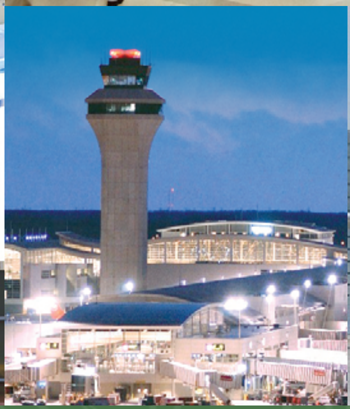
APPROVED BUDGET FISCAL YEAR 2014

WAYNE COUNTY AIRPORT AUTHORITY



DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY

WAYNE COUNTY AIRPORT AUTHORITY

BOARD MEMBERS

Suzanne K. Hall
Chairperson

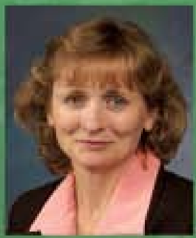
Alfred R. Glancy
Vice Chairperson

Michael J. Jackson, Sr.
Secretary

Kevin M. McNamara
Board Member

Samuel A. Nouhan
Board Member

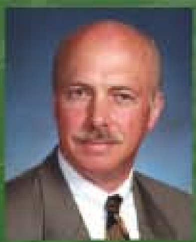
Reginald M. Turner
Board Member



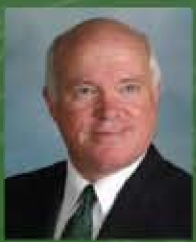
Mary L. Zuckerman
Board Member

WAYNE COUNTY AIRPORT AUTHORITY

CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER



Thomas Naughton
Chief Executive Officer



Terry Teifer
Chief Financial Officer

DETROIT METRO • WILLOW RUN

WAYNE COUNTY AIRPORT AUTHORITY

Fiscal Year 2014 Budget

Adopted by the Wayne County Airport Authority Board on September 10, 2013

MISSION

To operate safe, secure and dynamic air transportation facilities for our customers, creating economic vitality by providing global travel, cargo and business opportunities.

VISION

Making the world available

OUR VALUES

Teamwork
Accountability
Customer Satisfaction
Employee Respect
Integrity
Diversity

RESOLUTION
No. 13-101

APPROVAL OF WAYNE COUNTY AIRPORT AUTHORITY
FISCAL YEAR 2014 BUDGET

By Board Member Alfred Glancy

WHEREAS, the Wayne County Airport Authority (the "Authority"), pursuant to the Aeronautics Code of the Michigan Public Airport Authority Act, being MCL 259.108 – 259.125c, (the "Aeronautics Code") is vested with the power and authority to undertake the management and operation of the Detroit Metropolitan Wayne County Airport and Willow Run Airport (the "Airports"); and

WHEREAS, the Wayne County Airport Authority is governed by the Wayne County Airport Authority Board (the "Board"); and

WHEREAS, the Aeronautics Code requires that prior to the beginning of each fiscal year, the Board shall prepare a budget containing an itemized statement of the estimated current operational expenses and the expenses for capital outlay including funds for the operation and development of the Airports under the jurisdiction of the Board, and the amount necessary to pay the principal and interest of any outstanding bonds or other obligations of the Authority maturing during the ensuing fiscal year or which have previously matured and are unpaid, and an estimate of the revenue of the Authority from all sources for the ensuing fiscal year; and

WHEREAS, the Aeronautics Code further requires that money of the Authority be deposited, invested, and paid by the Chief Financial Officer only in accordance with policies, procedures, ordinances or resolutions adopted by the Board; and

WHEREAS, the Aeronautics Code further requires that a vote of a majority of the members of the Board serving at the time of the vote is necessary to approve or amend the annual budget; and

WHEREAS, the Board desires to, among other things, approve the annual budget for fiscal year 2014;

NOW THEREFORE, BE IT RESOLVED, that the Wayne County Airport Authority Board hereby approves:

1. The annual operating budgets for the Detroit Metropolitan Airport Fund, the Willow Run Airport Fund and the Westin Hotel Fund for the fiscal year beginning October 1, 2013 and ending September 30, 2014, as prepared by the Chief

Financial Officer of the Authority and reviewed by the Board, copies of which are attached to this Resolution;

2. The Wayne County Airport Authority Five-Year Capital Improvement Plan for Detroit Metropolitan Airport and Willow Run Airport for fiscal years 2014-2018, a copy of which is attached to this Resolution.

All prior Resolutions and parts of prior Resolutions insofar as they conflict with the provisions of this Resolution hereby are rescinded.

This Resolution was supported by Board Member Mary Zuckerman and carried by the following vote:

AYES: Glancy, Hall, Jackson, McNamara, Turner, Zuckerman

NAYS: None

DATE: September 10, 2013

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Wayne County Airport Authority

Michigan

For the Fiscal Year Beginning

October 1, 2012

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the Wayne County Airport Authority for its annual budget for the Fiscal Year 2013 beginning October 1, 2012.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device. The award is valid for a period of one year. We believe our current budget again conforms to program requirements and we are submitting it to GFOA for review.

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TABLE OF CONTENTS

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READER'S GUIDE

The Budget Book represents the Authority's best effort to provide a thorough summary of the financial, strategic and operational information for Fiscal Year 2014. The summary below describes each section of the book to help the reader find and understand the information contained within.

Organization of the Budget Book

Executive Summary – Summarizes the factors that influenced the preparation of the budget.

Wayne County Airport Authority at a Glance – Describes the organization and its leadership, includes profiles and statistical data for both airports and hotel. Includes information about the communities the Authority serves and corresponding supplemental statistical data.

State of the Aviation Industry – Analyzes industry trends and profiles the travelling public, directly linking this information to the airlines activity at the Airport, including enplanement information and destinations served.

Strategic Plan & Balanced Scorecard – Provides a cohesive explanation of organization-wide priorities and how the Authority uses the balanced scorecard approach to measure success.

Budget Process & Financial Policies – Details the process for preparing, reviewing and adopting the budget along with a summary of all financial policies and guidelines.

Budget in Brief – Presents detailed financial summaries, beginning with a consolidated operating budget for all budgeted funds. Revenue and expenditure profiles are illustrated for each entity along with a discussion of the assumptions used to develop the budget.

Cost Center, Division & Department Summaries – Detailed three-year financial schedules, including charts and lists of responsibilities for each department.

Capital Improvement Program – Provides a summary of the Authority's Capital Improvement Plan and a comprehensive listing of all the capital projects spanning the next five years.

Debt Profile – Provides an overview of the Airport's indebtedness alongside schedules of outstanding principal and debt service requirements.

Five-Year Financial Outlook – Discussion of the Authority's financial goal to maintain cost competitive rates. Includes financial and statistical information and forecasts through FY 2018.

Aviation Terminology

Throughout the budget book is aviation industry terminology, technical information and references to organizations that may not be familiar to the lay-person. A complete glossary and list of common acronyms is available on page 175. Here are a few that might be most helpful to know:

Enplanements – The number of passengers boarding an aircraft at an airport. Does not include arriving or connecting passengers.

Landed Weights – The weight of an aircraft on touch-down; it is often limited and is less than the maximum takeoff weight. Landing fees are charged to airlines for use of the airfield based on per thousand pounds of landed weights.

Originating & Departures (O&D) – Passengers who travel point-to-point to a destination, rather than connecting through a central hub to reach their destination are referred to O&D.

Residual Airport – The term refers to a rate and fee setting methodology that sets charges based on the net revenue an airport needs to cover expenses including debt service. At the end of the fiscal year airlines are charged for any operating shortfalls or receive a refund if there is a surplus. The Airport's rate structure is residual.

Federal Aviation Administration (FAA) – The national aviation authority of the United States of America. As an agency of the US Department of Transportation, it has authority to regulate and oversee all aspects of American civil aviation. The FAA's roles include regulating US commercial space transportation, airport facilities' geometry and flight inspection standards, aircraft noise control and administration of the Airport Capital Improvement Plan (ACIP) grant program.

IATA Airport Codes – Throughout the budget book are charts and graphs that use the three-letter International Air Transport Association (IATA) Airport Codes. A comprehensive list of all IATA codes used in the document may be found in Appendix C on page 174.

EXECUTIVE SUMMARY

On September 10, 2013, the Wayne County Airport Authority Board of Directors approved the Fiscal Year 2014 Budget. The revenue budget is a $326 million financial operating plan for Detroit Metropolitan Airport (the Airport), Willow Run Airport and the Airport Westin Hotel that focuses on operational excellence and investment for future growth.

Introduction

As the Wayne County Airport Authority (the Authority) began the budget process for FY 2014, Senior Leadership took a holistic look at the strategic perspectives and began the tactical discussions of how these could be developed into tangible goals for the organization. With the aviation industry relatively stable, and the local economy in a growth mode, the organization continues to be focused on growing non-airline revenue to fund investments in the infrastructure and sustainability of the airport. Achieving the Authority's goals will occur though implementing process improvements, enhancing the customer experience, focusing on economic growth and professional development of employees, while maintaining the safety and security of the Airport.

The following represents the Authority's budget process for FY 2014.

- April: Budget Process Begins with Aviation Analysis & Airline Requests
- May: Departments Develop and Submit Budget Requests & Initiatives
- June: Strategic Discussion, Preliminary CIP & Debt Overview Presentation to Board of Directors
- July: O&M Detailed Budget Presentation to Board of Directors
- August: O&M Budget Updates Presented to the Board & Airlines
- September: Proposed Budget Review & Board Approval of FY 2014 Budget

Aviation Industry Summary

It is important to analyze the aviation industry to understand how current macroeconomic trends could impact the organization. There continues to be significant change in airlines' business strategies that directly and indirectly impact the business of the Authority, and these trends become the basis for next year's fiscal outlook. While the US economy continues its slow recovery, the focus for the Authority is shifting to more of a growth model, moving past cost cutting and focusing on revenue generation. In any great organization, growth through efficiencies pave the way for reinvestment and the ability to achieve the organization's highest priorities.

The Airport benefits from stability in the Aviation industry. Since the 2009 Recession, the industry has undergone a transformation to return to profitability including business model changes and large scale mergers. Steady growth in the global and US economies have increased demand for travel, allowing for year-over-year airline profitability. The following outlines some key factors used in developing the FY 2014 Budget:

- **The outlook for the US airport sector is stable** – Moody's outlook for the US airport sector is stable due to modest economic growth projections for both the US and global economies. Total passenger traffic has recovered from the global financial crisis and has seen two years of growth close to long term trends.
- **Aviation demand is derived demand** – The Federal Aviation Administration (FAA) has changed its forecasting methodology for the US domestic market from a Gross Domestic Product (GDP) based model to a model based on real Disposable Personal Income (DPI). Aviation demand depends upon the level of

business and leisure activity in the economy, and as the US economy continues to stabilize, the desire for people to fly for business or pleasure to more varied locations will increase demand for air travel.

- **Airlines are changing their business strategies** – Mergers have changed the overall industry landscape. Enplanements are driven by the capacity airlines offer, based on cost/benefit strategies. Take-traffic-from-the-competition strategies are mostly a thing of the past. Alliances and code-sharing between major carrier systems, combined with an increased focus on hub activity now defines airline strategies.
- **The role of Delta Air Lines** – The Airport plays an important role in Delta's system. Operations at the Airport has remained stable since the merger with Northwest Airlines in 2008. As Delta has seen a shift toward connecting passengers system-wide, they have placed greater emphasis on the Airport as a connecting facility due to its geographic location. When the auto industry successfully completed major restructuring following the recession, Delta benefitted from an increase in corporate travel. The Airport's international operations continues to be a focal point for Delta, providing more non-stop service to Asia than any of their other hub airports.

Strategic Focus for Fiscal Year 2014

Stability and profitability in the aviation industry allows the Authority to shift the focus from cost containment to a growth mode. The Authority's long term strategy focuses on five perspectives.

Customer Satisfaction – One of the Authority's strengths is the continuous dedication to excellent customer service. Among passengers, the Airport's terminals receive exemplary Airport Service Quality (ASQ) scores. Other recent accolades include a superior rating from Air Cargo World magazine resulting in the Cargo Excellence Award (March, 2013) and "2012 Best of the Best" honors by Airport Revenue News for food and retail concession operators. To sustain and build upon customer service, additional funds are budgeted for refurbishments to the North Terminal, complimentary passenger WiFi service, landscape beautification and roadway and bridge reconstruction.

Operational Excellence – Operating safe and secure airports is the Authority's highest priority. Safe airfields, a safe workplace and the safety of the public are Authority focal points. To sustain a strong track record in safety and security, the Authority is focused on promoting a culture of continuous process improvement across the organization. In FY 2013, the FAA determined that the Airport is in full compliance with Federal Aviation Regulation (FAR) Part 139 for the third straight year and commended the Airport for the effectiveness of the operating procedures. The Authority's OSHA incident rating is lower than most peer-airports. The Police and Fire departments are accredited by Commission on Accreditation for Law Enforcement Agencies (CALEA) Commission on Fire

Accreditation International (CFAI), respectively. The Airport's FY 2014 Budget funds the implementation of a Safety Management System, installation of vehicle transponders to track airfield movement, airfield signage improvements and multiple information technology solutions to enhance efficiencies. In addition to these initiatives, the Capital Improvement Plan (CIP) includes the construction of a state-of-the-art public safety facility that will house both law enforcement and security functions and construction of a displaced threshold for Runway 4R/22L to promote a safer approach for aircraft landings.

Regional Development and Growth – The Authority is committed to fostering regional economic development. Both the Airport and Willow Run have sufficient airfield capacity to grow commercial airline and cargo service and ample facilities for on-site commercial development. The FY 2014-2018 CIP includes multiple projects that promote growth including: the North Gateway Commercial Development project, demolitions to clear areas for potential development, construction of a wide-body aircraft apron to support cargo activity growth and site preparation to attract Aircraft Maintenance & Overhaul (MRO) operators. The Willow Run CIP includes runway projects that will enable greater aircraft diversity for takeoff and landings and improvements for Hangar 1 to attract and retain tenants. Further, both airport's O&M budgets includes funding for marketing initiatives to attract new routes.

People – Human capital is the Authority's greatest asset. Dedicated employees support the Airports' operational excellence and customer service standards. The focus is to equip employees with critical skills and develop the next generation of leadership through professional development and training. The budget includes funding the implementation of a succession planning system that tracks skills and guides employees to align their career goals to future opportunities.

Financial – The Airport's cost per enplanement (CPE) is competitive among peer airports and sustaining that position is a key goal. Implementing the process improvements, efficiencies and economic development initiatives listed above is one part of the equation. The second component is debt management and long-term financial planning that forecasts where the Authority is heading so that management can steer the organization toward the CPE goal.

FY 2014 Airport Operating Budget

Airline activity and passenger traffic create a starting point for the Operating & Maintenance (O&M) budget. Non-airline revenues are developed based on airline activity relating to passenger enplanements and the landed weights determine the landing fee rate charged to the airlines.

Enplanements and landed weights have stayed relatively flat since 2009. Enplanements and landed weights are forecasted to be 16.0 million and 20.5 millions of thousands of pounds for FY 2014 Budget. They are both estimated to be slightly lower than FY 2013 due to reduced capacity stemming from airline mergers, fleet changes, expected increase in number of passengers on each aircraft and an overall reduction in operations.

Despite the expected reduction in enplaned passengers, non-airline revenues are budgeted to increase by 4.2 percent from $123.5 million in FY 2013 to $128.7 million in FY 2014. The majority of the increase in non-airline revenues is attributable to parking, car rental and concessions revenue.

The focus on the budget is to continue to be cost competitive while maintain a safe airfield, managing personnel costs and contractual increases and achieving the CEO's initiatives. The O&M budget for the Airport is $295.9 million as compared to $288.4 million in FY 2013 (2.6 percent increase). The three largest components to the budget on a percentage basis are debt service (30.2 percent), salaries and benefits (22.1 percent) and contractual services (16.5 percent) which together, comprise 68.8 percent of the O&M budget. Budgeted operating expenses increased 4.6 percent from $184.4 million in FY 2013 to $192.9 million in FY 2014. Non-operating expenses decreased 1.0 percent from $104.0 million in FY 2013 to $103.0 million in FY 2014. The overall increase in total expenses for FY 2014 is $7.5 million or 2.6 percent.

As a residual airport, total revenues and expenses must balance. The budgeted revenues generated directly from the airlines are increasing a modest 1.5 percent from $163.6 million in FY 2013 to $166.1 million in FY 2014.

Table 1 below summarizes the revenues and expenses.

Table 1: FY 2014 Airport O&M Budget

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Airline Revenues	$ 159,621	$ 163,613	$ 166,057	$ 2,444	1.5%
Non-Airline Revenues	127,578	123,511	128,656	5,145	4.2%
Non-Operating Revenues	1,627	1,260	1,155	(105)	- 8.3%
Total Revenues	**288,826**	**288,385**	**295,868**	**7,484**	**2.6%**
Operating Expenses	186,996	184,401	192,880	8,479	4.6%
Non-Operating Expenses	101,831	103,983	102,988	(995)	- 1.0%
Total Expenses	**$ 288,826**	**$ 288,385**	**$ 295,868**	**$ 7,484**	**2.6%**

May not sum to total due to rounding

FY 2014 Willow Run Operating Budget

While the passenger airline activity has stabilized, general aviation and air cargo originating to and destined from Southeast Michigan continues to decline. This creates a considerable financial challenge for Willow Run Airport. In 2013, Willow Run lost its second largest rent tenant, National Airlines, who relocated out-of-state resulting in a decline in revenue for the airport of $0.3 million (10.0 percent of total revenue in FY 2012). While maintaining operational excellence and safety, operating expenses were responsibly reduced to compensate for revenue losses. The FY 2014 budgeted revenues are $3.1 million compared to operating expenses of $3.6 million. Financial sustainability is Willow Run's long-term goal; cost containment, business development and airfield "rightsizing" is the airport's three-pronged strategy to achieving it.

Table 2 summarizes the revenues and expenses.

Table 2: FY 2014 Willow Run O&M Budget

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Airline Revenues	$ 1,631	$ 1,750	$ 1,286	$ (464)	- 26.5%
Non-Airline Revenues	1,835	1,959	1,793	(166)	- 8.5%
Non-Operating Revenues	2	2	2	-	0.0%
Total Revenues	**3,468**	**3,711**	**3,081**	**(631)**	**- 17.0%**
Operating Expenses	4,015	4,067	3,647	(420)	- 10.3%
Non-Operating Expenses	(192)	(356)	(567)	(211)	59.2%
Total Expenses	**$ 3,823**	**$ 3,711**	**$ 3,081**	**$ (631)**	**- 17.0%**

May not sum to total due to rounding

FY 2014 Westin Hotel Operating Budget

The Airport Westin Hotel's focus is maintaining its award-winning service among regional and national luxury hotels. The Hotel's FY 2014 Budget for operating revenues is $26.9 million as compared to operating expenses of $18.7 million for an operating margin of $8.2 million. Non-operating expenses, which primarily include debt service and fund transfers forecast a reduction in net position by -$1.3 million.

Table 3 below summarizes the budgeted revenues and expenses.

Table 3: FY 2014 Westin Hotel Operating Budget

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Revenues	$ 27,612	$ 27,524	$ 26,938	$ (586)	- 2.1%
Non-Operating Revenues	42	45	47	2	4.5%
Total Revenues	**27,653**	**27,569**	**26,985**	**(584)**	**- 2.1%**
Operating Expenses	20,889	18,808	18,663	(145)	- 0.8%
Non-Operating Expenses	7,392	9,699	9,654	(45)	- 0.5%
Total Expenses	**$ 28,281**	**$ 28,507**	**$ 28,318**	**$ (189)**	**- 0.7%**
Change in Net Assets	**$ (627)**	**$ (938)**	**$ (1,333)**	**$ (395)**	**42.1%**

May not sum to total due to rounding

FY 2014 – FY 2018 Capital Improvement Plan

Projects intended to sustain and improve operations comprise the majority of the CIP including $363.4 million (61.3%) for airfield improvement projects. Projects aimed at creating opportunities to generate additional revenue and help cultivate economic development total $20.1 million for cargo, hangar and commercial development with an additional $28.7 million for demolitions and site redevelopment.

Willow Run's $129.4 million CIP is separate from the Airport. It is primarily composed of reconstructing runways and taxiways and updating facilities and infrastructure to attract new tenants.

Table 4 below is the approved FY 2014 – FY 2018 Five Year Plan for both Airports.

Table 4: FY 2014 - FY 2018 Capital Improvement Plan

($ in thousands)	Total Cost	Estimate to 9/30/13	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 to Completion
Detroit Metropolitan Airport	$ 595,246	$ 138,694	$ 172,910	$ 87,278	$ 62,299	$ 76,265	$ 57,800
Willow Run Airport	129,446	17,846	25,020	23,922	17,490	21,612	23,556
Wayne County Airport Authority Total	**$ 724,692**	**$ 156,540**	**$ 197,930**	**$ 111,200**	**$ 79,789**	**$ 97,877**	**$ 81,356**

Conclusion

In light of the numerous economic and industry specific challenges that have occurred over the past few years, the Authority has taken these headwinds in stride and improved it's financial position. Through fiscal responsibility, the

Authority has reduced operating expenses and achieved an extremely conservative compounded annual growth rate of 1.3 percent since FY 2003.

By maintaining focus on long-term strategies in conjunction with impacts of the economy and industry, the Authority has developed the budget in an informed environment. The budget is the tactical roadmap and tool that defines funding for the Authorities most important goals. Supporting and accomplishing these annual goals helps achieve the Authorities highest priorities and sets the foundation for long-term success of the organization.

THE WAYNE COUNTY AIRPORT AUTHORITY AT A GLANCE

The Wayne County Airport Authority (the Authority) is an independent public benefit agency and considered an agency of the Charter County of Wayne, Michigan (Wayne County) for the purposes of federal and state laws, but is not subject to any county charter requirements or the direction or control of either the Wayne County Executive or Commission. Pursuant to Public Act 90 (the Authority Act), Michigan Public Acts of 2002 (effective March 26, 2002), the Authority has operational jurisdiction of the Detroit Metropolitan Wayne County Airport, the Willow Run Airport and the Airport Westin Hotel, with the exclusive right, responsibility and authority to occupy, operate, control and use them. The Authority is included in the County's Comprehensive Annual Financial Report (CAFR) as a discretely presented component unit, in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, the Reporting Entity.

Wayne County Airport Authority Fiscal Year 2014 Board Members

Suzanne K. Hall is Chairperson of the Wayne County Airport Authority Board. Hall is a private consultant specializing in public administration. Hall retired from Wayne County in 2009 after 23 years of service during which time she held various executive level positions including Director of Administration for the Sheriff's Office, Assistant County Executive for Administration and Deputy Director for the Department of Health and Community Services. For 18 years, Hall was an elected official for the City of Southgate including four years as Mayor and 14 years as a Councilwoman. Hall holds a master's degree in Public Administration from the University of Michigan and a bachelor's degree in Local Government Administration from Central Michigan University. She is also a graduate of Leadership Michigan and Leadership Detroit. Hall was appointed to a six-year term on the Wayne County Airport Authority Board by Governor Jennifer Granholm, which expires October 1, 2016.

Alfred R. Glancy III is Vice Chairperson of the Wayne County Airport Authority Board. Glancy is Executive Chairman of Unico Investment Company and Unico Investment Group, LLC and retired Chairman and Chief Executive Officer of MCN Energy Group, Inc. MCN Energy Group, including its principal subsidiary Michigan Consolidated Co. (MichCon), was an integrated energy company with nearly $5 billion in assets and $2.8 billion in annual revenues that merged with DTE Energy Co. in 2001. Glancy is Chairman Emeritus and Chairman of the Finance Committee of the Detroit Symphony Orchestra and past Chairman of Detroit Renaissance, Inc., Detroit Medical Center, New Detroit, Detroit Economic Growth Corp. and MLX Corp. Glancy is a graduate, cum laude, of Princeton University and earned a MBA from Harvard Business School. He was appointed to the Wayne County Airport Authority Board by Wayne County Executive Robert Ficano to complete the remainder of a term for a vacated position ending October 1, 2014.

Michael J. Jackson, Sr. is Secretary of the Wayne County Airport Authority Board. Jackson is Executive Secretary/Treasurer of the Michigan Regional Council of Carpenters and Millwrights. In this role, he serves as Chief Operating Officer for the organization representing more than 20,000 carpenters, millwrights, resilient floor layers and pile drivers in public and private workplaces through ten local chapters across Michigan. Prior to his election to the union's highest state office in 2009, he served as the council's Political Director. Jackson began his career as a Journeyman Field Carpenter in 1989, and has since held a number of progressively responsible positions within the organization from organizer and business agent to office manager. Throughout his career, Jackson has become a nationally recognized labor and civic leader. He has been honored with the Spirit of Detroit Award by Detroit City Council in recognition of outstanding achievement and service to the city. He served as President of the Central Labor Council of the AFL-CIO and on the boards of the Robert Ficano Hope Foundation and Wayne County Business Development Corporation. Jackson was also appointed by Michigan Governor Rick Snyder to serve on his Economic Development Transition Team and as a board member of the Michigan Economic Growth Authority. He was appointed to a six-year term on the Wayne County Airport Authority Board by Wayne County Executive Robert Ficano expiring October 1, 2017.

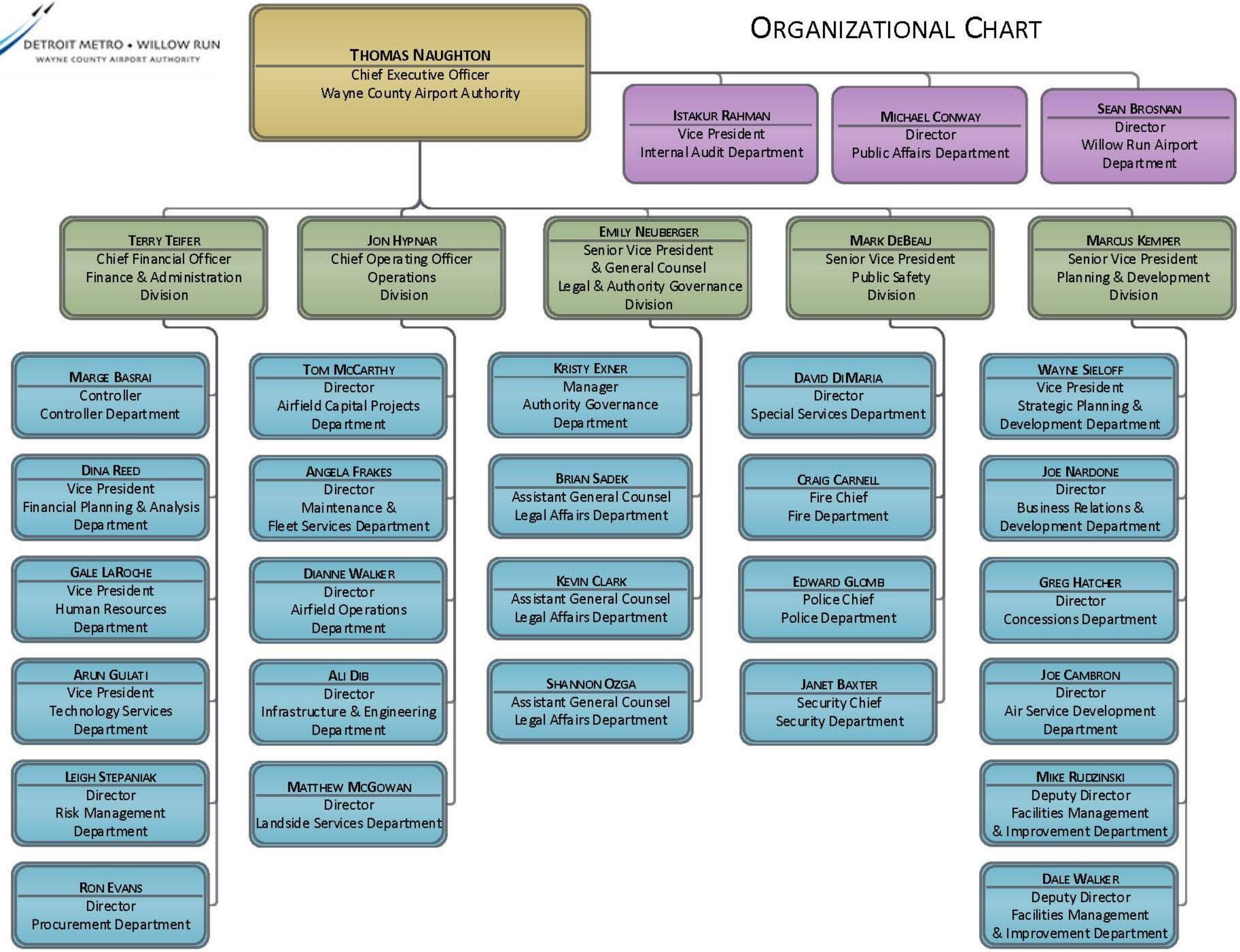
Kevin M. McNamara was appointed to the Wayne County Airport Authority Board by the Wayne County Commission in September 2012. As a Wayne County Commissioner representing the 11th District, McNamara focuses on roads, parks, youth services and senior programs as chair of the Committee on Public Services. He serves on the Board of Head Start, overseeing preschool programs for 3,700 children and serves as Finance Chair for the Southeast Michigan Council of Governments (SEMCOG). Prior to his election to the County Commission in 2006, McNamara worked as a sales executive for a major infrastructure development company and served as a trustee of Schoolcraft College. McNamara is the son of the late, former Wayne County Executive Edward H. McNamara, who transformed Detroit Metropolitan Airport into one of the finest facilities and airfields in the world during his term in office from 1987-2002 and for whom the Airport's award-winning McNamara Terminal is named. Commissioner McNamara's term on the Wayne County Airport Authority Board expires October 1, 2018.

Samuel A. Nouhan is an attorney in private practice. Previously, he was a partner in the national law firm of Bowman and Brooke LLP's Detroit office, where his practice areas included product liability, commercial and municipal litigation. Prior to entering private practice, Nouhan served in the office of the Wayne County Corporation Counsel and as a clerk to two federal judges. Nouhan is a graduate of the University of Detroit-Mercy School of Law and previously served on the Grosse Pointe Park City Council. Nouhan was appointed to a six-year term on the Wayne County Airport Authority Board by Wayne County Executive Robert Ficano, which expires October 1, 2014.

Reginald M. Turner was appointed to the Wayne County Airport Authority Board by Wayne County Executive Robert Ficano in January 2013. Turner is a highly skilled litigator with Clark Hill PLC, where he serves on the firm's Executive Committee, Government Policy Group and Labor and Employment Group. Turner is named in such peer review guides as The Best Lawyers in America, Super Lawyers® and Crain's Detroit Power Lawyers. He is a past President of both the National Bar Association and the State Bar of Michigan, and a Life Fellow of the American Bar Foundation which is an honor reserved to less than one percent of lawyers in each state. Turner's practice also includes counsel and advocacy on behalf of clients on matters of public policy, with governmental experience at the federal, state and local levels. Turner completed a White House Fellowship in Washington, D.C., managing a Presidential Task Force and working as an aide to two US Cabinet Secretaries. He also served on Governor John Engler's Blue Ribbon Commission on Michigan Gaming, the City of Detroit's Brownfield Redevelopment Advisory Committee and the City of Detroit Board of Ethics. Turner now serves as Vice Chairman of the Detroit Public Safety Foundation. He is a Director of Comerica, Inc., the Community Foundation for Southeast Michigan and serves on the executive committee for United Way for Southeastern Michigan. Turner is a graduate of Wayne State University and the University of Michigan Law School. His term on the Wayne County Airport Authority Board expires October 1, 2019.

Mary L. Zuckerman is Vice President of Financial Planning and Operational Analytics with St. John Providence Health System. Previously, she was the Executive Vice President and Chief Operating Officer for the Detroit Medical Center (DMC). Before joining the DMC in January 2004, she spent ten years with Wayne County in various executive level positions, including Deputy County Executive. Additionally, Zuckerman served as Wayne County's project manager for the Tigers and Lions stadium development teams and oversaw the opening of the McNamara Terminal at Detroit Metro Airport. Zuckerman earned her master's degree in Public Administration from Northern Illinois University and a bachelor's degree from Winona State University. Zuckerman was appointed to a six-year term Wayne County Airport Authority Board by Governor Jennifer Granholm, which expires October 1, 2014.

Organizational Chart



Detroit Metropolitan Airport

The Role of the Airport

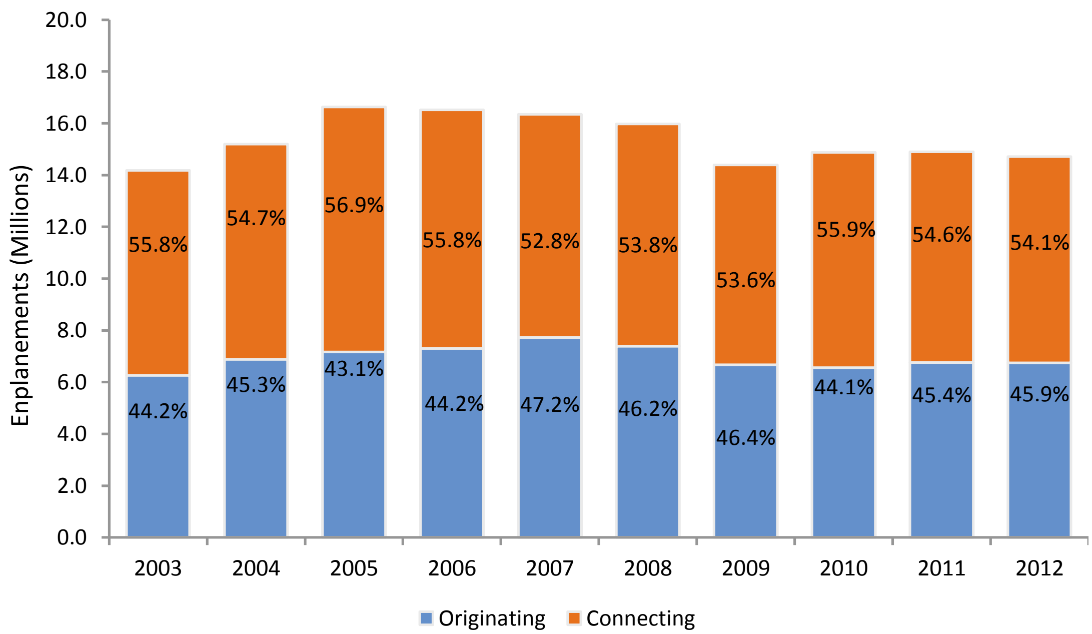
The Airport is the primary air carrier and cargo airport serving Southeast Michigan, including Detroit and the ten-county surrounding area. Furthermore, as a hub airport in Delta's route network, the Airport serves a key role as a domestic connection point and an international gateway that attracts passengers from beyond its primary catchment area due to the level of airline service offered. The Airport is Delta's second busiest hub in terms of its total enplaned passengers, scheduled departing seats and scheduled departures behind only Hartsfield-Jackson Atlanta International Airport (ATL), the busiest airport in the world and home to Delta's headquarters.

National Perspective

According to FAA statistics for calendar year (CY) 2012, the Airport ranked 17th in the US for both total and enplaned passengers, enplaning and deplaning approximately 32.2 million total passengers and enplaning a total of approximately 15.6 million passengers. Also in CY 2012, the Airport ranked 11th nationwide in total aircraft operations, with approximately 430,000 takeoffs and landings.

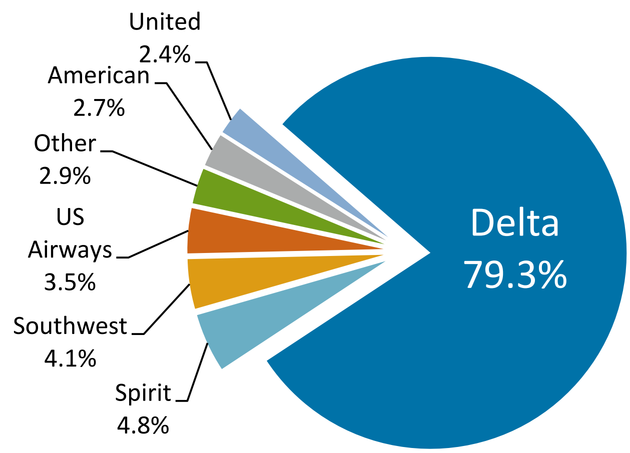
As a major hub airport, origin and destination (O&D) and connecting passengers are almost equal in terms of enplanements. As shown in Figure 1, for CY 2012, 45.9 percent of the Airport's total domestic enplanements were O&D passengers and the remaining 54.1 percent were connecting passengers which are mostly serviced by Delta and the Delta Connection Carriers.

Figure 1: Domestic Originating & Connecting Enplanements (CY)



As shown in Figure 2: Airline Enplanement Market Share at the Airport, FY 2013, Delta and the Delta Connection Carriers totaled approximately 79.3 percent of the Airport's enplanements. The Airport also plays the role of an international gateway for Delta, attributing 1.2 million of the total 1.4 million international enplaned passengers to the air carrier and their partners. Spirit Airlines, Southwest Airlines and US Airways were the next three largest carriers in terms of enplanements at the Airport, however as much smaller percentages of the market share. Even though Delta and the Delta Connection Carriers account for more than three-quarters of the passenger activity at the Airport, the other air carriers, including low cost carriers, foreign flag carriers, charter carriers and regional carriers also provide service to many of the Airport's top O&D markets.

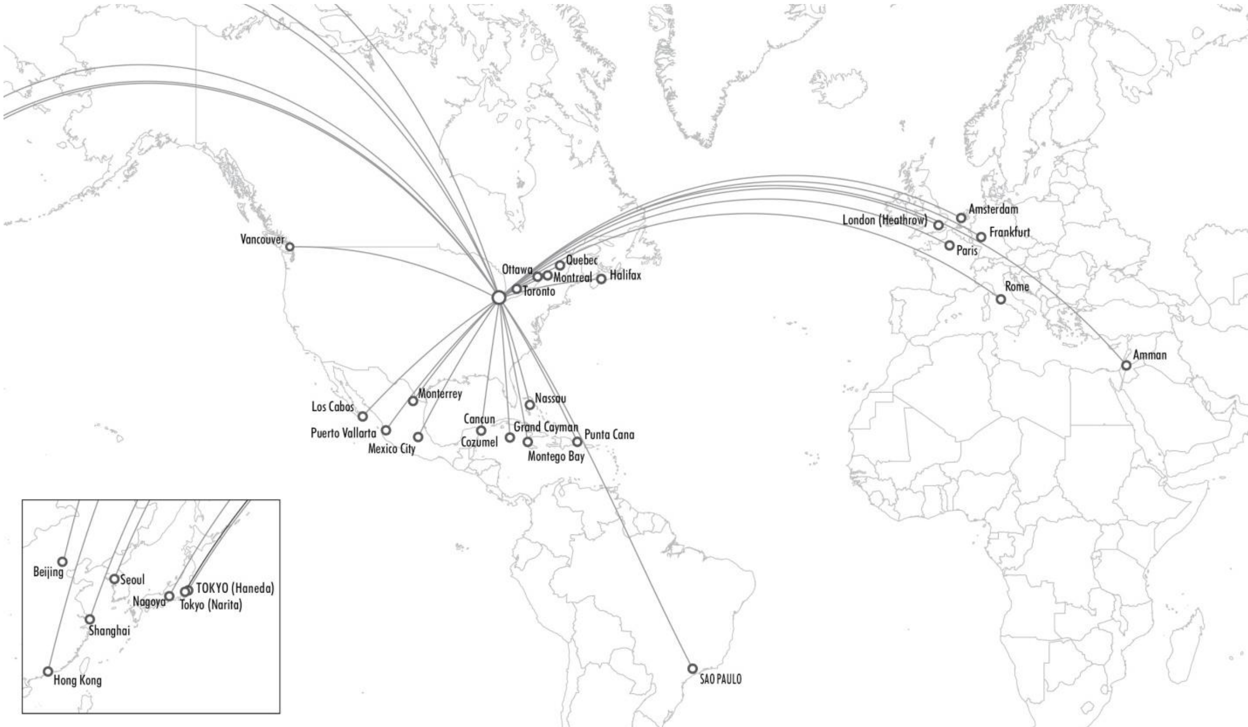
Figure 2: Airline Enplanement Market Share at the Airport, FY 2013



The airlines serving the Airport have approximately 570 scheduled domestic and international daily departures over the course of a year with July being the highest month at 618 scheduled departures. Figures 3 and 4 illustrate the Airport's nonstop service to approximately 120 domestic and 30 international destinations, including some markets on a seasonal demand basis.

Figure 3: Scheduled Nonstop Domestic Destinations

Note: Non-stop flights from Detroit Metropolitan Airport (DTW) to Hong Kong, China (HKG) stopped as of September 1, 2012

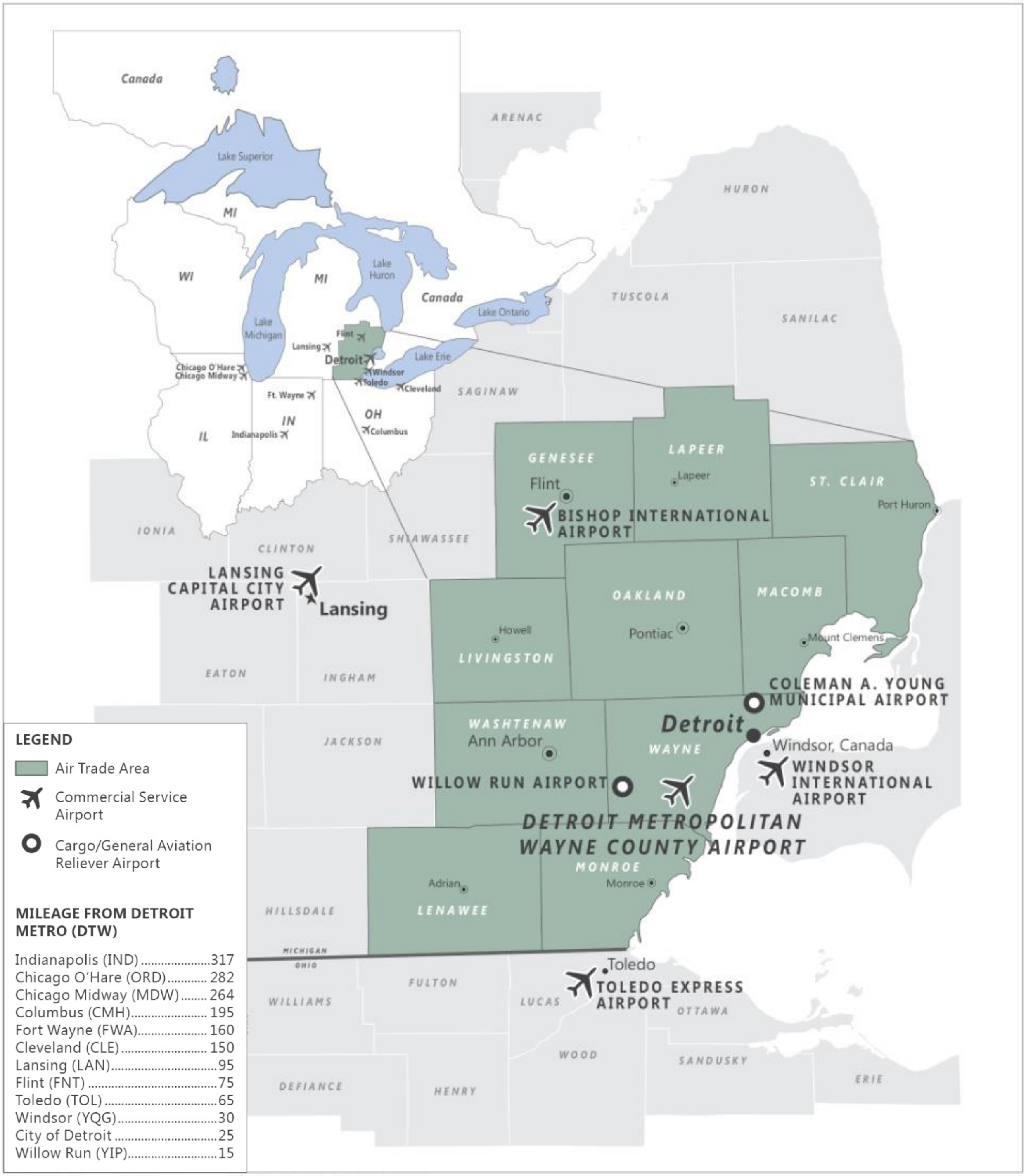


Air Trade Area

Not only is the Airport a key component of the US air transportation system, but it is also the primary air carrier airport serving the City of Detroit and the ten-county Air Trade Area, which encompasses the counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw and Wayne. The Airport is also accessible and within close geographical-proximity to Canada, which serves as an extended secondary Air Trade Area. It is the economic strength of the ten counties encompassing the primary air trade area that provides the principal base for supporting O&D air travel at the Airport. However, the number of non-stop domestic and international destinations served by the Airport and the frequency with which those destinations are served, tends to attract passengers from a broader geographic region who may prefer to use the Airport instead of an airport located closer to their residence.

Based on location, accessibility and services available at other commercial service airports within nearby service areas, the borders of the Air Trade Area are generally established by Toledo Express Airport (TOL) to the south, Fort Wayne International Airport (FWA) to the southwest, Lansing Capital City Airport (LAN) to the west and Bishop International Airport (FNT) to the north. The closest large hub airport to the Air Trade Area is Cleveland-Hopkins International Airport (CLE), which primarily serves its own air trade area approximately 150 miles southeast of the Airport across Lake Erie. CLE had approximately 5.9 million scheduled seats in CY 2012, representing approximately 30.2 percent of the scheduled departing seat capacity at the Airport. Among the remaining airports in the Air Trade Area or nearby, FNT had the most scheduled departing seats in CY 2012, approximately 532,000 seats, or approximately 2.7 percent of the total scheduled departing seat capacity at the Airport in the same period.

Figure 5: Map of the Air Trade Area



SOURCE: Map Resources, 2007 (vector map graphics); Ricondo & Associates, Inc, May 2012.
PREPARED BY: Ricondo & Associates, Inc., May 2012.

Local Economy

According to the Detroit Regional Chamber, the Air Trade Area has approximately 300,000 existing businesses including 20 Fortune 500 companies. With its high concentration of Fortune 500 companies, high-capacity transportation infrastructure, skilled workforce and research and development (R&D) facilities, the Air Trade Area has been gaining recognition as one of the best places in the nation for new and expanded business according to the Detroit Regional Chamber. This optimistic assessment was echoed by an October 2010 article in Inc. magazine, entitled “Five Reasons to Start a Business in Detroit.” In particular, the article noted the Air Trade Area’s strong support network for new businesses (including government support) and access to space and capital. More recently, in May 2012, Site Selection magazine included the Wayne County Economic Development Growth Engine on its honorable mention list of the top-performing economic development groups nationwide in 2011.

In addition to post-recession growth in manufacturing, the technology sector is a growing contributor to the Air Trade Area’s recovery. This growth in the technology sector has occurred as automobile makers and their suppliers are recruiting, often in competition with Silicon Valley, computer programmers and other workers with the technological skills necessary in the modern automobile manufacturing environment. The relocation of major high-tech operations of Quicken Loans and CompuWare, among others, to downtown Detroit has also attracted high-tech workers to the Air Trade Area. The Air Trade Area’s technology sector growth is illustrated in a 2011 report Dice.com, an information technology and engineering career website, identifies Detroit as the fastest growing metropolitan area for technology jobs. In that report, the Detroit metropolitan area was cited as having more than 800 available technology positions on any given day and that technology professionals in the Detroit metropolitan area have an average annual income of $71,445.

Prominence of the Automotive Industry

Detroit and the surrounding area is well known as “The Automotive Capital of the World,” as it is home to three of the world’s largest automakers: General Motors Company, Ford Motor Company and Chrysler Group LLC. In addition to the “Big Three” US automakers, the Air Trade Area is home to important facilities of foreign manufacturers including research and development (R&D) centers of Toyota Motor North America Inc., Hyundai Motor Company and KIA Motors America, Inc. Furthermore, approximately 20 of the 100 largest global automotive suppliers are headquartered in the Air Trade Area, with approximately another 70 of the largest suppliers having an office presence in the region. Historically, Michigan’s automotive factories have accounted for approximately 20.5 percent of total US vehicle production, more than any other state in the nation. Furthermore, over four-fifths of the state’s car and truck production is located within the Air Trade Area which produces more vehicles than any other metropolitan area in the United States.

Due to the major presence of automakers, suppliers, R&D facilities and a vast network of support industries in Detroit and the surrounding area, trends impacting vehicle sales and production have a significant impact on the regional economy. While the period 2006 through 2009 provided many challenges to the automakers and the Detroit region, the rebound that has occurred since 2009 has made Michigan and by extension Detroit and the Air Trade Area, one of the fastest growing economies in the nation based on the Bureau of Economic Analysis (BEA) June 2012 news release.

Auto sales are up sharply for the “Big Three” carmakers, just four years after General Motors and Chrysler officially declared bankruptcy and Ford was forced to close several plants and renegotiate many contracts. It is estimated that the US auto industry’s new-vehicle sales in 2013 will be 16.0 million vehicles compared to 14.5 million in 2012 with the “Big Three” taking market share from the foreign carmakers that have been comprehensively outcompeting them. Together, the three domestic carmakers earned about $5.7 billion in pre-tax profit in North America between July and September of 2013; up $1 billion from a year ago. North American profit margins for the third quarter of

2013 were some of the best these carmakers have seen in years. Ford Motor's margin was 10.6 percent (before interest and taxes), while General Motors earned 9.3 percent pre-tax and Chrysler earned 4.9 percent.

Air Trade Area Profile

Demographics

Population by County Since 1990

County	1990	2000	2010
Genesee	430,459	436,141	424,926
Lapeer	74,768	87,904	88,210
Lenawee	91,476	98,890	99,763
Livingston	115,645	156,951	180,972
Macomb	717,400	788,149	841,126
Monroe	133,600	145,945	151,932
Oakland	1,083,592	1,194,156	1,203,012
St. Clair	145,607	164,235	162,789
Washtenaw	282,937	322,895	345,290
Wayne	2,111,687	2,061,162	1,815,734
Air Trade Area	5,187,171	5,456,428	5,313,754

Median Age **38.9 years**

Percent of Population from 35-54 years **29.3%**
(age range most likely to travel)

Per Capital Personal Income (2012)

Air Trade Area	$40,800
State of Michigan	$37,821
United States	$42,567

World Region of Birth of Foreign-Born Population In Air Trade Area (2010)

Asia	210,905	50.5%
Europe	102,410	24.5%
Latin America	59,233	14.2%
North America	28,082	6.7%
Africa	15,402	3.7%
Oceana	1,371	0.3%
Total	417,403	100.0%

Economics

Gross Regional/Domestic Product
(millions of 2005 dollars)

Year	Air Trade Area	State of Michigan	United States
2002	$237,514	$379,219	$11,395,361
2003	$240,740	$383,118	$11,692,437
2004	$234,221	$376,447	$12,123,442
2005	$233,387	$375,753	$12,539,116
2006	$225,466	$366,235	$12,936,968
2007	$225,472	$366,440	$13,209,790
2008	$206,012	$338,675	$13,028,025
2009	$192,553	$321,866	$12,691,919
2010	$192,498	$321,902	$12,666,042
2011	$193,968	$324,494	$12,787,312
2012	$195,657	$328,337	$12,911,575
2002-2012 Compounded Annual Growth Rate	-1.9%	-1.4%	1.3%

Air Trade Area Employment by Sector 2012

	Amount (000's)	Percent
Construction	56.4	2.1%
Financial	103.6	3.9%
Government	294.0	11.2%
Information	32.9	1.3%
Manufacturing	247.0	9.4%
Natural Resources & Mining	3.4	< 1%
Services	1,503.2	57.2%
Trade, Transportation & Utilities	385.9	14.7%
Total	2,626.5	100.0%

Non-Seasonally Adjusted Unemployment Rates
June 2013

Air Trade Area	10.0%
State of Michigan	8.7%
United States	7.6%

Role within Delta Airline's System

Delta acquired Northwest as a wholly-owned subsidiary in October 2008 and received a single operating certificate from the FAA on December 31, 2009. Prior to the acquisition and merger, Northwest operated three US hubs: the Airport, Minneapolis-St. Paul International Airport (MSP) and Memphis International Airport (MEM). At the time of the merger, Delta retained all of its and Northwest's pre-merger hubs, however there have been some recent changes. On October 10, 2011, Delta and US Airways were approved by US DOT for a slot swap at LaGuardia Airport (LGA), creating Delta's newest domestic hub. Alternatively, on June 4, 2013, Delta announced that MEM would lose its status as a Delta hub and reduced its operation to 60 flights per day. On September 3, 2013, MEM officially closed as a hub.

Delta's current system network consists of the following domestic hub airports: the Airport (DTW), Hartsfield-Jackson Atlanta International Airport (ATL), Minneapolis-Saint Paul International Airport (MSP), Salt Lake City International Airport (SLC), John F. Kennedy International Airport (JFK), LaGuardia Airport (LGA) and Cincinnati/Northern Kentucky International Airport (CVG).

Overall, when measured based on activity by Delta and Delta Connection Carriers, the Airport was Delta's second busiest hub in terms of total enplaned passengers, scheduled departing seats (approximately 7.7 million seats), share of total departing seats (approximately 15.1 percent) and scheduled departures behind ATL in CY 2012.

A comparison of departing seats for Delta hubs before and after the merger helps provide perspective on how the Delta/Northwest merger has impacted activity level at the hubs and/or changed the roles of these hubs within Delta's current system. Total scheduled departing seat data for the Delta/Northwest system and for the current Delta hubs for a representative pre-merger period (Delta and Northwest for first half of CY 2008) and for the current period (Delta for the first half of CY 2013) is presented in the table below.

Table 5: Departing Seats at Delta Hubs

Departing Seats at Delta Hubs	Pre-Merger (H1 2008)	% of Total	Current (H1 2013)	% of Total	Overall Change
Atlanta (ATL)	19,962,476	35.7%	21,780,597	35.7%	9.1%
Detroit (DTW)	8,831,002	15.8%	7,694,052	15.8%	-12.9%
Minneapolis - St. Paul (MSP)	8,836,170	15.8%	7,400,971	15.8%	-16.2%
Salt Lake City (SLC)	4,765,137	8.5%	4,172,539	8.5%	-12.4%
New York (JFK)	3,441,654	6.1%	3,480,793	6.1%	1.1%
Memphis (MEM)	3,149,809	5.6%	1,180,640	5.6%	-62.5%
LaGuardia (LGA)	2,647,426	4.7%	3,903,287	4.7%	47.4%
Cincinnati (CVG)	4,342,936	7.8%	1,394,230	7.8%	-67.9%
Total Delta Hubs	**55,976,610**	**100%**	**51,007,109**	**100%**	**-8.9%**

Since the merger, Delta expanded its international service at the Airport making it the third busiest hub in terms of international enplaned passengers behind ATL and JFK. Delta expanded international operations by adding non-stop destinations such as Sao Paulo, Brazil; Seoul (Incheon), South Korea; Hong Kong and Shanghai, China. The Airport has more departures to Asian destinations than any other airport in the Delta route network, including each of its other major hubs. In the Trans-Atlantic market, Delta provides non-stop service from the Airport to SkyTeam hubs in Amsterdam, Paris and Rome. As a result, these markets not only feed traffic from beyond Detroit but also feed traffic from SkyTeam members' flights beyond their respective hubs in Europe. Delta also serves London–Heathrow (the number one European market for the Airport's O&D passengers) and Frankfurt from the Airport.

As a result of synergies created from the merger such as additional growth opportunities and ability to mitigate the impact of an economic downturn, the combined airline is better positioned to expand more effectively at the Airport. Delta expects to continue modest growth in overall service at the Airport in the future.

Airport Facilities

Terminal Facilities

The Airport currently has 147 aircraft gates within its two passenger terminal facilities: the North Terminal and the Edward H. McNamara Terminal (also referred to as the McNamara Terminal or, for the purposes of Authority cost center accounting the South Terminal). The McNamara Terminal opened on February 24, 2002 and currently serves Delta, the Delta Connection Carriers and other SkyTeam partners. The North Terminal opened on September 17, 2008 and replaced the Smith and Berry Terminals, which were retired as passenger facilities on the same date. The North Terminal is used for non-hubbing carrier operations at the Airport. The Authority has invested over $2.1 billion in terminal development since FY 2000. With the McNamara Terminal and the North Terminal, the Airport has two of the most modern and efficient terminal facilities of any airport in the US with ample capacity to accommodate future growth.

In February 2010, J.D. Power and Associates ranked the Airport first in overall customer satisfaction among US airports accommodating 30 million or more passengers per year. Factors used in the survey to determine overall customer satisfaction include airport accessibility, check-in, baggage claim, security check, terminal facilities, food and beverage, retail services, baggage claim and immigration services. In November 2010, Zagat Airline Survey, a survey of frequent fliers and travel professionals awarded the Airport fourth place for "Best US Airport in Overall Quality".

McNamara Terminal – The McNamara Terminal currently serves Delta, the Delta Connection Carriers and other SkyTeam partners. The airline space in the terminal is leased by Delta under an Airport Use and Lease Agreement which extends through 2032. The McNamara Terminal was opened in February 2002 and expanded in FY 2005, adding 25 gates to Concourses B and C, facilitating increased mainline and regional aircraft activity. Included as part of the expansion were luggage handling systems modifications, additional moving walkways, escalators and hydrant fueling pits. The McNamara Terminal has approximately 2.4 million square feet of gross building space, including 121 aircraft gates in three concourses (i.e., Concourses A, B and C) and a Federal Inspection Station (FIS) facility of approximately 105,000 square feet, which can process up to 3,200 passengers per hour. The centralized passenger terminal has over 100 ticket counter positions and an automated passenger train that travels across the mile-long Concourse A. Additionally, the terminal includes over 80 shops and restaurants encompassing over 153,000 square feet of concessions space and four Delta Sky Clubs. There is an underground tunnel that provides access between the concourses and serves as a utility and luggage handling system corridor.

