraft Parts Depot | 1,495 | 249 | 2,991 | 125 | 90,962 |
| Subtotal | 2,268 | 3,467 | 4,535 | 125 | 90,962 |
| **Indirect Aviation without Airside Access** | | | | | |
| Retail - Indirect Aviation (supporting developed land uses) | 542 | 271 | 1,083 | 0 | 0 |
| Subtotal | 542 | 271 | 1,083 | 0 | 0 |
| **Non-aviation** | | | | | |
| Industrial - Warehouse | 446 | 37 | 892 | 0 | 0 |
| Industrial - Flex | 82 | 7 | 164 | 0 | 0 |
| Office | 326 | 16 | 653 | 0 | 0 |
| Retail - Other | 751 | 375 | 1,501 | 0 | 0 |
| Subtotal | 1,605 | 435 | 3,211 | 0 | 0 |
| **Strategic Land Reserve** | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **7,697** | **8,118** | **16,608** | **400** | **253,701** |

Source: Jacobs Consultancy.

### *Scenario 2 Facility Requirements*

Scenario 2 facility requirements summary:

- 6.2 million square feet of aircraft parking apron
- 3.5 million square feet of aircraft hangar
- 5.6 million square feet of warehouse
- 1.8 million square feet of office space

In Scenario 2, freight activity, including air cargo and freight forwarding, is expected to require 1.8 million square feet of apron, 3.1 million square feet of warehouse and 200,000 square feet of office space. The total area set aside for freight-related activities would be 136 acres.

The second largest land use in this scenario would be aircraft manufacturing. The 135 acres designated for this use can accommodate 2.2 million square feet of apron and 1.7 million square feet of hangar space. Additionally, 68 acres were set aside for both corporate aviation and aircraft maintenance activities.

Non aviation industrial uses require 1.2 million square feet of warehouse space. Office and retail activities occupy 705,000 square feet.

An appropriate amount of space was allocated to each land use for truck staging and auto parking. The total for these paved areas for all uses would be approximately 5.3 million square feet. A 1.3 million square foot allowance was made for space within the site to be used for circulation/green space and landscaping. A 132-acre land reserve was set aside for large-scale developments. The complete Scenario 2 facility space requirements are presented in **Table 11**.

Table 11

**SCENARIO 2 - SPACE REQUIREMENTS**

Will Rogers World Airport Strategic Development Program

| Type of Use | Apron | Hangar | Warehouse | Office | Truck Staging | Auto Parking | Circulation/ Greenspace Amount | Undeveloped Space | TOTAL (IN SQUARE FEET) | TOTAL (IN ACRES) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Direct Aviation** | | | | | | | | | | |
| Corporate Aviation | 1,012,536 | 1,012,536 | 0 | 101,254 | 0 | 632,835 | 189,851 | 0 | 2,949,012 | 68 |
| Air Cargo | 1,811,989 | 0 | 679,496 | 67,950 | 271,798 | 90,599 | 27,180 | 0 | 2,949,012 | 68 |
| Subtotal | 2,824,525 | 1,012,536 | 679,496 | 169,203 | 271,798 | 723,435 | 217,030 | 0 | 5,898,024 | 135 |
| **Direct Aviation Support with Airside Access** | | | | | | | | | | |
| Aircraft Maintenance Facility | 1,121,297 | 840,973 | 420,487 | 168,195 | 33,639 | 280,324 | 84,097 | 0 | 2,949,012 | 68 |
| Aircraft Manufacturing | 2,242,595 | 1,681,946 | 840,973 | 336,389 | 67,278 | 560,649 | 168,195 | 0 | 5,898,024 | 135 |
| Subtotal | 3,363,892 | 2,522,919 | 1,261,460 | 504,584 | 100,917 | 840,973 | 252,292 | 0 | 8,847,036 | 203 |
| **Direct Aviation Support without Airside Access** | | | | | | | | | | |
| Freight Forwarding (warehouse) | 0 | 0 | 2,445,711 | 128,722 | 257,443 | 90,105 | 27,032 | 0 | 2,949,012 | 68 |
| Aircraft Parts Depot | 0 | 0 | 0 | 0 | 74,764 | 623,031 | 186,909 | 0 | 884,704 | 20 |
| Subtotal | 0 | 0 | 2,445,711 | 128,722 | 332,207 | 713,136 | 213,941 | 0 | 3,833,716 | 88 |
| **Indirect Aviation without Airside Access** | | | | | | | | | | |
| Retail - Indirect Aviation (supporting developed land uses) | 0 | 0 | 0 | 356,376 | 21,383 | 616,805 | 185,041 | 0 | 1,179,605 | 27 |
| Subtotal | 0 | 0 | 0 | 356,376 | 21,383 | 616,805 | 185,041 | 0 | 1,179,605 | 27 |
| **Non-aviation** | | | | | | | | | | |
| Industrial - Warehouse | 0 | 0 | 1,014,027 | 0 | 162,244 | 351,009 | 105,303 | 0 | 1,632,584 | 37 |
| Industrial - Flex | 0 | 0 | 186,861 | 0 | 29,898 | 129,365 | 38,810 | 0 | 384,933 | 9 |
| Office | 0 | 0 | 0 | 98,641 | 0 | 170,724 | 51,217 | 0 | 320,582 | 7 |
| Retail - Other | 0 | 0 | 0 | 493,874 | 29,632 | 854,782 | 256,435 | 0 | 1,634,724 | 38 |
| Subtotal | 0 | 0 | 1,200,888 | 592,515 | 221,774 | 1,505,881 | 451,764 | 0 | 3,972,823 | 91 |
| **Strategic Land Reserve** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,758,917 | 5,758,917 | 132 |
| **TOTAL (IN SQUARE FEET)** | **6,188,417** | **3,535,455** | **5,587,554** | **1,751,400** | **948,079** | **4,400,229** | **1,320,069** | **5,758,917** | | |
| **TOTAL (IN ACRES)** | **142** | **81** | **128** | **40** | **22** | **101** | **30** | **132** | | |

Note: All space requirements are in square feet.

Source: Jacobs Consultancy.

### *Scenario 3 Site Activity Forecasts*

Scenario 3 site activity forecast summary:

- 8,050 jobs
- 25,560 daily vehicle trips
- 232,490 annual aircraft operations

In Scenario 3, the fully-developed air cargo component could be expected to handle approximately 500,000 enplaned tons of cargo. Including the freight forwarding component, this would translate into approximately 1,400 on-site jobs and 13,000 annual aircraft operations. The number of vehicle trips expected for the air cargo and freight forwarding segment would be approximately 6,800 trucks and 3,900 cars.

Aircraft maintenance and aircraft parts depot would generate approximately 3,200 jobs, 6,330 car trips, and 530 truck trips. This scenario does not include aircraft manufacturing. The other aviation use would be corporate aviation facilities, which would generate 700 jobs and 27,000 annual aircraft operations. Also included is a small area reserved for ancillary retail uses.

Annual aircraft operations are estimated at 232,500, although some portion of these would be using the Airport for passenger and cargo operations with scheduled maintenance during off-peak times.

The non-aviation uses occupy 19% of the site in this scenario. Industrial, office and retail development would generate approximately 2,7300 jobs, 625 daily truck trips and 4,600 daily truck trips.

**Table 12** presents the site activity forecast detail for Scenario 3.

Table 12

**SCENARIO 3 - SITE ACTIVITY FORECAST**
Will Rogers World Airport Strategic Development Program

| Type of Use | On-Site Employment | Daily Truck Trips | Daily Auto Trips | Daily Aircraft Departures | Annual Aircraft Operations |
|---|---|---|---|---|---|
| **Direct Aviation** | | | | | |
| Corporate Aviation | 675 | 21 | 1,350 | 84 | 27,001 |
| Air Cargo | 589 | 3,588 | 2,392 | 23 | 12,956 |
| Subtotal | 1,264 | 3,609 | 3,742 | 107 | 39,957 |
| **Direct Aviation Support with Airside Access** | | | | | |
| Aircraft Maintenance Facility | 673 | 112 | 1,346 | 56 | 40,927 |
| Aircraft Manufacturing | 0 | 0 | 0 | 0 | 0 |
| Subtotal | 673 | 112 | 1,346 | 56 | 40,927 |
| **Direct Aviation Support without Airside Access** | | | | | |
| Freight Forwarding (warehouse) | 772 | 3,218 | 1,545 | 0 | 0 |
| Aircraft Parts Depot | 2,492 | 415 | 4,984 | 208 | 151,604 |
| Subtotal | 3,264 | 3,633 | 6,529 | 208 | 151,604 |
| **Indirect Aviation without Airside Access** | | | | | |
| Retail - Indirect Aviation (supporting developed land uses) | 542 | 271 | 1,083 | 0 | 0 |
| Subtotal | 542 | 271 | 1,083 | 0 | 0 |
| **Non-aviation** | | | | | |
| Industrial - Warehouse | 641 | 52 | 1,281 | 0 | 0 |
| Industrial - Flex | 118 | 10 | 236 | 0 | 0 |
| Office | 469 | 23 | 937 | 0 | 0 |
| Retail - Other | 1,078 | 539 | 2,155 | 0 | 0 |
| Subtotal | 2,305 | 624 | 4,610 | 0 | 0 |
| **Strategic Land Reserve** | 0 | 0 | 0 | 0 | 0 |
| **TOTAL** | **8,048** | **8,249** | **17,309** | **371** | **232,488** |

Source: Jacobs Consultancy.

### *Scenario 3 Facility Requirements*

Scenario 3 facility requirements summary:

- 3.9 million s.f. aircraft parking apron
- 1.8 million s.f. aircraft hangar
- 5.8 million s.f. warehouse
- 1.9 million s.f. office space

In Scenario 3, aviation uses (air cargo, corporate aviation, aircraft maintenance) require 3.9 million square feet of aircraft parking apron, 1.8 million square feet of hangar facilities and 470,000 square feet of office space.

The non-aviation sector will require 2.3 million square feet of warehouse, 1.4 million square feet of office space and 3 million square feet of auto parking.

Like the previous scenarios, space was allocated for truck and auto parking along with an allowance for circulation and unusable space. The detailed space breakdown is presented in **Table 13**.

Table 13

**SCENARIO 3 - SPACE REQUIREMENTS**

Will Rogers World Airport Strategic Development Program

| Type of Use | Apron | Hangar | Warehouse | Office | Truck Staging | Auto Parking | Circulation/ Greenspace Amount | Undeveloped Space | TOTAL (IN SQUARE FEET) | TOTAL (IN ACRES) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Direct Aviation** | | | | | | | | | | |
| Corporate Aviation | 1,012,536 | 1,012,536 | 0 | 101,254 | 0 | 632,835 | 189,851 | 0 | 2,949,012 | 68 |
| Air Cargo | 1,811,989 | 0 | 679,496 | 67,950 | 271,798 | 90,599 | 27,180 | 0 | 2,949,012 | 68 |
| Subtotal | 2,824,525 | 1,012,536 | 679,496 | 169,203 | 271,798 | 723,435 | 217,030 | 0 | 5,898,024 | 135 |
| **Direct Aviation Support with Airside Access** | | | | | | | | | | |
| Aircraft Maintenance Facility | 1,121,297 | 840,973 | 420,487 | 168,195 | 33,639 | 280,324 | 84,097 | 0 | 2,949,012 | 68 |
| Aircraft Manufacturing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal | 1,121,297 | 840,973 | 420,487 | 168,195 | 33,639 | 280,324 | 84,097 | 0 | 2,949,012 | 68 |
| **Direct Aviation Support without Airside Access** | | | | | | | | | | |
| Freight Forwarding (warehouse) | 0 | 0 | 2,445,711 | 128,722 | 257,443 | 90,105 | 27,032 | 0 | 2,949,012 | 68 |
| Aircraft Parts Depot | 0 | 0 | 0 | 0 | 124,606 | 1,038,385 | 311,515 | 0 | 1,474,506 | 34 |
| Subtotal | 0 | 0 | 2,445,711 | 128,722 | 382,049 | 1,128,490 | 338,547 | 0 | 4,423,518 | 102 |
| **Indirect Aviation without Airside Access** | | | | | | | | | | |
| Retail - Indirect Aviation (supporting developed land uses) | 0 | 0 | 0 | 356,376 | 21,383 | 616,805 | 185,041 | 0 | 1,179,605 | 27 |
| Subtotal | 0 | 0 | 0 | 356,376 | 21,383 | 616,805 | 185,041 | 0 | 1,179,605 | 27 |
| **Non-aviation** | | | | | | | | | | |
| Industrial - Warehouse | 0 | 0 | 1,455,776 | 0 | 232,924 | 503,922 | 151,177 | 0 | 2,343,800 | 54 |
| Industrial - Flex | 0 | 0 | 268,264 | 0 | 42,922 | 185,721 | 55,716 | 0 | 552,624 | 13 |
| Office | 0 | 0 | 0 | 141,612 | 0 | 245,098 | 73,530 | 0 | 460,240 | 11 |
| Retail - Other | 0 | 0 | 0 | 709,025 | 42,541 | 1,227,158 | 368,147 | 0 | 2,346,872 | 54 |
| Subtotal | 0 | 0 | 1,724,040 | 850,637 | 318,388 | 2,161,901 | 648,570 | 0 | 5,703,536 | 131 |
| **Strategic Land Reserve** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,336,425 | 9,336,425 | |
| **TOTAL (IN SQUARE FEET)** | **3,945,823** | **1,853,509** | **5,269,733** | **1,673,133** | **1,027,257** | **4,910,954** | **1,473,286** | **9,336,425** | | |
| **TOTAL (IN ACRES)** | **91** | **43** | **121** | **38** | **24** | **113** | **34** | **214** | | |

Note: All space requirements are in square feet.

Source: Jacobs Consultancy.

# 5. DEVELOPMENT ALTERNATIVES

## A. Initial Evaluation Screening

A two-level screening and evaluative refinement process was employed. In initial screening, each scenario as defined in the previous chapter was reviewed to determine whether or not it would fully or partially achieve the objectives delineated in the Strategic Assessment.

Evaluation of the preliminary scenarios against the objectives was presented to the Steering Committee on August 15th, 2008. It was determined that the light aviation scenario would not promote highest and best use for the site, and would not maximize the potential for aviation-related development in the Development Area. This scenario was therefore found ineffective in meeting the goals and objectives set forth by the Steering Committee and were eliminated from further consideration.

## B. Development Alternatives

Site development layouts were formulated based on the 2 scenarios —heavy aviation use and medium aviation use— selected for further analysis. The layouts were designed to provide a flexible land use plan that identifies the highest and best uses for the property and capitalizes on the Airport's assets.

The assumptions and background for the development scenarios are described below.

### *General Assumptions*

The developable area, shown on **Figure 7**, is approximately 680 acres. In determining the developable area, roadways, utilities corridors, public water supply wells, oil wells, and wetlands land uses were removed from the total acreage because these areas would not be available for tenant development.

Provisions have been made for the extension of Taxiways G, H1 and H2 and a 320-foot wide Taxiway Object Free Area has been reserved, meeting FAA requirements for Airplane Design Group (ADG) V aircraft, ADG V being the design criteria for the airfield per the Master Plan.

It is assumed that property directly adjacent to the airfield will be used for aviation purposes in all scenarios as this represents the highest and best use of that property. The site would be configured to allow maximum flexibility in substituting land uses as the site is developed.

Two of the layouts include a strategic land reserve that can be made available for large-scale land uses in response to market demand.

### *Site Access*

The primary access to the development area is via 89th Street and 74th Street, both of which have existing interchanges with nearby Interstate 44. Additional access is provided from the south by 104th Street and from the north, including the Airport Terminal area, by 59th Street.

### *Roadway Configuration*

All concepts include the relocation of Portland Avenue east of its current location. Two roadway configurations were developed and evaluated to determine the optimal configuration for the site: the frontage road concept and the spine road concept.

**Frontage Road Concept.** The frontage road would ultimately be a five-lane avenue (two lanes in each direction and a median) which connects 59th Street on the north end of the development area with 104th Street on the south end. It is likely to be named Portland Avenue when the existing Portland Avenue is closed between 74th Street and 104th Street. It could be constructed initially as a three-lane road, with planned expansion capability.

Development parcels with access from the frontage road would be very attractive for commercial developers as they would have high visibility from and good access to the Interstate. The separation between the highway and the frontage road, for the most part, is not intended to be sufficient to allow for the development of land between the two roadways, but would facilitate the creation of a landscaping buffer.

It is assumed that signalized control would be utilized at the intersections of 1) Portland Avenue and 74th Street, and 2) Portland Avenue and 89th Street. At both intersections, Portland Avenue would be offset to the west to provide sufficient space, between the potentially signalized highway ramp intersections and the frontage road, for vehicles to queue at the signals.

South of 89th Street, the frontage road would be offset from the highway by a distance to which is not sufficient to allow development between the Frontage road and the highway. The southern terminus of the frontage road would be near the existing interchange with Interstate Highway 44 and 104th Street. As shown, potential modifications to the interchange may be necessary to provide sufficient vehicle queuing space for any signalized controls on 104th Street.

A second road – the "horseshoe" road – would serve the central development area. The horseshoe road ultimately would be a five-lane avenue connection between the existing 74th Street and the existing 89th Street. In this configuration, with Portland Avenue relocated to the east as a highway frontage road, the separation between the highway and the avenue would be sufficient to develop parcels between the two roads. All parcels along the horseshoe road are considered to have good highway access since vehicles existing Interstate 44 would not have to make any turns off of 74th Street or 89th Street to reach the aviation designated sites.

**Spine Road Concept.** The spine road would be a five-lane avenue (two lanes in each direction and a median) which connects 59th Street on the north end of the development area with 104th Street on the south end. It would likely be named Portland Avenue when the existing Portland Avenue is closed between 74th Street and 104th Street.

The spine road would provide access to all non-aviation development parcels. The separation between Interstate Highway 44 and the spine road would be sufficient to allow for the development of land between the two roadways. Developers would have the option of fronting on the highly attractive and visible side of highway frontage parcels and/or on the spine road side of those parcels.

It is assumed that signalized control would be utilized at the intersections of 1) Portland Avenue and 74th Street, and 2) Portland Avenue and 89th Street. At both intersections, Portland Avenue would be offset to the west to provide sufficient space, between the potentially signalized highway ramp intersections and the frontage road, for vehicles to queue at the signals.

South of 89th Street, the spine road would be offset from the highway by a distance sufficient to allow development between the Spine road and the highway. The southern terminus of the Spine road would be near the existing intersection of Portland Ave and 104th Street.

As in the "Frontage road" concept, a second road – the "horseshoe" road – would connect 74th Street and 89th Street.

### *Utilities*

Provisions have been made for the installation of the utilities within a corridor located along relocated Portland Avenue. The existing utilities corridor located along existing Portland Avenue would be maintained operational in its entirety due to the high cost that would be associated with relocating it.

### *Land Uses*

For each scenario, parcels were divided into five categories:

- Aviation-related with airfield access: air cargo, corporate aviation, aircraft maintenance facility, aircraft manufacturing. Maximizing the aviation use necessitating airfield access may require the extension of additional taxiways to the east to provide airfield access to more parcels than in the current airfield configuration.

- Aviation-related without airfield access: freight forwarding (warehouse), aircraft parts depot, retail - indirect aviation

- Non-aviation: commercial real estate product types including industrial – warehouse, industrial – flex, office and retail

- Land available after airfield expansion: this land is outside but adjacent to the Development Area. These parcels are currently used for the airfield, either by taxiways or are located in the current Runway Protection Zones (RPZ). The RPZs are zones of trapezoidal shape located at the runway ends and meant to protect the area on the ground beneath the approach surface to a runway. It is noted that the Master Plan recommends the extension of Runway 17L-35R by 2,200 feet to the south. This would displace the RPZ and open more land for aviation-related development. Extending the runway would also require relocating the glideslope antenna. This would allow for the relocation of the southern portion of Taxiway H closer to the runway and for the expansion of the adjacent parcels to the west.

- Strategic land reserve

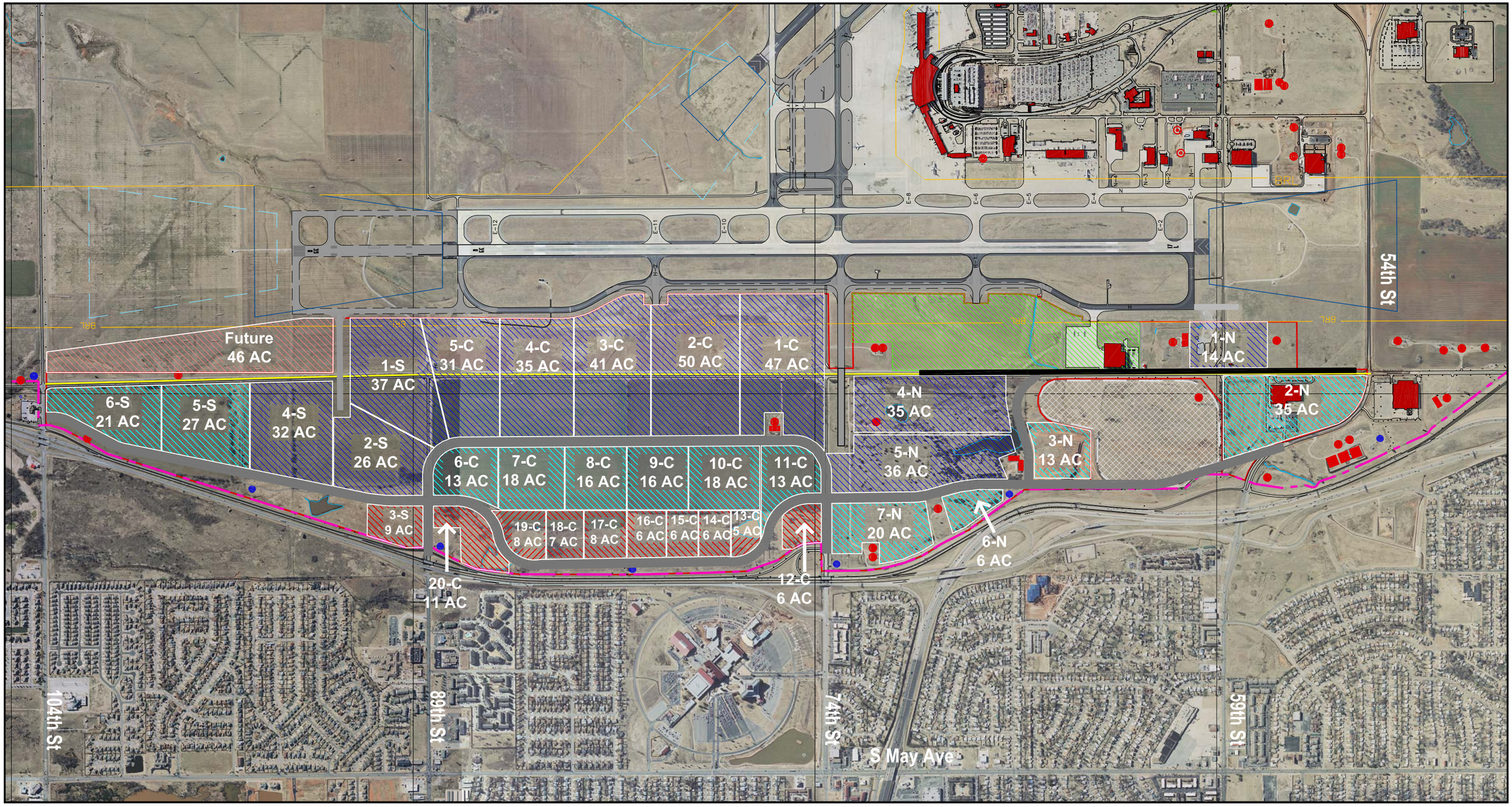
### *Development Alternatives*

The four development scenarios are illustrated below:

- Heavy aviation use scenario with frontage road – see **Figure 8**
- Heavy aviation use scenario with spine road – see **Figure 9**
- Medium aviation use scenario with frontage road – see **Figure 10**
- Medium aviation use scenario with spine road – see **Figure 11**

### *Preferred Development Alternative Selection*

The recommended plan was formulated by combining the most favorable aspects of each of the four development concepts; however it most closely reflects the planning of the heavy aviation scenario with spine road. The characteristics of the final plan are described in the following chapter.




**LEGEND**

- Existing airport property line
- Development area
- Land developable after airfield expansion
- Future airfield expansion
- Existing Runway Protection Zone
- Future Runway Protection Zone
- Building restriction line
- Existing utilities corridor
- Stormwater detention pond
- Water well
- Existing road to remain
- Proposed road and utilities right-of-way

**LAND USES**

- Direct Aviation and Direct Aviation Support — w/ airfield access (384 acres)
- Direct Aviation Support and Indirect Aviation — w/o airfield access (216 acres)
- Nonaeronautical (72 acres)
- Land available for aviation-related development after airfield expansion (46 acres)

Source: Airport Layout Plan provided by Barnard Dunkelberg

NORTH

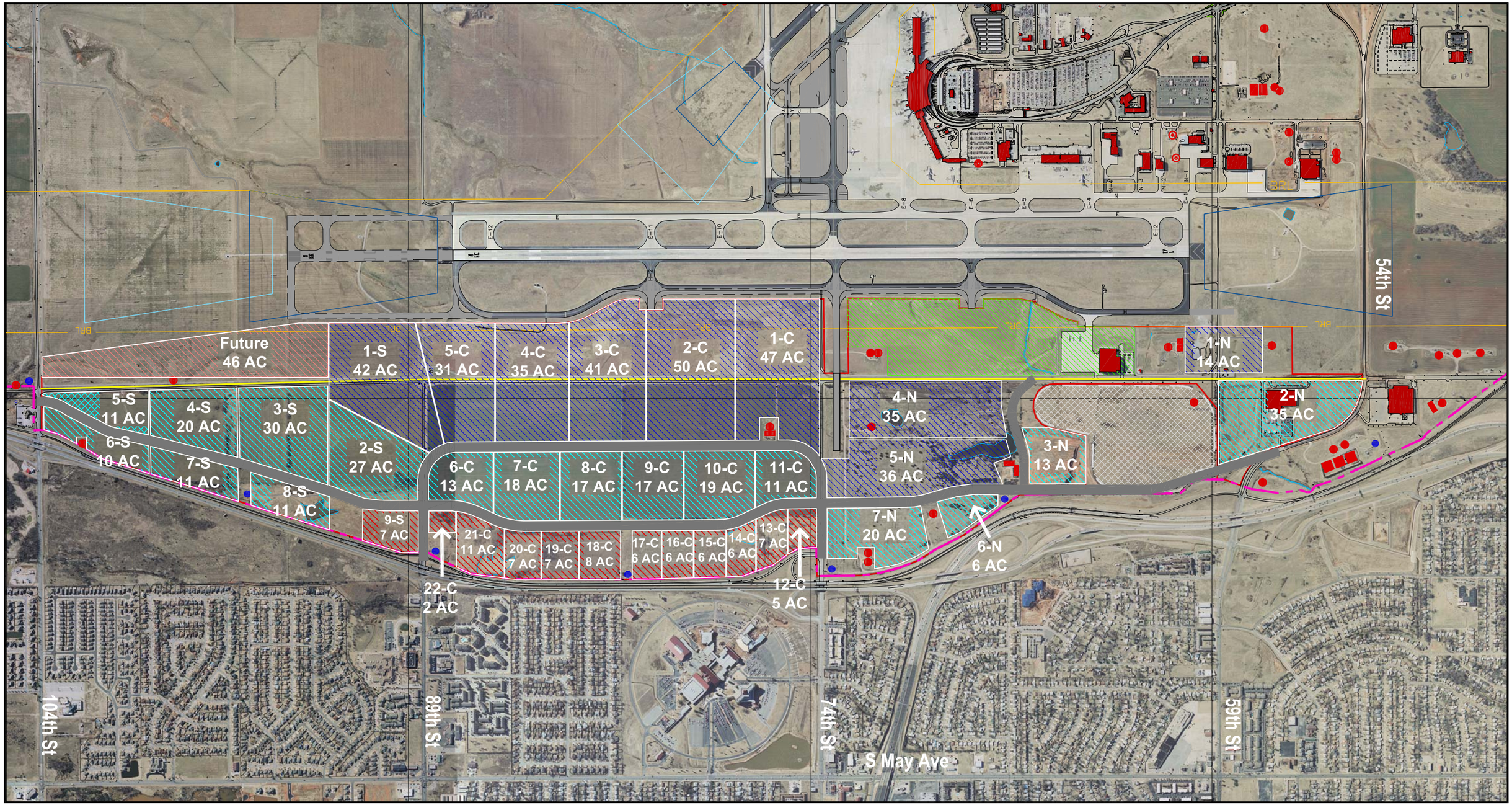
0 625 1250 2500

Scale: 1" = 1250'

**Figure 8**
**HEAVY AVIATION USE SCENARIO WITH FRONTAGE ROAD**
Strategic Development Plan
Oklahoma City Will Rogers World Airport

July 2009

JACOBS CONSULTANCY
*Airport Management Consulting*




**LEGEND**

- Existing airport property line
- Development area
- Land developable after airfield expansion
- Future airfield expansion
- Existing Runway Protection Zone
- Future Runway Protection Zone
- Building restriction line
- Existing utilities corridor
- Stormwater detention pond
- Water well
- Existing road to remain
- Proposed road and utilities right-of-way

**LAND USES**

- Direct Aviation and Direct Aviation Support — w/ airfield access (331 acres)
- Direct Aviation Support and Indirect Aviation — w/o airfield access (289 acres)
- Nonaeronautical (78 acres)
- Land available for aviation-related development after airfield expansion (46 acres)

Source: Airport Layout Plan provided by Barnard Dunkelberg

NORTH

0 625 1250 2500

Scale: 1" = 1250'

**Figure 9**
**HEAVY AVIATION USE SCENARIO WITH SPINE ROAD**

Strategic Development Plan
Oklahoma City Will Rogers World Airport

July 2009

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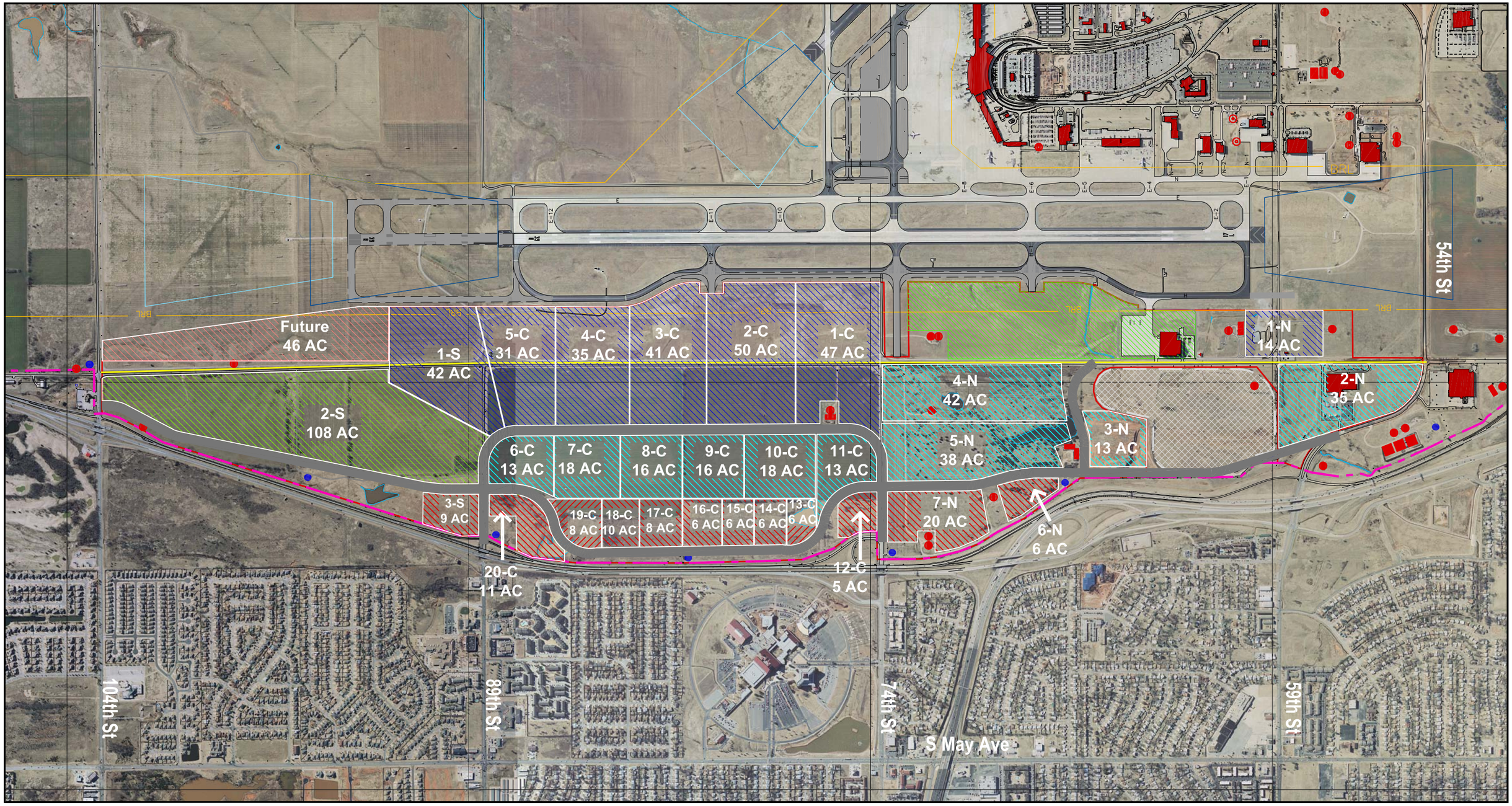
*Airport Management Consulting*




**LEGEND**

- Existing airport property line
- Development area
- Land developable after airfield expansion
- Future airfield expansion
- Existing Runway Protection Zone
- Future Runway Protection Zone
- Building restriction line
- Existing utilities corridor
- Stormwater detention pond
- Water well
- Existing road to remain
- Proposed road and utilities right-of-way

**LAND USES**

- Direct Aviation and Direct Aviation Support — w/ airfield access (260 acres)
- Direct Aviation Support and Indirect Aviation — w/o airfield access (222 acres)
- Nonaeronautical (101 acres)
- Strategic land reserve (108 acres)
- Land available for aviation-related development after airfield expansion (46 acres)

Source: Airport Layout Plan provided by Barnard Dunkelberg

NORTH

0 625 1250 2500

Scale: 1" = 1250'

**Figure 10**
**MEDIUM AVIATION USE SCENARIO WITH FRONTAGE ROAD**
Strategic Development Plan
Oklahoma City Will Rogers World Airport
July 2009

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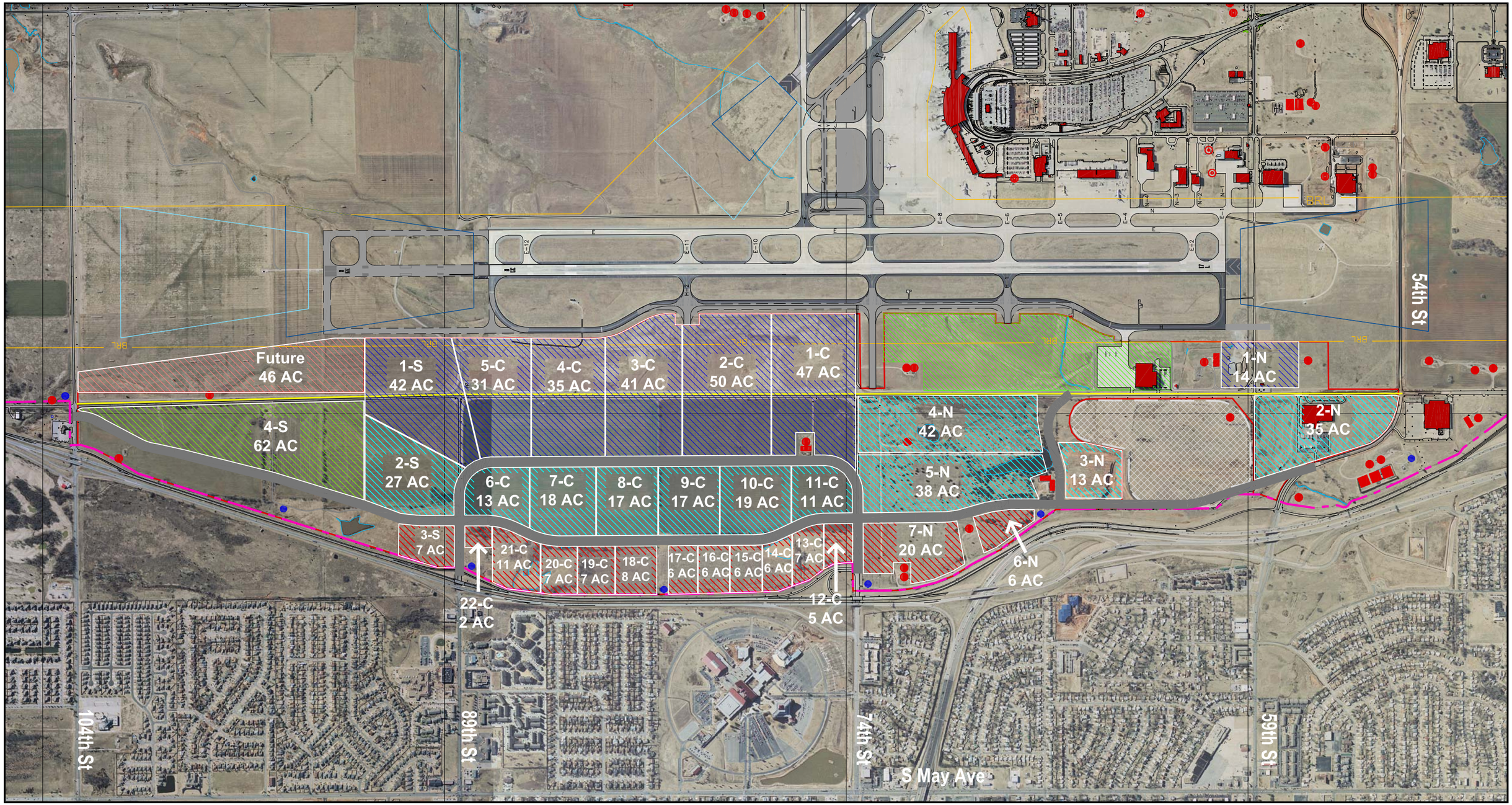


**LEGEND**

- Existing airport property line
- Development area
- Land developable after airfield expansion
- Future airfield expansion
- Existing Runway Protection Zone
- Future Runway Protection Zone
- Building restriction line
- Existing utilities corridor
- Stormwater detention pond
- Water well
- Existing road to remain
- Proposed road and utilities right-of-way

**LAND USES**

- Direct Aviation and Direct Aviation Support — w/ airfield access (260 acres)
- Direct Aviation Support and Indirect Aviation — w/o airfield access (250 acres)
- Nonaeronautical (104 acres)
- Strategic land reserve (62 acres)
- Land available for aviation-related development after airfield expansion (46 acres)

Source: Airport Layout Plan provided by Barnard Dunkelberg

NORTH

0 625 1250 2500

Scale: 1" = 1250'

**Figure 11**
**MEDIUM AVIATION USE SCENARIO WITH SPINE ROAD**

Strategic Development Plan
Oklahoma City Will Rogers World Airport

July 2009

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## 6. RECOMMENDED DEVELOPMENT PLAN

This chapter presents the recommended land use plan for the Development Area, including the development plans, phasing plan and capital improvement program. This plan provides the future development roadmap for the Development Area through the year 2050 and helps meet the vision of the Airport as presented in the goals and objectives in the Initial Strategic Assessment.

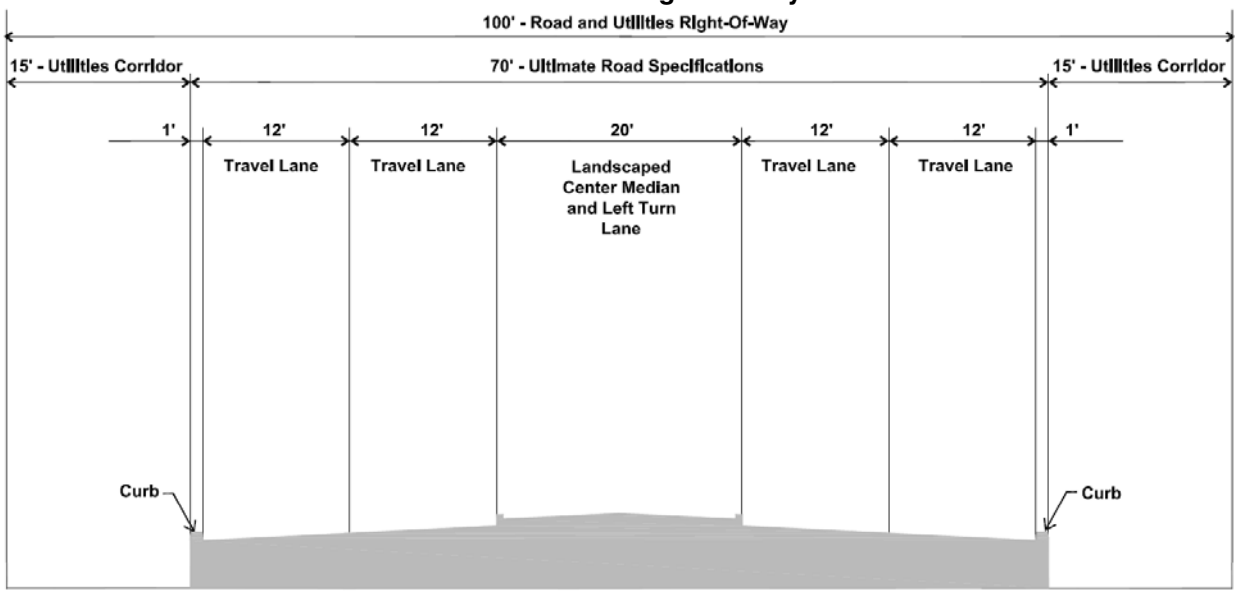
### A. Recommended Development Plan

#### *Road and Utilities Right-of-Ways*

A 100-foot right-of-way was reserved for all new roadways and associated utilities corridors, as shown in **Figure 12**. The right-of-way would be allocated as follows:

- A 70-foot wide corridor would be reserved for roadways: 12-foot wide lanes, two lanes in each direction, and an additional 20-foot wide center turn lane. The right-of-way also includes one-foot curbs.
- Two 15-foot wide corridors would be set aside for utilities on each side of the road.

