William P. Hobby Airport

Hobby International Expansion Project

(Public Private Partnership)

February 4, 2013
Agenda

- Selected Plan
- Schedule
- Use & Lease Agreement
- Customs & Border Protection
Selected Plan

- New Parking Garage
- Entry Roadway Modifications
- New Concourse
- Terminal Expansion
Selected Terminal Plan Concept
Selected Terminal Plan
Summary

- Two-level building approximately 280,000 square feet
- Ticket hall expansion
  - Existing ticket counter – 100 linear feet
  - New ticket counter – 120 linear feet
- Security Check Point expansion and relocation
  - Existing security lanes – 8
  - Future security lanes required – 14 (i.e., 6 additional)
- 5 new arrival/departure gates for Boeing 737 and A318-320 aircraft
  - New passenger loading bridges
  - New apron with hydrant fueling
- Federal Inspections Services (FIS) facility to accommodate 400 to 800 peak hour passengers, designed to current CBP standards
  - Primary/Passport inspection stations – 16
  - International baggage claim – 3 devices, 600 total linear feet
Floor Plan, Apron Level

- International Baggage Claim
- Primary/Passport Inspection
Floor Plan, Concourse Level

- Hold Rooms
- Ticket Counters
- Security Checkpoint
Southwest Investment

- **Reconciled Estimate** ~$150 million

- **Corgan Associates, Inc.** has been selected as Designer and started work
  - 25% MWBE goal on Professional Services

- **CM@Risk** selected method for delivery
  - 11 Prime Contractors have submitted
  - 4 have been shortlisted
  - 25% MWBE goal on Construction
  - 3% SBE goal on Construction
Site Plan Concept

- New Concourse
- New Parking Garage
- Entry Roadway Modifications
- Terminal Expansion
Associated HAS Projects

- Roadway Modifications
- New Parking Garage
Associated HAS Projects

- **New Parking Garage**
  - 2500+ parking spaces
  - Four to five parking floors
  - Smart parking space locator system
  - New revenue control system serving existing and new garages
  - Third-floor pedestrian bridge to terminal

- **Roadway Modifications**
  - “Square off” main entry road to accommodate garage
  - Elevated Roadway
  - Extended drop-off curb
Associated HAS Investment

- New Parking Garage
  - Reconciled Estimate ~$55 million

- Roadway Modifications
  - Reconciled Estimate ~$12 million

- Investment to be funded with general airport revenues
## PRELIMINARY DRAFT SCHEDULE

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<tr>
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<td><strong>Planning</strong></td>
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<td>26-Sep-12</td>
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<td>9-Jan-13</td>
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<td>1-Aug-13</td>
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<td>Industry Day</td>
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<td>Foundations</td>
<td>1-Sep-13</td>
<td>31-Jan-14</td>
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<td>1-Feb-14</td>
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Use and Lease Agreement Overview

- **Agreement with Southwest - 25 Years**
  - Adopts the business terms from the current agreement for the existing Terminal and Central Concourse
  - Incorporates the Memorandum of Agreement passed by Council in May 2012
    - Southwest will pay for construction of the International Expansion Project
    - Southwest will follow all city programs, including Houston First, Pay or Play, Art Program, and will achieve the following goals:
      - 25% MWBE on Professional Services
      - 25% MWBE on Construction
      - 3% SBE goal on Construction

- **Other carriers will have the option of entering into a 25-year or a 5-year agreement (or less if after 2035), or operate on a common-use basis**
  - Delta, American, and JetBlue have been briefed and support the concept

- **HAS will operate and maintain all terminal facilities**
Use and Lease Agreement
Financial Terms

Rates and Charges

- In the Terminal and Central Concourse, airlines pay for the cost of the space they use.
- In the new International Concourse, airlines will pay all costs, excluding costs for concession space.
- Southwest will receive a credit for improvements in the existing Terminal per the MOA, such as security checkpoint expansion and relocation.
  • Credits to Southwest will be recovered through rates and charges of existing terminal.

Cost Control Measure

- HAS will limit future increases in airline costs for current facilities to that of inflationary and enplanement growth.
Customs & Border Protection
Continuing Dialogue

- June 2012
  - Official request to CBP

- August 2012
  - Project design kick-off meeting with CBP

- September 2012
  - SWA submitted letter of intent to request future landing rights from CBP

- October 2012
  - HAS-SWA-CBP Technical Design Standards meeting
Customs & Border Protection
Continuing Dialogue

- February 2013
  - Congressional staffers informational tour of HAS airports (Hobby and Intercontinental)
  - Remote Global Entry Enrollment Center opens at City Hall

- March 2013
  - HAS CBP strategy for fiscal year 2015 federal appropriations cycle

- May 2013
  - Mayor to visit White House, DHS & DOT, on behalf of HAS

- June 2013
  - Promote Global Entry in Mexico

- July 2013
  - Proposal for enhanced use of technology
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