North Terminal – The North Terminal was opened on September 17, 2008 and replaced the Smith and Berry Terminal facilities for non-hubbing carrier operations at the Airport, including international operations. The North Terminal includes over 850,000 square feet of new gross building space including a central terminal facility, a 26-aircraft gate attached airside concourse, approximately 40,000 square feet of concessions space and a FIS facility of approximately 26,000 square feet with facility capacity to process up to 800 passengers per hour. Five of the gates are common use and four of the five common use gates can serve both international and domestic flights. The facility is designed to be expandable by another five gates as demand warrants. Key features of the facility include related airside apron, dual taxi lanes, hydrant fueling, luggage handling facilities, loading bridges with 400 Hz power and preconditioned air. Internal features include numerous ticket counters, airline offices, an airline club for Lufthansa German Airlines and a pedestrian bridge connecting the terminal to the adjacent parking structure. The facility includes a fully-inline explosive detection system (EDS) for improved luggage security screening operations. Upper and lower level roadways provide access to the "arrivals" and "departures" levels of the terminal and encompass a ground transportation facility for public transportation. The North Terminal serves all domestic and foreign flag passenger airlines at the Airport except Delta, the Delta Connection Carriers and its SkyTeam partners.

Public Parking

Public parking at the Airport currently consists of 18,174 spaces, including structured facilities and surface lots. The structured parking facilities, the Big Blue Deck and the McNamara Parking Deck, are located near each of the terminals to allow for convenient pedestrian access. Both parking facilities have Ground Transportation Centers for car rental, hotel shuttles, on and offsite parking, taxis, luxury sedans and etc.

Green Lot and Green Lot #2 (seasonally) are located along the East Service Drive and provide additional economy service parking for the Airport.

In addition to the above parking facilities, approximately 13,875 additional parking spaces are estimated to be available off-airport through third-party operators.

Airfield

The major airfield facilities at the Airport consist of six air carrier runways, four of which are north/south parallels for prevailing wind conditions and two of which are east/west crosswind parallels, an extensive taxiway system which provides aircraft access to terminal areas, aircraft parking aprons and other cargo, maintenance and hangar areas.

Primary characteristics of each runway are as follows:

Runway 4L/22R – This runway is 10,000 feet long by 150 feet wide and is equipped with high intensity runway edge lights (HIRL) and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 4L end having Category III instrument landing system (ILS) capability and the Runway 22R end having ILS capability with a medium intensity approach lighting system (MALSR). Runway 4L/22R is the newest runway at the Airport, opening in December 2001.

Runway 4R/22L – This runway is 12,003 feet long by 200 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 4R end having Category III instrument landing system (ILS) capability and the Runway 22L end having ILS capability with a MALSR. Reconstruction for Runway 4R/22L began in FY 2012.

Runway 3L/21R – This runway is 8,501 feet long by 200 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have non-precision runway markings. The south portion of Runway 3L/21R was rehabilitated in FY 2009.

Runway 3R/21L – This runway is 10,001 feet long by 150 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 3R end having Category III instrument landing system (ILS) capability and the Runway 21L end having ILS capability with a MALSR. Runway 3L/21R was reconstructed in FY 2006 and 2007.

Runway 9L/27R – This crosswind runway is 8,708 feet long by 150 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 27R end having ILS capability with a MALSR. The majority of Runway 9L/27R was reconstructed in OY 2009 and reconstruction of the remaining portions is a component of the Series 2012 Projects and was completed in OY 2013.

Runway 9R/27L – This crosswind runway is 8,500 feet long by 150 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 27L end having ILS capability with a MALSR.

Other Ancillary/Support Facilities

General Aviation – General aviation and corporate aviation facilities are generally located on the southern portion of the Airport with one facility on the northern end. The fixed base operators (FBO) at the Airport are ASIG General Aviation Services and Metro Flight Services, which accommodate aircraft parking, fuel, hangars, catering and other flight support services.

Air Cargo/Mail Facilities – Air cargo facilities at the Airport are located in three general areas of Airport property. The largest air cargo tenants, FedEx and United Parcel Service, are located in different areas of the airfield. FedEx is located in the northwest area of the Airport adjacent to Taxiway Z. United Parcel Service's facility is located on the southern portion of the Airport between the Runway 27R and 27L ends. Several passenger airline and smaller cargo facilities are also located in the northern area of the Airport with access from Merriman Road.

Aircraft Maintenance Facilities – Several aircraft maintenance operation facilities are based at the Airport. These facilities are located in various areas of the Airport. Some of these include facilities for Delta Air Lines, United Parcel Service and FedEx. Aircraft serviced at these facilities include large wide-body aircraft (i.e., Boeing 747s) to smaller general aviation type aircraft.

Fuel Farm – The fuel farm at the Airport is located in the northwestern section of the airfield and consists of four 20,000-barrel fuel storage tanks and two 65,000-barrel fuel storage tanks. The fuel farm has a capacity of over four million gallons, an estimated five days of storage capacity. The fuel facilities at the Airport also include a truck load rack, underground pipelines and underground hydrant systems that serve the McNamara Terminal and North Terminal. Delta is the lessee of the entire fuel system at the Airport, which it operates for its benefit as well as the benefit of the other air carriers at the Airport, under an Operating Agreement with Shell/Servisair.

Other Airport support facilities include, but are not limited to, aircraft rescue and firefighting (ARFF) facilities, flight kitchens and an airport traffic control tower (ATCT). The primary ARFF station is located just north of the McNamara Terminal and south of Runway 9L/27R. The Airport also has a smaller secondary facility located near Taxiway V adjacent to the FedEx cargo apron. Additionally, the Airport has a landside ARFF station serving the roadways and terminals located along Rogell Drive to the north of the Smith and Berry Buildings (retired as passenger facilities). LSG Sky Chefs prepares meals for flights departing from the Airport and operates out of the one flight kitchen facility at the Airport (Building 505), which is leased to Delta and subleased to LSG Sky Chefs. The ATCT is located adjacent to the McNamara Terminal and houses the Terminal Radar Approach Control (TRACON) facility that serves the Airport and other regional airports.

Aerial Photograph of the Airport, August 2013

Detroit Metropolitan Airport at a Glance

Aviation Activity

	FY 2012	FY 2013	FY 2014 Budget
Enplaned Passengers			
Domestic			
South Terminal	11,676,717	11,553,381	11,598,918
North Terminal	3,140,450	3,129,092	3,079,300
Total	14,817,167	14,682,473	14,678,218
International			
South Terminal	1,235,743	1,278,433	1,218,954
North Terminal	116,674	116,746	102,828
Total	1,352,417	1,395,179	1,321,782
Grand Total	16,169,584	16,077,652	16,000,000
Aircraft Operations	432,683	425,623	429,970
Landed Weight (1,000 lbs)	20,608,351	20,628,861	20,500,000

Airport Operations Area

Airfield (Acres)	
Runways	225
Taxiways	405
Shoulder & Blast Pad	250
Ramps/Aprons	375
Overall Airport	6,130

Runway Length	
North-south runways in the primary wind direction	
Runway 4R - 22L	12,003 ft.
Runway 4L - 22R	10,000 ft.
Runway 3L - 21R	8,501 ft.
Runway 3R - 21L	10,001 ft.
East-west crosswind runways	
Runway 9L - 27R	8,708 ft.
Runway 9R - 27L	8,500 ft.

Terminals

Gates	
South Terminal	
Concourse A	63
Concourse B	17
Concourse C	41
Total	121
North Terminal	26
Grand Total	147

Square Footage of Concession Space	
South Terminal	153,325
North Terminal	40,061
Total	193,386

Public Parking

On-Airport Parking Spaces (WCAA Operated)	
McNamara Deck	9,840
Blue Deck	5,788
Green Lot #1 & Green Lot #2	2,546
Total	18,174
Off-Airport Parking Spaces (Independently Owned/Operated)	13,875

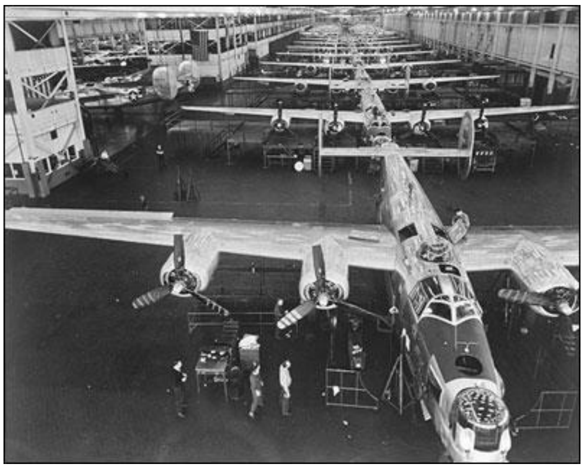
Finances

Net Assets *as of October 1 2012*	$434,460,000

Credit Ratings		
Standard & Poor's	A	Outlook Stable
Fitch	A-	Outlook Stable
Moody's	A2	Outlook Stable

Willow Run Airport

Willow Run has a rich history, dating back to 1941 when Henry Ford and Charles Lindbergh built the world's largest bomber facility at the airport. During World War II, nearly 8,700 B-24 "Liberator" bombers were built at Willow Run. During its peak production, the plant employed 42,000 people including "Rosie the Riveter." After the war, Hangar 1 was converted into a luxury passenger terminal. Commercial airline traffic was transferred from Detroit City Airport and Willow Run became Detroit's principal airport.



B-24 Final Assembly, Willow Run Plant, 1944

In 1947, the Federal Government sold Willow Run to the University of Michigan for $1.00. Soon after, commercial air traffic began moving from Willow Run to Detroit Metropolitan Airport. By 1966, all commercial airline operations at Willow Run ceased. It has been a cargo, general and executive aviation airport since. In 1977, the University of Michigan sold Willow Run to Wayne County for $1.00.

Willow Run offers four runways, 24-hour FAA Tower and US Customs operations, to provide ease of access for its users. Willow Run's runways include ILS all-weather and crosswind runways. The airport accommodates small private planes as well as international 747 cargo jets. In FY 2013, Willow Run had more than 69,000 operations of which over 4,000 were related to cargo, making it the third largest airport in Michigan.

Aviation Activity

	FY 2012	FY 2013	FY 2014 B
Aircraft Operations	74,692	69,740	70,800
Cargo Landings	4,445	4,338	4,900
Fuel Sold (Gallons)	7,074,566	5,666,574	5,946,000
Landed Weight (in thousand pounds)			
Cargo	218,680	159,983	191,900
General Aviation	118,112	108,648	114,319
Total	**336,792**	**268,631**	**306,219**

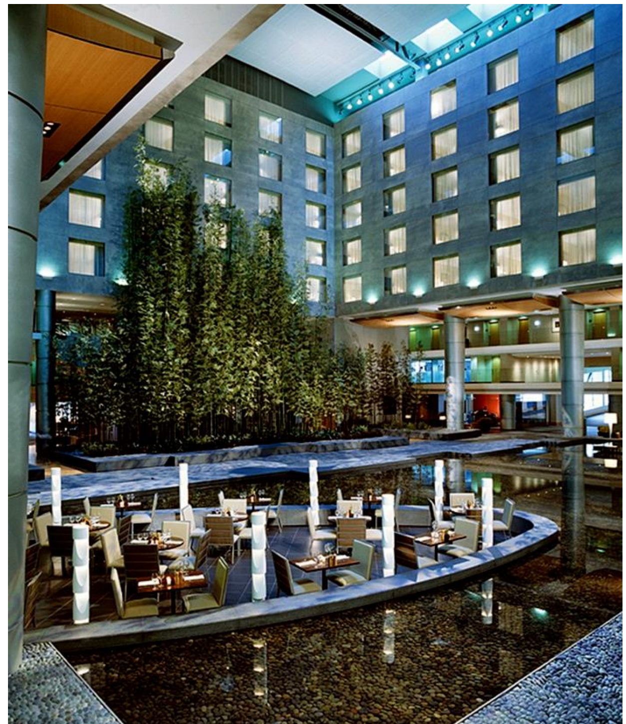
Airport Operations Area

Airfield Size in Acres	
Runways	127
Taxiways	22
Ramps/Aprons	91
Overall Airport	2,600

Runway Length	
Runway 5R/23L	7,526 ft.
Runway 5L/23R	6,655 ft.
Runway 9/27	7,294 ft.
Runway 14/32	6,914 ft.

Willow Run Airport Hangar 1

The Airport Westin Hotel



Westin Hotel Lobby

The Westin is the only luxury upscale hotel located in the Detroit Metropolitan Airport, which offers guests a private security entrance and access into the McNamara Terminal, as well as complimentary 24 hour shuttle services to the North Terminal. The Westin has 404 guest rooms and ten luxury suites. Amenities within the hotel include a workout fitness studio, an indoor pool, high speed internet access, in-room dining and a refreshment center. The hotel has 28 meeting rooms spanning 26,000 sq. feet of space, along with a restaurant and bar that offer health enhancing dining options.

The Westin was the top-rated airport hotel in the Starwood system and guest satisfaction was rated in the top ten of all hotels in North America for 2010.

In March 2001, the County of Wayne issued $110.9 million in Airport Hotel Revenue Bonds, Series 2001A and Series 2001B. The 2001A Bonds, $99.6 million, were issued for the purpose of paying the cost of acquiring, constructing, equipping and furnishing an airport hotel (the Westin) and related improvements at the new McNamara Terminal. In addition, these bonds will pay capitalized interest and certain costs of issuance for this series. The 2001B Bonds, $11.3 million, were issued for the purpose of paying the County Credit Enhancement Fee, funding the Operation and Maintenance Reserve Fund, paying capitalized interest and certain costs of issuance related to this series.

The Authority has pledged all net Airport Hotel revenues solely for the payment of the Bonds and the Parity Obligations. A statutory first lien has been granted upon all net Airport Hotel revenues for such purpose. In addition, the County has pledged its limited tax full faith and credit as additional security for payment of the principal, premium, if any, and interest on the bonds, subject to constitutional, statutory and charter tax rate limitations.

Hotel Operating Metrics

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Budget
Average Daily Rate	$136.10	$139.56	$148.76	$147.71
Revenue Per Available Room	$108.19	$102.57	$111.05	$111.11
Occupancy	79.5%	73.5%	74.7%	75.7%
Operating Margin	40.9%	38.5%	40.4%	39.5%

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STATE OF THE AVIATION INDUSTRY

Understanding the aviation industry and the needs of the travelling public are a critical part of the budget planning process as they drive both airline and non-airline revenues. The Authority generates the majority of its operating revenues from commercial and cargo airlines in the form of landing fees and terminal rent, and the underlying demand for air transportation and cargo defines the airline's operations. With the Airport being a hub for Delta, the passenger traffic at the airport is comprised of both connecting and origin and destination (O&D) traffic. However, understanding the O&D passenger demographics is important as it drives non-airline revenue of parking, concessions and car rental. The strength and characteristics of the Airport's underlying economic base remain significant with regard to expectations of continued growth in its O&D demand.

Factors Affecting Aviation Demand

State of the Airline Industry

The industry is susceptible to world events and global economic conditions. In the aftermath of the events of September 11, the US airline industry saw a material adverse shift in the demand for air travel. The result was five years of reported industry operating losses between 2001 and 2005, totaling more than $28 billion (excluding extraordinary charges and gains). The airline industry finally gained ground in 2007 with virtually every US airline posting a profit. In 2008 and through the first half of 2009, the combination of record high fuel prices, weakening economic conditions and a weak dollar resulted in many of the domestic network competitors announcing changes in business strategies. These included significant capacity reductions, increases in fuel surcharges, fares and fees to address these challenges.

After nearly $8 billion in profits for the global airline industry in 2011 and $7.4 billion in 2012, the International Air Transport Association (IATA) is predicting an $11.7 billion profit for the global industry in 2013 and $16.4 billion in 2014. There has been an increase in global passenger traffic of 5 percent per year for both 2011 and 2012, with IATA forecasting 5 percent again for 2013. Even though recovery is uneven across different regions, North American airlines profits were $2.3 billion in 2012, compared to the $1.3 billion profit in 2011. North American airlines profits are expected to be $4.9 billion in 2013.

Airfare & Airline Yields

The availability of air service at an airport is designed to meet the domestic and international O&D demand of the market area. This is accomplished by the availability of competitive air fares and the airlines ability to yield a profit. At airports where hubbing carriers maintain a significant market share of activity, such as the Airport, service provided by low-cost carriers can complement overall air service and also stimulate demand.

Figure 6: Comparison of US East/West Airline Hub Airports CY 2012 provides a comparison of average outbound domestic fares and yields for CY 2012 for US East/West airline hub airports identified as peer airports. As shown, the Airport has the sixth lowest average outbound domestic fare behind Denver, Phoenix, Atlanta, La Guardia and Chicago O'Hare. Being the largest airport in the region with a high degree of non-stop air service and competitive fares, the Airport is price competitive for both local and connecting passengers.

Figure 6: Comparison of US East/West Airline Hub Airports CY 2012

(Calendar Year 2012)

AIRPORT	AVERAGE OUTBOUND DOMESTIC FARE	OUTBOUND DOMESTIC YIELD PER COUPON MILE
Denver	$149.65	$0.1457
Phoenix	$159.85	$0.1368
Atlanta	$165.28	$0.1886
New York - La Guardia	$165.53	$0.1744
Chicago - O'Hare	$175.80	$0.1758
Detroit Metro	**$182.07**	**$0.1804**
Salt Lake City	$183.31	$0.1706
Charlotte	$187.19	$0.2196
Dallas - Fort Worth	$194.65	$0.1866
Cleveland	$195.29	$0.2042
Minneapolis - St. Paul	$196.98	$0.1892
Houston - George Bush	$223.17	$0.2007
Cincinnati	$224.01	$0.2464

SOURCE: Diio Mi, October 2013

PREPARED BY: Ricondo & Associates, Inc., October 2013

Cost of Aviation Fuel

The price of fuel is one of the most significant forces affecting the airline industry today. According to the Airlines For America (AFA), every one-cent increase in the price per gallon of jet fuel increases annual airline operating expenses by approximately $175 million. In 2000, jet fuel accounted for nearly 14 percent of airline industry operating expenses at an average price of $0.82 per gallon. The price would eventually rise to $3.17 per gallon in 2012, an increase of 287 percent. Historically, fuel expense was the second highest operating expense for the airline industry behind labor. In 2008, jet fuel surpassed labor as an airline's largest operating expense and, according to the ATA, fuel comprised approximately 30.6 percent of an airline's total operating costs while labor represented approximately 20.3 percent of the total. As oil prices fell in the first quarter of 2009, fuel expenses retreated and labor once again became the airline industry's largest operating expense representing 25.8 percent of total operating expenses while fuel was at 21.3 percent.

If jet fuel prices approach or surpass their mid-2008 peak (July 2008's average price was $3.84), aviation demand nationwide may be negatively impacted due to potential route reductions the airlines might make or higher ticket prices the airlines might impose in efforts to remain profitable. The average price of jet fuel in September 2013 was $2.93 per gallon, an 8.2 percent decrease over the September 2012 average price ($3.19).

Airline Scheduled Seat Capacity

Beginning in 2008, airlines restrained growth in capacity due to the weak economy and high fuel prices. As a result, the business model for airlines was changed and they are now focused on matching supply (seats) with demand (passengers). This capacity "right-sizing" and discipline has resulted in higher yields as measured by revenue passenger miles in recent years.

After several quarters of consistent profits, airlines are finally adding capacity and routes. Total US seat capacity in October 2013 indicates a one percent year-on-year increase, which follows a similar one percent rise between October 2011 and October 2012. The growth in October 2013 reflects an increase in international seats, while domestic seat capacity remains flat.

Airline Mergers and Acquisitions

In recent years airlines have experienced increased costs and industry competition both domestically and internationally. As a result, airlines have merged in an attempt to take advantage of synergies and become more competitive. In 2009, Delta fully completed its merger with Northwest Airlines, which initiated a wave of airline mergers and acquisitions within the US That same year, Republic Airways Holdings, a regional airline, bought Frontier Airlines of Denver and Midwest Airlines of Milwaukee. In October 2010, United Airlines and Continental Airlines merged, creating the world's largest airline in terms of operating revenue and revenue passenger miles.

On May 2, 2011, Southwest announced the closing of its acquisition of AirTran Holdings, Inc., the former parent company of AirTran. The acquisition will extend Southwest's route network and add new markets, such as Atlanta (the largest domestic market Southwest currently does not serve) and Reagan National Airport (Washington, D.C.) and provides access to international leisure markets in the Caribbean and Mexico. Southwest plans to integrate AirTran into the Southwest brand by transitioning the AirTran fleet to the Southwest's livery and consolidating corporate functions into its Dallas headquarters. The FAA granted the airline a single operating certificate on March 1, 2012, allowing Southwest to work toward full integration.

AMR Corporation (AMR), the parent company of American Airlines, filed for bankruptcy protection on November 28, 2011 with plans to emerge from bankruptcy protection at the end of 2013. In January 2012, US Airways Group publicly expressed interest in merging with AMR. A federal lawsuit to stop the proposed merger of American Airlines and US Airways was filed in August 2013 by the US Department of Justice. The lawsuit claims the deal to create the world's largest carrier would cut competition and lead to higher fares. A federal judge approved American Airlines' bankruptcy plan, but ruled that the decision was contingent on the Justice Department's approval of the carrier's merger with US Airways.

Passenger Demographics

The demographic analysis presents data and summarizes trends with respect to population, diversity and age distribution in the Air Trade Area. In addition to providing a general overview of the Air Trade Area, these factors, to varying degrees, also impact the demand for air travel.

Population

With over 50 percent of Michigan's population residing in the Air Trade Area, it's reasonable to conclude that a significant portion of the growth in production that occurred on a statewide basis is directly or indirectly tied to activities occurring within the Air Trade Area.

Population in the Air Trade Area is 5.3 million according to the 2010 US Census. Population since 1990 has fluctuated from 5.2 million to 5.5 million people in 2000 and then retreating to 5.3 people in 2010. The overall population in the Air Trade Area between 1990 and 2010 grew at a CAGR of 0.1 percent, slightly below Michigan's CAGR of 0.3 percent, and below the United States' CAGR of 1.2 percent, during this same period. For the purpose of the budget, it's important to note that the population projection for the Air Trade Area is expected to remain stable between 2010 and 2020, 5.3 million residents.

Figure 7: Historical and Projected Population

AREA	HISTORICAL			PROJECTED	COMPOUNDED ANNUAL GROWTH RATE			
	1990	2000	2010	2020	1990-2000	2000-2010	1990-2010	2010-2020
Genesee County	430,459	436,141	424,926	426,196	0.1%	-0.3%	-0.1%	0.0%
Lapeer County	74,768	87,904	88,210	94,911	1.6%	0.0%	0.9%	0.7%
Lenawee County	91,476	98,890	99,763	102,717	0.8%	0.1%	0.5%	0.3%
Livingston County	115,645	156,951	180,972	206,796	3.1%	1.6%	2.4%	1.2%
Macomb County	717,400	788,149	841,126	850,607	0.9%	0.7%	0.8%	0.1%
Monroe County	133,600	145,945	151,932	162,422	0.9%	0.4%	0.7%	0.6%
Oakland County	1,083,592	1,194,156	1,203,012	1,223,528	1.0%	0.1%	0.6%	0.2%
St. Clair County	145,607	164,235	162,789	172,682	1.2%	-0.1%	0.6%	0.5%
Washtenaw County	282,937	322,895	345,290	378,928	1.3%	0.7%	1.1%	0.8%
Wayne County	2,111,687	2,061,162	1,815,734	1,698,968	-0.2%	-1.4%	-0.8%	-0.6%
Air Trade Area	5,187,171	5,456,428	5,313,754	5,317,755	0.5%	-0.3%	0.1%	0.0%
State of Michigan	9,295,297	9,938,444	9,877,574	10,140,364	0.7%	-0.1%	0.3%	0.2%
United States	248,709,873	281,421,906	309,349,689	341,069,539	1.2%	1.1%	1.2%	0.9%

SOURCE: Woods and Poole Economics, Inc., *2012 Complete Economic and Demographic Data Source (CEDDS),* June 2012
PREPARED BY: Ricondo & Associates, Inc., June 2012

Population Diversity

The Air Trade Area has an ethnically diverse population, a characteristic that contributes to demand for international air travel. In a global economy, ethnic diversity within a region's labor force is a distinct economic advantage because employees with cultural and linguistic ties to international markets give companies an edge in establishing trade and investment opportunities. Key sectors in the Air Trade Area's regional economy, manufacturing, technology and R&D, are impacted by the contribution of labor and investment from immigrant communities and entrepreneurs. An ethnically diverse population also retains family ties that create demand for air travel services to and from homeland countries.

Age Distribution

The Air Trade Area has a higher percentage of residents in the age ranges most likely to travel. According to the US Travel Association, air travel frequency in the United States varies by age group. Persons between the ages of 35 and 54 tend to travel the most by air which makes up approximately 29.3 percent of the population in the Air Trade Area. This represents an important source of demand for air service at the Airport.

Figure 8: World Region of Birth of Foreign-Born Population in Air Trade Area (2010)

REGION	POPULATION	PERCENT
Asia	210,905	50.5%
Iraq	*41,888*	*10.0%*
India	*44,153*	*10.6%*
China	*20,433*	*4.9%*
Europe	102,410	24.5%
Germany	*12,397*	*3.0%*
United Kingdom	*8,543*	*2.0%*
Poland	*9,602*	*2.3%*
Latin America	59,233	14.2%
Mexico	*3,820*	*0.9%*
Jamaica	*3,325*	*0.8%*
Guatemala	*2,727*	*0.7%*
North America	28,082	6.7%
Africa	15,402	3.7%
Oceana	1,371	0.3%
Total	417,403	100.0%

SOURCE: U.S. Department of Commerce, Bureau of the Census, *American Community Survey 2010*
PREPARED BY: Ricondo & Associates, Inc., June 2012

Personal Income

Another key indicator regarding demand for air travel is wealth, which can be measured by assessing levels of personal income. Personal income is a composite measurement of market potential and indicates the general level of affluence of local residents, which corresponds to an area's ability to afford air travel, as well as an area's attractiveness to business and leisure travelers.

A high percentage of households in the Air Trade Area are in the top income categories. In the Air Trade Area, 41.3 percent of households had incomes of $60,000 or more in 2011, which was significantly higher than the 37.1 percent of households in this income category for Michigan and the 36.9 percent of households in this income category nationwide.

Figure 9: Per Capita Personal Income

	PER CAPITA PERSONAL INCOME (CURRENT DOLLARS)		
YEAR	**AIR TRADE AREA**	**STATE OF MICHIGAN**	**UNITED STATES**
Historical			
2002	$33,732	$30,262	$31,481
2003	$35,012	$31,300	$32,295
2004	$35,204	$31,768	$33,909
2005	$35,930	$32,409	$35,452
2006	$36,838	$33,365	$37,726
2007	$38,007	$34,419	$39,506
2008	$39,043	$34,551	$39,665
2009	$37,580	$35,753	$40,778
2010	$39,000	$37,975	$42,702
2011	$41,433	$39,101	$43,881
Projected			
2020	$61,200	$55,394	$61,607
Compounded Annual Growth Rate			
2002-2011	2.3%	2.9%	3.8%
2011-2020	4.4%	3.9%	3.8%

PERCENTAGE OF HOUSEHOLDS IN INCOME CATEGORIES (2010)

INCOME CATEGORY (IN 2000 DOLLARS)	AIR TRADE AREA	STATE OF MICHIGAN	UNITED STATES
Less than $29,999	28.8%	30.4%	30.7%
$30,000 to $59,999	29.8%	32.4%	32.4%
$60,000 to $74,999	11.8%	11.9%	11.7%
$75,000 to $99,999	13.1%	12.0%	11.5%
$100,000 or More	16.4%	13.2%	13.7%

NOTE: As household income increases, air transportation becomes more affordable and, therefore, is used more frequently

SOURCE: Woods and Poole Economics, Inc., *2012 Complete Economic and Demographic Data Source (CEDDS)*, June 2012

PREPARED BY: Ricondo & Associates, Inc., June 2012.

Air Traffic at the Airport

Airlines Serving the Airport

As of July 2013, the Airport has 20 US flag carriers and four foreign flag carriers offering scheduled passenger service. The Airport also has two regularly scheduled all-cargo carriers.

Figure 10: Airlines Serving the Airport

As of July 2013

LEGACY/MAINLINE CARRIERS (4)	LOW COST CARRIERS (4)	REGIONAL CARRIERS (12)
American Airlines *	AirTran Airways * [2]	Air Wisconsin (d/b/a US Airways Express)
Delta Air Lines *	Frontier Airlines	American Eagle
United Airlines * [1]	Southwest Airlines *	Chautauqua (d/b/a Delta Connection)
US Airways *	Spirit Airlines *	Compass (d/b/a Delta Connection)
		ExpressJet (d/b/a Delta Connection & United Express)
FOREIGN FLAG CARRIERS (4)	**ALL-CARGO CARRIERS (2)**	GoJet (d/b/a Delta Connection & United Express)
Air Canada	Federal Express *	Mesa (d/b/a US Airways Express & United Express)
Air France *	United Parcel Service *	Pinnacle Airlines (d/b/a Delta Connection) *
Lufthansa German Airlines		PSA (d/b/a US Airways Express)
Royal Jordanian		Republic Airlines (d/b/a US Airways Express)
		Shuttle America (d/b/a Delta Connection & United Express)
CHARTER/OTHER CARRIERS (1)		SkyWest (d/b/a Delta Connection & United Express)
Allegiant		

NOTES:

* Signatory Airline.

[1] United and Continental merged on October 1, 2010. The FAA issued a Single Operating Certificate for the merged airlines on November 30, 2011.

[2] Southwest and AirTran merged on May 1, 2011. The FAA issued a Single Operating Certificate for the merged airlines on March 1, 2012, naming both airlines on the certificate. It will take several years before both airlines are fully integrated.

SOURCES: Wayne County Airport Authority; Diio Mi, July 2013

Passenger Activity

Figure 11: Historical Total Enplaned Passengers by Airline presents the historical share of enplanements by airline at the Airport between FY 2009 and FY 2012. In each year, Delta and Northwest combined maintained a market share of at least 79.3 percent and was the highest for FY 2010 at 80.6 percent. In each of these years, Spirit had the second highest market share with 3.8 percent in FY 2009 to a high of 4.5 percent in FY 2012. All other carriers (including their regional affiliates, as applicable) are presented in a descending order based on FY 2012 market share, include Southwest, US Airways, United, American and AirTran.

Figure 11: Historical Total Enplaned Passengers by Airline

(Operating Years Ending September 30)

	2009		2010		2011		2012	
	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE
Delta/Northwest[1]								
Northwest Airlines	12,047,782	75.6%	6,989,549	44.0%	-	-	-	-
Delta Air Lines	664,705	4.2%	5,804,439	36.6%	12,907,512	79.5%	12,829,785	79.3%
Subtotal Delta/Northwest	**12,712,487**	**79.7%**	**12,793,988**	**80.6%**	**12,907,512**	**79.5%**	**12,829,785**	**79.3%**
Other Airlines								
Spirit Airlines	608,078	3.8%	570,870	3.6%	718,914	4.4%	734,473	4.5%
Southwest Airlines	523,304	3.3%	553,612	3.5%	611,582	3.8%	645,208	4.0%
US Airways	524,457	3.3%	526,828	3.3%	568,390	3.5%	575,778	3.6%
United Airlines[2]	519,625	3.3%	485,259	3.1%	461,505	2.8%	437,550	2.7%
American Airlines	472,541	3.0%	446,625	2.8%	430,126	2.7%	432,226	2.7%
AirTran	219,356	1.4%	207,513	1.3%	213,598	1.3%	207,819	1.3%
Frontier Airlines	117,396	0.7%	117,173	0.7%	140,291	0.9%	125,186	0.8%
Air France	55,233	0.3%	70,685	0.4%	76,568	0.5%	82,675	0.5%
Lufthansa	72,884	0.5%	65,568	0.4%	67,952	0.4%	64,854	0.4%
Royal Jordanian	14,822	0.1%	15,258	0.1%	14,051	0.1%	15,143	0.1%
Air Canada (Jazz)	5,965	0.0%	6,875	0.0%	12,340	0.1%	14,887	0.1%
USA 3000	19,823	0.1%	11,775	0.1%	153	0.0%	0	0.0%
Other[3]	75,161	0.4%	4,352	0.0%	3,219	0.0%	4,000	0.0%
Subtotal Other Airlines	**3,228,645**	**20.2%**	**3,082,393**	**19.4%**	**3,318,689**	**20.5%**	**3,339,799**	**20.7%**
Airport Total	**15,941,132**	**100.0%**	**15,876,381**	**100.0%**	**16,226,201**	**100.0%**	**16,169,584**	**100.0%**

NOTE: Figures may not add due to rounding; Includes regional affiliated carriers, as applicable

[1]Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.

[2]United Airlines and Continental Airlines merged in October 2010, historical enplanements for these carriers are combined in this table.

[3]Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2012.

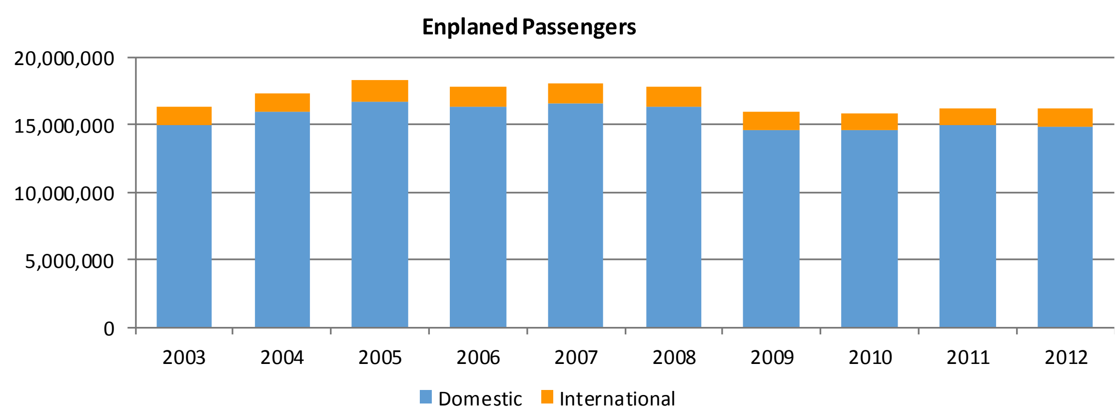
SOURCE: Wayne County Airport Authority, May 2013

Figure 12: Historical Domestic and International Enplanements represents historical trends related to the domestic and international passenger activity split at the Airport. Generally, international passenger activity has been more volatile than domestic passenger activity at the Airport. International enplanements changed to a greater extent than domestic enplanements changed for FY 2003 to FY 2005. The highest international share of total Airport enplanements for the presented period occurred in FY 2008 at 8.7 percent and the lowest share occurred in FY 2010 at 8.0 percent. For FY 2003 through FY 2012, the international share of total Airport enplanements was relatively stable between 8.1 and 8.7 percent.

Figure 12: Historical Domestic and International Enplanements

(Operating Years Ending September 30)

YEAR	DOMESTIC ENPLANEMENTS	ANNUAL GROWTH	INTERNATIONAL ENPLANEMENTS	ANNUAL GROWTH	TOTAL ENPLANED PASSENGERS	ANNUAL GROWTH	INTERNATIONAL ENPLANEMENT SHARE
2003	14,917,141	4.1%	1,361,092	7.6%	16,278,233	4.4%	8.4%
2004	15,914,882	6.7%	1,401,898	3.0%	17,316,780	6.4%	8.1%
2005	16,758,421	5.3%	1,527,861	9.0%	18,286,282	5.6%	8.4%
2006	16,321,812	(2.6%)	1,478,120	(3.3%)	17,799,932	(2.7%)	8.3%
2007	16,581,322	1.6%	1,526,768	3.3%	18,108,090	1.7%	8.4%
2008	16,271,128	(1.9%)	1,560,103	2.2%	17,831,231	(1.5%)	8.7%
2009	14,622,391	(10.1%)	1,318,741	(15.5%)	15,941,132	(10.6%)	8.3%
2010	14,614,045	(0.1%)	1,262,336	(4.3%)	15,876,381	(0.4%)	8.0%
2011	14,912,532	2.0%	1,313,669	4.1%	16,226,201	2.2%	8.1%
2012	14,802,280	(0.7%)	1,367,304	4.1%	16,169,584	(0.3%)	8.5%
Compound Annual Growth Rate							
2003 - 2005	6.0%		5.9%		6.0%		
2005 - 2011	(1.9%)		(2.5%)		(2.0%)		
2003 - 2012	(0.1%)		0.1%		(0.1%)		



SOURCE: Wayne County Airport Authority, May 2013

Domestic O&D Markets

An important airport characteristic is the distribution of its O&D markets, which is a function of air travel demands and available services and facilities. Figure 13 represents historical data on the Airport's top 20 domestic O&D markets for CY 2012, as measured by the number of passengers. As shown, the top 20 markets accounted for approximately 46 percent of total domestic O&D passengers at the Airport. As of July 2013, each of the top 20 markets had non-stop service from the Airport. Although Delta is the primary carrier for 19 of the 20 top markets, the secondary airlines have a significant market share in most of these markets. The one market in which Delta is not the primary carrier is Dallas, which houses two airports Dallas/Ft. Worth (DFW) and Dallas-Love Field (DAL). DFW is a hub for American Airlines which is one of the top carriers in the nation, and DAL is the headquarters of the low-cost carrier Southwest Airlines.

Figure 13: Top 20 Domestic O&D Markets

(Passengers in thousands for Calendar Year 2012)

Rank	Market	Total O&D Passengers	Percentage of O&D Passengers	Primary Carrier	Market Share	Secondary Carrier	Market Share	Non-Stop Service
1	New York [(a)]	996	7.4%	Delta	55.8%	Spirit	20.2%	●
2	Orlando, FL	823	6.1%	Delta	61.5%	Spirit	18.8%	●
3	Florida South [(b)]	735	5.4%	Delta	62.2%	Spirit	25.6%	●
4	Las Vegas, NV	704	5.2%	Delta	50.4%	Spirit	36.1%	●
5	Washington D.C. [(c)]	693	5.1%	Delta	67.2%	Southwest	23.4%	●
6	Los Angeles, CA [(d)]	650	4.8%	Delta	55.8%	Southwest	11.5%	●
7	Chicago, IL [(e)]	588	4.4%	Delta	45.2%	Southwest	20.9%	●
8	Tampa, FL	485	3.6%	Delta	64.9%	Spirit	20.6%	●
9	Atlanta, GA	466	3.5%	Delta	69.7%	Southwest	27.3%	●
10	Fort Myers, FL	428	3.2%	Delta	61.7%	Spirit	34.1%	●
11	Phoenix, AZ	409	3.0%	Delta	50.6%	US Airways	24.0%	●
12	San Francisco, CA [(f)]	402	3.0%	Delta	67.4%	Southwest	11.2%	●
13	Dallas, TX [(g)]	358	2.7%	American	39.1%	Delta	34.6%	●
14	Denver, CO	354	2.6%	Delta	46.0%	Frontier	22.0%	●
15	Boston, MA	259	1.9%	Delta	75.3%	US Airways	13.9%	●
16	Nashville, TN	229	1.7%	Delta	62.9%	Southwest	32.8%	●
17	Houston, TX [(h)]	228	1.7%	Delta	40.8%	United	34.6%	●
18	Minneapolis/St Paul, MN	213	1.6%	Delta	86.4%	Southwest	4.2%	●
19	Seattle, WA	207	1.5%	Delta	73.4%	Southwest	7.7%	●
20	Philadelphia, PA	203	1.5%	Delta	51.2%	US Airways	43.8%	●
	Other O&D Markets	4,059	30.1%					
	Domestic O&D Passengers	13,488						
	O&D % of Domestic Passengers	45.9%						

Note: Figures may not add due to rounding.

Sources: U.S. Department of Transportation Origin & Destination Passenger Survey via Diio Mi Database and Wayne County Airport Authority Records

(a) Includes John F. Kennedy (JFK), LaGuardia (LGA), and Newark, NJ (EWR)
(b) Includes Fort Lauderdale International Airport (FLL) and Miami International Airport (MIA)
(c) Includes Baltimore/Washington International Airport (BWI), Washington Dulles International Airport (IAD) and Washington National Airport (DCA)
(d) Includes Los Angeles International (LAX), Burbank (BUR), Ontario International (ONT), Santa Ana/Orange County (SNA), and Long Beach Municipal (LGB)
(e) Includes Chicago/O'Hare (ORD) and Chicago/Midway (MDW)
(f) Includes San Francisco International (SFO), Oakland International (OAK) and San Jose International (SJC)
(g) Includes Dallas-Ft. Worth Airport (DFW) and Dallas Love Field (DAL)
(h) Includes Houston Intercontinental (IAH) and Houston Hobby (HOU)

International O&D Markets

Figure 14 presents data on the Airport's top 25 international markets for O&D passengers. Non-stop including seasonal service is provided to 22 of these markets. Based on this data, Cancun is the most popular international destination for the Airport's O&D passengers, serving approximately 77,800 passengers in CY 2012. The data presented in Figure 14 captures only those passengers beginning and ending their trips at the Airport, it does not include data for passengers connecting through the Airport to reach or return from international destinations.

Figure 14: Top 25 International O&D Markets

(Calendar Year 2012)

Rank	Market	Code	Total O&D Passengers	Non-Stop Service
1	Cancun, Mexico	CUN	77,755	●
2	London (Heathrow), England	LHR	36,604	●
3	Shanghai, China	PVG	30,177	●
4	Frankfurt, Germany	FRA	29,785	●
5	Punta Cana, Dominican Republic	PUJ	27,209	●
6	Mexico City, Mexico	MEX	27,087	●
7	Montego Bay, Jamaica	MBJ	23,809	●
8	Nagoya, Japan	NGO	23,558	●
9	Seoul, South korea	ICN	21,831	●
10	Tokyo (Narita), Japan	NRT	20,057	●
11	Paris, France	CDG	18,046	●
12	Sao Paulo, Brazil	GRU	17,936	●
13	Rome, Italy	FCO	15,963	●
14	Amsterdam, Netherlands	AMS	15,407	●
15	Nassau. Bahamas	NAS	13,931	●
16	Monterrey, Mexico	MTY	13,430	●
17	Vancouver, Canada	YVR	13,076	●
18	Beijing, China	PEK	12,987	●
19	Los Cabos, Mexico	SJD	12,477	●
20	Puerto Vallarta, Mexico	PVR	12,127	●
21	Montreal, Canada	YUL	12,141	●
22	Aruba, Aruba	AUA	11,011	
23	San Jose, Costa Rica	SJO	10,562	
24	Mumbai, India	BOM	9,989	
25	Hong Kong, China	HKG	9,048	●

Sources: U.S. Department of Transportation Origin & Destination Passenger Survey via Diio Mi Database and OAG Aviation Database

STRATEGIC PLAN & BALANCED SCORECARD

This section provides a cohesive explanation of the Authority's strategy including the Mission, Vision and Values. It includes a complete description of the organization's goals and the short and long term initiatives to achieve them.

Strategic Plan

The Strategic Plan guides the Authority's Mission, Vision, and Values and identifies five strategic focus areas used to align objectives with actions. The Strategic Plan provides a balanced approach, focusing on the current and future needs of customers and stakeholders to assure future growth and provide an exceptional facility that is the gateway to the world.

Airlines and travelers have many options regarding airports, routes, destinations and facilities to conduct their business. The Authority focuses on providing safe and secure facilities, world class amenities and services aimed at retaining current customers, attracting new ones and making Detroit Metropolitan Airport the airport of choice.

Mission, Vision, Values

OUR MISSION is to operate safe, secure and dynamic air transportation facilities for our customers, creating economic vitality by providing global travel, cargo and business opportunities.

OUR VISION is making the world available.

OUR VALUES

Teamwork – Work across functional areas to achieve our common goals through trust, sharing information and open discussion of ideas

Accountability – Follow-through on commitments, take ownership and accept responsibility for all outcomes

Customer Satisfaction – Commit ourselves to understand our customers' needs and deliver services and facilities that exceed expectations

Employee Respect – Treat each other fairly, listen to all opinions and recognize a job well done

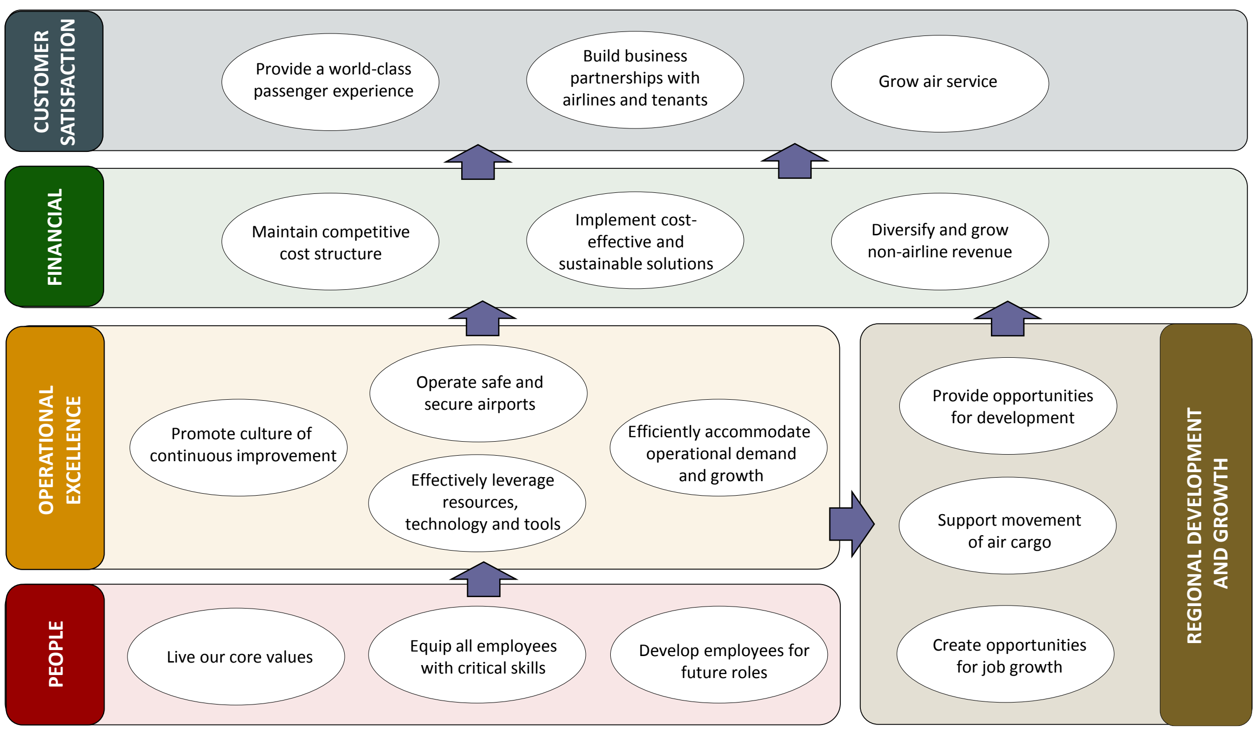
Integrity – Adhere to a high ethical standard while doing our job with honesty and professionalism

Diversity – Foster a welcoming environment for all airport users

Fiscal Year 2014 Strategic Goals

The strategic perspectives were developed by the Senior Management team to guide and shape the Authority's philosophy and culture. The updated strategic perspectives provided a framework that resulted in goal development and the budget initiatives and were presented to the Board as a part of the FY 2014 Budget discussion and approval process.

The organization is committed to the following approach (focus areas) for Strategic management:



Customer Satisfaction

Provide a World-Class Passenger Experience

- Replace counters in North Terminal Restrooms
- Install Interactive Information Boards in McNamara Terminal
- Complete landscape improvements – Phase I
- Expand food and beverage offerings to include options for hold-room dining
- Enhance complimentary Wi-Fi services
- Request proposals for shared ride services

Build Business Partnerships with Airlines and Tenants

- Roll-out tenant satisfaction survey
- Demolish Buildings 278 and 280 at DTW
- Reconstruct Northline Road tenant entrance

Grow Air Service

- Market DTW in the 2014 Routes World Conference in Chicago
- Develop DTW marketing and branding strategies

Operational Excellence

Operate Safe and Secure Airports

Safe Airfield

- Maintain Airfield Inspection "No Discrepancy" status at DTW and YIP
- Install GPS/ASDE-X in WCAA vehicles
- Publish a Due Care Plan to address environmental concerns
- Implement Safety Management System
- Begin 3-year airfield signage replacements

Safe Workplace

- Reduce OSHA incident rating to 3.0

Public Safety

- Achieve positive on-site audit results for CALEA Police accreditation
- Open Public Safety Headquarters Building
- Enhance first responder radio communications

Efficiently Accommodate Operational Demand and Growth	• Complete Runway 4R threshold displacement at DTW • Initiate planning for 3L/21R runway reconstruction • Eastern Taxiway Reconstruction
Effectively Leverage Resources, Technology and Tools	• Implement web-based tenant construction/alteration permit system • Complete Windows 8 and Office 365 operating system upgrades • Execute tablet-based mobile technology for Airfield Operations and Maintenance
Promote Culture of Continuous Process Improvement	• Identify and train key staff to implement strategic planning process at departmental levels • Leverage document management tools across the organization • Identify web based technology solutions for development and property management

Regional Development and Growth

Provide Opportunities for Development	• Implement solicitation for commercial development at north gateway entrance • Renovate former flight kitchen to accommodate terminal logistics • Demolish former post office and concessions storage buildings
Support Air Cargo Movement	• Construct a wide body aircraft apron in the North Cargo Development area
Create Opportunities for Job Growth	• Develop sites for potential Aircraft Maintenance, Repair and Overhaul (MRO) facilities

People

Live Our Core Values

- Improve on Annual Employee Satisfaction Survey Scores
- Expand Competency Assessments for Living the Core Values to 60 percent participation

Equip Employees with Critical Skills

- Develop and implement Core Skills Development Training Program
- Expand Leadership Development Training Program to include curriculums for multiple disciplines

Develop Employees for Future Roles

- Expand Individual Development Planning programs to 60 percent participation
- Incorporate position profiles and employee resumes in Succession Planning System

Financial

Maintain Competitive Cost Structure

- Maintain a competitive CPE in the range of $10 - $11

Implement Cost Effective and Sustainable Solutions

- Effective management of debt and long term planning

Diversify and Grow Non-Airline Revenue

- Increase non-airline revenue to offset cost increases

The Balanced Scorecard

The Balanced Scorecard methodology was developed in the early 1990's by Harvard professor Robert Kaplan and Boston-area consultant David Norton. It was originally devised as a performance measurement system that encompassed not only financial metrics, but also non-financial measures such as customer service, process improvement and learning and growth. The Balanced Scorecard has evolved to become a widely-used method of linking an organization's vision to its day-to-day operations.

Airport Authority Approach

The Authority has utilized the Balance Scorecard method to ensure success in achieving long term goals and maintaining balance of the strategic perspectives. The Authority revised the strategic perspectives and goals during FY 2013, and the Balanced Scorecard is under revision and will be completed and implemented during FY 2014.

BUDGET PROCESS & FISCAL POLICIES

This section contains an overview of the budget process for the Authority's main operating funds (the Airport, Willow Run and the Westin) and the Capital Improvement Program, along with the policies and guidelines used to develop the budget. Next is a discussion of the Authority's fund structure and a schedule of projected fund balances. The final section details the fiscal policies that shape budget decisions.

Budget Process

Overview

Budgeting serves as an important management tool to plan, control and evaluate the operations of the Authority. The Airport and Willow Run O&M budgets and the Westin Hotel's budget create the Authority's annual financial plan. These budgets must be sufficient to cover the operation and maintenance expenses of the airports, the debt service payable on bonds and other known financial requirements for the ensuing fiscal year. The CIP is developed and approved on the same timeline.

Budget Process for Fiscal Year 2014

The Financial Planning & Analysis Department (FP&A) began the budget process by developing a White Paper to communicate the state of the aviation industry including economic challenges and opportunities. Additional internal operational challenges for the year ahead were incorporated, and the paper was presented to the Authority Board and Senior Leadership team in May as a primer to the FY 2014 Budget.

The next task was to reach out to the airlines for their forecasted FY 2014 activity, the key driver of landing fees and non-airline revenue for the Airport. The submitted landed weight and enplanement projections were compared against the published airline schedules, current load factors, Federal Aviation Administration (FAA) forecasts and historical trends for reasonableness.

Cooperatively, FP&A and the Authority's operating divisions developed a base budget to estimate revenues and expenses. The base budget:

- Assumed all Authority departments would enhance their level of service and find operational and process improvement efficiencies to support CEO initiatives
- Provided for known contractual or staffing changes and made adjustments where appropriate
- Non-airline revenues (e.g. parking, car rental, concessions, etc.) were developed with the assumption that rates, charges and fees would either stay consistent with the current fiscal year or include growth assumptions based on new contracts or historical trends

Budget initiatives submitted by departments to accomplish the CEO's goals and objectives are analyzed by FP&A and reviewed by the Senior Management team. The approved initiatives are added to the budget and presented to the Board for review.

Once the preliminary budget is established, it is presented to representatives from each of the Airlines to help them understand the financial priorities and plan for the upcoming fiscal year. The purpose of the presentation is to inform the Airlines of the preliminary rates and charges, as these amounts are needed to help determine their respective budgets. This allows for open communication between airlines and the Authority to discuss concerns and suggestions that they might have in relation to the operation of the Airport. Suggestions or changes are potentially incorporated into the budget at this time.

The final budget and resolution is presented to the Board in September for their review and adoption. The new Fiscal Year's landing fees and rental rates are mailed to the Signatory Airlines by September 30th.

Budget Process Calendar

The following chart summarizes the budget process and the various steps leading to the adoption of the FY 2014 budget.

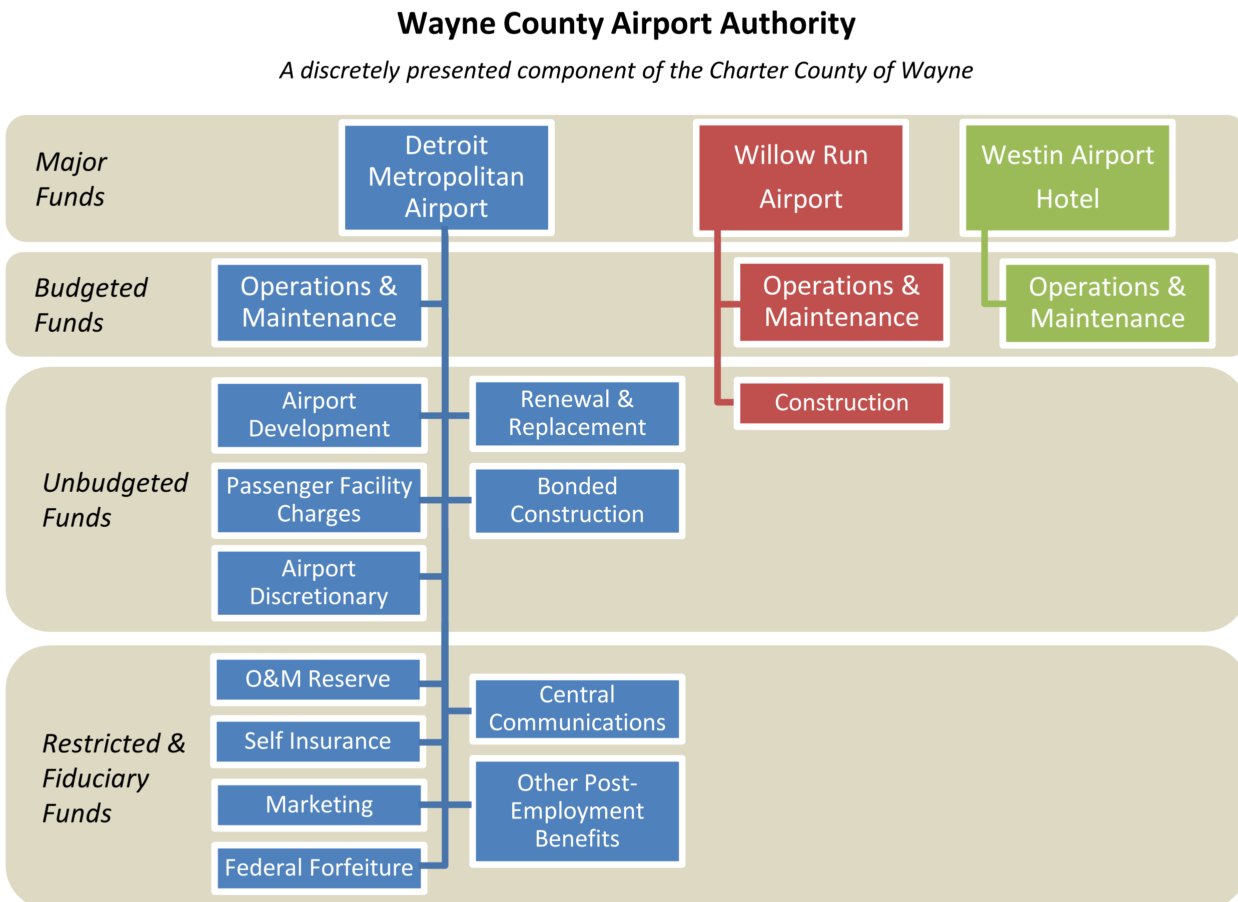
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Preparation												
Develop White Paper				→								
Establish Timeline/Milestones				→								
Submit Aviation Forecast request to Airlines				→								
Budget/Munis Training				→								
Departments prepare draft budget & forms					→							
Budget Development												
Department Meetings					→							
Update 5-year Capital Improvement Plan					→							
Enplanements & Landed Weights Forecast					→							
Revenue & Expenses Forecast					→							
Budget staff prepares budget					→	→	→	→				
Develop Scorecard					→	→	→	→				
Calculate Rates & Charges					→	→	→	→				
Review Budget Initiatives & Technology Service Requests						→						
Budget review with the Board and Airlines							→	→				
Finalize and Adopt												
CEO finalizes recommendations									→			
Proposed budget presented to the Board at Public Hearing									→			
Adoption of the budget									→			
Notice to Airlines submitted									→			

Fiscal Policies

Fund Structures & Balances

There are three separate operating funds used to manage the Authority's finances: the Airport Fund, the Willow Run Airport Fund and the Westin Hotel Fund. The largest fund covers the operations of the Airport and accounts for about 90 percent of the Authority's estimated O&M expenses for FY 2014. The approved budget includes all three funds.