Figure 12
**Road and Utilities Right-Of-Way**




Notes:
- Local codes will govern
- Slopes amplified for clarity
- Storm ditch not included

### *Site Access*

As illustrated in **Figure 13**, the primary access to the development area would be via 89th Street and 74th Street, both of which have existing interchanges with nearby Interstate 44. Additional access would be provided from the south by 104th Street and from the north, including the Airport Terminal area, by 59th Street. The site has 3 zones as shown in **Figure 14**.

### *Roadway Configuration*

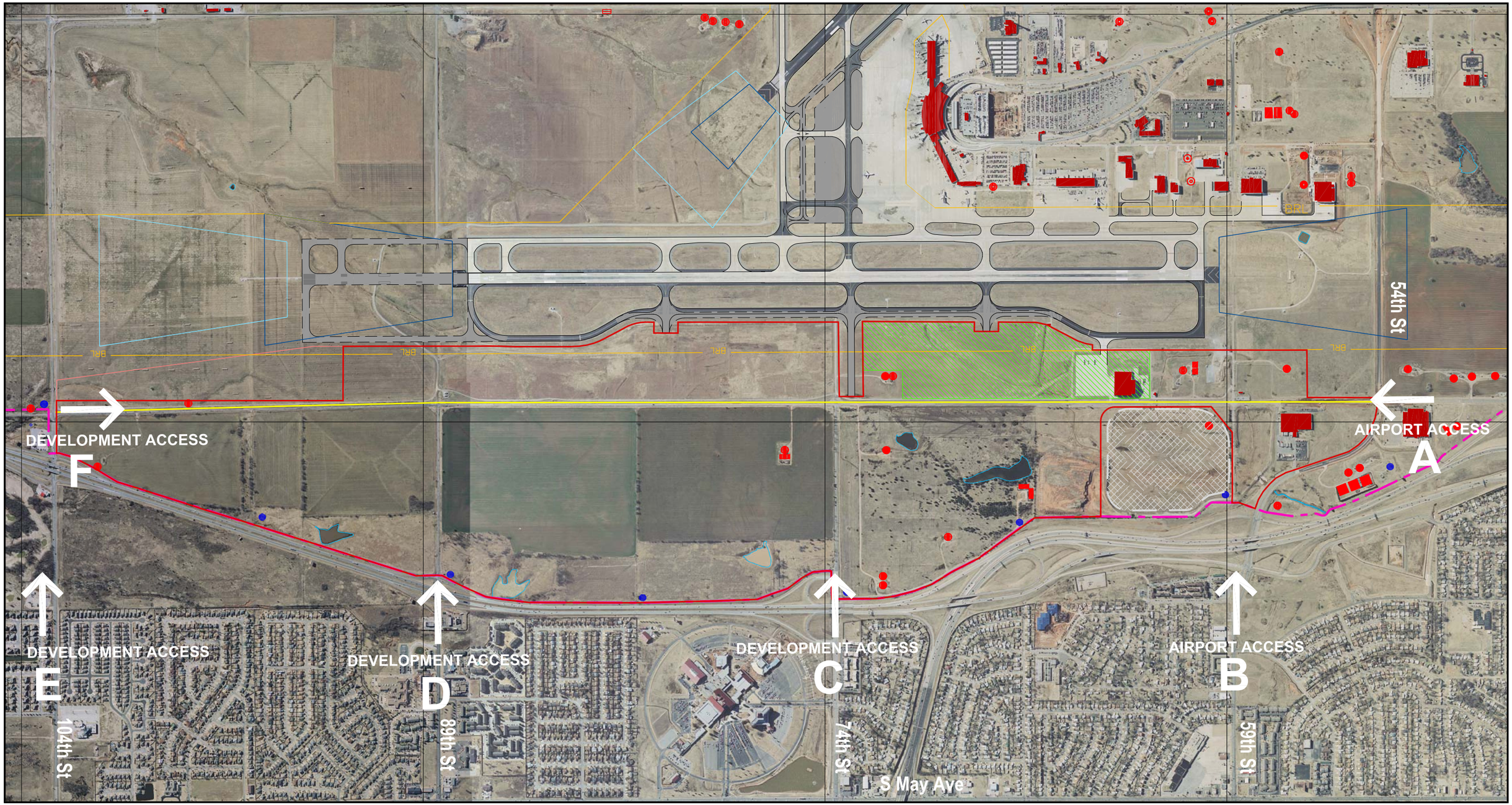
**Road R1.** Road R1, shown in **Figure 15**, would be a five-lane avenue connecting 54th Street on the north end of the development area with 104th Street on the south end. R1 is the Portland Avenue relocation project that the City of Oklahoma City has been planning.

Road R1 would provide access to all non-aviation development parcels. The separation between Interstate Highway 44 and R1 would be sufficient to allow for the development of land between the two roadways. Developers would have the option of drawing attention to the highly attractive and visible side of highway frontage parcels and/or drawing attention to the side of those parcels fronting R1.

It is assumed that traffic control (signs or signals) would be utilized at the intersections of 1) R1 and 74th Street, and 2) R1 and 89th Street. At both intersections, Road R1 would be offset to the west to provide sufficient space, between the potentially signalized highway ramp intersections and the frontage road, for vehicles to queue at the intersections.

South of 89th Street, Road R1 is offset from the highway by a distance which would not be sufficient to allow development along the entire highway side segment of R1 between 89th Street and 104th Street. The southern end of R1 would be near the existing intersection with existing Portland Avenue and 104th Street.

**Road R2.** Road R2 would be a five-lane avenue connection between the existing 74th Street and the existing 89th Street which would be the main thoroughfare providing access to aviation development parcels. In this configuration, with Portland Avenue relocated to the east as a spine road, the separation between the highway and the avenue would be sufficient to develop parcels between the two roads. These parcels will be highly desirable for developments which feature drive through services, since the site can be accessed from either Road R1 and/or potentially Road R2.




LEGEND

- Existing airport property line
- Development area
- Land developable after airfield expansion
- Future airfield expansion
- Existing Runway Protection Zone
- Future Runway Protection Zone
- Building restriction line
- Existing utilities corridor (See Figure 16 for additional details)
- Stormwater detention pond
- Water well
- Oil well
- Leased land

Source: Airport Layout Plan provided by Barnard Dunkelberg

NORTH

0 625 1250 2500

Scale: 1" = 1250'

**Figure 13**
**REGIONAL ACCESS**

Strategic Development Plan
Oklahoma City Will Rogers World Airport

September 2009

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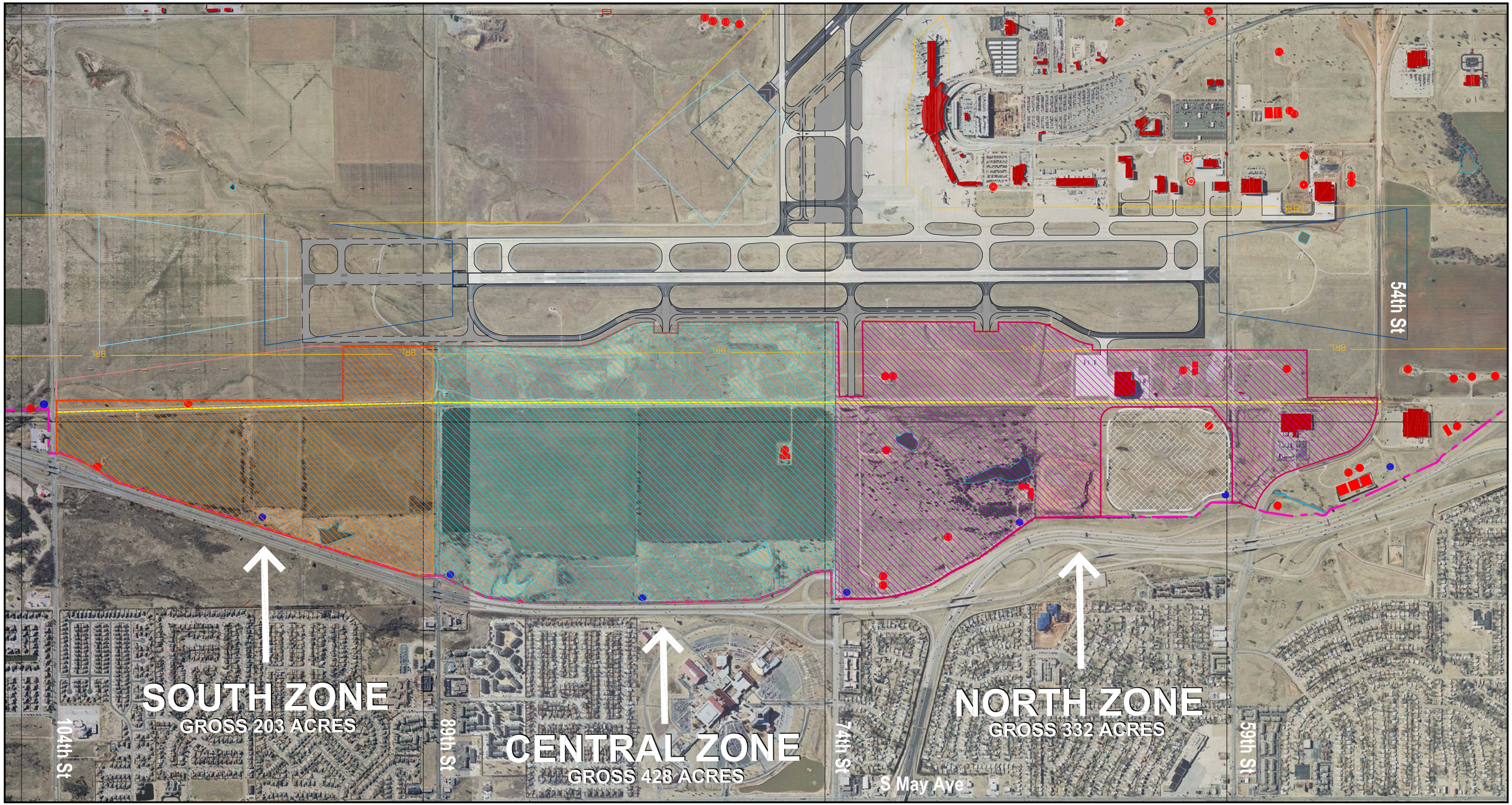


**LEGEND**

- Existing airport property line
- Development area
- Land developable after airfield expansion
- Future airfield expansion
- Existing Runway Protection Zone
- Future Runway Protection Zone
- Building restriction line
- Existing utilities corridor (See Figure 16 for additional details)
- Stormwater detention pond
- Water well
- Oil well

**DEVELOPMENT ZONES**

- North zone
- Central zone
- South zone

Source: Airport Layout Plan provided by Barnard Dunkelberg

NORTH

0 625 1250 2500

Scale: 1" = 1250'

**Figure 14**
**DEVELOPMENT AREA SUBDIVISIONS**

Strategic Development Plan
Oklahoma City Will Rogers World Airport

September 2009

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### *Development Phasing*

The study timeframe is 40 years, broken down in four 10-year long phases. It was assumed that implementation of the project will start in 2010. All the infrastructure improvements recommended in the Land Use Plan will be built in Phase 1, from 2010 to 2019, and Phase 2, from 2020 to 2029. The Airport Trust intends to frontload the project in order to make the site "development-ready", to increase the attractiveness of the Development Area to potential tenants and maximize flexibility in accommodating prospective developers.

- ***Phase 1 (2010-2019):*** Initial development should focus on the north zone, shown in Figure 14, to capitalize on the presence of existing utilities and tenants. Projects for this phase include the construction of Road R1 and the partial construction of R2, located west of Road R1 between 74th and 89th Streets. Additional roadway projects include improvements to 74th Street and 89$^{th}$ Street between I-44 and Road R1, and construction of R5, which would provide access to parcels located along Taxiway H. A utilities corridor would be constructed along Roads R1, R2 and R5. This corridor would include water, gas, electric, telephone, fiber optic and sewer lines. The new utilities corridor would be connected to existing utilities at 59th street or via a connection to the corridor along Portland Avenue at 74th Street. Phase 1 projects also include the extension of Taxiway G east across Portland Avenue to provide airfield access to parcels 4-N and 5-N.

- ***Phase 2 (2020-2029):*** This phase includes the construction of the remaining segment of Road R2 and the associated utilities corridor. Taxiway H2 would potentially be extended across Portland Avenue to provide airfield access to parcels 4-C and 6-C if the tenants for these parcels required airfield access; and Road R6 would be built to provide landside access to parcel 5-C.

- ***Phase 3 (21-30 years):*** No projects are anticipated in phase 3.

- ***Phase 4 (2040-2049):*** No projects are anticipated in phase 4.

The project phasing is illustrated in **Figure 15**.

### *Existing Utilities*

Significant utility infrastructure is located within the Development Area, with a main corridor of utilities located along existing Portland Avenue. The option of relocating all the utilities along Road R1 was deemed not economically feasible and it was therefore decided to keep the existing utilities corridor in its current location. This corridor runs through the parcels 7-C, 8-C, 1-S and 4-S.

### *Future Utilities*

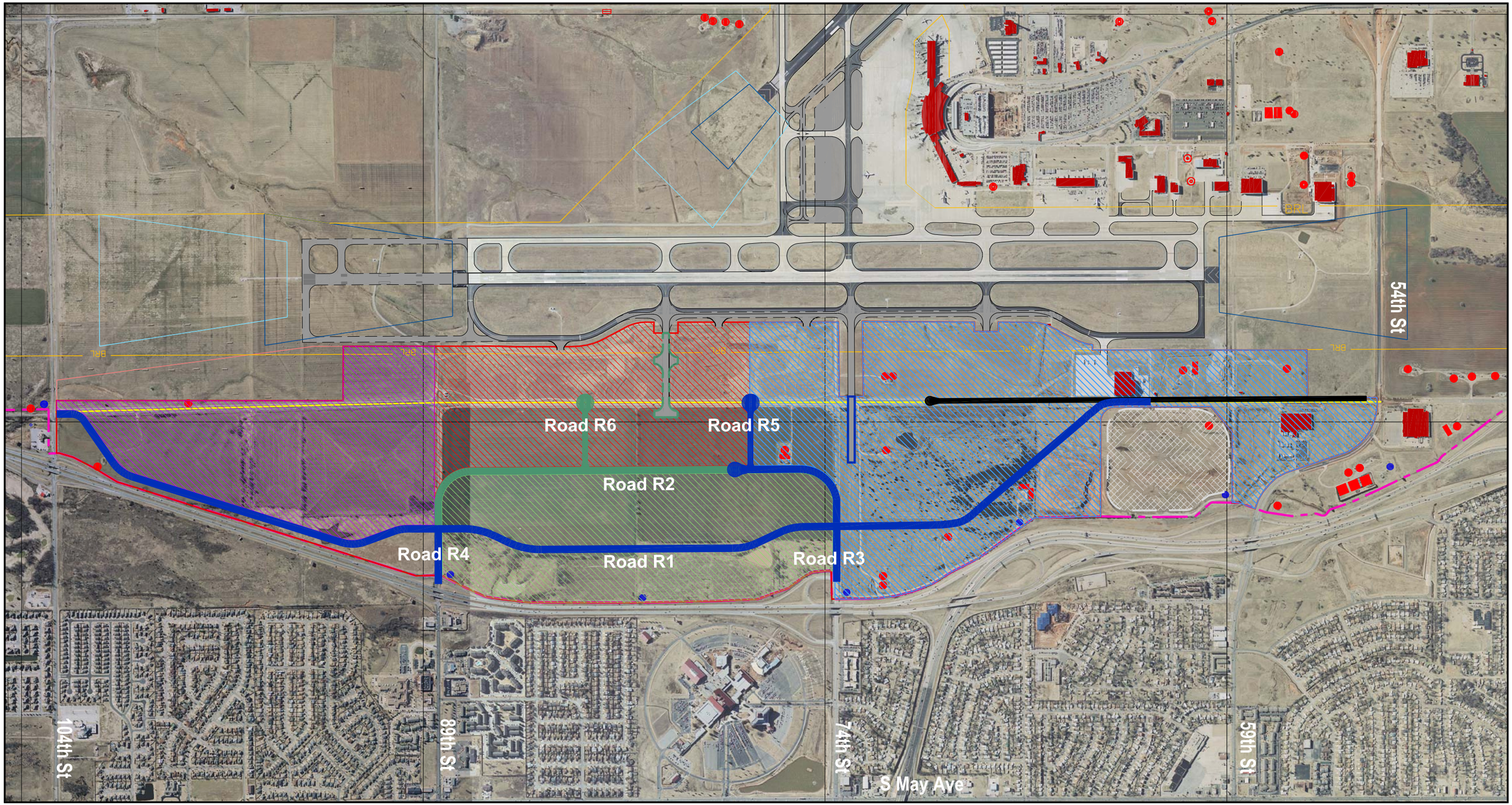
Utilities corridors will be built along Roads R1 and R2 to provide utilities to the Development Area. **Figure 16** shows the recommended utilities infrastructure and phasing.

### *Land Uses*

**Figure 17** shows the areas that would be reserved for aviation and commercial land uses. Approximately 70% of the development area is set aside for aviation development, the remainder being designated for commercial development. The plan is further detailed in **Figure 18**. The site was configured with 7 parcels in the north zones, 25 in the central zone and 4 in the south zone. The parcels were designated for specific land uses as follows:

- 346 acres of parcels best suited for aviation-related use with taxiway access
- 174 acres of parcels for aviation use without taxiway access
- 112 acres for commercial development
- 100 acres for strategic land reserve

It is recommended that all parcels with taxiway frontage be exclusively used for aviation activities that require airfield access as this is clearly the highest and best use for these parcels. The plan illustrates the best strategy for the development area, with commercial development along the highway to maximize the visibility of the site. However, the layout is conceptual and parcel sizes can be adjusted to meet the demands and requirements of specific tenants.




**LEGEND**

- Existing airport property line
- Development area
- Land developable after airfield expansion
- Future airfield expansion
- Existing Runway Protection Zone
- Future Runway Protection Zone
- Building restriction line
- Existing utilities corridor (See Figure 16 for additional details)
- Stormwater detention pond
- Water well
- Oil well
- Existing road to remain

Source: Airport Layout Plan provided by Barnard Dunkelberg

**DEVELOPMENT PHASING**

- Phase 1 (0-10 years)
- Phase 2 (11-20 years)
- Phase 3 (21-30 years)
- Phase 4 (31-40 years)
- Phase 1 road and utilities right-of-way
- Phase 1 planned taxiway
- Phase 2 road and utilities right-of-way
- Phase 2 potential taxiway

NORTH

0 625 1250 2500

Scale: 1" = 1250'

**Figure 15**
**SITE DEVELOPMENT PHASING**

Strategic Development Plan
Oklahoma City Will Rogers World Airport

September 2009

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*Airport Management Consulting*

Existing utilities corridor (to be maintained):
- 36" water line
- Two gas transmission lines
- Electric backbone
- Telephone line

Road R6

Road R5

Road R2

Road R4

Road R1

Road R3

Connection to water/ electric/ fiber optic lines

Future utilities corridor:
- Water line linked to main line along old Portland Ave.
- Phone line linked to main line along old Portland Ave.
- Gas line linked to main line along old Portland Ave.
- Electric backbone linked to main feed @59th St.
- Fiber optic line linked to main feed @59th St.
- Sewer line

54th St

104th St

89th St

74th St

S May Ave

59th St

**LEGEND**

- Existing airport property line
- Development area
- Land developable after airfield expansion
- Future airfield expansion
- Existing Runway Protection Zone
- Future Runway Protection Zone
- Building restriction line
- Stormwater detention pond
- Water well
- Oil well
- Existing road to remain

**EXISTING UTILITIES**

- Water
- Telephone
- Natural Gas
- Fiber optic
- Electric

**UTILITIES PHASING**

- Phase 1 utilities corridor
- Phase 2 utilities corridor

NORTH

0 625 1250 2500

Scale: 1" = 1250'

Source: Airport Layout Plan provided by Barnard Dunkelberg

**Figure 16**
**UTILITIES PHASING**

Strategic Development Plan
Oklahoma City Will Rogers World Airport

September 2009

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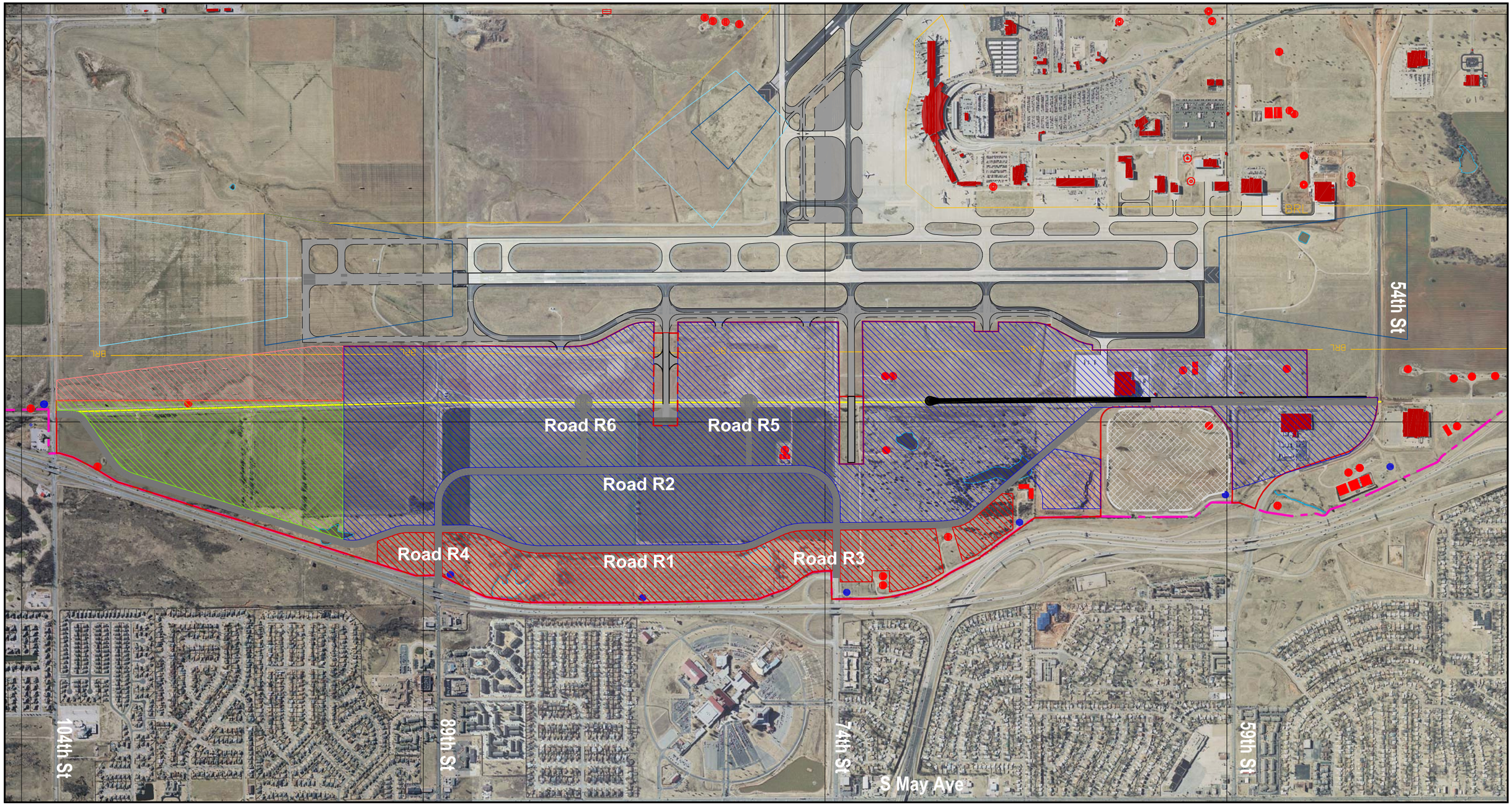


**LEGEND**

- Existing airport property line
- Development area
- Land developable after airfield expansion
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- Existing Runway Protection Zone
- Future Runway Protection Zone
- Building restriction line
- Existing utilities corridor (See Figure 16 for additional details)
- Stormwater detention pond
- Water well
- Oil well
- Existing road to remain
- Proposed road and utilities right-of-way

Source: Airport Layout Plan provided by Barnard Dunkelberg

**LAND USES**

- Aviation use
- Nonaeronautical use
- Strategic land reserve
- Land available for aviation-related development after airfield expansion

Note: Assumes a 100-ft right-of-way for the proposed roads and associated utilities corridors

NORTH

0 625 1250 2500

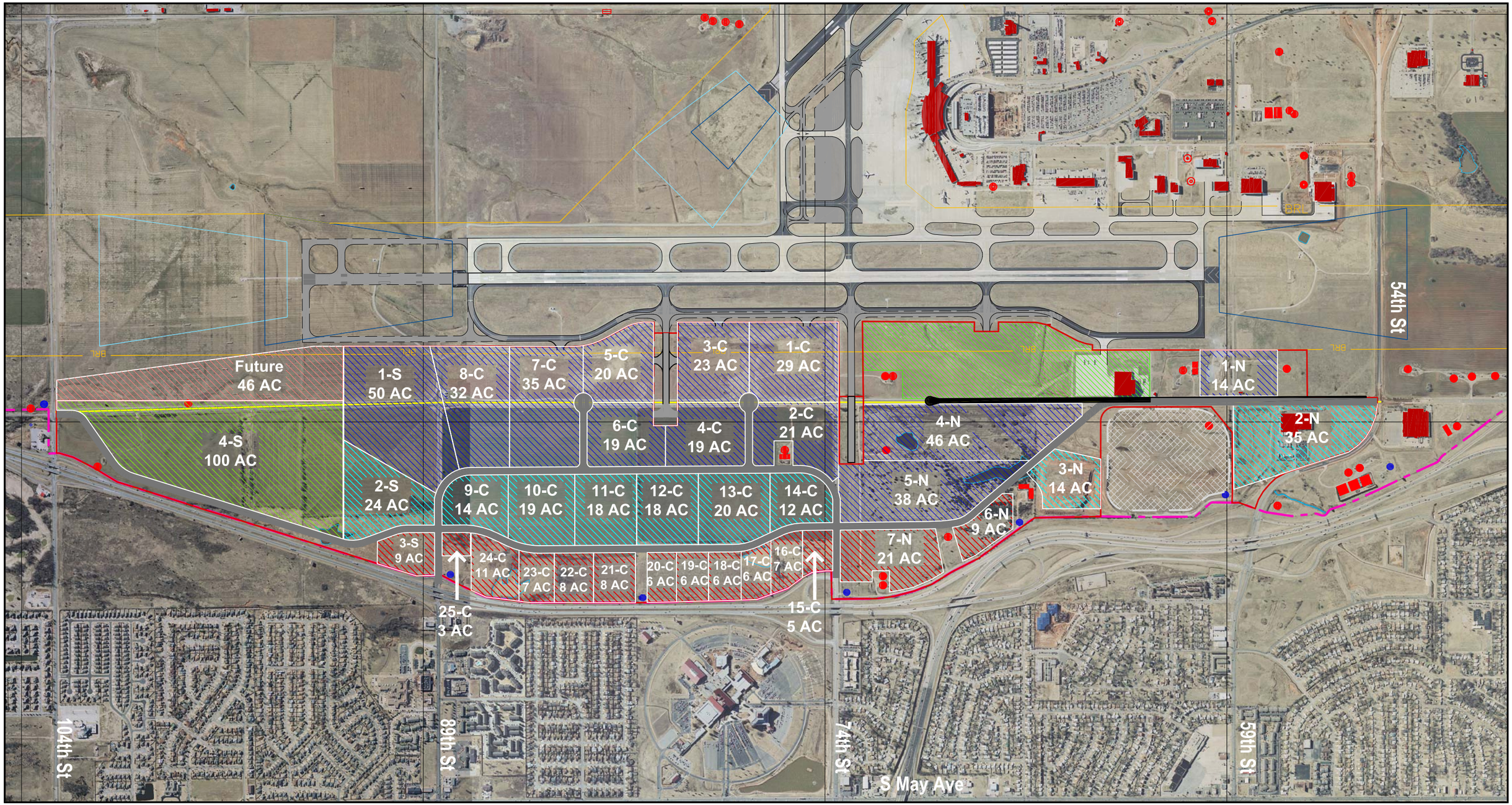
Scale: 1" = 1250'

**Figure 17**
**AVIATION VS. NON-AVIATION LAND USES**

Strategic Development Plan
Oklahoma City Will Rogers World Airport

September 2009

JACOBS CONSULTANCY
*Airport Management Consulting*




**LEGEND**

- Existing airport property line
- Development area
- Land developable after airfield expansion
- Future airfield expansion
- Existing Runway Protection Zone
- Future Runway Protection Zone
- Building restriction line
- Existing utilities corridor
- Stormwater detention pond
- Water well
- Oil well
- Existing road to remain
- Proposed road and utilities right-of-way
- Planned taxiway extension
- Potential taxiway extension

Source: Airport Layout Plan provided by Barnard Dunkelberg

**LAND USES**

- Direct Aviation and Direct Aviation Support — w/ airfield access (346 acres)
- Direct Aviation Support and Indirect Aviation — w/o airfield access (174 acres)
- Nonaeronautical (112 acres)
- Strategic land reserve (100 acres)
- Land available for aviation-related development after airfield expansion (46 acres)

Note: Assumes a 100-ft right-of-way for the proposed roads and associated utilities corridors

NORTH

0 625 1250 2500

Scale: 1" = 1250'

**Figure 18**
**SITE PARCELIZATION - ULTIMATE DEVELOPMENT**

Strategic Development Plan
Oklahoma City Will Rogers World Airport

September 2009

JACOBS CONSULTANCY
Airport Management Consulting

## B. Infrastructure Cost Estimates

The program cost estimate has been prepared for the purpose of establishing a probable cost of development for the major infrastructure improvements recommended by the Land Use Plan. These costs are based on master plan level of analysis and represent order-of-magnitude estimates. Engineering and architectural designs should be prepared to determine specific project scopes and development costs.

**Table 14** shows the recommended program cost summary by development phase. Recommended projects were organized in two 10-year long phases, from 2010 to 2029. Because demand for aviation and commercial development may not materialize as predicted, or other conditions might change, the phasing of the projects should be viewed as "estimated," subject to refinement as the parcels actually get developed and necessary infrastructure is put in place.

As shown in Table 14, soft costs were included with the individual project costs. Cost factors have been added for general conditions (10%), bonds, overhead and profit (12%), estimator's contingency (10%) and engineering contingency (15%). The relatively high contingency amounts account for the preliminary planning nature of the projects and the lack of specific design information. The project costs have been escalated to the projected mid-point of construction for each phase at a rate of 3% per year to account for inflation. The 2009 construction costs rise from approximately $22.9 million to $44.7 million with the addition of the soft cost factors and escalation. This amount does not include the construction cost of the potential phase 2 project, Taxiway H2 extension, which would represent an additional $9 million in escalated dollars.

The estimate anticipates that all work would be publicly advertised and bid. The general and specialized contractors were assumed to make all inclusive bids for the work scope of each project.

Capital cost estimates were based on unit costs developed based on the experience of contractors, construction material suppliers, and work performed at airports of similar size. Unit costs, as well as detailed cost estimates, are presented in Attachment I.

Project costs (in 2009 Current dollars) for Phase 1 and Phase 2 which are the funding responsibility of the Oklahoma City Airport Trust total $11,228,571.

Table 14

**CAPITAL COST SUMMARY**

Will Rogers World Airport Strategic Development Program

| | Funding Responsibility | Total Direct Cost (in 2009 Current dollars) | Total Project Cost (in 2009 Current dollars) | Total Project Cost (in Escalated Dollars) |
|---|---|---|---|---|
| **Phase 1 (2010-2019) - Planned Projects** | | | | |
| Taxiway G Extension | | 1,740,395 | 2,680,208 | 3,200,309 |
| Federal Share (75% project cost) | Airport Improvement Program | 1,305,296 | 2,010,156 | 2,400,232 |
| Local Share (25% project cost) | Oklahoma City Airport Trust | 435,099 | 670,052 | 800,077 |
| Road R1 - Relocated Portland Avenue | City of Oklahoma City | 8,499,069 | 13,088,566 | 15,628,433 |
| Road R2 - Horseshoe Road - Phase 1 | Oklahoma City Airport Trust | 956,718 | 1,473,346 | 1,759,252 |
| Road R3 - Improvements to 74th Street | Oklahoma City Airport Trust | 357,260 | 550,180 | 656,944 |
| Road R4 - Improvements to 89th Street | Oklahoma City Airport Trust | 353,261 | 544,021 | 649,590 |
| Road R5 - Access to Parcels 1C & 4C | Oklahoma City Airport Trust | 500,864 | 771,330 | 921,009 |
| Utilities – R1/R2/R5 Right-Of-Way | | | | |
| Water Supply | City of Oklahoma City | 1,031,467 | 1,588,459 | 1,896,703 |
| Sanitary Sewer | Oklahoma City Airport Trust | 1,304,404 | 2,008,782 | 2,398,591 |
| Storm Sewer | Oklahoma City Airport Trust | 580,000 | 893,200 | 1,066,528 |
| Fuel Distribution | Oklahoma Natural Gas | 258,970 | 398,814 | 476,205 |
| Electrical Supply | Oklahoma Gas and Electric | 1,350,000 | 2,079,000 | 2,482,435 |
| Telephone | AT&T | 647,800 | 997,612 | 1,191,201 |
| Fiber Optic | Cox Communications | 1,285,600 | 1,979,824 | 2,364,013 |
| **Total Phase 1 - Planned Projects** | | **$18,865,807** | **$29,053,343** | **$34,691,211** |
| **Phase 2 (2020-2029) - Planned Projects** | | | | |
| Road R2 - Horseshoe Road - Phase 2 | Oklahoma City Airport Trust | 1,986,431 | 3,059,104 | 4,908,963 |
| Road R6 - Access to Parcels 5C & 8C | Oklahoma City Airport Trust | 507,164 | 781,033 | 1,253,329 |
| Utilities – R2/R6 Right-Of-Way | | | | |
| Water Supply | City of Oklahoma City | 248,095 | 382,066 | 613,104 |
| Sanitary Sewer | Oklahoma City Airport Trust | 170,080 | 261,923 | 420,310 |
| Storm Sewer | Oklahoma City Airport Trust | 140,000 | 215,600 | 345,975 |
| Fuel Distribution | Oklahoma Natural Gas | 75,189 | 115,791 | 185,810 |
| Electrical Supply | Oklahoma Gas and Electric | 450,000 | 693,000 | 1,112,062 |
| Telephone | AT&T | 168,200 | 259,028 | 415,664 |
| Fiber Optic | Cox Communications | 326,400 | 502,656 | 806,615 |
| **Total Phase 2 - Planned Projects** | | **$4,071,559** | **$6,270,201** | **$10,061,831** |
| **TOTAL PLANNED PROJECTS** | | **$22,937,366** | **$35,323,544** | **$44,753,042** |
| **Phase 2 (2020-2029) - Potential Projects** | | | | |
| Taxiway H2 Extension | TBD | 3,649,818 | 5,620,719 | 9,019,604 |

Total Direct Cost: Actual project costs
Total Project Cost: Actual project costs with the addition of soft costs and contingency
Total Project Cost (in Escalated Dollars): Escalated to mid-point of construction for each phase

Source: Jacobs Consultancy.

**Table 15** summarizes the project costs by entity/company responsible for financing specific infrastructure projects related to the development of the project site.

Table 15

**CAPITAL COST SUMMARY BY FUNDING ENTITY**
Will Rogers World Airport Strategic Development Program

**TOTAL PROJECT COST (IN 2009 CURRENT DOLLARS)**

| Funding Responsibility | Phase 1 (2010-2019) | Phase 2 (2020-2029) (a) | Total |
|---|---|---|---|
| City of Oklahoma City | $14,677,025 | $382,066 | $15,059,091 |
| Airport Improvement Program | $2,010,156 | $0 | $2,010,156 |
| Oklahoma City Airport Trust | $6,910,911 | $4,317,660 | $11,228,571 |
| Oklahoma Natural Gas | $398,814 | $115,791 | $514,605 |
| Oklahoma Gas and Electric | $2,079,000 | $693,000 | $2,772,000 |
| AT&T | $997,612 | $259,028 | $1,256,640 |
| Cox Communications | $1,979,824 | $502,656 | $2,482,480 |
| **Total** | **$29,053,343** | **$6,270,201** | **$35,323,544** |

**TOTAL PROJECT COST (IN ESCALATED DOLLARS)**

| Funding Responsibility | Phase 1 (2010-2019) | Phase 2 (2020-2029) (a) | Total |
|---|---|---|---|
| City of Oklahoma City | $17,525,135 | $613,104 | $18,138,239 |
| Airport Improvement Program | $2,400,232 | $0 | $2,400,232 |
| Oklahoma City Airport Trust | $8,251,990 | $6,928,576 | $15,180,566 |
| Oklahoma Natural Gas | $476,205 | $185,810 | $662,016 |
| Oklahoma Gas and Electric | $2,482,435 | $1,112,062 | $3,594,496 |
| AT&T | $1,191,201 | $415,664 | $1,606,865 |
| Cox Communications | $2,364,013 | $806,615 | $3,170,629 |
| **Total** | **$34,691,211** | **$10,061,831** | **$44,753,042** |

(a) Only includes planned projects.

Source: Jacobs Consultancy.

Tables 16 to 18 detail the total project cost estimates (in escalated dollars) by development phase. Construction costs for Phase 1, spanning from 2010 to 2019, were estimated at $18.9 million in current 2009 dollars, which corresponds to $34.7 million with the addition of soft costs and escalation. It is to be noted that costs are roughly proportional to the length of the roadways and utilities corridor being built, which explains the high cost of this phase compared to the subsequent phases as Portland Avenue would be entirely relocated in Phase 1. The cost of the utility infrastructure is also driven up by the need to connect the new utilities corridor to the existing utilities and by the need to build new infrastructure, such as the sanitary sewer lift station, that will be used for the entire site.

