



DSM Terminal Project

2020 Plan:

14 Gate Terminal – Construct in one phase

Estimated cost of \$398 million



2023 Plan:

6 New Gate Terminal – Construct Phase 1A and connect to existing 12 gates for 18 total

Estimated cost of \$450 million

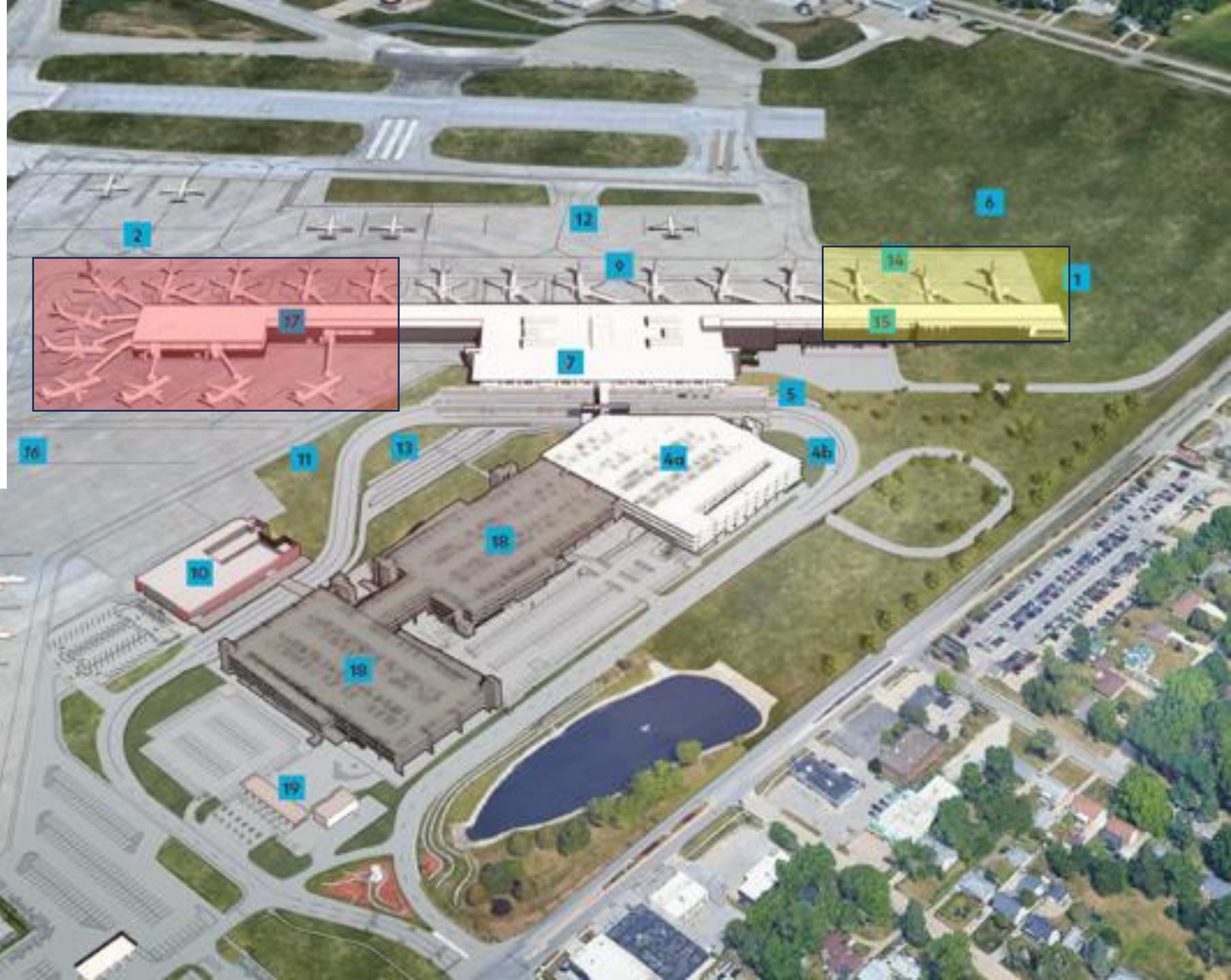


Future Phases:

Yellow – 3 gates toward Fleur Drive

Timing dependent on Federal Funding

Red – remaining gates likely beyond 10 years



The Why?