The Authority manages separate designated and construction funds to account for specific activities and projects. The Board of Directors only approve budgets for the O&M funds. The entire Authority is reported as an enterprise fund of the County of Wayne. The terms "designated" and "construction funds" are categories used internally for the management and operation of the Authority. The matrix chart below illustrate the relationship between the Authority's fund structures.



Basis of Accounting & Budgeting

Accounting Basis

The Authority's follows accrual based accounting, revenues are recorded when earned and expenses are recorded as incurred. The enactment of Act 90, which created the Authority, transferred all operations and management of the Airport and Willow Run Airport from the County of Wayne. However, since the County of Wayne retained all title to real property, including buildings and improvements, the Comprehensive Annual Financial Report (CAFR) is reported as a discrete component of the County.

As allowed by Government Accounting Standards Boards (GASB) Statements No. 20 and No. 34, the Authority follows all GASB pronouncements and Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with GASB pronouncements. The Authority has the option to apply FASB pronouncements issued after November 30, 1989 but has chosen to follow the GASB guidelines.

The basis of accounting and budgeting differ. The Authority's accounting is based on Generally Accepted Accounting Principles (GAAP). The Airport's basis of budgeting is in accordance to the terms of the Airport Use & Lease Agreements (the Agreements) with the Airlines, and does not necessarily follow GAAP guidelines.

Budget Basis

The O&M budget is predicated upon the stipulations of the Agreements between the Authority and the Signatory Airlines. The Agreements set forth the terms of the business relationship between the Authority and the airlines. Most of the airlines operating at the Airport are Signatory as designated by signing a Signatory Agreement.

The Agreements set forth the methodology for calculating airline rates and charges (landing fee and terminal rental rates) and the prescribed budget process. The Authority defines a balanced budget as current revenues equal to current expenditures and by the residual nature of the Agreements, the Airport's budget must balance each fiscal year. The budget estimates all revenues and expenditures of the O&M fund. Essentially, the rates & charges assessed to the Signatory Airlines equal debt service plus operating expenses less non-airline revenue. Separate calculations are made for landing fees and terminal rental rates.

Following the end of each fiscal year, the Authority must provide the Signatory Airlines with a report of terminal rentals and landing fees actually chargeable for such year based on actual data for the year. The Signatory airlines are required to pay additional amounts owed and the Authority is required to refund airline overpayments, if the rates on which Signatory airline activity fee and terminal rent payments during the year were either too low or too high based on actual data.

For consistency, the basis of budgeting for the Airport, Willow Run and the Westin Hotel are the same. Only the O&M budget for each entity is adopted. Willow Run Airport is a compensatory airport meaning it does not have Signatory Agreements and therefore no year-end adjustments for their airlines.

Net Position

Net position is the difference between a fund's assets and liabilities. A positive balance is necessary for several purposes: (1) Have funds available for an emergency or unexpected event, (2) Maintain or enhance the Authority's financial position and bond ratings and (3) Provide cash flow for operations prior to the receipt of airline and non-airline revenues. Figure 15 below includes all funds in the Authority's audited financial statements including, but not limited to, the O&M funds for the Airport, Willow Run and Westin Hotel.

The Authority estimates a decrease of $16.1 million, 4.1 percent less than the beginning balances. The Willow Run Airport fund is estimated to experience a 30.8 percent increase in net assets which is primarily driven by the potential capital contribution from the FAA Airport Capital Improvement Program towards the reconstruction of Runway 5R/23L.

Figure 15: FY 2014 Estimated Change in Net Position

($ in thousands)	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Westin Hotel Fund	Wayne County Airport Authority Total
Net Position - Beginning of the Year (10/1/2013)*	$ 382,023	$ 68,856	$ (59,832)	$ 391,047
Airline Revenue				
Landing Fees	68,363	594	-	68,957
Airline Rents and Other Fees	89,951	332	-	90,283
Facility Use Fee	7,743	360	-	8,103
Non-Airline Revenue				
Parking	59,000	-	-	59,000
Car Rental	20,400	-	-	20,400
Concessions	31,464	-	-	31,464
Ground Transportation	5,115	-	-	5,115
Shuttle Bus	2,050	-	-	2,050
Utility Service Fee	5,180	135	-	5,315
Rent	2,710	1,043	-	3,753
Other Revenue	1,448	36	-	1,484
Charges For Services	2,023	579	-	2,602
Hotel Operating Expenses	-	-	26,938	26,938
Total Operating Revenue	295,447	3,079	26,938	325,464
Operating Expenses by Category				
Salaries, Wages & Employee Benefits	68,177	1,253	-	69,429
Materials & Supplies	7,427	105	-	7,532
Professional & Contractual Services	48,629	797	-	49,426
Hotel Expenses	-	-	18,663	18,663
Insurance	2,392	42	-	2,434
Utilities	26,669	758	-	27,427
Repair & Maintenance	36,726	366	-	37,092
Other Operating Expense	3,719	430	-	4,149
Depreciation	137,334	3,448	4,540	145,322
Total Operating Expenses	**331,072**	**7,199**	**23,203**	**361,474**
Operating Income (loss)	**(35,624)**	**(4,121)**	**3,735**	**(36,010)**
Non-Operating Revenue (Expenses)				
PFC Revenue	60,406	-	-	60,406
Interest Income	902	3	50	955
Interest & Financing	(85,032)	-	(5,735)	(90,767)
Grants	955	-	-	955
Sale of Asset G/(L)	4,026	-	-	4,026
Total Non-Operating Revenues (Expenses)	(18,743)	3	(5,685)	(24,425)
Capital Contributions	22,000	22,305	-	44,305
Transfers in (out)	(3,000)	3,000	-	-
Change in Net Position	**(35,367)**	**21,187**	**(1,951)**	**(16,131)**
Estimated Net Position - End of Year (9/30/2014)	**$ 363,688**	**$ 90,042**	**$ (58,406)**	**$ 395,324**

* Beginning of the Year Change in Net Position restated to reflect GASB 65 adjustment for debt issuance costs previously reported as assets

Schedule encompasses all funds in the Authority's audited financial statements including, but not limited to, the O&M funds.

May not sum to total due to rounding.

Operating & Non-Operating Revenues and Expenditures

The Authority has classified its revenues and expenses as either operating or non-operating according to the following criteria:

Operating – Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as revenues from landing and related fees, concession fees and expenses paid to employees and vendors.

Non-operating – Non-operating revenues and expenses include activities that have the characteristics of non-exchange transactions that are defined as non-operating by GASB No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting, such as revenue from federal and state grants and contributions and investment income and expenses for capital debt.

Revenue Recognition

Operating revenues are recorded as revenues at the time services are rendered. Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, include grants and capital contributions. Federal and state grants and capital contributions are recognized as revenues when the eligibility requirements, if any, are met.

Capital Improvement Plan Guidelines

Alignment

The Authority coordinates the development of the Capital Improvement Plan (CIP) with the development of the 20-year Master Plan, Strategic Plan and Operating Budget. Projects are selected based on their alignment to the long-term goals and strategic priorities.

Capital Budget Development

The five year plan for the Capital Improvement Program at the Airport and Willow Run Airport is analyzed and updated. The Five Year Plans report active capital projects, as well as all projects that are scheduled to begin within the next five years. The Five Year Plans are an important tool used for formulating future bond issues, maximizing federal and state grant opportunities, pro-actively planning for the replacement or reconstruction of essential infrastructure components that are nearing the end of their service life and scheduling and coordinating execution of multiple projects to minimize operational impact and maximize fiscal efficiency.

The proposed CIP is developed by the Capital Improvement Committee, which is chaired by the Chief Financial Officer and includes representatives from selected divisions. The committee:

- Affirms the linkage between proposed capital projects and the Authority's Master Plan and strategic goals and objectives
- Reviews the qualitative and quantitative (including financial analysis) evaluation of capital projects to determine the priority of projects
- Recommends funding sources for projects
- Ensures compliance with the Airport Use and Lease Agreements, the Authority's Master Bond Ordinance and other obligations

Capital Replacement Programs

The Authority develops equipment replacement and maintenance needs for at least a five-year period and will update this plan each year. The following replacement programs have been established:

- Five-Year Fleet & Equipment Replacement
- Five-Year Plan of Non-Routine Maintenance Projects
- Five-Year Roadway Pavement Plan
- Five-Year Bridge Repair and Replacement Plan
- Five-Year Information Technology Replacement

Weighted Majority Approval

The Airport Use and Lease Agreement contains the Authority's covenants with regard to capital expenditures. One such covenant allows the Authority to issue bonds to finance the cost of capital projects (including all reasonable costs incidental to the issuance and sale of the General Airport Revenue Bonds (GARBs)) and include debt service and coverage requirements in Signatory Airline fees, only after first receiving a Weighted Majority approval for such capital projects. The Airport Use and Lease Agreements define Weighted Majority as either (1) Signatory Airlines which, in the aggregate, landed 85 percent or more of the landed weight of all Signatory Airlines for the preceding 12-month period for which records are available, or (2) all but one of the Signatory Airlines regardless of landed weight.

The Authority has received Weighted Majority approval for some, but not all, of the projects in the current CIP.

Debt Financing Principles

Issuance

The Authority issues GARBs to finance a major portion of its CIP. The Bonds are revenue obligations of the Authority and do not constitute indebtedness to the County of Wayne or the State of Michigan within the meaning of any constitutional, statutory or charter provision or limitation. Neither the credit nor the taxing power of the County or the State is pledged for the payment of principal, premium, if any, or interest on the Bonds. The Authority pledges its net revenues, as defined in the Authority's Master Airport Revenue Bond Ordinance toward the repayment of the Bonds.

The Authority has established the following guidelines for managing its long-term debt program:

- Debt financing is undertaken for required capital projects after all reasonable financing alternatives, including the use of Passenger Facility Charges (PFCs) and grants are considered
- Pay-as-you-go mode of financing is utilized to fund capital improvement projects to the extent feasible.
- Long-term debt is not used to finance current non-capital expenditures
- Debt issues are structured based on attributes of the types of projects financed and market conditions at the time of issuance
- Financial advisors are retained for advice on debt structuring
- Policy on required continuing disclosure is maintained, including filing certain financial information and operating data with Nationally Recognized Municipal Securities Information Depositories and with the relevant State Information Depository
- The Authority defers the difference between the reacquisition price and the net carrying amount of the old debt in refundings in accordance with the provisions of GASB Statement No. 23, Accounting and Financial Reporting for refundings of Debt Reported by Proprietary Activities. The deferred amount is amortized and recorded as a component of interest expense in accordance with the standard.

Debt Limits

The Authority has no legal debt limit; however, GARBs cannot be issued without Weighted Majority approval of the Signatory Airlines.

Financial Reserve Policies

Working Capital

Net position is the difference between a fund's assets and liabilities. A positive balance is necessary for several purposes:

- To have funds available for an emergency or unexpected event
- To maintain or enhance the Authority's financial position and bond ratings
- To provide cash flow for operations prior to the receipt of airline and non-airline revenues

The Airport

The Detroit Metropolitan Airport Operating Fund is required (ordinance 319 of the County of Wayne, Michigan) to maintain an operating reserve equal to one-twelfth of operating expenses. The reserve must be funded quarterly as needed and based on budgeted operating expenses.

Willow Run Airport

The Willow Run Airport Operating fund is not required to maintain any operating reserve.

Airport Westin Hotel

The Westin Hotel Operating Fund is required (ordinance 334 of the County of Wayne, Michigan) to maintain an operating reserve of $3.0 million, a reserve for centralized services fees equal to one-twelfth of the fixed centralized services fee for any year and a reserve for replacement of furniture, fixtures and equipment equal to 5 percent of hotel gross revenue for the year.

Surplus & Deficit Procedures

The Airport Fund

The residual funding methodology stipulates that Signatory Airlines are required to fund any deficit of the Airport and the Authority is required to refund any surplus each fiscal year.

Willow Run Airport Fund

Excess operational surpluses may be used to pay down debt, fund capital improvement projects, or support ongoing operations. If need be, operational deficits are made whole by transfers from the Authority's discretionary.

Airport Westin Hotel

After the Airport Hotel Fund's operating needs, Furniture, Fixtures & Equipment (FF&E) investments, reserve requirements and debt obligations have been meet, excess proceeds may be transferred to the Airport Development Fund (ADF). The Airport Hotel Fund draws on reserve balances to manage cash short-falls and operations.

Investment Policies

Cash & Investments

Cash resources of the individual funds of the Authority, except as specifically stated by ordinance, are pooled and invested. Interest on pooled investments is allocated monthly among the respective funds based on average investment balances. Interest earned, but not received, at year end is accrued. Investments are stated at fair market value, which is based on quoted market prices.

Michigan Compiled Laws Section 129.9 1 (Public Act 20 of 1943, as amended), authorizes the Authority to make deposits and invest in the accounts of federally insured banks, credit unions and savings and loan associations that have offices in Michigan. The Authority is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the Authority in accordance with Public Act 20 of 1943, as amended, authorizes investments in US Treasuries, US agencies and instrumentalities (date specific maturities only), non-negotiable certificates of deposits, commercial paper (rated A2/P2 or above), bankers' acceptances, repurchase agreements, overnight deposits, or mutual funds. For overnight deposits, the treasurer may invest in overnight or short-term liquid assets to cover cash flow requirements in the following types of pools: investment pools organized under the Surplus Funds Investment Pool Act of 1982, PA 367, 1 MCL 129.111 to MCL 129.118 or investment pools organized under the Urban Cooperation Act of 1967, PA 7, MCL 124.501 to 124.512. For mutual funds, the treasurer may invest in no-load fixed income mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan, either taxable or tax-exempt. This authorization is limited to mutual funds whose intent is to maintain a net asset value of $1.00 per share.

Cash Flows

For purposes of the statement of cash flows, the Authority considers all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased to be cash equivalents. All pooled investments qualify as cash equivalents.

Fixed Asset Accounting Procedures

Definition of a Fixed Asset

Capital assets are stated at the estimated historical cost. Depreciation is computed using the straight line method over the following estimated useful lives of the assets:

- Buildings & Improvements 10 – 50 years
- Equipment & Vehicles 3 – 12 years
- Infrastructure 10 – 40 years

Expenditures with a cost of $5,000 or more for capital assets and for major renewals and betterments that extend the estimated useful life of the assets are capitalized; routine maintenance and repairs are charged to expense as incurred. All costs relating to the construction of property and equipment owned by the Authority are capitalized, including salaries, employee benefits and interest costs during construction. At the time fixed assets are sold, retired or disposed of, the costs of such assets and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in the results of operations.

Acquisition of Fixed Assets

Assets may be acquired through many methods including purchases, project construction, capital leases, donations, exchanges, fabrication, loans, trials, grants, contract receipts or rent credits.

Capital items (fixed assets) are identified as either:

- **New** – Through the initiative of the approved budget and/or the Capital Improvement Plan that justifies its purchase and alignment with the Authority's strategic plan
- **Replacement** – Through capital asset maintenance programs, or as budgeted funds allow, for items already in the inventory
- **Emergency** – Ad hoc needs are addressed at the discretion of the Chief Executive Officer

The procedures for purchasing fixed assets are:

- New and replacement capital items must be identified in the approved budget
- The departments must coordinate with the Department of Finance to ensure that funding is secured before initiating the procurement sequence
- The departments initiate the purchase of an item in accordance with the Authority's procurement ordinance

Once the item has been ordered or received, the departments forward any invoices to accounts payable. The capitalization and subsequent addition to the inventory is made on payment date.

BUDGET IN BRIEF

This section contains detailed financial summaries of the operating budgets for the Authority's main funds (the Airport, Willow Run and the Westin). It begins with the Authority's consolidated FY 2014 Budget and three year consolidated summary. Next is the Authority's staffing summary by division and department from FY 2010 to FY 2014. The final section is a detailed review of the Airport's revenues, expenses and assumptions used to develop the FY 2014 Budget.

Airport Authority Consolidated Budget

($ in thousands)	Detroit Metropolitan Airport	Willow Run Airport	Westin Hotel	Authority Total
Airline Revenues				
Landing Fees	$ 68,363	$ 594	$ -	$ 68,957
Rent	89,951	332	-	90,283
Facility Use Fees	7,743	360	-	8,103
Total Airline Revenues	166,057	1,286	-	167,343
Non-Airline Revenues				
Parking	59,000	-	-	59,000
Car Rental	20,400	-	-	20,400
Concessions	31,115	-	-	31,115
Ground Transportation	5,115	-	-	5,115
Shuttle Bus	2,050	-	-	2,050
Utility Service Fee	5,180	135	-	5,315
Rent	2,710	1,043	-	3,753
Other Revenue	1,063	36	-	1,099
Charges For Services	2,023	579	26,938	29,540
Total Non-Airline Revenues	128,656	1,793	26,938	157,387
Non-Operating Revenues				
Grants	955	-	-	955
Interest Income	200	2	47	249
Total Non-Operating Revenues	1,155	2	47	1,204
Total Revenues	**$ 295,868**	**$ 3,081**	**$ 26,985**	**$ 325,934**
Operating Expenses				
Salaries & Wages	$ 41,708	$ 784	$ -	$ 42,492
Employee Benefits	23,600	469	-	24,069
Materials & Supplies	7,319	105	-	7,424
Parking Management	6,560	-	-	6,560
Shuttle Bus	6,250	-	-	6,250
Janitorial	11,645	22	-	11,667
Security	3,178	-	-	3,178
Contractual Services	20,997	668	-	21,664
Hotel Expenses	-	-	18,663	18,663
Insurance	2,392	42	-	2,434
Utilities	27,069	758	-	27,827
Buildings & Grounds	17,121	209	-	17,330
Equipment Repair	17,140	152	-	17,292
Other Operating Expense	3,611	431	-	4,042
O&M Capital	4,292	8	-	4,299
Total Operating Expenses	192,880	3,647	18,663	215,191
Non-Operating Expenses				
Debt Service & Coverage	89,370	-	7,783	97,153
Funding Requirements	13,618	(567)	1,871	14,922
Total Non-Operating Expenses	102,988	(567)	9,654	112,075
Total Expenses	**$ 295,868**	**$ 3,081**	**$ 28,318**	**$ 327,266**
Change in Net Assets	**$ -**	**$ -**	**$ (1,333)**	**$ (1,333)**

May not sum to total due to rounding

Wayne County Airport Authority
Three Year Consolidated Financial Summary

($ in thousands)	Detroit Metropolitan Airport FY 2012 Actual	Detroit Metropolitan Airport FY 2013 Budget	Detroit Metropolitan Airport FY 2014 Budget	Willow Run Airport FY 2012 Actual	Willow Run Airport FY 2013 Budget	Willow Run Airport FY 2014 Budget	Westin Hotel FY 2012 Actual	Westin Hotel FY 2013 Budget	Westin Hotel FY 2014 Budget	Total FY 2012 Actual	Total FY 2013 Budget	Total FY 2014 Budget
Revenues												
Airline Revenues												
Landing Fees	$ 66,719	$ 65,519	$ 68,363	$ 581	$ 630	$ 594	$ -	$ -	$ -	$ 67,300	$ 66,149	$ 68,957
Rent	85,810	91,216	89,951	653	720	332	-	-	-	86,463	91,936	90,283
Facility Use Fee	7,092	6,879	7,743	397	400	360	-	-	-	7,489	7,279	8,103
Total Airline Revenues	**159,621**	**163,613**	**166,057**	**1,631**	**1,750**	**1,286**	**-**	**-**	**-**	**161,253**	**165,363**	**167,343**
Non-Airline Revenues												
Parking	56,091	56,488	59,000	-	-	-	-	-	-	56,091	56,488	59,000
Car Rental	19,626	18,950	20,400	-	-	-	-	-	-	19,626	18,950	20,400
Concessions	31,714	30,310	31,115	-	-	-	-	-	-	31,714	30,310	31,115
Ground Transportation	4,883	5,010	5,115	-	-	-	-	-	-	4,883	5,010	5,115
Shuttle Bus	5,211	2,385	2,050	-	-	-	-	-	-	5,211	2,385	2,050
Utility Service Fee	4,790	5,042	5,180	137	122	135	-	-	-	4,927	5,163	5,315
Rent	2,255	2,550	2,710	1,053	1,150	1,043	-	-	-	3,308	3,700	3,753
Other Revenue	1,160	860	1,063	65	33	36	-	-	-	1,226	893	1,099
Charges For Services	1,848	1,917	2,023	580	655	579	-	-	-	2,428	2,572	2,602
Hotel Operating Revenue	-	-	-	-	-	-	27,612	27,524	26,938	27,612	27,524	26,938
Total Non-Airline Revenues	**127,578**	**123,511**	**128,656**	**1,835**	**1,959**	**1,793**	**27,612**	**27,524**	**26,938**	**157,025**	**152,995**	**157,387**
Non-Operating Revenues												
Grants	1,211	955	955	-	-	-	-	-	-	1,211	955	955
Interest Income	205	305	200	2	2	2	42	45	47	248	352	249
Capital Contribution	211	-	-	-	-	-	-	-	-	211	-	-
Total Non-Operating Revenues	**1,627**	**1,260**	**1,155**	**2**	**2**	**2**	**42**	**45**	**47**	**1,670**	**1,307**	**1,204**
Total Revenues	**$ 288,826**	**$ 288,385**	**$ 295,868**	**$ 3,468**	**$ 3,711**	**$ 3,081**	**$ 27,653**	**$ 27,569**	**$ 26,985**	**$ 319,948**	**$ 319,665**	**$ 325,934**
Expenses												
Operating Expenses												
Salaries & Wages	$ 43,159	$ 40,157	$ 41,708	$ 790	$ 774	$ 784	$ -	$ -	$ -	$ 43,949	$ 40,931	$ 42,492
Employee Benefits	25,268	22,370	23,600	468	457	469	-	-	-	25,736	22,828	24,069
Materials & Supplies	6,047	6,659	7,319	74	95	105	-	-	-	6,121	6,754	7,424
Parking Management	6,048	6,531	6,560	-	-	-	-	-	-	6,048	6,531	6,560
Shuttle Bus	8,099	6,350	6,250	-	-	-	-	-	-	8,099	6,350	6,250
Janitorial	11,480	11,616	11,645	18	22	22	-	-	-	11,498	11,638	11,667
Security	2,288	2,248	3,178	-	-	-	-	-	-	2,288	2,248	3,178
Contractual Services	16,613	18,842	20,997	703	846	668	-	-	-	17,315	19,687	21,664
Hotel Expenses	-	-	-	-	-	-	20,895	18,808	18,663	20,895	18,808	18,663
Insurance	2,370	2,357	2,392	29	30	42	-	-	-	2,399	2,387	2,434
Utilities	26,280	27,876	27,069	795	805	758	-	-	-	27,074	28,681	27,827
Buildings & Grounds	16,519	15,571	17,121	446	243	209	-	-	-	16,964	15,814	17,330
Equipment Repair	15,142	15,954	17,140	165	229	152	-	-	-	15,307	16,183	17,292
Other Operating Expense	3,786	3,863	3,611	430	442	431	(6)	-	-	4,210	4,304	4,042
O&M Capital	3,898	4,008	4,292	98	125	8	-	-	-	3,996	4,133	4,299
Total Operating Expenses	**186,996**	**184,401**	**192,880**	**4,015**	**4,067**	**3,647**	**20,889**	**18,808**	**18,663**	**211,900**	**207,277**	**215,191**
Non-Operating Expenses												
Net Debt Service	88,157	90,701	89,370	-	-	-	7,019	7,573	7,783	95,176	98,274	97,153
Funding Requirements	13,673	13,282	13,618	(192)	(356)	(567)	522	2,126	1,871	14,003	15,052	14,922
Total Non-Operating Expenses	**101,831**	**103,983**	**102,988**	**(192)**	**(356)**	**(567)**	**7,541**	**9,699**	**9,654**	**109,179**	**113,326**	**112,075**
Total Expenses	**$ 288,826**	**$ 288,385**	**$ 295,868**	**$ 3,823**	**$ 3,711**	**$ 3,081**	**$ 28,429**	**$ 28,507**	**$ 28,318**	**$ 321,079**	**$ 320,602**	**$ 327,266**
Change in Net Assets	**$ -**	**$ -**	**$ -**	**$ (355)**	**$ -**	**$ -**	**$ (776)**	**$ (938)**	**$ (1,333)**	**$ (1,131)**	**$ (938)**	**$ (1,333)**

May not sum to total due to rounding

Airport Authority Staffing Summary

Full Time Employees (FTEs)	FY 2010 Budget	FY 2011 Budget	FY 2012 Budget	FY 2013 Budget	FY 2014 Budget	Five-Year CAGR
Detroit Metropolitan Airport						
Chief Executive Officer Division						
Office of the Chief Executive Officer	2	2	2	1	1	-12.9%
Public Affairs	6	6	7	5	5	-3.6%
Internal Audit	2	3	3	3	3	8.4%
Legal Department	5	5	6	5	5	0.0%
Authority Governance	4	4	4	2	2	-12.9%
Government Relations	3	2	1	-	-	-100.0%
Total Chief Executive Officer Division	**22**	**22**	**23**	**16**	**16**	**-6.2%**
Finance & Administration Division						
Office of the Chief Financial Officer	2	2	2	2	2	0.0%
Controller	22	24	23	21	21	-0.9%
Financial Planning & Analysis	5	7	7	6	7	7.0%
Human Resources	11	14	14	11	11	0.0%
Purchasing	19	18	18	13	14	-5.9%
Risk Management	2	2	2	2	2	0.0%
Technology Services	14	14	13	13	15	1.4%
Total Finance & Administration Division	**75**	**81**	**79**	**68**	**72**	**-0.8%**
Operations Division						
Chief Operating Officer	3	3	3	2	2	-7.8%
Airfield Operations	44	44	44	40	39	-2.4%
Infrastructure & Engineering	27	30	31	29	31	2.8%
Maintenance	176	173	175	161	161	-1.8%
Airfield Capital Projects	-	-	-	7	9	n/a
Landside Services	22	23	23	23	23	0.9%
Total Operations Division	**272**	**273**	**276**	**262**	**265**	**-0.5%**
Public Safety Division						
Public Safety Administration	5	5	5	3	3	-9.7%
Police	112	112	113	107	107	-0.9%
Fire	60	60	60	60	61	0.3%
Security	27	29	29	30	30	2.1%
Special Services	3	3	3	3	3	0.0%
Total Public Safety Division	**207**	**209**	**210**	**203**	**204**	**-0.3%**

Full Time Employees (FTEs)	FY 2010 Budget	FY 2011 Budget	FY 2012 Budget	FY 2013 Budget	FY 2014 Budget	Five-Year CAGR
Detroit Metropolitan Airport, cont.						
Planning & Development Division						
Planning & Development Administration	6	2	2	1	1	-30.1%
Strategic Planning & Development	1	1	1	9	11	61.5%
Planning, Design & Construction	16	19	20	3	4	-24.2%
Business Relations & Development	2	2	2	3	3	8.4%
Concessions and Quality Services	6	6	6	4	4	-7.8%
Air Service Development	1	1	1	1	1	0.0%
Facilities Management & Development	-	-	-	5	5	n/a
Total Planning & Development Division	**32**	**31**	**32**	**26**	**29**	**-1.9%**
Total Detroit Metropolitan Airport	**608**	**616**	**620**	**575**	**586**	**-0.7%**
Willow Run Airport						
Administration	3	3	3	3	3	0.0%
Operations	1	1	1	1	1	0.0%
Maintenance	7	7	7	7	7	0.0%
Total Willow Run Airport	**11**	**11**	**11**	**11**	**11**	**0.0%**
Total Airport Authority	**619**	**627**	**631**	**586**	**597**	**-0.7%**

Summary of Airport Revenues and Expenses

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Airline Revenues					
Landing Fees	$ 66,719	$ 65,519	$ 68,363	$ 2,844	4.3%
Rent	85,810	91,216	89,951	(1,265)	- 1.4%
Facility Use Fees	7,092	6,879	7,743	864	12.6%
Total Airline Revenues	159,621	163,613	166,057	2,444	1.5%
Non-Airline Revenues					
Parking	56,091	56,488	59,000	2,512	4.4%
Car Rental	19,626	18,950	20,400	1,450	7.7%
Concessions	31,714	30,310	31,115	805	2.7%
Ground Transportation	4,883	5,010	5,115	105	2.1%
Shuttle Bus	5,211	2,385	2,050	(335)	- 14.0%
Utility Service Fee	4,790	5,042	5,180	138	2.7%
Rent	2,255	2,550	2,710	161	6.3%
Other Revenue	1,160	860	1,063	203	23.6%
Charges For Services	1,848	1,917	2,023	106	5.5%
Total Non-Airline Revenues	127,578	123,511	128,656	5,145	4.2%
Non-Operating Revenues					
Grants	1,211	955	955	-	0.0%
Interest Income	205	305	200	(105)	- 34.4%
Capital Contribution	211	-	-	-	n/a
Total Non-Operating Revenues	1,627	1,260	1,155	(105)	- 8.3%
Total Revenues	**$ 288,826**	**$ 288,385**	**$ 295,868**	**$ 7,484**	**2.6%**
Operating Expenses					
Salaries & Wages	$ 43,159	$ 40,157	$ 41,708	$ 1,552	3.9%
Employee Benefits	25,268	22,370	23,600	1,229	5.5%
Materials & Supplies	6,047	6,659	7,319	660	9.9%
Parking Management	6,048	6,531	6,560	29	0.4%
Shuttle Bus	8,099	6,350	6,250	(100)	- 1.6%
Janitorial	11,480	11,616	11,645	29	0.2%
Security	2,288	2,248	3,178	930	41.4%
Contractual Services	16,613	18,842	20,997	2,155	11.4%
Hotel Expenses	-	-	-	-	n/a
Insurance	2,370	2,357	2,392	35	1.5%
Utilities	26,280	27,876	27,069	(807)	- 2.9%
Buildings & Grounds	16,519	15,571	17,121	1,551	10.0%
Equipment Repair	15,142	15,954	17,140	1,186	7.4%
Other Operating Expense	3,786	3,863	3,611	(252)	- 6.5%
O&M Capital	3,898	4,008	4,292	283	7.1%
Total Operating Expenses	186,996	184,401	192,880	8,479	4.6%
Non-Operating Expenses					
Interest & Financing	173	280	244	(36)	- 12.9%
Debt Service & Coverage	88,157	90,701	89,370	(1,331)	- 1.5%
Funding Requirements	13,500	13,003	13,374	372	2.9%
Total Non-Operating Expenses	101,831	103,983	102,988	(995)	- 1.0%
Total Expenses	**$ 288,826**	**$ 288,385**	**$ 295,868**	**$ 7,484**	**2.6%**

May not sum to total due to rounding

Revenue Profile

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Revenues					
Airline Revenues					
Landing Fees	$ 66,719	$ 65,519	$ 68,363	$ 2,844	4.3%
Rent	85,810	91,216	89,951	(1,265)	- 1.4%
Facility Use Fees	7,092	6,879	7,743	864	12.6%
Total Airline Revenues	159,621	163,613	166,057	2,444	1.5%
Non-Airline Revenues					
Parking	56,091	56,488	59,000	2,512	4.4%
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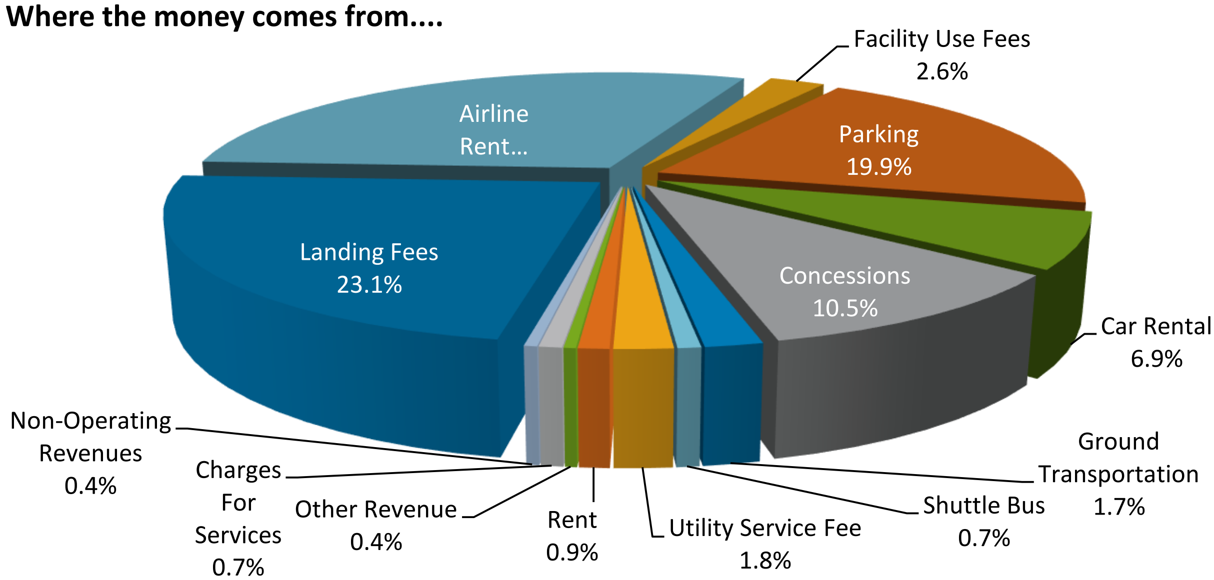
Ground Transportation	4,883	5,010	5,115	105	2.1%
Shuttle Bus	5,211	2,385	2,050	(335)	- 14.0%
Utility Service Fee	4,790	5,042	5,180	138	2.7%
Rent	2,255	2,550	2,710	161	6.3%
Other Revenue	1,160	860	1,063	203	23.6%
Charges For Services	1,848	1,917	2,023	106	5.5%
Total Non-Airline Revenues	127,578	123,511	128,656	5,145	4.2%
Non-Operating Revenues					
Grants	1,211	955	955	-	0.0%
Interest Income	205	305	200	(105)	- 34.4%
Capital Contribution	211	-	-	-	n/a
Total Non-Operating Revenues	1,627	1,260	1,155	(105)	- 8.3%
Total Revenues	**$ 288,826**	**$ 288,385**	**$ 295,868**	**$ 7,484**	**2.6%**

May not sum to total due to rounding

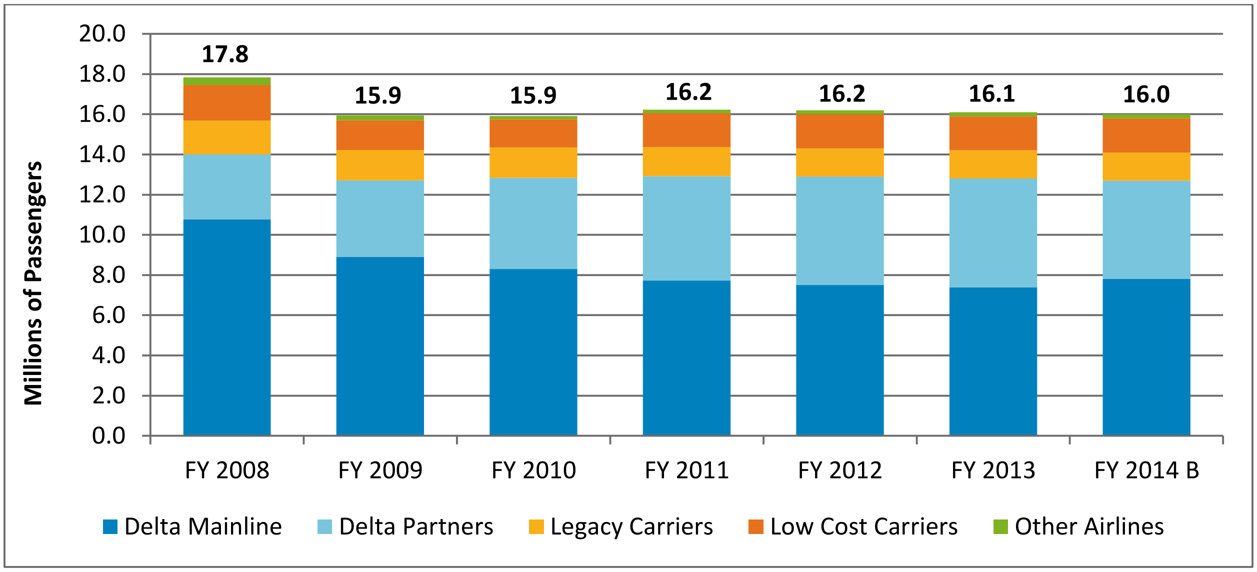
Where the money comes from....



Activity Assumptions

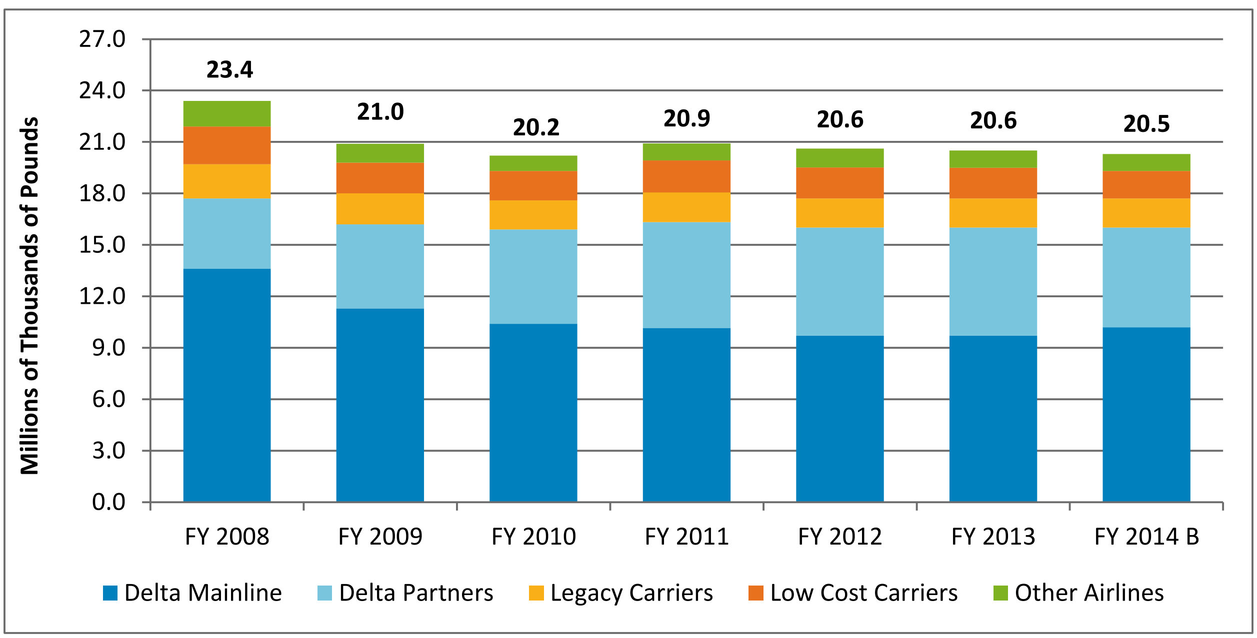
Enplaned Passengers

The FY 2014 budget assumes a slight decrease (1.2%) from FY 2013. While demand for air traffic is resilient, the aviation industry has changed their business model to decrease capacity and increase load factors and airfares. While this strategy has resulted in strengthened airline profit margins, it has suppressed enplanements system wide. Furthermore, mergers such as Southwest/AirTran and the upcoming potential American/US Airways are resulting in a consolidation of routes and a decrease in enplanements at the Airport. The result of all these factors the Airport's enplanement forecast is consistent with the aviation industry. The airlines' activity data submissions support the FY 2014 budget of no growth in enplanements.



Landed Weights

The aviation trend described above also affects landed weights which are decreasing from the FY 2013's budget of 20.7 millions of thousands of pounds to FY 2014's budget of 20.5 millions of thousands of pounds (1 percent



decrease). The airlines have been able to reduce the number of flights by taking out of service the smaller regional jets and relying on larger aircraft which have resulted in a net decrease in landed weight.

Revenue Assumptions

Airline Revenues

Landing Fees

As a residual airport, landing fee revenue is determined by the total budgeted operating expenses of the airport less rent, non-airline and non-operating revenues. Landed weights are divided into the landing fee requirement to set the landing fee rates that are charged to the airlines. The overall landing fee requirement for FY 2014 is $68.4 million or a 4.3 percent increase over FY 2013.

Airline Rent

Rent paid by the airlines includes lease agreements in the terminal and non-terminal facilities. Terminal rent is paid on a residual basis. Rental rates are based on the total expense to operate each terminal and debt service requirements, less facility use fees and other non-airline revenues. The rental requirements for the South and North terminals are $57.0 million and $27.0 million, respectively.

Budget assumptions for non-terminal airline revenue, primarily the facilities rented by the airlines for cargo, maintenance and other operational need, are based on known rental space lease agreements in place for fiscal 2014.

Facilities Use Fees

The airlines pay a Facility Use Fee of $5.50 for each international passenger who deplanes at the Airport for use of the Federal Inspection Station (FIS), the holding area that includes customs processing. This fee is part of a fee schedule that is defined in the Airport Use and Lease Agreements between the Airport and the Airlines. The fee was increased from $5.00 for FY 2013, and will continue to be $5.50 until FY 2019 when it increases to $6.00 per passenger. The revenue for FY 2014 is $7.7 million, or a 12.6 percent increase over FY 2013.

Non-Airline Revenue

Parking

The parking revenue assumption is based on a forecast for parking transactions, average length of stay and rates at the parking facilities located at the Airport. The State of Michigan parking tax is 27 percent of revenues collected. Parking revenues budgeted are net taxes. The budget assumes that credit card transaction fees are three percent of gross revenues and an offsetting expense is budgeted in Other Operating Expenses.

The Fiscal Year 2014 Budget assumes no rate increases for parking. Parking transactions and average length of stay is assumed to continue to grow, however at a slightly slower pace than fiscal year 2013. The current year (FY13) growth is mostly driven by the McNamara parking deck, assumed to be tied to the local economy's recovery and an increase in business travelers. Total revenue growth is expected to increase over prior year by 4.4 percent or from $56.5 million to $59.0 million.

Car Rentals

All car rental agencies operating at Detroit Metro Airport pay 10 percent of gross revenue or a minimum annual guarantee (MAG), whichever is greater. The Fiscal Year 2014 Budget increases car rental revenue by $1.5 million, or 7.7 percent, under the assumptions that (1) enplanements will remain at 16.0 million and (2) the trend of the rental agencies charging higher rates will positively influence sales. Of the $20.4 million budgeted for car rental revenue, MAGs represent $11.2 million (55 percent of the total) and excess revenue above the MAGs is $9.2 million (45 percent of the total).

Concessions

For concessions space, the percentage paid or a MAG for each concessionaire varies based on the contract location, square footage and concept. Concession MAGs account for 90 percent of the budgeted revenues; 10 percent of concession revenue is excess above the MAG. The 2014 budget assumes the following:

1. Enplanements are expected to decrease slightly to 16.0 million
2. The new McNamara Terminal Retail Program will be 100% completed in February 2014
    a. 17 new retail concepts were completed in FY 2013
    b. 20 new retail concepts will be completed by February 2014
    c. Retail revenue was assumed at the same level as the Concessionaire submitted in their RFP
    d. Retail revenue to the Authority is budgeted to increase $0.9 million over the prior program for FY 2014
    e. How it works during changeover:
        i. All new retail concessionaires (37 in total) took over the existing space on February 24-March 6, 2013
        ii. Concessionaires operate the space under the old concept until their phase of construction occurs
        iii. The amount paid to the Authority is based on a percentage of gross sales for the given time period until the new Concept is fully in place. No MAG is paid during the temporary or construction phases.
        iv. Once construction starts for their phase, the concept location is closed fully for 60 days
        v. Once the construction is over, the Concession agreement is fully in place where there is a MAG and percent revenue component.
3. In February 2014, 62 percent of all McNamara Terminal Food & Beverage contracts expire and the new contracts will bring in new concepts that are estimated to increase sales by 10 percent (this is an "in-house" estimate due to the timing of the budget, and no RFP's have been solicited, reviewed or agreed upon). There are 39 concepts in total for the McNamara terminal.
    a. 24 new food & beverage concepts will be bid on, as well as two new food & beverage locations (26 in total)
    b. Only seven to eight new food & beverage concepts will be completed by September 2014
    c. During closing period, the budget does not assume full loss of revenue. There was only an assumption of 40 percent loss. However, if the concessionaire is in a MAG only situation, the Authority will not necessarily benefit from that captured revenue. The FY 2014 budget assumes a slight revenue decrease for the McNamara terminal of $750k or 8 percent
    d. How it works during changeover
        i. Concessionaires operate the space under the old concept until their phase of construction occurs
        ii. Similar to the retail change over, the amount paid to the Authority is currently assumed to be based on a percentage of gross sales for the given time period until the new Concept is fully in place. No MAG is paid during the temporary or construction phases.
        iii. Once construction starts for their phase, the concept location is closed fully for 120 days (not 60 like retail)

iv. Once the construction is over, the Concession agreement is fully in place where there is a MAG and percent revenue component

e. The budget assumes that the MAGs and/or percentage rent paid to the Authority for new Food & Beverage contracts will average 14.7 percent which is the current industry trend

Therefore, the FY 2014 Budget for concession revenue will increase slightly (2.7 percent) from the FY 2013 budget. In total $31.1 million is budgeted for concessions revenue of which MAGs account for $27.8 million and excess revenues equal $3.3 million.

Ground Transportation

Ground transportation revenues are comprised of current contracts with taxi and luxury sedan companies as well as access fees paid by off-airport parking companies and hotels for courtesy vehicles or shuttle busses. FY 2014 taxi and luxury sedan revenues are budgeted at current contractual levels, however the taxi and luxury sedan contracts will expire in FY 2014 and 2015, respectively. The access fee rate is to remain flat for FY 2014.

Shuttle Bus

The Authority operates shuttle bus service to transport both airline passengers between parking decks and lots and on-airport employees from designated employee parking lots to their work location. Revenue is collected from the purchase of decals by employers for employees whom require shuttle bus service. Based on change in ridership for AOA shuttle bus in November 2013 and current fiscal year trend, a decrease of 14 percent in decal purchases is expected for FY 2014. The decrease in revenue reflects the full year impact of the AOA shuttle being operated by Delta Air Lines instead of the Airport, as agreed upon in fiscal year 2012. The rates charged per decal ($45.00 for the South Employee Lot and $25.00 for the Blue Deck) are expected to remain the same.

Utility Service Fees

Utility services fees are collected from concessionaires, tenants and other parties who operate on airport property for utility consumption. The FY 2014 budget assumes a slight increase (2.7 percent) in utility consumption based on new cargo tenant leases starting in fiscal years 2013 and 2014.

Non-Airline Rent

Non-airline rent includes rental revenue collected from non-airline tenants on airport property including, but not limited to, hangars, cargo facilities, rental car locations and office space. Non-airline rent revenue was increased in FY 2014 for new cargo tenant leases starting in fiscal years 2013 and 2014.

Other Revenues & Charges for Service

Other Revenue includes any other funds collected by the Authority, for example revenues from employee credential fees and traffic violation ticket revenue. Charges for Services are reimbursements from third-parties for the provision of service from Authority resources. Examples include Fire Department services provided to Willow Run Airport, maintenance work orders and ambulance services. For both categories, the budget assumes no change in existing rates and that volume will be consistent with historic trends.

Grants

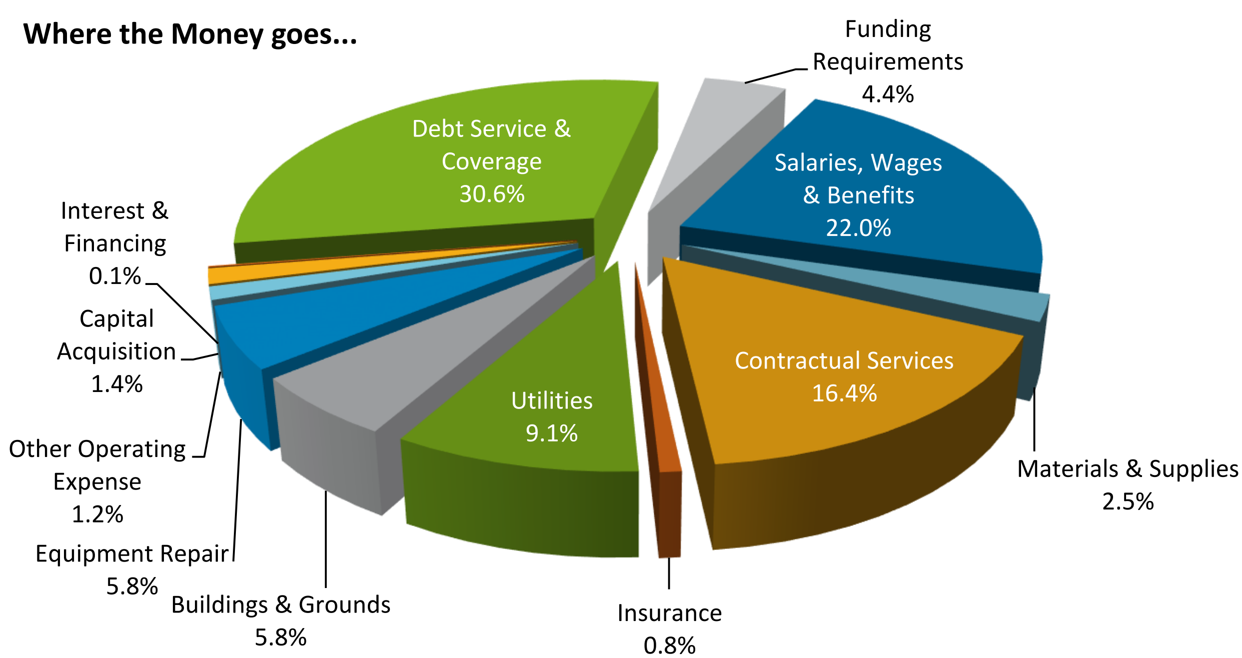
Grant revenue is estimated for grants which the Authority has received commitments from federal, state or other granting entities. For FY 2014 these include two grants from the US Transportation Security Administration (TSA), the National Explosives Detection Canine and Law Enforcement Office programs.

Expenditure Profile

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Expenses					
Operating Expenses					
Salaries & Wages	$ 43,159	$ 40,157	$ 41,708	$ 1,552	3.9%
Employee Benefits	25,268	22,370	23,600	1,229	5.5%
Materials & Supplies	6,047	6,659	7,319	660	9.9%
Parking Management	6,048	6,531	6,560	29	0.4%
Shuttle Bus	8,099	6,350	6,250	(100)	- 1.6%
Janitorial	11,480	11,616	11,645	29	0.2%
Security	2,288	2,248	3,178	930	41.4%
Contractual Services	16,613	18,842	20,997	2,155	11.4%
Hotel Expenses	-	-	-	-	n/a
Insurance	2,370	2,357	2,392	35	1.5%
Utilities	26,280	27,876	27,069	(807)	- 2.9%
Buildings & Grounds	16,519	15,571	17,121	1,551	10.0%
Equipment Repair	15,142	15,954	17,140	1,186	7.4%
Other Operating Expense	3,786	3,863	3,611	(252)	- 6.5%
O&M Capital	3,898	4,008	4,292	283	7.1%
Total Operating Expenses	186,996	184,401	192,880	8,479	4.6%
Non-Operating Expenses					
Interest & Financing	173	280	244	(36)	- 12.9%
Debt Service & Coverage	88,157	90,701	89,370	(1,331)	- 1.5%
Funding Requirements	13,500	13,003	13,374	372	2.9%
Total Non-Operating Expenses	101,831	103,983	102,988	(995)	- 1.0%
Total Expenses	**$ 288,826**	**$ 288,385**	**$ 295,868**	**$ 7,484**	**2.6%**

May not sum to total due to rounding

Where the Money goes...



Expenditure Assumptions

Operating expenses are budgeted with the assumption that all Departments will provide a level of service consistent with the current fiscal year and incorporate efficiencies to enable process improvements. The budget also provides finding for the CEO's initiatives. The baseline budget is adjusted for:

- All known contractual increases or decreases
- Economic enhancements specified in bargaining unit contracts
- Shifting trends in the consumption or rates for goods and services; and
- Removal of funding for one-time expenses

Operating Expenses

Salaries & Wages

The base salary & wage budget for FY 2014 is based on a 1.6% increase in the staffing plan and the actual salaries for incumbent positions as of August 1, 2013. The budget provides for economic enhancements in accordance with existing collective bargaining agreements. Overtime is budgeted as a percent of total salaries of classified employees who are eligible for overtime pay. Salaries and wages are increased by $1.6 million or 3.9 percent over prior year.

Employee Benefits

Employee benefits includes expenses for active and retired employee health care, pension contributions, Federal Insurance Contributions Act (FICA) taxes, workers compensation insurance, disability insurance, unemployment insurance and tuition reimbursements.

Health care insurance costs for the Authority, which is self-insured, is budgeted based on the results of an actuarial analysis. The budget takes into account cost saving measures, including active employee co-pays. The budget assumes health insurance inflation will increase costs by approximately 9.0% above FY 2011 costs.

Assumptions for the employee benefits budget include:

- Pursuant to Public Act 54 of 2011 effective June 8, 2011, municipal employees are now obliged to pay for 100% of the increase in their health insurance benefit cost upon the expiration of a collective bargaining agreement.
- The Authority would continue a 10% premium sharing for all non-represented employees. These employees currently pay for 10% of the cost of their insurance program. Further, the same change has been incorporated for all represented employees whose collective bargaining agreements have expired or will expire before December 1, 2011 in accordance with State law. (Senate Bill 7 is enrolled and has been presented to the Governor for signature.) The total reductions related to the changes in benefits cost sharing in the FY 2012 budget amounts to $0.8 million.
- The Authority is also implementing additional plan design changes that will result in savings on health insurance and prescription drugs. Any changes to wages or benefits, as recommended above, will necessarily have to be negotiated with individual bargaining units and approved by the Authority Board.

Pension obligations are budgeted based on actuarial studies that estimate the Authority's required contribution.

Materials & Supplies

The materials and supplies budget assumes the Authority will provide a level of service consistent with the current year. A significant component of the materials and supplies budget consists of bulk chemicals used for snow removal (deicing fluid and rock salt), gasoline and diesel fuel used for the fleet equipment and shuttle busses and janitorial supplies for the two terminals. The approximately $1.0 million budget for deicing fluid is based on a seven year average of consumption of 300,000 gallons and current pricing trends. The approximately $1.8 million fuel budget was developed based on the current consumption levels of approximately 500,000 gallons of a combined unleaded and diesel fuel and the economic pricing index for 2014. Shuttle Bus fuel is new to the 2014 budget, due to the change in the contract with shuttle busses fueling at the Airport's fuel farms instead being billed through the contract. Janitorial supplies for the North and South terminals are budgeted at approximately $0.5 million and $1.3 million, respectively.

Contractual Services

Parking Management

Operation of all public parking facilities is contracted to a vendor who provides professional services, janitorial and some maintenance functions. The budget provides for annual increases for salary and wages as agreed to in the terms of the contract. Further, the budget for parking management services assumes the full-year operation of the Blue Parking Deck, McNamara Parking Deck, the Green Lot #1 and seasonal use of Green Lot #2.

Shuttle Bus

Shuttle bus services include transportation for employees and travelling passengers between parking locations, both North and South terminals and the Westin Hotel. The Authority reduced the scope of service for employee airside shuttle buses at the beginning of 2013, which is now provided by Delta Air Lines. The FY 2014 budget includes a full year of this scope reduction, which is slightly offset by a contractual increases in salaries and wages and additional requests for airport tours.

Security Guard Services

In FY 2014, the Authority is increasing the security guard expenses for a TSA exit lane mandate. This mandate removes TSA guards from all exit lanes in both North and South Terminals, and in turn will be staffed with specially trained security guards during all hours of operation. The FY 2014 Budget reflects the full-impact of the change in service starting January 1, 2014.

Snow Removal

Authority staff is responsible for snow removal on the runways, taxiways and public roadways. Snow clearing and removal responsibilities for the ramps and aprons are provided by an external contractor. Snow removal at the parking facilities are contracted separately to the vendor who all provides maintenance and repair services to the parking locations. The snow removal service budget is estimated using an average seasonal snowfall and average number of ice events.

Utilities

Utility expenses for electricity, gas, water and sewer are budgeted using volume assumptions derived by incorporating historic trends with any new facilities leases or vacancies that happened during the current fiscal year or are expected to take place in FY 2014. The volume was then modified to incorporate efficiency assumptions based on the North Power Plant receiving new boilers during the current fiscal year and a major capital improvement project that encompasses changing all the lighting fixtures in both the North and McNamara parking decks.

Once the volume was defined, it was then multiplied by industry standard assumptions in commodity rates for FY 2014. The result of this was a net reduction of approximately $800,000 for the FY 2014 budget.

Buildings & Grounds Maintenance

FY 2014 expenses begin incorporating the first year of two of the 5-Year infrastructure plans. These two infrastructure plans encompass all bridges and non-AOA roads on the Airport's campus. The costs for the first year of these two plans is $1.6 million. All other expenses in this category are consistent with operational needs.

Equipment Repair

This category includes all equipment and fleet vehicle repair for the Airport. The main drivers for the $1.2 million increase are enhanced elevator/escalator and door maintenance and repairs, Security Card Access System upgrade and system changes and increases for McNamara terminal specific maintenance and contractual increases.

Other Operating Expenses

The other operating expenses category includes miscellaneous expenses not specified in the aforementioned categories. Among these expenses are property taxes, telephone charges, travel and professional development and rentals costs. The greatest expense included in the other operating expenses category is fees charged for credit card transactions at parking facilities. The budget assumes that credit card transaction fees are three percent of gross revenue. For FY 2014, the budget includes a one-time estimated credit of $735,000 from DTE Energy for the LED light conversion of both parking decks. Also included are CEO initiatives for employee professional development and leadership training as well as enhanced travel to develop the Cargo Air Service business at the Airport.

Capital Acquisition

The capital acquisitions category includes expenditures to either (1) buy fixed assets with an individual unit value of $5,000 or greater and a useful life beyond one year or (2) add to the value of an existing fixed asset with a useful life that extends beyond one year. The capital acquisition budget is developed through the estimated cost of specific projects or fixed asset acquisitions, including routine life cycle replacements.