Table 16

**DEVELOPMENT COSTS FOR RECOMMENDED PLAN**
**PHASE 1 (2010-2019)**
Will Rogers World Airport Strategic Development Program

| Phase 1 Projects - Planned Projects | Total Project Cost (in Escalated Dollars) |
|---|---|
| **Taxiway G Extension - Federal Share** | **$2,400,232** |
| Site preparation | |
| Site clearing | 17,074 |
| Earthwork | 290,444 |
| Site improvements | |
| Taxiway pavement | 1,469,549 |
| Landscaping | 42,075 |
| Civil and mechanical utilities | |
| Storm sewer | 482,696 |
| Electrical utilities | |
| Taxiway lighting | 98,396 |
| **Taxiway G Extension - Local Share** | **$800,077** |
| Site preparation | |
| Site clearing | 5,691 |
| Earthwork | 96,815 |
| Site improvements | |
| Taxiway pavement | 489,850 |
| Landscaping | 14,025 |
| Civil and mechanical utilities | |
| Storm sewer | 160,899 |
| Electrical utilities | |
| Taxiway lighting | 32,799 |
| **Road R1 - Relocated Portland Avenue** | **$15,628,433** |
| Site preparation | |
| Site clearing | 130,102 |
| Site demolition and relocation | 1,136,403 |
| Earthwork | 1,375,544 |
| Site improvements | |
| Road | 12,479,385 |
| Landscaping | 400,162 |
| Electrical utilities | |
| Site lighting | 106,837 |
| **Road R2 - Horseshoe Road - Phase 1** | **$1,759,252** |
| Site preparation | |
| Site clearing | 14,049 |
| Earthwork | 145,166 |
| Site improvements | |
| Road | 1,566,090 |
| Landscaping | 33,947 |

Table 16 *(page 2 of 3)*
**DEVELOPMENT COSTS FOR RECOMMENDED PLAN**
**PHASE 1 (2010-2019)**
Will Rogers World Airport Strategic Development Program

| | |
|---|---|
| **Road R3 - Improvements to 74th Street** | **$656,944** |
| Site preparation | |
| Site clearing | 4,722 |
| Site demolition and relocation | 4,967 |
| Earthwork | 55,038 |
| Site improvements | |
| Road | 578,234 |
| Landscaping | 13,983 |
| **Road R4 - Improvements to 89th Street** | **$649,590** |
| Site preparation | |
| Site clearing | 4,737 |
| Site demolition and relocation | 5,007 |
| Earthwork | 55,032 |
| Site improvements | |
| Road | 571,529 |
| Landscaping | 13,286 |
| **Road R5 - Access to Parcels 1C & 4C** | **$921,009** |
| Site preparation | |
| Site clearing | 9,937 |
| Earthwork | 102,116 |
| Site improvements | |
| Road | 764,354 |
| Landscaping | 44,601 |
| **Utilities – R1 Right-Of-Way** | **$10,249,223** |
| Water Supply | 1,650,243 |
| Sanitary Sewer | 2,229,169 |
| Storm Sewer | 919,420 |
| Fuel Distribution | 393,579 |
| Electrical Supply | 2,022,725 |
| Telephone | 1,011,362 |
| Fiber Optic | 2,022,725 |
| **Utilities – R2 Right-Of-Way - Phase 1** | **$981,256** |
| Water Supply | 174,482 |
| Sanitary Sewer | 105,208 |
| Storm Sewer | 82,748 |
| Fuel Distribution | 51,720 |
| Electrical Supply | 275,826 |
| Telephone | 97,091 |
| Fiber Optic | 194,182 |

Table 16 *(page 3 of 3)*
**DEVELOPMENT COSTS FOR RECOMMENDED PLAN**
**PHASE 1 (2010-2019)**
Will Rogers World Airport Strategic Development Program

| | |
|---|---|
| **Utilities – R5 Right-Of-Way** | **$645,196** |
| Water Supply | 71,977 |
| Sanitary Sewer | 64,213 |
| Storm Sewer | 64,359 |
| Fuel Distribution | 30,907 |
| Electrical Supply | 183,884 |
| Telephone | 82,748 |
| Fiber Optic | 147,107 |
| **Total Phase 1 - Planned Projects** | **$34,691,211** |

Source: Jacobs Consultancy.

Construction costs for Phase 2 (2020-2029) were estimated at $7 million in current 2009 dollars, which corresponds to $10.1 million with the addition of soft costs and escalation.

Table 17

**DEVELOPMENT COSTS FOR RECOMMENDED PLAN**
**PLANNED PROJECTS**
**PHASE 2 (2020-2029)**
Will Rogers World Airport Strategic Development Program

| Phase 2 Projects - Planned Projects | Total Project Cost (in Escalated Dollars) |
|---|---|
| **Road R2 - Horseshoe Road - Phase 2** | **$4,908,963** |
| Site preparation | |
| Site clearing | 49,969 |
| Earthwork | 512,583 |
| Site improvements | |
| Road | 4,244,210 |
| Landscaping | 102,202 |
| **Road R6 - Access to Parcels 5C & 8C** | **$1,253,329** |
| Site preparation | |
| Site clearing | 13,740 |
| Earthwork | 140,458 |
| Site improvements | |
| Road | 1,038,227 |
| Landscaping | 60,904 |
| **Utilities – R2 Right-Of-Way - Phase 2** | **$3,032,450** |
| Water Supply | 516,372 |
| Sanitary Sewer | 334,012 |
| Storm Sewer | 259,481 |
| Fuel Distribution | 144,274 |
| Electrical Supply | 864,937 |
| Telephone | 304,458 |
| Fiber Optic | 608,915 |
| **Utilities – R2/R6 Right-Of-Way** | **$867,090** |
| Water Supply | 96,732 |
| Sanitary Sewer | 86,297 |
| Storm Sewer | 86,494 |
| Fuel Distribution | 41,536 |
| Electrical Supply | 247,125 |
| Telephone | 111,206 |
| Fiber Optic | 197,700 |
| **Total Phase 2 - Planned Projects** | **$10,061,831** |

Source: Jacobs Consultancy.

Construction costs for Phase 2 potential projects (2020-2029) were estimated at $3.6 million in current 2009 dollars, which corresponds to $9 million with the addition of soft costs and escalation.

Table 18

**DEVELOPMENT COSTS FOR RECOMMENDED PLAN**
**POTENTIAL PROJECTS**
**PHASE 2 (2020-2029)**
Will Rogers World Airport Strategic Development Program

| Phase 2 Projects - Potential Projects | Total Project Cost (in Escalated Dollars) |
|---|---|
| **Taxiway H2 Extension** | **$9,019,604** |
| Site preparation | |
| Site clearing | 39,965 |
| Earthwork | 673,124 |
| Site improvements | |
| Taxiway pavement | 5,531,517 |
| Landscaping | 68,743 |
| Civil and mechanical utilities | |
| Storm sewer | 2,471,248 |
| Electrical utilities | |
| Taxiway lighting | 235,007 |

Source: Jacobs Consultancy.

## C. Development Standards

Development Standards typically convey the standards/criteria and policies/procedures for the development of aviation and non-aviation land and/or improvements at an airport. In addition to outlining the process for developing tenant facilities (both commercial and non-commercial) at an airport, development standards provide the parameters governing the design, construction, and/or modification of such facilities. The purpose of development standards is to promote consistent, attractive, and compatible high quality development at an airport. Development standards typically apply to any person or entity who desires to construct and/or modify improvements and/or facilities at an airport.

The standards establish criteria to support the planning, design, construction, and maintenance of improvements at the Airport. These criteria include:

- Right of Ways
- Building and Parking Setbacks
- Building Design and Materials
- Parking and Driveways

- Lighting
- Signage
- Maintenance

These guidelines are issued to Airport tenants to govern the development of tenant improvements. In general, the standards are intended to address aviation, light industrial, warehousing, air cargo, and office facilities at the Airport.

The process for review entails submitting documentation of proposed Tenant Improvements to Airport management who, in turn, reviews and forwards referral comments and supporting documentation to the Oklahoma City Development Center for formal review and approval.

The Airport's design guidelines are intended to articulate specific Airport requirements that are not addressed in the City's Building Code or other governing Codes or Covenants.

# ATTACHMENT A – FAA APPROVAL LETTER

U.S. Department
of Transportation
**Federal Aviation
Administration**

Oklahoma Airport Field Unit
FAA Building, Wiley Post Airport
5909 Philip J. Rhoads Ave.
Bethany, Oklahoma 73008
Telephone 405-798-2090

January 9, 2008

Mark Kranenburg, Director
Will Rogers World Airport
7100 Terminal Drive, Box 937
Oklahoma City, OK 73159-0937

Dear Mr. Kranenburg:

This is response to your letter dated November 21, 2007 concerning the Strategic Development Program and Land Use Plan being developed for Will Rogers World Airport.

The FAA concurs with the program concepts and principles of the development and land use plan to support the airport as outlined in your letter.

Suggest you plan to accomplish an environmental assessment for the proposed development plan in order to satisfy the National Environmental Policy Act (NEPA) in order for the FAA to be able to approve the development on the ALP. Please keep us informed of the progress during the process of developing the plan.

David Hellen
Program Manager, OK AFU

The City of
**OKLAHOMA CITY**
Department of Airports

November 16, 2007

Mr. Edward Agnew
Manager, Arkansas/Oklahoma Airports Development Office
Fort Worth, Texas 76193-0630

Re: Oklahoma City Will Rogers World Airport
Strategic Development Program

Dear Mr. Agnew,

The Oklahoma City Airport Trust ("Trust") has undertaken a Strategic Development Program for the City of Oklahoma City Will Rogers World Airport ("Airport"). The Trust is in the process of developing a comprehensive Land Use Plan ("Land Use Plan") for a specific Development Area of the Airport ("Development Area") as shown on the attached maps.

The Land Use Plan consultant team (Jacobs Consultancy) is working directly with the Master Plan Update consultant team (Barnard Dunkelberg & Co) in the coordination of the Master Plan and the Land Use Plan. The Development Area, as shown on the current Airport Layout Plan ("ALP") has been identified as property outside the forecasted need for additional terminal and runway infrastructure at the Airport. As a consequence, the Trust is pursuing aeronautical development in this Development Area to generate non-airline related revenues to enhance the overall revenues of the Airport, thereby promoting the growth of air service and ensuring the Airport remains self sustaining.

The Trust is requesting the Federal Aviation Administration's (FAA) concurrence and support of the Strategic Development Program, and specifically the approval of the Land Use Plan for the Development Area. With the FAA's approval, the Master Plan update and the future ALP will reflect the Development Area as AIP eligible "airport development land" needed in connection with the operation and maintenance of the Airport. In addition, with the FAA's approval of the Land Use Plan for the Development Area, the need to update the ALP for every qualifying development transaction will be avoided

7100 Terminal Drive, Unit 937, Oklahoma City, OK 73159-0937 • 405/680-3200

While the development of the conceptual layouts and specific leasing program for the Land Use Plan is currently underway, the Trust has identified the following general categories of land development for the Development Area:

1. Direct Aviation development designated as aeronautical use, including taxiways, taxilanes, ramp, access infrastructure, base infrastructure and other facilities or amenities for passenger air service, air cargo, general aviation, aircraft maintenance, aircraft manufacturing and other direct aviation facilities requiring access to the airfield.

2. Direct Aviation support development which may or may not require direct access to the airfield designated as aeronautical use, including facilities for companies providing logistics, materials, cargo, passengers and other ancillary support for Direct Aviation uses, including passenger, cargo and warehousing/distribution operations; and providing such services for Direct Aviation users, including the passengers, employees, agents and contractors, guests, and the tenants of the Airport.

3. Indirect Aviation, Concurrent Commercial development designated as aeronautical use, including offices, industrial facilities, retail, and similar facilities within those areas of the Development Area which do not currently have airfield access, and are not currently needed for Direct Aviation uses. The primary purpose for these areas is to ensure an adequate noise buffer and to retain the property for future Direct Aviation uses if required. In addition, Indirect Aviation, Concurrent Commercial development is desired to generate non-airline related revenues to enhance the overall revenues of the Airport, and ensure the Airport remains self sustaining thereby promoting the growth of air service and to provide goods and services for the Direct Aviation uses and users, the passengers, employees, agents and contractors, guests, and the tenants of the Airport.

4. Non-Aeronautical, Concurrent Commercial development use, including offices, industrial facilities, retail, and similar facilities within those areas of the Development Area are not anticipated to have airfield access, and are not currently needed for Direct Aviation or Indirect Aviation uses. The primary purpose for these areas is to ensure an adequate noise buffer, and ensure land development and uses compatible to Direct Aviation uses. In addition, as a

component of the strategic business plan for the Airport, Non-Aeronautical Concurrent Commercial development is desired to generate non-airline related revenues to enhance the overall revenues of the Airport, thereby promoting the growth of air service, and ensure the Airport remains self sustaining. The non-airline related revenues will be used to develop required infrastructure for the Development Area and as a source of repayment for infrastructure funding incurred by the Trust for land development under the Land Use Plan.

The Trust will provide to the FAA all specific concept plans and leasing programs developed for the Land Use Plan. Any deviation from the above described general categories of land development for the Development Area will be presented to the FAA for independent consideration. The Development of any property in the Development Area, including Indirect Aviation, Concurrent Commercial development does not have the effect of releasing the property from any term, condition, reservation, restriction or covenant of any applicable compliance agreement.

Furthermore, the Trust will continue to coordinate with the FAA for airspace analysis, environmental requirements, compatible land use reviews, and other obligations under the Grant Agreement Assurances. All revenue generated by facility development in the Development Area will be applied to the development, operations and maintenance of Airport facilities.

We hope the foregoing information provides adequate descriptions regarding the Strategic Development Program related to the Development Area, and the resulting Land Use Plan. We are requesting the FAA's concurrence and approval of the Strategic Development Program related to the Development Area. We would appreciate a written response from your office indicating support for the program principles outlined in this letter. Should the FAA require any additional information or have any questions regarding this request, please do not hesitate to contact me at 405/680-3200, or mark.kranenburg@okc.gov

Sincerely,

Mark D. Kranenburg
Director of Airports

Attachments

cc: James E. Thompson

# ATTACHMENT B – AIRLINE LETTER OF SUPPORT

**Delta Air Lines, Inc.**
Post Office Box 20706
Atlanta, Georgia 30320-6001

1030 Delta Boulevard
Department 877
Atlanta, Georgia 30354
Phone (404)
Fax (404)
Email address

January 16, 2008

Mark Kranenburg
Director of Airports
Will Rogers World Airport
7100 Terminal Drive, Box 937
Oklahoma City, OK 73159-0937

Dear Mark:

As Chairman of the Airlines Airport Affairs Committee (AAAC) representing the airlines who service Will Rogers World Airport, the committee is appreciative of the Airport's Strategic Development Program and its' objective of pursuing aeronautical and commercial development to generate non-airline related revenues to enhance the overall revenues of the airport, thereby promoting the growth of air service and ensuring the Airport remains self sustaining.

In our discussions we have commented several times on how impressed the airlines are with the low cost of providing air service at the airport and in your Strategic Development Program directed at keeping it that way.

The AAAC expects to be partners in this program and welcome the opportunity in participating in its' development, progress, and efforts in obtaining the objective of the airport stated above.

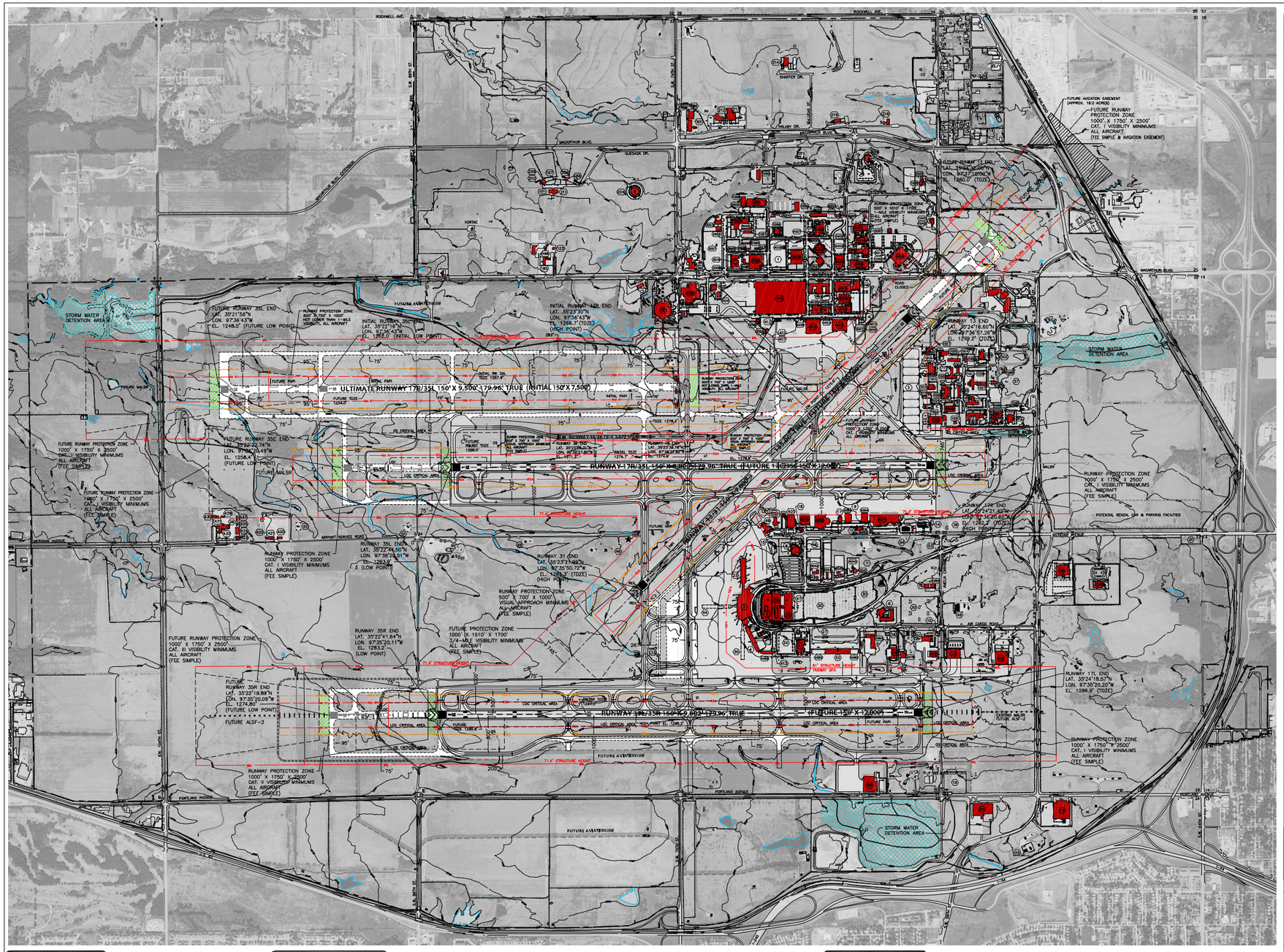
With this letter, please find that the AAAC concurs with the program concepts and principles of the Strategic Development Program as outlined in your letter to the FAA dated November 16, 2007.

Sincerely,

Mike Anastas
Chairman AAAC
Delta Air Lines, Inc.

Cc; AAAC

# ATTACHMENT C – AIRPORT LAYOUT PLAN




## BUILDING LEGEND

| NO. | DESCRIPTION | TOP ELEV. |
|---|---|---|
| 1 | NMAC CENTER/FAA | VARIES |
| 2 | AIR NATIONAL GUARD AREA | VARIES |
| 3 | TERMINAL BUILDING | 1346.6' |
| 4 | AIR CARGO FACILITIES (TBR) | 1307.4' |
| 5 | TWO-LEVEL PARKING GARAGE | 1361.1' |
| 6 | AIRPORT HOTEL | 1318.8' |
| 7 | CAR RENTAL FACILITIES | VARIES |
| 8 | AIR TRAFFIC CONTROL TOWER | 1426.2' |
| 9 | FBO MAINTENANCE AREA | 1316.5' |
| 10 | OLD ARFF-AAR VEHICLE MAINTENANCE | 1312.0' |
| 11 | NATIONAL WEATHER BUREAU | 1300.0' |
| 12 | FIRE PUMP FACILITY | 1305.8' |
| 13 | SORB | 1277.4' |
| 14 | FUEL STORAGE FACILITY | |
| 15 | FUEL SATELLITE | |
| 16 | NINETY NINE'S INC | 1320.2' |
| 17 | GENERAL AVIATION TERMINAL (U.C.) | |
| 18 | AIRFIELD LIGHTING ELECTRICAL VAULT | 1287.0' |
| 19 | OKC & OKC WATER DEPARTMENT | |
| 20 | HAGGAR | 1285.8' |
| 21 | CEMETERY | |
| 22 | FEDERAL MARSHAL HANGAR | 1351.8' |
| 23 | WEST CONCOURSE | |
| 24 | EAST EMPLOYEE PARKING | |
| 25 | FIVE-LEVEL PARKING GARAGE | |
| 26 | AIRPORT MAINTENANCE FACILITY | VARIES |
| 27 | PARKING TOLL BOOTHS | 1310.3' |
| 28 | MUSTANG FUEL DEPOT | |
| 29 | AVIATION ASSOCIATES | 1324.9' |
| 30 | SHUTTLE PARKING | |
| 31 | BOP FEDERAL TRANSFER CENTER | 1358.5' |
| 32 | TAXIWAY LIGHTING VAULT | |
| 33 | CAREER CENTER-METRO TECH | 1289.8' |
| 34 | FUEL MAINTENANCE OFFICE BUILDING | |
| 35 | FUTURE EAST CONCOURSE | |
| 36 | FBO EXPANSION AREA | |
| 37 | AIR NATIONAL GUARD EXPANSION | |
| 38 | SW AIRLINES RESERVATIONS CENTER | 1320.8' |
| 39 | US CUSTOMS NATIONAL AIR TRAINING CENTER | 1320.1' |
| 40 | AVINC HANGAR 80 LLC | |
| 41 | US POSTAL FACILITY | |
| 42 | US CUSTOMS & BORDER PATROL HANGAR | |
| 43 | SNOW BARN | |
| 44 | POTENTIAL SOUTH CONCOURSE | |
| 45 | OIL TANK BATTERY | |
| 46 | OVERFLOW PARKING | |
| 47 | FUTURE PARKING STRUCTURE | |
| 48 | ASOS | |
| 49 | AIRPORT RESCUE/FIRE FIGHTING (ARFF) | |
| 50 | DEVON ENERGY HANGAR | |
| 51 | RT | 1270.0' |
| 52 | AIR CARGO FACILITY | 1314.8' |
| 53 | CLEAN ENERGY CNG FACILITY | |
| 117 | VOR 700 | 1299.5' |
| 123 | ATCBI-SHOP | 1281.6' |
| 136 | ATCBI-TEST | 1292.6' |
| 166 | 1D | 1291.3' |
| 167 | 1E | 1288.0' |
| 185 | ARSB-TEST | 1284.1' |
| 196 | SYSTEM SUPPORT | 1313.6' |
| 201 | PROGRAM SUPPORT | 1309.9' |
| 204 | VORTAC | 1314.5' |
| 206 | GROUND MAINTENANCE | 1309.4' |
| 209 | 2D | 1305.8' |
| 210 | ANNEX | 1288.2' |
| 211 | LSTC | 1286.3' |
| 212 | ENROUTE SUPPORT FACILITY | |
| 213 | RADAR SUPPORT FACILITY | |
| 214 | NETS | |
| 215 | DASR-11 | |
| 216 | ASR-4 | |
| 401 | AAR HANGAR 1C | 1331.2' |
| 404 | HAZ. MAT. BUILDING | 1292.4' |
| 405 | SPECIAL PURPOSE BUILDING | 1293.2' |
| 407 | WASTE WATER TREATMENT | 1281.0' |
| 408 | ASDE-3 | |
| 409 | RADAR ANTENNA LAB | 1282.5' |
| 410 | LOGISTICS LAB | 1305.0' |
| 411 | METAL BUILDING | 1283.0' |
| 412 | METAL STORAGE SHED | 1274.6' |
| 413 | FUTURE AIR CARGO TERMINAL/SUPPORT | |
| 415 | HANGAR B | 1331.2' |
| 418 | HANGAR B | 1335.4' |
| 420 | MAINTENANCE SHED | 1269.5' |
| 421 | BUILDING #406 | 1271.3' |
| 422 | STORAGE BUILDING #601 | 1263.0' |
| 423 | MAINTENANCE SHED | 1268.3' |
| 424 | BUILDING #401 | 1266.0' |
| 425 | BUILDING #402 | 1258.4' |
| 427 | MAINTENANCE SHED | 1263.5' |
| 429 | MAINTENANCE SHED | 1261.9' |
| 430 | MAINTENANCE SHED | 1261.2' |
| 431 | MAINTENANCE SHED | 1262.1' |
| 432 | MAINTENANCE OFFICE | 1269.2' |
| 501 | BUILDING 1036 | 1273.9' |
| 502 | BUILDING 1038 | 1278.0' |
| 1000 | B1016 | 1286.3' |
| 1001 | B-NEWFS | 1309.4' |
| 1002 | B1007 | 1289.5' |
| 1003 | B1041 | 1293.4' |
| 1004 | B-ALCF | 1335.1' |
| 1005 | B1045 | 1295.7' |
| 1006 | B1008 | 1287.6' |
| 1008 | B1001 | 1289.7' |
| 1009 | B1040 | 1292.5' |
| 1010 | B1033 | 1302.8' |
| 1011 | B1023 | 1290.5' |
| | (U.C.) UNDER CONSTRUCTION | |

## BUILDING LEGEND

| NO. | DESCRIPTION | TOP ELEV. |
|---|---|---|
| 1012 | B1013 | 1340.5' |
| 1013 | B1043 | 1340.5' |
| 1014 | B-AGE | 1296.0' |
| 1015 | B-S-FS | 1283.0' |
| 1017 | B1034 | 1282.8' |
| 1019 | B1014 | 1292.8' |
| 1020 | B1011 | 1334.1' |
| 1021 | B1010 | 1291.1' |
| 1022 | B1009 | 1287.4' |
| 1024 | B1022 | 1285.3' |
| 1025 | B1035 | 1286.9' |
| 1026 | B1046 | 1295.5' |
| 1027 | B1044 | 1288.6' |
| 1028 | B1037 | 1283.3' |
| 1029 | B5807 | 1281.0' |
| 1030 | B1049 | 1282.1' |
| 1031 | B1042 | 1286.1' |
| 1032 | B1029 | 1284.3' |
| 1036 | B-ARSR3 | 1294.8' |
| 1037 | BM | 1289.0' |
| 1038 | BM | 1320.7' |
| 1039 | ESS BLD | 1293.2' |
| 1040 | N-WALK | 1310.8' |
| 1041 | ILS-1A | 1294.0' |
| 1042 | ILS TRAINING | 1299.8' |
| 1044 | ILS-STOR | 1297.7' |
| 1045 | ILS-COMM | 1304.3' |
| 1046 | COMM-TWR | 1387.0' |
| 1050 | WRHSE | 1309.4' |
| 1051 | ADS-BLD | 1302.2' |
| 1052 | FAA SEC-&204 | 1297.7' |
| 1054 | INDUS GAR | 1298.3' |
| 1055 | ABND STOR | 1294.6' |
| 1056 | DAYCARE | 1296.2' |
| 1057 | ASSMNT INST | 1293.0' |
| 1058 | COMM SUP FAC | 1299.0' |
| 1059 | ARMED INST | 1322.2' |
| 1060 | RADIO CLUB | 1293.1' |
| 1061 | ANG | |
| 1211 | BLK. N. OF 201 | 1302.5' |
| 3000 | METAL BUILDING | 1294.3' |
| 3001 | BSE MAIN BLD | 1310.2' |
| 3002 | SHT MTL BLD | 1297.8' |
| 3003 | TSI LAB | 1293.7' |
| 3004 | TSI EAST | 1287.5' |
| 3005 | CHILLER | 1290.1' |
| 3007 | STL TRD STOR | 1281.8' |
| 3008 | STL TRD BAT STOR | 1285.4' |
| 3009 | AEROMED SMK STCK | 1332.4' |
| 3011 | POST OFF ANNX | 1285.8' |
| 3014 | UNKN BLD | 1291.0' |
| 3015 | SCREENING FACILITY | |
| 3016 | MODULAR BUILDINGS 1,2,3 | |
| 4000 | TRAIN-CNTR-A | 1296.0' |
| 4001 | TRAIN-CNTR-B | 1299.8' |
| 4002 | TRAIN CNTR-C | 1295.5' |
| 4003 | ARSR-10 | 1294.7' |
| 4004 | GRN-WRHSE-BLD | 1305.0' |
| 4025 | ASR-9 | 1294.1' |
| 4006 | REGISTRY BLD | 1336.6' |
| 4007 | ASR-9-GRGE | 1290.9' |
| 4008 | SYS-TRAIN | 1332.4' |
| 4009 | STAFFORD BLD | 1334.4' |
| 4010 | LINE MAINT BLD | 1286.4' |
| 4011 | LINE MAIN SOUTH | 1285.7' |
| 4012 | LINE SHED 1 | 1286.4' |
| 4013 | FLIGHT STANDARDS BLD | 1287.3' |
| 4014 | AIR NAVIG FAC #1 | 1313.2' |
| 4015 | TOP COOLING TWR RADAR TRAIN | 1313.8' |
| 4016 | FAA-ACADEMY | 1314.4' |
| 4019 | HEADQUARTERS | 1322.9' |
| 4020 | AIR NAVIG FAC #2 | 1318.6' |
| 4021 | ARB CAFETERIA | 1293.3' |
| 4023 | LINE SHED 2 | 1284.7' |
| 4024 | BUILDINGS K,L | 1293.9' |
| 4025 | FLIGHT INSPECTION | 1307.6' |
| 4027 | TITLE-BLD | 1289.2' |
| 4028 | AVIATION RECORD BLD | 1337.0' |
| 4029 | CHILLER | 1290.5' |
| 4031 | MULTI PURPOSE BLD | 1332.5' |
| 4032 | CHILLER | 1290.2' |
| 4035 | SIMULATOR | 1294.8' |
| 4036 | SIMULATOR | 1293.9' |
| 4039 | LINE SHED 4 | 1282.0' |
| 4040 | BUDGET CARWASH | 1306.0' |
| 4041 | BUDGET BLD | 1306.8' |
| 4042 | HERTZ OFFICE | 1303.6' |
| 4043 | HERTZ BLD | 1308.9' |
| 4044 | AVIS CAR RENTAL | 1307.5' |
| 4045 | THRIFTY CAR RENTAL | 1307.1' |
| 4049 | AAR HANGAR 1B | 1313.7' |
| 4050 | AAR HANGAR 1A | 1313.0' |
| 4052 | TECHNICAL SUPPORT FACILITY | |
| 4053 | HANGAR 2 | 1316.5' |
| 4054 | HANGAR 3 | 1318.6' |
| 4057 | WEATHER STATION STORAGE | 1289.8' |
| 4060 | AOPA N | 1306.5' |
| 4065 | CHESAPEAKE HANGAR | 1322.5' |
| 4069 | AIR CARGO FACILITY ANNEX. (TBR) | 1306.7' |
| 4074 | GENERATOR BLD | 1303.5' |
| 4075 | GROUND EQUIPMENT FACILITY | 1310.6' |
| 4077 | HANGAR 3A, 3B | 1337.1' |
| 4078 | SECURITY COMMAND CENTER | |
| 4079 | HANGAR | |
| 4080 | FUTURE AIR CARGO FACILITY EXPANSION AREA | |
| | (TBR) TO BE REMOVED | |

## DECLARED DISTANCES

| RUNWAY | 17L/35R | | 17R/35L * | | 13/31 | | 18/36 | | 17R/35L | |
|---|---|---|---|---|---|---|---|---|---|---|
| | EXISTING | FUTURE | EXISTING | FUTURE | EXISTING | FUTURE | EXISTING | FUTURE | INITIAL | FUTURE |
| TAKEOFF DISTANCE AVAILABLE (TORA) | 9,802' | 12,000' | 9,800' | 12,000' | 7,800' | 10,000' | 3,079' | 3,079' | 5,000' | 9,800' |
| TAKEOFF RUN AVAILABLE (TODA) | 9,802' | 12,000' | 9,800' | 12,000' | 7,800' | 10,000' | 3,079' | 3,079' | 5,000' | 9,800' |
| ACCELERATE-STOP DISTANCE AVAILABLE (ASDA) | 9,802' | 12,000' | 9,800' | 12,000' | 7,800' | 10,000' | 3,079' | 3,079' | 5,000' | 9,800' |
| LANDING DISTANCE AVAILABLE (LDA) | 9,802' | 12,000' | 9,800' | 12,000' | 7,800' | 10,000' | 3,079' | 3,079' | 5,000' | 9,800' |

* Runway 17R/35L becomes 17C/35C with Future Runway 17R/35L construction.

## NON-STANDARD CONDITIONS

| ITEM | AIRPLANE DESIGN GROUP | | STANDARD | | NON-STANDARD | | REMARKS | APPROVED |
|---|---|---|---|---|---|---|---|---|
| | EXISTING | FUTURE | EXISTING | FUTURE | EXISTING | FUTURE | | |
| PERIMETER ROAD WITHIN ROFA | | | | | | | | |
| DEPARTURE END OF RW 17R | V | V | 1000' | SAME | - | NONE | PERIMETER ROAD TO BE RELOCATED | |
| SEPARATION BETWEEN T/W H AND RUNWAY 17L/35R (C/L TO C/L) | V (CAT II) | V (CAT II/III) | 500' | SAME | 450' | NONE | T/W TO BE RELOCATED | |
| LINE-OF-SIGHT ALONG 17L/35R | V | V | * | SAME | OBSTRUCTED** | NONE | RESOLVED w/RW RECONSTRUCTION | |

*UNOBSTRUCTED VIEW OF 5' OBJECT 1/2 OF RW LENGTH
**MAXIMUM PENETRATION IS 2.2 FEET

## NOTES

1. THIS DRAWING REFLECTS PLANNING STANDARDS SPECIFIC TO THIS AIRPORT, AND IS NOT A PRODUCT OF DETAILED ENGINEERING DESIGN ANALYSIS. IT IS NOT INTENDED TO BE USED FOR CONSTRUCTION DOCUMENTATION OR NAVIGATION.
2. AERIAL PHOTO BY AERIAL DATA SERVICES, INC., AUGUST 2, 2007.
3. COORDINATE DATA AND ELEVATIONS FROM NOS SURVEY DATED 03/04/92 (NAD83, NGVD27/NAVD88).
4. NO MODIFICATION OF STANDARDS.
5. NO THRESHOLD SITING SURFACE PENETRATIONS.

## APPROVED

NAME DATE

## AIRPORT DATA

| | EXISTING | FUTURE |
|---|---|---|
| LOCATION – COUNTY | OKLAHOMA | SAME |
| TOWNSHIP/RANGE | T11N/R4W | SAME |
| AIRPORT ELEVATION (MRSL) NAVD 88 | 1295.2 | SAME |
| AIRPORT REFERENCE POINT (ARP) NAD 83 | LAT. 35° 23' 35.16" LON. 97° 36' 02.65" | LAT. 35° 23' 27.77" LON. 97° 36' 06.79" |
| AIRPORT REFERENCE CODE | D-V | SAME |
| NPIAS SERVICE LEVEL/ROLE | COMMERCIAL SERVICE | SAME |
| MEAN MAX. TEMPERATURE (HOTTEST MONTH) | 94°F (JULY) | SAME |
| AIRPORT & TERMINAL NAVAIDS | ASR, ILS, VOR, NDB | ASR, ILS, VOR |
| TAXIWAY WIDTHS | 75', 95' | 75', 95', 195' |
| TAXIWAY LIGHTING | MITL | SAME |

## SURVEY MONUMENTS

| ID | TYPE | STAMP | LATITUDE | LONGITUDE | ELEVATION |
|---|---|---|---|---|---|
| | | | NAD83 (2007) | | NAVD88 |
| 1 | PRIMARY AIRPORT CONTROL | OKC C 2001 | 35°23'19.4646" N | 097°35'18.2748" W | 1291.5' |
| 2 | SECONDARY AIRPORT CONTROL | ARP 4 OKC 1971 | 35°23'37.3950" N | 097°35'59.6256" W | 1286.0' |
| 3 | SECONDARY AIRPORT CONTROL | OKC D 2001 | 35°24'16.8020" N | 097°35'15.9769" W | 1281.1' |
| 4 | NATIONAL GEODETIC SURVEY | L 218 1994 | 35°23'32.4632" N | 097°36'24.4110" W | 1274.80' |
| 5 | NATIONAL GEODETIC SURVEY | J 218 1994 | 35°23'29.3931" N | 097°37'24.3126" W | 1281.43' |
| 6 | NATIONAL GEODETIC SURVEY | K 218 1994 | 35°24'18.8890" N | 097°37'06.4452" W | 1273.68' |

SOURCE: NOAA's National Geodetic Survey (NGS), National Spatial Reference System (NSRS) http://www.ngs.noaa.gov/

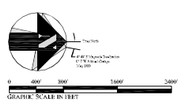
## RUNWAY INFORMATION

| | RUNWAY 17L/35R | | RUNWAY 17R/35L ** | | RUNWAY 13/31 | | | RUNWAY 18/36 | | FUTURE RUNWAY 17R/35L | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | EXISTING | FUTURE | EXISTING | FUTURE | EXISTING | FUTURE | EXISTING | FUTURE | TO | INITIAL | ULTIMATE |
| APPROACH VISIBILITY MINIMUMS | CAT I/CAT II | CAT II/CAT III | CAT I/CAT I | CAT I/CAT I | 1-MILE/VISUAL | CAT I/3/4-MILE | VISUAL/VISUAL | | | VISUAL/VISUAL | CAT I/CAT I |
| FAR PART 77 APPROACH SLOPE | 50:1/50:1 | SAME | 50:1/50:1 | SAME | 34:1/20:1 | 50:1/34:1 | 20:1/20:1 | | | 20:1/20:1 | 20:1/20:1 |
| RUNWAY WIDTH X LENGTH | 150' X 9,802' | 150' x 12,000' | 150' x 9,800' | 150' X 12,000' | 150' x 7,800' | 150' x 10,000' | 75' x 3,079' | | | 150' x 7500' | 150' x 9,500' |
| RUNWAY SHOULDER WIDTH | 35' | SAME | 35' | SAME | NONE | SAME | NONE | BE | | NONE | 35' |
| RUNWAY PAVEMENT TYPE | CONCRETE | SAME | CONCRETE | SAME | ASPHALT | SAME | ASPHALT | | | ASPHALT | SAME |
| PAVEMENT STRENGTH (IN 1000 LBS.) | 505,200/,400DT | SAME | 505,200/,400DT | SAME | 505,200/,400DT | SAME | 505,150/,240DT | | | 505,200/,400DT | SAME |
| RUNWAY LIGHTING | HIRL, CL, TDZL | SAME | HIRL | SAME | MIRL | SAME | MIRL,STR,TACTICAL | CLOSED | | MIRL | HIRL |
| RUNWAY MARKING | PREC | SAME | PREC | SAME | NPI/NPI | PREC/NPI | VISUAL/VISUAL | | | VISUAL/VISUAL | PIR/PIR |
| EFFECTIVE RUNWAY GRADIENT % | 0.2 | SAME | 0.3 | SAME | 0.1 | SAME | 0.1 | | | 0.2 | SAME |
| RUNWAY LINE-OF-SIGHT | CRITERIA NOT MET*** | CRITERIA MET | CRITERIA MET | SAME | CRITERIA MET | SAME | CRITERIA MET | **** | | CRITERIA MET | SAME |
| PERCENT WIND COVERAGE (16kt) | 98.8 | SAME | 98.8 | SAME | 98.3 | SAME | 98.8 | | | 98.8 | SAME |
| VISUAL APPROACH AIDS | MALSR/ALSF-2 | ASLF-2,PAPI/ALSF-2 | MALSR,PAPI/MALSR | SAME | PAPI,REIL5,PAPI,REIL5 | MALSR,PAPI,REIL5 | MALSR,PAPI,REIL5 | | | PAPI/PAPI | MALSR,PAPI/MALSR,PAPI |
| INSTRUMENT APPROACH AIDS | ASR,ILS/VOR,NDB | ILS,ASR,GPS(LPV) | ASR,ILS/MXR | ILS,ASR,GPS(LPV) | NONE | ASR,GPS(LPV) | NONE | | | GPS | ASR,GPS |
| AIRPORT REFERENCE CODE | D-V | SAME | D-V | SAME | D-V | SAME | B-II | | | C-IV | D-V |
| DESIGN AIRCRAFT | B-747 | SAME | B-747 | SAME | B-747 | SAME | | | | C-130 | B-747 |
| RUNWAY SAFETY AREA (RSA) WIDTH | 500' | SAME | 500' | SAME | 500' | SAME | 150' | | | 500' | SAME |
| RSA LENGTH BEYOND STOP END | 1000'/1000' | SAME | 1000'/1000' | SAME | 1000'/1000' | SAME | 300'/300' | | | 1000'/1000' | SAME |
| RUNWAY OBJECT FREE AREA (ROFA) WIDTH | 800' | SAME | 800' | SAME | 800' | SAME | 500' | | | 800' | SAME |
| ROFA LENGTH BEYOND STOP END | 1000'/1000' | SAME | 1000'/1000' | SAME | 700'/1000' | 1000'/1000' | 300'/300' | | | 1000'/1000' | SAME |
| RUNWAY OBSTACLE FREE ZONE (ROFZ) WIDTH * | 400' | SAME | 400' | SAME | 400' | SAME | 400' | | | 400' | SAME |
| ROFZ LENGTH BEYOND STOP END * | 200'/200' | SAME | 200'/200' | SAME | 200'/200' | SAME | 200'/200' | | | 200'/200' | SAME |
| RUNWAY CENTERLINE TO TAXIWAY HOLD LINE | 293' | SAME | 293' | SAME | 250' | SAME | 200' | | | 200' | 293' |
| RUNWAY TOUCHDOWN ZONE ELEVATION | 1286.9'/1294.0' | SAME | 1286.9'/1285.6' | 1282.2'/1276.7' | 1282.2'/1268.0' | 1279.2'/1286.3' | 1280.0'/1286.3' | 1276.7'/1276.3' | | 1266.7'/1257.9' | 1266.7'/1254.0' |

* No ROFZ object penetrations
** To be corrected with future runway reconstruction project.
*** To be closed when T/W B is relocated.
**** Runway 17R/35L becomes 17C/35C with Future Runway 17R/35L construction.