- Expands passenger boarding bridges by 50%
- Resolves existing pinch points at ticket counters, security check point, inbound and outbound baggage operations
- Replaces the 70+ year old core of building and systems
- Positions Des Moines International Airport for future economic growth of central Iowa and grow air service



Timeline

Summer 2023	Initial Bid Packages Received
October 4, 2023	Terminal Groundbreaking
November 2023	60% Design Complete
November 7, 2023	Referendum
April 2024	100% Design Complete
Summer 2024	First Bond Sale
August 2024	All Terminal Bid Packages Received
Late 2026	Terminal Construction Complete



Construction

- Construction Management At Risk project delivery with Weitz / Turner Joint Venture
- Progressively Bid Guaranteed Maximum Price (GMP)
- Final GMP scheduled to be set by fall 2024
- Construction Oversight managed by HNTB (Design Firm) and Anser Advisory (Owners Representative)



Financing

- Various funding streams
 - Federal, State and Local Grants; Authority Reserves; Bonding
 - Passenger Facility Charge, Customer Facility Charges
 - 12 separate funding streams so far
- Previously considered Public Private Partnership, but it required surrender of assets or higher financing costs
- General Aviation Revenue Bonds are the typical Airport bonding method



Terminal Building Phase 1A Sources and Uses - Summary

Authority Reserves / Revenues / Bonding		\$296M
Regional Municipalities / Counties		\$28.6M
Prairie Meadows		\$5M
State Infrastructure Grant (ICAIF & RIIF)		\$18.7M
Federal Grants		\$42.8M
	Total	\$391.1M
Terminal Phase I		\$445M
	Total	\$445M
Funding Needed to Maintain Target CPE		(\$53.9M)



Lowest Cost of Capital

- County issued General Obligation bonds
 - 60 bps savings on interest rate likely
 - Up to \$350 million borrowed over multiple transactions
 - All Aviation Revenues pledges to service debt
- Loan agreement between County and Authority
 - Municipal Advisor and Bond Attorney input to develop loan agreement
- Financial Feasibility Study prior to borrowing



Authority's Ability to Pay

	2025	2026	2027	2028	2029	2030	2031
Aeronautical Revenue	\$ 21,077	\$ 21,470	\$ 37,672	\$ 39,188	\$ 39,948	\$ 41,387	\$ 42,140
Parking Revenue	\$ 18,932	\$ 19,486	\$ 20,057	\$ 20,644	\$ 21,250	\$ 21,873	\$ 22,515
Non Aeronautical Revenue	\$ 16,128	\$ 16,612	\$ 17,110	\$ 17,623	\$ 18,152	\$ 18,697	\$ 19,258
Total Revenues	\$ 56,137	\$ 57,568	\$ 74,839	\$ 77,456	\$ 79,349	\$ 81,957	\$ 83,913
Operating Costs (3.5% escalation)	\$ 28,408	\$ 30,246	\$ 32,476	\$ 33,992	\$ 35,098	\$ 36,243	\$ 37,428
Net Revenues	\$ 27,729	\$ 27,322	\$ 42,363	\$ 43,465	\$ 44,251	\$ 45,714	\$ 46,485
Debt Service	(7,500)	(14,900)	(22,400)	(22,400)	(22,400)	(22,400)	(22,400)
Operating Income	\$ 20,229	\$ 12,422	\$ 19,963	\$ 21,065	\$ 21,851	\$ 23,314	\$ 24,085
Capital Improvements	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Reserves	\$ 5,229	\$ (2,578)	\$ 4,963	\$ 6,065	\$ 6,851	\$ 8,314	\$ 9,085

The Airport Authority will generate the revenue required to service a loan from Polk County through Aeronautical, Parking, and Non-Aeronautical Revenue sources.



Pros & Cons

- Protecting the \$750 million economic impact of DSM on Central Iowa
- 50% increase of gate capacity with the lowest cost of capital
- Positioning the airport for competitive air service development to elevate air travel options in Central Iowa
- County loan risk