The FY 2014 Budget includes funding for:

- Improvements to the McNamara terminal submitted by Delta Air Lines - $1.9 million
- Fleet acquisition for the replacement of light vehicles - $500,000; Installment payments for fleet & heavy equipment leases - $700,000
- Lease payments for assets that have been previously capitalized and will become the property of the Authority at the end of the lease - $260,000
- Information technology life cycle replacement - $450,000
- FAA vehicle transponders for AOA vehicles and equipment - $462,000

Nothing is budgeted in the Operating budget capital acquisition for the North Terminal which opened September 2008, however there are a few projects incorporated in the Capital Improvement Plan for carpet replacement, bathroom enhancements and interior wall refurbishments.

Non-Operating Expenses

Net Debt Service

Debt service expenses budgeted in the O&M fund represents the transfer requirement, from airline rates and charges to the Bond Fund for payment of interest and principal on existing debt. The O&M requirement is calculated by subtracting other sources of funding from the gross debt service obligation. The greatest among these other sources of funding are Passenger Facility Charges (PFCs) which are collected on a per-enplanement basis by the airlines, who pass the funds through to the Authority less an administrative fee.

Funding Requirements

The annual transfer from the O&M Budget to Airport Development Fund (ADF) is adjusted annually by the producer price index (PPI). Based on current trending, the budget assumes the PPI will increase from September 2012 of 196.7 to 197.3 in September 2013. The corresponding impact to the ADF transfer is an increase of $14,600 for an annual contribution of $7.3 million.

Funding for Other Post-Employment Benefits (OPEB) is now included in funding requirements whereas it was previously charged to employee benefits. The budgeted contribution for FY 2014 is $2.5 million.

The contribution to ADF from Automated Vehicle Identification (AVI) revenues is assumed to be flat from the current fiscal year, $2.3 million. Transfers for the Renewal & Replacement Fund and the Discretionary Fund are fixed annually at $0.5 million and $0.4 million, respectively.

COST CENTER, DIVISION & DEPARTMENT SUMMARIES

This chapter are summaries of all Authority Cost Centers, Divisions and the Department sub-divisions.

Cost Center Summaries

A cost center is any unit of activity, group of employees, line of products, etc., isolated or arranged in order to allocate and assign costs more easily. Responsibility accounting attempts to reports results (actual performance) in such a way that:

- Significant variances from planned performance can be identified
- Reasons for variances can be determined
- Responsibility can be fixed
- Timely action can be taken to correct problems

The five basic components of cost center accounting are:

1. Labor (personnel)
2. Contractual Services
3. Materials & Supplies
4. Equipment Expenses
5. Overhead or Indirect Costs

Detroit Metropolitan Airport Cost Centers

North Terminal

South Terminal

Airfield

Facilities & Maintenance

North Power Plant

Cargo & Hangar

Ground Transportation

Public Safety

Fire & EMS

Administration

Division & Department Summaries

Each Division summary includes an organization chart and historical employee chart by Department. The Department summaries include the following:

- Overview of functions and responsibilities
- Description of resource allocation
- Three-year financial tables with budget to budget variance explanations
- Operating expense pie chart by budget category
- Three-year bar chart of total operating expenses

Willow Run Airport is treated like an operating division and is also illustrated in this chapter of the Budget Book. The Westin Airport Hotel is not included in this chapter. Management of the Hotel is contracted by the Authority the Starwood Hotels & Resorts, the corporation that owns the Westin brand. The contract and relationship with Starwood is managed by the Finance & Administration Division.

North Terminal Cost Center

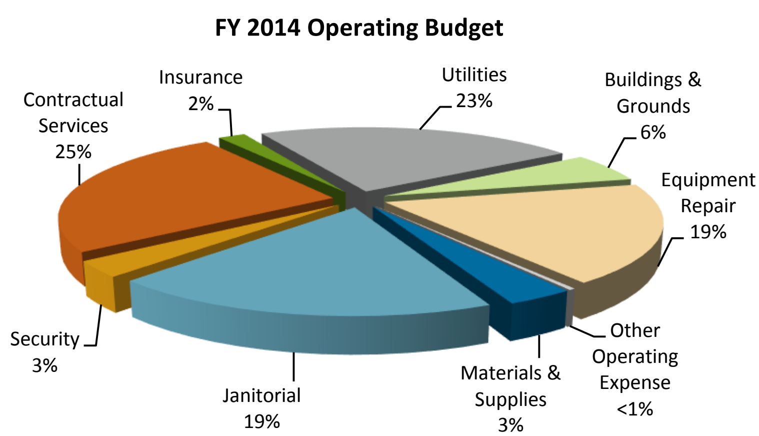
($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Materials & Supplies [1]	$ 64	$ 55	$ 472	$ 418	>100%
Janitorial [1]	2,953	2,911	2,712	(199)	-6.8%
Security [2]	-	0	430	429	>100%
Contractual Services	3,467	3,583	3,702	119	3.3%
Insurance	324	334	291	(43)	-13.0%
Utilities	3,795	3,342	3,438	96	2.9%
Buildings & Grounds	876	826	831	4	0.5%
Equipment Repair [3]	2,575	2,514	2,710	196	7.8%
Other Operating Expense	45	42	46	3	7.3%
Total Operating Expenses	$ 14,099	$ 13,608	$ 14,631	$ 1,023	7.5%

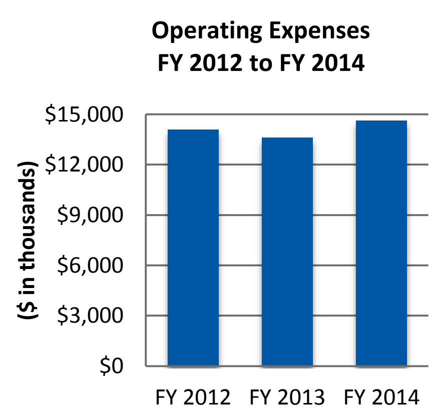
May not sum to total due to rounding

[1] Janitorial supplies for FY 2014 are being accounted for separately from Janitorial services and are included in the Materials & Supplies expense line

[2] FY 2014 new TSA mandate removing TSA authority to secure exit lanes; DTW security expenses being allocated to appropriate terminals

[3] FY 2014 increased for maintaince on baggage handling system due to age and usage





South Terminal Cost Center

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Materials & Supplies [1]	$ 1,524	$ 1,133	$ 1,316	$ 183	16.2%
Janitorial	7,764	7,916	8,134	218	2.8%
Security [2]	-	-	515	515	n/a
Contractual Services	4,157	4,228	4,221	(7)	-0.2%
Insurance	666	665	670	5	0.8%
Utilities	15,897	16,812	16,375	(437)	-2.6%
Buildings & Grounds [3]	5,565	5,837	5,453	(383)	-6.6%
Equipment Repair [4]	9,034	9,160	9,741	581	6.3%
Other Operating Expense	157	161	162	1	0.6%
O&M Capital [5]	724	1,731	1,931	200	11.6%
Total Operating Expenses	$ 45,489	$ 47,643	$ 48,519	$ 876	1.8%

May not sum to total due to rounding

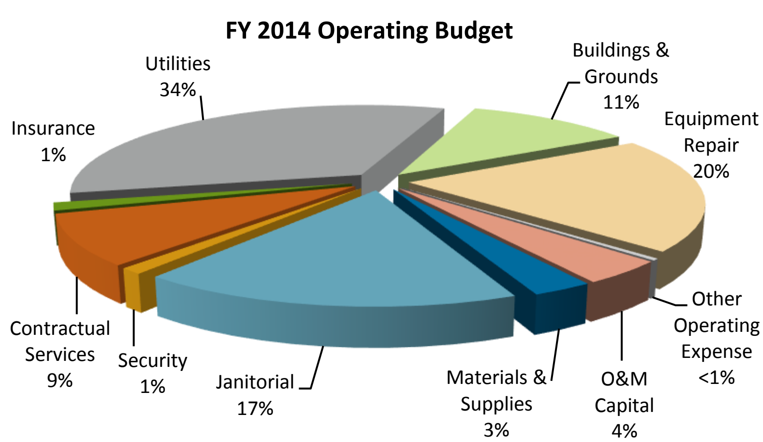
[1] Janitorial supplies for FY 2014 are being increased based on current spending levels

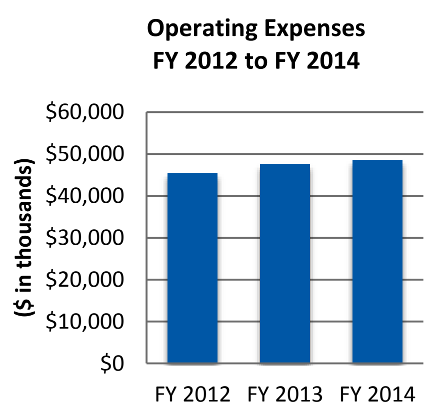
[2] FY 2014 new TSA mandate removing TSA authority to secure exit lanes; DTW security expenses being allocated to appropriate terminals

[3] FY 2014 decrease based on reduction of the fixed price component of the South Terminal's maintenance contract

[4] FY 2014 increase based on escalator/elevator contractual increases and replacing AERO filters throughout the terminal

[5] FY 2014 increase based on capital referbishing plan for the terminal as managed by Delta Air Lines





Airfield Cost Center

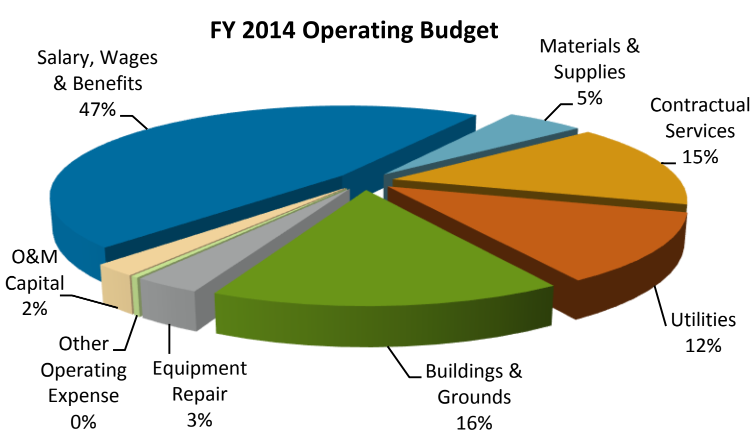
($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits	$ 10,686	$ 10,416	$ 10,439	$ 23	0.2%
Materials & Supplies [1]	516	1,912	1,170	(741)	-38.8%
Contractual Services [2]	1,140	2,686	3,357	671	25.0%
Utilities	2,066	2,433	2,666	233	9.6%
Buildings & Grounds	4,144	3,707	3,430	(276)	-7.5%
Equipment Repair	471	652	672	20	3.1%
Other Operating Expense	46	75	78	4	5.0%
O&M Capital [3]	49	-	462	462	n/a
Total Operating Expenses	$ 19,118	$ 21,879	$ 22,275	$ 396	1.8%

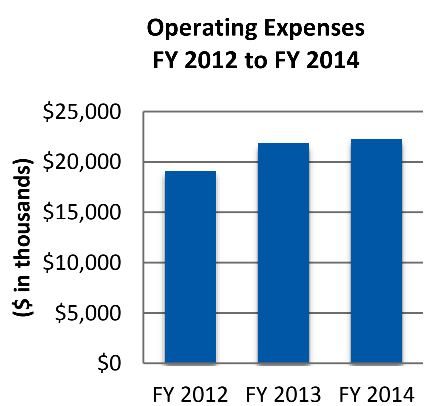
May not sum to total due to rounding

[1] FY 2014 reduction in de-icing fluid

[2] FY 2014 increase for snow removal consistant with historical spending and increased costs for collection of de-icing fluid

[3] FY 2014 CEO Initiative - FAA request for adding vehicle transponders to help reduce runway incursions





Facilities & Maintenance Cost Center

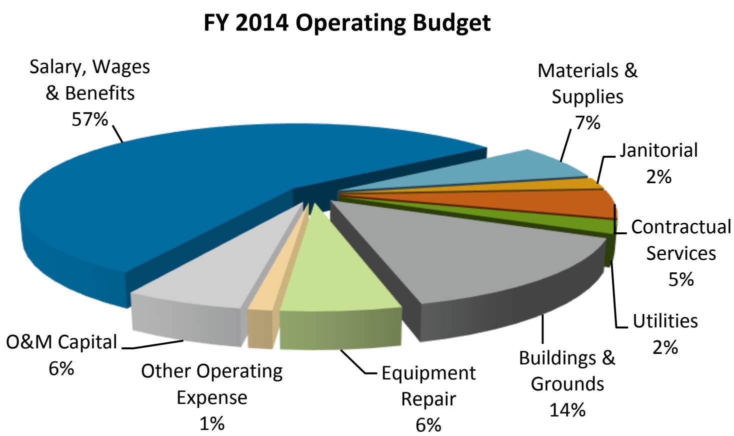
($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 12,461	$ 11,746	$ 12,207	$ 461	3.9%
Materials & Supplies	1,391	1,442	1,468	26	1.8%
Janitorial	492	468	467	(1)	-0.1%
Contractual Services [1]	539	817	1,137	320	39.2%
Utilities	546	555	510	(45)	-8.1%
Buildings & Grounds [2]	1,651	932	3,073	2,141	>100%
Equipment Repair	1,050	1,135	1,202	67	5.9%
Other Operating Expense [3]	36	117	245	128	>100%
O&M Capital	1,741	1,369	1,203	(166)	-12.1%
Total Operating Expenses	$ 19,907	$ 18,579	$ 21,512	$ 2,932	15.8%

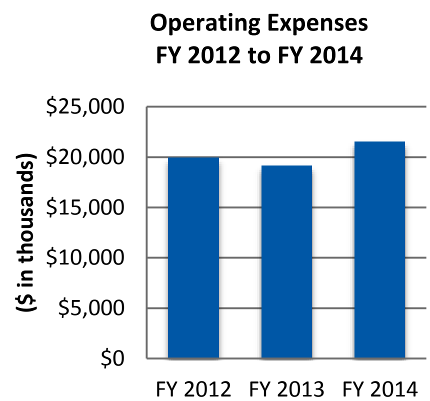
May not sum to total due to rounding

[1] FY 2014 CEO Initiative - Undertake a Green Sustainability study and start a Part 77 (Height Obstruction)

[2] FY 2014 CEO Initiatives - Increases for roadway and airfield pavement management and bridge repairs

[3] FY 2014 CEO Initiative - Increases for enhanced employee professional development





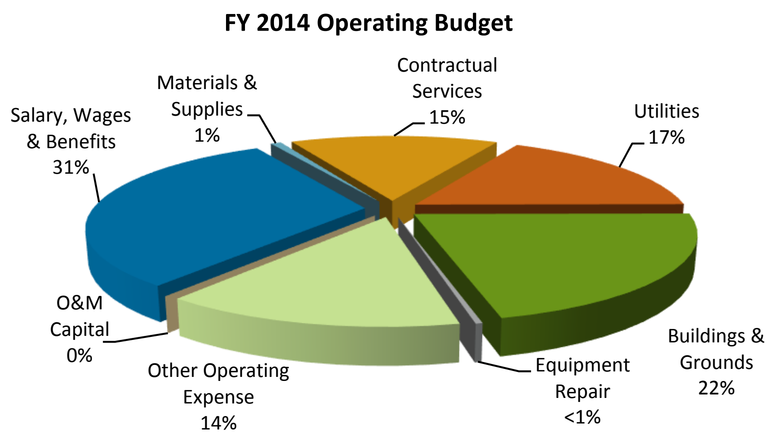
North Power Plant Cost Center

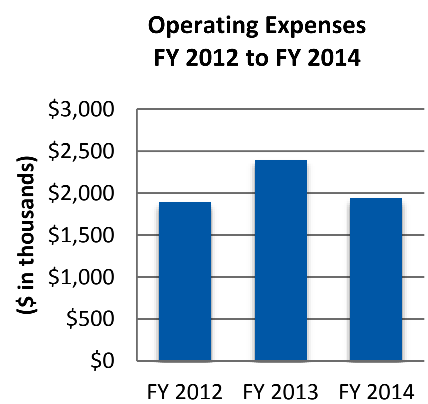
($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits	$ 1,749	$ 1,537	$ 1,610	$ 73	4.8%
Materials & Supplies	35	33	39	6	19.0%
Contractual Services [1]	553	620	779	159	25.7%
Utilities	(1,131)	(885)	(885)	-	0.0%
Buildings & Grounds	637	1,065	1,098	33	3.1%
Equipment Repair	10	13	17	4	31.3%
Other Operating Expense [2]	8	14	(720)	(733)	<-100%
O&M Capital	28	-	-	-	n/a
Total Operating Expenses	$ 1,889	$ 2,396	$ 1,938	$ (458)	-19.1%

May not sum to total due to rounding

[1] FY 2014 includes funding to undertake the National Standards for Hazardous Air Pollutants (NESHAP) survey for the new boilers

[2] Energy credit for converting both the Blue and McNamara parking decks to LED lighting

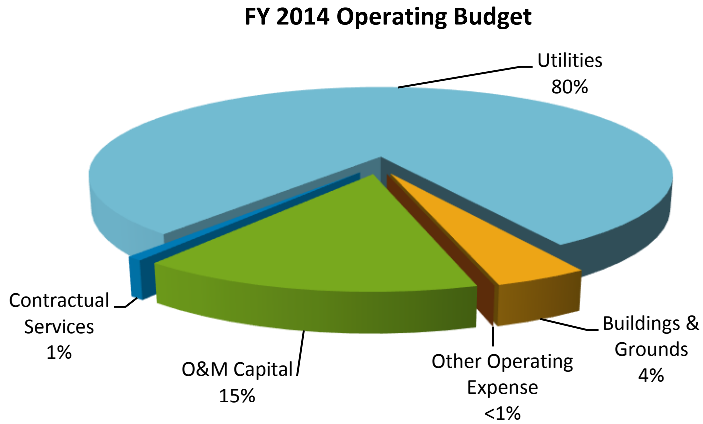


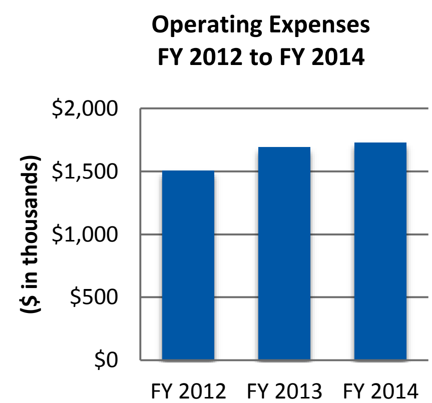


Cargo & Hangar Cost Center

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Contractual Services	$ 13	$ 13	$ 13	$ -	0.0%
Utilities	1,265	1,398	1,392	(5)	-0.4%
Buildings & Grounds	9	27	71	44	>100%
Other Operating Expense	(35)	-	-	-	n/a
O&M Capital	255	256	256	-	0.0%
Total Operating Expenses	$ 1,507	$ 1,693	$ 1,732	$ 38	2.3%

May not sum to total due to rounding





Ground Transportation Cost Center

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 1,856	$ 2,047	$ 2,135	$ 88	4.3%
Materials & Supplies [1]	502	50	676	626	>100%
Parking Management	6,048	6,531	6,560	29	0.4%
Shuttle Bus	8,099	6,350	6,250	(100)	-1.6%
Janitorial	271	322	333	11	3.3%
Contractual Services [2]	1,144	1,488	1,749	261	17.6%
Utilities [3]	2,931	2,976	2,652	(324)	-10.9%
Buildings & Grounds [3]	3,619	3,147	3,071	(76)	-2.4%
Equipment Repair [4]	546	713	875	163	22.8%
Other Operating Expense	1,689	1,535	1,658	123	8.0%
O&M Capital [5]	11	125	-	(125)	-100.0%
Total Operating Expenses	$ 26,715	$ 25,282	$ 25,957	$ 675	2.7%

May not sum to total due to rounding

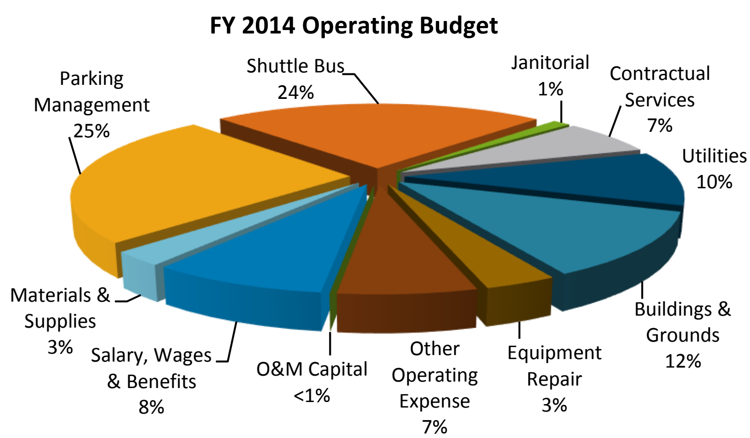
[1] FY 2014 increase to include fuel for shuttle bus fleet

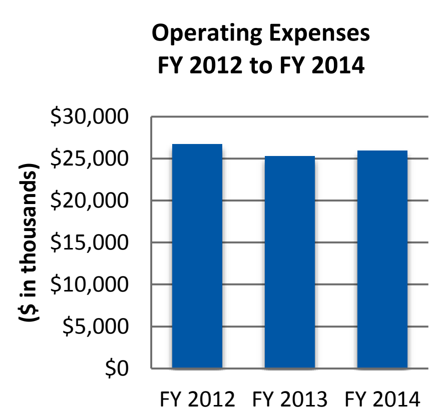
[2] FY 2014 increase for snow removal in the Blue and McNamara parking decks and CEO Initiative for increase signage and wayfinding in both decks/ground transportation centers

[3] FY 2014 estimated decrease represents the estimated savings in electricity, light fixture maintenance and bulb replacement resulting from the LED parking deck replacement project

[4] FY 2014 additional preventative maintenance budgeted for door maintenance at the ground transportation centers

[5] FY 2013 represents an upgrade for the parking revenue system and network equipment upgrade





Public Safety Cost Center

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 16,215	$ 15,602	$ 16,035	$ 434	2.8%
Materials & Supplies	632	608	652	44	7.2%
Security	2,288	2,248	2,234	(14)	-0.6%
Contractual Services [1]	274	307	240	(68)	-22.0%
Utilities	95	75	104	29	38.8%
Buildings & Grounds [2]	11	25	92	67	>100%
Equipment Repair [3]	1,332	1,511	1,781	271	17.9%
Other Operating Expense	674	664	672	8	1.2%
O&M Capital [4]	110	44	11	(34)	-76.1%
Total Operating Expenses	$ 21,632	$ 21,084	$ 21,822	$ 738	3.5%

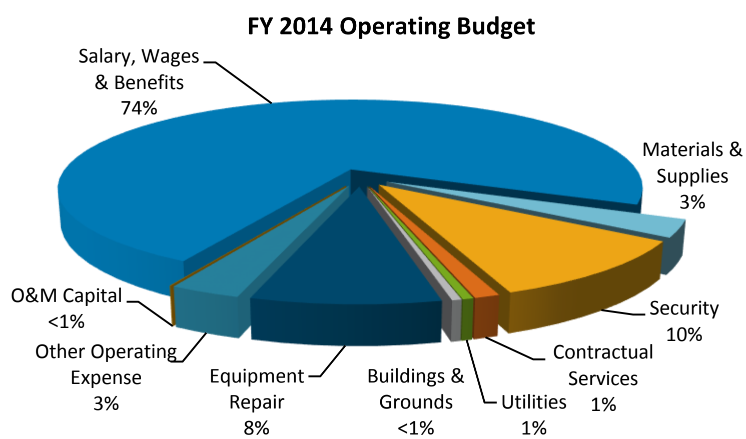
May not sum to total due to rounding

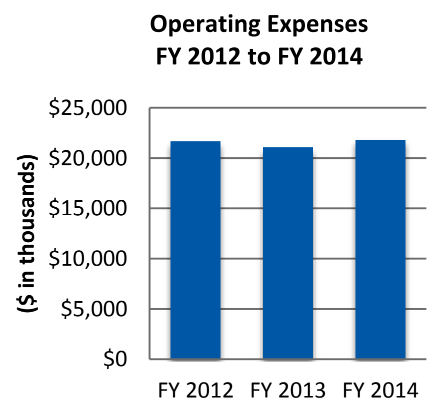
[1] FY 2014 reduced fingerprinting contract based on decreased need

[2] FY 2014 increase for vehicle airfield checkpoint repairs

[3] FY 2014 increase for Security Card Access system upgrades

[4] FY 2013 budget increase for fingerprint machine removed for FY 2014



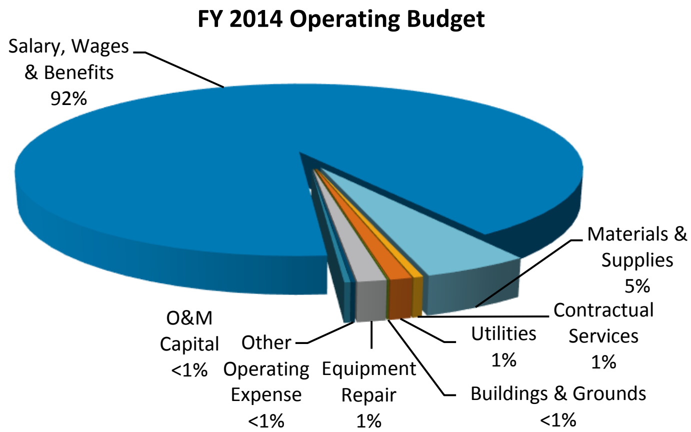


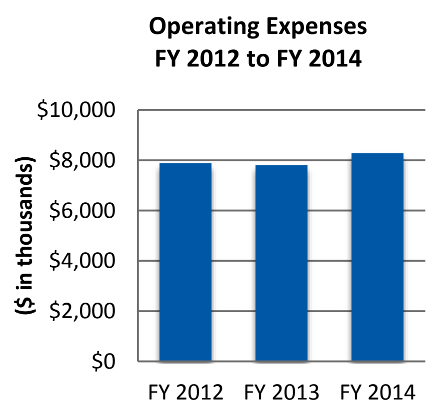
Fire & EMS Cost Center

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits	$ 7,201	$ 7,222	$ 7,614	$ 392	5.4%
Materials & Supplies [1]	301	280	397	117	41.9%
Contractual Services	17	27	37	10	37.7%
Utilities	81	92	82	(10)	-10.5%
Buildings & Grounds	4	6	3	(4)	-55.6%
Equipment Repair	86	120	108	(12)	-10.2%
Other Operating Expense	13	18	15	(2)	-11.7%
O&M Capital	168	27	23	(4)	-14.8%
Total Operating Expenses	$ 7,871	$ 7,791	$ 8,279	$ 488	6.3%

May not sum to total due to rounding

[1] FY 2014 increase due to Scuba gear replacement program moving into last phase





Administration Cost Center

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits [1]	$ 18,258	$ 13,957	$ 15,268	$ 1,310	9.4%
Materials & Supplies	1,082	1,148	1,128	(20)	-1.7%
Contractual Services [2]	5,309	5,073	5,762	689	13.6%
Insurance	1,323	1,300	1,370	70	5.4%
Utilities [3]	735	1,078	734	(344)	-31.9%
Equipment Repair [4]	38	138	34	(104)	-75.3%
Other Operating Expense [5]	1,407	1,238	1,454	216	17.4%
O&M Capital	559	456	406	(50)	-11.0%
Total Operating Expenses	$ 28,709	$ 24,388	$ 26,156	$ 1,768	7.2%

May not sum to total due to rounding

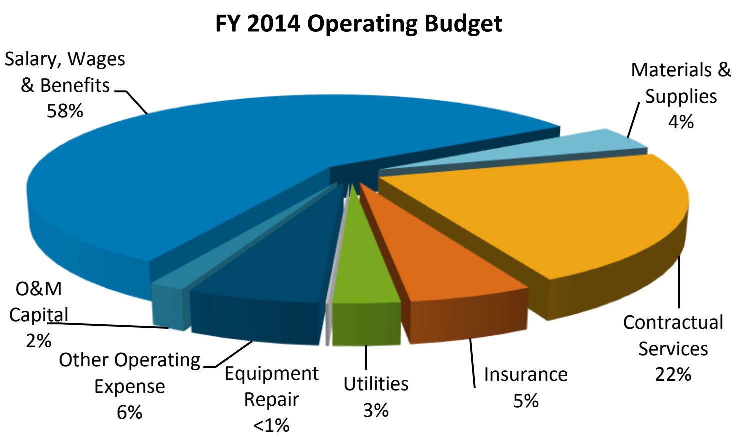
[1] FY 2014 includes an increase in 8 full time employees

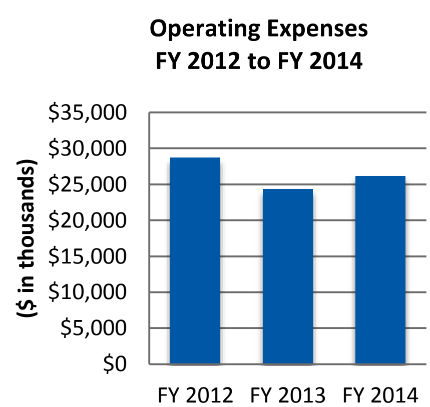
[2] FY 2014 CEO Initiatives: Airport Marketing/Brand development, complementary Wi-Fi services for the travelling public, new document management tool and website/digital redevelopment

[3] FY 2014 lower driven by rate and consumption use of new boilers in the North Powerhouse

[4] FY 2013 includes one-time expenses

[5] FY 2014 CEO Initiative - Increases for enhanced employee professional development and tradeshow marketing for Cargo service and new route development





WILLOW RUN AIRPORT

Summary of Revenues & Expenses by Category

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Revenues					
Airline Revenues					
Landing Fees	$ 581	$ 630	$ 594	$ (36)	- 5.7%
Airline & Non-Airline Rent	1,706	1,870	1,375	(495)	- 26.5%
Customs Inspection Fees	397	400	360	(40)	- 10.0%
Utility Service Fee	137	122	135	13	11.0%
Other Revenue	65	33	36	3	9.1%
Fuel Flow Fees	580	655	579	(76)	- 11.5%
Total Non-Airline Revenues	3,467	3,709	3,079	(631)	- 17.0%
Non-Operating Revenues	2	2	2	-	0.0%
Total Revenues	**$ 3,468**	**$ 3,711**	**$ 3,081**	**$ (631)**	**- 17.0%**
Expenses					
Operating Expenses					
Salaries, Wages & Benefits	$ 1,258	$ 1,231	$ 1,253	$ 21	1.7%
Materials & Supplies	74	95	105	11	11.3%
Janitorial	18	22	22	-	0.0%
Contractual Services	703	846	668	(178)	- 21.0%
Insurance	29	30	42	12	40.3%
Utilities	795	805	758	(47)	- 5.8%
Buildings & Grounds	446	243	209	(34)	- 14.2%
Equipment Repair	165	229	152	(77)	- 33.6%
Other Operating Expense	430	442	431	(10)	- 2.3%
O&M Capital	98	125	8	(118)	- 94.0%
Total Operating Expenses	4,015	4,067	3,647	(420)	- 10.3%
Non-Operating Expenses	33	38	-	(38)	- 100.0%
Total Expenses	**$ 4,048**	**$ 4,105**	**$ 3,647**	**$ (458)**	**- 11.2%**

May not sum to total due to rounding

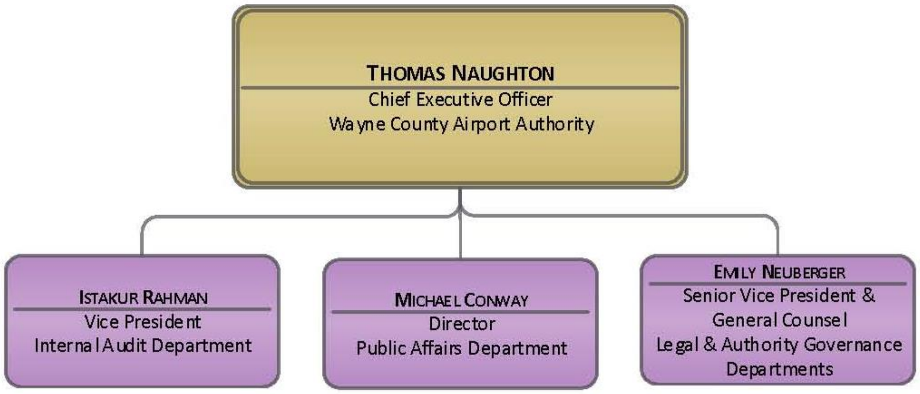
AIRPORT WESTIN HOTEL

Summary of Revenues & Expenses

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Revenues					
Operating Revenues					
Rooms	$ 15,166	$ 16,685	$ 16,384	$ (301)	- 1.8%
Food & Beverages	8,478	9,579	9,339	(240)	- 2.5%
Minor Operating Departments & Other	1,199	1,260	1,215	(45)	- 3.6%
Total Operating Revenues	24,843	27,524	26,938	(586)	- 2.1%
Non-Operating Revenues	44	45	47	2	4.5%
Total Revenues	**$ 24,887**	**$ 27,569**	**$ 26,985**	**$ (584)**	**- 2.1%**
Expenses					
Operating Expenses					
Department Operating Expenses	$ 9,897	$ 10,665	$ 10,668	$ 3	0.0%
Administrative & General	1,886	1,949	2,001	53	2.7%
Marketing	1,837	2,456	2,101	(355)	- 14.4%
Repair & Maintenance	855	841	848	6	0.7%
Utilities	808	752	784	32	4.2%
Management Fee	1,913	1,942	2,063	121	6.2%
Rent, Taxes & Insurance	210	204	198	(6)	- 2.7%
Total Operating Expenses	17,406	18,809	18,663	(145)	- 0.8%
Non-Operating Expenses	8,149	9,699	9,654	(45)	- 0.5%
Total Expenses	**$ 25,555**	**$ 28,507**	**$ 28,318**	**$ (190)**	**- 0.7%**
Change in Net Assets	**$ (668)**	**$ (938)**	**$ (1,333)**	**$ (394)**	**42.0%**

May not sum to total due to rounding

CHIEF EXECUTIVE OFFICER DIVISION



Full Time Employees (FTEs)	FY 2010 Budget	FY 2011 Budget	FY 2012 Budget	FY 2013 Budget	FY 2014 Budget	Five-Year CAGR
Chief Executive Officer Division						
Office of the Chief Executive Officer	2	2	2	1	1	-12.9%
Public Affairs	6	6	7	5	5	-3.6%
Internal Audit	2	3	3	3	3	8.4%
Legal Department	5	5	6	5	5	0.0%
Authority Governance	4	4	4	2	2	-12.9%
Government Relations	3	2	1	-	-	-100.0%
Total Chief Executive Officer Division	**22**	**22**	**23**	**16**	**16**	**-6.2%**

CHIEF EXECUTIVE OFFICER

Overview

The Office of the Chief Executive Officer (CEO) consists of the CEO and several staff functions that report directly to the CEO. These functions consist of Internal Audit, General Counsel, Public Affairs, Government Affairs and Human Resources.

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of one full-time employee.

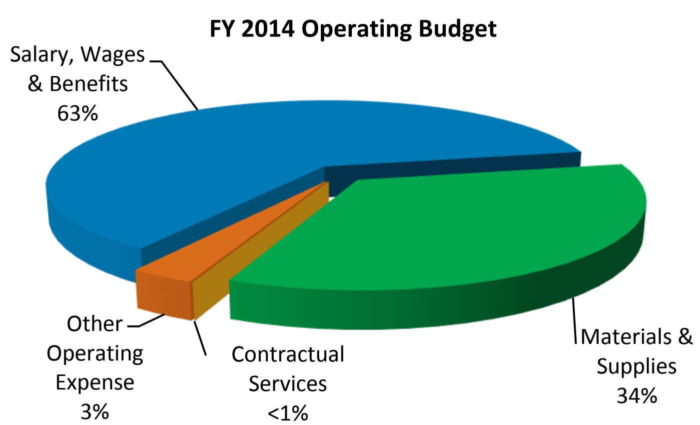
Funds budgeted for **Materials & Supplies** are primarily used for membership dues and other subscriptions. The Airport's membership to the Airports Council International – North America (ACI-NA) costs approximately $140,000 per year.

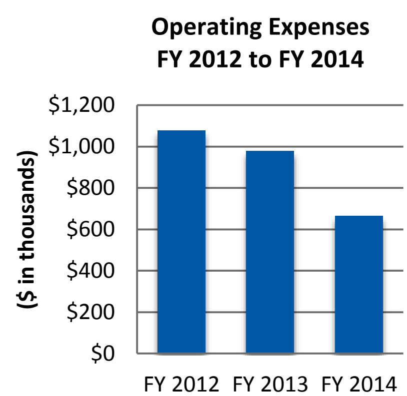
($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits [1]	$ 720	$ 403	$ 417	$ 14	3.5%
Materials & Supplies	157	227	227	-	0.0%
Contractual Services [2]	185	330	-	(330)	-100.0%
Other Operating Expense	15	20	20	(0)	-0.5%
Total Operating Expenses	$ 1,077	$ 980	$ 664	$ (316)	-32.2%
Operating Expenses by Cost Centers					
Administration	$ 1,077	$ 980	$ 664	$ (316)	-32.2%
Total	$ 1,077	$ 980	$ 664	$ (316)	-32.2%

May not sum to total due to rounding

[1] Department's staff was reduced by two FTE from FY 2012 to FY 2013

[2] FY 2013 Funding was budgeted for organization-wide process re-engineering





Public Affairs

Overview

Public Affairs is responsible for managing the Authority's relationship with internal and external stakeholders by providing the public and airport users with accurate and helpful information, managing media relations, managing the public's involvement in Authority-related projects (e.g., airfield and terminal improvements, etc.), coordinating special events, furthering community outreach and facilitating an excellent customer experience for all airport users including oversight of the Airport Ambassador volunteer program.

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of five full-time employees.

Funds budgeted for **Contractual Services** provide for terminal holiday decoration expenses, graphic design, marketing and public relations consulting as needed.

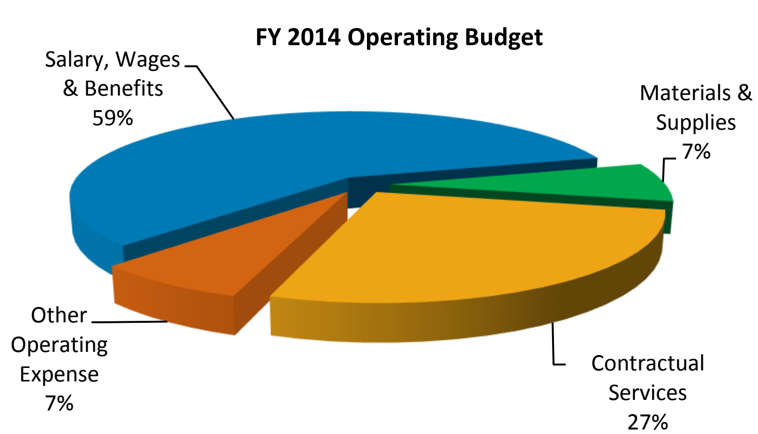
($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits	$ 741	$ 620	$ 679	$ 59	9.5%
Materials & Supplies [1]	26	49	84	35	71.0%
Contractual Services [2]	142	147	311	164	>100%
Other Operating Expense	13	32	84	51	>100%
Total Operating Expenses	$ 922	$ 848	$ 1,157	$ 309	36.5%
Operating Expenses by Cost Centers					
North Terminal [3]	$ 15	$ 15	$ 25	$ 10	66.7%
South Terminal [3]	20	20	40	20	100.0%
Administration	887	813	1,092	279	34.4%
Total	$ 922	$ 848	$ 1,157	$ 309	36.5%

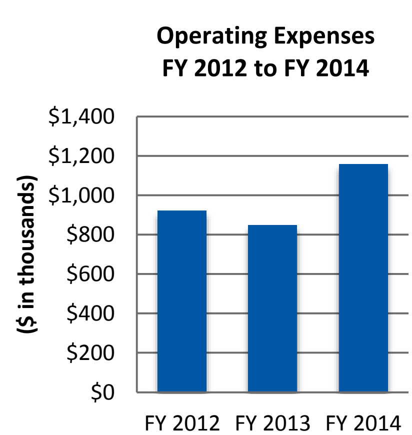
May not sum to total due to rounding

[1] FY 2014 includes Employee Picnic/Airshow that were previously included in Human Resources' budget

[2] FY 2014 includes two CEO initiatives: Website/Digital presence redevelopment and Marketing/Brand development initiatives

[3] This department handles all the holiday decorations for the two terminals





INTERNAL AUDIT

Overview

Internal Audit provides independent, objective assurance and consulting services designed to add value and improve operations. The department is charged with performing internal and external audits, as needed consulting on projects, reporting findings and the implementation status of these findings to the Audit Committee and developing and implementing a comprehensive risk based annual internal audit plan.

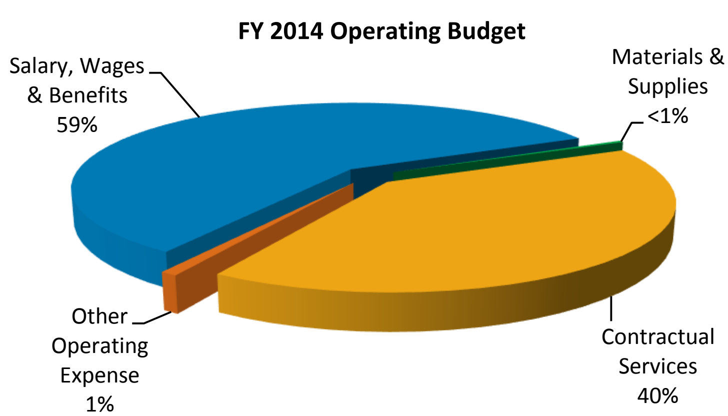
Resource Allocation

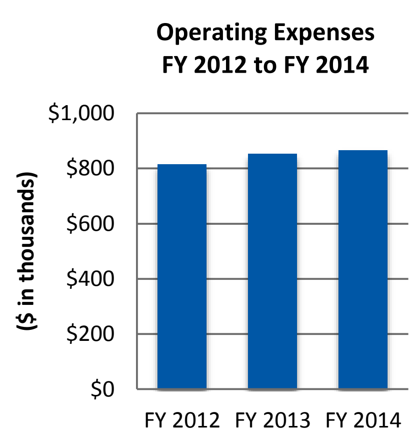
Salaries & Wages and Employee Benefits support a staff of three full-time employees.

Funds budgeted for **Contractual Services** are used for both external and internal audit services. External independent audit services are an essential requirement for the Authority's financial reporting. Internal audit services are used to supplement the Authority's staff with special expertise as may be required by a project.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits	$ 407	$ 504	$ 511	$ 6	1.2%
Materials & Supplies	12	3	3	-	0.0%
Contractual Services	390	338	346	8	2.2%
Other Operating Expense	6	7	7	-	0.0%
Total Operating Expenses	$ 814	$ 852	$ 866	$ 14	1.6%
Operating Expenses by Cost Centers					
Administration	$ 814	$ 852	$ 866	$ 14	1.6%
Total	$ 814	$ 852	$ 866	$ 14	1.6%

May not sum to total due to rounding





LEGAL AFFAIRS

Overview

Legal Affairs serves all Authority Departments by preparing all contracts, operating agreements and leases between the Authority and third parties, provides legal counsel as requested, handles litigation and other legal proceedings against or by the Authority, coordinates legal services provided by outside counsel, manages federal legislative consulting services and handles all legal matters related to the governance of the Authority.

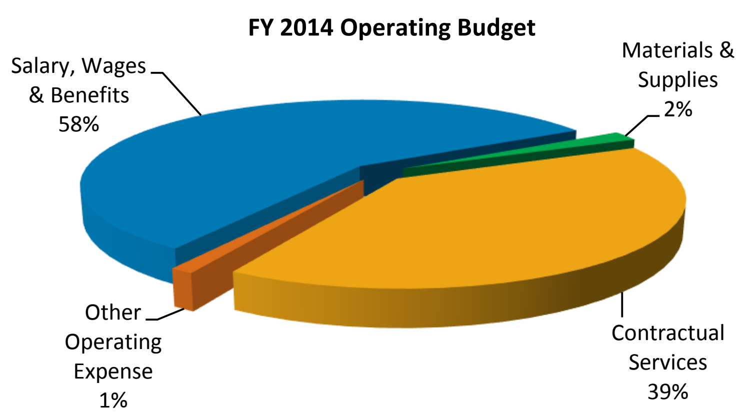
Resource Allocation

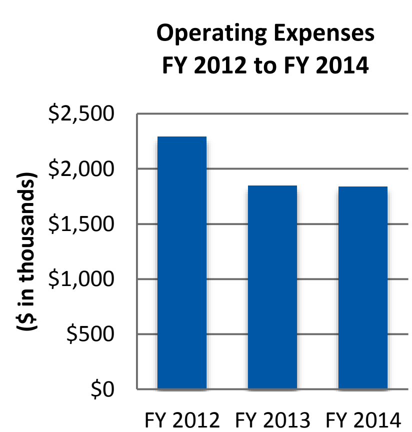
Salaries & Wages and Employee Benefits support a staff of five full-time employees.

Funds budgeted for **Contractual Services** are used for outside legal counsel and federal and state government affairs services.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits	$ 1,007	$ 1,068	$ 1,062	$ (6)	-0.5%
Materials & Supplies	23	33	34	1	1.5%
Contractual Services	1,249	725	725	-	0.0%
Other Operating Expense	14	21	21	0	0.5%
Total Operating Expenses	$ 2,294	$ 1,847	$ 1,842	$ (5)	-0.3%
Operating Expenses by Cost Centers					
Administration	$ 2,294	$ 1,847	$ 1,842	$ (5)	-0.3%
Total	$ 2,294	$ 1,847	$ 1,842	$ (5)	-0.3%

May not sum to total due to rounding





Overview

Authority Governance coordinates Authority Board and committee meeting logistics and planning (including details of locations, schedules, agendas, correspondence, creation of resolution and minutes and follow up to the Board, management and staff) while supporting the CEO on a variety of matters in advance of meetings to ensure effective communication to all involved. Coordinate Freedom of Information Act (FOIA) compliance activities by working with appropriate divisions to provide the required documents within prescribed deadlines

Resource Allocation

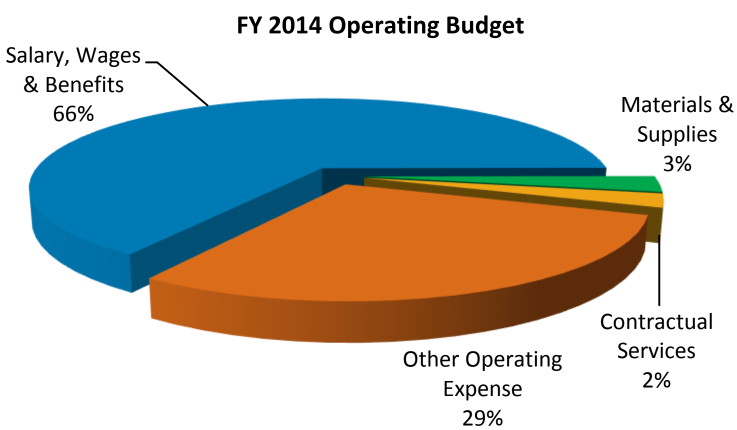
Salaries & Wages and Employee Benefits support a staff of two full-time employees.

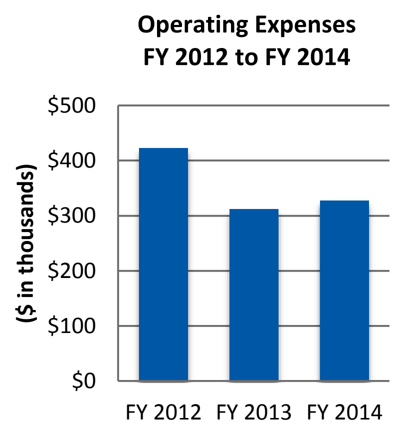
Funds budgeted for **Other Operating Expenses** are used for monthly Board Meeting expenses.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits [1]	$ 331	$ 208	$ 215	$ 7	3.2%
Materials & Supplies	17	10	9	(1)	-6.7%
Contractual Services	8	9	8	(1)	-13.3%
Other Operating Expense	65	85	95	10	11.8%
Total Operating Expenses	$ 422	$ 312	$ 327	$ 15	4.7%
Operating Expenses by Cost Centers					
Administration	$ 422	$ 312	$ 327	$ 15	4.7%
Total	$ 422	$ 312	$ 327	$ 15	4.7%

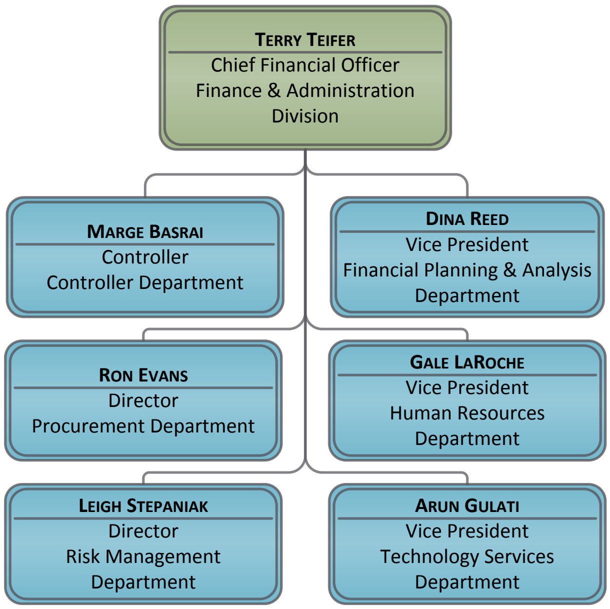
May not sum to total due to rounding

[1] Department's staff was reduced by two FTE from FY 2012 to FY 2013





FINANCE & ADMINISTRATIVE SERVICES DIVISION



Full Time Employees (FTEs)	FY 2010 Budget	FY 2011 Budget	FY 2012 Budget	FY 2013 Budget	FY 2014 Budget	Five-Year CAGR
Finance & Administration Division						
Office of the Chief Financial Officer	2	2	2	2	2	0.0%
Controller	22	24	23	21	21	-0.9%
Financial Planning & Analysis	5	7	7	6	7	7.0%
Human Resources	11	14	14	11	11	0.0%
Purchasing	19	18	18	13	14	-5.9%
Risk Management	2	2	2	2	2	0.0%
Technology Services	14	14	13	13	15	1.4%
Total Finance & Administration Division	**75**	**81**	**79**	**68**	**72**	**-0.8%**

Overview

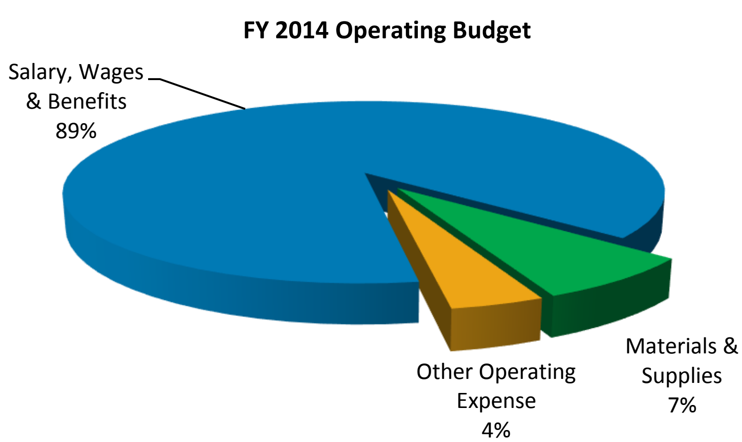
As head of the Finance & Administration Division, the Chief Financial Officer is responsible for the overall budgetary, fiscal and financial management of the Authority's activities, including financial administration of the Capital Improvement Program (CIP), the annual operating budget, cash and debt management, risk management and payroll. The CFO also oversees the management of human resources, purchasing, technology services and the management of Airport Westin Hotel.

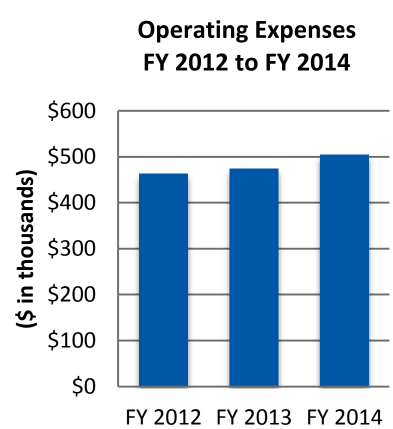
Resource Allocation

Salaries & Wages and Employee Benefits support a staff of two full-time employees.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits	$ 429	$ 417	$ 447	$ 30	7.3%
Materials & Supplies	27	37	37	-	0.0%
Other Operating Expense	7	20	20	-	0.0%
Total Operating Expenses	$ 463	$ 474	$ 504	$ 30	6.4%
Operating Expenses by Cost Centers					
Administration	$ 463	$ 474	$ 504	$ 30	6.4%
Total	$ 463	$ 474	$ 504	$ 30	6.4%

May not sum to total due to rounding





CONTROLLER

Overview

The Controller's department is responsible for providing concise, accurate and timely financial information through accounting activities (e.g., general ledger, fixed asset, accounts receivable, accounts payable and grant management), disbursement management, billing and collection management and coordination of the annual financial audit with the Authority's external auditors. The Controller's department is also responsible for cash and debt management and payroll/employee benefits.

Resource Allocation

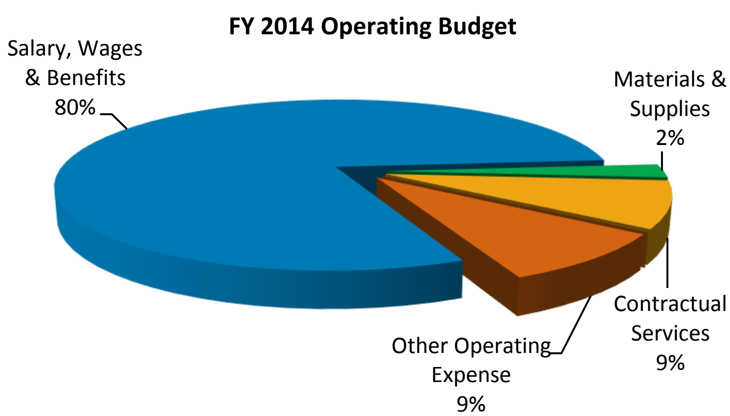
Salaries & Wages and Employee Benefits support a staff of 21 full-time employees.

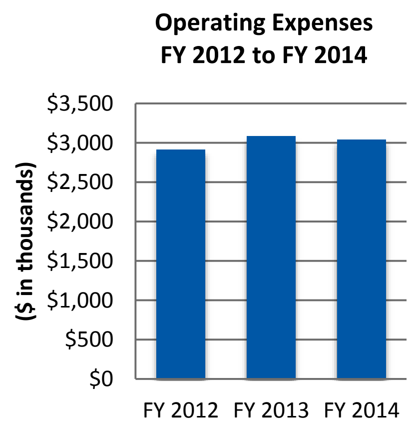
Funds budgeted for **Contractual Services** include payments for Wayne County's retirement healthcare administration fees and actuarial information services.

Other Operating Expenses includes funding for property tax expenses.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 2,459	$ 2,434	$ 2,434	$ (0)	0.0%
Materials & Supplies	63	74	76	2	2.7%
Contractual Services	170	258	259	1	0.3%
Equipment Repair	1	1	1	-	0.0%
Other Operating Expense	223	313	270	(43)	-13.6%
Total Operating Expenses	$ 2,915	$ 3,080	$ 3,040	$ (40)	-1.3%
Operating Expenses by Cost Centers					
Administration	$ 2,915	$ 3,080	$ 3,040	$ (40)	-1.3%
Total	$ 2,915	$ 3,080	$ 3,040	$ (40)	-1.3%

May not sum to total due to rounding





Financial Planning & Analysis

Overview

Financial Planning & Analysis is responsible for development and administration of the Authority's budget and CIP. The group routinely provides detailed financial and operational information to the Senior Leadership Team and the Authority Board, including the annual operating budget, monthly management report, aviation industry statistical reports, financial analysis and special studies and analyses. The group also helps maximize the operational and financial performance of the Westin Hotels.

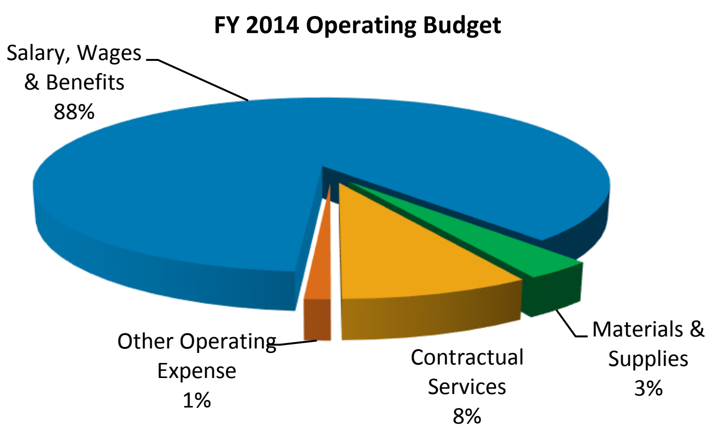
Resource Allocation

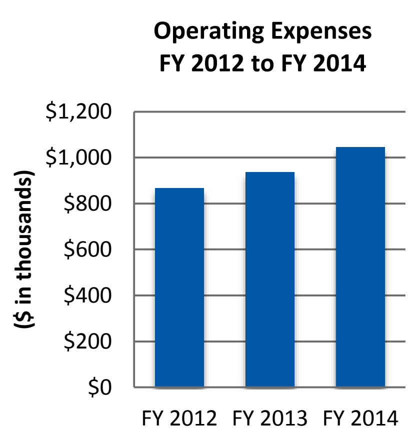
Salaries & Wages and Employee Benefits support a staff of six full-time employees.

Funds budgeted for **Contractual Services** are primarily used for financial feasibility consulting services from the airport consultant.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 779	$ 807	$ 915	$ 108	13.4%
Materials & Supplies	42	33	33	-	0.0%
Contractual Services	40	87	87	0	0.1%
Other Operating Expense	7	12	12	-	0.0%
Total Operating Expenses	$ 868	$ 938	$ 1,046	$ 108	11.5%
Operating Expenses by Cost Centers					
Administration	$ 868	$ 938	$ 1,046	$ 108	11.5%
Total	$ 868	$ 938	$ 1,046	$ 108	11.5%

May not sum to total due to rounding





Human Resources

Overview

Human Resources is responsible for providing managerial and employee coaching, recruiting and promotional opportunity services, new-hire on boarding services, benefits strategy, facilitating labor contract negotiations, administering grievance and arbitration procedures, interpreting collective bargaining agreements, leave management and employee development (including training, performance management and succession planning).