## DRAWING LEGEND

| | EXISTING | FUTURE |
|---|---|---|
| AIRPORT PROPERTY LINE | | |
| AIRPORT SECURITY FENCE | | |
| BUILDINGS | | |
| AIRFIELD PAVEMENT | | |
| PAVED ROADS | | |
| RUNWAY PROTECTION ZONE | | |
| RPZ EASEMENT | | |
| BUILDING RESTRICTION LINE | | BRL |
| RUNWAY SAFETY AREA | RSA | RSA (1) |
| RUNWAY OBJECT FREE AREA | ROFA | ROFA (1) |
| RUNWAY OBSTACLE FREE ZONE | | |
| AIRPORT BEACON | | |
| LIGHTED WIND CONE | | |
| HOLDLINES | | |
| PRECISION APPROACH PATH INDICATOR (PAPI) | | |
| RUNWAY END IDENTIFIER LIGHTS (REILS) | | |
| SURVEY MONUMENTS | | |
| AIRPORT REFERENCE POINT | | |
| VISUAL APPROACH SLOPE INDICATOR (VASI) | | |
| PRECISION OBSTACLE FREE ZONE | | |




## REVISIONS

| | DATE |
|---|---|
| | |

# Will Rogers World Airport

Oklahoma City, Oklahoma

# Future Airport Layout Plan


Barnard Dunkelberg & Company

TULSA
1616 East 15th Street
Tulsa, Oklahoma 74120
918.585.8844

DENVER
1743 Wazee Street, Suite 400
Denver, Colorado 80202
303.825.8844


DATE
September 2009

SCALE
AS NOTED

SHEET NO.
3 of 29

# ATTACHMENT D – GENERAL AVIATION MARKET RENTS STUDY

**Attachment D**

# MARKET RENTS STUDY FOR GENERAL AVIATION LEASES

This section provides a comparison of improved and unimproved general aviation lease arrangements between Will Rogers World Airport (the Airport) and other selected comparable airports, such that guidance can be provided to Airport management as to appropriate rates and charges levels for general aviation facilities leases at the Airport. The leases are principally for fixed base operators (FBO) and may also include hangar developments and other general aviation facilities. General aviation lease rates vary at airports for a number of different reasons, including, but not limited to, demand for general aviation services at the Airport, the regional economy and population, number of based aircraft and Airport rate-setting policy.

The selection of appropriate comparable general aviation airports is intended to understand the differences between FBO improved lease rates and terms, and the reasons for those differences. At certain airports, there are no recent improved general aviation leases; however where related lease data are available, we have included that information in this report.

## COMPARABLE AIRPORTS

We have selected the following airports for the purposes of examining improved lease terms for their most recent and relevant FBO agreement:

1. Will Rogers World Airport, Oklahoma City, Oklahoma
2. Wiley Post Airport, Oklahoma City, Oklahoma
3. Albuquerque International Sunport, New Mexico
4. Colorado Springs Airport, Colorado
5. Dallas Love Field Airport, Texas
6. El Paso International Airport, Texas
7. Kansas City International Airport, Missouri
8. Little Rock National Airport, Arkansas
9. Dane County Regional Airport, Madison, Wisconsin
10. Memphis International Airport, Tennessee
11. Eppley Airfield, Omaha, Nebraska
12. Phoenix Sky Harbor International Airport, Arizona

13. Salt Lake City International Airport, Utah
14. San Antonio International Airport, Texas
15. Tucson International Airport, Arizona
16. Tulsa International Airport, Oklahoma
17. Wichita Mid-Continent Airport, Kansas

### Key Airport Characteristics

The following sections summarize key comparative information, including airport characteristics, and information on the different types of FBO lease and other land lease information. Table 1 summarizes key airport characteristics, including airfield characteristics and activity levels. The airports surveyed were selected because they shared some of following qualities with the Airport:

- Regional location, focusing on the western and midwestern United States
- Metropolitan area size, a useful indicator of economic activity
- Similar airport type, consisting principally of air carrier airports with general aviation activity
- Other factors, including general consideration as to similarity of the overall general aviation market

Table 1

**SELECTED COMPARATIVE AIRPORTS**

Comparative General Aviation Lease Rate Study

| | Airport | Code | Metropolitan area | State | Based fixed-wing aircraft | | Annual general aviation operations | Number of privately-run FBOs | MSA population | Miles from city |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Jets | Total | | | | |
| 1 | Will Rogers World | OKC | Oklahoma City | OK | 21 | 54 | 18,082 | 1 | 1,206,142 | 6 |
| 2 | Wiley Post | PWA | Oklahoma City | OK | 45 | 460 | 51,629 | 2 | 1,206,142 | 7 |
| 3 | Albuquerque International | ABQ | Albuquerque | NM | 42 | 330 | 39,612 | 2 | 845,913 | 3 |
| 4 | Colorado Springs | COS | Colorado Springs | CO | 35 | 296 | 35,709 | 2 | 617,714 | 6 |
| 5 | Dallas Love Field | DAL | Dallas | TX | 586 | 637 | 78,649 | 6 | 6,300,006 | 5 |
| 6 | El Paso International | ELP | El Paso | TX | 24 | 295 | 26,272 | 2 | 742,062 | 4 |
| 7 | Kansas City International | MCI | Kansas City | KS | 0 | 0 | 55,781 | 1 | 2,002,047 | 15 |
| 8 | Little Rock National | LIT | Little Rock | AR | 34 | 154 | 49,699 | 2 | 675,069 | 2 |
| 9 | Dane County Regional | MSN | Madison | WI | 20 | 250 | 36,460 | 1 | 561,505 | 5 |
| 10 | Memphis International | MEM | Memphis | TN | 34 | 85 | 25,288 | 2 | 1,285,732 | 3 |
| 11 | Eppley Airfield | OMA | Omaha | NE | 45 | 141 | 28,243 | 2 | 837,925 | 3 |
| 12 | Phoenix Sky Harbor International | PHX | Phoenix | AZ | 28 | 117 | 30,913 | 2 | 4,281,899 | 3 |
| 13 | Salt Lake City International | SLC | Salt Lake City | UT | 49 | 415 | 60,027 | 2 | 1,115,692 | 3 |
| 14 | San Antonio International | SAT | San Antonio | TX | 78 | 263 | 87,783 | 4 | 2,031,445 | 7 |
| 15 | Tucson International | TUS | Tucson | AZ | 83 | 405 | 68,192 | 6 | 1,012,018 | 6 |
| 16 | Tulsa International | TUL | Tulsa | OK | 52 | 167 | 30,614 | 5 | 916,079 | 5 |
| 17 | Wichita Mid-Continent | ICT | Wichita | KS | 69 | 221 | 67,935 | 3 | 603,716 | 5 |

Sources: Based fixed-wing aircraft and annual general aviation operations: FAA Terminal Area Forecast for year 2008, accessed April 2009.
Number of FBOs and miles from city: Airnav.com, accessed April, 2009.
Metropolitan statistical area (MSA) population: U.S. Census Bureau 2008 estimate.

## Lease Comparison

The lease comparison is summarized in Table 2, and accounts for the different factors that affect aeronautical demand for general aviation at various airports, which affects the level at which lease rates could be set. It was assumed that rates would be higher in a high-demand environment, unless mitigated by site constraints or policy decisions to accommodate an FBO at lower rates. The following factors were accounted for in the development of Table 2 and are discussed in the following pages:

- Unimproved ground rental rate
- If applicable, any improved rental rates on the site or other fees
- Lease start date, term and escalation clauses
- Airport policy objectives (e.g., revenue maximization or encouraging FBO development)
- Methodology for establishing the rate, such as appraisal or market comparison

**1. Will Rogers World Airport**

Will Rogers World Airport leases improved land to AAR Aircraft Services Oklahoma, Inc., which operates the sole on-Airport FBO, as well as providing aircraft maintenance, repair and overhaul (MRO) services. In the current lease, the Airport charges a ground rental rate of $0.08 per square foot (psf) plus a ramp maintenance fee of $0.06 p.s.f. for the ramp area. Hangar space is leased at a rate of $3.61 p.s.f., which consists of (1) a hangar rent based on 4.0% of the appraised hangar value and (2) a building maintenance rent. A fuel flowage fee of $0.08 per gallon is also charged.

The lease was signed in 1995 and a new draft lease is being developed in 2009, with a ground rental rate of $0.10 per square foot (psf), a ramp maintenance fee of $0.08 psf for the ramp area, and a parking lot maintenance fee of $0.26 psf for the parking area. In the draft lease, hangar space is leased at a rate of $3.64 psf; however this is below a recent appraised hangar rental rate of $5.14 p.s.f. The draft lease has a 20-year term with no extensions specified and includes the following rate escalation clauses:

- Ground rent, ramp maintenance is to be escalated at $0.01 p.s.f. starting in January 2011 and every three years thereafter.

Table 2
**RATES AND CHARGES SUMMARY**
Selected Comparative Airports
May 2009

| | Airport | Unimproved lease rate (per sq. ft. per year) | Improved lease rate (per sq. ft. per year) | | Fuel flowage fee | Percentage of gross revenues |
|---|---|---|---|---|---|---|
| | | | Building | Land | | |
| 1 | Will Rogers World (a) | $0.10 | $3.64 | $0.18 | $0.08 | -- |
| 2 | Wiley Post | 0.10 | 0.85 | 0.19 | 0.08 | -- |
| 3 | Albuquerque International | 0.09 | -- | -- | 0.05 | 5.0% (b) |
| 4 | Colorado Springs | 0.12-0.15 | (c) | (c) | 0.06 | -- |
| 5 | Dallas Love Field | 0.32 | 2.24 | 0.46 | 0.07 | -- |
| 6 | El Paso International | 0.20 (d) | 3.81-8.03 | (d) | 0.08 | 15.0% (e) |
| 7 | Kansas City International | 0.20 (single blended rate for all sites) | | | 0.08 | -- |
| 8 | Little Rock National | 0.05-0.10 | 1.00 | -- | 0.07 | 1.0 |
| 9 | Dane County Regional | 0.65 | -- | -- | 0.08 | 2.0 |
| 10 | Memphis International | 0.19 | 2.31-3.69 | 0.20-0.31 | 0.06 | -- |
| 11 | Eppley Airfield | 0.39 | 2.48 (improved blended rate) | | 0.07 | -- |
| 12 | Phoenix Sky Harbor International | 0.34 (f) | 6.75 (g) | -- | 0.09 | 2.0 (f) |
| 13 | Salt Lake City International | 0.20-0.25 | 5.0% of gross revenues | | 0.06 | 5.0 |
| 14 | San Antonio International | 0.24-0.35 | 8.00 | 0.20 | 0.08 | -- |
| 15 | Tucson International | 0.30 | -- | -- | 0.10 | -- |
| 16 | Tulsa International | 0.26 | 3.81-8.03 | -- | 0.10 | -- |
| 17 | Wichita Mid-Continent | 0.30 | (c) | (c) | 0.12 | -- |

Sources: Stated airports.

Notes:
a. Per draft lease unsigned as of May 2009.
b. Into-plane fuel services sales at one FBO only.
c. Based on value of capital improvement.
d. Based on 8.0% of market value of land or improvement.
e. Ramp revenues only.
f. Lease rate revenue is also set as a minimum annual guarantee. Gross revenue percentage fees are only charged when higher than lease rate revenues.
g. Hangar rate for Phoenix Deer Valley Airport, which is also operated by the City of Phoenix Aviation Department.

- Building rent is to be escalated at 2.0% annually through 2019 and then reassessed every five years based on 4.0% of appraised building value, with 2.0% annual escalation until each 5-yearly reassessment.

- Building maintenance rent is to be escalated at 2.0% annually through 2019 and then reassessed every five years based on 2.0% of appraised building value.

- Ramp and parking lot maintenance rental to be revised from time to time per Minimum Standards.

**2. Wiley Post Airport**

Wiley Post Airport leases improved land to the ServiCenter FBO. The Airport charges a ground rental rate of $0.10 p.s.f., a $0.09 p.s.f. ramp maintenance fee, a $0.85 p.s.f. building rental and building maintenance rental fee, and a fuel flowage fee of $0.06 per gallon. The lease was signed in 2007 and has a 10-year term with the option by mutual agreement to renew for two further five-year terms. The building rental and building maintenance rental rates are escalated 2.0% annually and the fuel flowage fee may be re-established by Airport management.

**3. Albuquerque International Sunport**

Albuquerque International Sunport leases unimproved space to the Atlantic Aviation and Cutter Aviation FBOs. The Airport charges an unimproved ground rental rate of $0.085 p.s.f. and a fuel flowage fee of $0.08 per gallon. The leases were signed in 1984 and 1980, respectively, with 25-year durations, and are due to be renegotiated in 2009. Airport management believe that the lease rates are below current market levels and intend to increase the unimproved lease rate to market levels, which in their view would be a rate higher than $0.20 p.s.f., plus a fuel flowage fee of about $0.09 per gallon and a capital expenditure requirement.

**4. Colorado Springs Airport**

Colorado Springs Airport leases unimproved space to its FBOs at a rate of between $0.12 - $0.15 p.s.f., and charges a fuel flowage fee of $0.06 per gallon. The Airport bases improved ground rental rates on the value of the tenant's capital improvements, in addition to the underlying unimproved lease rate. FBO lease terms are usually about 20 years, dependent on the level of capital investment. Escalation is usually done every 5 years based on the CPI for that period. The Airport believes that the rates are consistent with the market, based on recent appraisals but accounting for Airport policy of charging lower rates to encourage FBO development.

**5. Dallas Love Field Airport**

Dallas Love Field Airport leases unimproved non-terminal space (which includes FBOs and general aviation hangars) at a rate of $0.32 p.s.f., and charges a fuel flowage fee of $0.07 per gallon. Improved land is leased at $0.46 p.s.f. and hangars lease at $2.24 p.s.f. The Dallas Aviation System takes a market-based rate-setting approach and aims to ensure that revenues cover costs and permit establishment of reserve funds. In May 2008, the Dallas Aviation System conducted appraisals that suggested unimproved and improved land ground rental rates should be increased to $0.40 psf and $0.65 p.s.f., respectively, and hangar leases increased to $3.50 psf.

**6. El Paso International Airport**

El Paso International Airport principally leases unimproved land, basing its lease rates on an 8% rate of return of appraised land value. The most recent unimproved lease (2003) has a ground rental rate of $0.20 p.s.f., 15% of ramp revenues, and charges a fuel flowage fee of $0.08 per gallon. Airport management indicated that any new unimproved leases would have a ground rental rate of as much as $0.44 psf. Ground rental rate escalations are based on appraisals occurring every five years, with increases capped at no more than 20%. The most recent lease duration is 30 years plus up to two five-year extensions.

**7. Kansas City International Airport**

Kansas City International Airport has adopted a single $0.20 p.s.f. "blended" ground rental rate for both unimproved and improved land, and charges a fuel flowage fee of $0.08 per gallon. Leases are escalated annually based on CPI capped at up to 3.0% annually. The most recent FBO lease was signed in January 2006 with a 30-year term and no extensions intended.

**8. Little Rock National Airport**

Little Rock National Airport leases unimproved land at rates that range between $0.05 and $0.10 p.s.f., in addition to charging 1.0% of gross revenues (on all business transactions except fuel and aircraft sales) and a fuel flowage fee of $0.07 per gallon. The tenant pays the greater of the current ground rent or the fuel flowage fee. Hangars are leased at $1.00 psf. Lease rates are escalated at 50% of CPI every two years .The most recent lease was signed in 2004 with an 18-year duration for which an extension is negotiable.

**9. Dane County Regional Airport, Madison**

Dane County Regional Airport leases unimproved land at a rate of $0.65 p.s.f. (which includes provision of sewage facilities), in addition to charging 2.0% of gross revenues (which also have a Minimum Annual Guarantee (MAG) established) and a fuel flowage fee of $0.08 per gallon. Some leases are escalated at CPI or periodically re-appraised. Two leases were recently signed with a 10-year duration.

**10. Memphis International Airport**

Memphis International Airport leases unimproved space at a rate of $0.19 p.s.f., and charges a fuel flowage fee of $0.06 per gallon. Improved land leases at between $0.20 and $0.31 p.s.f. and hangars lease at $2.31 psf.

**11. Eppley Airfield, Omaha**

Eppley Airfield leases unimproved space at a rate of $0.39 p.s.f., and charges a fuel flowage fee of $0.07 per gallon. Improved land (apron, hangar and buildings) leases at an average rate of $2.48 psf. The current FBO lease has a 20-year term and lease rates are escalated using CPI (about 3% on average).

**12. Phoenix Sky Harbor International Airport**

Phoenix Sky Harbor International Airport leases unimproved land to the Cutter Aviation and Swift Aviation Group FBOs, with the most recent lease (Swift Aviation) at a ground rental rate of $0.34 p.s.f. plus a fuel flowage fee of $0.09 per gallon. 2.0% of total revenues are also paid above and beyond the ground rental rate payment, which also acts as a MAG. The original ground rental rate at the time of lease initiation in 2003 was $0.23 p.s.f. and was escalated to the current level after four years. No other escalations are intended, however it is expected that revenues would increase as a result of increased percentage of gross revenue fees. The lease term is 25 years. At other airports operated by the City of Phoenix Aviation Department, improved hangar rental rates are up to $6.75 psf.

**13. Salt Lake City International Airport**

Salt Lake City International Airport leases unimproved space at a rate of between $0.20 - $0.25 p.s.f., and charges a fuel flowage fee of $0.06 per gallon. Improved land and building areas are charged 5% of gross revenues, with a MAG established. Lease durations range between 10 and 30 years with rate escalations every five years by a range of approaches agreed upon with the lessee.

**14. San Antonio International Airport**

San Antonio International Airport leases unimproved space at a rate of between $0.24 - $0.35 p.s.f., and charges a fuel flowage fee of $0.075 per gallon. Improved land leases at $0.20 psf and hangars lease at $8.00 psf. A significant number of leases were renewed in 2008 and lease durations are usually 5-10 years with rate escalations every five years by the producer price index (PPI).

**15. Tucson International Airport**

Tucson International Airport leases unimproved space at a rate of $0.30 p.s.f. and charges a fuel flowage fee of $0.10 per gallon. Airport management indicated that any new unimproved leases would have a higher ground rental rate of about $0.40

psf. The lease was signed in 2000 with duration of 30 years plus up to three five-year extensions. The ground rental rate is escalated at CPI.

**16. Tulsa International Airport**

Tulsa International Airport leases unimproved land at a ground rental rate of $0.26 p.s.f. and charges a fuel flowage fee of $0.10 per gallon. The ground rental rate is escalated at IDPI. The lease was signed in 2001 with duration of 20 years plus a five-year extension. A recent appraisal indicated that the various hangars at the airport could be leased at between $3.81 - $8.03 psf.

**17. Wichita International Airport**

Wichita International Airport leases unimproved space at a rate of $0.30 p.s.f. and charges a fuel flowage fee of $0.12 per gallon. Building and hangar rates are usually set by appraisal. The Airport escalates its FBO lease rates by 10% every five years. Lease terms are usually between 25 and 40 years to give lessees sufficient time to recoup investments.

## Conclusions

Of the 17 airports surveyed, all but Kansas City had unimproved leases or ground rents. Unimproved ground rental rates principally ranged from $0.10 p.s.f. to $0.39 psf and the median was $0.22 psf. It should be noted that the definitions of unimproved land may vary by airport, from land that is graded with road access and utilities provided; to land that may have some minor improvements such as ramp development. Improved ground rental rates ranged from $0.19 psf to $0.46 psf., with improved ground generally being apron and other parking areas. Hangar rental rates principally ranged from $1.00 psf to $8.00 psf, with the age and quality of facilities being a material factor affecting ground rental rates.

Points of note include:

- Certain airports – such as Dallas Love Field and San Antonio International airports – were able to charge above average rates owing to the nature of their market. In general, it is recommended that Airport management set rates dependent upon underlying demand; airports located in larger metropolitan areas or leisure destinations are attractive to corporate aviation activity, for example.

- Certain airports indicated that they had rates in place that were below what they assessed as the current market level. For example, El Paso and Tucson International airports have unimproved ground rental rates of $0.20 and $0.30, respectively, and expect that rates for new leases would increase to $0.44 and $0.40, respectively.

Given the relatively limited sample of improved ground rental rates, other relevant data were collected:

- Recent analysis of improved hangar ground rental rates at airports surrounding the Dallas/Fort Worth area indicated a range of rates of between about $0.12 and $0.80 psf for improved land area (i.e. surrounding ramp, parking, landscaping and ancillary area). Hangar building rates ranged between about $1.55 and $6.00 psf dependent on the size of hangar and at the high end included rates charged direct to aircraft operators as opposed to a single lease for the entire facility

- The most recent AAAE Rates & Charges Survey (2004) based on 53 airport respondents nationwide, showed improved land lease rates as below.

| | Improved rate per square foot |
|---|---|
| High | $1.15 |
| Average | $0.21 |
| Low | $0.03 |

All airports surveyed (17) charged fuel flowage fees, usually charged in combination with a ground lease. The fuel flowage fees principally ranged between $0.05 and $0.12 per gallon and had a median fee of $0.08 per gallon. No airports charged a percentage fee of total cost of fuel. This approach is uncommon in the FBO industry and has the effect of increasing Airport fuel revenues as fuel costs increase, in addition to increasing revenues according to the number of gallons sold. The more common fixed fuel flowage fee allows the airport to benefit from sales volume

increases while providing a predictable per-gallon cost level to the FBO. A per gallon fixed fee is much simpler to report and audit, requiring only gallons pumped data, as opposed to a percentage of fuel cost approach which also requires the FBO to report its average fuel cost for specific periods (e.g. monthly).

A minority (6) of the airports surveyed also charged a percentage of total gross or other FBO revenues, principally ranging between 1.0% and 5.0%. Of these, Albuquerque International Sunport charged 5.0% of into-plane fueling services revenue. El Paso International Airport charged 15% of ramp fees and Phoenix Sky Harbor International Airport charged only that amount of a 2.0% percentage of total revenues that is above and beyond its ground rental revenues.

Based on the range of rate indicators shown above, the following range of rates is considered reasonable, as summarized in Table 3:

- An unimproved ground rental rate of about $0.25 psf, slightly higher than the median of the unimproved lease rates shown in Table 2.
- An improved ground rental rate (i.e. surrounding ramp, parking, landscaping and ancillary area) of about $0.40 per square foot
- Building space ground rental rate of about $6.00 per square foot for hangar space (inclusive of office and support spaces)
- Fuel flowage fee of $0.10

Table 3

**SUMMARY OF RECOMMENDED KEY LEASE TERMS**

Will Rogers World Airport

| Lease element | Recommend range | Survey comparison |
|---|---|---|
| Unimproved rate | $0.25 / sq. ft. | Range: $0.085 – 0.49 |
| Improved rate | $0.40 / sq. ft. | Range: $0.20 – 0.46 |
| Building rate | $6.00 / sq. ft. | Range: $1.00 – 8.00 |
| Fuel flowage fee | $0.10 | Range: $0.05 – 0.12 |
| Percent of gross | 5%-15% for certain fees | 20% - 50% for certain fees |

Source: Jacobs Consultancy, May 2009.

**Other Issues**

Based on the benchmarking survey and industry standard rates and charges data in this report, Airport management have flexibility to negotiate FBO lease rates; a

significant factor in this negotiation will be Airport management's overall goals and objectives at specific periods in the future, which could fall into the following categories:

- **Maximize revenue –** charge whatever the market will bear, influenced by the current demand outlook. Certain airports surveyed took this approach. For example, Morristown Airport in New Jersey has very strong corporate demand and their approach is to set their lease rates at the highest comparative level. If the Airport wants to cater to the corporate market, they could set higher rates and charges in the expectation that light general aviation traffic would use other regional airports such as University of Oklahoma and Wiley Post airports. Federal Aviation Administration grant assurances also encourage airports to achieve break-even budgets.

- **Maximize traffic –** use the low to median level of the rates and charges range. This approach is particularly appropriate if the Airport is able to attract corporate jet activity and benefit from fuel flowage fees.

- **Pure market comparison –** uses the median of the regional range and use an escalation clause.

- **Balance of charges –** the Airport could lower certain fees and raise others to maximize revenues while supporting FBO growth. If the FBO is considered to have strong revenue growth potential, the airport could lower the land lease rate and maximize activity-based revenues (e.g. higher fuel flowage fees, or use of a percent of gross fees). Additionally, if an FBO has a diversified range of businesses, such as maintenance, completions, charter, in addition to fuel sales, a total gross revenue approach rather than a traditional land lease plus fuel flowage approach provides a revenue source for the Airport that would grow with FBO activity.

Additional approaches that may be considered for specific FBO lease rate negotiations would be to obtain an appraisal for a specific FBO; this could be used as an additional data point to the comparative rate approach covered in this report. Additional points are:

- In general, we recommend that leases have a maximum term of 20 years – certainly no more than 30, even with reversion clauses.

- Whichever system is employed (e.g. percent of retail price, or fixed price per gallon), the Airport should maintain as much flexibility as possible to raise and lower fees and retain the right to adjust rates based on market conditions.

- In negotiating with the FBO, the airport needs to look at their total financial picture and set clear financial goals, and also decide what

portion of their revenue needs to come from the land lease or other sources.

# ATTACHMENT E – AIR CARGO STUDY

# ATTACHMENT E

# AIR CARGO FACILITY DEVELOPMENT/RENTS STUDY

## Industry Background

The airport business is especially challenging in these economic conditions. Passenger airlines resist price increases for their needed facilities, and often they are unable to pay the operating rates and charges needed to cover airport infrastructure upkeep and expansion costs. Airport authorities are increasingly seeking new sources of revenue and air cargo has become a common target. More airports are seeking experienced third-party developers and investors to develop underutilized land or infrastructure, as well as to renovate existing air cargo facilities.

While this is a savvy strategy and the initial prospects might provoke optimism, a successful air cargo facility investment over the long term is hard to achieve. Success depends upon a number of design, operational, financial and marketplace issues, plus the ongoing commitment of the airport. The current market condition complicates the near- and mid-term planning horizon. The downward pressure on air cargo services and facility construction has never been stronger in North America. Increasing fuel prices, security policies, costly operating and design regulations, fleet modernization, trade imbalances, and capital market seizures are but a few of the drivers making things difficult.

Air cargo thrives on efficiency. And without new investment in infrastructure, the industry can't meet the challenge of reducing costs and improving service levels. Air cargo facilities have served as a critical intermodal link in the global supply chain for high value and expedited products. This flow of goods has traditionally moved in readily identifiable paths that have been difficult to dislodge or relocate. In response, shippers, forwarders, airlines, developers and airports have made enormous investments.

## Air Cargo Facilities – Land and Infrastructure Development

Cargo facilities were originally designed based on the predominant type of air cargo service occurring at the major airports—belly freight on passenger aircraft. As a result, air cargo facilities were placed within or close proximity to passenger terminals without considering that substantial growth in air cargo facility expansion may be necessary in the future. Most facilities were not planned in a comprehensive manner to support air cargo as a primary activity; rather, they were planned and constructed within the pretext that air cargo operations occurred adjunct to air passenger service.



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Rapid expansion throughout the air cargo industry, coupled with the emerging importance of all-cargo carriers, such as FedEx and UPS, prompted the need to rethink air cargo facilities planning and make specific accommodations for consolidated air cargo facilities in airport layout plans (ALPs). The emergence of the importance of air cargo as a substantial revenue generating activity of carriers spawned the need to strategically plan air cargo facilities at major airports. In short, the strategic planning and development of air cargo infrastructure became an economic development necessity for major airports seeking to maintain their competitiveness, if not expand their prominence and desirability. To do otherwise could result in missed opportunities to retain market share among major commercial airports.

**On-Airport (Airside and Non-Airside) vs. Off-Airport Facilities**

In deciding where to locate their facilities, freight operators inevitably must weigh the benefit of airfield proximity against the usual rent premium attached to that proximity/access—assuming that on-airport space is even available. For clarity, on-airport property may either be airside (contiguous access to the aircraft ramp) or non-airside (lacking contiguous ramp access but still on airport property).

Airside facilities are most efficient for integrated operators (UPS and FedEx) and all-cargo airlines that may need quick handling of cargo next to their aircraft parking positions. While paying relatively more expensive rent, these operators seek to either gain value (in time) or reduce total operating costs by performing more functions at their on-airport site than would be possible elsewhere. Often, integrators will lease enough space on-airport to handle the most time-sensitive freight (a higher-revenue service) while locating other facilities off-airport for deferred freight handling.

In certain situations, freight operators may also seize opportunities to locate on airport property near—but not contiguous to—the aircraft parking ramp. Non-airside property is typically less expensive and may be more suitable for freight companies—such as freight forwarders—that consistently utilize aircraft space from multiple carriers but operate none or little of their own.

A third option—usually cheaper and more flexible—is locating off-airport. These facilities are often near the airport but forwarders have been moving further from the airports due to a combination of space unavailability, escalating rents, and industrial gentrification—community restrictions on construction of new freight buildings. Off-airport facilities bear their own costs—additional handling to prepare and transport freight from the airport to the warehouse. In addition, gateway operations—plane-to-plane transfers—are especially vulnerable when delays occur. However, off-airport sites offer rent savings, as well as frequently the ability to



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develop larger, more flexible facilities than would be practical on expensive airport property.

## Development Strategies for Cargo Facilities

Airport operators can accomplish development of on-airport facilities through one of three alternatives. Some airports have traditionally favored first-party development in which the operator constructs and manages the facilities themselves. Alternatively, the tenant may be allowed to develop their own facilities, typically leasing the land from the airport while owning the improvement for a sufficient period (often 25 to 30 years) to capitalize their investment. An example of this second-party development is the UPS national hub at Louisville. In third-party development, the operator would allow a private real estate company to develop the property, leasing the land from the airport and owning the improvement much like the second-party example. Various hybrids exist but these three alternatives provide the primary strategies. Each alternative has its strengths and weaknesses.

### First-Party Development

Many airport operators prefer the control offered by developing and managing the facilities themselves as in first-party development. Given the adequate investment resources and natural ease of attracting cargo tenants to major gateways, this strategy has been appropriate for larger cargo airports like Los Angeles International Airport but perhaps less so at Oklahoma City.

### Second-Party Development

For large tenants—such as UPS and FedEx—that can financially support their own construction and must develop stand-alone facilities of a relatively larger scale, second-party development may be more appropriate. Los Angeles International Airport is a gateway/hub for a number of freight carriers that can support such ambitious construction. For smaller operators, leasing a portion of a multi-tenant facility may be more appropriate. In some cases, second-party development may evolve into something less defined. With attention to long-term expansion needs, tenant/operators may occasionally build larger facilities than they immediately require and seek to sub-lease a portion of their facilities to other operators. In such a situation, the operator must make a policy decision (if the property lease has not already addressed the subject satisfactorily) because the second-party tenant is possibly attempting to lease this space in competition with other multi-tenant properties on-airport—possibly owned by the airport or a third-party developer.



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### Third-Party Development

Relatively rare 10 years ago, third-party development has gained favor as a means of bringing outside investment to airports, as well as providing private sector marketing prowess. With airport revenue struggling, many airport operators are much more amenable to the idea of using other investors to pay for new construction; however, given the current economic conditions, very little immediate need is obvious.

Another obvious appeal of third-party development is that airport operators have not always been as effective at the marketing of properties as their private sector counterparts. Given that larger third-party developers typically operate facilities in many cities, these operators are also presumed to have more access and existing relationships with expansion prospects than would the average airport properties division. At Los Angeles International Airport for example, such marketing assistance would probably not be as critical because the airport's superior gateway status suffices to render proactive marketing and awareness-building irrelevant. At other airports, like Oklahoma City, the relationships with international cargo carriers and freight forwarders may not already exist—third party developers can make material difference in business development.

For airport operators considering third-party development, Kansas City provides successful examples of several different approaches—single-tenant/multi-tenant and new construction/renovation. Kansas City also provides examples of the benefits of maintaining competition between private third-party developers (currently three different developers for a total of four terminals) while keeping the Aviation Department from competing against its own lease-holders by excluding itself from first-party development.

An alternative to third-party development that retains the marketing benefits is the use of private real estate companies under a management contract. By this arrangement, the airport operator would construct/renovate the cargo facilities and retain ownership of both the land (required by the FAA) and the building but would utilize a private company to market the property—either for a fixed fee or for a share of the new rents generated.

## Calculating Rents for Cargo Facilities

In the past, airlines typically undertook development of a cargo facility under a long-term ground use agreement with the airport as part of a larger mandate for facilities. Today, development lead times have expanded to include the myriad concerns of not only users and airports, but also consultants, regulators and capital markets. Such delays have added to the cost and risk of the facilities.



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This is even more important now that airlines are changing their approach to facility procurement from long-term fixed investment considerations to variable cost parameters. They have outsourced primary services such as ground handling and warehouse handling at the majority of stations.

Most airlines now prefer to have real estate assets off their balance sheet and want greater flexibility in facility lease terms. They're prepared to sacrifice some design criteria in exchange for reductions in rent and term in their space leases.

Debt markets have grown less accommodating over virtually every asset and business class and aviation has been near the bottom. As availability of balance sheets from strong lenders becomes scarcer, the cost of available capital becomes more expensive. The tax-exempt municipal bond market, the primary source of capital for the construction of air cargo facilities in the United States, is now almost unavailable. As Wall Street struggles with the impact of the sub-prime loan crisis, air cargo debt rates have jumped over 50 percent.

In recent years, this key operative document has become less considerate of the economic risk taken on by the ground lessee. In addition to the payment of base rent, ground lease charges have often expanded to include participation rent, subleasing fees, financing fees, transfer fees and other indirect charges. Base rent increases are often based on local market comparables not related to air cargo facilities, but rather to surrounding industrial land values.

## Conclusion

The inclusion of 3rd party developers for on-airport facility development will likely be a strategic approach as airport operators deal with the fiscal challenges of the current economic climate. When dealing with these strategic partners, the recommended approach is to establish the base rents through the utilization of fair market value appraisal considering FAA regulations, and with the understanding that consideration be given for the premium of airfield and other exclusive infrastructure access.



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## Examples of Cargo Facility Development Agreements

**1. X Development Program and Permitted Uses**
**1. X.1 Development Program**
The Replacement Cargo Facility (the "Cargo Facility") will establish the design, development, and operation standards for future cargo facilities; therefore, the Proposer should refer to *Section 1.5.1 –Building/Urban Design Guidelines* for a more detailed description of setback requirements and building design guidelines. The Facility shall accommodate, at a minimum, the following program and operational elements that the Authority deems essential. The Proposer is not limited by this list and is encouraged to identify and plan for additional elements as appropriate. The Authority shall accept proposals that include concept plans for:

(1) **Cargo Facility:** a state-of-the-industry Cargo Facility with a foot print of approximately 44,000 SF that includes:
- **Warehouse space:** suitable for the efficient handling and "throughput" transfer of air cargo to trucks for transport to an off-airport sorting and processing site;
- **Retail space:** a suitable space of approximately 3,000 SF for UPS's customer service and retail center; and,
- **Mezzanine/Office space:** Approximately 10% of the Cargo Facility square footage is anticipated as (mezzanine) office space including restroom and locker rooms for staff. The Proposer may consider adding another level to the Cargo Facility if a feasible use can be demonstrated.
- **GSE Bay(s):** The Facility also may include an appropriately designed GSE area if GSE activity is a desired activity within the development. GSE operations and storage shall not occur on the airside apron or in the Cargo Facility.

(2) **Parking and Ground Transportation Plan:** Truck docking and circulation and employee and customer parking activities shall be accommodated within the Site's landside area and the successful Proposer shall prepare a circulation plan that identifies access and entry points to and from the Site, landside (trucks, customer and employee parking, delivery vehicles, etc.) and airside (tugs) circulation routes within the Site.

(3) **Airside Apron Area Plan:** suitable for common-use aircraft parking, a vehicle service road and other appropriate airside operations especially those related to safe and efficient airside air cargo activity. The existing airside apron area adjacent to the Wing contains two common-use aircraft parking positions (NC-13 and NC-14) and storage space for GSE equipment used in the cargo operation.

The proposed development would incorporate NC-13 as one of the two parking positions that can be incorporated into the development. GSE operations currently within the Facility's development envelop also shall be relocated to a Massport-approved facility.



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The successful Proposer shall be required to reconstruct the airside pavement area that shall total approximately 46,000 SF. This apron area shall be constructed to a standard suitable for parking one wide-body aircraft. The reconstructed apron shall include a concrete aircraft parking apron that shall extend approximately 225 feet from the Facility's airside facade to the taxilane and shall extend approximately 206-feet wide to accommodate a range of large wide-body cargo aircraft and various ground service vehicles. NOTE: the apron area adjacent to the cargo facility shall be non-exclusive and shall be made be available for use by other aircraft not associated with cargo operations and shall be under Massport control

(4) **Equipment Storage Plan and Operations Plan:** The successful Proposer shall submit an operations plan that describes the movement, storage and/or staging of airside and landside vehicles, including tugs, and equipment needed for efficient cargo handling operations at the Site. The site plan should identify the preferred location for storing anticipated equipment and materials.

(5) **Security Program:** The successful Proposer shall maintain airfield perimeter security throughout construction as well as after completion. The successful Proposer shall submit for approval a perimeter security plan that outlines security measures during construction and post-construction per the Authority's security standards. Such standards shall include card access and CCTV equipment (specified by the Authority's designated vendor) and all costs associated with the installation of the system will be the sole responsibility of the Proposer.

Particular attention must be made for access to and from the Airside Operations Area ("AOA") for which the security system must be controlled through the Authority's access control system. With regard to perimeter security, the Proposer will be required to incorporate a temporary (through construction) and permanent security barrier (post construction) in accordance with Authority's security standards.

(6) **Public Streetscape Plan:** a continuation of the landscape, sidewalk, and lighting standards that the Authority has established for Prescott Street (Refer to Attachment 6 – Prescott Street Buffer and *Section 1.5.1 – Building/Urban Design Guidelines).*

### 1. X Financial Proposal

The desired rent model for the operation and lease of the Facility is comprised of an annual base rent and if applicable, a Subtenant Fee and Percentage Payments. The components are defined as follows:

### 1. X.1 Annual Ground Rent:

The Proposer shall propose an initial annual ground base rent ("Ground Rent") that the Proposer guarantees to pay to the Authority for the Site. The Proposer shall state the Ground Rent as an annual per square foot rent rate. The Ground Rent shall be adjusted on October 1 of each year of the term by the greater of 4% and the percentage change in the Consumer Price Index ("CPI"), as further defined in the Draft Lease Agreement. The Ground Rent shall commence upon the earlier of (i) September 1, 2008, or (ii) the date on which successful Proposer receives Temporary or Permanent Certificate of Occupancy.



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**1.11.2 Subtenant Fee:**
Any proposal contemplating sub tenancy shall include a letter of intent with such subtenant. The proponent will be responsible for the management of the entire site for the term of the lease agreement. The successful Proposer shall pay to the Authority a minimum of 10% of monies derived from subtenant/licensee agreements related to the subleased portion of the Facility. The Draft Lease shall contain terms and conditions regarding subleasing including, without limitation, the requirement that all subleasing shall be subject to the prior written consent of the Authority which may be withheld in the Authority's sole discretion.

**1.11.3 Percentage Payments (if applicable):**
In the event that the successful Proposer provides services or operations at the Facility that require the successful Proposer to enter into a Aviation Service Company Operating Agreement ("ASC") or a Commercial Services Operating Agreement (CSO"), the successful Proposer shall pay the Authority the following percentage payments in addition to the Ground Rent in accordance with the ASC or the CSO:

> **Percentage Payments:** For each calendar month or portion thereof during the Term, the successful Proposer shall pay to the Authority a monthly fee equal to a minimum of five percent (5%) of its Adjusted Gross Revenues (the "Percentage Payments") as defined in the ASC and CSO. The five percent fee may be increased or modified by the Members of the Authority (the "Board").



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# ATTACHMENT F – MINIMUM STANDARDS

# OKLAHOMA CITY

# D E P A R T M E N T  O F  A I R P O R T S

## MINIMUM STANDARDS FOR AERONAUTICAL ACTIVITIES

## AND

## LEASING OF LAND AND FACILITIES

## AT

## OKLAHOMA CITY AIRPORTS

**Approved April 22, 2009**

**MINIMUM STANDARDS**
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## INTRODUCTION

The Oklahoma City Airport Trust, recognizing the necessity of protecting the public health, safety, and interest in the Oklahoma City-owned Airports, and in order to foster, encourage, and insure the economic growth and orderly development of Aeronautical Activities, hereby promulgates and adopts the following procedures and minimum standards for the use of any land and/or facility on said Airports. The Minimum Standards and Requirements are set forth below as a minimum for a person or persons, partnership, company, trust, or corporation based upon and/or engaging in one or more Aeronautical Activities at the Airport. These standards are not intended to be all inclusive, as the Operator of an Aeronautical Activity on the Airport shall be subject to additional federal, state, and local laws, codes, ordinances, lease provisions, and other similar regulatory measures, including Airport Rules and Regulations, pertaining to all such activities.

# SECTION I
## DEFINITIONS

**Aeronautical Activity** - Shall mean any activity whether or not conducted on or off Airport property which involves, makes possible, or is required for the operation of aircraft or which contributes to, or is required for, the safety of such operations and shall include, but not by way of limitation, all activities commonly conducted on airports, such as charter operations, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, flying clubs, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other included activities, repair and maintenance of aircraft, repair of aircraft parts and accessories, sale of aircraft parts and accessories, radio communication and navigation equipment, and any other activity which, because of its direct relationship to the operation of aircraft, can appropriately be regarded as an Aeronautical Activity.

