

ISSUE MATRIX FOR NEW AIRLINE AGREEMENT

The following table highlights key business terms the City may wish to consider as the Airport plans for the negotiations of the next Airline-Airport Lease and Operating Agreement.

PROVISION	CONSIDERATIONS	OPTIONS / COMMENTS
TERM	Predictability v. flexibility Relationship to capital projects and financing	Short-term (3-5 years) Long-term (7-10 years)
CONTROL OF CAPITAL PROGRAM	City Control v. risk-sharing	
	Majority In Interest (MII) <ul style="list-style-type: none"> • Airline rights to control capital development 	No MII Existing MII Modified form of MII
	Threshold not requiring airline approval	Current agreement at \$5 million Higher threshold?
CONTROL OF GATES <i>(continued on page 2)</i>	Optimize efficiency of use Support dominant carrier operations Preserve opportunities for competitive entry	
	Gate Use Rights	Protocols and Priorities of Use Obligation to accommodate
	Initial Allocation	Scheduled Seats for the month of August is the allocation basis in the current agreement. Consistent methodology or should more months be used? Timing – currently done by October 1 st . Should this be moved later? If it's moved later, will this impact the Rates and Charges calculation? Grandfather current gate assignments? Reallocate by market share?

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CONTROL OF GATES <i>(continued from page 1)</i>	Reallocation	Responsiveness to changing market conditions <ul style="list-style-type: none"> • Accommodate new entrants • Expanding incumbents Creates uncertainty
TICKET COUNTERS	Linked to Gates Migration to kiosks, self-tagging of bags, etc.	Keep same provisions parallel to Gates? Need to anticipate technological, operational changes
RATES AND CHARGES	Financial Model	Revenue Sharing Allocation of vacancy risk Gate Charges – equal vs. differential Maximize City’s cost recovery and discretionary cash vs. minimize growth in CPE
	Recovery of Capital Costs	Financial feasibility, prudence vs. containment of airline responsibility