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of 11 full-time employees.

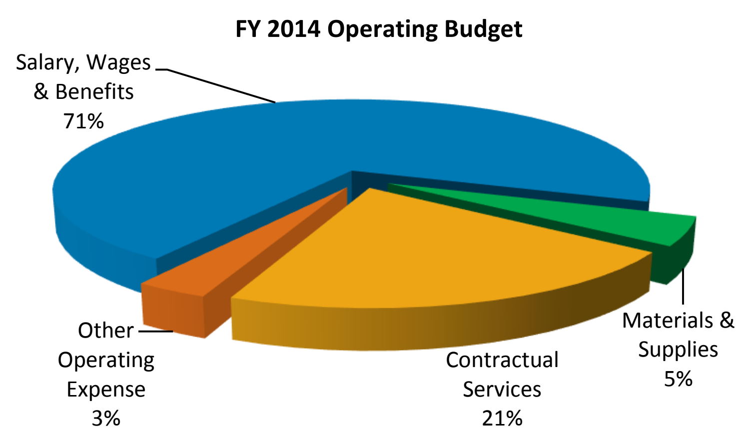
Funds budgeted for **Contractual Services** are used for legal and associated services for employment related matters and labor negotiations, new-employee occupational health services, employee assistance program, employee development software (Cornerstone On Demand) hosting and technical support, compensation and benefits analysis and other related services.

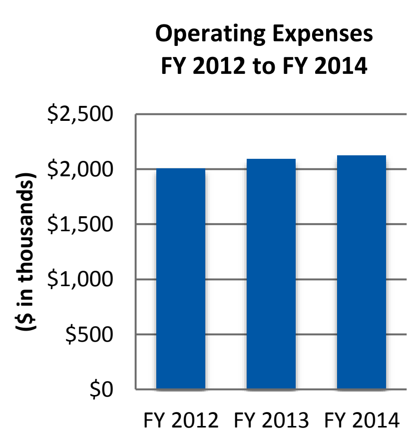
($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits	$ 1,581	$ 1,435	$ 1,513	$ 77	5.4%
Materials & Supplies [1]	88	190	101	(88)	-46.5%
Contractual Services [2]	301	400	442	42	10.5%
Other Operating Expense	38	68	68	-	0.0%
Total Operating Expenses	$ 2,008	$ 2,092	$ 2,124	$ 31	1.5%
Operating Expenses by Cost Centers					
Administration	$ 2,008	$ 2,092	$ 2,124	$ 31	1.5%
Total	$ 2,008	$ 2,092	$ 2,124	$ 31	1.5%

May not sum to total due to rounding

[1] FY 2014 excludes Employee Picnic/Airshow that are now included in Authority Affairs' budget

[2] FY 2014 inclues CEO initiatives for enhancing employee development





Purchasing and Business Diversity

Overview

Purchasing is responsible for purchasing goods and services, provides oversight of contract compliance, handles surplus property disposal and manages the business diversity programs related to Authority contracts.

Resource Allocation

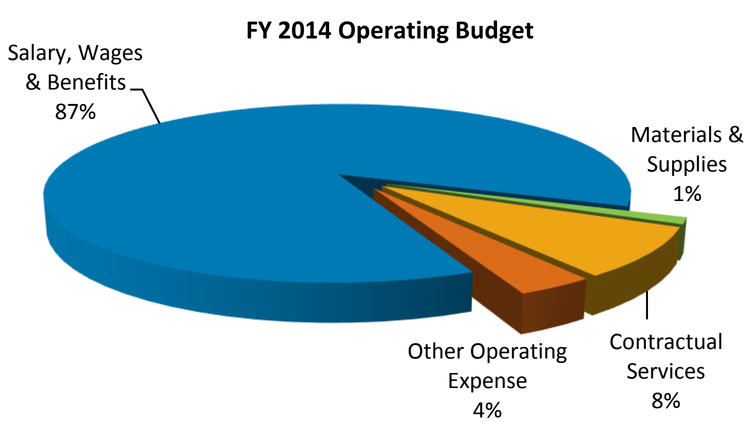
Salaries & Wages and Employee Benefits support a staff of 14 full-time employees.

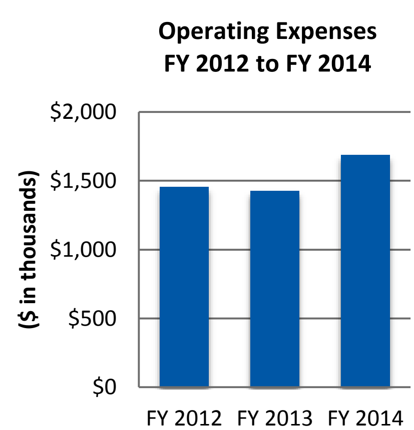
Funds budgeted for **Contractual Services** include payment to Wayne County for Disadvantage Business Enterprise (DBE) and Small Business Enterprise (SBE) Certification.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits [1]	$ 1,388	$ 1,225	$ 1,467	$ 243	19.8%
Materials & Supplies	11	20	19	(1)	-3.5%
Contractual Services	33	125	142	17	13.2%
Other Operating Expense	25	57	58	0	0.7%
Total Operating Expenses	$ 1,457	$ 1,427	$ 1,686	$ 259	18.1%
Operating Expenses by Cost Centers					
Administration	$ 1,457	$ 1,427	$ 1,686	$ 259	18.1%
Total	$ 1,457	$ 1,427	$ 1,686	$ 259	18.1%

May not sum to total due to rounding

[1] Department's staff was increased by one FTE from FY 2013 to FY 2014





Risk Management

Overview

Risk Management is responsible for the planning, organizing and administration of risk, safety and insurance programs to safeguard the DTW's & YIP's assets from accidental loss through the use of recognized risk management techniques.

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of two full-time employees.

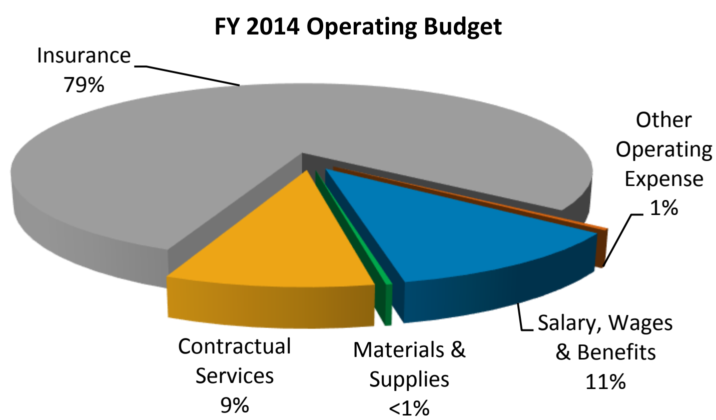
Funds budgeted for **Contractual Services** provide for professional services contracts for general liability legal and claims services.

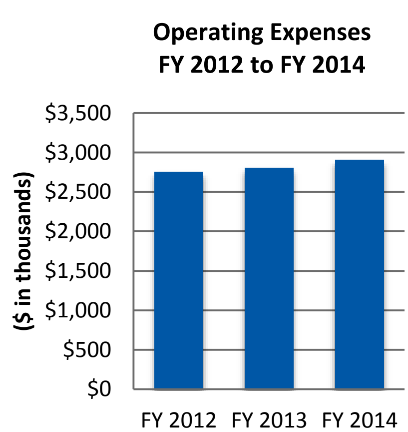
The budget includes property and liability insurance for the entire Airport.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits	$ 321	$ 321	$ 327	$ 7	2.1%
Materials & Supplies	5	8	8	1	7.9%
Contractual Services [1]	186	247	262	15	6.1%
Other Operating Expense	8	10	10	-	0.0%
Total Operating Expenses	$ 2,756	$ 2,808	$ 2,909	$ 100	3.6%
Operating Expenses by Cost Centers					
North Terminal	$ 190	$ 200	$ 200	$ -	0.0%
South Terminal	666	665	670	5	0.8%
Administration	1,843	1,885	1,978	92	4.9%
Westin Hotel	57	58	61	3	5.2%
Total	$ 2,756	$ 2,808	$ 2,909	$ 100	3.6%

May not sum to total due to rounding

[1] FY 2013 budget was increased due to on-going litigation





Overview

Technology Services is responsible for providing computer application system services, developing software solutions, implementing technology products, maintaining the technology infrastructure and providing technical support 24 hours a day X 7 days a week for all technology and communications systems.

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of 15 full-time employees.

Computer equipment life-cycle replacement purchases less than $5,000 are funded in the **Materials & Supplies** budget.

Contractual Services includes help desk and computer support services, management of the Authority's financial management system (MUNIS), administration services for the Airport's parking management system and on-call staffing for special projects and other technology needs.

Expenses for all telephone and associated telecommunications circuitry is funded through the department's **Other Operating Expense** category. Funds budgeted for **O & M Capital** are used for lifecycle replacement management of hardware and software acquisitions over $5,000.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits [1]	$ 1,792	$ 1,735	$ 2,146	$ 411	23.7%
Materials & Supplies	649	358	339	(19)	-5.3%
Contractual Services [2]	2,264	2,837	3,466	629	22.2%
Equipment Repair [3]	165	266	187	(79)	-29.6%
Other Operating Expense	245	444	460	16	3.6%
O&M Capital [4]	635	581	406	(175)	-30.1%
Total Operating Expenses	$ 5,751	$ 6,221	$ 7,004	$ 783	12.6%
Operating Expenses by Cost Centers					
Facilities & Maintenance	$ 46	$ -	$ 50	$ 50	n/a
Ground Transportation	719	1,125	984	(142)	-12.6%
Administration	4,685	4,848	5,714	867	17.9%
Public Safety	278	248	256	8	3.3%
Fire & EMS	22	-	-	-	n/a
Total	$ 5,751	$ 6,221	$ 7,004	$ 783	12.6%

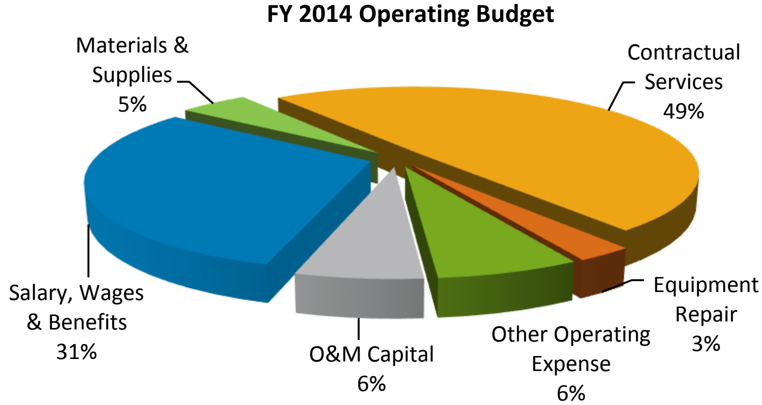
May not sum to total due to rounding

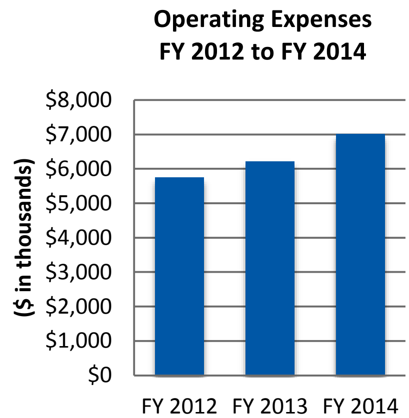
[1] Department's staff was increased by two FTE from FY 2013 to FY 2014

[2] FY 2014 CEO Initiatives: Complementary Wi-Fi services for the travelling public and new document management tool

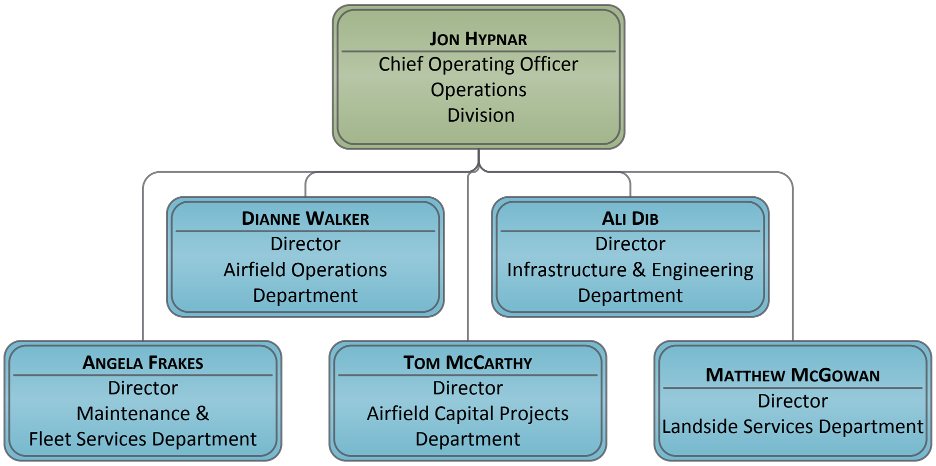
[3] FY 2014 reduction in cost for the telephone system since the implementation of Voice Over Internet Protocol (VOIP)

[4] FY 2013 Funding included one-time purchases for equipment specific to the parking revenue system


FY 2014 Operating Budget
Materials & Supplies 5%
Contractual Services 49%
Salary, Wages & Benefits 31%
Equipment Repair 3%
O&M Capital 6%
Other Operating Expense 6%


Operating Expenses FY 2012 to FY 2014
($ in thousands)
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
FY 2012
FY 2013
FY 2014

OPERATIONS DIVISION



Full Time Employees (FTEs)	FY 2010 Budget	FY 2011 Budget	FY 2012 Budget	FY 2013 Budget	FY 2014 Budget	Five-Year CAGR
Operations Division						
Chief Operating Officer	3	3	3	2	2	-7.8%
Airfield Operations	44	44	44	40	39	-2.4%
Infrastructure & Engineering	27	30	31	29	31	2.8%
Maintenance	176	173	175	161	161	-1.8%
Airfield Capital Projects	-	-	-	7	9	n/a
Landside Services	22	23	23	23	23	0.9%
Total Operations Division	**272**	**273**	**276**	**262**	**265**	**-0.5%**

Chief Operating Officer

Overview

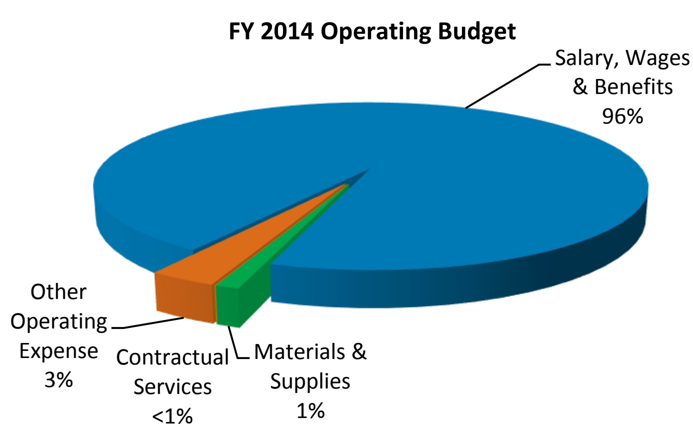
The Chief Operating Officer provides management, oversight and support for the Airfield Capital Projects, Airfield Operations, Infrastructure & Engineering, Maintenance and Landside Services departments.

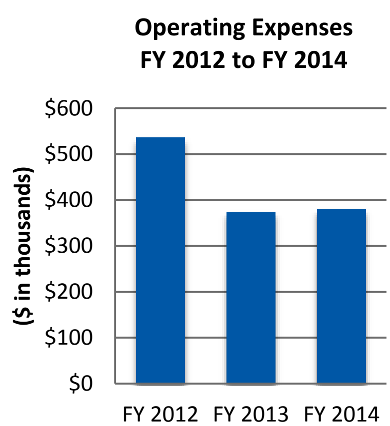
Resource Allocation

Salaries & Wages and Employee Benefits support a staff of two full-time employees.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 432	$ 358	$ 364	$ 6	1.7%
Materials & Supplies	5	4	4	-	0.0%
Contractual Services	75	-	-	-	n/a
Other Operating Expense	24	12	12	-	0.0%
Total Operating Expenses	$ 536	$ 374	$ 380	$ 6	1.7%
Operating Expenses by Cost Centers					
Facilities & Maintenance	$ 536	$ 374	$ 380	$ 6	1.7%
Total	$ 536	$ 374	$ 380	$ 6	1.7%

May not sum to total due to rounding





Airfield Operations

Overview

Airfield Operations is responsible for administering a safe airfield operating environment, maintaining the Authority's Operating Certificate through compliance with and enforcement of Federal Aviation Administration's FAR Part 139, which includes administration of the Airport Certification manual, Letter of Agreements between the Airport Authority and the Federal government, ground vehicle operations, training and coordinating North Terminal common use gates.

Resource Allocation

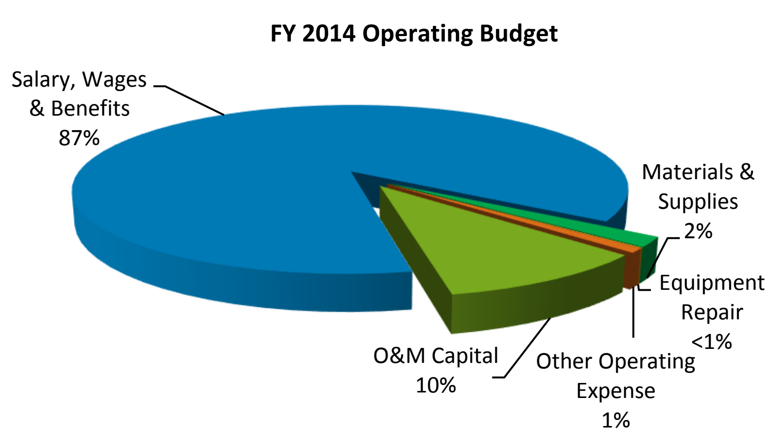
Salaries & Wages and Employee Benefits support a staff of 39 full-time employees.

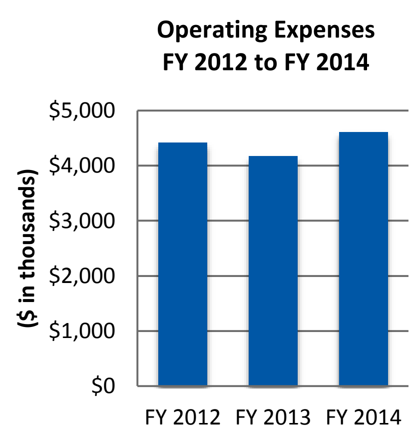
($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits	$ 4,369	$ 4,107	$ 4,024	$ (84)	-2.0%
Materials & Supplies	36	33	83	50	>100%
Equipment Repair	3	4	4	-	0.0%
Other Operating Expense [1]	13	26	37	10	38.8%
O&M Capital [2]	-	-	462	462	n/a
Total Operating Expenses	$ 4,421	$ 4,171	$ 4,609	$ 438	10.5%
Operating Expenses by Cost Centers					
Airfield	$ 4,421	$ 4,171	$ 4,609	$ 438	10.5%
Total	$ 4,421	$ 4,171	$ 4,609	$ 438	10.5%

May not sum to total due to rounding

[1] FY 2014 increase for additional American Association of Airport Executives (AAAE) training

[2] FY 2014 CEO Initiative - FAA request for adding vehicle transponders to help reduce runway incursions





Infrastructure & Engineering

Overview

Infrastructure & Engineering is comprised of five operating units: Infrastructure, Engineering, Environmental, Utilities and Administration.

Infrastructure and Engineering are responsible for the Authority's pavement management programs, both airfield and landside. Further, this unit provides all facets of engineering services for parking structures, surface lots, roadways and management of the Authority's 22 bridges, as well as transportation engineering oversight at Detroit Metro and Willow Run Airports. Additional responsibilities include providing construction oversight for the entire department's construction activities (road re-construction, power plant upgrades etc.)

Environmental oversees activities including de-icing fluid collection, recycling and disposal, hazardous material testing and abatement, wetlands mitigation, air quality permits management, oversight of the Airport's Wildlife Management Plan and managing the impact of aircraft generated noise on residents living nearby.

The Airport's two power plants are managed by **Utilities**. This unit monitors utility distribution networks, access and consumption including the Authority's drinking water, natural gas, electrical and fiber distribution systems. The group also procures and sells utility commodities to ensure reliability and compliance with all utility-related codes and regulations.

Administration is charged with general oversight of the department's operating units and is responsible for staff development, contract management and development and oversight of operating budgets.

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of 31 full-time employees.

Funds budgeted for **Contractual Services** include the following responsibilities:

- Preventative maintenance, repair and snow removal for the Airport's parking deck structures
- Biennial bridge inspections and repairs and contracted roadway paving
- Engineering Survey for Airfield pavement condition index conducted every three years as require by Federal Aviation Administration
- Utility meter inventory , billing and repairs
- Management of the apogee system which controls utility consumption at Airport facilities
- Collection and removal of deicing fluid

Utilities expense includes all expenses associated with the purchase of electricity, natural gas, water and sewer.

Funds budgeted for **Buildings and Grounds** are used for the preventative and corrective maintenance of:

- Bridges, roadway pavement and roadway structures
- Parking facilities
- Utilities infrastructure
- Crosswinds Marsh and retention pond

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits [1]	$ 3,921	$ 3,315	$ 3,865	$ 551	16.6%
Materials & Supplies	59	74	74	0	0.2%
Contractual Services [2]	2,020	2,370	3,429	1,059	44.7%
Utilities [3]	26,280	27,876	27,069	(807)	-2.9%
Buildings & Grounds [4]	7,902	5,737	7,790	2,053	35.8%
Equipment Repair	332	445	449	4	0.9%
Other Operating Expense [5]	15	73	(648)	(721)	<-100%
O&M Capital	35	-	-	-	n/a
Total Operating Expenses	$ 40,563	$ 39,890	$ 42,028	$ 2,138	5.4%
Operating Expenses by Cost Centers					
North Terminal	$ 4,038	$ 3,616	$ 3,719	$ 103	2.8%
South Terminal	15,915	16,868	16,431	(437)	-2.6%
Airfield	5,541	5,144	5,747	602	11.7%
Facilities & Maintenance	3,965	2,649	5,433	2,784	>100%
Utilities Management	1,889	2,396	1,938	(458)	-19.1%
Cargo & Hangar	1,287	1,437	1,476	38	2.7%
Ground Transportation	7,005	6,521	6,348	(172)	-2.6%
Administration	738	1,078	734	(344)	-31.9%
Public Safety	99	80	113	34	42.3%
Fire & EMS	85	100	88	(13)	-12.8%
Total	$ 40,563	$ 39,890	$ 42,028	$ 2,138	5.4%

May not sum to total due to rounding

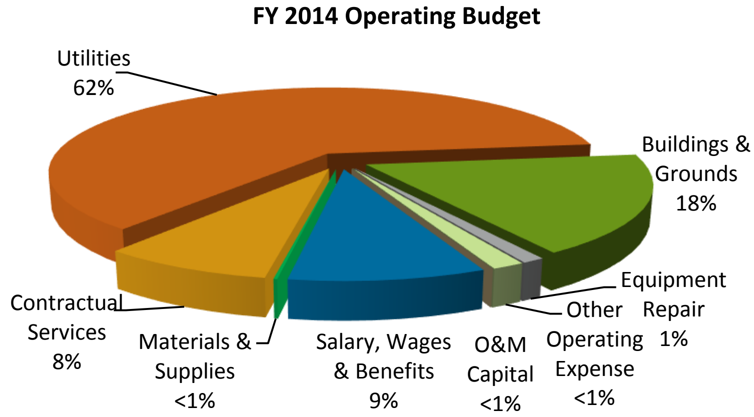
[1] Department's staff was increased by one new position (Pavement Engineer), a transfer from Airfield Operations. One additional position previously funded through Capital funding sources reverts to O&M.

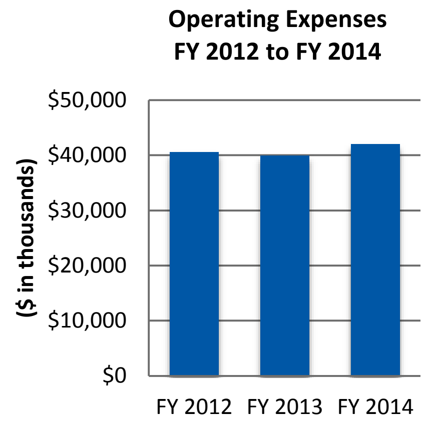
[2] FY 2014 includes an increased level of funding for collection and removal of deicing fluid and snow removal in both Blue and McNamara parking decks. Also included is the CEO initiative of the Green Sustainability study and a FAA required Part 77 (Height Obstruction) survey.

[3] FY 2014 is reduced by energy efficiencies driven by the LED conversion project for both the Blue and McNamara decks, a full year of new boiler usage and a decrease in the price of natural gas rates.

[4] FY 2014 budget appropriates $2M toward additional roadway and airfield pavement and bridge repairs.

[5] FY 2014 includes a $700k Detroit Energy credit for LED conversion project for both the Blue and McNamara decks


FY 2014 Operating Budget
Utilities 62%
Buildings & Grounds 18%
Equipment Repair 1%
Other Operating Expense <1%
O&M Capital <1%
Salary, Wages & Benefits 9%
Materials & Supplies <1%
Contractual Services 8%


Operating Expenses FY 2012 to FY 2014
($ in thousands)
$50,000
$40,000
$30,000
$20,000
$10,000
$0
FY 2012
FY 2013
FY 2014

Facilities, Field & Fleet Maintenance

Overview

Facilities, Field & Fleet Maintenance is responsible for ensuring the airfield, landside grounds and Authority buildings and property are clean, safe and compliant with federal, state and local standards. Additional responsibilities include maintaining signage for a safe traverse of the airfield, roadways and facilities, delivering core trades services (e.g., electrical, plumbing, carpentry, painting) and maintaining the Authority's vehicles and equipment.

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of 161 full-time employees.

Funds budgeted for **Materials and Supplies** are used for:

- Bulk chemicals for liquid runway deicer, road salt and runway rubber remover
- Miscellaneous supplies that include tools, bolts, screws, nails, hoses, drill bits, saw blades and etc.
- Gasoline and diesel fuel for the Authority's vehicle and equipment fleet

Funds budgeted for **Contractual Services** include snow removal services for the airfield ramps and landscaping services of all property owned by airport.

The **Buildings and Grounds** budget covers, but is not limited to, funding for the following responsibilities:

- Re-lamping for the North Terminal, L.C. Smith Administration, parking decks and other facilities
- Reflective glass beads, runway latex fast dry marking paint, airfield runway signs and electrical supplies required to maintain the runways and taxiways
- Airfield joint maintenance, removal and replacement
- Spray sealant for asphalt surfaces
- General building supplies for the maintenance and repair of roofing, plumbing, HVAC, fencing, glass and fire alarm systems as performed by the Airport's trades personnel

The **Equipment Repair** budget provides for parts and supplies for the preventative and corrective maintenance of heavy equipment and vehicles.

O&M Capital includes light vehicles replacements and lease purchase payments for heavy equipment.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 16,175	$ 15,919	$ 16,003	$ 84	0.5%
Materials & Supplies [1]	1,842	3,267	2,499	(768)	-23.5%
Janitorial [2]	2,918	2,407	-	(2,407)	-100.0%
Contractual Services [3]	881	2,387	2,714	327	13.7%
Buildings & Grounds [4]	2,731	3,588	3,174	(415)	-11.6%
Equipment Repair [5]	1,755	1,963	1,268	(694)	-35.4%
Other Operating Expense [6]	40	84	181	97	>100%
O&M Capital [7]	1,783	1,369	1,203	(166)	-12.1%
Total Operating Expenses	$ 28,125	$ 30,984	$ 27,042	$ (3,942)	-12.7%
Operating Expenses by Cost Centers					
North Terminal	$ 2,719	$ 2,567	$ 474	$ (2,093)	-81.6%
Airfield	9,155	12,564	11,919	(645)	-5.1%
Facilities & Maintenance	15,348	14,552	14,486	(65)	-0.4%
Ground Transportation	821	1,121	18	(1,103)	-98.4%
Public Safety	63	156	116	(40)	-25.8%
Fire & EMS	19	25	29	4	17.4%
Total	$ 28,125	$ 30,984	$ 27,042	$ (3,942)	-12.7%

May not sum to total due to rounding

[1] FY 2014 reduction in the amount of deicing fluid required

[2] In FY 2013, janitorial responsibilities were transferred to the department of Facilities Management and Improvement and the North Terminal Airline Consortium

[3] FY 2014 Snow removal budget has been increased to reflect a five-year history of an average snow fall season and landscaping services increased to enhance service to the northern entrance of the Airport

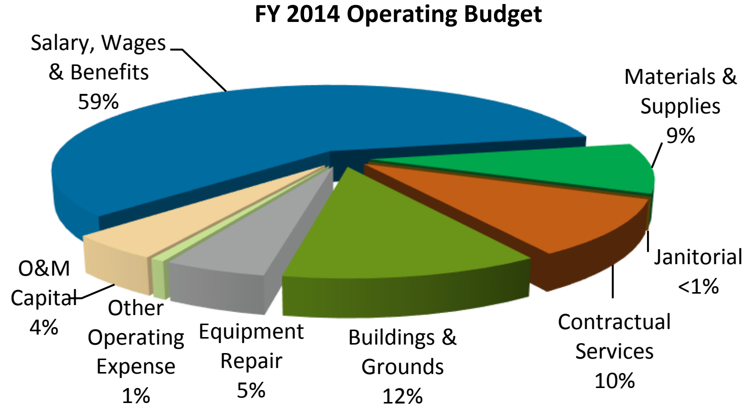
[4] FY 2014 was decreased from FY 2013 for one-time items that are no longer needed

[5] FY 2014 maintenance and repair management of elevators, escalators and automatic doors were moved to the Facilities Management and Improvement department

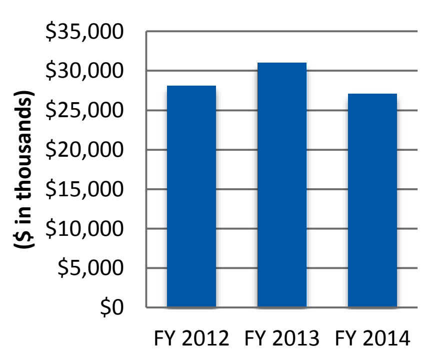
[6] FY 2014 increased for CEO initiative for employee professional development

[7] FY 2013 included budgeted funds for purchase of rooftop air handler units

FY 2014 Operating Budget



Operating Expenses FY 2012 to FY 2014



Landside Services

Overview

Landside Services is responsible for delivering on-airport parking, airport employee shuttle services and ground transportation services for airport patrons through overseeing the Airport's parking contractor, managing the airport's parking facilities and enforcing ground transportation customer service standards.

Resource Allocation

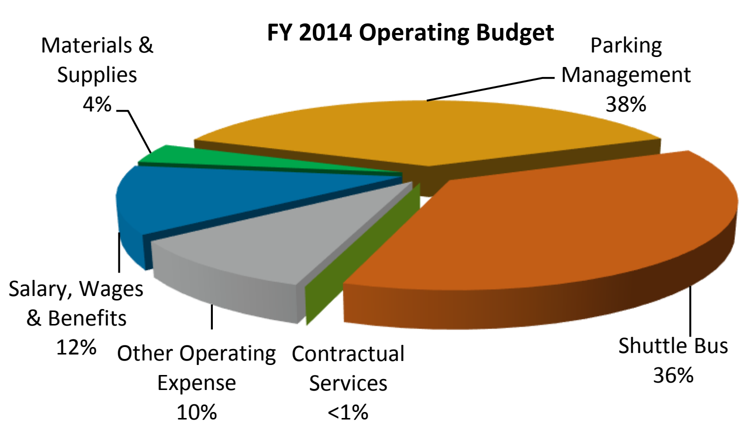
Salaries & Wages and Employee Benefits support a staff of 23 full-time employees.

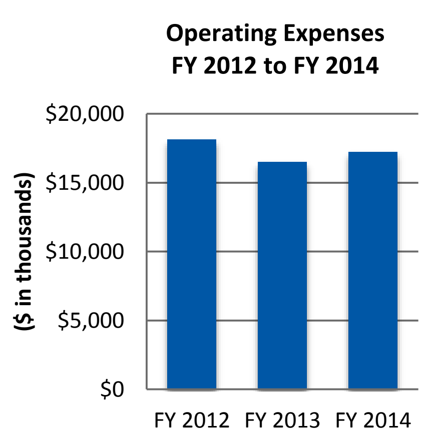
The **Parking Management** and **Shuttle Bus** services are operations contracted to third parties. The parking management contractor operates all parking decks and lots. The shuttle bus service contractor transports passengers between terminals and on-Airport parking locations and employees from designated parking lots to terminals.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 1,856	$ 2,047	$ 2,135	$ 88	4.3%
Materials & Supplies [1]	472	46	646	600	>100%
Parking Management	6,048	6,531	6,560	29	0.4%
Shuttle Bus	8,099	6,350	6,250	(100)	-1.6%
Contractual Services	-	-	-	-	n/a
Other Operating Expense	1,689	1,535	1,658	123	8.0%
Total Operating Expenses	$ 18,163	$ 16,508	$ 17,248	$ 739	4.5%
Operating Expenses by Cost Centers					
Ground Transportation	$ 18,163	$ 16,508	$ 17,248	$ 739	4.5%
Total	$ 18,163	$ 16,508	$ 17,248	$ 739	4.5%

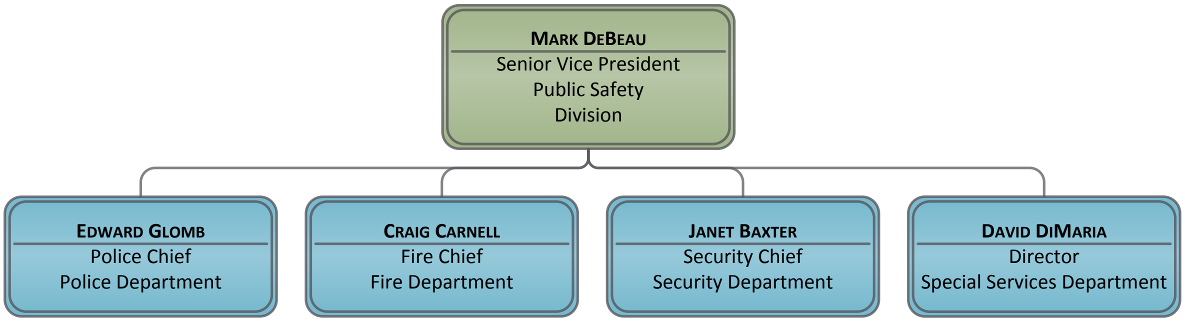
May not sum to total due to rounding

[1] FY 2014 increase to include fuel for shuttle bus fleet





PUBLIC SAFETY DIVISION



Full Time Employees (FTEs)	FY 2010 Budget	FY 2011 Budget	FY 2012 Budget	FY 2013 Budget	FY 2014 Budget	Five-Year CAGR
Public Safety Division						
Public Safety Administration	5	5	5	3	3	-9.7%
Police	112	112	113	107	107	-0.9%
Fire	60	60	60	60	61	0.3%
Security	27	29	29	30	30	2.1%
Special Services	3	3	3	3	3	0.0%
Total Public Safety Division	**207**	**209**	**210**	**203**	**204**	**-0.3%**

Public Safety Administration

Overview

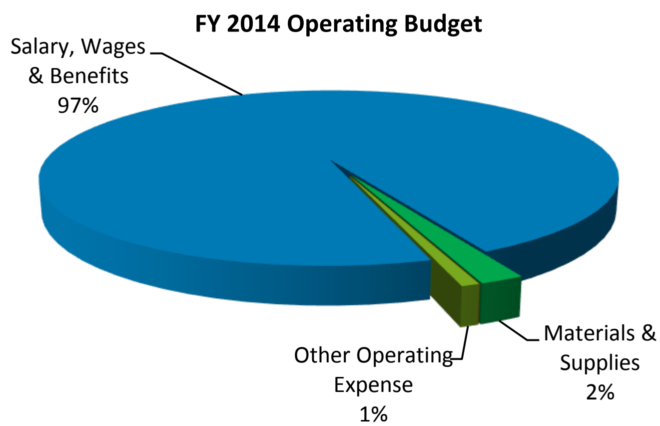
Public Safety Administration oversees the Public Safety division which provides safety and security for all airport users and preserves Authority assets through deployment of police, fire, security and special services.

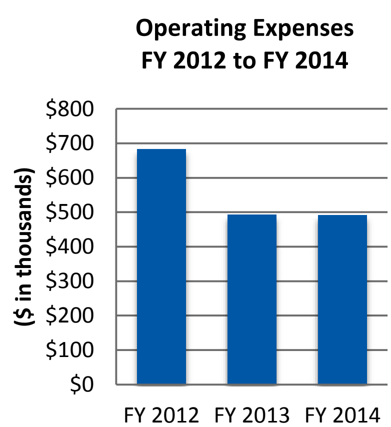
Resource Allocation

Salaries & Wages and Employee Benefits support a staff of three full-time employees.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits	$ 659	$ 479	$ 478	$ (1)	-0.1%
Materials & Supplies	15	10	10	0	0.2%
Contractual Services	3	-	-	-	n/a
Equipment Repair	1	-	-	-	n/a
Other Operating Expense	5	4	4	-	0.0%
Total Operating Expenses	$ 683	$ 493	$ 492	$ (1)	-0.1%
Operating Expenses by Cost Centers					
Public Safety	$ 683	$ 493	$ 492	$ (1)	-0.1%
Total	$ 683	$ 493	$ 492	$ (1)	-0.1%

May not sum to total due to rounding





Police

Overview

The Airport's internationally accredited Police department provides traditional law enforcement and dispatching services and supports the passenger screening function of the TSA.

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of 107 full-time employees.

Funds budgeted for **Materials and Supplies** are used for uniforms for officers, patrol firearms allowance, vests and ammunition.

Funds budgeted for **Contractual Services** include on-site professional development services and veterinary services for police dogs.

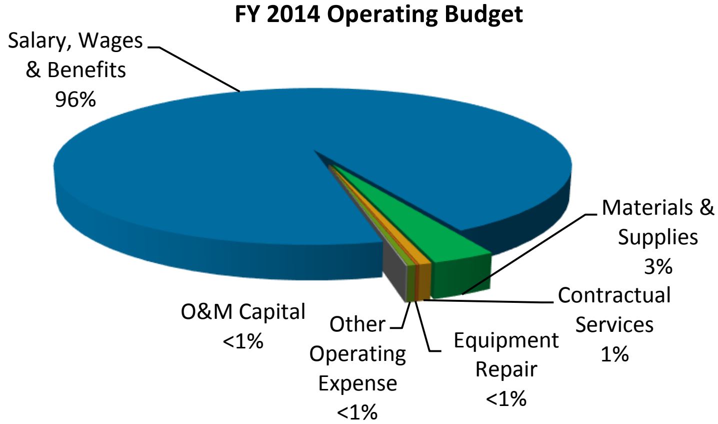
Police Department expenses are off-set by $1.0 million in federal grants for related law enforcement activities.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits	$ 12,701	$ 12,184	$ 12,571	$ 387	3.2%
Materials & Supplies [1]	404	335	412	76	22.8%
Contractual Services	17	88	80	(8)	-9.1%
Equipment Repair	10	21	17	(4)	-18.6%
Other Operating Expense	47	48	49	2	3.2%
O&M Capital	26	16	11	(6)	-34.4%
Total Operating Expenses	$ 13,206	$ 12,693	$ 13,140	$ 447	3.5%
Operating Expenses by Cost Centers					
Public Safety	$ 13,206	$ 12,693	$ 13,140	$ 447	3.5%
Total	$ 13,206	$ 12,693	$ 13,140	$ 447	3.5%

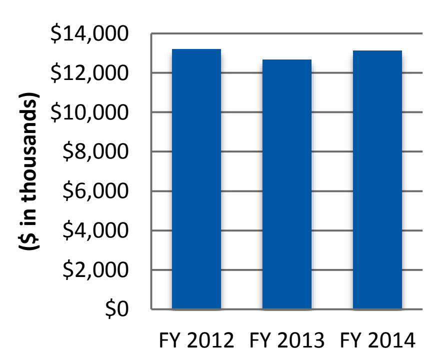
May not sum to total due to rounding

[1] FY 2014 increased for replacement of bullet proof vests

FY 2014 Operating Budget



Operating Expenses FY 2012 to FY 2014



SECURITY

Overview

Security is responsible for the systems and procedures to keep the passengers and Airport employees afe while maintaining compliance with Federal regulations and the Authority Security Program.

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of 30 full-time employees.

Security Guard Services are contracted out to a private security firm.

Funds budgeted for **Contractual Services** include FBI fingerprinting services.

Equipment Repair budget includes maintenance and changes to the Closed Circuit Television (CCTV) and Security Card Access System (SCAS).

Security's Credentials Office is located in the North Terminal and the cost recovery to the terminal for the space occupied is budgeted in **Other Operating Expenses.**

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 2,391	$ 2,486	$ 2,517	$ 31	1.2%
Materials & Supplies	77	95	87	(8)	-8.4%
Security [1]	2,288	2,248	3,178	930	41.4%
Contractual Services [2]	226	212	148	(65)	-30.4%
Buildings & Grounds [3]	-	-	75	75	n/a
Equipment Repair [4]	1,195	1,238	1,495	257	20.8%
Other Operating Expense	604	601	606	6	0.9%
O&M Capital [5]	33	28	-	(28)	-100.0%
Total Operating Expenses	$ 6,815	$ 6,907	$ 8,106	$ 1,198	17.3%
Operating Expenses by Cost Centers					
North Terminal [1]	$ -	$ -	$ 430	$ 430	n/a
South Terminal [1]	-	-	515	515	n/a
Public Safety	6,815	6,907	7,161	254	3.7%
Total	$ 6,815	$ 6,907	$ 8,106	$ 1,198	17.3%

May not sum to total due to rounding

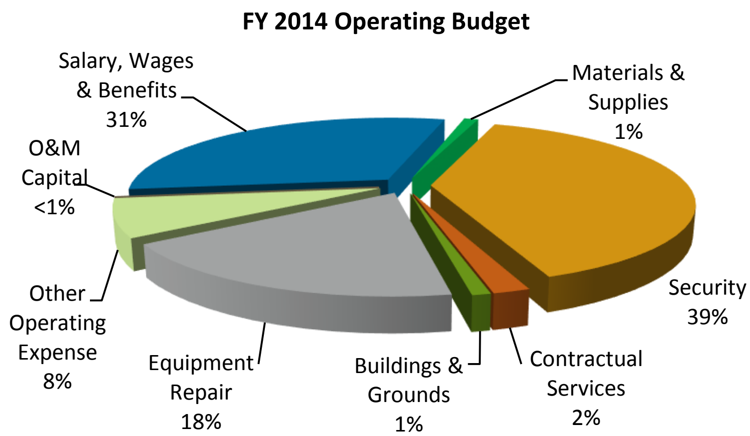
[1] FY 2014 new TSA mandate removing TSA authority to secure exit lanes; DTW security expenses being allocated to appropriate terminals

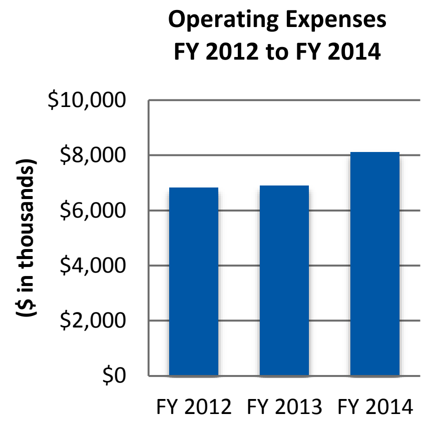
[2] FY 2014 reduced fingerprinting contract based on decreased need

[3] FY 2014 increase for vehicle airfield checkpoint repairs

[4] FY 2014 increase for Security Card Access system upgrades

[5] FY 2013 budget increase for fingerprint machine removed for FY 2014


FY 2014 Operating Budget
Salary, Wages & Benefits 31%
Materials & Supplies 1%
O&M Capital <1%
Security 39%
Other Operating Expense 8%
Equipment Repair 18%
Buildings & Grounds 1%
Contractual Services 2%


Operating Expenses FY 2012 to FY 2014
($ in thousands)
$10,000
$8,000
$6,000
$4,000
$2,000
$0
FY 2012
FY 2013
FY 2014

FIRE

Overview

Fire department is responsible for delivering aircraft rescue/firefighting, structural fire suppression, emergency medical services, fire prevention and education in order to maintain the safest environment possible for travelers and Airport employees.

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of 61 full-time employees.

Funds budgeted for **Materials and Supplies** are primarily used to purchase propane for the ARFF simulator, extinguishing agents and uniforms.

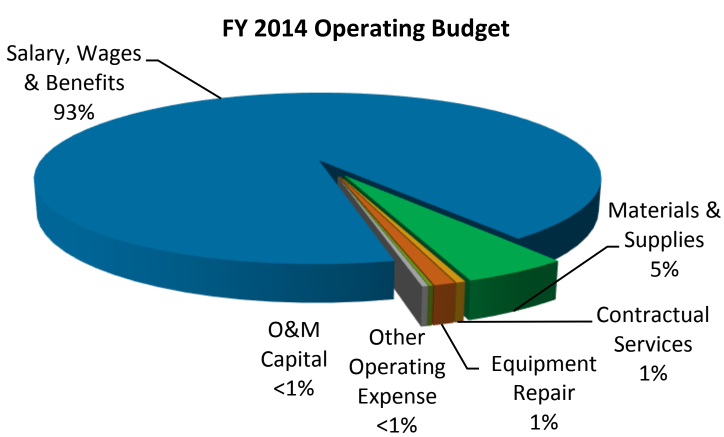
Equipment Repair budget includes expenses associated with the maintenance stretchers, rescue equipment, hydraulic tools and other of emergency equipment.

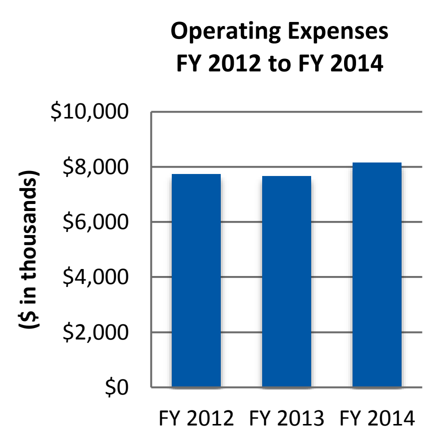
($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 7,201	$ 7,222	$ 7,614	$ 392	5.4%
Materials & Supplies [1]	301	280	397	117	41.9%
Contractual Services [2]	9	24	34	10	40.4%
Equipment Repair	67	95	79	(17)	-17.4%
Other Operating Expense	13	18	15	(2)	-11.7%
O&M Capital	154	27	23	(4)	-14.8%
Total Operating Expenses	$ 7,746	$ 7,666	$ 8,162	$ 496	6.5%
Operating Expenses by Cost Centers					
Fire & EMS	$ 7,746	$ 7,666	$ 8,162	$ 496	6.5%
Total	$ 7,746	$ 7,666	$ 8,162	$ 496	6.5%

May not sum to total due to rounding

[1] FY 2014 increased for replacement Firefighter protective gear

[2] FY 2014 was increased for Incident Command System training for Commanders





Special Services

Overview

Special Services (formerly known as Emergency Management) is responsible for providing preparedness, response and recovery in an Airport emergency. Special Services also oversees professional standards and accreditation for the Public Safety Division.

Resource Allocation

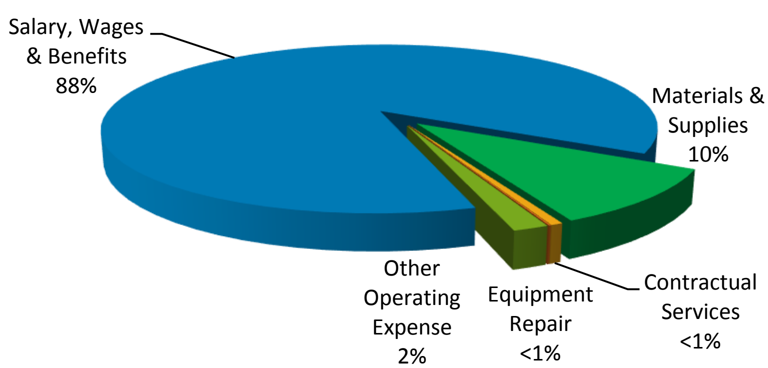
Salaries & Wages and Employee Benefits support a staff of three full-time employees.

Funds budgeted in **Materials and Supplies** include memberships, dues and subscription for Mutual Aid, the Commission on Accreditation for Law Enforcement Agencies (CALEA) and Commission on Fire Accreditation International (CFAI).

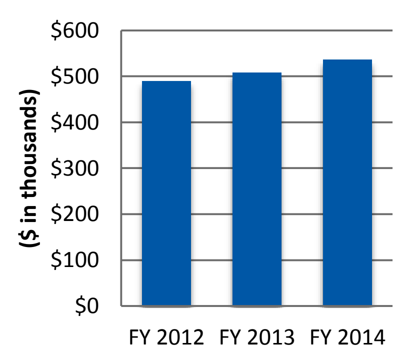
($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 464	$ 452	$ 469	$ 17	3.7%
Materials & Supplies	21	47	54	7	15.1%
Contractual Services	1	-	3	3	n/a
Equipment Repair	-	1	1	-	0.0%
Other Operating Expense	3	8	9	1	12.9%
Total Operating Expenses	$ 489	$ 508	$ 536	$ 28	5.5%
Operating Expenses by Cost Centers					
Public Safety	$ 489	$ 508	$ 536	$ 28	5.5%
Total	$ 489	$ 508	$ 536	$ 28	5.5%

May not sum to total due to rounding

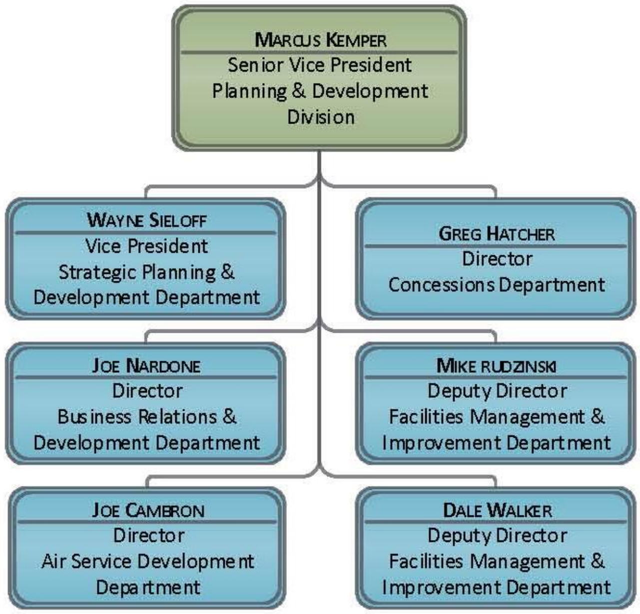
FY 2014 Operating Budget



Operating Expenses FY 2012 to FY 2014



PLANNING & DEVELOPMENT DIVISION



Full Time Employees (FTEs)	FY 2010 Budget	FY 2011 Budget	FY 2012 Budget	FY 2013 Budget	FY 2014 Budget	Five-Year CAGR
Planning & Development Division						
Planning & Development Administration	6	2	2	1	1	-30.1%
Strategic Planning & Development	1	1	1	9	11	61.5%
Capital Development & Facility Projects	16	19	20	3	4	-24.2%
Business Relations & Development	2	2	2	3	3	8.4%
Concessions and Quality Services	6	6	6	4	4	-7.8%
Air Service Development	1	1	1	1	1	0.0%
Facilities Management & Development	-	-	-	5	5	n/a
Total Planning & Development Division	**32**	**31**	**32**	**26**	**29**	**-1.9%**

Planning & Development, Air Service Development and Real Estate

Overview

Illustrated in this section is the budget for the Planning & Development Administration, Air Service Development and Real Estate departments.

Planning & Development Administration oversees the air service development, business relations, concessions, facilities management & improvement and strategic planning.

Air Service Development is responsible for improving air service through the development and implementation of research, marketing and media outreach programs. The group analyzes aviation industry data and trends which result in recommendations for new and/or improved air service as well as identifying positive air service trends that can be used to enhance the Airport's image in the local community and with connecting passengers.

Real Estate department organizes and manages off-terminal non-airline revenue-generating functions, including any future development of facilities or land on airport property.

Resource Allocation

Salaries & Wages and Employee Benefits for both Departments support a staff of five full-time employees.

Funds budgeted for **Materials & Supplies** are used for industry data subscriptions and software for DIIO and Sabre to support air service development.

Professional appraisal services are budgeted under **Contractual Services**.

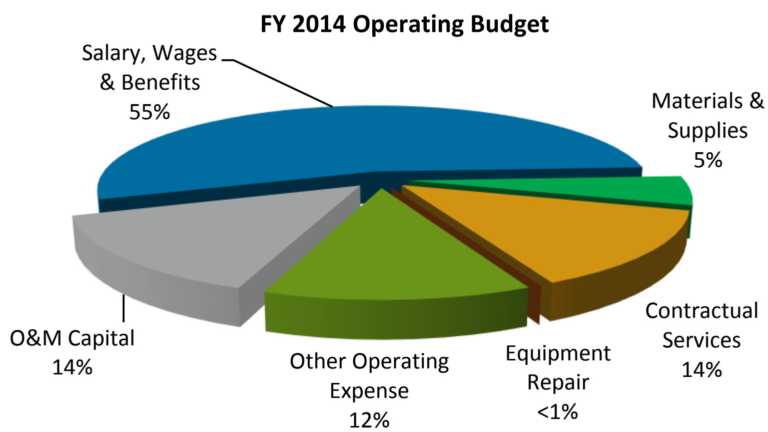
Funds budgeted for **O&M Capital** include rent credits for improvements made to facilities by tenants.

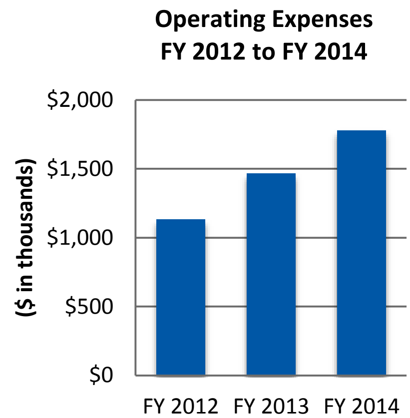
($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 772	$ 957	$ 968	$ 11	1.2%
Materials & Supplies	60	93	95	2	2.4%
Contractual Services [1]	15	65	244	179	>100%
Equipment Repair	1	-	-	-	n/a
Other Operating Expense [2]	29	96	216	120	>100%
O&M Capital	255	256	256	-	0.0%
Total Operating Expenses	$ 1,132	$ 1,467	$ 1,778	$ 312	21.3%
Operating Expenses by Cost Centers					
Cargo & Hangar	$ 220	$ 256	$ 256	$ -	0.0%
Administration	912	1,211	1,522	312	25.7%
Total	$ 1,132	$ 1,467	$ 1,778	$ 312	21.3%

May not sum to total due to rounding

[1] FY 2014 includes Aerotropolis funding that was previously included in the Office of the CEO's budget

[3] FY 2014 CEO Initiative - Increases for tradeshow marketing for Cargo service and new route development


FY 2014 Operating Budget
Salary, Wages & Benefits 55%
Materials & Supplies 5%
Contractual Services 14%
Equipment Repair <1%
Other Operating Expense 12%
O&M Capital 14%


Operating Expenses FY 2012 to FY 2014
($ in thousands)
$2,000
$1,500
$1,000
$500
$0
FY 2012
FY 2013
FY 2014

STRATEGIC PLANNING & DEVELOPMENT

Overview

Strategy Planning & Development t is responsible for overseeing the overall strategy of the Authority, including managing the Authority's Balanced Scorecard, leading the initiative and business planning process, improving customer satisfaction, developing and implementing organization-wide performance improvement programs and benchmarking performance against peer airports.

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of 11 full-time employees.

Acquisition for new strategic planning and performance management software is budgeted in **Material & Supplies**.

The **Contractual Services** budget includes funding for participation in annual ACI-Airport Service Quality survey, an airport economic impact study and professional service for airport zoning ordinance initiative.