**Aircraft Charter** – An Aeronautical Activity in which a person or company is engaged in the business of providing air transportation (person or property) to the general public for hire, either on a charter basis or as an air taxi.

**Aircraft Radio and Avionics Sales and Service** – An Aeronautical Activity in which a person is engaged in the business of selling, repairing, and servicing aircraft radios, aircraft avionics, and associated aircraft instruments.

**Aircraft Rental or Leasing** – An Aeronautical Activity in which any person rents or leases aircraft or offers to rent or lease aircraft for hire or compensation.

**Airport** - Shall mean Will Rogers World Airport, Wiley Post Airport, and Clarence E. Page Airport or future City-owned airports, located on City, County, and State lands and operated by the Oklahoma City Airport Trust.

**City** - The City of Oklahoma City.

**City Council** - The duly elected City Council members of Oklahoma City.

**Corporate Hangar** – A hangar constructed exclusively to store the owner's/corporation's aircraft, and which is intended for the sole use of the corporate owner/lessee. The use of the aircraft is adjunct to their primary business and not the major source of income.

**Director of Airports** – The Chief Administrator of Airports of the City of Oklahoma City.

**Executive Hangar** - A commercial Aeronautical Activity hangar/building that is generally clear spanned and capable of housing large twin engine and small jet aircraft.

**FAA** - Federal Aviation Administration.

**Fixed Base Operator (FBO)** – An Aeronautical Activity in which at a minimum offers public fueling and lubrication of aircraft, line service, parking of aircraft, storage of aircraft, repair/

maintenance of aircraft, and repair/maintenance of avionics. In addition, the following services may be offered if approved by the Oklahoma City Airport Trust: Sale of ground and flight instruction, aircraft charter services, aircraft rental, aircraft sales and/or sales of parts and accessories, and other activities not listed herein that may be approved by the Trust.

**Flight Training** - An Aeronautical Activity in which a person is engaged in giving or offering to give flight instruction leading to a pilot's certificate or rating for hire or compensation, or advertising, representing, or holding himself out as giving or offering to give such instruction.

**Master Plan or Layout Plan** - Means the currently approved scaled dimensional layout of the entire Airport properties, indicating current and proposed usage for each identifiable segment as approved by the City Council and amended from time to time.

**Minimum Standards (Standards) -** The qualifications established herein, as amended from time to time by the City Council upon recommendation of the Oklahoma City Airport Trust, setting forth the minimum requirements to be met as a condition for the right to conduct Aeronautical or Other Activities on the Airports.

**National Fire Protection Association (NFPA)** - A set of industry accepted codes that establish standards pertaining to the construction of a building's electrical wiring and fire prevention/protection.

**Other Activity** - Shall mean any other activity, commercial or otherwise, not directly relating to aviation.

**Person** - Shall mean any person, firm, general or limited partnership, corporation, trust, or association making application for, leasing or using land or facilities at the Airports.

**Rules and Regulations** - Rules and regulations as may be promulgated from time to time by the Director of Airports to protect the public health, safety, interest, and welfare on City-owned Airports and to augment the City Ordinances of Oklahoma City pertaining to Airports.

**Specialized Aviation Service Operation (SASO)** - An Aeronautical Activity in which a person engages in one or more of the following including, but not limited to: Aircraft charter and taxi, aircraft engine and airframe maintenance, aircraft sales, aircraft repair services (radio, painting, upholstery, propellers, instruments, accessories), aerial photography, flight training and aircraft rental, and other similar activities.

**T-Hangar** - An enclosed hangar with multiple units consisting of T-shaped configured partitions residing in the mid section of the hangar dividing it into two separate halves.

**TSA** – Transportation Security Administration.

**Trust** - Shall mean the Oklahoma City Airport Trust.

# SECTION II
## STANDARD REQUIREMENTS FOR AERONAUTICAL ACTIVITIES

### A. General Provisions

Every applicant for permission to conduct aeronautical or other activities at the Airport shall satisfy the Oklahoma City Airport Trust through its authorized representative, the Director of Airports, that they meet the following requirements:

1. Applicant has a history of management and personal ability in conducting the same or similar or comparable type of service or activity in a good workmanlike manner.

2. Applicant has the financial responsibility and capability to provide facilities and services proposed.

3. Applicant has or can reasonably secure necessary certificates from the FAA or other authority where the same are required for the activity proposed.

4. Applicant has furnished or can furnish suitable indemnity insurance or bond to protect and hold the City and the Trust harmless from any liability in connection with the conduct of the activity proposed. The applicant will furnish insurance in the amounts as stated in **Attachment I**.

In considering every application for establishing aeronautical or other activities, the Trust shall give due consideration to whether or not such proposed activity would be wasteful or uneconomical duplication of facilities and, therefore, detrimental to the public interest.

### B. Application

Any person wishing to acquire the use of land or establish or use any facility on the Airport for an aeronautical or any other activity shall be furnished a copy of these Minimum Standards, as amended from time to time, and shall thereupon make application in writing, filed with the Director of Airports, setting forth in detail the following:

1. The name and address of the applicant.

2. The proposed land use, facility, and/or activity sought.

3. The names and the qualifications of the personnel to be involved in conducting such activity.

4. The financial responsibility (income statement and balance sheet) and ability of the applicant and operator to carry out the activity sought.

5. The tools, equipment, services, and inventory, if any, proposed to be furnished in connection with such activity.

6. The requested or proposed date for commencement of the activity and the term of conducting the same.

7. The estimated cost of any structure or facility to be furnished, the proposed specifications for same, and the means or method of financing such construction or acquisition of facilities.

8. The specific types and amounts of insurance proposed in accordance with minimum requirements for the activity.

## C. Lease & Contract Clauses

Upon the approval of any such application as submitted or modified, the Trust shall cause to be prepared a suitable lease or contract agreement setting forth the terms and conditions of the land and/or facility use. It is the intent of the Trust/City to require Airport tenants, including Fixed Base Operators, to provide certain services through a lease agreement. The lease agreement will be based on the "net" lease concept. More specifically, the total cost of amortizing the investment and maintenance will be borne by the operator. In every instance the lease agreement shall be conditioned upon or contain language assuring:

1. The Minimum Standards are incorporated into said lease or contract agreement by reference and there shall be original and continued compliance with the Standards required for each particular aeronautical or other activity approved.

2. Any structure or facility to be constructed or placed upon said Airport shall be constructed in a manner to conform to all safety regulations of the State of Oklahoma and the City of Oklahoma City, and shall be in compliance with the requirements of current building codes and fire regulations of the City of Oklahoma City; and any construction once commenced will be diligently prosecuted to completion.

3. The right shall be reserved in the Trust to modify or add to the "Minimum Standards for Operation of Aeronautical Activities at the Airport and Leasing of Land and Facilities at Oklahoma City Airports," and that any lease, contract, or agreement entered into with an applicant shall be terminated or cancelled in the event of failure to comply with any modification or amendments to Standards after notice thereof shall have been given.

4. No person shall be granted an exclusive right to conduct any Aeronautical Activity upon the Airport; provided that no person shall be permitted to use any land or conduct any Aeronautical or any Other Activity or solicit business in connection therewith unless such Aeronautical or Other Activity is

conducted in accordance with the standards herein established, and as hereinafter amended from time to time upon the recommendation of the Trust with the approval of the City Council, and after the issuance of the proper permits and licenses.

5. Operators, in their operation and use of the Airport, will not, on the grounds of race, color, age, sex, or national origin, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of the Department of Transportation Regulations.

6. All operations on Airport property will be consistent with local, state, and federal standards and policies regarding noise abatement procedures. The Oklahoma City Airport Trust, with the approval of the City Council, has caused to be developed an "Airport Master Plan." The plan indicates the Trust's and City Council's intentions to provide essential support services by allocating space for various Aeronautical Activities. Activities not in accordance with the Airport Master Plan will not be permitted.

7. Airport security shall be maintained at all times in accordance with all applicable federal, state, local requirements and standards or directives established by the Department of Airports, the FAA, and/or TSA.

## D. Ground Lease Policy

Land will be leased in accordance with the Airport Master Plan, and as deemed as appropriate by the Trust. Total cost of amortizing the investment, as well as maintenance, shall be borne by the lessee. Proposed hangars must meet the minimum investment requirement, and title is to vest in the City at the end of the lease term, free and clear of all liens and encumbrances including mortgage liens. A copy of a sample general lease agreement is available upon request for review and study. The following lease terms and conditions outline this policy.

## E. Lease for New Construction

1. Rentals

a. <u>Ground Rental</u>

Ground rental shall be charged on per square foot basis commensurate with current Airport and/or Market lease rates.

(i) Currently the ground lease rate is $0.10 per sq. ft. for aviation use property.

(ii) Ground lease rate for non-aviation use must be at fair market value as determined by market study or appraisal.

(iii) Ground lease payments will begin on the first day of the month after the approval of the lease agreement by the City Council.

b. Facility Maintenance Inspection and or Fees

(i) The Trust may require as a condition of the lease agreement a professional inspection and report of the roof and mechanical systems every 5 years.

2. Hangar Amortization

a. Financing may be available for Executive or Corporate Hangars from The Oklahoma City Airport Trust at a rate of 1% above the rate the Trust is required to pay for funds for 20 years.

b. T- Hangars as defined in section VII subset B may be amortized over 15 years.

c. Small corporate hangars, less than 10,000 square feet constructed at Clarence E. Page maybe amortized for 5 years.

d. Executive, Corporate, or T-Hangars financed by the operator shall in no case have a lease term longer than the time shown for amortization.

e. Operator shall be responsible for any taxes on personal, real, or other property leased by or owned by the operator that is levied by any agency or unit of government.

3. Construction

a. All plans and specifications for new construction or alteration shall be approved in writing prior to construction as it relates to the following but not limited to: Receipt and approval of an FAA 7460-1, Notice of Proposed Construction or Alteration Application, architectural conformity, location of building lines, proper hangar clearances, and other specifications that may apply to conform to Airport standards.

b. All building areas will be as shown on the appropriate Airport leasing plot.

c. Improvements or alterations to the leased premises become the property of the City upon completion. The Lessee is responsible for all maintenance costs.

d. Within 30 days of completion of construction or alteration, the Lessee will submit a complete set of "as-built" plans on mylar film with a detailed cost breakdown.

e. All buildings and construction shall obtain and meet all applicable city, state, and federal permits, building codes, fire codes, and specifications, as well as any other specific requirements established by the Director of Airports.

f. All utilities, including electrical, telephone, gas lines, or regulators, will be underground; and the Lessee shall bear the expense of relocating utilities on the leased property. Plans and specifications for the construction of utilities, including those constructed by the utility companies, shall require prior written approval by the Director of Airports.

4. Maintenance

a. Maintenance of pavements constructed by the Trust/City will be performed by the Trust/City. The Lessee will maintain all other facilities and pavements unless otherwise agreed upon by the Lessee and the Director of Airports.

b. Landscaping of facilities is required. Each Lessee will be required to provide a plan for landscaping his area to be approved by the Director of Airports and maintained by the Lessee in a neat, clean, and aesthetically pleasing manner.

## F. Lease of Existing Facilities

The Airport, from time to time, has facilities become available that have been previously amortized and may choose to lease those structures.

1. Ground Rental

Ground rental for leased premises shall be charged on per square foot basis commensurate with current Airport and/or Market lease rates.

a. Currently the ground lease rate is $0.10 per sq. ft. for aviation use property.
b. Ground lease rate for non-aviation use must be at fair market value as determined by market study or appraisal.

2. Building Rental

a. Building rental for those facilities previously amortized or no longer within the contractual bounds of an above-described amortization

agreement shall be based on a percentage of not less than 4% per annum of the "Appraised Actual Cash Value" as determined by an appraisal. Each subsequent year there shall be a 2% increase in the previous years annual rental. The term of such agreements shall be five (5) years and may provide for an option of an additional five-year term. The appraised amount shall be the basis of the rental calculations during that period. The initial term and option may be negotiable; however, the basis of the rental calculations shall be determined from the five-year appraised amount.

b. T-hangar rental for those facilities previously amortized or no longer within the contractual bounds of an above described amortization agreement shall be based on a percentage of not less than six percent (6%) per annum of the "Appraised Actual Cash Value" as determined by an appraisal. The term of such agreements shall be five (5) years and may provide for an option of an additional five-year term. The appraisal procedure shall be as described above.

3. Facilities Maintenance Rental

a. Building maintenance (structural maintenance) shall be charged at the rate calculated as follows:

(i) Two percent (2%) of the appraised actual cash value.

(ii) All building maintenance on Trust-owned or financed facilities is the responsibility of the Lessee, except for structural, exterior and roof repairs.

b. Facility Maintenance Inspection and or Fees

(i) The Trust may require as a condition of the lease agreement a professional inspection and report of the roof and mechanical systems every 5 years.

c. Ramp (apron) maintenance rental shall be twenty percent (20%) of the average cost of the replacement of the ramp or apron divided by the anticipated life of fifteen (15) years for asphalt and twenty (20) years for concrete on a square footage basis, to be calculated as follows:

(i) Replacement Cost as Determined Annually for
Asphalt Per Square Foot X .20 = Rate Per Square Foot
15 years

(ii) Replacement Cost as
Determined Annually for
Concrete Per Square Foot X .20 = Rate Per Square Foot
20 years

# SECTION III.
## STANDARDS FOR FIXED BASE OPERATIONS (FBO)

In addition to meeting the requirements of Section II, every person conducting the following activities shall meet the additional requirements as hereinafter set out:

### A. Fixed Base Operator (FBO)

Persons conducting commercial aviation fueling, oil sales, and services to the public on the Airport shall be required to provide:

1. Aviation fuel and jet fuel.

2. An adequate inventory of at least two brands of generally accepted grades of aviation engine oil and lubricants.

3. At least two (2) above ground 10,000-gallon fuel storage tanks, one for each fuel type. Under ground storage tanks are not allowed on any of Oklahoma City's Airports.

4. Proper mobile fuel dispensing equipment to service all types of aircraft.

5. A per gallon fuel flowage fee to the Trust/City on fuel delivered into FBO tanks and or trucks. Fuel flowage fees will be established annually by the Director of Airports.

6. Properly trained line personnel on duty at least eight hours of every calendar day, seven days a week, and on call by readily accessible means at other hours during the day or night.

7. Proper equipment and FAA certified personnel for repairing and servicing aircraft, aircraft engines, airframe and aircraft avionics.

8. Suitable hangar storage facilities, hard surfaced aircraft parking, and tie-downs.

9. Conveniently located heated and air conditioned lounge or waiting rooms for passengers and airplane crews for itinerant aircraft, together with sanitary restrooms and public telephones.

10. Adequate towing equipment and parking and tie-down areas to safely and efficiently move aircraft and store them in all reasonably expected weather conditions.

11. Adequate grounding facilities at fueling locations to eliminate the hazards of static electricity, and approved types of fire extinguishers or other equipment commensurate with the hazards involved in refueling and servicing aircraft.

12. Adequate and sanitary handling and disposal, away from the Airport, of all trash, waste, and other materials including, but not limited to, used oil, solvents, and other waste. The piling or storage of crates, boxes, barrels, and other containers will not be permitted within the leased premises.

13. Proper equipment for repairing and inflating aircraft tires, servicing oleo struts, changing engine oil, washing aircraft and aircraft windows and windshields, and recharging or energizing discharged aircraft batteries and starters.

14. Optional Services permitted by FBO: Each service below shall meet all applicable requirements as found herein and outlined in Standards for Specialized Aviation Service Operations (SASO).

    a. Aircraft Charter.
    b. Aircraft Sales.
    c. Aircraft Flight Training.
    d. Aircraft Rental

# SECTION IV
## FACILITY REQUIREMENTS (FBO)

### A. Land and Improvements

1. The minimum ground lease for a Fixed Based Operator (FBO) shall be:

| | | |
|---|---|---|
| a. | Commercial Service Airport | 350,000 Sq. Ft. |
| b. | Reliever Airport | 300,000 Sq. Ft. |
| c. | Non-Reliever/General Aviation Airport | 250,000 Sq. Ft. |

2. The minimum facilities constructed shall be:

a. Executive Hangar:

| | | |
|---|---|---|
| 1. | Commercial Service Airport | 25,000 Sq. Ft. |
| 2. | Reliever Airport | 20,000 Sq. Ft. |
| 3. | Non-Reliever/GA Airport | 18,000 Sq. Ft. |

b. Paved Apron:

| | | |
|---|---|---|
| 1. | Commercial Service Airport | 125,000 Sq. Ft. |
| 2. | Reliever Airport | 100,000 Sq. Ft. |
| 3. | Non-Reliever/GA Airport | 75,000 Sq. Ft. |

c. Auto Parking: **Sq. Ft. as listed or per City Code, whichever is greater.**

| | | |
|---|---|---|
| 1. | Commercial Service Airport | 50,000 Sq. Ft. (or per City Code) |
| 2. | Reliever Airport | 45,000 Sq. Ft. (or per City Code) |
| 3. | Non-Reliever/GA Airport | 35,000 Sq. Ft. (or per City Code) |

d. Office Space:
Adequate to house office, pilots' lounge, restroom facilities, and appropriate shop areas.

e. T-hangars:
T-hangars shall be constructed with at least ten (10) individually partitioned spaces containing doors, and will be in accordance with all applicable codes established by the City of Oklahoma City.

3. All paving and other construction shall be permanent and fire resistant and shall be kept compatible with the design, material, and landscaping of the basic structures of the Airport as outlined.

4. Detailed plans and specifications of all construction and architectural design shall require the written approval of the Director of Airports before any construction takes place.

5. Landscaping shall require approval of the Director of Airports.

# SECTION V
## STANDARDS FOR SPECIALIZED AVIATION SERVICE OPERATIONS (SASO).

The City/Trust recognizes that SASO's do not wish to offer a full line of services most generally offered by a Fixed Base Operator. Specialized operations and other similar activities are encouraged to be tenants of Fixed Base Operators. If suitable facilities cannot be obtained in that manner, hangar, shop, and/or office facilities may be permitted in specific areas as plotted on the Airport Master Plan.

### A. Aircraft Charter and Taxi Service

Persons conducting an aircraft charter and/or air taxi service shall be required to provide:

1. Passenger lounge, restroom, and telephone facilities as required of an operator for fuel and oil sales.

2. All applicable security requirements for charter and taxi service promulgated by the FAA, TSA, or Airport.

3. Adequate table, desk, or counter for checking in passengers, handling ticketing or fare collection, and handling of luggage.

4. FAA Air Carrier Operating Certificate, utilizing FAA certificated aircraft with properly certificated and qualified operating crew, but at no point any less than two, one of which shall be located at the Airport and ready for departure during at least eight hours of each day during daylight operations. Stand-by units and crew will be available within one hour's notice at all other times.

### B. Aircraft Engine, Airframe, & Accessory Sales & Maintenance

Persons operating aircraft engine, airframe, and accessory maintenance facilities for hire to the public shall provide:

1. Sufficient hangar space to house any aircraft upon which such service is being performed.

2. Suitable inside and outside storage space for aircraft awaiting repair or maintenance, or delivery after repair and maintenance has been completed, other than major repairs or alterations of less than 24 hours duration.

3. Adequate shop space to house equipment and machine tools, jacks, lifts, and testing equipment to perform top overhauls as required for FAA certification and repair of parts not needing replacement on all single engine land and light multi-engine land general aviation aircraft.

4. At least one FAA certificated airframe and power plant mechanic available during eight hours of the day, five days per week.

## C. Aircraft Radio & Avionics Sales and Service

Persons operating aircraft radio & avionics sales and service facilities for hire to the public shall provide:

1. Sufficient hangar space to house any aircraft upon which such service is being performed.

2. Suitable inside and outside storage space for aircraft awaiting repair or maintenance, or delivery after repair and maintenance has been completed.

3. Adequate shop space to house equipment, supplies and parts to perform maintenance and repair to radio and avionics equipment.

4. At least one FAA certificated and licensed radio and/or instrument technician, that is available during eight hours of the day, five days per week.

## D. Aircraft Rental

Persons conducting aircraft rental activity shall provide:

1. Suitable office space for consummating rentals and the keeping of the proper records in connection therewith.

2. Two airworthy aircraft suitably maintained and certificated.

3. Adequate facilities for servicing and repairing the aircraft or satisfactory arrangements with other operators licensed by the Trust on the Airport for such service and repair.

4. At least during eight hours of the working day, a properly certificated pilot available and capable of checking out rental aircraft.

5. Proper checklists and operating manuals on all aircraft rented.

## E. Aircraft Sales

All persons conducting aircraft sales activities shall provide:

1. Suitable office, lounge, and public space for consummating sales.

2. For new aircraft sales, at least one demonstrator model of such aircraft.

3. The minimum stock of readily expendable spare parts, or adequate arrangements for securing spare parts, required for the type of aircraft and models sold.

4. Current up-to-date specifications and price lists for types and models of new aircraft sold, and adequate parts catalogue and service manual on the aircraft.

5. At least during eight hours of the working day, a properly certificated pilot available and capable of demonstrating new or used aircraft for sale.

**F. Flight Training**

All persons conducting aircraft flight training activities shall provide:

1. At least one full-time (eight hours per day, six days per week) properly certificated flight instructor for single engine land airplanes.

2. At least two dual control equipped single engine land aircraft properly equipped and maintained for flight instruction and at least one of which must be equipped for and capable of use for instrument flight instruction, and such additional types of aircraft as may be required to give flight instruction of the kind advertised.

3. Adequate office and classroom space for at least 10 students with proper restroom and seating facilities.

4. Adequate mock-ups, pictures, slides, filmstrips, or other visual aids necessary to provide proper ground school instruction.

5. Properly certificated ground school instructor providing regularly scheduled ground school instructions sufficient to enable students to pass the FAA written examinations for private pilot and commercial ratings.

6. Continuing ability to meet certification requirements of the FAA for the flight training proposed.

7. Adequate facilities for storing, parking, servicing, and repairing all its aircraft, or satisfactory arrangements with other operators licensed or otherwise permitted by the Trust on the Airport for such services.

8. Adequate public liability and property damage insurance sufficient to protect the operator and the City and Trust from legal liabilities involved.

## G. Crop Dusting & Spraying

Persons seeking to conduct crop dusting or spraying of agricultural chemicals shall be required to satisfy the Trust that:

1. Operator shall inform the Director of Airports and the appropriate control tower, prior to operations, of the date and area to be sprayed or dusted.

2. Suitable arrangements have been provided for the safe storage and containment of noxious chemical materials including a minimum of a 1,000 sq. ft. of segregated chemical storage area protected from public access that meets all applicable fire codes; no poisonous or inflammable materials shall be kept or stored in close proximity to other facility installations at the Airport.

3. The operator shall have available properly certificated aircraft suitably equipped for the agricultural operation undertaken.

4. The operator shall make suitable arrangements for servicing, repairing, storing, and parking its aircraft with adequate safeguards against spillage on runways and taxiways or pollution or disbursal of chemicals by wind to other operational areas on the Airport.

5. Adequate public liability and property damage insurance sufficient to protect the operator and the City and the Trust from legal liabilities involved is provided.

# SECTION VI
## FACILITY REQUIREMENTS (SASO)

### A. Land and Improvements

1. Facilities shall be constructed by the SASO upon review and approval of the proponent's application and financial capability in accordance with Section II. Facilities shall meet the general requirements in Sections II, V, and VI as applicable.

2. The minimum ground lease shall be:

| | | |
|---|---|---|
| a. | Commercial Service Airport | 55,000 Sq. Ft. |
| b. | Reliever Airport | 45,000 Sq. Ft. |
| c. | Non-Reliever/GA Airport | 35,000 Sq. Ft. |

3. The minimum facilities constructed shall be:

a. Hangar:

| | | |
|---|---|---|
| 1. | Commercial Service Airport | 12,500 Sq. Ft. |
| 2. | Reliever Airport | 10,000 Sq. Ft. |
| 3. | Non-Reliever/GA Airport | 8,000 Sq. Ft. |

b. Paved Apron:

| | | |
|---|---|---|
| 1. | Commercial Service Airport | 15,000 Sq. Ft. |
| 2. | Reliever Airport | 10,000 Sq. Ft. |
| 3. | Non-Reliever/GA Airport | 5,000 Sq. Ft. |

c. Auto Parking: **Sq. Ft. as listed or per City Code, whichever is greater.**

| | | |
|---|---|---|
| 1. | Commercial Service Airport | 8,000 Sq. Ft. (or per City Code) |
| 2. | Reliever Airport | 5,000 Sq. Ft. (or per City Code) |
| 3. | Non-Reliever/GA Airport | 3,000 Sq. Ft. (or per City Code) |

4. The facilities shall be constructed to permit the addition of segments or modules if needed and as required for the expansion of the applicant's business, as determined by the City/Trust.

5. The lease terms and conditions shall permit the applicant to engage only in those specific commercial aeronautical activities as he or she so indicates in the application. Changes in the nature of his/her commercial pursuits, which necessitate additional facilities or the enlargement of the original facilities, will require formal application to the City/Trust and appropriate lease amendments in compliance with the applicable Minimum Standards.

6. Any person conducting a combination of the specialized operations listed above shall not be required to duplicate the requirements, where the requirements of one activity is sufficient to meet the requirements of a

separate activity, and where one facility can be sufficient to meet both requirements.

7. Subletting space is prohibited, except with prior written approval from the Airport Trust.

8. All applications for facilities for specialized operations or combinations thereof shall be subject to all other applicable provisions of the Minimum Standards for Commercial Aeronautical Activities for the Oklahoma City Municipal Airports.

# SECTION VII
## MISCELLANEOUS OPERATIONS

### A. Corporate Hangars

The Trust recognizes the need for individual corporations to construct their own hangars to accommodate the corporation's aviation department and or operations. Corporations will be encouraged to obtain hangar facilities from the Fixed Base Operators. If suitable facilities are unavailable, such buildings will be permitted in specific areas as designated by the Department of Airports' Master Plan; and the following conditions must be met:

1. Facilities will be constructed by the Lessee, and all plans and specifications shall be approved in writing by the Director of Airports prior to construction.

2. Ground rentals shall be charged on a per square foot basis commensurate with current Airport lease rates and policies.

3. Subletting space is prohibited, except with prior written approval from the Airport Trust.

4. Owners of corporate hangars may construct and operate their own fuel facilities (See Non-Commercial Aircraft Fueling).

5. Taxiway improvements to the site will be borne by the tenant unless the area under consideration is to be developed by the City as a part of a capital improvement program.

6. Section II, part D of Minimum Standards "Lease for New Construction" shall apply.

7. The minimum facility requirements for Corporate Hangars shall be:

| | | |
|---|---|---|
| a. | Ground Lease | 20,000 Sq. Ft |
| b. | Hangar and Office | 10,000 Sq. Ft |
| c. | Aircraft Parking | 5,000 Sq. Ft |
| d. | Auto Parking | 1,500 Sq. Ft (or per City Code) |

### B. T-Hangars

The Trust provides an area for private T-hangar development at **Wiley Post Airport** with a minimum ground lease of **100,000** square feet. Hangar development must occupy 75% of the ground lease, and each T-hangar unit must have a minimum of ten (10) individually partitioned spaces, fully enclosed and which shall meet all provisions in Section II, part D.

In addition, the Trust provides an area at **Clarence E. Page Airport** to accommodate privately owned hangars. This area consists of lots 70' x 90' which

will be leased to an individual for an initial term of 5 years and upon which a privately owned hangar can be built.

Persons wishing to lease ground for T-hangars must meet the following requirements:

1. Submit a written application to lease space (not to exceed 10 lots at Clarence E. Page Airport and 500,000 sq. ft. at Wiley Post Airport) to the Director of Airports and obtain building criteria and minimum specifications for permitted T-hangars.

2. Submit detailed construction plans and specifications for approval by Director of Airports prior to construction. Such approval shall include architectural conformity, wind load characteristics, location of building lines, clearance, and other specifications.

3. Ground rentals shall be charged on a per square foot basis commensurate with current Airport lease rates and shall be escalated every five years.

4. No commercial activity or enterprise shall be conducted by an individual owner, or his assignee, from the hangar(s).

5. No fueling of any kind shall be permitted in or in conjunction with the hangar operation.

6. Owner must provide adequate public liability and property damage insurance sufficient to protect the owner and the Trust and the City from any legal liabilities involved.

## C. Non-Commercial Aircraft Fueling

The Oklahoma City Department of Airports has adopted a separate policy and guidelines to address non-commercial aircraft fueling. It is Departmental Policy No. 08-01 and titled Aircraft Self Fueling Policy at the Oklahoma City Airports. Persons may obtain a copy of the policy upon request.

1. An entity may not be formed for the express purpose of providing fuel services under this standard.

2. The Department will only approve above ground storage tanks, underground storage tanks are not allowed.

## SECTION VIII
### OTHER OPERATIONS

Any other operations, commercial or otherwise in nature, whether directly or not directly relating to aviation, shall be subject to review under the terms and conditions set forth in Sections II, III, IV, and V. Rental rates and charges may be determined by the Trust upon recommendation of the Director of Airports. Each application shall be considered on its own merits, and the Trust reserves the right to reject any application with or without cause.

# SECTION IX
## AMENDMENT OF STANDARDS

The Trust shall review the Standards for conducting Aeronautical or Other Activities at least every two years and shall recommend such revisions or amendments as shall be deemed necessary under the use circumstances surrounding the Airport to properly protect the health, safety, and interest of the City and the public. Upon approval of any such amendments, the operators of Aeronautical Activities secured hereunder shall be required, within a reasonable time frame, to conform to such amended Standards.

## SECTION X
## NOTICES

Notices of other applications for like or similar Aeronautical Activities or of intent to amend the Standards as established herein shall be sent, first class mail, postage prepaid, to all holders of a Fixed Base Operator's lease or permit for the conduct of an Aeronautical Activity on the Airport.

Any other operations, commercial or otherwise in nature, whether directly or not directly relating to aviation shall be subject to review under the terms and conditions set forth in Sections II, III, IV, and V. Rental rates and charges may be determined by the Trust upon recommendation of the Director of Airports. Each application shall be considered on its own merits, and the Trust reserves the right to reject any application with or without cause.

# ATTACHMENT I

## OKLAHOMA CITY DEPARTMENT OF AIRPORTS
## SCHEDULE OF MINIMUM INSURANCE REQUIREMENTS

A. **COMMERCIAL AVIATION OPERATORS**

1. Aircraft Liability

   Combined Single Limit
   Bodily Injury & Property Damage $1,000,000 each occ.

2. Commercial General Public Liability and Property Damage

   Combined Single Limit
   Bodily Injury & Property Damage *$1,000,000 each occ.

   *Insurance against all legal liability for injuries to persons or property with liability limits of not less than those established from time to time in the Governmental Tort Claims Act, 51 OS. Section 151 et seq.

4. Hangar Keeper's Liability $ 500,000 each occ.

5. Products Liability $ 500,000 each occ.

## ATTACHMENT II

## OKLAHOMA CITY DEPARTMENT OF AIRPORTS
## APPLICATION FOR COMMERCIAL AERONAUTICAL ACTIVITIES AND LEASE

All persons who desire to establish a commercial aeronautical operation must first make application with the Oklahoma City Airport Trust by providing the information requested on this form to the Director of Airports.

Space has been provided for a response to each question. In many cases, it may be necessary to attach additional information. If so, please indicate as "See Attached." Care should be taken in preparing this application, as any incomplete, incorrect, or false information may result in delays of approval or rejection. It should be noted that additional information not contained on the application form may be required by the Trust if deemed necessary as part of the approval process.

All personal financial information, credit reports or other financial data obtained by or submitted pursuant to said application with the Oklahoma City Airport Trust will be kept confidential as required by the Oklahoma Open Records Act, Title 51, OS Sec. 24A.1 et. seq.

1. Name of Business (corporation, partnership, limited liability company, etc):

_____

Address: _____

Telephone:

_____

Fax:

_____

E-mail:

_____

Principal Owners or Authorized Representative to execute agreements and title:

_____

_____

2. Describe specifically the type and nature of the proposed Commercial Aeronautical Activity:

_____

_____

3. Proposed date for commencement of operations:

_____

4. Hours of proposed operations:

_____

5. If applicable, provide percent of intended sales or services (a) to aircraft/customers based at the Airports and (b) to aircraft/customers based elsewhere that will visit or fly into Oklahoma City's Airports.

_____

6. Provide a forecast of personnel to be employed at the Airport.

_____

7. Provide a description of past experience in the field of aviation services for which this application is being made.

_____

_____

8. Describe the key personnel and/or their positions for the proposed operation.

_____

_____

_____

_____

9. Describe amount, size, and location of land to be leased and any utilities requested from the Oklahoma City Airport Trust.

_____

_____

_____

10. List aircraft tail number(s) and type of aircraft to be utilized in the proposed operation.

_____

_____

_____

11. List types and amounts of insurance coverage to be maintained for the proposed operation.

_____

_____

12. Attach a copy of a current financial statement. The prospective operator must provide a statement providing evidence to the Trust of his/her financial responsibility and that the operator can carry out activity sought.

13. Attach any additional information necessary to support the approval of the proposed operation.

14. Prior to an official lease agreement being executed with the Oklahoma City Airport Trust, the applicant must file a 7460-1 “Notice of Proposed Construction or Alteration” with the FAA and submit FAA's response to the Department of Airports. If any impacts to the Airport or its operations are indicated, they must be alleviated to the satisfaction of the Director of Airports prior to the commencement of any lease, construction, or operations.

15. The applicant(s) hereby acknowledge and understand that the following documents must be received by the Department of Airports in order for a lease agreement to be executed by the Oklahoma City Airport Trust.

Official land survey indicating metes and bounds.
Official site plan signed by the applicant depicting the building, building coordinates and all improvements.
Official response from FAA regarding a completed 7460-1 "Notice of Proposed Construction or Alteration."

16. The applicant(s) hereby acknowledge that any agreement with the Oklahoma City Airport Trust must receive approval by the Trust and the Council of the City of Oklahoma City prior to its becoming effective. Any expenditures or commitments made by the applicant(s) prior to the approval of an agreement by all parties is at the sole risk of the applicant(s).

The applicant(s) hereby respectfully requests that the Oklahoma City Airport Trust consider the foregoing application by _____ for permission to perform the specified Aeronautical Activities at the Oklahoma City Airports.

By: _____ Title _____ Date _____.

Signature _____

By: _____ Title _____ Date _____

Signature _____

## ATTACHMENT G – COMMERCIAL LAND LEASING POLICY

**A COPY OF THE COMMERCIAL LAND LEASING POLICY IS AVAILABLE IN THE AIRPORT ADMINISTRATIVE OFFICES/AIRPORT DIRECTOR**

**ATTACHMENT G**

**Will Rogers World Airport**
**COMMERICAL LAND LEASING POLICY**

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Policy

The Will Rogers World Airport or "Airport" is the primary commercial airport serving the greater Oklahoma City region and central Oklahoma market areas. The Airport is owned by the City of Oklahoma City ("City") and is governed by the Oklahoma City Airport Trust ("Trust") pursuant to that Trust Agreement and Indenture dated April 1, 1956.

The Trust, as the governing agency controlling the Airport, is responsible for leasing the Airport land according to Local, State, and Federal law including, but not limited to, the guidelines and grant assurances of the Federal Aviation Administration ("FAA"), the Oklahoma Aeronautics Commission, Oklahoma Department of Transportation ("ODOT"), Oklahoma City Municipal Code, and Resolutions adopted by the Trust. It is the policy of the Trust to lease property on Airport for aviation purposes as a first priority. If there is not aviation purpose that can be identified for a site available for lease, the Trust will consider non-aviation or interim proposals.

Authority to Lease

All leases and subleases require the approval of the Oklahoma City Airport Trust. The Trust must also approve all amendments to such leases. The Trust has in the public interest, the right to:

1. Impose and update from time to time fair and reasonable operating requirements and standards for commercial and non-commercial activities that are conducted on Airport property.

2. Impose and adjust from time to time fair and reasonable fees, rents, or other charges, for the privilege of conducting commercial and non-commercial activities upon Airport property, the proceeds of which are to be used to pay for operating, maintenance, and development expenses of the Airport. The rates and fees charged by the Airport are meant to be structured to make the Airport as self-sustaining as possible, while ensuring fair and reasonable rates.

No person, group or people, firm, or corporation shall locate a commercial business activity within the boundaries of the Airport without the written approval of, or under specific terms and conditions of, a lease agreement or other operating agreement with the Trust and, as necessary, approval by the FAA.

No one shall enter upon Airport property for the purpose of conducting any commercial activity that is competitive to any existing Airport Lessee without the written approval of the Trust, and when necessary, the approval of the FAA.

Land Leasing Priorities

The Trust is pursuing sustainable and compatible aeronautical and non aeronautical commercial development at the Airport to enhance the economic strength and stability of the Airport and the region. In order to respond consistently to the various commercial development requests pertaining to Airport property, the Trust has established the Land Leasing Priorities for development and use of Airport property, as follows:

1. ***Direct Aviation*** - Aeronautical use, including airline passenger terminals, air cargo, general aviation, aircraft maintenance, aircraft manufacturing and other direct aviation facilities requiring access to the airfield.

2. ***Direct Aviation Support*** - Aeronautical or concurrent commercial use which may or may not require direct access to the airfield including facilities for companies providing logistics, materials, cargo, and certain warehousing/distribution operations; and providing such aviation support services for direct aviation users, including the passengers, employees, agents and contractors, guests, and the tenants of the Airport.

3. ***Indirect Aviation*** - Concurrent commercial use, including offices, industrial facilities, retail, and similar facilities which do not have airfield access but provide goods and services for the direct aviation users, including the passengers, employees, agents and contractors, guests, and the tenants of the Airport.

4. ***Nonaeronautical*** - Concurrent commercial use (which does not have airfield access), including offices, hotels/motels, food and retail services, and other personal services, that generate nonairline related revenues to enhance the overall revenues of the Airport, and thereby promoting the growth of air service, and ensure the Airport remains self sustaining.

Land Uses

Land uses on the Airport are described in the Airport Master Plan, the Airport Land Use Plan, and Airport Layout Plan, which have developed and periodically updated along with any associated environmental impact documents. These

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documents are reviewed and approved by the FAA and the Trust, following in some cases a public review and input process. These documents serve to guide Airport staff in making land use leasing recommendations to the Trust for approval. The lease documents specify the allowed uses of Airport land and any land use restrictions that may apply. At the Trust's sole discretion, interim uses may be permitted if the demand for the highest and best use for the property is delayed due to market conditions. Interim uses would be considered for shorter term leases.

The Trust has established Land Leasing Categories for the purposes of providing distinct criteria and rate making protocols based on the unique attributes of the types of developments anticipated in each Land Leasing Category. These new Land Lease Categories are as follows:

- ***Aeronautical Rents Category*** – Aeronautical rents are based on Airport Base Rates and are applicable to aeronautical users for Direct Aviation uses, (save and except commercial air cargo); and qualifying Direct Aviation Support uses of Airport property.

- ***Fair Market Value Rents Category*** – Fair Market Value Rents are determined by appraisal on a case by case basis and are applicable to aeronautical users for commercial air cargo uses of Airport property, and commercial users for Indirect Aviation uses and Non-aviation commercial uses of Airport property.

- ***Government Rents Category*** – Government Rents are determined on a case by case and are applicable to qualifying governmental agencies using Airport Base Rates or Fair Market Value Rents for Indirect Aviation uses and Non-aviation commercial uses of Airport property.

Each Land Lease Category determines the basic parameters and method for establishing appropriate terms and rental fee structure for the type of leases. Lessees that have more than one Land Lease Category use under a lease agreement may be subject to different rental fees structures based on the varied uses on the parcel(s) of the leased area.

<u>Aeronautical Rents Category</u>

The Trust recognizing the necessity of protecting the public health, safety, and interest of the Airport, has adopted the Minimum Standards for Aeronautical Activities as a minimum for a person or persons, partnership, company trust or corporation based upon and/or engaging in one or more aeronautical activities at the Airport. Aeronautical activities include any activity whether or not conducted on or off Airport property which involves, makes possible, or is required for the operations of aircraft or which contributes to, or is required for, the safety of such operations and shall include, but not by way of limitation, all

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activities commonly conducted on airports directly related to the operation of aircraft. The Minimum Standards also sets forth the specific leasing criteria and rate making protocols for the Land Lease Category Aeronautical General Aviation. Copies of The Minimum Standards for Aeronautical Activities are available from Airport staff.

Government Rents Category

Government facilities serve a significant public, community purpose, and the ground rental rates and other rates and charges for government leases on Airport property will be determined on a case by case basis. The designation of a current or potential user of Airport property as a governmental entity and whether such user will occupy such property for government purposes shall be determined in the sole discretion of the Trust.

Fair Market Rents Category

The leasing criteria and rate making protocols for the aeronautical users for commercial air cargo uses of Airport property, and Commercial users for Indirect Aviation uses and Non-aviation commercial uses of Airport property shall be established by the Trust from time to time and are generally set forth below:

1. Competitive Lease Proposals

Airport property may be leased without seeking competitive proposals when it is in the best interest of the Airport, such as when supporting the needs of community aviation or governmental agencies. This is usually done only when there is a surplus of Airport land available for lease, and when not more than one party had expressed an interest in leasing a particular parcel of land. In some instances, Lessees that adjoin a vacant parcel may be given the first opportunity to lease the adjoining parcel. Periodic appraisals or market analyses will be used to establish lease rates. The potential Lessee is leasing property in an AS IS condition and must use due diligence in investigating the condition of the site or facilities. Any entity wishing to lease Airport property outside of a competitive proposal process must provide to the Airport staff a site development proposal including the business plan, site plan, financial plan, marketing plan, and statement of references and experience.

If more than one party is interested in bidding on a commercial (industrial, retail and office use) lease, or if the Trust is interested in soliciting interest in a development opportunity on Airport property, requests for competitive proposals may be initiated by the Trust, after establishing a minimum initial rent requirement through an appraisal process or market analysis to set fair market value. If used, this process will involve Trust review and selection of the proposal based on financial standing, lease rate, ability to construct in a timely manner, provisions for

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any unmet aviation segment to serve the core aviation business of the Airport or commercial service needs, and investment in, and appearance of the facilities to be constructed. Operating fees or percentage of gross sales may alternatively be used in determining a rental rate for certain retail uses.

A minimum deposit will be required on the execution of any lease, which can be returned to the Lessee at the end of the lease of the Lessee leaves the property in good condition, subject to the terms of the lease.

2. Length of Lease Term

To allow the Trust the greatest flexibility in making land use decisions over time, lease terms are generally limited to the shortest term possible, especially for interim uses, but in no event will be longer that 40 years (inclusive of renewal options and extensions.) When necessary, fixed-term leases are granted for the minimum number of years to allow a Lessee to amortize, and receive a reasonable return on, the Lessee's investment in leasehold improvements. Extensions of term beyond the timeframe to amortize improvements may be negotiated subject to the additional investment or other considerations. Lease terms for other commercial and governmental use properties may have different investment requirements and longer or shorter lease terms based on the proposed use. Both aviation and non aviation will be subject to periodic adjustments to keep pace with the rising cost of land. Leases where there is no investment by the Lessee may be on a month-to-month basic, depending on the circumstances.

3. Fair Market Rental

It is a policy of the Trust, and a requirement of the FAA, that the Airport receives air market value based on the highest and best use and recovers all costs associated with the property when leasing Airport land. As noted above, interim land uses may b e allowed if the demand for the highest and best use is delayed due to market conditions. Achieving fair market value usually starts with one or more appraisals requisitioned by the Airport for the determination of the high and low values per square foot of land ("Fee Value Range"). The determination of the specific fee value for the property within the Fee Value Range shall by made by the Trust based on the type of development and the qualifications of the developer/Lessee, ("Fee Value"), followed by negotiations between Airport staff and the Lessee, or prospective Lessee, to reach agreement on terms. The determination of the Fee Value for individual properties will be made on a case by case basis. The Trust typically negotiates for a rent based on a 10% return on the Fee Value or as recommended by a qualified appraiser based on market conditions. Retail and other land uses usually result in rental based on a percentage of Lessee's gross revenues, as is

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customary for such leases. Leases with a term exceeding ten years in length shall provide or reestablishment of rent to market value at regular intervals. In addition, annual adjustments based on a stated index or a set percentage as established by the Trust, will be required in intervening years to ensure that the value of land leased adjusts accordingly. Leases may also contain provisions providing for Infrastructure Improvement Rent, Additional rents or fees, or specific incentives or discounts for rents and fees which will be determined on a case by case basis. All rents applicable to a lease will be commence on the effective date of the lease.

4. Lease Contracts and Legal Review

Trust lease contracts are intended to transfer to the Lessee the liabilities associated with possession and control of real property regarding compliance with all federal, state and local laws and regulations, including those pertaining to the use, storage and disposal of hazardous materials and maintenance of the facility. All Trust leases shall be written on a form approved by the City Attorney's Office and shall, at a minimum, conform to local/regional standards of Lessee responsibility and liability and consistency with all FAA and ODOT guidelines and grant assurances. Trust leases may contain more restrictive clauses than private sector leases to better protect the public interest. The Trust requires strict compliance with the Airport's security program and all federal, state and local laws, particularly environmental laws such as hazardous materials management, spill control and countermeasure plans, and storm water pollution prevention regulations. Any violations caused by the Lessee for failing to commonly with any of the federal, state or local laws will be the sole responsibility of the Lessee. Lease language may be periodically updated to reflect changes in real estate law and to meet changing economic and other risks associated with the ownership of land. During the term of a lease, lease amendments may be agreed to between the parties to effect changes to the rent or other economic lease provisions, or to update antiquated lease language.

5. Construction of Leasehold Improvements

Airport leases typically require the construction of leasehold improvements, which will be owned by the Lessee during the term of the lease and which will revert to the ownership of the Trust at the end of the lease term. Height restrictions, lot- line set backs, parking requirements, building design, quality of construction, and other requirements are set forth in the Airport Development Standards, the City Development Code requirements, and FAA design standards. A performance bond may be required to guarantee the timely construction of required leasehold improvements. A potential Lessee that has a conceptual approval from the Trust has no more than 90 days for due diligence period prior to

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entering a lease with the Trust for the land. The 90-day period should include filing a site plan/conditional use applications, completing an environmental phase 1 audit if desired, and submitting an FAA airspace study. If development does not occur in a timely fashion (18 months), the performance bond and all rights to leasing the property may be forfeited. Exceptions may be allowed by the Trust in its sole discretion.

6. Lease Extensions Existing Leases

A lease extension may be granted to a lessee who has fully complied with all terms and conditions of the lease, including timely payment of rents, and if granting an extension would be in the best interests of the Trust. Existing Lessees may submit a request for a new lease six months prior to the end of their lease. The Trust is not obligated to accept such a request, but will consider all proposals, evaluating them in light of the following criteria:

- Existing/proposed use must be consistent with Airport Layout Plan, Airport Master Plan, Airport Land Use Plan, and other relevant land use planning documents.

- Lessee must be in good standing under all leases and contracts with the Trust at the Airport

- New capital investment shall apply to qualify for a term in excess of the current termination date will be based on standards as adopted by the Trust

- Trust shall determine whether or not the public interest would be better served by allowing the lease to expire so that potential new tenants may participate in a competitive selection process.

- If the developments on the site are to revert to Trust ownership, the Trust may chose to retain ownership of the facilities and the lease the improvements back to the lessee with the extended lease term, or is a lease is extended prior to the expiration of its term, the Trust may require payment for the present value of the postponement of Trust's reversionary interest in the leasehold improvements.

It is the practice of the Trust to negotiate lease extensions when it is in the best interest of the Airport or when a surplus of land is available for lease and there is no written notice of interest by third parties in bidding on the particular parcel of land covered by the expiring lease.

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Trust Authorization

This Commercial Land Leasing Policy for the Airport has been adopted by the Trust for the benefit of the Airport staff in establishing the parameters for leasing the Airport land, and shall not be construed for the benefit of third parties. The Trust may modify the terms and conditions set forth in this Policy at any time in its sole discretion.

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## ATTACHMENT H – DEVELOPMENT STANDARDS

**A COPY OF THE AIRPORT'S DEVELOPMENT STANDARDS IS AVAILABLE FROM THE AIRPORT ADMINISTRATIVE OFFICES/PLANNING DEPARTMENT.**

# ATTACHMENT I – DEVELOPMENT PROGRAM COST ESTIMATES

JACOBS Consultancy

**Oklahoma City**

**Statement of Probable Construction Costs**

# WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM

## SUMMARY

| | Probable Construction Cost<br>CONCEPTUAL DESIGN |
|---|---|
| **Road R1 - Relocated Portland Avenue** | $ 13,088,566 |
| **Road R3 - Improvements to 74th Street** | $ 550,180 |
| **Road R4 - Improvements to 89th Street** | $ 544,021 |
| **Utilities - R1 Right-of-Way** | $ 8,583,563 |
| **Road R2 - Horseshoe Road (Phase 1)** | $ 1,473,346 |
| **Utilities - R2 Right-of-Way (Phase 1)** | $ 821,787 |
| **Road R2 - Horseshoe Road (Phase 2)** | $ 3,059,104 |
| **Utilities - R2 Right-of-Way (Phase 2)** | $ 1,889,722 |
| **Road R5 - Access to Parcels 1C & 4C** | $ 771,330 |
| **Utilities - R5 Right-of-Way** | $ 540,342 |
| **Taxiway Extension G (a)** | $ 2,680,208 |
| **Road R6 - Access to Parcels 5C & 8C** | $ 781,033 |
| **Utilities - R6 Right-of-Way** | $ 540,342 |
| **Taxiway Extension H2 (a)** | $ 5,620,719 |
| | **$ 40,944,263** |

(a) Probable construction costs represent the total cost of the taxiway extension projects. It Is assumed that the Airport will receive AIP funding for these projects. AIP funding will cover 75% of the total cost of the projects, local funds will cover the remaining 25%.

# Oklahoma City
## Statement of Probable Construction Costs
## WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM
## Road R1 - Relocated Portland Avenue
## Conceptual Design - June 2009

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | **$ 13,088,566** |
| **Site preparation** | | | | --- | | | | | **$ 2,212,674** |
| **Site clearing** | | | | --- | | | | | **$ 108,958** |
| Clearing and grubbing, 3" | 17,688 | CY | 4.00 | 70,752.00 | 7,075 | 9,339 | 21,792 | 108,958 | |
| **Site demolition and relocation** | | | | --- | | | | | **$ 951,720** |
| Demo Asphalt pavement | 618,000 | SF | 1.00 | 618,000.00 | 61,800 | 81,576 | 190,344 | 951,720 | |
| **Earthwork** | | | | --- | | | | | **$ 1,151,996** |
| Onsite cut / fill, grading & shaping; say 1.5" average | 106,128 | CY | 5.00 | 530,640.00 | 53,064 | 70,044 | 163,437 | 817,186 | |
| Fine Grade Site | 191,858 | SY | 0.35 | 67,150.30 | 6,715 | 8,864 | 20,682 | 103,411 | |
| Construction Entrance | 1 | LS | 8,000.00 | 8,000.00 | 800 | 1,056 | 2,464 | 12,320 | |
| Silt Fence | 38,206 | LF | 3.20 | 122,259.20 | 12,226 | 16,138 | 37,656 | 188,279 | |
| Sediment traps, rip rap, stone outlet structures | 1 | LS | 20,000.00 | 20,000.00 | 2,000 | 2,640 | 6,160 | 30,800 | |
| **Site improvements** | | | | --- | | | | | **$ 10,786,418** |
| **Roads - R1** | | | | --- | | | | | **$ 10,451,288** |
| Soil stabilization 6" Lime Treated: say 6% / 100% SD: | 117,108 | SY | | --- | | | | | |
| Process Lime Slurry | 117,108 | SY | 2.80 | 327,902.40 | 32,790 | 43,283 | 100,994 | 504,970 | |
| Fine Grade for Pavement Prep | 117,108 | SY | 0.35 | 40,987.80 | 4,099 | 5,410 | 12,624 | 63,121 | |
| Lime Slurry - 6" @ say 6% (27#/sy) | 1,581 | TON | 118.00 | 186,553.04 | 18,655 | 24,625 | 57,458 | 287,292 | |
| 6" Reinforced Concrete Pvt. | 117,108 | SY | 52.23 | --- | | | | | |
| Form Pavements, SFCA | 152,824 | SF | 8.00 | 1,222,592.00 | 122,259 | 161,382 | 376,558 | 1,882,792 | |
| Reinforcing Steel, say #4 @ 24" oc, ew (5 % waste) | 554,442 | LB | 1.15 | 637,608.27 | 63,761 | 84,164 | 196,383 | 981,917 | |
| Concrete, say 3000psi with 10% waste | 21,470 | CY | 110.00 | 2,361,678.00 | 236,168 | 311,741 | 727,397 | 3,636,984 | |
| Place Concrete, direct Chute | 19,518 | CY | 20.00 | 390,360.00 | 39,036 | 51,528 | 120,231 | 601,154 | |
| Finish Pavement | 1,053,972 | SF | 0.45 | 474,287.40 | 47,429 | 62,606 | 146,081 | 730,403 | |
| Sawcut & Seal Pavement | 109,666 | LF | 2.20 | 241,264.73 | 24,126 | 31,847 | 74,310 | 371,548 | |
| Backfill pavement | 12,735 | CY | 6.40 | 81,506.13 | 8,151 | 10,759 | 25,104 | 125,519 | |
| 6" Monolithic Curb | 76,412 | LF | 7.00 | 534,884.00 | 53,488 | 70,605 | 164,744 | 823,721 | |
| Centerline & Shoulder Pavement Markings, say 4" stripe | 114,618 | LF | 1.50 | 171,927.00 | 17,193 | 22,694 | 52,954 | 264,768 | |
| Misc. Roadway Signage | 1 | LS | 15,000.00 | 15,000.00 | 1,500 | 1,980 | 4,620 | 23,100 | |
| Traffic Signal at R1 & 74th | 1 | LS | 100,000.00 | 100,000.00 | 10,000 | 13,200 | 30,800 | 154,000 | |
| **Landscaping** | | | | --- | | | | | **$ 335,130** |
| Landscaping and Irrigation (Median) - Allowance | 31,346 | SY | 4.20 | 131,653.20 | 13,165 | 17,378 | 40,549 | 202,746 | |
| Seeding | 573,090 | SF | 0.15 | 85,963.50 | 8,596 | 11,347 | 26,477 | 132,384 | |
| **Electrical utilities** | | | | --- | | | | | **$ 89,474** |
| **Site lighting** | | | | --- | | | | | **$ 89,474** |
| Area lighting, say 30' pole, single lamp, on conc. fnd. (At intersections) | 7 | EA | 5,000.00 | 35,000.00 | 3,500 | 4,620 | 10,780 | 53,900 | |
| Electrical Distribution for Lighting, say 2" schedule 40, #2 AWG Conductor. Power from OH Distribution Pole | 1,400 | LF | 16.50 | 23,100.00 | 2,310 | 3,049 | 7,115 | 35,574 | |

# Oklahoma City
## Statement of Probable Construction Costs
## WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM
## Road R3 - Improvements to 74th Street
## Conceptual Design - June 2009

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | **$ 550,180** |
| **Site preparation** | | | | --- | | | | | **$ 54,208** |
| **Site clearing** | | | | --- | | | | | **$ 3,955** |
| Clearing and grubbing, 3" | 642 | CY | 4.00 | 2,568.00 | 257 | 339 | 791 | 3,955 | |
| **Site demolition and relocation** | | | | --- | | | | - | **$ 4,160** |
| Demo Asphalt pavement | 2,701 | SF | 1.00 | 2,701.00 | 270 | 357 | 832 | 4,160 | |
| **Earthwork** | | | | --- | | | | - | **$ 46,093** |
| Onsite cut / fill, grading & shaping; say 1.5" average | 3,851 | CY | 5.00 | 19,255.00 | 1,926 | 2,542 | 5,931 | 29,653 | |
| Fine Grade Site | 7,702 | SY | 0.35 | 2,695.70 | 270 | 356 | 830 | 4,151 | |
| Construction Entrance | 1 | LS | 2,000.00 | 2,000.00 | 200 | 264 | 616 | 3,080 | |
| Silt Fence | 1,400 | LF | 3.20 | 4,480.00 | 448 | 591 | 1,380 | 6,899 | |
| Sediment traps, rip rap, stone outlet structures | 1 | LS | 1,500.00 | 1,500.00 | 150 | 198 | 462 | 2,310 | |
| **Site improvements** | | | | --- | | | | - | **$ 495,972** |
| **Roads - R3** | | | | --- | | | | - | **$ 484,262** |
| Soil stabilization 6" Lime Treated: say 6% / 100% SD: | 4,365 | SY | | --- | | | | - | |
| Process Lime Slurry | 4,365 | SY | 2.80 | 12,222.00 | 1,222 | 1,613 | 3,764 | 18,822 | |
| Fine Grade for Pavement Prep | 4,365 | SY | 0.35 | 1,527.75 | 153 | 202 | 471 | 2,353 | |
| Lime Slurry - 6" @ say 6% (27#/sy) | 59 | TON | 118.00 | 6,953.45 | 695 | 918 | 2,142 | 10,708 | |
| 6" Reinforced Concrete Pvt. | 4,365 | SY | 66.72 | | | | | - | |
| Form Pavements, SFCA | 5,608 | SF | 10.00 | 56,080.00 | 5,608 | 7,403 | 17,273 | 86,363 | |
| Reinforcing Steel, say #4 @ 24" oc, ew (5 % waste) | 20,666 | LB | 1.15 | 23,765.76 | 2,377 | 3,137 | 7,320 | 36,599 | |
| Concrete, say 3000psi with 10% waste | 800 | CY | 110.00 | 88,027.50 | 8,803 | 11,620 | 27,112 | 135,562 | |
| Place Concrete, direct Chute | 728 | CY | 25.00 | 18,187.50 | 1,819 | 2,401 | 5,602 | 28,009 | |
| Finish Pavement | 39,285 | SF | 0.45 | 17,678.25 | 1,768 | 2,334 | 5,445 | 27,225 | |
| Sawcut & Seal Pavement | 4,088 | LF | 2.20 | 8,992.73 | 899 | 1,187 | 2,770 | 13,849 | |
| Backfill pavement | 467 | CY | 6.40 | 2,990.93 | 299 | 395 | 921 | 4,606 | |
| 6" Monolithic Curb | 2,804 | LF | 7.00 | 19,628.00 | 1,963 | 2,591 | 6,045 | 30,227 | |
| Centerline & Shoulder Pavement Markings, say 4" stripe | 37,268 | LF | 1.50 | 55,902.00 | 5,590 | 7,379 | 17,218 | 86,089 | |
| Misc. Roadway Signage | 1 | LS | 2,500.00 | 2,500.00 | 250 | 330 | 770 | 3,850 | |
| **Landscaping** | | | | --- | | | | - | **$ 11,710** |
| Landscaping and Irrigation (Median) - Allowance | 1,068 | SY | 4.20 | 4,485.60 | 449 | 592 | 1,382 | 6,908 | |
| Seeding | 20,790 | SF | 0.15 | 3,118.50 | 312 | 412 | 960 | 4,802 | |

# Oklahoma City
## Statement of Probable Construction Costs
## WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM
## Road R4 - Improvements to 89th Street
## Conceptual Design - June 2009

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | **$ 544,021** |
| **Site preparation** | | | | --- | | | | | **$ 54,249** |
| **Site clearing** | | | | --- | | | | | **$ 3,967** |
| Clearing and grubbing, 3" | 644 | CY | 4.00 | 2,576.00 | 258 | 340 | 793 | 3,967 | |
| **Site demolition and relocation** | | | | --- | | | | - | **$ 4,193** |
| Demo Asphalt pavement | 2,723 | SF | 1.00 | 2,723.00 | 272 | 359 | 839 | 4,193 | |
| **Earthwork** | | | | --- | | | | - | **$ 46,088** |
| Onsite cut / fill, grading & shaping; say 1.5" average | 3,865 | CY | 5.00 | 19,325.00 | 1,933 | 2,551 | 5,952 | 29,761 | |
| Fine Grade Site | 7,730 | SY | 0.35 | 2,705.50 | 271 | 357 | 833 | 4,166 | |
| Construction Entrance | 1 | LS | 2,000.00 | 2,000.00 | 200 | 264 | 616 | 3,080 | |
| Silt Fence | 1,374 | LF | 3.20 | 4,396.80 | 440 | 580 | 1,354 | 6,771 | |
| Sediment traps, rip rap, stone outlet structures | 1 | LS | 1,500.00 | 1,500.00 | 150 | 198 | 462 | 2,310 | |
| **Site improvements** | | | | --- | | | | - | **$ 489,773** |
| **Roads - R4** | | | | --- | | | | - | **$ 478,646** |
| Soil stabilization 6" Lime Treated: say 6% / 100% SD: | 4,316 | SY | | --- | | | | - | |
| Process Lime Slurry | 4,316 | SY | 2.80 | 12,084.80 | 1,208 | 1,595 | 3,722 | 18,611 | |
| Fine Grade for Pavement Prep | 4,316 | SY | 0.35 | 1,510.60 | 151 | 199 | 465 | 2,326 | |
| Lime Slurry - 6" @ say 6% (27#/sy) | 58 | TON | 118.00 | 6,875.39 | 688 | 908 | 2,118 | 10,588 | |
| 6" Reinforced Concrete Pvt. | 4,316 | SY | 66.69 | | | | | - | |
| Form Pavements, SFCA | 5,496 | SF | 10.00 | 54,960.00 | 5,496 | 7,255 | 16,928 | 84,638 | |
| Reinforcing Steel, say #4 @ 24" oc, ew (5 % waste) | 20,434 | LB | 1.15 | 23,498.97 | 2,350 | 3,102 | 7,238 | 36,188 | |
| Concrete, say 3000psi with 10% waste | 791 | CY | 110.00 | 87,039.33 | 8,704 | 11,489 | 26,808 | 134,041 | |
| Place Concrete, direct Chute | 719 | CY | 25.00 | 17,983.33 | 1,798 | 2,374 | 5,539 | 27,694 | |
| Finish Pavement | 38,844 | SF | 0.45 | 17,479.80 | 1,748 | 2,307 | 5,384 | 26,919 | |
| Sawcut & Seal Pavement | 4,042 | LF | 2.20 | 8,891.78 | 889 | 1,174 | 2,739 | 13,693 | |
| Backfill pavement | 458 | CY | 6.40 | 2,931.20 | 293 | 387 | 903 | 4,514 | |
| 6" Monolithic Curb | 2,748 | LF | 7.00 | 19,236.00 | 1,924 | 2,539 | 5,925 | 29,623 | |
| Centerline & Shoulder Pavement Markings, say 4" stripe | 37,212 | LF | 1.50 | 55,818.00 | 5,582 | 7,368 | 17,192 | 85,960 | |
| Misc. Roadway Signage | 1 | LS | 2,500.00 | 2,500.00 | 250 | 330 | 770 | 3,850 | |
| **Landscaping** | | | | --- | | | | - | **$ 11,127** |
| Landscaping and Irrigation (Median) - Allowance | 1 | LS | 3,000.00 | 3,000.00 | 300 | 396 | 924 | 4,620 | |
| Seeding | 28,167 | SF | 0.15 | 4,225.05 | 423 | 558 | 1,301 | 6,507 | |

# Oklahoma City
## Statement of Probable Construction Costs
## WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM
## Utilities - R1 Right-of-Way
## Conceptual Design - June 2009

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | **$ 8,583,563** |
| **Civil and mechanical utilities** | | | | --- | | | | | **$ 4,348,563** |
| **Water supply** | | | | --- | | | | | **$ 1,382,053** |
| Site domestic water distribution: | | | | --- | | | | | |
| Say 12" Class 200 PVC Water Line | 16,285 | LF | 29.00 | 472,265.00 | 47,227 | 62,339 | 145,458 | 727,288 | |
| 12" Bend | 12 | EA | 750.00 | 9,000.00 | 900 | 1,188 | 2,772 | 13,860 | |
| 12" Tapping Sleeve on 12" WL | 4 | EA | 5,500.00 | 22,000.00 | 2,200 | 2,904 | 6,776 | 33,880 | |
| 12" Gate Valve | 12 | EA | 2,400.00 | 28,800.00 | 2,880 | 3,802 | 8,870 | 44,352 | |
| Remove & replace pavement at service tap | 1 | EA | 7,500.00 | 7,500.00 | 750 | 990 | 2,310 | 11,550 | |
| Excavation for Pipe, Say 6' Depth | 7,238 | CY | 10.00 | 72,377.78 | 7,238 | 9,554 | 22,292 | 111,462 | |
| Granular Backfill | 3,619 | CY | 23.00 | 83,234.44 | 8,323 | 10,987 | 25,636 | 128,181 | |
| Common Embankment | 3,619 | CY | 5.00 | 18,094.44 | 1,809 | 2,388 | 5,573 | 27,865 | |
| Site fire water: | | | | --- | | | | - | |
| 6" PVC Water Line | 326 | LF | 11.00 | 3,582.70 | 358 | 473 | 1,103 | 5,517 | |
| Fire Hydrant Assembly, say 300' spacing | 54 | EA | 2,800.00 | 151,993.33 | 15,199 | 20,063 | 46,814 | 234,070 | |
| Excavation for Pipe, say 6' Depth | 145 | CY | 10.00 | 1,447.56 | 145 | 191 | 446 | 2,229 | |
| Thrust Blocking | 54 | EA | 500.00 | 27,141.67 | 2,714 | 3,583 | 8,360 | 41,798 | |
| **Sanitary sewer** | | | | --- | | | | - | **$ 1,866,894** |
| 15" PVC Sanatiry Sewer | 20,616 | LF | 17.05 | 351,502.80 | 35,150 | 46,398 | 108,263 | 541,314 | |
| Standard SS Manhole | 18 | EA | 3,500.00 | 63,000.00 | 6,300 | 8,316 | 19,404 | 97,020 | |
| Excavation for Pipe, say 6' Depth | 9,163 | CY | 10.00 | 91,626.67 | 9,163 | 12,095 | 28,221 | 141,105 | |
| Granular Backfill | 3,054 | CY | 23.00 | 70,247.11 | 7,025 | 9,273 | 21,636 | 108,181 | |
| Common Embankment | 6,108 | CY | 5.00 | 30,542.22 | 3,054 | 4,032 | 9,407 | 47,035 | |
| Tap into existing SS line | 1 | EA | 350.00 | 350.00 | 35 | 46 | 108 | 539 | |
| Remove & replace pavement at service tap | 1 | EA | 5,000.00 | 5,000.00 | 500 | 660 | 1,540 | 7,700 | |
| SS Lift Station - ALLOWANCE | 1 | LS | 600,000.00 | 600,000.00 | 60,000 | 79,200 | 184,800 | 924,000 | |
| **Storm sewer** | | | | --- | | | | - | **$ 770,000** |
| Storm water collection: ALLOWANCE | 1 | LS | 500,000.00 | 500,000.00 | 50,000 | 66,000 | 154,000 | 770,000 | |
| **Fuel distribution** | | | | --- | | | | - | **$ 329,616** |
| Tap-In to Existing Gas Line | 1 | EA | 2,500.00 | 2,500.00 | 250 | 330 | 770 | 3,850 | |
| 6" Natural gas, HDPE | 15,838 | LF | 10.00 | 158,380.00 | 15,838 | 20,906 | 48,781 | 243,905 | |
| Misc. Valves, regulators & connectors | 1 | LS | 25,000.00 | 25,000.00 | 2,500 | 3,300 | 7,700 | 38,500 | |
| Excavation for Pipe | 2,346 | CY | 12.00 | 28,156.44 | 2,816 | 3,717 | 8,672 | 43,361 | |
| **Electrical utilities** | | | | --- | | | | - | **$ 4,235,000** |
| **Electrical distribution** | | | | --- | | | | - | **$ 1,694,000** |
| Electrical Distribution - ALLOWANCE | 1 | LS | 1,100,000.00 | 1,100,000.00 | 110,000 | 145,200 | 338,800 | 1,694,000 | |
| **Site communications and security** | | | | --- | | | | - | **$ 2,541,000** |
| Telephone - 19,771 lf ALLOWANCE | 1 | LS | 550,000.00 | 550,000.00 | 55,000 | 72,600 | 169,400 | 847,000 | |
| Fiber Optic - 19,771 LF ALLOWANCE | 1 | LS | 1,100,000.00 | 1,100,000.00 | 110,000 | 145,200 | 338,800 | 1,694,000 | |

# Oklahoma City
## Statement of Probable Construction Costs
## WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM
## Road R2 - Horseshoe Road (Phase 1)
## Conceptual Design - June 2009

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | **$ 1,473,346** |
| **Site preparation** | | | | --- | | | | | **$ 133,340** |
| **Site clearing** | | | | --- | | | | | **$ 11,766** |
| Clearing and grubbing, 3" | 1,910 | CY | 4.00 | 7,640.00 | 764 | 1,008 | 2,353 | 11,766 | |
| **Earthwork** | | | | --- | | | | - | **$ 121,574** |
| Onsite cut / fill, grading & shaping; say 1.5" average | 11,462 | CY | 5.00 | 57,310.00 | 5,731 | 7,565 | 17,651 | 88,257 | |
| Fine Grade Site | 10,374 | SY | 0.35 | 3,630.90 | 363 | 479 | 1,118 | 5,592 | |
| Construction Entrance | 1 | LS | 4,000.00 | 4,000.00 | 400 | 528 | 1,232 | 6,160 | |
| Silt Fence | 4,126 | LF | 3.20 | 13,203.20 | 1,320 | 1,743 | 4,067 | 20,333 | |
| Sediment traps, rip rap, stone outlet structures | 1 | LS | 800.00 | 800.00 | 80 | 106 | 246 | 1,232 | |
| **Site improvements** | | | | --- | | | | - | **$ 1,340,006** |
| **Roads - R2** | | | | --- | | | | - | **$ 1,311,576** |
| Soil stabilization 6" Lime Treated: say 6% / 100% SD: | 15,050 | SY | | --- | | | | - | |
| Process Lime Slurry | 15,050 | SY | 2.80 | 42,140.00 | 4,214 | 5,562 | 12,979 | 64,896 | |
| Fine Grade for Pavement Prep | 15,050 | SY | 0.35 | 5,267.50 | 527 | 695 | 1,622 | 8,112 | |
| Lime Slurry - 6" @ say 6% (27#/sy) | 203 | TON | 118.00 | 23,974.65 | 2,397 | 3,165 | 7,384 | 36,921 | |
| 6" Reinforced Concrete Pvt. | 15,050 | SY | 51.51 | --- | | | | - | |
| Form Pavements, SFCA | 15,334 | SF | 8.00 | 122,672.00 | 12,267 | 16,193 | 37,783 | 188,915 | |
| Reinforcing Steel, say #4 @ 24" oc, ew (5 % waste) | 71,253 | LB | 1.15 | 81,941.49 | 8,194 | 10,816 | 25,238 | 126,190 | |
| Concrete, say 3000psi with 10% waste | 2,759 | CY | 110.00 | 303,508.33 | 30,351 | 40,063 | 93,481 | 467,403 | |
| Place Concrete, direct Chute | 2,508 | CY | 20.00 | 50,166.67 | 5,017 | 6,622 | 15,451 | 77,257 | |
| Finish Pavement | 135,450 | SF | 0.45 | 60,952.50 | 6,095 | 8,046 | 18,773 | 93,867 | |
| Sawcut & Seal Pavement | 14,094 | LF | 2.20 | 31,005.86 | 3,101 | 4,093 | 9,550 | 47,749 | |
| Backfill pavement | 1,278 | CY | 6.40 | 8,178.13 | 818 | 1,080 | 2,519 | 12,594 | |
| 6" Monolithic Curb | 7,667 | LF | 7.00 | 53,669.00 | 5,367 | 7,084 | 16,530 | 82,650 | |
| Centerline & Shoulder Pavement Markings, say 4" stripe | 42,131 | LF | 1.50 | 63,196.50 | 6,320 | 8,342 | 19,465 | 97,323 | |
| Misc. Roadway Signage | 1 | LS | 5,000.00 | 5,000.00 | 500 | 660 | 1,540 | 7,700 | |
| **Landscaping** | | | | --- | | | | - | **$ 28,430** |
| Landscaping and Irrigation (Median) - Allowance | 3,006 | SY | 3.00 | 9,018.00 | 902 | 1,190 | 2,778 | 13,888 | |
| Seeding | 62,955 | SF | 0.15 | 9,443.25 | 944 | 1,247 | 2,909 | 14,543 | |

# Oklahoma City
## Statement of Probable Construction Costs
## WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM
## Utilities - R2 Right-of-Way (Phase 1)
## Conceptual Design - June 2009

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | **$ 821,787** |
| **Civil and mechanical utilities** | | | | --- | | | | | **$ 346,851** |
| **Water supply** | | | | --- | | | | | **$ 146,126** |
| Site domestic water distribution: | | | | --- | | | | | |
| 8" Class 200 PVC Water Line | 2,071 | LF | 25.00 | 51,775.00 | 5,178 | 6,834 | 15,947 | 79,734 | |
| 12" Gate Valve | 1 | EA | 2,400.00 | 2,400.00 | 240 | 317 | 739 | 3,696 | |
| Site fire water: | | | | --- | | | | - | |
| 6" PVC Water Line | 72 | LF | 11.00 | 792.00 | 79 | 105 | 244 | 1,220 | |
| Fire Hydrant Assembly, say 300' spacing | 12 | EA | 2,800.00 | 33,600.00 | 3,360 | 4,435 | 10,349 | 51,744 | |
| Excavation for Pipe, say 6' Depth | 32 | CY | 10.00 | 320.00 | 32 | 42 | 99 | 493 | |
| Thrust Blocking | 12 | EA | 500.00 | 6,000.00 | 600 | 792 | 1,848 | 9,240 | |
| **Sanitary sewer** | | | | --- | | | | - | **$ 88,110** |
| 15" PVC Sanatiry Sewer | 1,890 | LF | 17.05 | 32,224.50 | 3,222 | 4,254 | 9,925 | 49,626 | |
| Standard SS Manhole | 2 | EA | 3,500.00 | 7,000.00 | 700 | 924 | 2,156 | 10,780 | |
| Excavation for Pipe, say 6' Depth | 840 | CY | 10.00 | 8,400.00 | 840 | 1,109 | 2,587 | 12,936 | |
| Granular Backfill | 280 | CY | 23.00 | 6,440.00 | 644 | 850 | 1,984 | 9,918 | |
| Common Embankment | 560 | CY | 5.00 | 2,800.00 | 280 | 370 | 862 | 4,312 | |
| Tap into existing SS line | 1 | EA | 350.00 | 350.00 | 35 | 46 | 108 | 539 | |
| **Storm sewer** | | | | --- | | | | - | **$ 69,300** |
| Storm water collection: ALLOWANCE | 1 | LS | 45,000.00 | 45,000.00 | 4,500 | 5,940 | 13,860 | 69,300 | |
| **Fuel distribution** | | | | --- | | | | - | **$ 43,314** |
| Tap-In to Existing Gas Line | 1 | EA | 2,500.00 | 2,500.00 | 250 | 330 | 770 | 3,850 | |
| 6" Natural gas, HDPE | 2,006 | LF | 10.00 | 20,060.00 | 2,006 | 2,648 | 6,178 | 30,892 | |
| Misc. Valves, regulators & connectors | 1 | LS | 2,000.00 | 2,000.00 | 200 | 264 | 616 | 3,080 | |
| Excavation for Pipe | 297 | CY | 12.00 | 3,566.22 | 357 | 471 | 1,098 | 5,492 | |
| **Electrical utilities** | | | | --- | | | | - | **$ 474,936** |
| **Electrical distribution** | | | | --- | | | | - | **$ 231,000** |
| Electrical Distribution - ALLOWANCE | 1 | LS | 150,000.00 | 150,000.00 | 15,000 | 19,800 | 46,200 | 231,000 | |
| **Site communications and security** | | | | --- | | | | - | **$ 243,936** |
| Telephone - 1851 lf ALLOWANCE | 1 | LS | 52,800.00 | 52,800.00 | 5,280 | 6,970 | 16,262 | 81,312 | |
| Fiber Optic - 1851 LF ALLOWANCE | 1 | LS | 105,600.00 | 105,600.00 | 10,560 | 13,939 | 32,525 | 162,624 | |

# Oklahoma City
## Statement of Probable Construction Costs
## WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM
## Road R2 - Horseshoe Road (Phase 2)
## Conceptual Design - June 2009

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | **$ 3,059,104** |
| **Site preparation** | | | | --- | | | | | **$ 350,563** |
| **Site clearing** | | | | --- | | | | | **$ 31,139** |
| Clearing and grubbing, 3" | 5,055 | CY | 4.00 | 20,220.00 | 2,022 | 2,669 | 6,228 | 31,139 | |
| **Earthwork** | | | | --- | | | | - | **$ 319,425** |
| Onsite cut / fill, grading & shaping; say 1.5" average | 30,330 | CY | 5.00 | 151,650.00 | 15,165 | 20,018 | 46,708 | 233,541 | |
| Fine Grade Site | 60,660 | SY | 0.35 | 21,231.00 | 2,123 | 2,802 | 6,539 | 32,696 | |
| Construction Entrance | 1 | LS | 4,000.00 | 4,000.00 | 400 | 528 | 1,232 | 6,160 | |
| Silt Fence | 8,918 | LF | 3.20 | 28,537.60 | 2,854 | 3,767 | 8,790 | 43,948 | |
| Sediment traps, rip rap, stone outlet structures | 1 | LS | 2,000.00 | 2,000.00 | 200 | 264 | 616 | 3,080 | |
| **Site improvements** | | | | --- | | | | - | **$ 2,708,540** |
| **Roads - R2** | | | | --- | | | | - | **$ 2,644,851** |
| Soil stabilization 6" Lime Treated: say 6% / 100% SD: | 27,633 | SY | | --- | | | | - | |
| Process Lime Slurry | 27,633 | SY | 2.80 | 77,372.40 | 7,737 | 10,213 | 23,831 | 119,153 | |
| Fine Grade for Pavement Prep | 27,633 | SY | 0.35 | 9,671.55 | 967 | 1,277 | 2,979 | 14,894 | |
| Lime Slurry - 6" @ say 6% (27#/sy) | 373 | TON | 118.00 | 44,019.37 | 4,402 | 5,811 | 13,558 | 67,790 | |
| 6" Reinforced Concrete Pvt. | 27,633 | SY | 53.43 | --- | | | | - | |
| Form Pavements, SFCA | 35,672 | SF | 8.00 | 285,376.00 | 28,538 | 37,670 | 87,896 | 439,479 | |
| Reinforcing Steel, say #4 @ 24" oc, ew (5 % waste) | 130,827 | LB | 1.15 | 150,451.12 | 15,045 | 19,860 | 46,339 | 231,695 | |
| Concrete, say 3000psi with 10% waste | 5,066 | CY | 110.00 | 557,265.50 | 55,727 | 73,559 | 171,638 | 858,189 | |
| Place Concrete, direct Chute | 4,606 | CY | 20.00 | 92,110.00 | 9,211 | 12,159 | 28,370 | 141,849 | |
| Finish Pavement | 248,697 | SF | 0.45 | 111,913.65 | 11,191 | 14,773 | 34,469 | 172,347 | |
| Sawcut & Seal Pavement | 25,877 | LF | 2.20 | 56,929.23 | 5,693 | 7,515 | 17,534 | 87,671 | |
| Backfill pavement | 2,973 | CY | 6.40 | 19,025.07 | 1,903 | 2,511 | 5,860 | 29,299 | |
| 6" Monolithic Curb | 17,836 | LF | 7.00 | 124,852.00 | 12,485 | 16,480 | 38,454 | 192,272 | |
| Centerline & Shoulder Pavement Markings, say 4" stripe | 52,300 | LF | 1.50 | 78,450.00 | 7,845 | 10,355 | 24,163 | 120,813 | |
| Misc. Roadway Signage | 1 | LS | 10,000.00 | 10,000.00 | 1,000 | 1,320 | 3,080 | 15,400 | |
| Traffic Signal at R1 & 89th | 1 | LS | 100,000.00 | 100,000.00 | 10,000 | 13,200 | 30,800 | 154,000 | |
| **Landscaping** | | | | --- | | | | - | **$ 63,689** |
| Landscaping and Irrigation (Median) - Allowance | 7,076 | SY | 3.00 | 21,228.00 | 2,123 | 2,802 | 6,538 | 32,691 | |
| Seeding | 134,190 | SF | 0.15 | 20,128.50 | 2,013 | 2,657 | 6,200 | 30,998 | |

# Oklahoma City
## Statement of Probable Construction Costs
## WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM
## Utilities - R2 Right-of-Way (Phase 2)
## Conceptual Design - June 2009