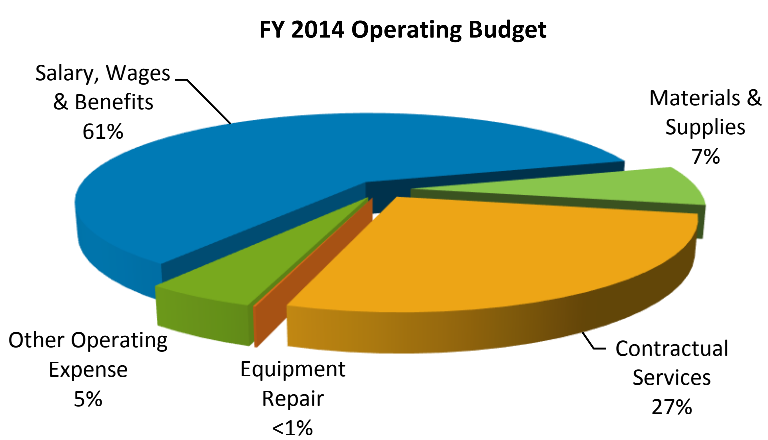
($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits [1]	$ 1,931	$ 780	$ 1,018	$ 239	30.6%
Materials & Supplies	36	106	120	14	13.4%
Contractual Services [2]	744	256	454	198	77.1%
Equipment Repair	2	2	2	-	0.0%
Other Operating Expense [3]	(46)	24	82	59	>100%
Total Operating Expenses	$ 2,668	$ 1,168	$ 1,677	$ 509	43.6%
Operating Expenses by Cost Centers					
Administration	$ 2,668	$ 1,168	$ 1,677	$ 509	43.6%
Total	$ 2,668	$ 1,168	$ 1,677	$ 509	43.6%

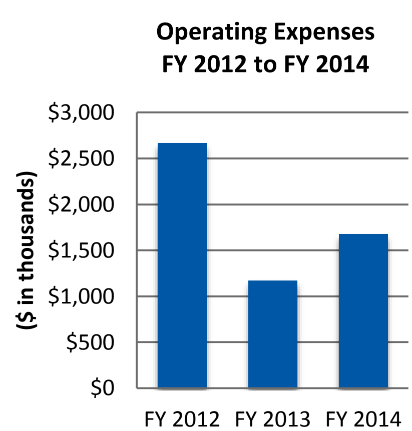
May not sum to total due to rounding

[1] Department's staff was increased by two FTE from FY 2013 to FY 2014

[2] FY 2014 includes CEO Initiative to perform survey and engineering studies for the North Cargo and Maintenance complex including the planning and design of the AOA Service/Tug Road and a utility analysis of the Gateway Commercial Center

[3] FY 2014 increased for CEO initiative for employee professional development





Concessions

Overview

Concessions is responsible for delivering a variety of services to the traveling public, airlines and visitors (including food, beverage, retail, duty-free, car rental, in-flight kitchen and fixed-based operator services). The group oversees the design of new and existing venues, manages all related construction and contractual obligations, conducts plan reviews of renovations, and monitors and evaluates existing concession performance.

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of four full-time employees.

Funds budgeted for **Contractual Services** are used for:

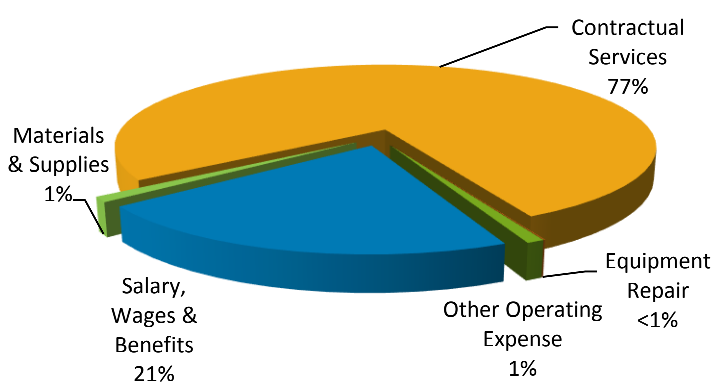
- Consulting services for all Concessions requests for proposals (RFPs) airport wide
- Dock Master services for both terminals
- Complimentary luggage carts at both terminal for all international passengers

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	FY 2013 to FY 2014 Change %
Operating Expenses by Category					
Salary, Wages & Benefits	$ 801	$ 464	$ 494	$ 29	6.3%
Materials & Supplies	10	24	24	-	0.0%
Contractual Services [1]	1,864	2,031	1,837	(194)	-9.6%
Equipment Repair	-	1	1	-	0.0%
Other Operating Expense	90	20	20	-	0.0%
Total Operating Expenses	$ 2,765	$ 2,539	$ 2,375	$ (165)	-6.5%
Operating Expenses by Cost Centers					
North Terminal	$ 1,132	$ 1,132	$ 1,132	$ -	0.0%
South Terminal	575	574	580	6	1.0%
Facilities & Maintenance	-	50	-	(50)	-100.0%
Administration	1,058	784	663	(121)	-15.4%
Total	$ 2,765	$ 2,539	$ 2,375	$ (165)	-6.5%

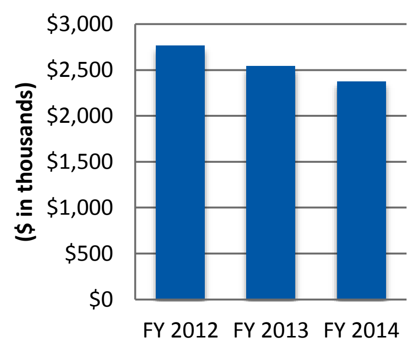
May not sum to total due to rounding

[1] FY 2013 was increased for consultant expenses related to the retail concessions program that was rebid for the South Terminal

FY 2014 Operating Budget



Operating Expenses FY 2012 to FY 2014



Facilities Management & Improvement

Overview

Facilities Management and Improvement manages existing facilities related project planning, design and construction phases. The group also administers engineering, construction contracts and facilities maintenance contracts, while establishing and overseeing preventive and corrective facilities maintenance plans. They also provide construction oversight, inspection and material testing.

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of five full-time employees.

Funds budgeted for **Janitorial Services** are used for the janitorial service contract for non-terminal airport facilities and waste removal.

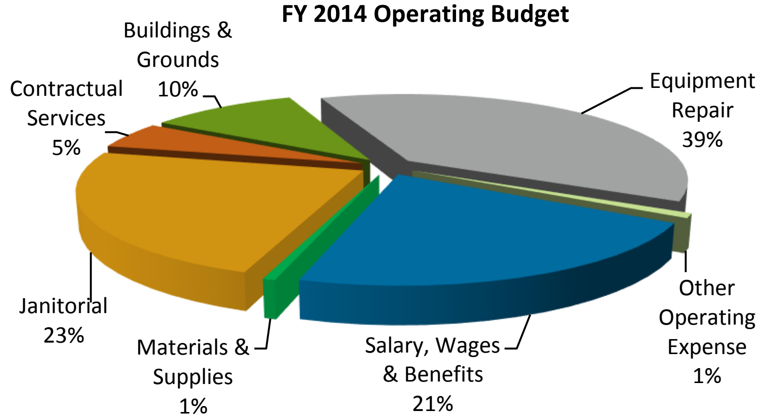
Funds budgeted for **Buildings and Grounds** are used for maintenance and repairs on airport facilities buildings.

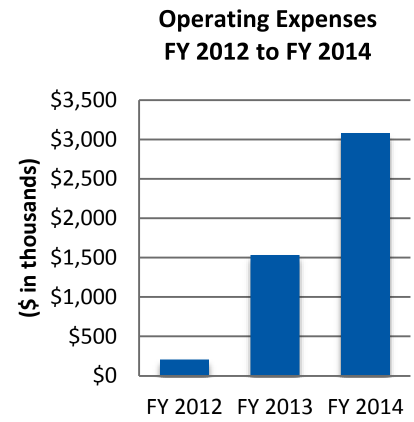
The maintenance and repairs of elevator, escalators and automatic doors for non-terminal facilities are budgeted in the **Equipment Repairs** line.

($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 195	$ 580	$ 655	$ 75	13.0%
Materials & Supplies	0	9	18	9	98.9%
Janitorial	-	468	719	252	53.8%
Contractual Services	-	122	157	35	28.6%
Buildings & Grounds	11	100	321	221	>100%
Equipment Repair	-	244	1,185	941	>100%
Other Operating Expense	-	13	26	13	98.5%
Total Operating Expenses	$ 206	$ 1,535	$ 3,080	$ 1,545	>100%
Operating Expenses by Cost Centers					
North Terminal	$ -	$ -	$ 25	$ 25	n/a
Facilities & Maintenance	11	1,535	1,162	(373)	-24.3%
Ground Transportation	-	-	1,230	1,230	n/a
Administration	195	-	655	655	n/a
Public Safety	-	-	8	8	n/a
Total	$ 206	$ 1,535	$ 3,080	$ 1,545	>100%

May not sum to total due to rounding

Note: This department was formed at the end of FY 2012, and all adjustments to the FY 2014 budget reflect both budget realignments from other departments and increased scope of needed maintenance


FY 2014 Operating Budget
Buildings & Grounds 10%
Contractual Services 5%
Equipment Repair 39%
Janitorial 23%
Materials & Supplies 1%
Salary, Wages & Benefits 21%
Other Operating Expense 1%

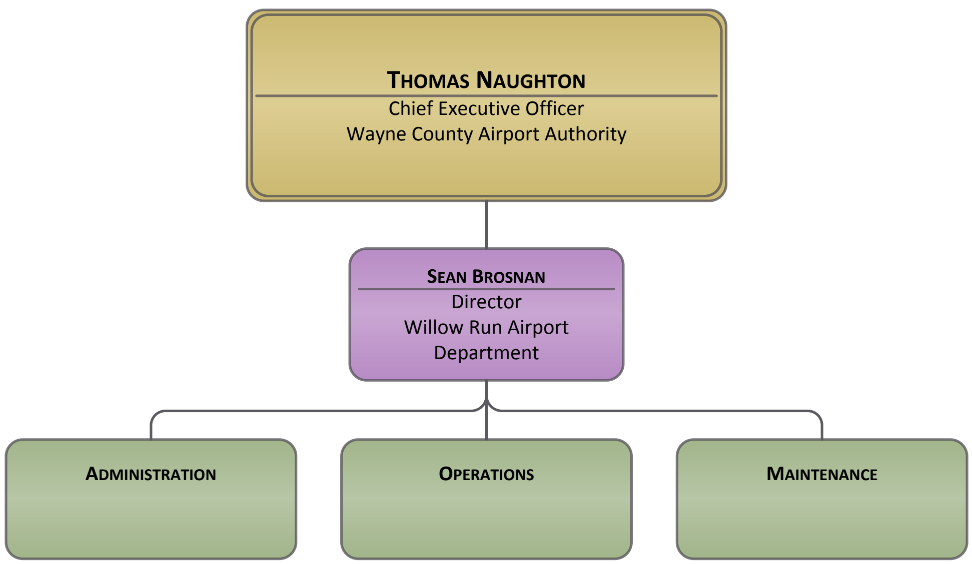

Operating Expenses FY 2012 to FY 2014
($ in thousands)
$3,500
$3,000
$2,500
$2,000
$1,500
$1,000
$500
$0
FY 2012
FY 2013
FY 2014

WILLOW RUN AIRPORT

Managed by the Wayne County Airport Authority, Willow Run Airport is located seven miles west of the Airport. Occupying 2,600 acres, Willow Run serves cargo, corporate and general aviation clients. The airport offers four runways, 24-hour FAA Tower and US Customs inspections to provide ease of access for its users. Willow Run's runways include ILS all-weather and a crosswind runway. The airport accommodates small private planes, as well as international 747 cargo jets. Cargo, corporate and general aviation clients prefer Willow Run, as it provides the advantages of a larger airport with the conveniences of a smaller facility.

Willow Run is classified as a national reliever airport in the FAA's National Plan of Airport Systems (NPIAS). National reliever airports are high-capacity general aviation airports in major metropolitan areas that provide an alternative to more congested commercial service airports. There are nearly 3,400 airports listed in the NPIAS of which 84 are national relievers – the highest category for a general aviation airport.

Willow Run Airport handles over 70,000 operations per year. Approximately 200 million pounds of cargo are transferred through the airport annually, making Willow Run the third largest airport in the State of Michigan.



Full Time Employees (FTEs)	FY 2010 Budget	FY 2011 Budget	FY 2012 Budget	FY 2013 Budget	FY 2014 Budget	Five-Year CAGR
Willow Run Airport						
Administration	3	3	3	3	3	0.0%
Operations	1	1	1	1	1	0.0%
Maintenance	7	7	7	7	7	0.0%
Willow Run Airport Total	**11**	**11**	**11**	**11**	**11**	**0.0%**

Willow Run Administration, Operations and Maintenance

Overview

Willow Run is divided into three operating departments: operations, maintenance and administration.

The Operations Department ensures the safety, security and protection of the traveling public and Willow Run community through coordinating the enforcement of all applicable federal and Airport rules and procedures. The Department maintains the FAA's Part 139 Airport Certification and Manual, a requirement for airports serving scheduled air carrier operations in aircraft greater than nine passenger seats but no more than 31. The Operations Department is responsible for responding to incidents and emergencies (e.g. fire, security, snow removal, construction, special occasions and dignitary details). US Customs inspections of inbound and outbound international aircraft are performed by the Department.

The Maintenance Department is responsible for maximizing the safety, cleanliness and overall quality of the Willow Run Airport grounds, optimizing vendor performance through effective contract management and performing snow removal and landscaping services per the FAA Certificate Manual.

The Administration Department manages the airport's business affairs, including finance, data collection, leases, procurement, billings and receivables. It develops and implements of Willow Run's Capital Improvement Program, including grant development, plan reviews, construction oversight, master plan updates and environmental assessments. Responsibilities include expanding the marketing reach of airport facilities and services.

Resource Allocation

Salaries & Wages and Employee Benefits support a staff of 11 full-time employees.

Gasoline and diesel fuel for Willow Run vehicles represent the greatest expense in the **Material and Supplies** budget.

The major expenses budgeted in the **Contractual Services** include:

- Environmental assessments and the collection of deicing fluid
- A chargeback to Detroit Metropolitan Airport for airfield firefighting services
- Snow removal
- Landscaping services

The **Utilities** budget provides for all electricity, water and sewer, gas and steam.

US Customs fees are charges to the **Other Operating Expense** budget.

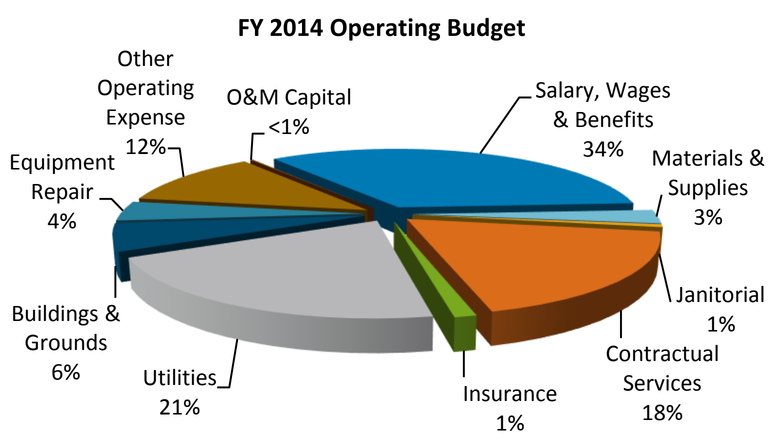
($ in thousands)	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2013 to FY 2014 Change $	%
Operating Expenses by Category					
Salary, Wages & Benefits	$ 1,258	$ 1,231	$ 1,253	$ 21	1.7%
Materials & Supplies	74	95	105	11	11.3%
Janitorial	18	22	22	-	0.0%
Contractual Services [1]	703	846	668	(178)	-21.0%
Insurance	29	30	42	12	40.3%
Utilities	795	805	758	(47)	-5.8%
Buildings & Grounds	446	243	209	(34)	-14.2%
Equipment Repair [2]	165	229	152	(77)	-33.6%
Other Operating Expense	430	442	431	(10)	-2.3%
O&M Capital [3]	98	125	8	(118)	-94.0%
Total Operating Expenses	$ 4,015	$ 4,067	$ 3,647	$ (420)	-10.3%
Operating Expenses by Cost Centers					
Willow Run	$ 4,015	$ 4,067	$ 3,647	$ (420)	-10.3%
Total	$ 4,015	$ 4,067	$ 3,647	$ (420)	-10.3%

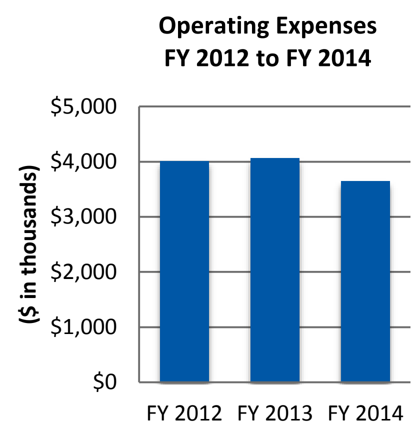
May not sum to total due to rounding

[1] FY 2014 reflects efficiencies in the chargeback for the DTW firefighter chargeback to Willow Run

[2] FY 2013 included expenses for the Security Control Access System that is no longer being charged to Willow Run

[3] FY 2013 included debt service for National Air Cargo service (vacated Willow Run during FY 2013)





CAPITAL IMPROVEMENT PROGRAM

The Authority manages the capital projects at the Airport under a Capital Improvement Program (CIP). The plans for current and future capital projects at the Airport are summarized in a Five Year Plan.

The Five Year Plan is an important tool used for formulating future project financing plans, maximizing federal and state grant opportunities, pro-actively planning for the replacement or reconstruction of essential infrastructure components that are nearing the end of their useful or service life. The CIP is an important tool in facilitating scheduling and coordinating execution of multiple projects to minimize operational impact.

Definition of Capital Projects

Capital projects are long-term investment projects requiring large investments to acquire, develop, improve and/or maintain a capital asset such as land, buildings, roadways, etc. Capital assets are defined as assets with a unit cost of $5,000 or greater with an estimated useful life of one year or longer. The majority of the capital projects in the Five Year Plan are considered “routine” projects for a major airport, including reconstruction of runways and taxiways, rehabilitation of parking decks and roadway improvements. In general, routine capital projects do not affect the annual operating budget. As an example, if a runway is taken out of service to be reconstructed, the maintenance efforts that would have been expended on that runway are reassigned to maintain other portions of the airfield pavement that require attention.

Funding Sources

The Authority’s funding sources for the CIP include, but are not limited to, airport revenue bonds, Passenger Facility Charges (PFCs), grants and discretionary funds. Given the multiple funding sources that comprise this plan, board approval of the CIP does not imply that the source of funding has been determined. The Finance Department is responsible for recommending and determining the proper source of funding for capital projects. Interest income earned in a particular capital fund will remain in the same fund where the interest was earned.

Airport Revenue Bonds

The Authority issues airport revenue bonds to finance the cost of capital projects, subject to receiving the approval of a weighted majority of Signatory Airlines for such capital projects as outlined in the Airport’s Use and Lease Agreements. The yearly operating budget includes the debt service on such bonds in the fees and charges to the airlines until the bond is repaid in full. Airport revenue bonds have already been issued to fund many of the projects in the Authority’s current CIP.

Pursuant to Public Act 94, prior to the issuance of revenue bonds, a notice of intent to issue bonds shall be published in a newspaper which has general circulation in the territory of the borrower.

Existing Bonds - The Authority expects to use proceeds totaling approximately $241.6 million from these previous bond sales to fund certain costs of the CIP.

Future Bonds - A total of approximately $240.0 million in FY 2014-2018 CIP project costs are currently anticipated to be funded with the proceeds of future bonds expected to be issued in FY 2014 and FY 2016.

Passenger Facility Charges

Under the Aviation Safety and Capacity Expansion Act of 1990 (the “PFC Act”), the FAA may authorize a public agency, such as the Authority, that controls an airport to impose a PFC of up to $4.50 for each qualifying enplaned passenger at such airport to be used to finance eligible airport-related projects. In order to receive authorization to impose a PFC and use the PFC revenue, the Authority must submit an application requesting that the FAA approve the imposition of a PFC for and the use of PFC revenues on specific eligible projects described in such application. PFCs are collected on behalf of airports by air carriers and their agents (the “Collecting Carriers”) and remitted to the public agency.

Grants

The FAA’s Airport Capital Improvement Program (ACIP) provides federal entitlement and discretionary grants for eligible airport projects. The Authority receives Airport Improvement Program (AIP) entitlement grants based on: (1) levels of funding authorized and appropriated by Congress for the program, (2) the number of passengers and amount of cargo at the Airport and (3) 75 percent reduction in entitlement grants resulting from the Authority’s $4.50 PFC level. The Authority is also eligible for AIP discretionary grant awards for specific projects pursuant to grant applications for such funding and is authorized and appropriated by Congress and the FAA’s prioritization of competing projects. AIP grants accepted by the Authority are distributed on a reimbursement basis.

From time to time the Authority also receives grants from other federal, state and local sources. The Authority expects to apply approximately $201.4 million in grants towards the FY 2014-2018 CIP projects at both airports.

Other Authority Funds

Per the Master Bond Ordinance and in accordance with provisions in the Airport Use and Lease Agreements, amounts from the Airport Development Fund, Airport Renewal and Replacement Fund, the Airport Discretionary Fund and other funding sources can be used to fund the costs of capital improvement projects at the Airport.

Airport Development Fund

Per the Master Bond Ordinance, a fixed amount in accordance with the Airport Use and Lease Agreements is transferred from the Operating & Maintenance fund to the Airport Development Fund and applied, at the discretion of the Chief Executive Officer, to be used toward any capital expense incurred by the Authority for any lawful purpose. The CIP includes $8.0 million in funding for both the Airport and Willow Run.

Airport Renewal & Replacement Fund

Per the Master Bond Ordinance, an amount of $500,000 is transferred annually into the Airport Renewal & Replacement Fund (R&R) from the Operating & Maintenance fund. R&R funds may be used for the purpose of paying (a) the costs of completing or replacing capital improvements at the Airport and (b) making repairs, replacements or renovations.

Airport Discretionary Fund

Per the Master Bond Ordinance, an amount of $350,000 is transferred annually into the Airport Discretionary Fund from the Operating & Maintenance fund. Discretionary funds may be used by the Authority for any lawful purpose.

Capital Improvement Program – FY 2014 – FY 2018

Estimated Project Costs & Timing

Figure 16 represents a summary of Airport CIP projects including total estimated project costs by category and anticipated project timing. Approximately $138.7 million of the estimated total cost of the CIP are expected to be spent as of September 30, 2013. FY 2014 estimated CIP expenditures total approximately $172.9 million, including approximately $61.5 million in Airfield project costs. Approximately $283.6 million is anticipated to occur in FY 2015 or beyond for these projects.

Figure 16: Detroit Metropolitan Airport CIP FY 2014 - FY 2018

($ in thousands)	Total Cost	Est. Expenses thru 9/30/13	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 to Completion
Airfield	$ 363,400	$ 123,358	$ 61,512	$ 31,030	$ 38,200	$ 58,300	$ 51,000
Cargo, Hangar & Commercial Development	12,775	-	2,313	3,337	7,125	-	-
Power Plant & Electrical Distribution Systems	39,092	140	14,227	15,775	4,550	1,600	2,800
Fleet & Equipment	28,335	3,635	6,574	3,567	4,384	6,176	4,000
Parking Decks & Lots	30,110	6,975	14,325	8,810	-	-	-
Bridges & Roadways	12,565	276	3,795	3,464	840	4,189	-
Security & Communications	25,590	708	8,432	4,450	6,000	6,000	-
Support Facilities	34,650	1,052	28,273	5,325	-	-	-
Demolitions	31,729	-	21,758	9,871	100	-	-
Terminals	8,500	2,100	6,400	-	-	-	-
Water Mains & Storm Water System	8,500	450	5,300	1,650	1,100	-	-
Detroit Metropolitan Airport Total	$ 595,246	$ 138,694	$ 172,910	$ 87,278	$ 62,299	$ 76,265	$ 57,800

Total may not sum due to rounding

Willow Run's $129.4 million CIP is separate from the Airport. It is primarily composed of $109.7 million (84.8 percent) of airfield projects aimed at both reconstructing runways and taxiways while right-sizing the airfield for forecasted demand and provide lowering maintenance costs for the long run. These projects are 95 percent funded through federal and state transportation grants. The second largest component of the Willow Run CIP is improvements to support facilities critical to attracting and retaining tenants.

Figure 17: Willow Run CIP FY 2014 - FY 2018

($ in thousands)	Total Cost	Est. Expenses thru 9/30/13	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 to Completion
Airfield	$ 109,722	$ 16,960	$ 17,550	$ 18,412	$ 15,500	$ 20,100	$ 21,200
Noise Mitigation	2,900	-	-	-	900	1,000	1,000
Fleet & Equipment	2,679	106	235	680	90	212	1,356
Security & Communications	1,500	-	500	500	500	-	-
Support Facilities	12,645	780	6,735	4,330	500	300	-
Willow Run Airport Total	$ 129,446	$ 17,846	$ 25,020	$ 23,922	$ 17,490	$ 21,612	$ 23,556

Total may not sum due to rounding

Anticipated Funding Sources

Figure 18 and Figure 19 summarize the anticipated funding sources of the CIP for the Airport and Willow Run, respectively. As a result of the forward-looking nature of the program, some of the anticipated funding sources for the projects are subject to change.

Figure 18: Detroit Metropolitan Airport CIP FY 2014 – FY 2018 Estimated Sources of Funding

($ in thousands)	Total Cost	Existing GARBs	New GARBs	Grants	Discretionary or Other
Airfield	$ 363,400	$ 153,439	$ 112,061	$ 97,725	$ 175
Cargo, Hangar & Commercial Development	12,775	-	12,485	-	290
Power Plant & Electrical Distribution Systems	39,092	6,000	31,442	-	1,650
Fleet & Equipment	28,335	13,400	12,000	1,920	1,015
Parking Decks & Lots	30,110	30,110	-	-	-
Bridges & Roadways	12,565	4,275	8,290	-	-
Security & Communications	25,590	3,100	21,900	-	590
Support Facilities	34,650	22,200	5,150	-	7,300
Demolitions	31,729	3,375	28,354	-	-
Terminals	8,500	477	5,023	-	3,000
Water Mains & Storm Water System	8,500	5,200	3,300	-	-
Detroit Metropolitan Airport Total	$ 595,246	$ 241,576	$ 240,005	$ 99,645	$ 14,020

Total may not sum due to rounding

Figure 19: Willow Run CIP FY 2014 – FY 2018 Estimated Sources of Funding

($ in thousands)	Total Cost	AIP Grants	MDOT Grants	Authority Funds	Other	TBD
Airfield	$ 109,722	$ 93,575	$ 5,449	$ 5,449	$ -	$ 5,250
Noise Mitigation	2,900	2,610	145	145	-	-
Fleet & Equipment	2,679	-	-	2,679	-	-
Security & Communications	1,500	-	-	-	-	1,500
Support Facilities	12,645	-	-	10,883	1,763	-
Willow Run Airport Total	$ 129,446	$ 96,185	$ 5,594	$ 19,155	$ 1,763	$ 6,750

Total may not sum due to rounding

Significant Non-Routine Projects with Impact to Future Operating Budgets

The majority of capital projects in the Five Year Plan are considered routine, however the following non-routine CIP projects and descriptions have an impact on the current and future operating budgets.

Cargo, Hangar & Commercial Development Projects (Items Nos. 12-16) – The CIP includes planning and infrastructure improvements to prepare two "developer-ready" sites for redevelopment: North Cargo Freight Site Redevelopment and the Gateway Airport Business/Commercial Development. Both projects are investments designed to grow cargo, concessions and other non-airline revenues. As these projects are currently in the conceptual phase of planning, the CIP provides funding for initial analysis and limited planning. Analyzing the return on investment and forecasting revenue generation to the operating budget is on-going.

Compressed Natural Gas Fueling Facility (Item No. 31) – The cost of compressed natural gas (CNG) has been trending downward over the past several years and is less expensive than gasoline or diesel fuel on a per-gallon basis. Market cost of a gallon equivalent of CNG is approximately $1. The extent to which to Authority can convert its fleet to CNG is under investigation and the estimated saving to the operating budget cannot be quantified until the study is completed. In addition to reducing fuel expenses, the CNG facility has the potential to generate revenue if it's located on the landside for commercial use.

Parking Deck LED Lighting Installation (Item No. 36) – By replacing the existing High Pressure Sodium (HPS) lamps with a Light-Emitting Diode (LED) system in each parking deck, the Authority estimates decrease maintenance costs and reduce electricity consumption. As illustrated below, the ten year cost to for continued operation of the HPS system is $22.4 million as compared to $9.9 million in capital investment and maintenance for the LED project. The result is a return on investment of $12.5 million. The project's implementation is phased over two years. The FY 2014 operating budget take into account cost savings of $310,000 in electricity and $81,000 in reduced maintenance costs.

Airport Administration Building (Item No. 47) – The Authority management and administrative staff are currently still housed at the Smith Terminal, occupying only approximately 30 percent of the building. The space not being used requires budget expenditures for heating, cooling, lighting and nominal maintenance. Plans are being developed to provide management and administrative spaces that are both operationally efficient and cost effective. The exact impact to the operating budget cannot be determined at this time as the new facility has not yet been designed but preliminary estimates are as much as $800,000 in annual savings to the O&M Budget.

Site Redevelopments & Demolitions (Items Nos. 49-57) – In 2012 the Authority developed an Integrated Land Use Strategic Plan to identify opportunities for economic development on Airport property. The plan identifies several vacant or under-utilized sites that would be attractive to developers for aviation and non-aviation related activities including but not limited to, cargo, aircraft maintenance, repair and overhaul, freighter/integrator operations, passenger commercial centers and commercial office space. This grouping of demolition and site re-development projects are geared toward making specific parcels of property as "developer-ready." The full impact to operating revenue from future development is not quantified and analysis is on-going as opportunities present to the Authority.

Demolition of the L.C. Smith & Berry Terminals (Item No. 58) – Both the L.C. Smith and Berry terminals have been de-commissioned since the opening of the North Terminal in 2008. The L.C. Smith Terminal currently houses the Authority's administrative offices, however, is only 30 percent utilized. The Berry Terminal serves no routine function and the Authority is required to maintain the building for life-safety issues. Demolishing both facilities will result in maintenance and utility cost savings.

Runway 14/32 Decommission & Removal (Item No. WR2) – The decommissioning and removal of the runway is intended to right-size Willow Run Airport, lowering maintenance expenses and future capital needs.

Willow Run Hangar 1 Rehabilitation Projects (Items Nos. WR14-WR19) – Six rehabilitation projects to Hangar 1 seek to modernize the facility's electrical, HVAC and fire suppression systems to improve efficiency and lower operation costs. Further, these projects are critical for retaining existing tenants and improve the marketability of unutilized space for revenue growth.

Detroit Metropolitan Airport CIP FY 2014 – FY 2018

($ in Thousands)

Item No.	Project Description	Estimated Total Cost	Projected Expenses to 9/30/13	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 to Completion
Airfield								
1	Runway 4R/22L, Western Portion of Runway 9L/27R & Adjacent Taxiways Reconstruction (includes Taxiways Y-11, Y-16 & Y-17)	$ 137,000	$ 112,212	$ 24,787	$ -	$ -	$ -	$ -
2	Runway 4R Threshold Displacement	13,500	8,775	4,725	-	-	-	-
3	Taxiway W Balance of Reconstruction	27,300	2,370	15,000	9,930	-	-	-
4	Runway 3L/21R & Associated Taxiways Reconstruction	128,000	-	2,000	6,000	30,000	51,000	39,000
5	Runway 3L/21R Enhancements Planning	700	-	200	500	-	-	-
6	Eastern Taxiways Reconstruction (includes Taxiways S, S-4, S-5, W-5 and portions of Taxiways F, PP-1, PP-2, and V)	28,400	-	14,800	13,600	-	-	-
7	Airfield Pavement Surface Monitoring System Improvements	1,000	-	-	200	800	-	-
8	Taxiway H Reconstruction of Western Portion	1,800	-	-	300	1,200	300	-
9	Taxiway G Reconstruction of Northern Portion	5,700	-	-	500	4,200	1,000	-
10	Runway 4L/22R Reconstruction - Planning & Design	6,000	-	-	-	2,000	4,000	-
11	Taxiway Z Reconstruction & Relocation of Southern Portion	14,000	-	-	-	-	2,000	12,000
	Airfield Total	**363,400**	**123,358**	**61,512**	**31,030**	**38,200**	**58,300**	**51,000**
Cargo, Hangar & Commercial Development								
12	Gateway Airport Business/Commercial Improvements Sites 1 & 2	1,860	-	1,860	-	-	-	-
13	Building 614 Expansion - Planning Only	40	-	40	-	-	-	-
14	North Cargo Apron Rehabilitation - Phase I of North Cargo Site Redevelopment	3,500	-	163	3,337	-	-	-
15	North Cargo Freight Site Redevelopment Building 1 - Planning Only	250	-	250	-	-	-	-
16	West Service Drive Relocation	7,125	-	-	-	7,125	-	-
	Cargo, Hangar & Commercial Development Total	**12,775**	**-**	**2,313**	**3,337**	**7,125**	**-**	**-**
Power Plant & Electrical Distribution System								
17	East Service Drive Utilities Upgrade & Expansion	7,340	140	4,800	2,400	-	-	-

Item No.	Project Description	Estimated Total Cost	Projected Expenses to 9/30/13	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 to Completion
18	Utility Command Center & Remote Metering	6,000	-	4,000	2,000	-	-	-
19	High Voltage Transmission Lines for Primary Service to the North Campus	5,527	-	127	5,400	-	-	-
20	Primary Electrical Cable & Switchgear Replacement	550	-	350	200	-	-	-
21	North Power Plant Electrical Gear & Load Centers Replacement	2,250	-	1,500	750	-	-	-
22	Planned Replacement Electrical Substations Replacements	4,000	-	1,000	1,000	2,000	-	-
23	North Power Plant Chillers & Support Systems	4,150	-	2,150	2,000	-	-	-
24	Power Plant HVAC / Air Handler Replacements	2,500	-	300	1,500	700	-	-
25	Primary Electrical Loops Nos. 1-3 Upgrade & Expansion	5,125	-	-	325	1,600	1,600	1,600
26	Combined Cycle, Waste Heat Boiler, Steam Condenser - Design Only	450	-	-	200	250	-	-
27	Freight Elevator Replacement - North Power Plant	1,200	-	-	-	-	-	1,200
	Power Plant & Electrical Distribution System Total	**39,092**	**140**	**14,227**	**15,775**	**4,550**	**1,600**	**2,800**
Fleet & Equipment								
28	Fueling Facility Improvements and Relocation at Building 703	2,265	68	2,197	-	-	-	-
29	Fuel Tank Replacements & Installation of Fueling Island Canopies near Building 703	810	-	810	-	-	-	-
30	Heavy Equipment Acquisitions FY 2013 to FY 2018	22,700	3,567	3,567	3,567	4,000	4,000	4,000
31	Compressed Natural Gas Fueling Facility	2,560	-	-	-	384	2,176	-
	Fleet & Equipment Total	**28,335**	**3,635**	**6,574**	**3,567**	**4,384**	**6,176**	**4,000**
Parking Decks & Lots								
32	South Employee Parking Lot Reconstruction	9,300	6,975	2,325	-	-	-	-
33	Green Lot Rehabilitation	3,300	-	3,300	-	-	-	-
34	Blue Parking Deck Rehabilitation - Phase 3	4,140	-	1,750	2,390	-	-	-
35	McNamara Parking Deck Rehabilitation	7,750	-	4,250	3,500	-	-	-
36	Parking LED Lighting Installation	5,620	-	2,700	2,920	-	-	-
	Parking Decks & Lots Total	**30,110**	**6,975**	**14,325**	**8,810**	**-**	**-**	**-**
Bridges & Roadways								
37	Northline Road Reconstruction	3,200	250	2,950	-	-	-	-
38	Berry Terminal Roadways Modifications	825	16	225	584	-	-	-
39	West Service Drive Reconstruction (Burton Drive to Checkpoint No. 1)	3,200	-	320	2,880	-	-	-
40	Dingell Drive Retaining Wall Reconstruction - Planning Only	300	-	300	-	-	-	-
41	Rogell Drive-Dingell Drive Connector	5,040	10	-	-	840	4,189	-

Item No.	Project Description	Estimated Total Cost	Projected Expenses to 9/30/13	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 to Completion
	Bridges & Roadways Total	**12,565**	**276**	**3,795**	**3,464**	**840**	**4,189**	**-**
Security & Communications								
42	Security System & Network Upgrades - Phase 1	3,290	708	2,582	-	-	-	-
43	Public Safety Training Facility AOA Fence, Security Gate & Access Road Installation	400	-	400	-	-	-	-
44	Security System & Network Upgrades - Phases 2 through 5	21,900	-	5,450	4,450	6,000	6,000	-
	Security & Communications Total	**25,590**	**708**	**8,432**	**4,450**	**6,000**	**6,000**	**-**
Support Facilities								
45	Control, Dispatch & Emergency Centers Consolidation & Police Operations Facility (Building 610)	18,100	1,000	17,100	-	-	-	-
46	Building 534 Rehabilitation for Concessions & Terminal Services Logistics Facility	5,150	30	5,120	-	-	-	-
47	Airport Authority Administration Building	11,000	22	5,653	5,325	-	-	-
48	Airport Equipment Maintenance & Storage Facilities Replacement & Consolidation - Planning Only	400	-	400	-	-	-	-
	Support Facilities Total	**34,650**	**1,052**	**28,273**	**5,325**	**-**	**-**	**-**
Site Redevelopment & Demolitions								
49	Building 278 & 280 Site Redevelopment and Demolition	2,007	-	1,303	704	-	-	-
50	Building 715 (Former NWA Hangar) Site Redevelopment & Demolition	1,562	-	1,410	152	-	-	-
51	Building 515 (Former Post Office) Gateway Site Redevelopment & Demolition	1,940	-	1,596	344	-	-	-
52	Building 513 (Concessions Storage) Gateway Site Redevelopment & Demolition	941	-	809	132	-	-	-
53	Equipment and Buildings 355, 466, 507 & 606 Demolition	680	-	680	-	-	-	-
54	Buildings 714, 714A & 714B Site Redevelopment & Demolition	1,600	-	900	700	-	-	-
55	Building 719 Slab Demolition & Site Remediation	420	-	420	-	-	-	-
56	Building 538 (Former Spirit Hangar) Demolition	1,615	-	1,220	395	-	-	-
57	Building 358 (Police Station) Demolition	3,000	-	597	2,303	100	-	-
58	LC Smith & Berry Terminals Demolition	17,964	-	12,823	5,141	-	-	-
	Site Redevelopment & Demolitions Total	**31,729**	**-**	**21,758**	**9,871**	**100**	**-**	**-**
Terminals								
59	Westin Interior Public/Valet Public Access Ramp ADA Modifications	3,000	2,100	900	-	-	-	-

Item No.	Project Description	Estimated Total Cost	Projected Expenses to 9/30/13	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 to Completion
60	Interactive Terminal Directory and Information Displays	3,500	-	3,500	-	-	-	-
61	North Terminal Restrooms Renovations	1,000	-	1,000	-	-	-	-
62	North Terminal Interior Wall Replacements	1,000	-	1,000	-	-	-	-
	Terminals Total	**8,500**	**2,100**	**6,400**	**-**	**-**	**-**	**-**
Water Mains & Storm Water System								
63	Water Main Replacement	4,000	450	3,000	550	-	-	-
64	Outfall Structure Replacement at Pond 4	1,500	-	1,500	-	-	-	-
65	Sluice Gate Installation at Pond 3E/4 Culvert	400	-	400	-	-	-	-
66	Primary Pump & Switchgear Replacements	1,100	-	200	450	450	-	-
67	Storm Water Pipe Replacements	1,500	-	200	650	650	-	-
	Water Mains & Storm Water System Total	**8,500**	**450**	**5,300**	**1,650**	**1,100**	**-**	**-**
Detroit Metropolitan Airport Total		**$ 595,246**	**$ 138,694**	**$ 172,910**	**$ 87,278**	**$ 62,299**	**$ 76,265**	**$ 57,800**

Totals may not sum due to rounding

Willow Run Airport CIP FY 2014 – FY 2018

($ in Thousands)

Item No.	Project Description	Estimated Total Cost	Projected Expenses to 9/30/13	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 to Completion
Airfield								
WR 1	Runway 5R/23L Design & Reconstruction	$ 41,872	$ 16,960	$ 15,000	$ 9,912	$ -	$ -	$ -
WR 2	Runway 14/32 Decommission & Removal	2,000	-	2,000	-	-	-	-
WR 3	Runway 5R Touchdown Zone Lights	500	-	500	-	-	-	-
WR 4	Airfield Sign Replacement Plan Development	50	-	50	-	-	-	-
WR 5	Airport Layout Plan Update	350	-	-	350	-	-	-
WR 6	New Taxiway Parallel East of Runway 5R/23L Construction	19,900	-	-	7,900	7,000	5,000	-
WR 7	West Ramp Isolated Repairs and Interim Resurface	5,250	-	-	250	2,500	2,500	-
WR 8	Runway 5L/23R Rehabilitation & Shorten	6,000	-	-	-	6,000	-	-
WR 9	Runway 9/27 Reconstruction	31,800	-	-	-	-	10,600	21,200
WR 10	Runway 9 Displaced Threshold & Safety Area Structure Removal	2,000	-	-	-	-	2,000	-
	Airfield Total	**109,722**	**16,960**	**17,550**	**18,412**	**15,500**	**20,100**	**21,200**
Noise Program								
WR 11	Residential Sound/Noise Mitigation Program	2,900	-	-	-	900	1,000	1,000
	Noise Program Total	**2,900**	**-**	**-**	**-**	**900**	**1,000**	**1,000**

Item No.	Project Description	Estimated Total Cost	Projected Expenses to 9/30/13	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 to Completion
Fleet & Equipment								
WR 12	Fleet & Heavy Equipment Plan	2,679	106	235	680	90	212	1,356
	Fleet & Equipment Plan Total	**2,679**	**106**	**235**	**680**	**90**	**212**	**1,356**
Security & Communications								
WR 13	Security Improvements	1,500	-	500	500	500	-	-
	Security & Communications Total	**1,500**	**-**	**500**	**500**	**500**	**-**	**-**
Support Facilities								
	Hangar 1 Rehabilitation							
WR 14	Hangar 1 Hangar Bay Infrared Heating Installation	1,000	150	850	-	-	-	-
WR 15	Hangar 1 Fire Suppression System Installation	650	130	200	320	-	-	-
WR 16	Hangar 1 Electrical/Lighting Rehabilitation	2,000	200	500	500	500	300	-
WR 17	Hangar 1 Air Handler Replacement Replacements	830	-	830	-	-	-	-
WR 18	Hangar 1 Building Exterior Rehabilitation	1,660	-	1,000	660	-	-	-
WR 19	Hangar 1 Parking Lot Overlay	800	-	-	800	-	-	-
	Other Support Facilities							
WR 20	Oil-Water Separator Installations - Westside	600	100	500	-	-	-	-
WR 21	Hangar 2 Demolition	3,900	200	2,200	1,500	-	-	-
WR 22	Fuel Farm Improvements	80	-	80	-	-	-	-
WR 23	East Side Oil-Water Separator	375	-	375	-	-	-	-
WR 24	Existing Maintenance Building Improvements	500	-	200	300	-	-	-
WR 25	Oil-Water Separator Installations - Hangar 2 Site	250	-	-	250	-	-	-
	Support Facilities Total	**12,645**	**780**	**6,735**	**4,330**	**500**	**300**	**-**
Willow Run Airport Total		**$ 129,446**	**$ 17,846**	**$ 25,020**	**$ 23,922**	**$ 17,490**	**$ 21,612**	**$ 23,556**

Totals may not sum due to rounding

Project Descriptions

Detroit Metropolitan Airport

Item No.	Project	Estimated Total Cost ($ in thousands)	Description
Airfield			
1	Runway 4R/22L, Western Portion of Runway 9L/27R & Adjacent Taxiways Reconstruction (includes Taxiways Y-11, Y-16 & Y-17)	$ 137,000	This project consists of the construction related efforts necessary to address the deteriorated pavement of Runway 4R/22L and its connector taxiways and associated systems. In addition, this project consists of construction related efforts to fully reconstruct the western end Runway 9L and its associated taxiways.
2	Runway 4R Threshold Displacement	13,500	This project will provide all necessary planning, engineering and construction services to displace the Runway 4R/22L threshold north by approximately 509 linear feet. The project includes reconfiguration of Taxiways Y-1, Y-2, J and T pavement for efficient taxiing and queuing of aircraft utilizing Runway 4R/22L.
3	Taxiway W Balance of Reconstruction	27,300	This project consists of the design and construction efforts to complete the reconstruction of Taxiway W. This project includes approximately 7,600 linear feet of the northerly portion of Taxiway W.
4	Runway 3L/21R & Associated Taxiways Reconstruction	128,000	This project consists of the construction related efforts necessary to address the deteriorated pavement of Runway 3L/21R and its connector taxiways and associated systems.
5	Runway 3L/21R Enhancements Planning	700	This project consists of conducting a feasibility study of possible enhancements to Runway 3L/21R. This study includes examination of the operational benefit of improving the runway by evaluating alternatives for extending Runway 3L/21R. The study also includes examination of improvements to centerline lighting, navigational aids of at least CAT I at both ends of the runway, drainage, lighting, shoulders, pavement markings, signs and blast pads. The addition of a hold pad northeast of Runway 21R is also included in the study.
6	Eastern Taxiways Reconstruction (includes Taxiways S, S-4, S-5, W-5 and portions of Taxiways F, PP-1, PP-2, and V)	28,400	This project consists of the design and construction efforts necessary to address the deteriorated Taxiway S, S-4, S-5, W-5 and portions of Taxiways F, PP-1, PP-2 and V pavement and associated systems.
7	Airfield Pavement Surface Monitoring System Improvements	1,000	This project consists of the planning, design and construction efforts necessary to upgrade and expand the airfield pavement surface monitoring system. This project will replace the system's hardware and software as well as install additional pavement sensors within critical areas of airfield pavement. Once complete, the system will provide improved and additional real-time data to assist in the snow and ice treatment of airfield pavement.
8	Taxiway H Reconstruction of Western Portion	1,800	This project consists of the design and construction efforts necessary to address the remaining deteriorated concrete pavement of Taxiway H near Runway 4R/22L.
9	Taxiway G Reconstruction of Northern Portion	5,700	This project consists of the design and construction efforts necessary to address the deteriorated Taxiway G pavement and associated systems between Runway 9L/27R and Taxiway V and Taxilane G north of Taxiway V. Necessary geometry modifications of this taxiway connector are also included in this project.
10	Runway 4L/22R Reconstruction - Planning & Design	6,000	This project consists of planning and design related efforts required for the reconstruction of the Runway 4L/22R and its associated taxiways.
11	Taxiway Z Reconstruction & Relocation of Southern Portion	14,000	This project consists of the planning and construction related efforts necessary to reconstruct existing shoulder pavement and relocate the portion of Taxiway Z south of the FedEx facility to allow for the simultaneous operations of Taxiway Z south of FedEx and Runway 4R/22L in Cat II/III conditions.
Cargo, Hangar & Commercial Development			
12	Gateway Airport Business/Commercial Improvements Sites 1 & 2	1,860	The scope of the project includes planning and site improvements needed to prepare the two sites to be "developer ready." This work will include electrical upgrades such as replacing a substation to provide switches to feed all of the proposed development and upgrades to the powerhouse. Sanitary and storm sewer lines will be upgraded to meet the anticipated demand and the communications systems housed and feeding Building 515 will be re-located.

Item No.	Project	Estimated Total Cost ($ in thousands)	Description
13	Building 614 Expansion - Planning Only	40	The project will include all necessary planning services necessary for an addition of between 10,000 to 20,000 square feet onto the south end of building 614 to increase the leasable space. Building 614 currently consists of 20,000 square feet of cargo space and associated office space leased by Southwest Airlines and Air General. The intent is to have a third-party developer provide construction services for the facility expansion.
14	North Cargo Apron Rehabilitation - Phase I of North Cargo Site Redevelopment	3,500	This project consists of the all the necessary planning, design and rehabilitation of apron pavement necessary to accommodate additional parking for a Group VI aircraft and to support future development of the North Cargo Freight Site.
15	North Cargo Freight Site Redevelopment Building 1 - Planning Only	250	This project consists of the planning efforts for construction by a third-party developer of the initial cargo building in the North Cargo Freight Site. Building 1 will be a part of the entire reconfiguration of the existing 700-series buildings located between Taxiway Z and the West Service Drive.
16	West Service Drive Relocation	7,125	This project will provide all necessary planning, engineering and construction services necessary to relocate the West Service Drive and associated systems from the I-94 service drive to Gate 53. The roadway's relocation will be west of the fuel storage tanks to accommodate the North Cargo Freight Site Redevelopment.
Power Plant & Electrical Distribution System			
17	East Service Drive Utilities Upgrade & Expansion	7,340	This project consists of all necessary design and construction to upgrade and extend utility and infrastructure systems along the East Service Drive (from Check Point #2 to the South I-94 Service Drive). With these enhancements, steam and chilled water production from the North Complex Power Plant will be delivered to Buildings 610 (Public Safety facility) and 614 (Cargo Facility). Water, electric and fiber infrastructure will be upgrade to accommodate future development along the East Service Drive.
18	Utility Command Center & Remote Metering	6,000	This project includes all planning, engineering and construction services to develop a Utility Command Center and Remote Metering system in the North Complex Power Plant with the capability of electronically monitoring and remote metering of electrical power, steam, chilled and drinking water consumption.
19	High Voltage Transmission Lines for Primary Service to the North Campus	5,527	This project includes all planning, engineering and construction services required to replace the primary electricity medium voltage (40,000V) feeders that supply the Airport's North Campus with high voltage (120,000V) transmission lines.
20	Primary Electrical Cable & Switchgear Replacement	550	This project will replace worn and vulnerable sections of our primary electrical distribution systems electrical cables which are at or beyond their rated service life and renovate McNamara parking deck switchgear. This project addresses approximately 35,000 feet of primary cable and renovation of the 12 year-old McNamara Parking Deck switchgear.
21	North Power Plant Electrical Gear & Load Centers Replacement	2,250	This Project will replace worn and vulnerable components of the electrical distribution system in the North Power Plant. This project will address two low voltage substations, seven motor control centers, eleven lighting and receptacle distribution panels and seven power distribution panels.
22	Planned Replacement Electrical Substations Replacements	4,000	The purpose of this project is to obtain a design-build contract to replace electrical substations and switchgears beyond their useful life. Electrical power is received from DTE Energy via three primary high voltage lines that provide electrical power to medium voltage lineups, which transform the power to low voltage for building use. Bypass switches are placed along the lines so that buildings further along the loop are not affected when one building has to be taken out of service for maintenance. The Airport's "North Campus" electrical substations are original to the site (1950-1960) and many are beyond their useful life.
23	North Power Plant Chillers & Support Systems	4,150	This project will provide the planning, design and construction to overhaul the chillers and associated support systems at the North Campus Power Plant that generate chilled water for HVAC at Airport facilities. The scope includes the replacement of five condenser water pumps, five primary chilled water pumps, three secondary chilled water pumps and five cooling towers. These components are 20-30 years old and beyond their useful life.

Item No.	Project	Estimated Total Cost ($ in thousands)	Description
24	Power Plant HVAC / Air Handler Replacements	2,500	This project will provide all design, engineering and construction necessary to replace and maximize the efficiency of HVAC systems serving the North Powerhouse and Utility Tunnel. Included in the scope of this project is the replacement of air handlers, air conditioners and exhaust fans. Air handlers will be replaced with modern direct digital controls (DDC) units with variable frequency driven fans tied to the Siemens Apogee system for monitoring and control.
25	Primary Electrical Loops Nos. 1-3 Upgrade & Expansion	5,125	This project includes all necessary engineering consulting, planning, design and construction to upgrade the electrical loop serving the Airport's North Campus. The electrical distribution system consists of three basic loops. Loop 1 provides power to the North Terminal, Blue Deck and Smith Building. Loop 2 provides power to the West Service Drive including all airline hangars, fire stations and half of the fuel farm. Loop 3 provides power to the East Service Drive, Lucas Drive and the west side of Middlebelt from Lucas to Northline. All three loops were built in the 1950's and early 1960's and all cells are currently full. Upgrading the lines is necessary to improve safety, provide back-up energy from the North Complex Power Plant and provide sufficient capacity for future development.
26	Combined Cycle, Waste Heat Boiler, Steam Condenser - Design Only	450	This project will provide a feasibility study to verify the cost effectiveness of the proposed combined cycle plant at the North Power Plant. If economically viable, this project will then provide the engineering design and specifications to bid the construction phase of this work. The "combined cycle" plant utilizes "waste heat" from the 14 megawatt site gas turbine generator to generate electrical power as well as heating steam.
27	Freight Elevator Replacement - North Power Plant	1,200	This proposed project will replace the freight elevator at the North Power Plant Building 611. The elevator is original to the building (1965) and planned for replacement in FY 2018. This elevator is critical to transportation of salt and equipment into the basement and utility tunnel.
Fleet & Equipment			
28	Fueling Facility Improvements and Relocation at Building 703	2,265	This project will provide all necessary planning, environmental, design/engineering and construction efforts necessary to replace and relocate the gasoline and diesel fuel tanks at the Airport's central vehicular and equipment fueling facility located near Building 703.
29	Fuel Tank Replacements & Installation of Fueling Island Canopies near Building 703	810	This project is coordinated with the project listed above. It provides all necessary planning, environmental, design/engineering and construction efforts necessary to install canopy structures over the fueling islands at the Airport's central vehicular and equipment fueling facility located near Building 703. Removal of the existing underground fuel storage tanks also will be completed within this project.
30	Heavy Equipment Acquisitions FY 2013 to FY 2018	22,700	This item is the Airport's five-year fleet and equipment replacement program for acquisitions over $100,000 with a useful life greater than 12 years. The plan includes but is not limited to the purchase for snow removal equipment, ARFF vehicles, ambulances, dump trucks and other maintenance equipment.
31	Compressed Natural Gas Fueling Facility	2,560	This project will involve the design and construction of a Compressed Natural Gas Fueling Facility (CNG) fueling facility at the Airport. The Airport is pursuing a FAA Voluntary Airport Low Emissions Program (VALE) grant which could potentially fund up to 75 percent of the project. The exact location of the station is under investigation. Preferably, the CNG station would be located where both Authority and public vehicles can be fueled.
Parking Decks & Lots			
32	South Employee Parking Lot Reconstruction	9,300	This project consists of the planning, design and construction efforts necessary to improve this existing employee parking lot pavement and associated systems. This project will be engineered as full depth reclamation which will grind and mix the existing pavement with cement and asphalt emulsion for a base, grading and compacting prior to installation of a surface asphalt course.

Item No.	Project	Estimated Total Cost ($ in thousands)	Description
33	Green Lot Rehabilitation	3,300	This project consists of the planning, design and construction efforts necessary to improve the existing public parking lot pavement and associated systems. This project will be engineered as full depth reclamation which will grind and mix the existing pavement with cement and asphalt emulsion for a base, grading and compacting prior to installation of a surface asphalt course.
34	Blue Parking Deck Rehabilitation - Phase 3	4,140	This project consists of the design/engineering and construction efforts necessary to replace the metal deck roofs, restore eight stair towers and improve emergency lighting within the deck.
35	McNamara Parking Deck Rehabilitation	7,750	This project consists of the design/engineering and construction efforts necessary to replace expansion joints throughout this parking structure and install a roof coating on the portions of parking garage levels 6, 7, 8, 9 and 10 that are exposed to the weather. This project also includes restoration of the public stair towers.
36	Parking LED Lighting Installation	5,620	This project consists of the design/engineering and construction services necessary to install approximately 7,000 Light Emitting Diode (LED) fixtures and remove the existing high-pressure sodium (HPS) light fixtures at both the Blue Deck and McNamara Deck parking structures. Once complete, this project will provide better illumination, provide longer lamp service life and consume approximately half of the energy utilized by existing fixtures. Necessary improvements to the light fixture components (wiring, conduit, etc.) also will be completed within this project.
Bridges & Roadways			
37	Northline Road Reconstruction	3,200	The project will provide all necessary planning, engineering and construction services necessary to reconstruct Northline Road, improve the storm water system and make wayfinding signage improvements. The roadway is a dead-end with two-lanes and open drainage on either side. The road is primarily used by UPS and other private entities. To accommodate these tenants, the project must phase construction to allow continuous access to the facilities along Northline Road and provide traffic control for safety.
38	Berry Terminal Roadways Modifications	825	This project consists of the reconstruction of approximately 1,000 linear feet of roadway near the former Berry Terminal. The Northern boundary of the work is just South of Burton Drive and the Southern boundary will tie to the service drive near the Delta fire suppression tanks.
39	West Service Drive Reconstruction (Burton Drive to Checkpoint No. 1)	3,200	This project will provide all necessary planning, engineering, and construction services necessary to reconstruct the West Service Drive and associated systems from the site of the former post office to check point 1.
40	Dingell Drive Retaining Wall Reconstruction - Planning Only	300	This project includes the evaluation, planning and design to address deficiencies in the retaining walls along Dingell Drive. The roadway was constructed below grade so there are many retaining walls up to 40' high separating the public roadway from the airfield above. The retaining walls are showing early to moderate signs of failure from exposure to the elements, ground pressure and high water tables.
41	Rogell Drive-Dingell Drive Connector	5,040	This project consists of the design and construction of a vehicular access ramp from northbound Rogell to southbound Dingell Drive. This construction will provide improved access and improve passenger customer service when traveling south from the North Terminal, Smith Building or Big Blue Deck. Currently, vehicles traveling from the North Terminal, Smith Building or Big Blue Deck to the McNamara Terminal or south entrance have to do a u-turn via a turnaround located on Rogell Drive, south of Burton Drive.
Security & Communications			
42	Security System & Network Upgrades - Phase 1	3,290	This project will provide all necessary field investigation, surveying and testing of security network system components and the development of a comprehensive conceptual master plan and probable cost projections for systematic phased upgrade of the security systems and network throughout the airport's campus. Additionally, this project includes all necessary design/engineering and construction services necessary to improve network switching capability at the McNamara and North Terminals in order to support improvements/upgrades of the camera system and other systems. Fiber optic network improvements and installation of additional duct banks in the central area of the Airport and

Item No.	Project	Estimated Total Cost ($ in thousands)	Description
			connection of the terminals to the primary security system also are included this project.
43	Public Safety Training Facility AOA Fence, Security Gate & Access Road Installation	400	This project includes all necessary planning, environmental, engineering and construction efforts necessary to install a new security gate, fence and gravel access drive in the vicinity of the Public Safety Training Facility.
44	Security System & Network Upgrades - Phases 2 through 5	21,900	This project is the continuation of Item No. 42. It will provide all necessary field investigation, surveying and testing of security network system components as identified in the security system master plan to be undertaken in Phase 1.
Support Facilities			
45	Control, Dispatch & Emergency Centers Consolidation & Police Operations Facility (Building 610)	18,100	This project consists of the planning, environmental, engineering and construction efforts necessary to renovate Building 610 for the relocation and consolidation of functions related to the Airport Response Center (ARC), Emergency Operations Center (EOC), Badging and Credentials and the Police Operations Facility (POC). The new facility will replace the existing Police Building 358, which will be demolished as a separate project for future Airport development.
46	Building 534 Rehabilitation for Concessions & Terminal Services Logistics Facility	5,150	This project consists of the design and construction necessary to renovate Building 534 for the relocation of the Concessions & Terminal Services Logistics. Renovation work would include full hazardous material survey, abatement of materials, replacement of existing roof, restoration of the fire protection system and modifications to all other systems as required to accommodate the proposed re-use. The interior fit-out for each space is the responsibility of the three tenants.
47	Airport Authority Administration Building	11,000	This project consists of the planning, design and construction of the Authority's Administrative Building adjacent to the North Terminal. The Authority management and administrative staff are currently still housed at the de-commissioned LC Smith Terminal, occupying only approximately 30 percent of the building. The space not being used requires budget expenditures of heating, cooling, lighting and nominal maintenance.
48	Airport Equipment Maintenance & Storage Facilities Replacement & Consolidation - Planning Only	400	This project will provide all necessary planning services to develop a new 180,000 square foot Airport Maintenance Equipment Storage Facility, renovate and expand the existing maintenance offices, stores and trade shops facility (Building 703) to allow for consolidation of maintenance equipment storage and repair functions. Demolition of Buildings 704, 705 and 711 will be completed within this project, after operations have been moved to the new facilities.
Site Redevelopment & Demolitions			
49	Building 278 & 280 Site Redevelopment and Demolition	2,007	This project consists of the demolition and environmental remediation efforts to address the removal of building 278 & 280. In addition, this project includes the design and construction efforts necessary to restore the area with asphalt pavement and appropriate drainage.
50	Building 715 (Former NWA Hangar) Site Redevelopment & Demolition	1,562	This project will provide all necessary planning, engineering, environmental assessments, permitting and demolition of structures, slabs and utilities that currently serve Building 715. The project result in a clean, development-ready site available for cargo development in accordance with the Land Use Plan.
51	Building 515 (Former Post Office) Gateway Site Redevelopment & Demolition	1,940	Building 515, the former US Post Office Building, has been vacant since 2008. It is partially utilized as storage for Airport Authority building 'attic stock'. This project consists of the design and construction necessary to demolish Building 515, including full hazardous material survey, abatement of materials, rerouting and/or disconnecting, sealing/capping in place site utilities that cannot be removed, take down all structures, removal of below-grade construction and utilities and remediation of site.
52	Building 513 (Concessions Storage) Gateway Site Redevelopment & Demolition	941	Currently, Building 513 is utilized by terminal concessions companies for storage of materials and bonded stock rooms. The building is beyond its useful life and lacking in proper facilities. This project consists of the design and construction necessary to demolish Building 513, including full hazardous material survey, abatement of materials, rerouting and/or disconnecting, sealing/capping in place site utilities that cannot be removed, take down all structures, removal of below-grade construction and utilities, and remediation of site.

Item No.	Project	Estimated Total Cost ($ in thousands)	Description
53	Equipment and Buildings 355, 466, 507 & 606 Demolition	680	This project consists of the demolition and removal of buildings 355 (Observation Tower), 466 (Equipment Storage), 606 (Tritulator) and 507 (Taxi waiting area); removal of below-grade construction and utilities; disconnecting sealing/capping in place site utilities than cannot be removed; and removal of asbestos and contaminated materials prior to demolition.
54	Buildings 714, 714A & 714B Site Redevelopment & Demolition	1,600	Building 714, 714A and 714B are currently used for ground service equipment maintenance and equipment and storage by Metro Flight and FedEx. This project will provide all necessary planning, engineering, environmental assessment, permitting and demolition of structures, slabs and utilities that serve Building 714, 714A and 714B currently and will result in a development ready site. The clean site will then be available for cargo development in accordance with the Land Use Plan.
55	Building 719 Slab Demolition & Site Remediation	420	This project will provide all necessary planning, engineering, environmental assessment, permitting and demolition of the remaining hangar slab at the site of Building 719. The slab demolition is needed to accommodate new development in accordance with the Land Use Plan.
56	Building 538 (Former Spirit Hangar) Demolition	1,615	The scope of this project includes a full environmental assessment of the entire facility (including hazardous materials and any other potential environmental liabilities), take down all exterior structures, disassemble existing steel structure, remove existing foundations and patch affected pavement. Cost includes allowance for relocation of FAA ASDE Antennae, allowance for utility re-routing, and removal of slab and foundations.
57	Building 358 (Police Station) Demolition	3,000	This project consists of the design and construction necessary to demolish Building 358 (Police Station), removal of below-grade construction and utilities, disconnecting, sealing/capping in place site utilities that cannot be removed, abatement of hazardous materials prior to demolition, take down all structures and patch affected pavement.
58	LC Smith & Berry Terminals Demolition	17,964	This project consists of the demolition and environmental remediation efforts to address the removal of the L.C. Smith and Berry Terminal Buildings. In addition, this project includes the design and construction efforts necessary to maintain appropriate drainage.
Terminals			
59	Westin Interior Public/Valet Public Access Ramp ADA Modifications	3,000	This project includes the evaluation, design and construction necessary to modify the existing interior public/valet public access ramp to comply with current ADA requirements.
60	Interactive Terminal Directory and Information Displays	3,500	This project includes the planning, design, software development and installation of interactive terminal directory and information signage. The displays are intended to improve passenger wayfinding by providing multiple language options for international passengers and improve concessions sales by providing menus, specials, coupons and tailoring directions to a specific location.
61	North Terminal Restrooms Renovations	1,000	This project includes all necessary design and construction to install replacement countertops in all public restrooms in the North Terminal. The existing public restroom countertops have stained and require replacement with a more durable material. Their stained appearance contributes to a perception that the restrooms as a whole are not clean and is detrimental to passenger satisfaction ratings at the North Terminal.
62	North Terminal Interior Wall Replacements	1,000	This project consists of the planning, design and construction efforts necessary to replace the deteriorating panel system with a more durable wall finish system.
Water Mains & Storm Water System			
63	Water Main Replacement	4,000	This project consists of the design, engineering and construction necessary to replace the primary water mains at the Airport that are at or beyond their useful service life. These mains are legacy assets previously managed by the City of Romulus. The project does not include water mains serving the McNamara Terminal complex.
64	Outfall Structure Replacement at Pond 4	1,500	This project consists of the planning, design and replacement of the discharge station at Pond 4. The outfall configuration will be modified to allow water in Pond 4 to be discharged via an existing ditch, to the Sexton-Kilfoil Drain, if

Item No.	Project	Estimated Total Cost ($ in thousands)	Description
			desired, rather than the Frank and Poet Drain, which is currently only option. Having the flexibility to discharge to either drain will increase the opportunities for the DTW Environmental Unit to discharge Pond 3E/4 through Outfall 004A. The existing structure is beyond its useful life. The new structure will be similar to the discharge facilities at Outfalls 003A and 006A.
65	Sluice Gate Installation at Pond 3E/4 Culvert	400	This project will involve the design and construction of a concrete dam-type structure with a sluice gate that will allow Pond 4 to be hydraulically separated from Pond 3E. This structure will be located at the south-east side of Pond 3E immediately in front of the two culverts that connect this pond to Pond 4.
66	Primary Pump & Switchgear Replacements	1,100	This project includes the evaluation, design and construction to replace or rehabilitate stormwater pumps, pump stations and associated switchgear at the oldest Airport pump stations (1, 2, 3, 6 and 10). The scope of this project includes the evaluation of these assets and the development of a plan of action. Reconstruction of these assets includes pumps, switchgear, wing-walls, lighting and ventilation equipment.
67	Storm Water Pipe Replacements	1,500	This project will involve the replacement of sections of the DTW storm sewer system that have been determined to pose a risk of failure. Sections of the Airport's stormwater piping system are more than 60 years old and are showing evidence of joint deterioration, requiring reconstruction. There are more than 40 miles of storm sewer at DTW ranging in diameter from 8" to 108". These faults were discovered during a comprehensive inspection, cleaning and video of the Airport stormwater system that has been on-going since 2011.

Willow Run Airport

Item No.	Project	Estimated Total Cost ($ in thousands)	Description
Airfield			
WR 1	Runway 5R/23L Design & Reconstruction	$ 41,872	This project consists of the design and construction efforts required to reconstruct Runway 5R/23L. Pavement analysis conducted in 2011 indicated that the runway, originally constructed in 1942 had reached the end of its useful life. The project will involve the complete removal and replacement of the runway surface, substructure and drainage system. The runway will be brought up to existing FAA design standards. In addition, the portions of intersecting Runway 9/27 and Taxiways B, C and H that fall within the Runway 5R/23L Runway Safety Area will be replaced as part of this project so that future upgrades/replacement of these critical airfield components will not require a shutdown of Runway 5R/23L.
WR 2	Runway 14/32 Decommission & Removal	2,000	This project involves completion of the necessary environmental study required by the National Environmental Policy Act (NEPA) and construction efforts related to the decommissioning of Runway 14/32. This runway is used by less than five percent of Willow Run aircraft operations and maintenance/ replacement of this pavement will not be supported by the FAA in the future. In order to reduce the O&M costs of the overall airport, a right sizing plan of the airfield has been developed, which includes the removal of Runway 14/32.
WR 3	Runway 5R Touchdown Zone Lights	500	This project includes the installation and upgrade of the touchdown lights on Runway 5R for Instrument Landing System (ILS) to Category II (CAT II) from Category I (CAT I). By upgrading to CAT II, the approach zone's decision height will reduce from 200' to 100' and the runway visual range (RVR) will reduce from 2,400' to 1,000'. The enhancement improves safety by shrinking the decision altitude when runway lights are not visible.
WR 4	Airfield Sign Replacement Plan Development	50	This project involves the development of an airfield signage plan as required by Part 139. The plan will evaluate airfield signage and markings and explore a conversion to LED lighting.

Item No.	Project	Estimated Total Cost ($ in thousands)	Description
WR 5	Airport Layout Plan Update	350	This project includes the necessary services to update the Airport Layout Plan (ALP) documents to reflect all projects conducted since the last ALP was approved in 2007.
WR 6	New Taxiway Parallel East of Runway 5R/23L Construction	19,900	This project consists of the design and construction efforts required to install a new Taxiway parallel and east of Runway 5R/23L. This taxiway is a component of the right-sizing of the Willow Run airfield and will increase the capacity of Runway 5R/23L, significantly reducing runway dwell time by allowing multiple strategic exit locations for arriving aircraft.
WR 7	West Ramp Isolated Repairs and Interim Resurface	5,250	This project consists of all planning, design and construction to resurface the West Ramp and reduce its size to meet current needs. The West Ramp is original 1940 construction and is in need of replacement.
WR 8	Runway 5L/23R Rehabilitation & Shorten	6,000	This project consists of the design and construction effort to rehabilitate and reduce the length of Runway 5L/23R. This project is part of the right sizing of Willow Run plan and will turn 23R into a general aviation runway that is shorter in length and narrower. This gives the airport a training runway for smaller aircraft.
WR 9	Runway 9/27 Reconstruction	31,800	This project consists of the design and construction efforts required to reconstruct Runway 9/27. Pavement analysis conducted in 2011 indicated that the runway, originally constructed in 1942 is near the end of its useful life. The project will involve the complete removal and replacement of the runway surface, substructure and drainage system. The runway will be brought up to existing FAA design standards.
WR 10	Runway 9 Displaced Threshold & Safety Area Structure Removal	2,000	This project clears the land that Willow Run received in a land swap with Racer Trust of obstructions, removes the current displaced threshold and improves the runway safety area of Runway 9 by lengthening it by approximately 250 feet.
Noise Program			
WR 11	Residential Sound/Noise Mitigation Program	2,900	Following the completion of the Part 150 Noise Study, the noise mitigation recommendations developed in the Study will be implemented. Mitigation techniques will be prioritized to meet the objectives of the noise program as well as the development of Willow Run. The mitigation program will be a phased program based on the availability of FAA funding.
Fleet & Equipment			
WR 12	Fleet & Heavy Equipment Plan	2,679	Willow Run's fleet and equipment plan through FY 2018 replaces a multi-function snow plow, front-end loader, stake truck, trailers and light vehicles.
Security & Communications			
WR 13	Security Improvements	1,500	This project consists of the replacement and upgrade of security cameras and fiber optic cabling that was constructed in 2001.
Support Facilities			
WR 14	Hangar 1 Hangar Bay Infrared Heating Installation	1,000	Work shall include all planning, environmental remediation, engineering and construction needed to replace the outdated steam heating system in the hangar bays. The existing system will be removed and replaced with a modern gas operated heating system as well as installing building management system controls which will report to the Airport Authority command center to allow for 24 hour monitoring at the Powerhouse.
WR 15	Hangar 1 Fire Suppression System Installation	650	This project consists of the design and construction efforts related to improving the fires suppression system in Hangar 1. The existing fire suppression system does not allow full maintenance activities to take place within the hangar bays. A new fire suppression system will allow these activities to take place in accordance with applicable State of Michigan Building Codes as well as requirements outlined by the National Fire Protection Association.
WR 16	Hangar 1 Electrical/Lighting Rehabilitation	2,000	This project will provide all necessary planning, environmental, engineering and construction efforts necessary to replace outdated components of the electrical system.
WR 17	Hangar 1 Air Handler Replacement Replacements	830	This project will provide all necessary planning, environmental, engineering and construction efforts necessary to replace the air handling unit servicing the office areas of the hangar. Improvements will also include modernizing the existing 70 year old system to improve temperature controls of all impacted

Item No.	Project	Estimated Total Cost ($ in thousands)	Description
			rooms as well as installing building management system controls which will report to the Airport Authority command center to allow for 24 hour monitoring at the Powerhouse.
WR 18	Hangar 1 Building Exterior Rehabilitation	1,660	The scope of this project includes rehabilitations to the exterior façade including the removal and replacement of exterior windows. The existing windows are 50 years old and will require new glazing systems which will be more energy efficient while maintaining historical features of the building façade to be in compliance with relative historical requirements. The project will require approval from the Michigan State Historical and Preservation Office (SHPO).
WR 19	Hangar 1 Parking Lot Overlay	800	This project consists of the planning, design and construction efforts necessary to improve this existing parking lot pavement and associated systems.
WR 20	Oil-Water Separator Installations - Westside	600	This project consists of the rehabilitation and upgrade of the existing oil/water separator located in the parking lot of Hangar 1. This separator reduces the likelihood of spills on the hangar ramp reaching Tyler Pond. Repair and upgrade of this separator will improve compliance with the Willow Run National Pollutant Discharge Elimination System (NPDES) stormwater permit.
WR 21	Hangar 2 Demolition	3,900	This project consists of the final phase of decommissioning and demolition of Hangar 2 for future site development. The scope of work includes the removal and recycling of building materials; relocation of storm water, sanitary sewers, fiber optics, communications systems and electric utilities; environmental decommissioning; and removal of hazardous materials.
WR 22	Fuel Farm Improvements	80	This project consists of the design and construction efforts related to improving fuel farm facilities by upgrading the fuel management system and installing catwalks.
WR 23	East Side Oil-Water Separator	375	This project consists of the design and construction required for the installation of an oil/water separator on the southeast ramp stormwater pipe to contain possible spills before reaching the Begole Drain. Installation of this separator will improve compliance with the Willow Run NPDES stormwater permit.
WR 24	Existing Maintenance Building (2620) Improvements	500	The scope of this project includes the installation of a fire suppression system, renovations to office and storage space, upgrading the HVAC system, improving the lavatories and replacing the steel sheeting on the side of the building.
WR 25	Oil-Water Separator Installations - Hangar 2 Site	250	This project consists of the rehabilitation and upgrade of the oil/water separator located near Hangar 2, west of the YIP Fuel Farm. This separator reduces the likelihood of spills on the southwest ramp reaching Willow Run Creek. Installation of this separator will improve compliance with the Willow Run NPDES stormwater permit.

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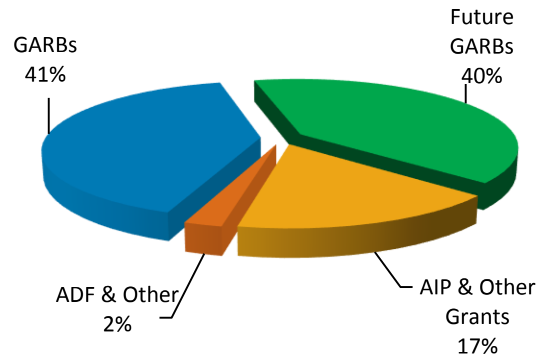
DEBT PROFILE

The Authority funds major capital improvements primarily through debt issuance. The current level of indebtedness is illustrated in this section and includes schedules and summaries of outstanding principal, gross and net debt service. The section also describes the measures taken by the Authority to manage debt, minimize net debt service and the impact to the O&M budget.

Airport Indebtedness

Capital improvements at the Airport are financed by issuing General Airport Revenue Bonds (GARBs), Special Facilities Revenue bonds, Passenger Facility Charges (PFCs), US FAA Airport Improvement Program (AIP) grants and discretionary funds. In addition, to support the Authority's working capital needs, the Authority has a $15 million line of credit with JP Morgan Chase, NA. To date, the Authority has not drawn on such line of credit. Figure 20 illustrates the percentages of current funding sources for the FY 2014-2018 CIP.

Figure 20: Airport FY 2014-2018 CIP by Funding Source



The strategy for the Authority's debt portfolio is to maintain 80 percent fixed-rate and 20 percent variable-rate credit, which allows for a certain amount of hedge protection against market trends. For the Authority's portfolio, a change in interest rates on variable rate debt would be offset by the adverse change in interest income and provide a natural hedge against increases in interest costs

The majority of the debt is attributed to the development of the following:

- Two state-of-the-art passenger terminals, the McNamara Terminal which opened in 2002 and the North Terminal which opened in 2008
- Construction of the McNamara parking deck which opened in tandem with the McNamara terminal
- Construction of a fourth parallel runway (4L/22R) completed in 2001
- Reconstruction of the other three parallel runways, including the Airport's longest runway, 4R/22L

As illustrated in Figure 21, the total principal amount of outstanding bonds is approximately $2.0 billion.

Figure 21: Outstanding Principal by Series

Senior Lien Bonds	Outstanding Principal Amount ($ in thousands)	
Series 2005	$	455,978
Series 2007B		114,585
Series 2008A		115,439
Series 2010A		150,483
Series 2010B		800
Series 2010C		140,593
Series 2010D		22,246
Series 2010E-1		75,200
Series 2010E-2		74,803
Series 2010F		124,640
Series 2010G		115,552
Series 2011A		152,465
Series 2011B		16,965
Series 2012A		177,565
Series 2012B		25,090
Series 2012C		2,027
Series 2012DA		36,393
Series 2012DB		29,740
Total	$	1,830,564
Junior Lien Bonds		
Series 2007		170,583
Grand Total	**$**	**2,001,147**

PFC Revenues

Under the Aviation Safety and Capacity Expansion Act of 1990 (the "PFC Act"), the FAA may authorize a public agency which controls an airport to impose a PFC of up to $4.50 for each qualifying enplaned passenger at such airport to be used to finance eligible airport-related projects. In order to receive authorization to impose a PFC and use the PFC revenue, the public agency must submit an application requesting that the FAA approve the imposition of a PFC for, and the use of PFC revenues on, specific eligible projects described in such application. PFCs are collected on behalf of airports by air carriers and their agents (the "Collecting Carriers") and remitted to the public agency. Since the inception of the PFC program, the Authority has submitted seven PFC applications to the FAA, however application 6 was withdrawn by the Authority.

Under current PFC approvals, the Authority can impose and use $3.2 billion in PFCs. Many of the PFC-eligible projects included in the Authority's CIP for the past 20 years have been funded with the proceeds of GARBs, with the plan of finance for these projects committing PFC revenue to pay the debt service to the maximum extent possible. The current estimated PFC expiration date is August 1, 2034.

The amount of PFC revenue collected for the Airport in past years has varied, and in future years will vary, based upon many factors, including compliance with federal law and regulations, passenger enplanement levels, as well as continuation of the PFC program. No assurance can be given that the forecasted level of enplanements will be realized or that any other factor affecting PFC revenue will not occur that adversely impacts the Authority. A shortfall in projected PFC collections could have an adverse impact on the amounts of Debt Service included in the Signatory Airlines' rates and charges or on timely payment of principal of or interest on the Senior Lien Bonds and the Junior Lien Bonds eligible to be paid from PFC revenues.

Managing the Cost of Debt to the Airlines

The Authority has been actively managing the cost of net debt service payable by airlines operating at the Airport through a debt restructuring program that spanned a three year period and was completed in 2012. The debt restructuring program accomplished three primary goals: (1) reduce total debt service cost to airlines, (2) minimize impact of debt service costs to the North Terminal cost center and (3) restructure debt portfolio to a more conservative portfolio. To accomplish the debt management goals the Authority has taken a three-pronged approach: (1) refinanced debt to take advantage of lower interest rates and the Alternative Minimum Tax (AMT) holiday, (2) contribute other available funds to reduce the impact of debt to the airline's rates and charges and (3) strengthen the Authority's credit ratings through fiscal austerity.

Refinancing Debt

With the exception of the bonds associated with the Westin Hotel, all GARBs that were callable in the last three years have been refunded. In addition to the benefit of cost savings related to the refunding, the impact of debt service costs to the North Terminal cost center was reduced and effectively mitigated potential increases to rental rates by approximately 30 percent. Lastly, the debt restructuring program accomplished a slightly more conservative overall debt profile of 80 percent fixed and 20 percent variable and established a natural hedge to interest rate inflation.

The Alternative Minimum Tax (AMT) is a parallel tax code used to determine the minimum liability a taxpayer would be required to pay after eliminating the deductibility of certain "preference items." The American Recovery and Reinvestment Act of 2009 (ARRA) was an economic stimulus bill created to help the US economy recover from economic downturn. The ARRA created an AMT holiday allowing airports to issue bonds on a non-AMT basis in 2009 and 2010. In 2010 the Authority took advantage of the non-AMT holiday by refunding callable bonds and issuing $349.9 million of Non-AMT Refunding bonds.

In recognizing the savings available by issuing non-AMT bonds, Authority management sought to issue 2012 debt on a non-AMT basis. Since the AMT holiday provided under ARRA had expired, the Authority reviewed Airport Use and

Lease Agreements and identified that if there was an amendment to the agreements, it would allow the Authority to issue part of the new bonds as non-AMT. Authority management succeeded in obtained signed amendments to the Airport Use and Lease Agreements from all airlines. As a result, the Authority issued $177.6 million in non-AMT GARBs (new debt financing) and was able to issue an additional $3.9 million of non-AMT refunding bonds to replace callable bonds, saving the Airport approximately $22 million over the life of the bonds.

Other Available Funds

The Authority contributes discretionary and other available funds to reduce debt. However, fluctuations in the cost of debt may be caused by a number of factors including interest rate volatility (market or credit based) for both bond fund income and variable rate debt along with changes in enplaned passengers creating a potential variance in the PFC collected.

Improving Bond Ratings

To attain the lowest possible interest rates and to be sure it has the widest market for its bonds, the Authority obtains credit ratings from all of the major rating agency services, of which there are three. Although it is not required that all three be used, the Authority solicits responses from all three because each credit rating agency has a different way of evaluating the creditworthiness of an obligor with respect to debt security or other financial obligations. Over the years credit ratings have achieved wide investor acceptance as convenient tools for differentiating credit quality. The stronger the rating, the lower the interest rate and cost of Bond Debt Service.

The Authority's credit rating improved in FY 2012 when the organization went to market to issue GARBs for new projects and refinance existing debt. Moody's upgraded the Authority to "Stable" from a "Negative" rating which in turn generated greater investor and reduced the "spread" versus the market by five basis points, a savings of $50,000 to $100,000 per year. The table below describes the rating agencies' credit rating scores.

As of FY 2013, all rating agencies have re-affirmed the ratings and outlook of the Authority.

Standard & Poor's	Fitch	Moody's*	Description from the Rating Agency
The Airport's Credit Rating (2012)			
A	A-	A2	Bonds which possess many favorable investment attributes and are to be considered as upper-medium-grade obligations. They are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated categories. However, the obligor's capacity to meet its financial commitment on the obligations is strong.
All Credit Rating Tiers			
Aaa	AAA	AAA	Bonds which are judged to be of the best quality. They carry the smallest degree of investment risk. The obligor's capacity to meet its financial commitment on the obligations is extremely strong.
Aa	AA	AA	Bonds which are judged to be of high quality by all standards and only differ in small degree to the highest graded bonds. The obligor's capacity to meet its financial commitment on the obligations is very strong.
A	A-	A2	The Airport's credit rating as illustrated above.
Baa	BBB	BBB	Bonds which are considered as medium-grade obligations (i.e., they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate; however, adverse economic

Standard & Poor's	Fitch	Moody's*	Description from the Rating Agency
			conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.
Ba and lower	BB and lower	BB and lower	Obligations which are regarded as having significant speculative characteristics. While such obligations will likely have some quality and protective characteristics, they may be outweighed by large uncertainties or major exposures to adverse conditions.

* Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Airport's Gross and Net Debt Service

As shown in Figure 22 and 23, the Airport's FY 2014 gross debt service on the $2.0 billion in outstanding debt is $169.7 million for the year. Figure 22 illustrates the annual principal and interest payments through 2043. Figure 23 Fixed and Variable rate Senior Lien debt service and Junior Lien debt service.

Figure 22: Gross Debt Service FY 2014-2043

($ in thousands)

Fiscal Year	Principal	Interest	Total
2014	$ 85,069	$ 84,648	$ 169,717
2015	88,561	77,751	166,311
2016	91,257	73,603	164,861
2017	88,337	69,289	157,627
2018	91,091	70,093	161,184
2019	96,808	65,611	162,419
2020	97,153	60,787	157,940
2021	98,183	56,060	154,243
2022	95,361	51,118	146,479
2023	99,346	46,365	145,711
2024	103,490	42,821	146,311
2025	107,031	39,361	146,392
2026	111,114	35,759	146,873
2027	115,528	32,006	147,533
2028	118,366	28,102	146,468
2029	69,985	23,382	93,367
2030	62,483	20,383	82,866
2031	65,272	17,668	82,941
2032	68,136	14,833	82,969
2033	65,344	11,870	77,215
2034	55,686	9,075	64,761
2035	26,189	6,376	32,565
2036	21,513	5,068	26,580
2037	22,593	3,992	26,586
2038	11,858	2,863	14,721
2039	10,071	2,270	12,340
2040	10,583	1,766	12,349
2041	11,112	1,237	12,349
2042	11,667	681	12,348
2043	1,960	98	2,058
Total	**$ 2,001,147**	**$ 954,936**	**$ 2,956,082**

Figure 23: Senior & Junior Lien Debt Service Requirements FY 2014-2043

($ in thousands)

Bond Year Ending December 1	Outstanding Senior Lien Fixed Rate Debt Service (1)	Outstanding Senior Lien Variable Rate Debt Service (2)	Outstanding Senior Lien Total Senior Lien Debt Service	Outstanding Junior Lien Debt Service	Aggregate Outstanding Debt Service
2014	$ 153,034	$ 4,452	$ 157,486	$ 12,231	$ 169,717
2015	152,436	1,644	154,080	12,231	166,311
2016	150,670	1,921	152,591	12,270	164,861
2017	143,123	2,227	145,351	12,276	157,627
2018	141,420	7,490	148,910	12,274	161,184
2019	142,645	7,498	150,144	12,275	162,419
2020	138,082	7,582	145,664	12,276	157,940
2021	134,439	7,530	141,968	12,274	154,243
2022	126,691	7,514	134,205	12,274	146,479
2023	80,719	52,716	133,435	12,276	145,711
2024	71,648	62,385	134,032	12,278	146,311
2025	71,450	62,699	134,149	12,243	146,392
2026	71,247	63,391	134,638	12,235	146,873
2027	71,012	64,288	135,300	12,233	147,533
2028	95,579	38,614	134,193	12,275	146,468
2029	65,184	15,898	81,082	12,285	93,367
2030	57,908	12,674	70,582	12,284	82,866
2031	57,667	12,990	70,657	12,284	82,941
2032	57,432	13,252	70,685	12,284	82,969
2033	51,385	13,546	64,931	12,284	77,215
2034	50,212	2,266	52,478	12,283	64,761
2035	20,283	-	20,283	12,283	32,565
2036	14,298	-	14,298	12,282	26,580
2037	14,301	-	14,301	12,285	26,586
2038	12,673	-	12,673	2,048	14,721
2039	12,340	-	12,340	-	12,340
2040	12,349	-	12,349	-	12,349
2041	12,349	-	12,349	-	12,349
2042	12,348	-	12,348	-	12,348
2043	2,058	-	2,058	-	2,058
TOTAL	**$ 2,196,983**	**$ 462,576**	**$ 2,659,559**	**$ 296,523**	**$ 2,956,082**

(1) Does not take into account bond payment/reserve income or capitalized interest on previously funded GARBs
(2) Variable rate assumptions < 1.0% 2014 to 2017 then 1.5% 2018 to 2044

Figure 24 below illustrates the calculation of net debt service paid by airline rates and charges. From gross debt service of $169.7 million, revenues from Passenger Facility Charges (PFCs) and interest income from bond reserve and payment funds are deducted. The balance of $89.4 million is charged to the airlines as part of O&M non-operating expenses.

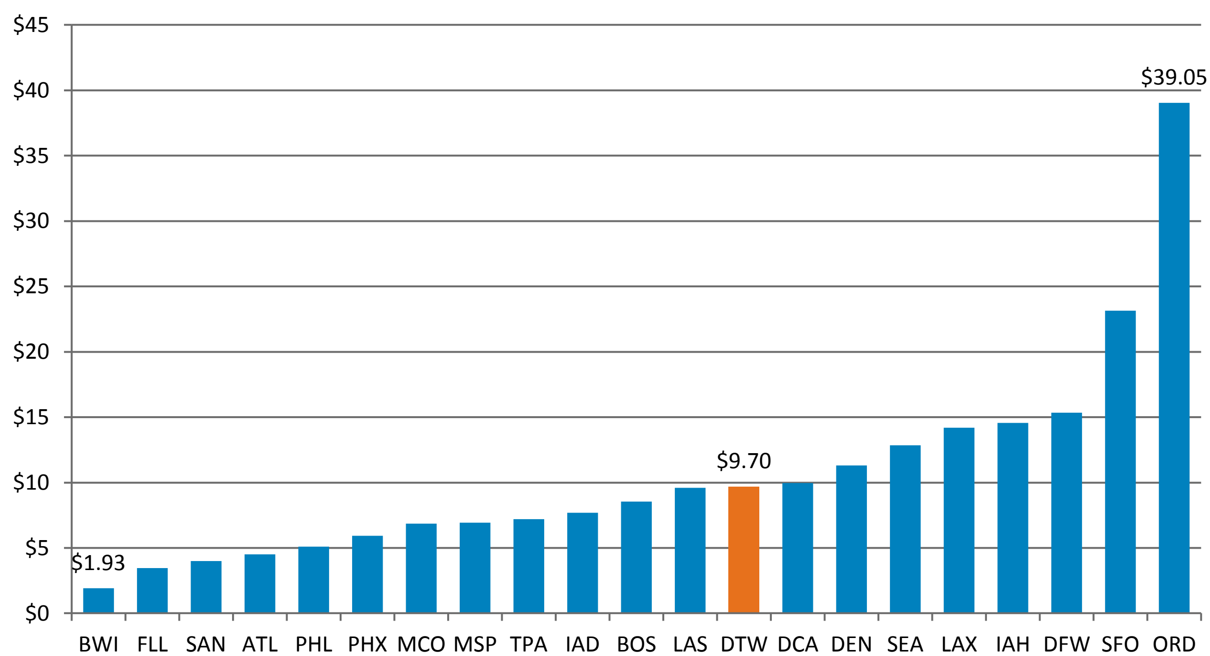
Figure 24: Net Debt Service - Airline Requirement

($ in thousands)	**Amount**
Principal	$ 85,069
Interest	84,648
Gross Debt Service	169,717
Less Other Monies Available	
Passenger Facility Charges (PFCs)	(60,406)
Capitalized Interest & Other Available Funds	(19,941)
Subtotal	(80,347)
Net Debt Service/O&M FY 2014 Budget Requirement	**$ 89,370**
Enplanements	16,000,000
Gross Debt Service per Enplanement	$ 10.61
Net Debt Service per Enplanement	$ 5.59

Net debt service is approximately a third of total O&M expenses. Thus, managing total outstanding debt is critical to maintaining the Airport's cost competitiveness among peer airports. As a result, the Authority monitors total debt per enplanement as well as net debt service costs per enplanement.

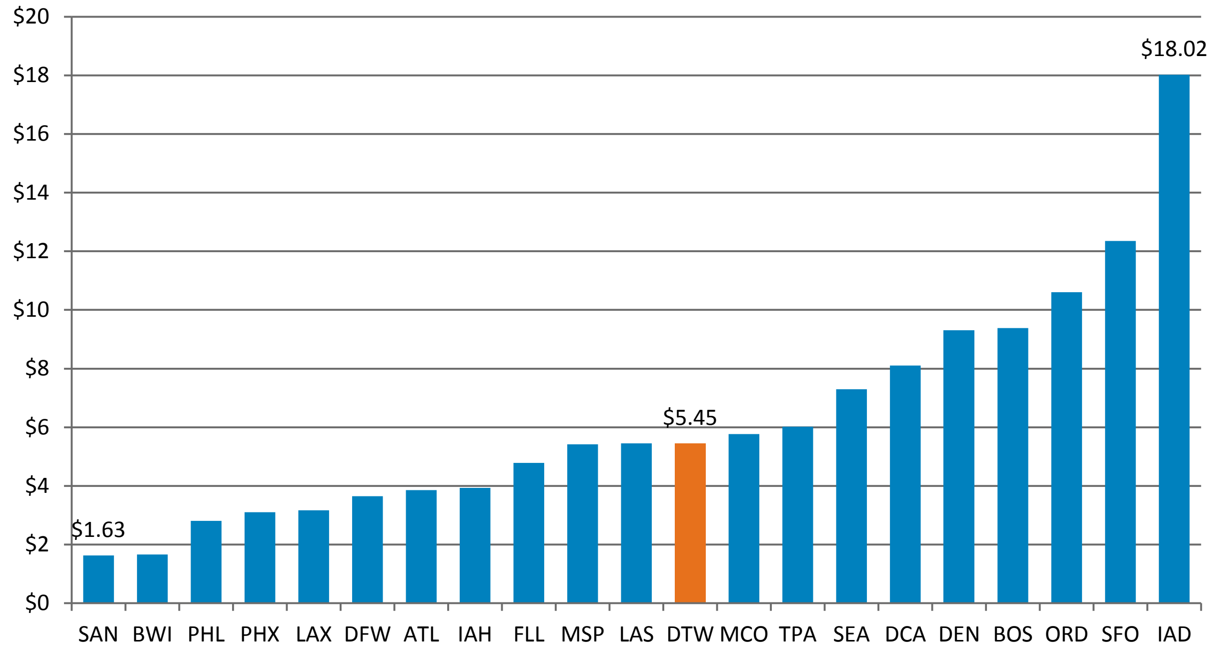
Figure 25 & 26 below are two charts that compare the Airport's indebtedness to other large hub airports in terms of gross and net debt service by enplanement, respectively. As both charts illustrate, the Airport's debt service per enplanement is competitive among peer airports. Additionally, the airport has completed significant components of traditional airport capital improvement plans (terminals, runaways, etc.). The Airport's FY 2014-2018 CIP is considered to be moderate for a large hub airport with limited near-term capital investments.

Figure 25: Gross Debt Service per Enplanement among Per Airports FY 2012



Source: ACI-NA Benchmarking Survey FY 2012

Figure 26: Net Debt Service per Enplanement among Peer Airports FY 2012



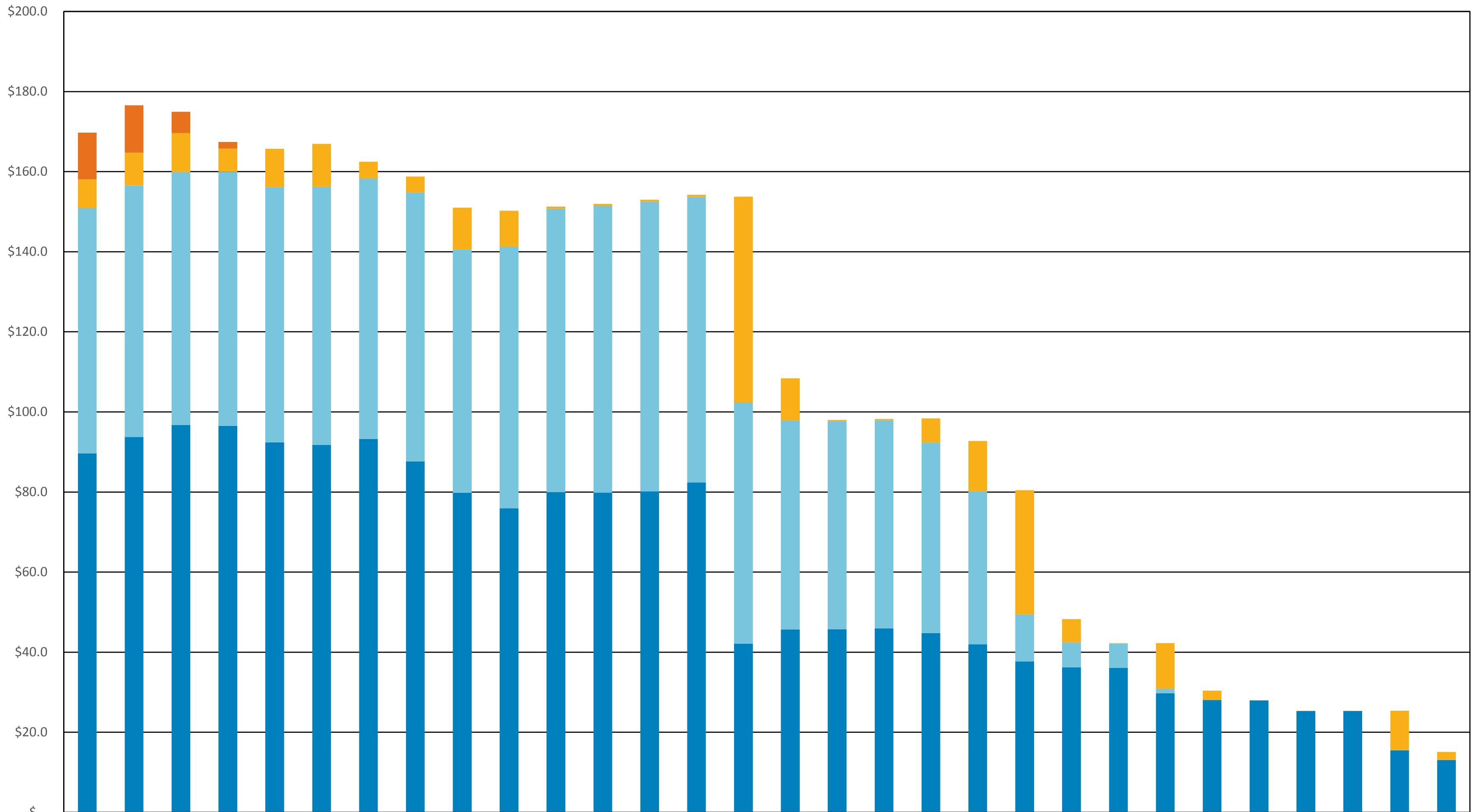
Source: ACI-NA Benchmarking Survey FY 2012

FY 2014 Debt Issuance

To fund projects anticipated to be completed in years FY 2014 through FY 2015, the Authority plans to complete an issuance of GARBs for approximately $130 million in project costs. This will be accomplished with both variable rate and fixed rate components. The issuance will keep in kind with the debt strategy of an overall debt portfolio encompassing approximately 80% fixed and 20% variable rate debt.

The following Projected Debt Service graph, demonstrates the long term gross debt service of the Authority by estimated funding sources, including the anticipated issuance of the FY 2014 debt. As illustrated, the rates and charges component through FY 2043, is being managed, and keeps overall fluctuations modest from year to year.

Projected Debt Service
($ in millions)

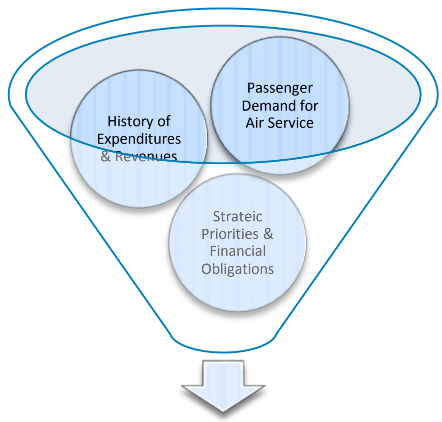


	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Capitalized Interest	$11.6	$11.9	$5.3	$1.7	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-
Bond Fund Income & Other	$7.2	$8.2	$9.8	$5.7	$9.6	$10.7	$4.2	$4.0	$10.4	$9.0	$0.5	$0.5	$0.5	$0.5	$51.4
PFC's	$61.2	$62.8	$63.1	$63.5	$63.8	$64.4	$65.1	$67.2	$60.8	$65.3	$70.9	$71.6	$72.3	$71.3	$60.2
Rates & Charges	$89.6	$93.7	$96.7	$96.5	$92.4	$91.8	$93.2	$87.6	$79.8	$75.9	$79.9	$79.8	$80.2	$82.4	$42.1

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Capitalized Interest	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-	$-
Bond Fund Income & Other	$10.5	$0.3	$0.3	$6.0	$12.6	$31.0	$5.8	$0.1	$11.4	$2.3	$0.0	$0.0	$0.0	$9.8	$2.0
PFC's	$52.2	$52.0	$52.0	$47.6	$38.2	$11.8	$6.2	$6.1	$1.1	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Rates & Charges	$45.7	$45.7	$46.0	$44.8	$42.0	$37.7	$36.2	$36.1	$29.7	$28.1	$28.0	$25.3	$25.3	$15.5	$13.1

FIVE-YEAR FINANCIAL OUTLOOK

The purpose of the Five-Year Financial Outlook is to provide a strategy for the Authority's financial goal to maintaining a cost competitive rate structure among large US hub airports. It provides a starting point for making financial decisions regarding changes to service levels, capital investments and issuing future debt. Using the Outlook, the Authority's Board and Senior Management team can see how today's decisions will impact airline rates and charges over a five-year horizon. The Outlook is the culmination of three evaluations: (1) passenger demand for air service, (2) historical expenditures and revenue trends and (3) financing strategic priorities and financial obligations.



Five-Year Financial Outlook

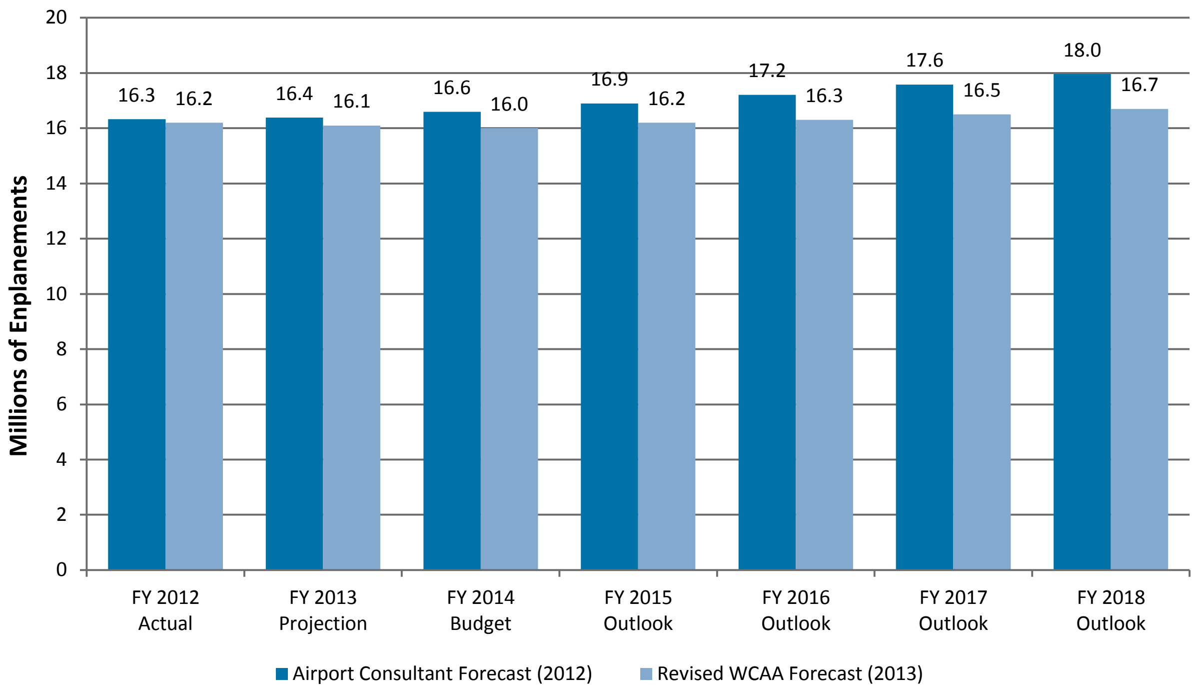
Passenger Demand for Air Service

Earlier in the Budget Book is an analysis of the aviation industry and the social-economic profile of the Air Trade Area (see *State of the Aviation Industry* starting on page 35). It demonstrates that the aviation industry is healthy; demand for air travel is stable and the airlines have returned to profitability. It shows that the Air Trade Area's population is stable, diverse and affluent – all positive indicators of strong O&D passenger demand. Further, Delta has demonstrated a commitment to hubbing operations at the Airport with an increasing focus as an international gateway to Asia. Historically airlines have reacted to positive economic news by adding capacity to meet increased demand and it would be reasonable to expect enplanement growth at the Airport. However, the industry has changed.

Where, how and when carriers schedule their aircraft is no longer just a primary reaction to economic factors. The previous business model was based on gaining market share and passenger volume through short-term, lower cost per ticket strategies that focused on taking customers away from the competition. However, Airlines are changing their business strategies. Carriers have now shifted their mindset and are now making the determination on how to match revenues to cost. The goal is producing levels of capacity that provide maximum return. To maximize capacity, airlines have taken the following approaches: (1) decreasing seat capacity to raise fares, (2) altered fleet mix favoring larger aircraft to smaller regional jets (RJs) and (3) continued trend of airline consolidation. With the impending merger of American Airlines and US Airways, there will be just nine major scheduled airlines, all having specific route strategies to gain maximum capacity and profit.

Given all the factors, the Authority projects enplanements for FY 2014 will be 16.0 million, a decline from FY 2012 and FY 2013 projection. While economic and demographic factors would suggest robust growth, the industry's mindset shift is suppressing both supply and enplanement growth. The Outlook's begins with the FY 2014 budget of 16.0 million enplanements and assumes modest growth of one percent annually. In 2012, the Airport's consultant prepared an enplanement forecast which forecasted 16.6 million enplanements in FY 2014 with two percent annual growth in the out-years. Illustrated below is the original and revised enplanement outlook.

Figure 27: Enplanement Outlook through FY 2018



History of Revenues & Expenditures

Non-Airline Revenues: In total, non-airline revenue has grown from $89.8 million in FY 2003 to $127.6 million in FY 2012, a CAGR of 4.0 percent. Parking, car rental and concessions revenues are driven by passenger activities. While enplanements have not grown, these revenue sources have increased by a CAGR of 6.1 percent. Ground transportation has grown from approximately $0.2 million in FY 2003 to $4.9 million in FY 2012 as a result of introduction of charges for taxi, luxury sedans and off-airport shuttle services for accessing the Airport's Ground Transportation Centers. These gains are partly offset by losses in non-airline rent, charges for service and other which have decreased from $6.8 million in FY 2003 to $5.3 million in FY 2012, a CAGR of -2.8 percent

Operating Expenses: At a CAGR of 1.6 percent, the Airport's operating expenses are essentially flat since the Authority's inception in 2003. Trends of note are discussed below.

- The CAGR for salaries and wages is 0.6 percent since the Authority's inception as annual economic enhancements to bargaining unit contracts have been off-set by a series of staff reduction measures since FY 2008.
- Employee Benefits have grown from $17.7 million in FY 2003 to $25.3 million, a CAGR of 4.0 percent. The Authority has off-set double-digit healthcare inflation with a number of employee cost-sharing measures including increasing deductibles, introducing co-insurance and mandatory generic medications.
- Contractual Services, which include parking management, shuttle bus, janitorial and security services, totaled $44.5 million in FY 2012 compared to $43.8 million in FY 2003, a CAGR of 0.2 percent.

($ in thousands)	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual[1]	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	CAGR FY 2003 to FY 2012	CAGR FY 2003 to FY 2014
Airline Revenues														
Landing Fees	$ 85,815	$ 88,446	$ 73,191	$ 60,162	$ 58,741	$ 84,022	$ 59,723	$ 69,651	$ 68,473	$ 66,719	$ 65,519	$ 68,363	-2.8%	-2.0%
Rent	24,132	23,247	23,884	25,026	26,642	26,934	65,977	70,061	73,652	85,810	91,216	89,951	15.1%	12.7%
Facility Use Fees	6,026	6,147	7,074	6,767	7,525	7,885	6,320	5,950	6,638	7,092	6,879	7,743	1.8%	2.3%
Total Airline Revenues	115,973	117,841	104,149	91,955	92,908	118,842	132,021	145,663	148,764	159,621	163,613	166,057	3.6%	3.3%
Non-Airline Revenues														
Parking	32,806	38,842	46,003	53,026	58,859	58,683	49,911	48,309	54,145	56,091	56,488	59,000	6.1%	5.5%
Car Rental	15,760	16,724	18,081	19,175	20,859	21,493	17,540	17,273	18,984	19,626	18,950	20,400	2.5%	2.4%
Concessions	25,479	24,761	26,145	27,892	29,078	30,043	30,563	30,427	31,261	31,714	30,310	31,115	2.5%	1.8%
Ground Transportation	224	859	3,879	5,127	7,394	7,056	6,510	4,739	4,944	4,883	5,010	5,115	40.8%	32.9%
Shuttle Bus	5,860	4,545	5,331	4,960	5,254	5,773	5,655	5,467	5,869	5,211	2,385	2,050	-1.3%	-9.1%
Utility Service Fee	2,872	3,365	3,721	3,622	4,078	4,498	4,320	4,332	4,879	4,790	5,042	5,180	5.8%	5.5%
Rent	1,941	3,269	3,144	3,640	3,906	3,783	3,767	3,454	2,761	2,255	2,550	2,710	1.7%	3.1%
Other Revenue	2,625	(224)	1,123	1,157	2,757	1,414	671	1,024	2,183	1,160	860	1,063	-8.7%	-7.9%
Charges For Services	2,222	1,053	1,869	1,152	2,121	2,489	2,223	2,032	2,107	1,848	1,917	2,023	-2.0%	-0.8%
Total Non-Airline Revenues	89,790	93,193	109,297	119,750	134,307	135,231	121,161	117,057	127,133	127,578	123,511	128,656	4.0%	3.3%
Non-Operating Revenues	2,120	1,069	1,783	3,092	3,015	2,290	1,730	1,465	1,477	1,627	1,260	1,155	-2.9%	-5.4%
Total Revenues	**$ 207,883**	**$ 212,103**	**$ 215,230**	**$ 214,798**	**$ 230,229**	**$ 256,363**	**$ 254,912**	**$ 264,185**	**$ 277,374**	**$ 288,826**	**$ 288,385**	**$ 295,868**	**3.7%**	**3.3%**
Operating Expenses														
Salaries & Wages	$ 58,579	$ 58,042	$ 62,194	$ 64,318	$ 69,877	$ 75,214	$ 72,696	$ 70,721	$ 70,065	$ 68,426	$ 62,527	$ 65,308	1.7%	1.0%
Materials and Supplies	3,334	3,719	4,011	4,670	4,061	5,392	5,969	5,177	6,457	6,047	6,659	7,319	6.8%	7.4%
Parking Management	15,758	9,726	10,647	9,754	10,325	8,906	7,082	6,505	6,794	6,048	6,531	6,560	-10.1%	-7.7%
Shuttle Bus	8,364	10,019	10,354	9,943	8,251	9,221	8,483	8,495	8,750	8,099	6,350	6,250	-0.4%	-2.6%
Janitorial	5,467	3,419	1,995	2,031	2,417	2,403	10,576	10,972	11,143	11,480	11,616	11,645	8.6%	7.1%
Security	3,771	3,324	3,463	3,501	3,433	2,758	2,657	2,293	2,401	2,288	2,248	3,178	-5.4%	-1.5%
Contractual Services	10,421	9,549	10,157	9,322	9,239	13,519	14,644	14,166	19,354	16,613	18,842	20,997	5.3%	6.6%
Insurance	3,507	4,248	3,342	2,972	2,826	2,593	2,710	2,532	2,294	2,370	2,357	2,392	-4.3%	-3.4%
Utilities	18,819	19,320	20,958	21,801	25,585	29,558	26,616	25,447	24,524	26,280	27,876	27,069	3.8%	3.4%
Buildings & Grounds Maintenance	19,522	18,486	18,019	20,007	20,569	22,094	13,021	19,313	18,141	16,519	15,571	17,121	-1.8%	-1.2%
Equipment Repair & Maintenance	11,839	12,663	12,344	13,922	12,742	13,435	15,740	17,820	17,193	15,142	15,954	17,140	2.8%	3.4%
Other Operating Expenses	1,673	3,923	3,062	445	2,258	4,770	3,378	3,397	1,760	4,039	3,863	3,611	10.3%	7.2%
O&M Capital	942	3,427	2,685	4,107	1,942	2,086	1,500	2,774	7,444	3,645	4,008	4,292	16.2%	14.8%
Total Operating Expenses	161,996	159,865	163,232	166,793	173,524	191,948	185,074	189,613	196,321	186,996	184,401	192,880	1.6%	1.6%
Capital Funding	-	-	-	(5,349)	(1,300)	(782)	-	(325)	(56)	-	-	-	n/a	n/a
Interest & Financing	1,591	1,710	1,414	274	332	399	556	360	197	173	280	244	-21.9%	-15.7%
Debt Service & Coverage	37,530	44,548	43,886	45,881	48,718	57,410	59,218	64,721	70,944	88,157	90,701	89,370	10.0%	8.2%
Funding Requirements	6,766	5,979	6,698	7,198	8,954	7,388	10,064	9,815	9,968	13,500	13,003	13,374	8.0%	6.4%
Non-Operating Expenses	45,887	52,237	51,998	48,005	56,705	64,415	69,838	74,571	81,053	101,831	103,983	102,988	9.3%	7.6%
Total Expenses	**$ 207,883**	**$ 212,103**	**$ 215,230**	**$ 214,798**	**$ 230,229**	**$ 256,363**	**$ 254,912**	**$ 264,185**	**$ 277,374**	**$ 288,826**	**$ 288,385**	**$ 295,868**	**3.7%**	**3.3%**

[1] From FY 2003 to FY 2008, janitorial services for the South Terminal were included in the Builds & Grounds Maintenance line. If the two lines were combined, the FY 2003 to 2012 CAGR and FY 2003 to 2014 Budget CAGR would be 1.3 percent

- Utilities expenses have grown from $18.8 million in FY 2003 to $26.3 million in FY 2012, a CAGR of 3.8 percent as compared to the PPI utilities index for utilities which has risen by a CAGR of 3.2 percent.
- Repair and maintenance for buildings, grounds and equipment have remained virtually unchanged in the ten-year history of the Authority. In FY 2003, repair and maintenance expenses total $31.4 million as compared to $31.7 in FY 2012. As many Airport assets have reached or are close to surpassing their useful life, current funding levels are not sustainable.

Non-operating Expenses: In FY 2003, non-operating expenses have grown from $48.9 million to $101.8 million in FY 2012, a CAGR of 9.3 percent. The growth is largely attributed to net debt service paid from airline rates in charges which totaled $35.6 million in FY 2003 to $88.2 million in FY 2012. Over the span of the decade since the Authority's inception, the Airport has financed and constructed two state-of-the-art passenger terminals attributing much of the growth in debt service.

Airline Revenues: Historical airline revenue is a factor of the Airport's operating and non-operating expenses less the generation of non-airline revenue (e.g. parking, concessions, car rentals, etc.). Pursuant to the terms of the Airport's Use and Lease Agreement, the Authority calculates airline's activity fee rates (Landing Fees) under a full residual methodology. As such, the Signatory Airlines guarantee the net cost of operating the entire Airport, including operating expenses and all debt service and coverage requirements. If the Authority incurs a deficit in any particular fiscal year, it has the ability to increase activity fee rates to the Signatory Airlines up to the amount of the deficit. Conversely, if the Authority realizes a surplus, the Authority must refund the surplus to the Signatory Airlines.

Figure 28 illustrates the Airport's revenues and expenses since the Authority's inception to FY 2014 Budget.

Expenditure Priorities & Obligations

The Authority's strategic plan identifies several priorities that will require financial investments and/or the reallocation of resources. Further, the Authority has unavoidable or mandated financial obligations that must be factored into a five-year financial outlook. Below is a discussion on the priorities and obligations with the greatest impact to the Outlook.

Expenditure Priorities

Non-routine Corrective & Preventative Maintenance: As discussed above, the Airport's repair and maintenance has remained flat since FY 2003, $31.4 million as compared to $31.7 in FY 2012. The Authority's Infrastructure & Engineering, Facilities Management & Improvement and Maintenance departments have identified projects that must be performed in the coming five years in order to remain operational excellence and protect capital assets. Some projects are undertaken in schedule intervals (e.g. pond dredging once every 30 years) while others have been deferred due to resource constraints.

The Authority's operations departments have developed five- and ten-year maintenance and renewal plans for assets categories including:

- Bridges and roadways
- Fleet and equipment
- Storm water systems and pond dredging

These plans include corrective course of action to address deferred maintenance, planned non-routine maintenance projects and recommend preventative maintenance measures beyond current service levels. The estimated cost to implement these plans is included in the Five-Year Financial Outlook. The outlook is also used as a tool to distribute these projects over a span of fiscal years to maintain a stable operating budget and avoid spikes in rates in charges.