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | **$ 1,889,722** |
| **Civil and mechanical utilities** | | | | --- | | | | | **$ 781,538** |
| **Water supply** | | | | --- | | | | | **$ 321,786** |
| Site domestic water distribution: | | | | --- | | | | | |
| 8" Class 200 PVC Water Line | 4,598 | LF | 25.00 | 114,950.00 | 11,495 | 15,173 | 35,405 | 177,023 | |
| 12" Gate Valve | 1 | EA | 2,400.00 | 2,400.00 | 240 | 317 | 739 | 3,696 | |
| Site fire water: | | | | --- | | | | - | |
| 6" PVC Water Line | 162 | LF | 11.00 | 1,782.00 | 178 | 235 | 549 | 2,744 | |
| Fire Hydrant Assembly, say 300' spacing | 27 | EA | 2,800.00 | 75,600.00 | 7,560 | 9,979 | 23,285 | 116,424 | |
| Excavation for Pipe, say 6' Depth | 72 | CY | 10.00 | 720.00 | 72 | 95 | 222 | 1,109 | |
| Thrust Blocking | 27 | EA | 500.00 | 13,500.00 | 1,350 | 1,782 | 4,158 | 20,790 | |
| **Sanitary sewer** | | | | --- | | | | - | **$ 208,145** |
| 15" PVC Sanatiry Sewer | 4,579 | LF | 17.05 | 78,071.95 | 7,807 | 10,305 | 24,046 | 120,231 | |
| Standard SS Manhole | 4 | EA | 3,500.00 | 14,000.00 | 1,400 | 1,848 | 4,312 | 21,560 | |
| Excavation for Pipe, say 6' Depth | 2,035 | CY | 10.00 | 20,351.11 | 2,035 | 2,686 | 6,268 | 31,341 | |
| Granular Backfill | 678 | CY | 23.00 | 15,602.52 | 1,560 | 2,060 | 4,806 | 24,028 | |
| Common Embankment | 1,357 | CY | 5.00 | 6,783.70 | 678 | 895 | 2,089 | 10,447 | |
| Tap into existing SS line | 1 | EA | 350.00 | 350.00 | 35 | 46 | 108 | 539 | |
| **Storm sewer** | | | | --- | | | | - | **$ 161,700** |
| Storm water collection: ALLOWANCE | 1 | LS | 105,000.00 | 105,000.00 | 10,500 | 13,860 | 32,340 | 161,700 | |
| **Fuel distribution** | | | | --- | | | | - | **$ 89,907** |
| Tap-In to Existing Gas Line | 1 | EA | 2,500.00 | 2,500.00 | 250 | 330 | 770 | 3,850 | |
| 6" Natural gas, HDPE | 4,405 | LF | 10.00 | 44,050.00 | 4,405 | 5,815 | 13,567 | 67,837 | |
| Misc. Valves, regulators & connectors | 1 | LS | 4,000.00 | 4,000.00 | 400 | 528 | 1,232 | 6,160 | |
| Excavation for Pipe | 653 | CY | 12.00 | 7,831.11 | 783 | 1,034 | 2,412 | 12,060 | |
| **Electrical utilities** | | | | --- | | | | - | **$ 1,108,184** |
| **Electrical distribution** | | | | --- | | | | - | **$ 539,000** |
| Electrical Distribution - ALLOWANCE | 1 | LS | 350,000.00 | 350,000.00 | 35,000 | 46,200 | 107,800 | 539,000 | |
| **Site communications and security** | | | | --- | | | | - | **$ 569,184** |
| Telephone - 4378 lf ALLOWANCE | 1 | LS | 123,200.00 | 123,200.00 | 12,320 | 16,262 | 37,946 | 189,728 | |
| Fiber Optic - 4378 LF ALLOWANCE | 1 | LS | 246,400.00 | 246,400.00 | 24,640 | 32,525 | 75,891 | 379,456 | |

# Oklahoma City
## Statement of Probable Construction Costs
## WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM
## Road R5 - Access to Parcels 1C & 4C
## Conceptual Design - July 2009

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | **$ 771,330** |
| **Site preparation** | | | | --- | | | | | **$ 93,843** |
| **Site clearing** | | | | --- | | | | | **$ 8,322** |
| Clearing and grubbing, 3" (say 100' wide) | 1,351 | CY | 4.00 | 5,404.00 | 540 | 713 | 1,664 | 8,322 | |
| **Earthwork** | | | | --- | | | | - | **$ 85,521** |
| Onsite cut / fill, grading & shaping; say 1.5" average | 8,111 | CY | 5.00 | 40,555.00 | 4,056 | 5,353 | 12,491 | 62,455 | |
| Fine Grade Site | 16,223 | SY | 0.35 | 5,678.05 | 568 | 750 | 1,749 | 8,744 | |
| Construction Entrance | 1 | LS | 2,000.00 | 2,000.00 | 200 | 264 | 616 | 3,080 | |
| Silt Fence | 1,500 | LF | 3.20 | 4,800.00 | 480 | 634 | 1,478 | 7,392 | |
| Sediment traps, rip rap, stone outlet structures | 1 | LS | 2,500.00 | 2,500.00 | 250 | 330 | 770 | 3,850 | |
| **Site improvements** | | | | --- | | | | - | **$ 677,487** |
| **Roads - R5 (say 2 ea. 12' wide pavement lanes+10' center +6" curb ea side)** | | | | --- | | | | - | **$ 640,135** |
| Soil stabilization 6" Lime Treated: say 6% / 100% SD: | 7,774 | SY | | --- | | | | - | |
| Process Lime Slurry | 7,774 | SY | 2.80 | 21,767.20 | 2,177 | 2,873 | 6,704 | 33,521 | |
| Fine Grade for Pavement Prep | 7,774 | SY | 0.35 | 2,720.90 | 272 | 359 | 838 | 4,190 | |
| Lime Slurry - 6" @ say 6% (27#/sy) | 105 | TON | 118.00 | 12,383.98 | 1,238 | 1,635 | 3,814 | 19,071 | |
| 6" Reinforced Concrete Pvt. | 7,774 | SY | 48.40 | | | | | - | |
| Form Pavements, SFCA | 4,360 | SF | 10.00 | 43,600.00 | 4,360 | 5,755 | 13,429 | 67,144 | |
| Form Pavements, SFCA (cul-de-sac) | 2,304 | SF | 10.00 | 23,040.00 | 2,304 | 3,041 | 7,096 | 35,482 | |
| Reinforcing Steel, say #4 @ 24" oc, ew (5 % waste) | 36,806 | LB | 1.15 | 42,326.46 | 4,233 | 5,587 | 13,037 | 65,183 | |
| Concrete, say 3000psi with 10% waste | 1,425 | CY | 110.00 | 156,775.67 | 15,678 | 20,694 | 48,287 | 241,435 | |
| Place Concrete, direct Chute | 1,296 | CY | 25.00 | 32,391.67 | 3,239 | 4,276 | 9,977 | 49,883 | |
| Finish Pavement | 69,966 | SF | 0.45 | 31,484.70 | 3,148 | 4,156 | 9,697 | 48,486 | |
| Sawcut & Seal Pavement | 7,280 | LF | 2.20 | 16,015.92 | 1,602 | 2,114 | 4,933 | 24,665 | |
| Backfill pavement | 363 | CY | 6.40 | 2,325.33 | 233 | 307 | 716 | 3,581 | |
| 6" Monolithic Curb | 2,180 | LF | 7.00 | 15,260.00 | 1,526 | 2,014 | 4,700 | 23,500 | |
| Centerline & Shoulder Pavement Markings, say 4" stripe | 8,720 | LF | 1.50 | 13,080.00 | 1,308 | 1,727 | 4,029 | 20,143 | |
| Misc. Roadway Signage | 1 | LS | 2,500.00 | 2,500.00 | 250 | 330 | 770 | 3,850 | |
| **Landscaping** | | | | --- | | | | - | **$ 37,353** |
| Landscaping and Irrigation - Allowance | 1 | LS | 3,000.00 | 3,000.00 | 300 | 396 | 924 | 4,620 | |
| Seeding | 141,700 | SF | 0.15 | 21,255.00 | 2,126 | 2,806 | 6,547 | 32,733 | |

# Oklahoma City
## Statement of Probable Construction Costs
## WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM
## Utilities - R5 Right-of-Way (Phase 1)
## Conceptual Design - June 2009

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | $ 540,342 |
| **Civil and mechanical utilities** | | | | --- | | | | | $ 193,842 |
| **Water supply** | | | | --- | | | | | $ 60,280 |
| Site domestic water distribution: | | | | --- | | | | | |
| 8" Class 200 PVC Water Line | 1,045 | LF | 25.00 | 26,125.00 | 2,613 | 3,449 | 8,047 | 40,233 | |
| 8" Gate Valve | 1 | EA | 1,200.00 | 1,200.00 | 120 | 158 | 370 | 1,848 | |
| Site fire water: | | | | --- | | | | - | |
| 6" PVC Water Line | 21 | LF | 11.00 | 229.90 | 23 | 30 | 71 | 354 | |
| Fire Hydrant Assembly, say 300' spacing | 3 | EA | 2,800.00 | 9,753.33 | 975 | 1,287 | 3,004 | 15,020 | |
| Excavation for Pipe, say 6' Depth | 9 | CY | 10.00 | 92.89 | 9 | 12 | 29 | 143 | |
| Thrust Blocking | 3 | EA | 500.00 | 1,741.67 | 174 | 230 | 536 | 2,682 | |
| **Sanitary sewer** | | | | --- | | | | - | $ 53,778 |
| 15" PVC Sanatiry Sewer | 1,045 | LF | 17.05 | 17,817.25 | 1,782 | 2,352 | 5,488 | 27,439 | |
| Standard SS Manhole | 2 | EA | 3,500.00 | 7,000.00 | 700 | 924 | 2,156 | 10,780 | |
| Excavation for Pipe, say 6' Depth | 464 | CY | 10.00 | 4,644.44 | 464 | 613 | 1,430 | 7,152 | |
| Granular Backfill | 155 | CY | 23.00 | 3,560.74 | 356 | 470 | 1,097 | 5,484 | |
| Common Embankment | 310 | CY | 5.00 | 1,548.15 | 155 | 204 | 477 | 2,384 | |
| Tap into existing SS line | 1 | EA | 350.00 | 350.00 | 35 | 46 | 108 | 539 | |
| **Storm sewer** | | | | --- | | | | - | $ 53,900 |
| Storm water collection: ALLOWANCE | 1 | LS | 35,000.00 | 35,000.00 | 3,500 | 4,620 | 10,780 | 53,900 | |
| **Fuel distribution** | | | | --- | | | | - | $ 25,884 |
| Tap-In to Existing Gas Line | 1 | EA | 2,500.00 | 2,500.00 | 250 | 330 | 770 | 3,850 | |
| 6" Natural gas, HDPE | 1,045 | LF | 10.00 | 10,450.00 | 1,045 | 1,379 | 3,219 | 16,093 | |
| Misc. Valves, regulators & connectors | 1 | LS | 2,000.00 | 2,000.00 | 200 | 264 | 616 | 3,080 | |
| Excavation for Pipe | 155 | CY | 12.00 | 1,857.78 | 186 | 245 | 572 | 2,861 | |
| **Electrical utilities** | | | | --- | | | | - | $ 346,500 |
| **Electrical distribution** | | | | --- | | | | - | $ 154,000 |
| Electrical Distribution - ALLOWANCE | 1 | LS | 100,000.00 | 100,000.00 | 10,000 | 13,200 | 30,800 | 154,000 | |
| **Site communications and security** | | | | --- | | | | - | $ 192,500 |
| Telephone - 1050 lf ALLOWANCE | 1 | LS | 45,000.00 | 45,000.00 | 4,500 | 5,940 | 13,860 | 69,300 | |
| Fiber Optic - 1050 LF ALLOWANCE | 1 | LS | 80,000.00 | 80,000.00 | 8,000 | 10,560 | 24,640 | 123,200 | |

# Oklahoma City
## Statement of Probable Construction Costs
## WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM
## Taxiway Extension (Phase 1)
## Conceptual Design - July 2009

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | **$ 2,680,208** |
| **Site preparation** | | | | --- | | | | | **$ 343,388** |
| **Site clearing** | | | | --- | | | | | **$ 19,065** |
| Clearing and grubbing, 3" | 3,095 | CY | 4.00 | 12,380.00 | 1,238 | 1,634 | 3,813 | 19,065 | |
| **Earthwork** | | | | --- | | | | - | **$ 324,323** |
| Onsite cut / fill, grading & shaping; say 2.5" average | 30,948 | CY | 6.00 | 185,688.00 | 18,569 | 24,511 | 57,192 | 285,960 | |
| Fine Grade Site | 37,138 | SY | 0.35 | 12,998.30 | 1,300 | 1,716 | 4,003 | 20,017 | |
| Construction Entrance | 1 | LS | 3,000.00 | 3,000.00 | 300 | 396 | 924 | 4,620 | |
| Silt Fence | 2,004 | LF | 3.20 | 6,412.80 | 641 | 846 | 1,975 | 9,876 | |
| Sediment traps, rip rap, stone outlet structures | 1 | LS | 2,500.00 | 2,500.00 | 250 | 330 | 770 | 3,850 | |
| **Site improvements** | | | | --- | | | | - | **$ 1,687,948** |
| **Taxiway Pavement - Phase 1** | | | | --- | | | | - | **$ 1,640,965** |
| Soil stabilization 6" Lime Treated: say 6% / 100% SD: | 7,513 | SY | 7.06 | --- | | | | - | |
| Process Cement | 7,513 | SY | 2.80 | 21,036.40 | 2,104 | 2,777 | 6,479 | 32,396 | |
| Fine Grade for Pavement Prep | 7,513 | SY | 0.50 | 3,756.50 | 376 | 496 | 1,157 | 5,785 | |
| Cement - 12" @ 64.84#/sy | 244 | TON | 116.00 | 28,254.29 | 2,825 | 3,730 | 8,702 | 43,512 | |
| Say 18" Reinforced Concrete Pvt. | 7,513 | SY | 92.19 | --- | | | | - | |
| Premium for Handpours, form, pour screed finish | 601 | SF | 0.30 | 180.40 | 18 | 24 | 56 | 278 | |
| Slipform Taxiway Pavement | 7,513 | SY | 4.38 | 32,906.94 | 3,291 | 4,344 | 10,135 | 50,677 | |
| Reinforcing: say #4 @ 11.5" Long., #4 @ 18" trans. (w/ 3% waste) | 80,765 | LB | 1.00 | 80,764.75 | 8,076 | 10,661 | 24,876 | 124,378 | |
| Concrete, say 3000psi with 10% waste | 4,132 | CY | 105.00 | 433,875.75 | 43,388 | 57,272 | 133,634 | 668,169 | |
| Place Concrete, direct Chute | 3,757 | CY | 25.00 | 93,912.50 | 9,391 | 12,396 | 28,925 | 144,625 | |
| Dowel Bars, Sawcut & Seal Pavement Joints | 7,513 | SY | 6.55 | 49,210.15 | 4,921 | 6,496 | 15,157 | 75,784 | |
| Backfill pavement | 301 | CY | 6.40 | 1,924.27 | 192 | 254 | 593 | 2,963 | |
| Centerline & Shoulder Pavement Markings, say 6" stripe | 2,706 | LF | 2.40 | 6,494.40 | 649 | 857 | 2,000 | 10,001 | |
| Taxiway Underdrain, 6" perf pipe with filter fabric and pea gravel bedding | 1,804 | LF | 22.00 | 39,688.00 | 3,969 | 5,239 | 12,224 | 61,120 | |
| Misc. Taxiway Signage | 1 | LS | 15,000.00 | 15,000.00 | 1,500 | 1,980 | 4,620 | 23,100 | |
| Taxiway Shoulder - say 7" Asphalt @ 35' width | | | | --- | | | | | |
| 12" Cement Treated Base | 7,072 | SY | 7.06 | 49,933.41 | 4,993 | 6,591 | 15,379 | 76,897 | |
| Base Course - say 5" | 1,980 | TON | 75.00 | 148,512.00 | 14,851 | 19,604 | 45,742 | 228,708 | |
| Surface Course - say 2" | 801 | TON | 75.00 | 60,112.00 | 6,011 | 7,935 | 18,514 | 92,572 | |
| **Landscaping** | | | | --- | | | | - | **$ 46,982** |
| Seeding | 203,387 | SF | 0.15 | 30,508.05 | 3,051 | 4,027 | 9,396 | 46,982 | |
| **Civil and mechanical utilities** | | | | --- | | | | - | **$ 539,000** |
| **Storm sewer** | | | | --- | | | | - | **$ 539,000** |
| Storm water collection: ALLOWANCE | 1 | LS | 350,000.00 | 350,000.00 | 35,000 | 46,200 | 107,800 | 539,000 | |
| **Electrical utilities** | | | | --- | | | | - | **$ 109,873** |
| **Taxiway lighting** | | | | --- | | | | - | **$ 109,873** |
| Taxiway Edge Lighting, say 50' o.c. | 40 | EA | 650.00 | 26,000.00 | 2,600 | 3,432 | 8,008 | 40,040 | |
| Duct Bank. Say 2W-2" Sch. 40 PVC Conduit, DEB Including Trench & Backfill | 1,804 | LF | 8.65 | 15,604.60 | 1,560 | 2,060 | 4,806 | 24,031 | |

**Oklahoma City**
**Statement of Probable Construction Costs**
**WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM**
**Taxiway Extension (Phase 1)**
**Conceptual Design - July 2009**

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| Conductor, say #8 L-824C 5KV Cable Installed in Duct or Conduit | 5,412 | LF | 1.80 | 9,741.60 | 974 | 1,286 | 3,000 | 15,002 | |
| Misc. junction boxes, manholes, handholes | 1 | LS | | 20,000.00 | 2,000 | 2,640 | 6,160 | 30,800 | |

| | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | **$ 781,033** |
| **Site preparation** | | | | --- | | | | | **$ 96,091** |
| **Site clearing** | | | | --- | | | | | **$ 8,562** |
| Clearing and grubbing, 3" (say 100' wide) | 1,390 | CY | 4.00 | 5,560.00 | 556 | 734 | 1,712 | 8,562 | |
| **Earthwork** | | | | --- | | | | - | **$ 87,529** |
| Onsite cut / fill, grading & shaping; say 1.5" average | 8,342 | CY | 5.00 | 41,710.00 | 4,171 | 5,506 | 12,847 | 64,233 | |
| Fine Grade Site | 16,648 | SY | 0.35 | 5,826.80 | 583 | 769 | 1,795 | 8,973 | |
| Construction Entrance | 1 | LS | 2,000.00 | 2,000.00 | 200 | 264 | 616 | 3,080 | |
| Silt Fence | 1,500 | LF | 3.20 | 4,800.00 | 480 | 634 | 1,478 | 7,392 | |
| Sediment traps, rip rap, stone outlet structures | 1 | LS | 2,500.00 | 2,500.00 | 250 | 330 | 770 | 3,850 | |
| **Site improvements** | | | | --- | | | | - | **$ 684,942** |
| **Roads - R6 (say 2 ea. 12' wide pavement lanes+10' center +6" curb ea side)** | | | | --- | | | | - | **$ 646,989** |
| Soil stabilization 6" Lime Treated: say 6% / 100% SD: | 7,850 | SY | | --- | | | | - | |
| Process Lime Slurry | 7,850 | SY | 2.80 | 21,980.00 | 2,198 | 2,901 | 6,770 | 33,849 | |
| Fine Grade for Pavement Prep | 7,850 | SY | 0.35 | 2,747.50 | 275 | 363 | 846 | 4,231 | |
| Lime Slurry - 6" @ say 6% (27#/sy) | 106 | TON | 118.00 | 12,505.05 | 1,251 | 1,651 | 3,852 | 19,258 | |
| 6" Reinforced Concrete Pvt. | 7,850 | SY | 48.46 | | | | | - | |
| Form Pavements, SFCA | 4,440 | SF | 10.00 | 44,400.00 | 4,440 | 5,861 | 13,675 | 68,376 | |
| Form Pavements, SFCA (cul-de-sac) | 2,304 | SF | 10.00 | 23,040.00 | 2,304 | 3,041 | 7,096 | 35,482 | |
| Reinforcing Steel, say #4 @ 24" oc, ew (5 % waste) | 37,165 | LB | 1.15 | 42,740.25 | 4,274 | 5,642 | 13,164 | 65,820 | |
| Concrete, say 3000psi with 10% waste | 1,439 | CY | 110.00 | 158,308.33 | 15,831 | 20,897 | 48,759 | 243,795 | |
| Place Concrete, direct Chute | 1,308 | CY | 25.00 | 32,708.33 | 3,271 | 4,318 | 10,074 | 50,371 | |
| Finish Pavement | 70,650 | SF | 0.45 | 31,792.50 | 3,179 | 4,197 | 9,792 | 48,960 | |
| Sawcut & Seal Pavement | 7,351 | LF | 2.20 | 16,172.49 | 1,617 | 2,135 | 4,981 | 24,906 | |
| Backfill pavement | 370 | CY | 6.40 | 2,368.00 | 237 | 313 | 729 | 3,647 | |
| 6" Monolithic Curb | 2,220 | LF | 7.00 | 15,540.00 | 1,554 | 2,051 | 4,786 | 23,932 | |
| Centerline & Shoulder Pavement Markings, say 4" stripe | 8,880 | LF | 1.50 | 13,320.00 | 1,332 | 1,758 | 4,103 | 20,513 | |
| Misc. Roadway Signage | 1 | LS | 2,500.00 | 2,500.00 | 250 | 330 | 770 | 3,850 | |
| **Landscaping** | | | | --- | | | | - | **$ 37,953** |
| Landscaping and Irrigation - Allowance | 1 | LS | 3,000.00 | 3,000.00 | 300 | 396 | 924 | 4,620 | |
| Seeding | 144,300 | SF | 0.15 | 21,645.00 | 2,165 | 2,857 | 6,667 | 33,333 | |

# Oklahoma City
## Statement of Probable Construction Costs
## WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM
## Utilities - R6 Right-of-Way (Phase 2)
## Conceptual Design - June 2009

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | **$ 540,342** |
| **Civil and mechanical utilities** | | | | --- | | | | | **$ 193,842** |
| **Water supply** | | | | --- | | | | | **$ 60,280** |
| Site domestic water distribution: | | | | --- | | | | | |
| 8" Class 200 PVC Water Line | 1,045 | LF | 25.00 | 26,125.00 | 2,613 | 3,449 | 8,047 | 40,233 | |
| 8" Gate Valve | 1 | EA | 1,200.00 | 1,200.00 | 120 | 158 | 370 | 1,848 | |
| Site fire water: | | | | --- | | | | - | |
| 6" PVC Water Line | 21 | LF | 11.00 | 229.90 | 23 | 30 | 71 | 354 | |
| Fire Hydrant Assembly, say 300' spacing | 3 | EA | 2,800.00 | 9,753.33 | 975 | 1,287 | 3,004 | 15,020 | |
| Excavation for Pipe, say 6' Depth | 9 | CY | 10.00 | 92.89 | 9 | 12 | 29 | 143 | |
| Thrust Blocking | 3 | EA | 500.00 | 1,741.67 | 174 | 230 | 536 | 2,682 | |
| **Sanitary sewer** | | | | --- | | | | - | **$ 53,778** |
| 15" PVC Sanitary Sewer | 1,045 | LF | 17.05 | 17,817.25 | 1,782 | 2,352 | 5,488 | 27,439 | |
| Standard SS Manhole | 2 | EA | 3,500.00 | 7,000.00 | 700 | 924 | 2,156 | 10,780 | |
| Excavation for Pipe, say 6' Depth | 464 | CY | 10.00 | 4,644.44 | 464 | 613 | 1,430 | 7,152 | |
| Granular Backfill | 155 | CY | 23.00 | 3,560.74 | 356 | 470 | 1,097 | 5,484 | |
| Common Embankment | 310 | CY | 5.00 | 1,548.15 | 155 | 204 | 477 | 2,384 | |
| Tap into existing SS line | 1 | EA | 350.00 | 350.00 | 35 | 46 | 108 | 539 | |
| **Storm sewer** | | | | --- | | | | - | **$ 53,900** |
| Storm water collection: ALLOWANCE | 1 | LS | 35,000.00 | 35,000.00 | 3,500 | 4,620 | 10,780 | 53,900 | |
| **Fuel distribution** | | | | --- | | | | - | **$ 25,884** |
| Tap-In to Existing Gas Line | 1 | EA | 2,500.00 | 2,500.00 | 250 | 330 | 770 | 3,850 | |
| 6" Natural gas, HDPE | 1,045 | LF | 10.00 | 10,450.00 | 1,045 | 1,379 | 3,219 | 16,093 | |
| Misc. Valves, regulators & connectors | 1 | LS | 2,000.00 | 2,000.00 | 200 | 264 | 616 | 3,080 | |
| Excavation for Pipe | 155 | CY | 12.00 | 1,857.78 | 186 | 245 | 572 | 2,861 | |
| **Electrical utilities** | | | | --- | | | | - | **$ 346,500** |
| **Electrical distribution** | | | | --- | | | | - | **$ 154,000** |
| Electrical Distribution - ALLOWANCE | 1 | LS | 100,000.00 | 100,000.00 | 10,000 | 13,200 | 30,800 | 154,000 | |
| **Site communications and security** | | | | --- | | | | - | **$ 192,500** |
| Telephone - 1050 lf ALLOWANCE | 1 | LS | 45,000.00 | 45,000.00 | 4,500 | 5,940 | 13,860 | 69,300 | |
| Fiber Optic - 1050 LF ALLOWANCE | 1 | LS | 80,000.00 | 80,000.00 | 8,000 | 10,560 | 24,640 | 123,200 | |

# Oklahoma City
## Statement of Probable Construction Costs
## WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM
## Taxiway Extension (Phase 2)
## Conceptual Design - July 2009

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| **Sitework** | | | | --- | 10.00% | 12.00% | 25.00% | | **$ 5,620,719** |
| **Site preparation** | | | | --- | | | | | **$ 444,373** |
| **Site clearing** | | | | --- | | | | | **$ 24,905** |
| Clearing and grubbing, 3" | 4,043 | CY | 4.00 | 16,172.00 | 1,617 | 2,135 | 4,981 | 24,905 | |
| **Earthwork** | | | | --- | | | | - | **$ 419,469** |
| Onsite cut / fill, grading & shaping; say 2.5" average | 40,424 | CY | 6.00 | 242,544.00 | 24,254 | 32,016 | 74,704 | 373,518 | |
| Fine Grade Site | 48,509 | SY | 0.35 | 16,978.15 | 1,698 | 2,241 | 5,229 | 26,146 | |
| Construction Entrance | 1 | LS | 3,000.00 | 3,000.00 | 300 | 396 | 924 | 4,620 | |
| Silt Fence | 2,300 | LF | 3.20 | 7,360.00 | 736 | 972 | 2,267 | 11,334 | |
| Sediment traps, rip rap, stone outlet structures | 1 | LS | 2,500.00 | 2,500.00 | 250 | 330 | 770 | 3,850 | |
| **Site improvements** | | | | --- | | | | - | **$ 3,489,897** |
| **Taxiway Pavement - Phase 1** | | | | --- | | | | - | **$ 3,447,059** |
| Soil stabilization 12" Cement Treated | 17,530 | SY | 7.06 | --- | | | | - | |
| Process Cement | 17,530 | SY | 2.80 | 49,084.00 | 4,908 | 6,479 | 15,118 | 75,589 | |
| Fine Grade for Pavement Prep | 17,530 | SY | 0.50 | 8,765.00 | 877 | 1,157 | 2,700 | 13,498 | |
| Cement - 12" @ 64.84#/sy | 568 | TON | 116.00 | 65,925.42 | 6,593 | 8,702 | 20,305 | 101,525 | |
| Say 18" Reinforced Concrete Pvt. | 17,530 | SY | 93.60 | --- | | | | - | |
| Premium for Handpours, form, pour screed finish | 85,593 | SF | 0.30 | 25,677.90 | 2,568 | 3,389 | 7,909 | 39,544 | |
| Slipform Taxiway Pavement | 17,530 | SY | 4.38 | 76,781.40 | 7,678 | 10,135 | 23,649 | 118,243 | |
| Reinforcing: say #4 @ 11.5" Long., #4 @ 18" trans. (w/ 3% waste) | 188,448 | LB | 1.00 | 188,447.50 | 18,845 | 24,875 | 58,042 | 290,209 | |
| Concrete, say 3000psi with 10% waste | 9,642 | CY | 105.00 | 1,012,357.50 | 101,236 | 133,631 | 311,806 | 1,559,031 | |
| Place Concrete, direct Chute | 8,765 | CY | 25.00 | 219,125.00 | 21,913 | 28,925 | 67,491 | 337,453 | |
| Dowel Bars, Sawcut & Seal Pavement Joints | 17,530 | SY | 6.55 | 114,821.50 | 11,482 | 15,156 | 35,365 | 176,825 | |
| Backfill pavement | 555 | CY | 6.40 | 3,554.13 | 355 | 469 | 1,095 | 5,473 | |
| Centerline & Shoulder Pavement Markings, say 6" stripe | 4,514 | LF | 2.40 | 10,833.60 | 1,083 | 1,430 | 3,337 | 16,684 | |
| Taxiway Underdrain, 6" perf pipe with filter fabric and pea gravel bedding | 2,668 | LF | 22.00 | 58,696.00 | 5,870 | 7,748 | 18,078 | 90,392 | |
| Misc. Taxiway Signage | 1 | LS | 25,000.00 | 25,000.00 | 2,500 | 3,300 | 7,700 | 38,500 | |
| Taxiway Shoulder - say 7" Asphalt @ 35' width | | | | --- | | | | | |
| 12" Cement Treated Base | 10,374 | SY | 7.06 | 73,247.91 | 7,325 | 9,669 | 22,560 | 112,802 | |
| Base Course - say 5" | 2,905 | TON | 75.00 | 217,854.00 | 21,785 | 28,757 | 67,099 | 335,495 | |
| Surface Course - say 2" | 1,176 | TON | 75.00 | 88,179.00 | 8,818 | 11,640 | 27,159 | 135,796 | |
| **Landscaping** | | | | --- | | | | - | **$ 42,838** |
| Seeding | 185,447 | SF | 0.15 | 27,817.05 | 2,782 | 3,672 | 8,568 | 42,838 | |
| **Civil and mechanical utilities** | | | | --- | | | | - | **$ 1,540,000** |
| **Storm sewer** | | | | --- | | | | - | **$ 1,540,000** |
| Storm water collection: ALLOWANCE | 1 | LS | 1,000,000.00 | 1,000,000.00 | 100,000 | 132,000 | 308,000 | 1,540,000 | |
| **Electrical utilities** | | | | --- | | | | - | **$ 146,449** |
| **Taxiway lighting** | | | | --- | | | | - | **$ 146,449** |
| Taxiway Edge Lighting, say 50' o.c. | 53 | EA | 650.00 | 34,450.00 | 3,445 | 4,547 | 10,611 | 53,053 | |
| Duct Bank. Say 2W-2" Sch. 40 PVC Conduit, DEB Including Trench & Backfill | 2,893 | LF | 8.65 | 25,024.45 | 2,502 | 3,303 | 7,708 | 38,538 | |

**Oklahoma City**
**Statement of Probable Construction Costs**
**WILL ROGERS WORLD AIRPORT - DEVELOPMENT PROGRAM**
**Taxiway Extension (Phase 2)**
**Conceptual Design - July 2009**

| Description | Qty | UM | Unit | Extended | GC's | Bonds, OH & Profit | Estimator's Contingency | Total | Cost |
|---|---|---|---|---|---|---|---|---|---|
| Conductor, say #8 L-824C 5KV Cable Installed in Duct or Conduit | 8,679 | LF | 1.80 | 15,622.20 | 1,562 | 2,062 | 4,812 | 24,058 | |
| Misc. junction boxes, manholes, handholes | 1 | LS | | 20,000.00 | 2,000 | 2,640 | 6,160 | 30,800 | |

# ATTACHMENT J – COST BENEFIT ANALYSIS REPORT

# Attachment J

# Cost Benefit Analysis Report

## AIRPORT STRATEGIC DEVELOPMENT PROGRAM

## Will Rogers World Airport

## Oklahoma City, Oklahoma

## Background and Purpose

Oklahoma City Airport Trust ("Trust"), on behalf of the City, retained Jacobs Consultancy to create an "Airport Strategic Development Program" ("Program"). The goal of the Program was to identify commercial development opportunities for the Will Rogers World Airport ("Airport") properties, including the development of roughly 1,000 acres of vacant land located on the east side of the Airport property.

The planning efforts of the Program are documented in a strategic development plan ("Strategic Development Plan") comprised of two separate components, a Business Plan and a Land Use Plan. Specific goals established for the Strategic Development Plan include: (1) create a long-term, self-sustaining source of revenue for the Trust and (2) to promote economic development and create jobs for the Oklahoma City region. The main objective of the Land Use Plan component is to create an optimal mix of compatible land uses and determine necessary infrastructure requirements for the 1,000 acre tract of land located along I-44 ("Development Area").

This cost-benefit analysis ("CBA") examines the financial impact of the Land Use Plan and provides the Trust with a method for evaluating projected returns for the proposed Development Area.

Two approaches are used to evaluate the financial impact of the Land Use Plan, a payback period analysis and a discounted cash flow analysis. The payback period analysis determines the year when total revenue derived from the Development Area exceeds the cost of infrastructure investment. The payback period analysis does not take into account the time value of money. The discounted cash flow analysis does consider the time value of money to estimate a net present value of the proposed development.

## Key Assumptions

The projections in this CBA are based on information and assumptions that were provided by or reviewed with and agreed to by Airport staff. The forecasts reflect Airport staff's expected course of action during the projection period and, in Airport staff's judgment, present fairly the expected financial results. Those key factors and assumptions that are significant to the forecasts are set forth in the Strategic Development Plan. The Strategic Development Plan should be read in its entirety for an understanding of the projection and the underlying assumptions. Only land lease revenues and certain infrastructure fees were considered in this analysis. Other revenue sources such as taxes were not included. The leasing policies detailed in the Strategic Development Plan were also used for this analysis including a 40 year term limit on all land leases and a lease rate of 10% of fair market values. In addition, assumptions were made on land values to determine the future lease revenue. These assumptions were derived through the recent appraisals performed for the Trust by RC Borders& Co.

In our opinion, the underlying assumptions provide a reasonable basis for the projections included in this CBA. However, any projection is subject to uncertainties. Inevitably, some assumptions will not be realized and unanticipated events and circumstances may occur. Therefore, there will be differences between the forecast and actual results, and those differences may be material. Neither Jacobs Consultancy nor any person acting on our behalf makes any warranty, expressed or implied, with respect to the information, assumptions, forecasts, opinions, or conclusions disclosed in the Strategic Development Plan. We have no responsibility to update this report to reflect events and circumstances occurring after the date of the Strategic Development Plan. The assumptions, methodologies and major findings of the CBA are provided below.

### 1. Development Area

The CBA assumes that the property, and the sites parceled, will be developed according to the findings described as the Recommended Development Plan set forth in the Land Use Plan component of the Strategic Development Plan (see Figure 18).

The Recommended Development Plan and Facility Requirements section of the Land Use Plan discusses the appropriate mix of direct versus indirect aviation property for the Development Area, and identifies the amount of land to be held as a reserve ("Strategic Land Reserve") for future development opportunities.

The analysis in the Land Use Plan resulted in the assumption that the Development Area will yield approximately 778 acres of leaseable land, as summarized in Table CBA 1.

Table CBA 1
**LAND DEVELOPMENT**
Oklahoma City Airport Trust

| Development Area | Acres |
|---|---|
| Commercial | 112.6 |
| Direct Aviation - Air Cargo | 34.6 |
| Direct Aviation - Aeronautical | 311.3 |
| Indirect Aviation | 173.6 |
| Strategic land reserves | 146.0 |
| Total leasable land | 778.1 |
| Roads, utilities corridors, wells and wetlands area | 221.9 |
| **Total** | 1,000 |

## 2. Absorption Levels

The CBA assumes that the Development Area property will be developed according the findings of the Market Analysis contained in the Strategic Development Plan. This assumes that future land uses on the Airport's property will be developed according to the mix of uses determined for the Recommended Development Plan, pursuant to the projected market demand. The Recommended Development Plan includes both aviation and non aviation commercial development opportunities. To forecast the absorption rates for commercial property, the mid-range capture rate from the Market Analysis was used. This indicates approximately 81% of commercial development related property will be leased, resulting in approximately 90 acres of the 112 available acres leased by the end of the 40-year study period.

The Market Analysis does not forecast demand for aviation related uses since this type of land use does not compete with the private submarket. Therefore, a historical review was used to forecast aviation related demand. The Airport has experienced a minimal amount of aviation related development in recent years, partly due to the lack of readily available land for potential development and construction. The Program provides the framework for the Trust to create a ready supply of available land for aviation related purposes. In addition to the planned infrastructure development outlined in the Land Use Plan, it is anticipated that the Trust will undertake a marketing campaign for aviation related land development at the Airport in conjunction with the local government, chamber of commerce and local business groups. It is therefore assumed that 70% of aviation related property will be leased, resulting in approximately 364 acres of the 520 available acres leased by the end of the 40-year study period.

The following table shows the estimated absorption levels for commercial and aviation properties in the Development Area during the study period.

Table CBA 2
**LEASE ABSORPTION LEVELS**
Oklahoma City Airport Trust

| Acres (000s) | Phase 1 (2010 to 2019) | Phase 2 (2020 to 2029) | Phase 3 (2030 to 2039) | Phase 4 (2040 to 2049) | Life of Study Period |
|---|---|---|---|---|---|
| **Commercial** | | | | | |
| Office | 2.4 | 2.4 | 1.3 | 1.3 | 7.4 |
| Retail | - | 12.4 | 12.5 | 12.5 | 37.5 |
| Industrial flex-space | 2.9 | 2.0 | 2.0 | 2.0 | 8.8 |
| Industrial warehouse | 12.7 | 8.5 | 8.1 | 8.1 | 37.5 |
| Subtotal | 18.1 | 25.4 | 23.9 | 23.9 | 91.2 |
| Commercial development area | | | | | 112.6 |
| Percentage leased | | | | | 81.0% |
| **Direct Aviation** | | | | | |
| Air Cargo | 4.8 | 6.7 | 6.3 | 6.3 | 24.2 |
| Aeronautical | 43.1 | 60.6 | 57.1 | 57.1 | 217.9 |
| Subtotal | 47.9 | 67.3 | 63.4 | 63.4 | 242.1 |
| Direct Aviation development area | | | | | 345.9 |
| Percentage leased | | | | | 70.0% |
| **Indirect Aviation** | | | | | |
| Office | 1.2 | 1.7 | 1.6 | 1.6 | 6.1 |
| Retail | 4.8 | 6.8 | 6.4 | 6.4 | 24.3 |
| Industrial flex-space | 6.0 | 8.5 | 8.0 | 8.0 | 30.4 |
| Industrial warehouse | 12.0 | 16.9 | 15.9 | 15.9 | 60.8 |
| Subtotal | 24.1 | 33.8 | 31.8 | 31.8 | 121.5 |
| Indirect Aviation development area | | | | | 173.6 |
| Percentage leased | | | | | 70.0% |
| Total Direct & Indirect Aviation acres leased | | | | | 363.7 |
| **Total Leased Area** | 90.0 | 126.5 | 119.2 | 119.2 | 454.9 |

Source: Jacobs Consultancy.

## 3. Revenues

Only land lease revenues and certain infrastructure fees and expenses were considered in this analysis. Other revenue sources such as taxes (inventory tax, sales tax, leasehold interest tax. or alcoholic beverage tax) were not included. Utility fees and charges collected by other utility providers, and common area maintenance reimbursements to the Trust are also excluded.

i. Land Lease Revenues

The leasing policies detailed in Attachments G (Commercial Land Leasing Policy) of the Strategic Development Plan were used for this analysis. This includes the assumption of a 40 year term limit on all commercial use land leases and that the Airport will use a ground rent rate equal to 10% percent of fair market value.

This study also assumes that 90% of available acres designated as aviation land will be leased under the Aeronautical Rate Methodology resulting in the Airport Base Rates as set forth in the Airport's Minimum Standards, and the remaining10% of available acres designated for Air Cargo and related uses will be leased under the Air Cargo Rate Methodology resulting in fair market values as set forth in the Business Plan component of the Strategic Development Plan.

The study also assumes that 100% of available acres designated as non-aviation land will be leased under the Commercial Rate Methodology applicable to concurrent commercial development resulting in fair market values as set forth in the Business Plan component of the Strategic Development Plan.

The Airport Base Rent assumed for the value of aeronautical rents was obtained from the Minimum Standards. Airport staff has indicated that the established Airport Base Rent of $0.10 for year 2010 to be reflected in the Minimum Standards may increase on an annual basis of approximately one cent per year. For the purposes of this analysis only, it is assumed that the Airport Base Rate will increase by one cent per year for 10 years and then will stabilize at $0.20 for the remainder of the 40 year analysis term.

To estimate future fair market lease rates for Air Cargo and related uses and for non-aviation commercial property, assumptions were made on comparable future land values in the Airport area. These assumptions were derived through the appraisals provided by RC Borders & Co. The results of these appraisals are reflected in Table CBA 3 below. The mid range land values were used for this analysis, and due to the uncertainty of future land values, the present mid range values were held constant through the 40 year analysis term.