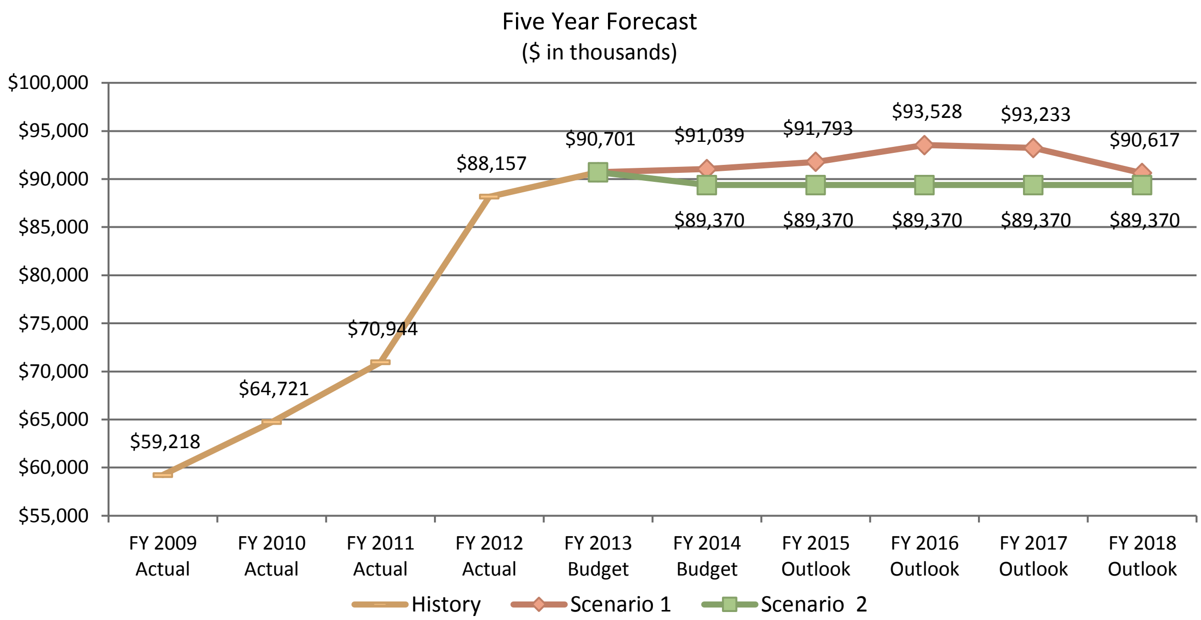
Process Improvements: Over the past two years, the Authority has engaged an external management consulting firm to perform process reviews and develop a plan of action for process improvements. The finding recommend adding full-time positions back in key areas to improve core Airport functions and leverage technology.

Computer Hardware, Software and Technology Services: The increasing use of technology for passenger convenience, improved safety and security and productivity gains will drive operating expenses higher. Whereas the financial outlook assumes no-growth for most professional services, technology service as forecasted to grow by four percent annually driven by technology initiates including annual support costs for (1) Interactive Terminal Displays, (2) the MUNIS ERP system enhancements, (3) Office 365, (4) Web-based permitting and (5) future initiatives.

Expenditure Obligations

Debt Service: The Airport's FY 2014 net debt service obligation, the portion paid from airline rates and charges, is $89.6 million or approximately 30.2 percent of budgeted expenses. It is the O&M budget's largest expense category. The five-year financial outlook explored two scenarios manage the impact of net debt service to the operating fund. The first scenario represents the net debt service obligations "as-is." The second scenario holds net debt service flat over the Outlook's five-year horizon by using excess reserves and discretionary funds. The two scenarios are charted below.

Figure 29: Debt Service Scenarios



Collective Bargaining Agreements: The Authority's employees are represented by ten bargaining units. The economic enhancement provisions of the collective bargaining agreements are similar: 1.5 percent annual increase to base pay with performance bonuses ranging from a half to one percent.

Health Care Benefits: Historically, health care cost inflation has outpaced year-over-year increases in the consumer price index (CPI). While health care inflation has slowed since 2009, it still out paces the CPI and other inflationary indices. Like many employers, the Authority has undertaken a number of cost-saving and cost–sharing initiatives to hold down health care benefit costs.

TSA Checkpoint Mandate: Starting January 2014, the TSA is planning to stop staffing Airport terminal exit points and require the Authority to perform this duty. The additional staffing is estimated to cost the Authority approximately $0.9 million per year.

Other Assumptions & Considerations

The Authority's management has implemented a series of service level modifications to hold costs flat. Moving forward, the Authority does not foresee additional service level reductions in the five-year horizon of the fiscal outlook.

Five-Year Financial Outlook

The graphs below outline the Airport's Five-Year Outlook of O&M revenues and expenditures for FY 2014 through FY 2018. The Outlook demonstrates the Authority's ability to achieve its financial goals while also meeting financial obligation. It is based upon a series of conservative assumptions and does not make blanket assumptions for actions the Authority will take during the five-year span to improve revenue or lower expenses.

There are three valuable conclusions that can be drawn from the analysis Five-Year Outlook. The first is that the demographic and economic base of the Air Trade is stable providing consistent demand for O&D air travel. Further, the Airport's role in Delta Airline's hubbing network and function as an international gateway to Asian destinations provides a stable level of connecting passengers. Combining these two factors, the outlook foresees slight growth in passenger enplanements at one percent per year.

The second conclusion is that historic trends in operating expenses have stayed essentially flat since the Authority's creation in 2003. An analysis of the Airport expenditures illustrates that the 10-year CAGR of 3.6 percent is comparable to compounded annual growth rate of the PPI, 3.9 percent. The CAGR for operating expenses, 1.6 percent, are 2.3 percentage points less than the PPI. Growth in debt service and non-operating expenses, 9.3 percent, CAGR have driven the growth. The Airport's debt service increase over the past ten years is largely associated with the construction of two new terminals. The current Capital Improvement Plan contains no projects of that magnitude that would drive double-digit annual increases in debt service over the next five years.

Lastly, the five-year outlook analysis concludes that the Authority has the opportunity to fund its strategic priorities while meeting all financial obligations at a compounded annual growth rate less than PPI inflation. In summary, the Airport's financial goal of maintaining a cost competitive rate structure among large US hub airports is achievable.

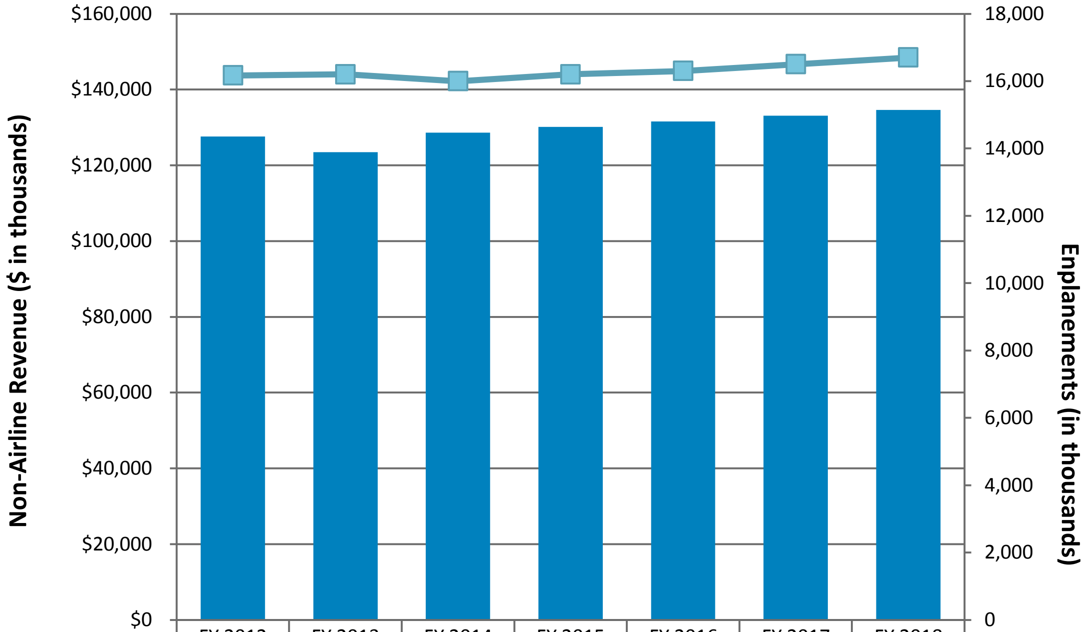
Non-Airline Revenue Outlook

The five-year financial outlook for the Airport assumes three percent growth in total non-airline revenues. While this category has experienced a ten-year CAGR of four percent, sustaining similar growth without substantial corresponding growth in passenger enplanements is not realistic. The opportunity for growth exists in non-passenger dependent revenue. The Authority's economic development efforts are focused on restoring losses in non-airline rentals by attracting cargo, freight and logistics services to develop and/or lease airport properties. The successful attraction of non-airline tenants paired with modest growth in passenger-related revenue sources justifies a three percent annual growth in non-airline revenue.

Non-airline revenues were approximately $127.6 million in FY 2012 and were budgeted at $123.5 million in FY 2013, a decrease of 3.2 percent. The decline is primarily attributable to retail concession construction period and a change in shuttle bus operations at the Airport and a corresponding reduction to shuttle bus operating revenues and operating expenses. Based on the Authority's FY 2014 operating budget, non-airline revenues are projected to increase to approximately $128.7 million in FY 2014, primarily attributable to an increase in average length of stay in parking and new retail concession program at the Airport. The increase in non-airline revenues projected between

FY 2014 and FY 2018 represents a CAGR of approximately 2.0 percent, with total non-airline revenues projected to increase to approximately $134.6 million in FY 2018.

Figure 30: Non-Airline Revenue Five Year Outlook



	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
Non-Airline Revenue	$127,578	$123,511	$128,656	$130,124	$131,610	$133,115	$134,637
Enplanements	16,170	16,200	16,000	16,200	16,300	16,500	16,700
Revenue Per Enplanement	$7.89	$7.62	$8.04	$8.03	$8.07	$8.07	$8.06

Expenses

Salaries, Wages & Benefits: The Outlook expects staffing levels to remain flat over the five year period, however due to collective bargaining agreements salaries are expected increase by two percent per year. Healthcare benefits are expected to grow at an annual rate of five percent, yet all other benefits are forecasted to increase two percent per year.

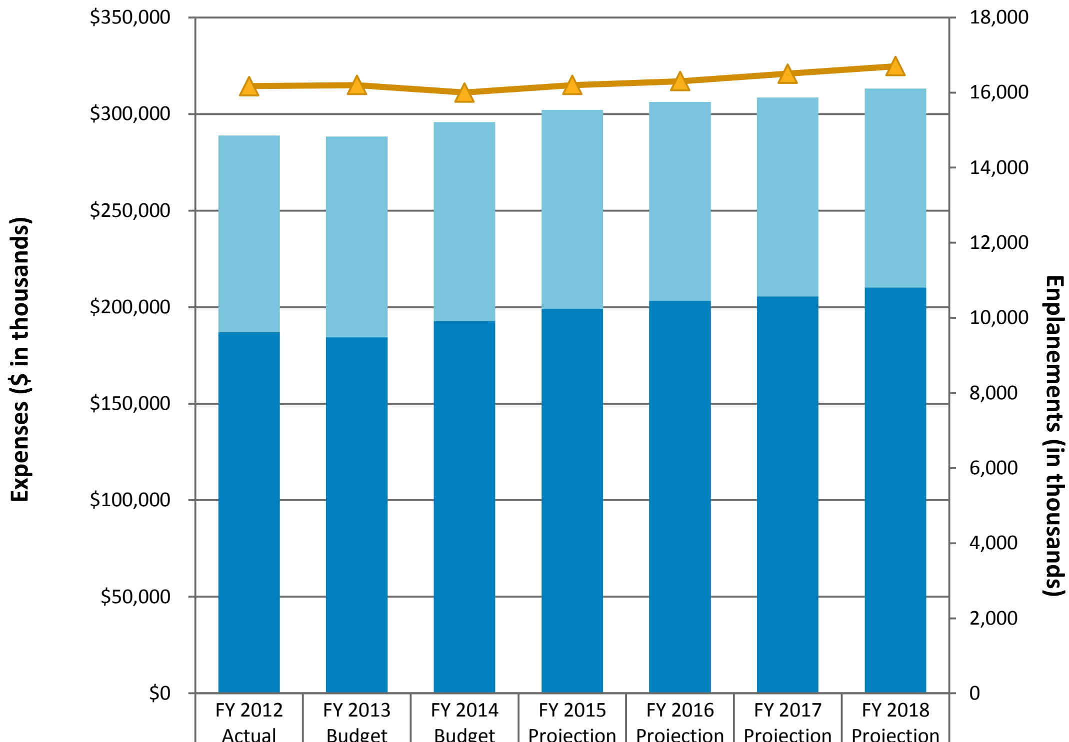
Professional & Contractual Services: Current services are projected to grow by two to three percent, a conservative inflationary adjustment. Due to the new TSA mandates, projected expenses for security guard services include a three percent measure for inflation plus an additional $0.9 million per year starting in FY 2014. Technology services projected to grow by four percent annually for the maintenance and development of new or enhanced systems.

Utilities: The outlook assumes a three percent annual increase in all utility rates with a one percent system-wide reduction in electricity consumption resulting from the parking deck LED project.

Repair & Maintenance: The Outlook includes funding for the preliminary five- and ten-year maintenance and renewal plans for bridge and roadway repairs and replacement and fleet equipment.

Debt Service (Non-operating Expenses): The Outlook assumes scenario two, as illustrated above, which would flatten out debt service payments from airline rates and charges by using excess GARB income and discretionary funding sources.

Figure 31: Total Expenses Five Year Outlook



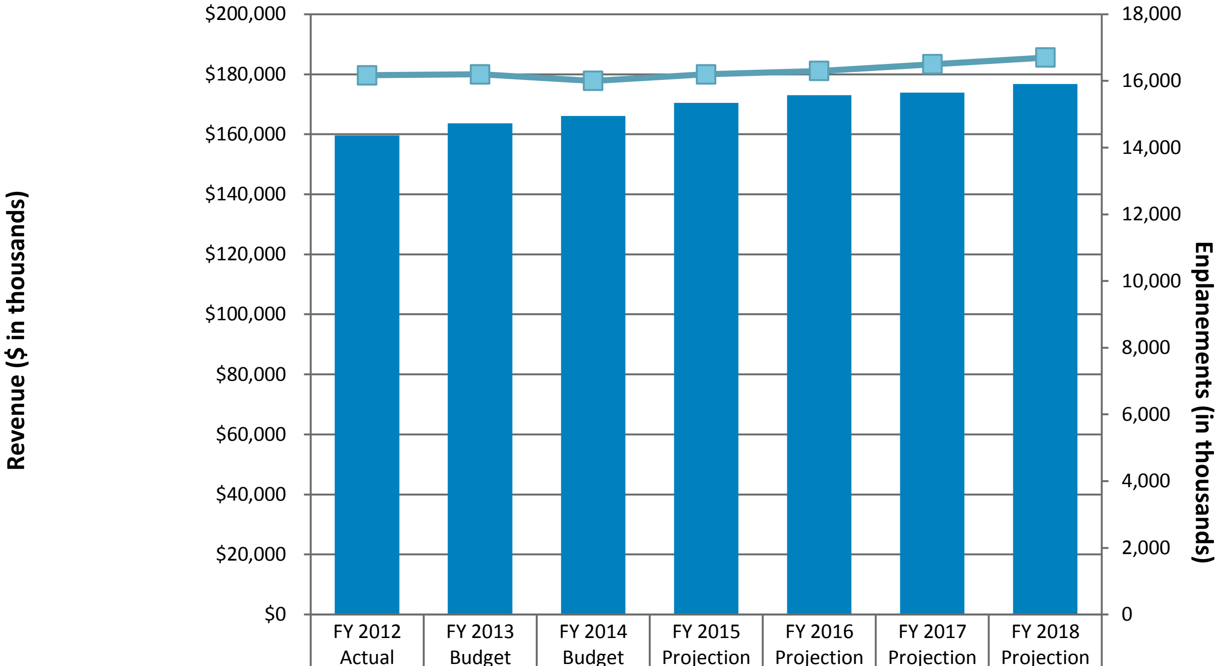
	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
Total Non-Operating Expenses	$101,831	$103,983	$102,988	$102,988	$102,988	$102,988	$102,988
Total Operating Expenses	$186,996	$184,401	$192,880	$199,102	$203,277	$205,641	$210,130
Enplanements	16,170	16,200	16,000	16,200	16,300	16,500	16,700
Expense Per Enplanement	$11.56	$11.38	$12.06	$12.29	$12.47	$12.46	$12.58

Airline Revenues

Airline revenues calculated based on an Airport-wide residual methodology pursuant to the terms of the Airline Agreements are projected to increase from approximately $159.6 million in FY 2012 to $166.1 million in the FY 2014 Budget. The growth in airline revenues is primarily attributed to $4.4 million increase in contractual service and $2.0 million in equipment repairs since FY 2012. As previously discussed, the FY 2014 operating expense budget is $6.4 million or 3.8 percent higher than FY 2012 actual. The five-year projection for airline revenue is $176.8 million, an increase of $10.8 million to the FY 2014 budget which represents a CAGR of 1.6 percent.

The Airport's estimated average Airline CPE is projected to increase from approximately $9.87 in FY 2012 and $10.38 in FY 2014 Budgeted to approximately $10.59 in FY 2018.

Figure 32: Airline Revenue Five Year Outlook

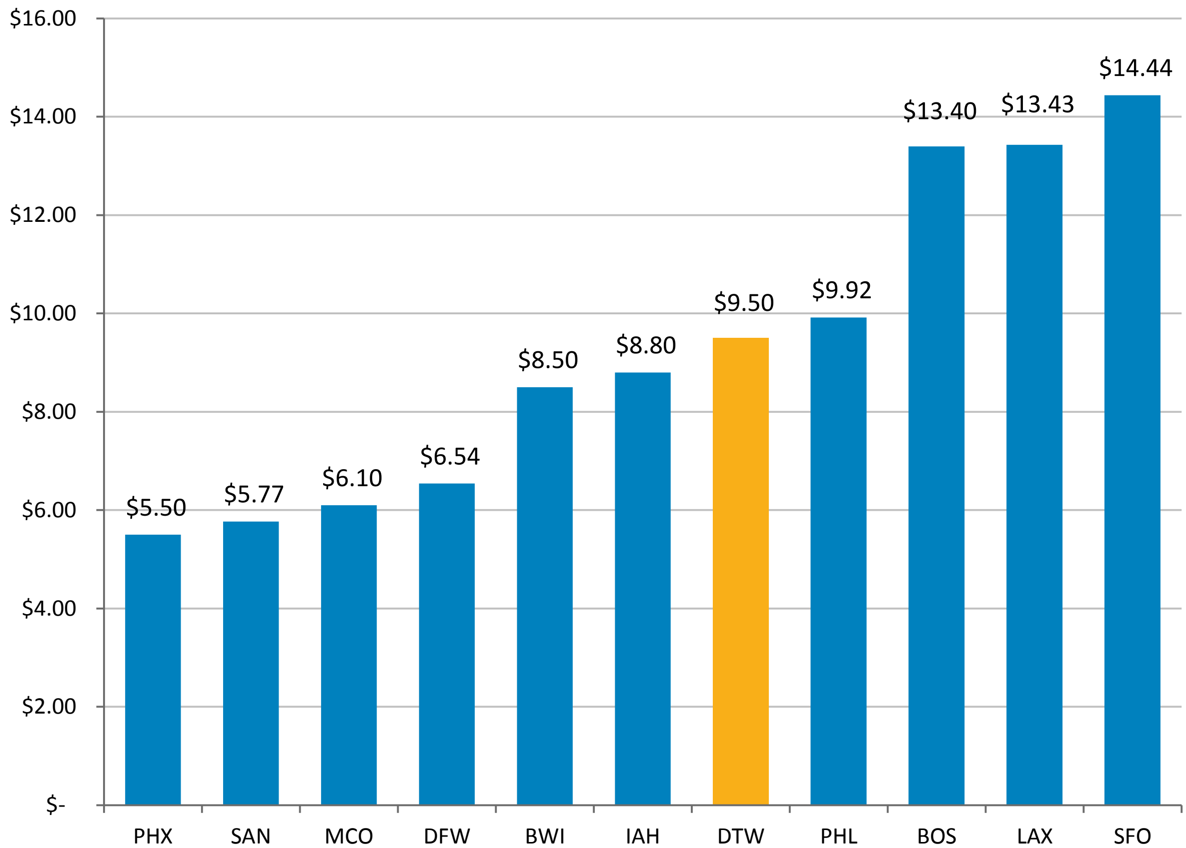


	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection	FY 2018 Projection
Airline Revenue	$159,621	$163,613	$166,057	$170,446	$173,088	$173,899	$176,812
Enplanements	16,170	16,200	16,000	16,200	16,300	16,500	16,700
Revenue Per Enplanement	$9.87	$10.10	$10.38	$10.52	$10.62	$10.54	$10.59

Cost per Enplaned Passenger

Figure 33 represents the Airport's CPE relative to other airports in the U.S participating in ACI's Preliminary FY 2013 Benchmarking Survey. As the chart illustrates, the Airport's CPE is reasonable as compared to other large-hub US airports, especially when noting that the Authority has completed a significant capital program that has modernized its facilities. As such, the Authority has been able to keep its costs to the airlines low while investing significant capital into the facility. The comparatively low CPE combined with the modern facilities strategically positions the Airport well into the foreseeable future.

Figure 33: Airline Cost per Enplanement Comparison



Note: Benchmark CPE includes landing fees, terminal rents and federal inspection station charges. Cargo airline landing fees and non-terminal rent is excluded from the calculation.
SOURCE: FY 2013 ACI Benchmark Surevy

APPENDIX A: AIRPORT RATES & CHARGES

	FY 2013 Approved Budget	FY 2013 Mid-Year Projection	FY 2014 Approved Budget
Airfield Activity and Fees			
Enplanements	16,200,000	16,100,000	16,000,000
Airline Cost per Enplanement	$10.10	$10.02	$10.38
Landed Weights (thousands of pounds)	20,700,000	20,500,000	20,500,000
Signatory Landing Fee	$ 3.16	$ 3.16	$ 3.33
Non-Signatory Landing Fee	$ 3.95	$ 3.95	$ 4.16
South Terminal Activity and Fees			
Terminal Rental Rates			
Signatory Airline	$ 63.00	$ 63.00	$ 62.00
Non-Signatory Airline	$ 73.00	$ 73.00	$ 72.00
International Facility Use Fee	$ 5.00	$ 5.00	$ 5.50
North Terminal Activity and Fees			
Terminal Rental Rates			
Signatory Airline	$ 127.00	$ 123.00	$ 127.00
Non-Signatory Airline	$ 147.00	$ 141.00	$ 147.00
International Facility Use Fee	$ 5.00	$ 5.00	$ 5.50
Shared Use Per Enplaned Passenger (Signatory)	$ 4.55	$ 4.47	$ 4.93
Shared Use Per Enplaned Passenger (Non-Signatory)	$ 5.24	$ 5.14	$ 5.67
Common Use Gate Fee*			
Signatory Airline	$ 346.00	$ 330.00	$ 346.00
Non-Signatory Airline	$ 398.00	$ 380.00	$ 398.00
Overnight Aircraft Parking			
Common Use Gates**			
Signatory Airline - Overnight	$ 200.00	$ 200.00	$ 200.00
Non-Signatory Airline - Overnight	$ 230.00	$ 230.00	$ 230.00
Signatory Airline - Hourly Rate	$ 40.00	$ 40.00	$ 40.00
Non-Signatory Airline - Hourly Rate	$ 50.00	$ 50.00	$ 50.00
Remote Hardstand Aircraft Parking			
Signatory Airline - Overnight	$ 100.00	$ 100.00	$ 100.00
Non-Signatory Airline - Overnight	$ 125.00	$ 125.00	$ 125.00
Signatory Airline - Hourly Rate	$ 20.00	$ 20.00	$ 20.00
Non-Signatory Airline - Hourly Rate	$ 25.00	$ 25.00	$ 25.00

Notes:

* Common Use Gate Fee is for Narrow Body Equivalent aircraft. Fee is adjusted based on actual aircraft size; refer to "Definitions Section" of Airport Use & Lease Agreement.

** Please refer to WCAA Gate Access Procedures for North Terminal Common Use Gates

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APPENDIX B: SUPPLEMENTAL AVIATION STATISTICS

DETROIT METROPOLITAN AIRPORT & PEER AIRPORTS

Figure 34: Peer Airports Scheduled Daily Departures September 2013

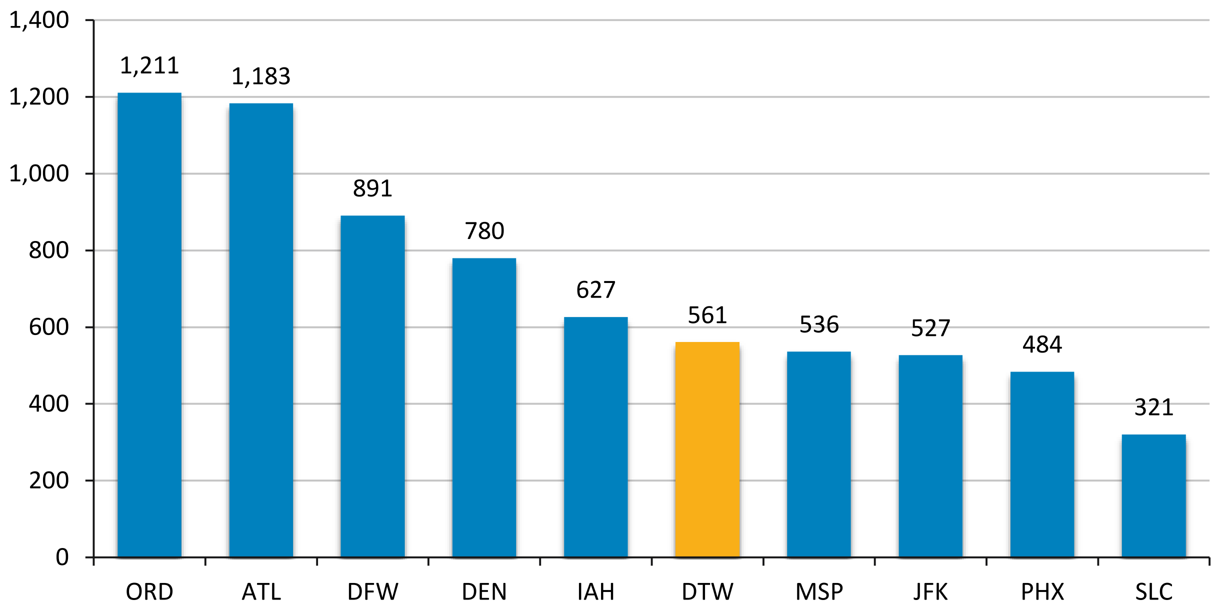


Figure 35: Peer Airports Scheduled Daily Departures Percentage Change

September 2013 vs. September 2012

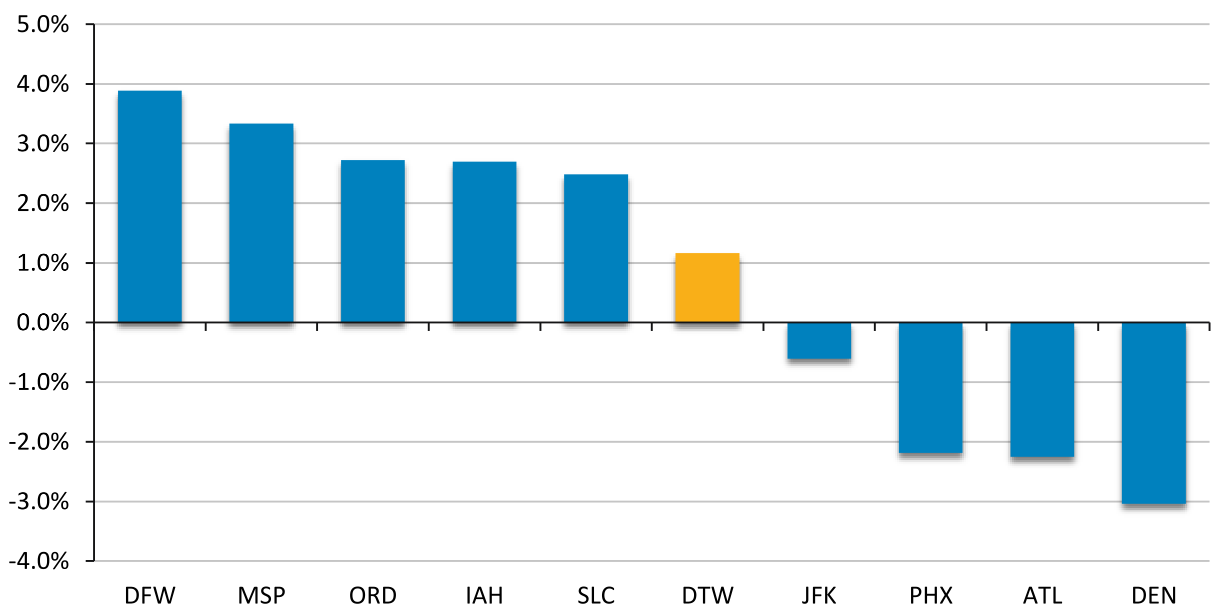


Figure 36: Delta Hubs Scheduled Departures September 2013

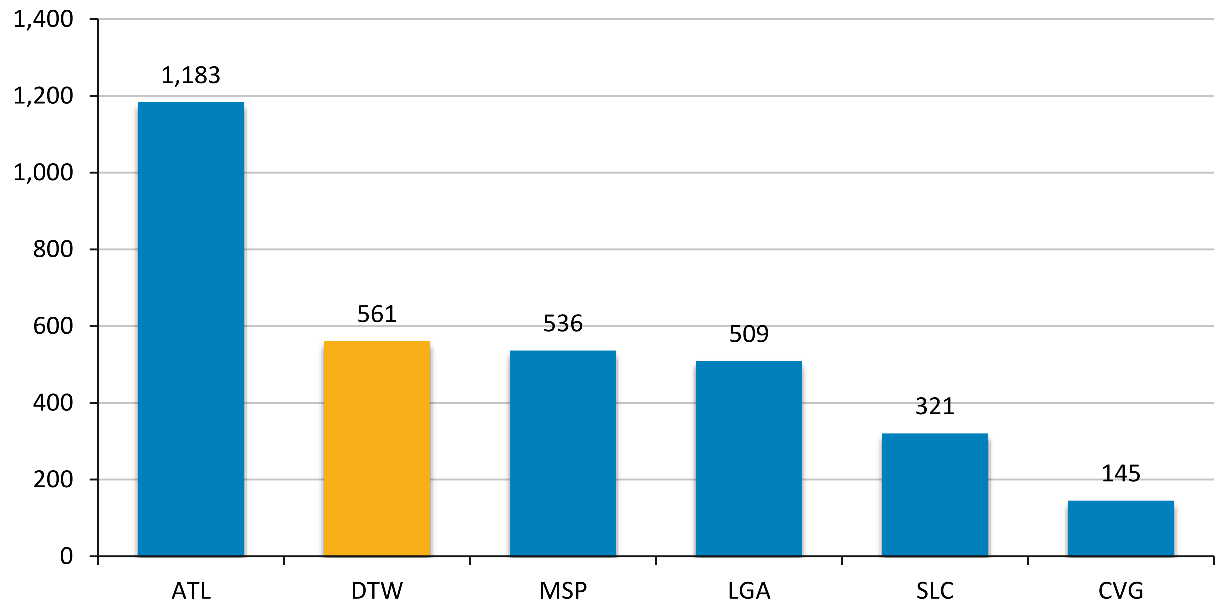


Figure 37: Top 20 North American Airports Total Passenger Traffic CY 2012

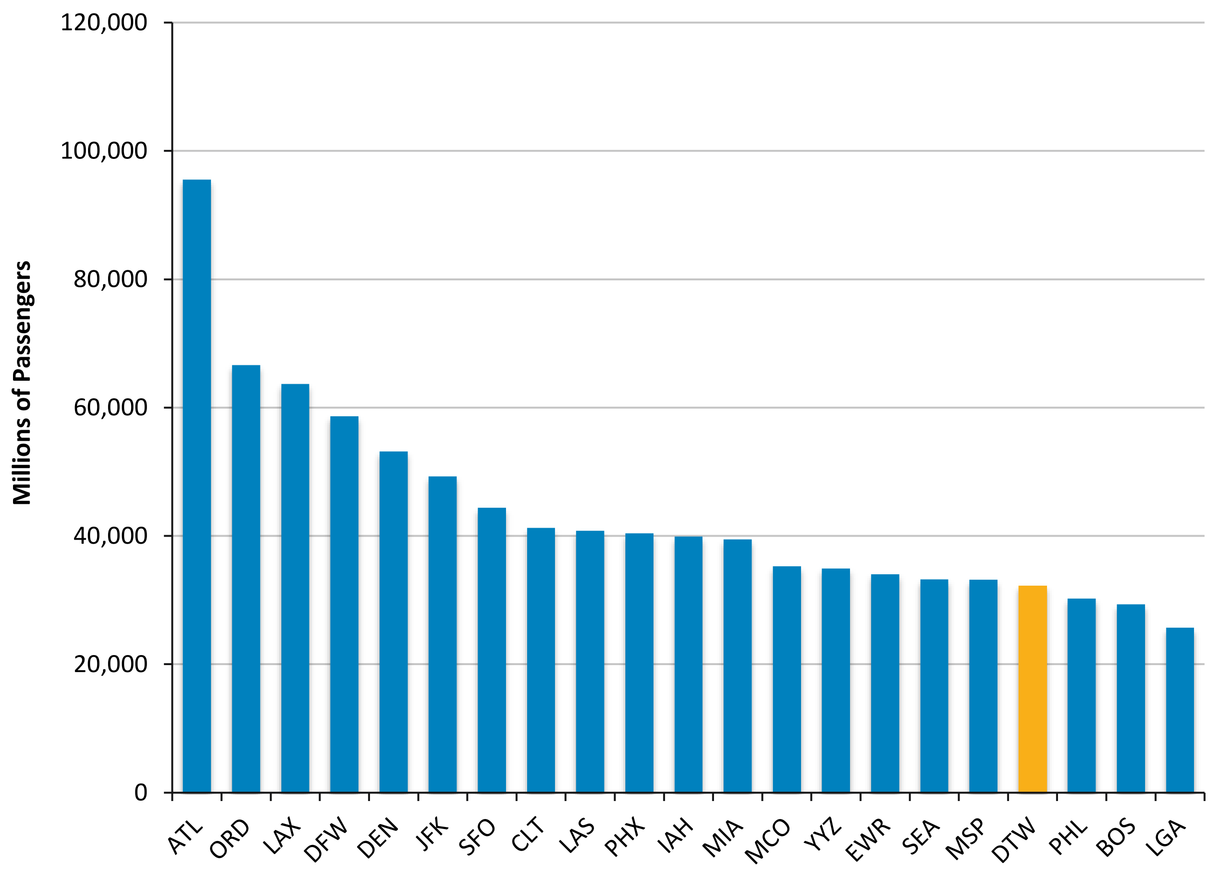


Figure 38: Peer Airports Total Operations CY 2012

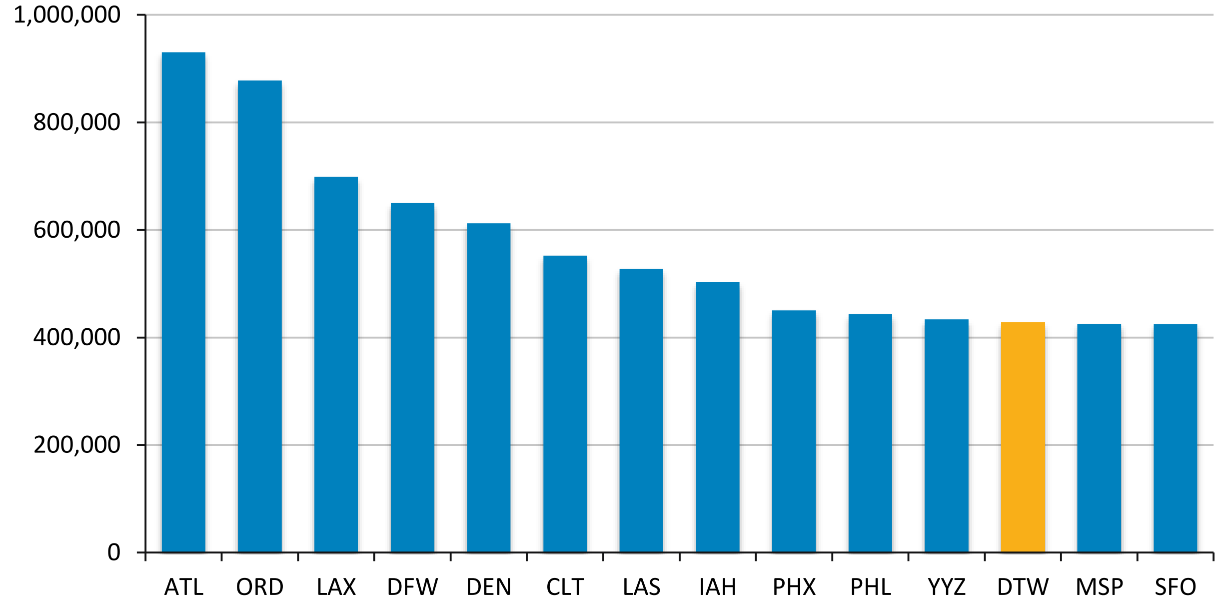
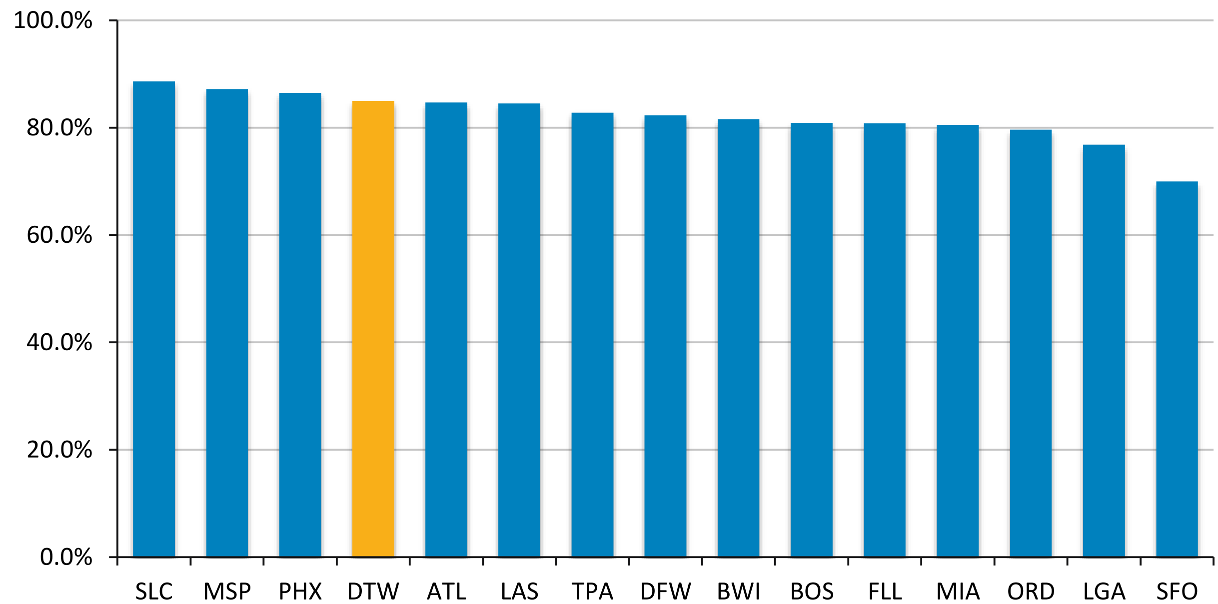


Figure 39: Peer Airports On-Time Percentage CY 2012



APPENDIX C: AIRPORT CODES

Code	City / Airport Name
ATL	Atlanta, GA: Hartsfield-Jackson
BOS	Boston, MA: Logan International
BWI	Baltimore, MD: Baltimore/Washington International Thurgood Marshall
CLT	Charlotte, NC: Charlotte Douglas International
CVG	Cincinnati, OH: Cincinnati/ Northern Kentucky International
DEN	Denver, CO: Denver International
DFW	Dallas/Ft. Worth, TX: Dallas/Ft. Worth International
DTW	Detroit, MI: Detroit Metro Wayne County
EWR	Newark, NJ: Newark Liberty International
FLL	Fort Lauderdale, FL: Fort Lauderdale International
IAH	Houston, TX: Houston Intercontinental
JFK	New York, NY: Kennedy International
LAS	Las Vegas, NV: McCarran International
LAX	Los Angeles, CA: Los Angeles International
LGA	LaGuardia International Airport
MCO	Orlando, FL: Orlando International
MIA	Miami, FL: Miami International
MSP	Minneapolis/St. Paul, MN: Minneapolis St Paul International
ORD	Chicago, IL: O'Hare
PHL	Philadelphia, PA: Philadelphia International
PHX	Phoenix, AZ: Sky Harbor International
SEA	Seattle, WA: Seattle/Tacoma International
SFO	San Francisco, CA: San Francisco International
SLC	Salt Lake City, UT: Salt Lake International
TPA	Tampa, FL: Tampa International
YYZ	Toronto, Canada: Pearson International

APPENDIX D: GLOSSARY

ABBREVATIONS

Appendix A provides a glossary of abbreviations and key terms that are referenced in the budget document. In addition, some abbreviations and terms not referenced in the budget document are provided as a reference for commonly used terminology as it relates to the aviation industry.

AAAE American Association of Airport Executives

ACH Automatic Clearing House (Standard Bank Wire Transfer)

ACI Airports Council International of North America

ACM Airport Certification Manual

ADF Airport Development Fund (also Aircraft Deicing Fluid)

ADO FAA Airport District Office

A/E Architecture/Engineering

AED Automated External Defibrillator

AIP Airport Improvement Program

ALO Airline Liaison Office

ALP Airfield Layout Plan (or Airport Layout Plan)

AOA Aircraft Operations Area

APO Aviation Policy and Plans Office

AR Airport Revenue Bonds

ARFF Aircraft Rescue and Firefighting

ASAP Airport Safety and Program Preservation

ASDEIII Airport Surface Detection System Program

ASQ Airport Service Quality-worldwide customer satisfaction survey sponsored by ACI

ATA Air Trade Area (also Air Transportation Association)

ATMS Advanced Traffic Management System

ATC Air Traffic Control

AVI Automatic Vehicle Identification

BGR Boarding Gate Readers

BLS US Department of Labor Bureau of Labor Statistics

C/A Construction/Alteration

CAD Computer Aided Design

CAR Center for Automotive Research

CASM Cost per Available Seat Mile

CBA Collective Bargaining Agreement

CEO Chief Executive Officer

CFO Chief Financial Officer

CFR Code of Federal Regulations

CIP Capital Improvement Plan

CLEMIS Courts Law Enforcement Management Information Systems

CM Construction Manager

CMMS Computerized Maintenance Management System

CMRS Concessions Management Revenue System

COBRA Consolidated Omnibus Budget Reconciliation Act

CPE Cost Per Enplanement

CUPP Common Use Passenger Processing

CUPPS Common Use Passenger Processing System

CUSS Customer Use Self-Service (for kiosks in airports)

CUTE Common Use Terminal Equipment

CY Calendar Year

DAAAC Detroit Airline Airport Affairs Committee

DANTeC Detroit Airlines North Terminal Consortium

Davis-Bacon The Davis-Bacon Act of 1931 is federal legislation which established the requirement for paying "prevailing wages"

DBE Disadvantaged Business Enterprise

DCS Departure Control System

DF Drug Forfeiture Fund

DTW Industry code for Detroit Metropolitan Airport

DWSD Detroit Water and Sewerage Department

EA Environmental Analysis

EEO Equal Employment Opportunity

EEOC Equal Employment Opportunity Commission

EDS Explosive Detection System

EIS Environmental Impact Study

EMS Emergency Medical Services

EOC Emergency Operations Center

EPAX Enplaned Passenger

ETDS Explosive Trace Detection System

FAA Federal Aviation Administration

FAQ Frequently Asked Questions

FAR Federal Aviation Regulation

FASB Financial Accounting Standards Board

FBO Fixed Based Operator

FF&E Furniture Fixtures & Equipment

FG Federal Grant (from the FAA)

FIS Federal Inspection Station

FHWA Federal Highway Administration Grant

FOD Foreign Object Debris (or Foreign Object Damage)

FOIA Freedom of Information Act (1966) pertains to fulfillment of requests for government records

FP&A Financial Planning & Analysis

FTE Full Time Equivalent

FTZ Free Trade Zone

FY Fiscal Year

FYTD Fiscal Year to Date

GA General Aviation

GARB General Airport Revenue Bond

GASB Government Accounting Standards Board

GFOA Government Finance Officers Association

GMP Guaranteed Maximum Price

GPRC Gate Planning and Review Committee (Applies to DTW – North Terminal)

GTC Ground Transportation Center

HAZMAT Hazardous Materials

HIPAA Health Insurance Portability and Accountability Act of 1996

HVAC Heating Ventilation and Air Conditioning System

HR Human Resources

IATA International Air Transportation Association

IFR Instrument Flight Rules

IFUF International Facility Use Fee

ILLWAS Low level wind shear alert system

ILS Instrument Landing System (radio-based guidance system)

IMS Inventory Management System

ISO International Organization for Standards

IT Information Technology

ITS Intelligent Transportation System

LAN Local Access Network

LED Light Emitting Diode

LOI Letter of Intent, a multiyear commitment or promise by the FAA to fund a large project at a particular airport

LTD Long Term Disability

MDCR Michigan Department of Civil Rights

MDEQ Michigan Department of Environmental Quality

MDOT Michigan Department of Transportation

MERC Michigan Employment Relations Commission

MII Majority-in-Interest

MIOSHA Michigan Occupational Safety and Health Administration

MITSC Michigan Intelligent Transportation System Center

MUFIDS Multi-User Flight Information Display System

MUNIS Financial management software used by the Authority

NBEG Narrow Body Equivalent Gates

NITC New International Trade Crossing

NCCI National Council on Compensation Insurance, Inc.

NOTAM Notice to Airmen

NPDES Natural Pollutant Discharge Elimination System

NTR North Terminal Redevelopment Project

OCC Operations Control Center

OIG Office of the Inspector General

O&D Origin & Destination

O&M Operating and Maintenance (generally refers to fund for operating expenses)

Order 5500.1 FAA order providing guidance and procedures to be used in the administration of the Passenger Facility Charge (PFC) program

OPEB Other Post-Employment Benefits

OSHA Occupational Safety and Health Administration (Federal)

PAE Public Affairs and the Environment Division

Part 77 Code of Federal Regulations – Title 14 (Aeronautics and Space): Objects Affecting Navigable Airspace

Part 139 Code of Federal Regulations – Title 14 (Aeronautics and Space): Certification of Airports

Part 150 Code of Federal Regulations – Title 14 (Aeronautics and Space): Airport Noise Compatibility Planning

Part 158 Code of Federal Regulations – Title 14 (Aeronautics and Space): Passenger Facility Charges

Part 1542 Code of Federal Regulations – Title 49 (Transportation): Airport Security

PAX Passengers

PCCS Procurement/Contract Compliance System

P-Card Procurement Charge Card

PFC Passenger Facility Charge

PM Preventative Maintenance (also Project Manager)

PMT Project Management Team

PRASM Passenger Revenue per Available Seat Mile

RASM Revenue per Available Seat Mile

RevPar Revenue Per Available Room

RFID Radio Frequency Identification

RFP Request for Proposal

RFQ Request for Qualifications

ROI Return on Investments

RON Rest Over Night (airplane parked at gate overnight)

R&R Renewal and Replacement Fund

RSA Runway Safety Area

RSIP Residential Sound Insulation Program

RW Runways

SCAN In-pavement Surface Sensor System

SCAS Security Card Access System

SCUBA Self-contained Breathing Apparatus

SG State Grant (Michigan)

SOP Standard Operating Procedure

SWPP Stormwater Pollution Plan

TBD To Be Determined

TIN Taxpayer Identification Number

Title VI Federal legislation (Civil Rights Act of 1964) that prohibits discrimination on the basis of race, color and national origin in programs and activities receiving federal financial assistance

Title 49 Code of Federal Regulations parts 23 & 26 – guidance providing for the inclusion of disadvantaged business enterprises for programs receiving federal financial assistance

TPA Third-Party Administration

TRACON Terminal Radar Approach Control (FAA Control Tower)

TSA Transportation Security Administration

TW Taxiways

USDOT United States Department of Transportation

VALE Voluntary Airport Low Emission

VEBA Voluntary Employee Beneficiary Association

VLJ Very Light Jet

WC Wayne County

WCAA Wayne County Airport Authority

WMP Wildlife Management Plan

WWTP Wyandotte Wastewater Treatment Plant

YIP Industry code for Willow Run Airport

KEY TERMS

The terms noted below were added to assist the unfamiliar reader to better understand certain aviation terminology or other terms used in the budget document.

Airline Revenues – Landing fee revenues and terminal rental revenues.

Airport Improvement Program (AIP) – The Airport and Airway Improvement Act of 1982 created the Airport Improvement Program (AIP) to provide grants for airport improvement projects, including projects that would increase airport capacity. Increasing airport capacity is one way to reduce aircraft delays and better accommodate passenger and cargo traffic. AIP funds are provided through three categories: entitlement, set-aside and discretionary funds. Grants cannot extend beyond the AIP's authorization period. FAA distributes entitlement funds by formula to specific airports and states. Set-aside and discretionary funds are distributed by type of project to any eligible airport sponsor. The airport sponsor is the public agency or private entity that owns or operates the airport. Set-aside subcategories include reliever airports, non-primary commercial service airports, airport noise compatibility programs, integrated airport system plans and the Military Airport Program. A congressionally mandated percentage of total AIP funds are allocated to each set-aside subcategory.

Airport Master Plan – A comprehensive study that describes short, medium and long-term plans for airport development.

Airport Service Region (ASR) – The primary geographical area served by an airport. In the case of Detroit Metro, the ten counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw and Wayne (the Detroit-Ann Arbor-Flint CMSA) constitute the Airport Service Region.

Air Trade Area (ATA) – See Airport Service Region

Aviation Trust Fund – Fund established by Congress to pay for improvements to the nation's airports and air traffic control system. Money in the fund comes solely from users of the system - primarily a tax on domestic airline tickets.

Balanced Budget – The Airport Authority defines a balance budget as current revenues equal to current expenditures plus available fund balance. The Airport has a residual funding structure. Under this structure the Signatory Airlines have guaranteed to pay the expenses of the airport therefore the operating fund is guaranteed to be balanced with current revenues always equaling expenditures. No reserve or fund balance is ever required.

Capital Improvement Program (CIP) – An ongoing program of major capital projects which are required to replace, reconstruct, or rehabilitate assets which have reached the end of their service life; or to add, expand, or improve facilities or infrastructure. The projects allow the airport to continue to meet the needs of the passengers, the airlines and the regulatory agencies that oversee it.

Cargo – Anything other than passengers, carried for hire, including both mail and freight.

Catchment Area – See Airport Service Region (ASR).

Compensatory – this refers to the rate-setting methodology employed under the Airport Use and Lease Agreement, whereby the airport operates "at risk" without any airlines ensuring to keep the airport financially sufficient. It is the airport's responsibility to budget conservatively to ensure payment of all of its costs and that certain revenues are sufficient to satisfy rate covenant coverage requirements.

Concession Revenues – Revenues collected from terminal concessions, public parking, on-airport and off-airport rental car companies, hotels and ground transportation operators.

Connecting Flight – A flight requiring passengers to change aircraft and/or airlines at an intermediate stop.

Deregulation – The term commonly used in referring to the Airlines Deregulation Act of 1978, which ended government regulation of airline routes and rates.

Department of Transportation (DOT) – Establishes the nation's overall transportation policy. Under its umbrella there are ten administrations whose jurisdictions include highway planning, development and construction; urban mass transit; railroads; aviation; and the safety of waterways, ports, highways and oil and gas pipelines. The Department of Transportation (DOT) was established by act of October 15, 1966, as amended (49 U.S.C. 102 and 102 note), "to assure the coordinated, effective administration of the transportation programs of the Federal Government" and to develop "national transportation policies and programs conducive to the provision of fast, safe, efficient and convenient transportation at the lowest cost consistent therewith." The FAA is a unit of the DOT.

Domestic Passengers – Passengers flying into or out of the Airport on a flight with an origin or destination within the 50 states and all US territories. (WCAA supplies this standard definition with one exception: passengers pre-clearing US Customs at the originating airport, mostly certain Canadian cities, are counted as domestic arrivals and they do not utilize the Airport's FIS).

Enplanements – The number of passengers boarding a flight, including origination, stopovers and connections.

Federal Aviation Administration (FAA) – The government agency responsible for air safety and operation of the air traffic control system. The FAA also administers a program, which provides grants from the Airport and Airway Trust Fund for airport development. Formerly the Federal Aviation Agency, the Federal Aviation Administration was established by the Federal Aviation Act of 1958 (49 U.S.C. 106) and became a component of the Department of Transportation in 1967 pursuant to the Department of Transportation Act (49 U.S.C. app. 1651 note). The Administration is charged with: 1) regulating air commerce in ways that best promote its development and safety and fulfill the requirements of national defense; 2) controlling the use of navigable airspace of the United States and regulating both civil and military operations in such airspace in the interest of safety and efficiency; 3) promoting, encouraging and developing civil aeronautics; 4) consolidating research and development with respect to air navigation facilities; 5) installing and operating air navigation facilities; 6) developing and operating a common system of air traffic control and navigation for both civil and military aircraft; and 7) developing and implementing programs and regulations to control aircraft noise, sonic boom and other environmental effects of civil aviation.

Hybrid – This is the rate-setting methodology employed under the Airport Use and Lease Agreement, whereby an airport employs both residual and compensatory methodologies. In most cases, an airport sets rates on the airfield using a residual approach, while setting rates on the landside using a compensatory approach.

Impose Only PFC Approval – FAA approval to collect PFC funds for future use on a specific PFC-eligible project. A separate request to the FAA must then be submitted for the FAA to approve the spending of those PFCs (i.e. convert the PFCs to Impose and Use status).

Impose and Use PFC Approval – FAA approval to collect and spend PFC funds on a specific PFC-eligible project.

International Passengers – Passengers flying into or out of the Airport on a flight with an origin or destination outside the 50 states and all US territories. (WCAA supplies this standard definition with one exception: passengers pre-clearing US Customs at the originating airport, mostly certain Canadian cities, are counted as domestic arrivals and they do not utilize the Airport's FIS).

Itinerant Operations – All aircraft arrivals and departures, other than local operations.

Landing Fee Revenues – Revenues collected from aircraft landings.

Large Aircraft – Aircraft of more than 12,500 pounds maximum certificated takeoff weight. (FAR Part 1)

Large Hubs – Those airports that account for at least 1 percent of the total passenger enplanements

Local Operations – As pertaining to air traffic operations, aircraft operating in the local traffic pattern or within sight of the tower; aircraft known to be departing for, or arriving from, flight in local practice areas located within a 20-mile radius of the control tower; aircraft executing simulated instrument approaches or low passes at the airport.

Majority-in-Interest (MII) – "Majority-in-Interest of the air carriers" means either (1) 75 percent of the Signatory Airlines who together have landed 51 percent of the total landed weight of all such Signatory Airlines during the immediately preceding calendar year (as such weight is reflected by official Airport records), or (2) 51 percent of the Signatory Airlines who have together landed 75 percent of the total landed weight of all such Signatory Airlines during the immediately preceding calendar year (as such weight is reflected by official Airport records).

Majority-in-Interest Clauses – Found in some airport use agreements which give the airlines accounting for a majority of traffic at an airport the opportunity to review and approve or veto capital projects that would entail significant increases in the rates and fees they pay for the use of airport facilities.

Non-Signatory Carriers – Airlines that have not signed the Airport/Airline Lease and Use Agreement.

Origin & Destination (O&D) – Passengers who begin or end their trip at a specific airport.

Non-Airline Revenue – This is operating revenue strictly derived from non-aeronautical activities, such as automobile parking revenue, rental car revenue and concessions revenue. Operating revenue derived from passenger airline carriers, cargo airline carriers, lease revenues from aircraft maintenance facilities and fuel farm revenues would not be counted as part of non-airline revenues.

Passenger Airline Revenue – Refers to operating revenue strictly derived from passenger airline carriers; revenue derived from cargo airline carriers are excluded.

Passenger Facility Charges (PFCs) – A tax authorized by Congress, approved by the Federal Aviation Administration, assessed by airports and collected by airlines as an add-on to the passenger airfare. It is designed to help pay for airport improvements that enhance safety and capacity and is not revenue for airlines.

Pay-as-you-go – Refers to PFCs that are spent on project costs.

Rate Setting Methodology – There are three possible rate-setting methodologies typically found in an Airport's Use and Lease Agreement:

Residual – Airline tenants and users (the airlines) collectively assume financial risk by ensuring payment of all airport costs not covered by non-airline revenue sources; this obligation effectively ensures certain revenues sufficient to satisfy all operating and maintenance costs and rate covenant coverage requirements.

Compensatory – Airports operates at risk without any airlines ensuring to keep the airport financially sufficient; it is the airport's responsibility to set budget at a level to ensure payment of all costs and that certain revenues are sufficient to satisfy rate covenant coverage requirements.

Hybrid – Airport employs both residual and compensatory methodologies; in most cases, an airport sets rates on airfield usage using residual approach, while setting rates on the landside using a compensatory approach.

Revenue Passenger Enplanement – The number of passengers boarding a flight, including origination, stopovers and connections, which actually paid for the flight. This does not include frequent flier awards, crew, or anyone who did not actually pay for the flight.

Sarbanes-Oxley – The Sarbanes-Oxley Act of 2002 is federal legislation which established requirements for annual assessment of the effectiveness of internal financial auditing controls.

Signatory Airlines – Airlines that have signed the Airport/Airline Lease and Use Agreement.

Terminal Rental Revenues – Revenues collected from airlines for terminal space rentals.

Through Passengers – Passengers flying into and out of the Airport without changing aircraft.

Total Cargo – Loaded and unloaded air freight, airmail and small air package shipments.

Total Passengers – Sum of domestic, international and through passengers.

Traffic Movements – Landings and takeoffs of an aircraft.

Unrestricted Cash and Investments from Audit – Audited cash and investments that are uncommitted, which can be used for anything. This means funds held in the operations and maintenance reserve and the debt service reserve would be excluded.

APPENDIX E: INDEX OF FIGURES

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