Table CBA 3

**LAND VALUE ASSUMPTIONS**

Oklahoma City Airport Trust

| | Total Land value (Per Sq. ft.) | | | Annual Ground Lease Rate | | |
|---|---|---|---|---|---|---|
| **Land Use Category** | **Low Estimate /1** | **High Estimate /1** | **Mid-range Estimate** | **Assumed % of Land Value** | **Per Sq. Foot** | **Per Acre** |
| **Commercial** | | | | | | |
| Office | $5.00 | $10.00 | $7.50 | 10% | $0.75 | $32,670 |
| Retail | 7.00 | 15.00 | 11.00 | 10% | $1.10 | $47,916 |
| Industrial-flex space | 1.00 | 3.00 | 2.00 | 10% | $0.20 | $8,712 |
| Industrial-warehouse | 0.50 | 1.50 | 1.00 | 10% | $0.10 | $4,356 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Direct Aviation** | | | | | | |
| Air Cargo /2 | $2.50 | $4.50 | $3.50 | 10% | 0.350 | 15,246 |
| Aeronautical /3 | | | | | 0.100 | 4,356 |
| **Indirect Aviation** /4 | | | | | | |
| Office | $5.00 | $10.00 | $7.50 | 10% | $0.750 | $32,670 |
| Retail | 7.00 | 15.00 | 11.00 | 10% | 1.100 | 47,916 |
| Industrial-flex space | 1.00 | 3.00 | 2.00 | 10% | 0.200 | 8,712 |
| Industrial-warehouse | 0.50 | 1.50 | 1.00 | 10% | 0.100 | 4,356 |

Note:
1. Commercial land appraisals determined by RC Borders& Co.; This study assumes the mid-range land value rate.
2. Ground lease rates based on Air Cargo Study.
3. Annual ground lease rates established by Airport Minimum Standards.
4. Indirect Aviation market rates are assumed to match those generated by commercial property.

ii. Infrastructure Improvement Rent

To the extent Airport revenues are used to construct roadways, water, sanitary sewer, drainage, or other base infrastructure improvements, the Trust will amortize such cost and recover the cost over time as Infrastructure Improvement Rent, which shall be in addition to ground rent. A charge is applied to leased acres to approximate the recovery of the infrastructure costs to support development costs for the leased acreage.

Infrastructure Improvement Rent is stated as a separate revenue stream in Tables CBA 5 and CBA 7. Total land lease revenues are reflected as Ground Rents which are established in consideration of the amount of the Infrastructure Improvement Rent to be paid to ensure that the combined total of both charges accurately reflect the market rates shown in Table CBA 3.

The Infrastructure Improvement Rent shall be based upon the cost of the installation of the applicable Trust funded infrastructure as shown in Table CBA 4. The total cost of the development is converted into an annual amortization payment over a 30-year life using an applicable interest rate. The annual payment is then allocated over the total Development Area to generate a per acre rental amount. The Infrastructure Improvement Rent is only applied to leased acreage.

## 4. Infrastructure Development Costs

Table CBA 4 below details the infrastructure costs necessary to develop the property. The infrastructure costs include all utilities (water and sewer), roadway improvements and landscape improvements paid with Trust funding. The cost estimates include all soft costs (such as engineering and testing) and construction cost contingencies.

The extensions to any taxiway are assumed to be partially funded through Airport Improvement Program (AIP) grants. These CBA calculations assume the Trust will only be responsible for 25% of the costs associated with any taxiway development as required by the local matching share of the AIP program.

Phase 1 projects include the Taxiway G extension, the initial development of R2 Horseshoe Road, improvements to R3, R4 and R5 and their corresponding utilities. Phase 2 projects are the completion of Road R2, the construction of Road R6 and the associated utilities.

Table CBA 4
**INFRASTRUCTURE DEVELOPMENT COSTS**
Oklahoma City Airport Trust

| | | Phase 1 | Phase 2 | Total |
|---|---|---|---|---|
| Site preparation | | 273,692 | 290,035 | 563,727 |
| Site improvements | | 2,224,172 | 2,203,560 | 4,427,732 |
| Civil and mechanical utilities | | 2,006,591 | 1,971,904 | 310,080 |
| Electrical utilities | | 17,837 | 0 | 17,837 |
| **TOTAL DIRECT COST:** | | **4,487,605** | **2,803,675** | **7,291,280** |
| General Conditions | 10% | 448,760 | 280,368 | 729,128 |
| Bonds, OH & Profit | 12% | 592,364 | 370,085 | 962,449 |
| **TOTAL CONSTRUCTION MARK-UP COST:** | | **$7,430,337** | **5,528,729** | **3,454,128** |
| Estimator's Contingency | 10% | 552,873 | 345,413 | 898,286 |
| Construction Contingency | 15% | 829,309 | 518,119 | 1,347,429 |
| **TOTAL PROJECT COST:** | | **6,910,911** | **4,317,660** | **11,228,571** |

Note: Includes estimated development costs anticipated to be paid by the Airport Trust only. Costs stated in 2009 dollars.
Source: Jacobs Consultancy

In this analysis, it was assumed that the initial infrastructure improvements would be completed within a 10-year timeframe. The anticipated timing of infrastructure development expenditures were allocated assuming approximately 60% of such costs was incurred within the initial 5 years of the 10 year timeframe.

### 5. Study Time Period

This CBA includes all estimated revenues and expenses over a 40-year period from 2010 through 2049. Leases entered into in 2050 are not considered in this analysis. Furthermore multi-year lease revenues extending beyond 2049 are not considered after 2049. Given the uncertainty of any long term forecast, it is difficult to accurately predict market conditions 40-years in the future, and therefore this CBA analysis is to be used for internal general planning purposes only.

## Payback Period Calculation

The payback period calculation estimates when total expected revenues will exceed total expenditures. The payback period analysis makes the following assumptions:

- The lease absorption levels described in the key assumptions section above and the average land value per square foot rates from table CBA 3 are used to calculate lease revenues.
- The Market Analysis study is used to determine the amount of land leased for each 10 year phase. Individual lease absorption within each phase is expected to occur in a step-wise or annual, incremental manner, except for retail

development for which there is no planned leases in the first phase. There is a two year construction period before the first revenues are anticipated to be generated.

- The imputed interest rate applied to calculate an annual amortization payment for Infrastructure Improvement Rent is 3.25%. This rate is assumed to match the Trust's opportunity cost for lost investment returns if undertaking the proposed development. The interest rate is the estimated rate of return on treasury securities or similar profile assets per the latest annual report.
- "Benefit Over Time" is not a net present value analysis. Net revenues and expenditures for all phases are shown in future year dollars.

Forecast revenues, expenses and capital expenditure for each phase are shown below.

Table CBA 5
**PAYBACK PERIOD ANALYSIS**
Oklahoma City Airport Trust

| Estimated Revenue | Phase 1 (2010 to 2019) | Phase 2 (2020 to 2029) | Phase 3 (2030 to 2039) | Phase 4 (2040 to 2049) | Total |
|---|---|---|---|---|---|
| **Commercial** | | | | | |
| Office | 353,818 | 1,216,916 | 1,798,921 | 2,216,472 | 5,586,128 |
| Retail | - | 3,456,279 | 9,445,731 | 15,457,158 | 28,359,168 |
| Industrial Flex-space | 126,411 | 358,955 | 531,757 | 701,835 | 1,718,958 |
| Industrial Warehouse | 277,564 | 777,282 | 1,137,545 | 1,491,144 | 3,683,535 |
| Subtotal | 757,793 | 5,809,432 | 12,913,954 | 19,866,610 | 39,347,789 |
| **Direct Aviation** | | | | | |
| Air Cargo | 353,818 | 1,216,916 | 1,798,921 | 2,216,472 | 5,586,128 |
| Aeronautical | - | 3,456,279 | 9,445,731 | 15,457,158 | 28,359,168 |
| Subtotal | 126,411 | 358,955 | 531,757 | 701,835 | 1,718,958 |
| **Indirect Aviation** | | | | | |
| Office | 169,008 | 665,793 | 1,176,644 | 1,673,734 | 3,685,179 |
| Retail | - | 1,821,986 | 4,857,742 | 7,817,031 | 14,496,759 |
| Industrial-flex space | 218,452 | 805,209 | 1,397,704 | 1,975,968 | 4,397,333 |
| Industrial-warehouse | 174,911 | 644,718 | 1,119,120 | 1,582,128 | 3,520,877 |
| Subtotal | 562,371 | 3,937,705 | 8,551,211 | 13,048,861 | 26,100,147 |
| **Other Revenue** | | | | | |
| Infrastructure Recovery | 614,345 | 2,324,304 | 4,093,084 | 5,204,096 | 12,235,829 |
| **Total Revenue** | 3,502,939 | 19,064,576 | 37,697,129 | 55,280,601 | 115,545,245 |
| | | | | | |
| **Development Cost** | (11,228,571) | - | - | - | (11,228,571) |
| **Net Benefit by Phase** | (7,725,632) | 19,064,576 | 37,697,129 | 55,280,601 | 104,316,674 |
| **Cumulative Benefit** | (7,725,632) | 11,338,944 | 49,036,072 | 104,316,674 | |

Source: Jacobs Consultancy.

Total revenues of $115.5 million are generated over the life of the study period and the total Cumulative Benefit (Total Revenue less Development Cost) is $104.3 million.

Infrastructure Improvement Rent generates $12.2 million in revenue over the life of the study period

Table CBA 6
**ANNUAL & CUMULATIVE REVENUES**
Oklahoma City Airport Trust

| Year | Annual Outlays | Annual Revenues | Cumulative Net Revenues |
|---|---|---|---|
| 2010 | (1,382,182) | - | (1,382,182) |
| 2011 | (1,382,182) | - | (2,764,365) |
| 2012 | (1,382,182) | 141,869 | (4,004,678) |
| 2013 | (1,382,182) | 161,742 | (5,225,118) |
| 2014 | (1,382,182) | 317,703 | (6,289,597) |
| 2015 | (863,532) | 342,273 | (6,810,856) |
| 2016 | (863,532) | 512,325 | (7,162,063) |
| 2017 | (863,532) | 541,592 | (7,484,003) |
| 2018 | (863,532) | 725,735 | (7,621,799) |
| 2019 | (863,532) | 759,700 | (7,725,632) |
| 2020 | - | 1,055,531 | (6,670,101) |
| 2021 | - | 1,256,797 | (5,413,304) |
| 2022 | - | 1,440,056 | (3,973,248) |
| 2023 | - | 1,547,538 | (2,425,709) |
| 2024 | - | 1,918,365 | (507,344) |
| 2025 | - | 1,932,064 | 1,424,719 |

Source: Jacobs Consultancy

The Payback period, or the time taken to recover the initial $11.2 million capital outlay as calculated using the above assumptions is 16 years. The first positive cumulative benefit occurs in the year 2025.

## Discounted Cash Flow Calculation

To account for risk, opportunity cost, uncertainty of cash flows and inflation, future cash flows can be converted into a present value through the process of discounting. Expected outlays and projected cash inflows are reduced by a discount rate (also known as the marginal rate of return on capital).

The applicable discount rate can vary by entity depending on size, structure, access to capital, regulation, and other factors. The airport currently faces borrowing costs of an average of 5.5% for outstanding maturities of Airport junior lien bonds, and such rate is used herein as the discount rate.

The Discounted Cash Flow analysis makes the following assumptions:

- The FAA recommends the use of constant dollar cash streams with the discount rate applied being net of inflation. Save and except the increase in the Airport Base Rate for Aeronautical Rents, no provision is made to increase revenues or expenses for inflation throughout the discounted cash flow study.
- It was assumed that the infrastructure improvements would be completed within 10 years, with a two-year construction period before the first revenues.
- There is no escalation factor applied to cost of the infrastructure development. For development costs planned for future years, it is assumed the investment return on unspent project funds would approximately match the discount rate applied to the cash flows.
- Infrastructure improvement rent is charged to tenants at a rate that would reflect the cost of infrastructure construction based on borrowing at fair market rates. This project assumes the full $11.2 million cost of construction is financed with debt with an additional 10% required for financing costs. Straight line amortization is applied over 30 years with an interest rate of 5.5%. The annual cost to service the debt is allocated to all developed property, but infrastructure improvement revenue is only received from those properties currently under lease from time to time.

Forecast revenues, expenses and capital expenditure for the discounted cash flow analysis are shown below.

Table CBA 7
**DISCOUNTED CASH FLOW ANALYSIS**
Oklahoma City Airport Trust

| Estimated Revenue | Phase 1 (2010 to 2019) | Phase 2 (2020 to 2029) | Phase 3 (2030 to 2039) | Phase 4 (2040 to 2049) | Total |
|---|---|---|---|---|---|
| **Commercial** | | | | | |
| Office | 240,816 | 510,320 | 427,839 | 293,594 | 1,472,568 |
| Retail | - | 1,373,521 | 2,203,347 | 2,028,118 | 5,604,986 |
| Industrial Flex-space | 86,940 | 151,769 | 125,987 | 92,755 | 457,451 |
| Industrial Warehouse | 190,895 | 328,900 | 269,630 | 197,118 | 986,544 |
| Subtotal | 518,651 | 2,364,510 | 3,026,803 | 2,611,585 | 8,521,549 |
| **Direct Aviation** | | | | | |
| Air Cargo | 214,916 | 480,729 | 471,599 | 372,673 | 1,539,916 |
| Aeronautical | 722,350 | 2,158,785 | 2,117,785 | 1,673,546 | 6,672,466 |
| Subtotal | 937,266 | 2,639,514 | 2,589,384 | 2,046,219 | 8,212,382 |
| **Indirect Aviation** | | | | | |
| Office | 112,240 | 270,412 | 270,522 | 215,184 | 868,358 |
| Retail | - | 712,256 | 1,116,154 | 1,009,454 | 2,837,864 |
| Industrial-flex space | 134,579 | 301,030 | 295,313 | 233,366 | 964,288 |
| Industrial-warehouse | 88,973 | 199,016 | 195,236 | 154,282 | 637,506 |
| Subtotal | 335,792 | 1,482,713 | 1,877,225 | 1,612,286 | 5,308,016 |
| **Other Revenue** | | | | | |
| Infrastructure Recovery | 643,241 | 1,475,403 | 1,469,736 | 1,057,668 | 4,646,047 |
| **Total Revenue** | 2,434,949 | 7,962,140 | 8,963,148 | 7,327,758 | 26,687,994 |
| | | | | | |
| **Development Cost** | (11,228,571) | - | - | - | (11,228,571) |
| **Net Present Value by Phase** | (8,793,622) | 7,962,140 | 8,963,148 | 7,327,758 | 15,459,423 |
| **Net Present Value** | (8,793,622) | (831,482) | 8,131,666 | 15,459,423 | |

Source: Jacobs Consultancy.

The discounted cash flow analysis for the Development Area shows a net present value of $15.4 million. Of this total, the infrastructure improvement rent is estimated to be $0.51 per square foot per year and has a discounted cash flow value of $4.6 million.

The following table shows how the Infrastructure Improvement Rent is calculated for both the payback period and net present value scenarios.

Table CBA 8
**INFRASTRUCTURE IMPROVEMENT RENT**
Oklahoma City Airport Trust

The following table shows how the Infrastructure Improvement Rent is calculated for both the payback period and net present value scenarios.

| | Payback Period | Net Present Value |
|---|---|---|
| Development Costs | $ 11,228,571 | $ 11,228,571 |
| Financing Costs | - | 10.00% |
| Interest Rate | 3.25% | 5.50% |
| Term (years) | 30 | 30 |
| Construction Period (years) | 2 | 2 |
| Annual Amortization Payment | $ 658,580 | $ 1,003,321 |
| | | |
| Acres Expected to be Leased | 455 | 455 |
| Annual Charge per Leased Acre | $ 1,448 | $ 2,205 |
| | | |
| Assumed Lease Rate as a % of Market Value | 10% | 10% |
| | $ 14,479 | $ 22,051 |
| Divide By: Sq Feet per Acre | 43,560 | 43,560 |
| | | |
| Charge as a Portion of Market Rate | $ 0.33 | $ 0.51 |

Source: Jacobs Consultancy.

## Conclusion

As described in above, the Development Area acreage is approximately 1,000 acres, of which the estimated developable acreage is about 778 acres. The leasable land area for the 40-year study period is approximately 113 acres for commercial property, 346 acres for direct aviation development with airfield access and 174 acres for indirect aviation development without airfield access. Total leasable land area is approximately 632 acres with a further 146 acres classified as a strategic reserve or for future airfield expansion.

The projected leased acreage for commercial property at the end of the 40 year lease period is 7.4 acres of office, 37.5 acres of retail, 8.8 acres of flex-space industrial, and 37.5 acres for industrial-warehouse purposes. For direct aviation related

development, the leased acreage is forecast to be 218 for aeronautical uses and 24 acres for commercial air cargo. The projected leased acreage for indirect aviation property at the end of the 40 year lease period is 6.1 acres of office, 24.3 acres of retail, 30.4 acres of flex-space industrial, and 60.8 acres for industrial-warehouse purposes.

The land use mix of leased property is 3.0 percent office, 13.6 percent retail, 8.6 percent industrial flex-space 21.6 percent warehouse-industrial, 47.9 percent aeronautical and 5.3 percent air cargo.

Overall, it is projected that 90 acres will be leased in Phase 1 (2010 to 2019), 127 acres in Phase 2 (2020 to 2029) and 119 acres in Phases 3 & 4 (2030 to 2049). Approximately 323 developable acres remain for future lease (including strategic reserve land, and assuming all acres projected to lease during the 40-year period are actually leased).

As presented in Table CBA 4, the total development costs for the Airport Trust are estimated to be $11.2 million to develop the 455 acres projected to be leased during the 40 year study period. Phase 1 improvements are estimated to cost approximately $6.9 million and Phase 2 improvements are estimated to be $4.3 million in 2009 dollars. The total revenue generated from all land during the study period is estimated to be $115.5 million.

The break-even year for the initial infrastructure costs incurred in Phases 1 and 2 is estimated to be 2025 using the payback period assumptions.

The net present value of leasing the property is estimated to be $15.4 million over the 40-year study period.

# ATTACHMENT K

# WILL ROGERS WORLD AIRPORT

# COMMERCIAL LEASING STANDARDS

# I. INTRODUCTION

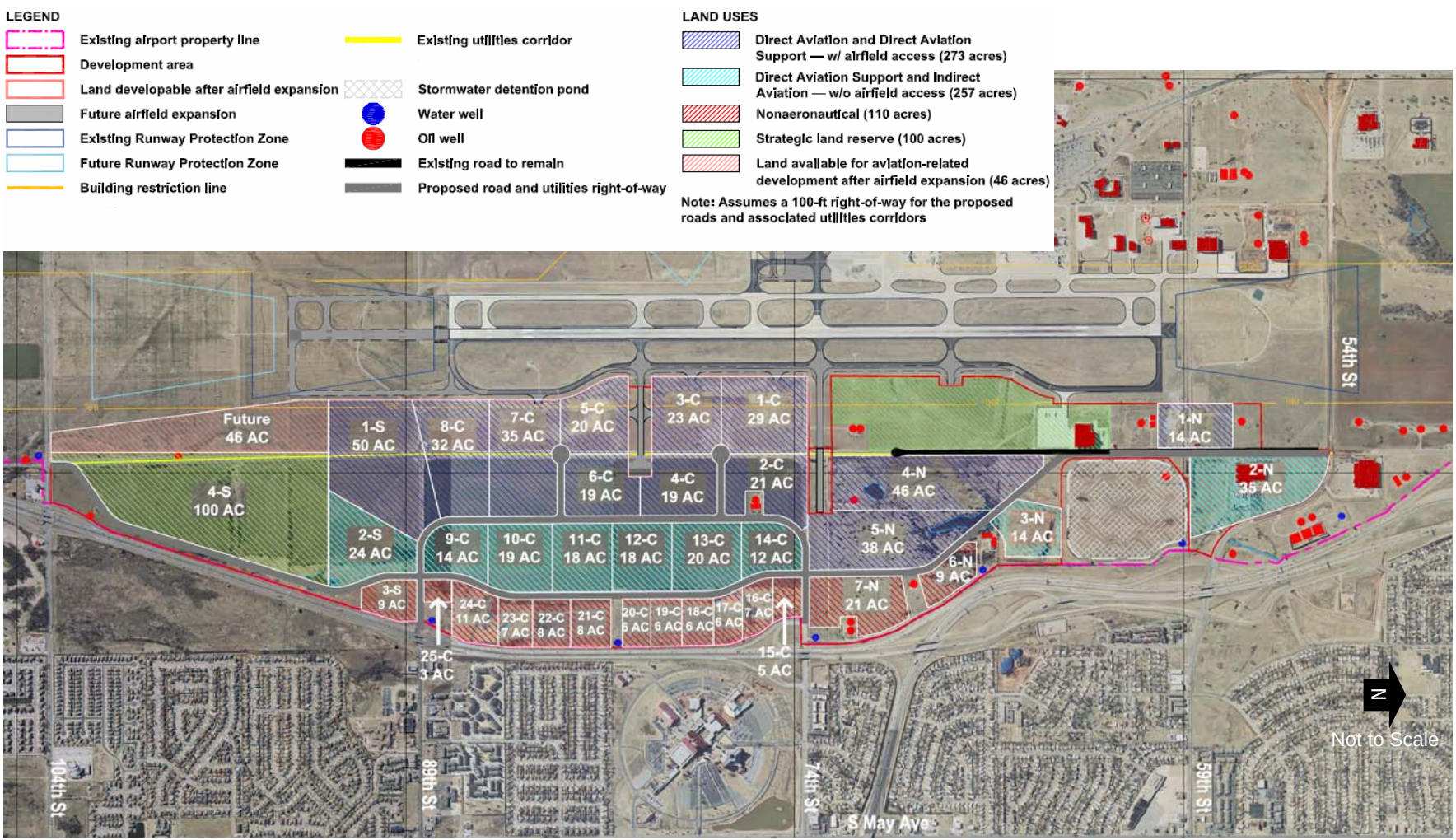
The Will Rogers World Airport ("Airport") is the primary commercial airport serving the greater Oklahoma City region and central Oklahoma market areas. The Airport is owned by the City of Oklahoma City ("City") and is leased to and governed by the Oklahoma City Airport Trust ("Trust") pursuant to a Lease Agreement and Trust Indenture dated April 1, 1956.

The Trust, as the governing agency controlling the Airport, is responsible for leasing the Airport land according to Local, State, and Federal law including, but not limited to, the guidelines and grant assurances of the Federal Aviation Administration ("FAA"), the Oklahoma City Municipal Code, and Resolutions adopted by the Trust. It is the policy of the Trust to lease property on Airport for aviation purposes as a first priority. If there is non-aviation purpose that can be identified for a site available for lease, the Trust will consider non-aviation or interim proposals.

The Trust, desires to enhance the economic strength and stability of the Airport and the region through sustainable and compatible development. Airport property which does not have airfield access, and is not currently needed for direct aviation development may be developed for FAA approved commercial uses, including offices, industrial facilities, retail, and similar facilities to generate non-airline related revenues to enhance the overall revenues of the Airport, and thereby promoting the growth of air service, and ensure the Airport remains self sustaining.

To support aviation and non-aviation commercial development opportunities for Airport properties, the Trust has developed a comprehensive Airport strategic development plan ("Land Use Plan") for Airport property commonly referred to as the "East Side Development Area" and designated on the map attached hereto as Exhibit A.

# Exhibit A - East Side Development Area




Source: Jacobs Consultancy, Inc.

# II. LAND LEASING POLICIES

In order to respond consistently to the various aviation and non-aviation commercial development requests pertaining to Airport property, including the property located in the East Side Development Area, the Trust has established a Land Leasing Policy for Airport property ("Policy"). A copy of the Policy is available from Airport staff.

The Policy reflects the land leasing priorities of the Trust and forms the basis for the protocols, policies and procedures for the use and lease of Airport properties. The Policy, Minimum Standards, and the Commercial Standards (as described below) are formally adopted by the Trust. The Trust has the right and authority to modify, amend, or change any provision of any or all of these leasing policies and therefore any developers/tenants/users ("Lessees") interested in development opportunities at the Airport should consult with Airport staff. These policies and standards are not intended to be all inclusive. Any Lessee of Airport property shall be subject to additional federal, state, and local laws, codes, ordinances, lease provisions and other similar regulatory measures, including the Airport's rules and regulations.

## A. Land Use Classifications

The Policy sets forth the priority for leases of Airport property based on the land use classifications, generally described as follows:

> ***Direct Aviation.*** Aviation use, including base infrastructure and other facilities or amenities for passenger air service, general aviation, aircraft maintenance, aircraft manufacturing, commercial air cargo and other direct aviation facilities requiring access to the airfield.
>
> ***Direct Aviation Support.*** Aviation or concurrent commercial use, including facilities for companies providing logistics, materials, cargo, and certain warehousing/distribution operations; and providing such aviation support services for direct aviation users, including the passengers, employees, agents and contractors, guests, and the tenants of the Airport.
>
> ***Indirect Aviation.*** Concurrent commercial use, including offices, industrial facilities, retail, and similar facilities which do not have airfield access, on land not currently needed for direct aviation development. The primary purposes for these areas is to ensure adequate noise buffer and to retain the property for future direct aviation uses if required, and to provide goods and services for the direct aviation users, including the passengers, employees, agents, contractors, guests, and the tenants of the Airport.

***Non-aviation.*** Concurrent commercial use, including offices, industrial facilities, retail, and similar facilities which do not have airfield access, on land not currently needed for direct aviation development. The primary purposes for these areas is to ensure adequate noise buffer and to ensure land development and uses compatible to direct aviation uses if required to generate non-airline related revenues to enhance the overall revenues of the Airport, and thereby promoting the growth of air service, and ensure the Airport remains self sustaining.

## B. Minimum Standards for Direct Aviation Uses

The Policy reflects the promulgation and adoption by the Trust of the Minimum Standards for Aeronautical Users and Leasing of Land and Facilities ("Minimum Standards"). The Minimum Standards apply to the development and use of Airport property for aeronautical activities (as same are defined therein) and to the leasing of land and facilities for Direct Aviation uses, (including general aviation, aircraft manufacturing, aircraft maintenance, and other direct aviation facilities requiring access to the airfield, but excluding commercial air cargo) and qualifying Direct Aviation Support uses of Airport property. A copy of the Minimum Standards is available from Airport staff.

## C. Commercial Leasing Standards for Concurrent Commercial Uses

The Policy reflects the promulgation and adoption by the Trust of these Commercial Leasing Standards ("Commercial Standards") to apply to the development and use of Airport property for certain non aviation uses and to the leasing of land and facilities for Direct Aviation Support, Indirect Aviation and Non-Aviation uses, and for the specific Direct Aviation use for the leasing of land and facilities for commercial air cargo. These Commercial Standards are intended to provide information regarding the lease of Airport property for non aviation uses however the specific terms and conditions for the leasing of Airport property will be contained in the individual lease or contract provided by the Trust. All concurrent commercial leases may be subject to individual approval of the Federal Aviation Administration ("FAA").

# III. STANDARD REQUIREMENTS FOR COMMERCIAL USES

## A. PROCUREMENT PROCESSES

The Trust may use a combination of direct negotiation and competitive proposal processes for concurrent commercial development of Airport property. The procurement method will be selected at the discretion of the Trust.

### 1. Direct Negotiation

Direct negotiation may be utilized by the Trust subject to compliance with FAA regulations, the Policy, and these Commercial Standards. The ability to complete a direct negotiation will be based on several factors determined at the discretion of the Trust including, but not limited to, the qualifications for Lessee as determined by the Trust based on the Lessee's business plan, site plan, financial plan, marketing plan (if development is speculative), references and experience, and other information that may be of particular interest to the Trust, (jobs creation plan, or environmental plan). Any person wishing to acquire the use of land or establish or use any facility on the Airport for concurrent commercial uses shall be furnished a copy of these Commercial Standards, as amended from time to time, and shall thereupon make application in writing, filed with the Director of Airports, setting forth in detail the information requested by the Trust in the Airport's lease application. Every applicant for permission to enter into a lease for concurrent commercial uses at the Airport shall satisfy the Trust (through its authorized representative the Director of Airports) that they meet the requirements of the Trust for the specific use contemplated.

### 2. Competitive Processes

Different methods in the competitive process may be used by the Trust for the development of Airport property, and can include, but are not limited, to Statements of Interest, Requests for Qualifications, and Requests for Proposals. General factors comprising selection criteria may include, but are not limited to:

The demonstrated quality of planned development.

Compatibility with airport expectations for services provided to the airport guests and the public.

Degree of benefits including economic benefits, returned to the Airport.

Financial feasibility of project pro forma.

Development team member's professional qualifications.

References for the proposer.

Experience with similar types of development, leasing and property management.

Demonstrated ability to access and obtain private equity and debt.

Presentation of confirmed commercial users/lessees and/or ability to market to local, regional and national commercial users/lessees.

Demonstrated experience and financial strength to complete the project on budget and on schedule.

The proposed project approach.

In considering every application or proposal for concurrent commercial development or other activities, the Trust shall give due consideration to whether or not such proposed activity would be wasteful or uneconomical duplication of facilities and, therefore, detrimental to the public interest.

## B. LEASE AND CONTRACT CLAUSES

Upon the approval of any such application as submitted or modified, or upon the award based on a proposal, the Trust shall cause to be prepared a suitable lease or contract agreement setting forth the specific terms and conditions of the land and/or facility use. The Trust has established standard lease provisions ("Standard Lease Provisions") to be used in lease and contract agreements. A copy of the Standard Lease Provisions is available from Airport staff. Notwithstanding the Standard Lease Provisions, the lease or contract agreement shall contain the specific terms, rights, obligations, and conditions for the lease of Airport property.

## C. RATES AND CHARGES FOR COMMERCIAL DEVELOPMENT

The *FAA Compliance Program* (Order 5190.6B), dated September 30, 2009 sets forth guidance with respect to airport rates and charges. It provides that rates charged for non-aviation use of the Airport must be based on fair market value. All uses of the Airport which are not defined by the FAA as aviation uses are considered to be non-aviation uses and subject to this requirement. In addition to non-aviation uses, the Trust may impose rents based on fair market values for aviation commercial air cargo developments. The rate methodology is not intended to restrict the Trust's ability to make reasonable distinctions among the various Lessees at the Airport on a case by case basis, which may result in different fees between such Lessees. For any given development, such Lessee may be afforded an incentive and/or may be assessed facility rents, additional rents, and percentage rents, as such additional charges are described herein.

Fair market value based rents will be based on appraisals obtained by the Trust for the specific type of commercial development of Airport property as applicable.

### 1. Commercial Ground Rent

Individual properties (improved or unimproved) will be subject to appraisals obtained by the Trust for the determination of the high and low values per square foot of land ("Fee Value Range"). The determination of the specific fee value for the property within the Fee Value Range shall by made by the Trust based on the type of development and the qualifications of the Lessee, ("Fee Value"). The determination of the Fee Value for individual properties will be made on a case by case basis.

A ground rental rate equal to 10% of the Fee Value selected within the Fee Value Range will be established, ("Commercial Ground Rental Rate").

Ground rent is determined by multiplying the Commercial Ground Rental Rate with square footage of the leased property ("Commercial Ground Rent").

Commercial Ground Rent may be escalated every year on a percentage or on a set amount basis, as determined by the Trust.

Commercial Ground Rents may be subject to increases based on new fair market value appraisals conducted on a periodic basis throughout the term.

Retail uses in commercial developments may be subject to percentage rents in addition to the Commercial Ground Rent.

For certain Lessees – an incentive will be applied to the Commercial Ground Rent.

### 2. Commercial Facility Rent

Individual facilities owned by the Trust will be appraised for the determination of the value on a case by case basis, ("Appraised Actual Cash Value").

Facility rental rate will be established equal to a percentage of not less than 4% of the Fee Value ("Facility Rental Rate").

Facility rent is determined by multiplying the Facility Rental Rate with square footage of the facility ("Facility Rent").

Facility Rents may be escalated every year on a percentage basis of not less than 2% of the annual rental for the previous year or such other amount, as determined by the Trust.

Facility Rents may be subject to increases based on new appraisals conducted on a periodic basis throughout the term; however, at maximum intervals of five (5) years.

Facility Maintenance Rent (structural maintenance) shall be charged annually at the rate calculated as two percent (2%) of the Appraised Actual Cash Value.

### 3. Commercial Additional Rent

Individual properties (improved or unimproved) leased for concurrent commercial purposes may be subject to additional fees and charges imposed by the Trust for all similarly situated commercial users or aviation operators.

Certain commercial developments will be assessed additional rents (Infrastructure Improvement Rent and Common Area Maintenance Fees) based on the individual leased property.

### 4. Rent Commencement Date

Unless otherwise specifically set forth in the lease or contract agreements, the Commercial Ground Rent, Commercial Facility Rent (if applicable), and all applicable Additional Rents will commence on the Effective Date of the lease or contract agreement.

## D. GOVERNMENT RENTS

Government facilities serve a significant public, community purpose, and the ground rental rates and other rates and charges for government leases on Airport property will be determined on a case by case basis. The designation of a current or potential user of Airport property as a governmental entity and whether such Lessee will occupy such property for government purposes shall be determined in the sole discretion of the Trust. The methodology for establishing the governmental rates and charges shall be the same methodology as set forth in the Minimum Standards for direct aviation uses or these Commercial Standards for concurrent commercial uses, as applicable. However, in consideration of the public, community purpose provided by the governmental entity, the Trust may offer a ground or facility rental rate that is distinct from commercial or aviation rates for similarly situated property or uses at the Airport.

## E. INFRASTUCTURE IMPROVEMENT RENT

To the extent Airport revenues are used to construct roadways, water, sanitary sewer, drainage, (and on a case by case basis aircraft ramp paving or other aviation infrastructure), or other base infrastructure improvements ("Trust Funded Infrastructure") the Trust will amortize such cost and recover the cost over time as Infrastructure Improvement Rent.

For the East Side Development Area, the Trust anticipates the recovery of such infrastructure investment through a pro-rata share method. Under this method, the Trust will pay the costs for installing required infrastructure and as development occurs, the Lessees will be assessed a pre-determined fee for the infrastructure then in place based on the square footage leased by such Lessee.

The Infrastructure Improvement Rent shall be based upon the cost of the installation of the applicable Trust Funded Infrastructure, amortized pursuant to then current amortization methods utilized by the Trust for the Airport for similar infrastructure, and divided by the total leasable square footage projected for the East Side Development Area. The actual leased property within the East Side Development Area shall be allocated the pro rata cost per square foot per year, to be paid to the Trust on a monthly basis as Infrastructure Improvement Rent. The amount and duration of the Infrastructure Improvement Rent applicable to individual leased property shall be based on the percentage of the number of square footage contained in the individual leased property to the total leasable square footage projected for the East Side Development Area.

The Infrastructure Improvement Rent for any individual leased property may change from time to time during the term of the ground lease, based upon the cost of additional Trust Funded Infrastructure installed in the East Side Development Area over time.

## F. COMMON AREA MAINTENANCE FEE

All Lessees with leased property located in the East Side Development Area shall pay a fee for the maintenance of all common areas, including the utility corridors, ("Common Areas") designated by the Trust from time to time for the East Side Development Area. This fee, (the "Common Area Maintenance Fee") shall be based upon the amortized cost of the installation of all Common Area improvements, and the estimated annual maintenance of all Common Areas divided by the total leasable square footage in the East Side Development Area. The actual leased property within the East Side Development Area shall be allocated the pro rata cost per square foot per year, to be paid to the Trust on a monthly basis as Common Area Maintenance Fees. The amount of the Common Area Maintenance Fee applicable to individual leased property shall be based on the percentage of the number of square footage contained in the individual leased property to the total leasable square footage projected for the East Side Development Area.

The Common Area Fee shall change from year to year based upon budgeted costs. In addition, the Trust may at its discretion, charge special assessments or year-end assessments to cover unanticipated costs incurred during the applicable year.

## G. INCENTIVES

The Trust may consider certain incentives as appropriate when developing specific project business deals for development of Airport property ("Incentive"). The type of Incentive and the duration of an Incentive will be determined on a case by case basis, in the sole discretion of the Trust. Factors such as stimulating commercial development on Airport property, job creation, direct and indirect economic benefit for the Airport and the City, and type of proposed development will all be factors considered in the development of a specific Incentive.

The Incentive program is for the sole benefit of the Trust and while the Trust will not unjustly discriminate between like Lessees, the Trust in its sole discretion will determine whether or not to apply an Incentive to any specific development. Furthermore, the Trust may modify any component of the incentive program for the benefit of the Airport operations at any time. Additional incentives may be provided by economic development agencies and taxing jurisdictions based on the criteria established by such entities.

## H. LEASE TERM

To allow the Trust the greatest flexibility in making land use decisions over time, the primary term of commercial leases are generally limited to the shortest term possible, especially for interim uses, typically 20 years, but in no event longer that 40 years. When necessary, fixed-term leases are granted for the minimum number of years to allow a Lessee to amortize, and receive a reasonable return on, the Lessee's investment in leasehold improvements. Extensions of term beyond the timeframe to amortize improvements may be negotiated subject to the additional investment or other considerations.

## I. EXTENSIONS TO EXISTING LEASES

A lease extension may be granted to a Lessee who has fully complied with all terms and conditions of the lease or contract agreement, including timely payment of rents, and if granting an extension would be in the best interests of the Trust. Existing Lessees may submit a request for a new lease six (6) months prior to the end of their lease or contract agreement. The Trust is not obligated to accept such a request, but will consider all proposals, evaluating them in light of the following criteria:

> Existing/proposed use must be consistent with Airport Layout Plan, Airport Master Plan, Airport Land Use Plan, and other relevant land use planning documents.

Lessee must be in good standing under all leases and contracts with the Trust at the Airport.

New capital investment shall apply to qualify for a term in excess of the current termination date will be based on standards as adopted by the Trust.

Trust shall determine whether or not the public interest would be better served by allowing the lease to expire so that potential new tenants may participate in a competitive selection process.

If the developments on the site are to revert to Trust ownership, the Trust may chose to retain ownership of the facilities and the lease the improvements back to the lessee with the extended lease term, or is a lease is extended prior to the expiration of its term, the Trust may require payment for the present value of the postponement of Trust's reversionary interest in the leasehold improvement.

It is the practice of the Trust to negotiate lease and contract agreement extensions when it is in the best interest of the Airport or when a surplus of land is available for lease and there is no written notice of interest by third parties in the particular parcel of land covered by the expiring lease or contract agreement.

# IV. DEVELOPMENT REQUIREMENTS FOR COMMERCIAL USES

## A. CONSTRUCTION OF LEASEHOLD IMPROVEMENTS

The ground lease or contract will include the specific development requirements for the construction of leasehold improvements for Airport property. Unless otherwise specifically designated otherwise, all leasehold improvements will be owned by the Lessee during the term of the lease and will revert to the ownership of the Trust at the end of the primary lease term.

In addition, any structure or facility to be constructed or placed upon said Airport shall be constructed in a manner to conform to all safety regulations of the State of Oklahoma and the City of Oklahoma City, and shall be in compliance with the requirements of current building codes and fire regulations of the City of Oklahoma City, the FAA design standards, and specifically the requirements set forth in the Trust adopted Development Standards Manual, ("Development Standards"). A copy of the Development Standards is available from Airport staff. Any construction once commenced will be diligently prosecuted to completion.

A performance bond may be required to guarantee the timely construction of required leasehold improvements. A potential Lessee that has a conceptual approval from the Trust has no more than ninety (90) days for due diligence period prior to entering a lease with the Trust for the land. The 90-day period should include filing a site plan/conditional use applications, completing an environmental Phase 1 audit if desired, and submitting an FAA airspace study. If development does not occur in a timely fashion (18 months), the performance bond and all rights to leasing the property may be forfeited. Exceptions may be allowed by the Trust in its sole discretion.

## B. INFRASTRUCTURE FOR EAST SIDE DEVELOPMENT AREA

The Trust will construct roadways, sanitary sewer, water distribution lines, and other base infrastructure improvements associated with the East Side Development Area, and as appropriate other Airport property, on an as needed basis based on the infrastructure development phasing as anticipated in the Airport's Land Use Plan. Future ground rents and other revenues paid to the Trust for leases in the East Side Development Area will be dedicated by the Trust to help fund future infrastructure requirements. Water, sanitary sewer, and other base infrastructure will be included in the City's infrastructure system for maintenance and repair. Roadway improvements will be owned and maintained by the Trust. Gas, electricity, telephone, telecommunications and other utilities will be provided by private companies directly to the Lessee at Lessee's expense.

## C. COMMON AREA FOR EAST SIDE DEVELOPMENT AREA

### 1. Common Area Improvements

The Trust will install, maintain, improve, and beautify, or cause to be maintained, improved, and beautified, the Common Area in a desirable manner for the benefit of the Lessees.

### 2. Right of Way Improvements

Lessees will be required to install and maintain the irrigation system and landscape materials set forth in the Airport's Development Standards and/or design criteria in the applicable right of way area adjacent to their leased premises. The required maintenance activities of the Lessee shall include, but not be limited to mowing of lawns, trimming of hedges, replacement of dead, diseased or unsightly landscaping, removal of weeds from planted areas, and appropriate pruning of plant materials. The applicable right of way area is defined as that area that lies between the Lessee's boundary of the applicable leased premises and the back of a roadway curb.

## D. AVIATION INFRASTRUCTURE

If the Trust is required to construct airfield improvements or other base infrastructure (taxilanes, ramps, etc.) to support a lease for commercial development, such infrastructure and will be maintained and repaired by the Trust. The recovery of such costs shall be dependent on the type of improvements to support such development, and the specific lease terms of the development agreement or lease with the Lessee.

## V. TRUST AUTHORIZATION

These Commercial Leasing Standards have been adopted by the Trust for the benefit of the Airport staff in establishing the parameters for leasing the Airport land, and shall not be construed for the benefit of third parties. The Trust may modify, amend, or change the terms and conditions set forth in these Standards at any time in its sole discretion.