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News Release

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AIRPORT COMMISSIONERS MAKE HISTORY, AND ENHANCE FUTURE GUEST EXPERIENCE, BY APPROVING THE LARGEST CONSTRUCTION CONTRACT IN LOS ANGELES CITY HISTORY

\$1.317 Billion Midfield Concourse Includes 12 Gates to Meet Increasing Passenger Volume

(Los Angeles, California – November 18, 2016) The Los Angeles Board of Airport Commissioners made history Thursday, and took an important step toward a greatly enhanced passenger experience, by voting unanimously to appropriate \$1.317 billion to build the Midfield Satellite Concourse (MSC) and a related Baggage Optimization Project (BOP) at Los Angeles International Airport (LAX).

As LAX continues to set records for passenger volume, the world-class concourse, designed as an addition to the Tom Bradley International Terminal (TBIT), will include 12 gates in its first phase of construction. The MSC will do two things; provide the flexibility and gate space that LAX needs when gates at other terminals are occupied or out of service, and reduce the reliance on the LAX remote gates where passengers are currently bused to board aircraft.

“At LAX we are always striving to do a better job getting passengers to their gates as quickly as possible after landing,” said Board of Airport Commissioners President Sean Burton. “The board’s support for the midfield concourse is indicative of our desire to continue to improve the passenger experience and provide a welcoming front door for visitors to Los Angeles.”

“When the new Tom Bradley International Terminal opened in 2013 it showed the world what LAX has to offer,” said Los Angeles World Airports Chief Executive Officer Deborah Flint. “The addition of this midfield concourse builds upon that foundation, and will help revitalize and reimagine the world-class airport we are bringing to Los Angeles.”

To provide a vision of what awaits passengers when the concourse becomes operational in

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about three years, a conceptual video featuring a fly-through from the Central Terminal Area through TBIT into the new concourse is available on YouTube at <https://youtu.be/L-YenoF-RD8>.

Thursday's board action enables construction of the MSC North and the BOP, which will improve the capacity to handle baggage at both the MSC and TBIT. It also appropriates capital funds totaling \$1,317,235,766, which includes construction costs.

The MSC will be funded through a combination of revenue bonds and cash. Payments of future years' debt service on those bonds will be recovered primarily through airline terminal rates and fees, non-aeronautical revenues, and passenger facility charges.

The North Gates phase of the MSC will include two gates for Group VI aircraft like the Airbus 380 super-jumbo and the Boeing 747-8 Intercontinental, while the remaining 10 gates will be able to handle Group V aircraft, such as the Boeing 777 and 787, and Airbus 330.

The concourse will also include a wide variety of food and retail options for passengers, as well as additional space for airline clubs.

The new concourse will connect to TBIT via a 1,000-foot-long passenger tunnel that will start in a new gateway facility built adjacent to the terminal. The tunnel will feature 42-inch-thick walls and roof designed to withstand more than 660 tons, the equivalent of a fully loaded A380.

Sustainability will also be a key feature of the new concourse, which has been designed to achieve LEED Silver certification and CAL Green Tier 1 status.

Substantial completion of the new concourse is anticipated in late 2019, at which time operational activities will begin. A second phase will add additional gates on the south end of the terminal.

Site preparation for the new concourse has already begun with the demolition of the former TWA hangar, to be followed soon with demolition of the former U.S. Coast Guard hangar.

In addition to the MSC contract, the board approved several other items associated with the new concourse and the BOP. They include a three-year lease worth an estimated \$7,473,564 with

Turner-PCL for off-field commercial land to be used for construction laydown; amendments to the lease with the Tom Bradley International Terminal Equipment Company (TBITEC) that includes procurement of equipment necessary for the BOP; and contracts with TBITEC to acquire and install the baggage handling equipment at both the MSC and TBIT, totaling \$260 million.

About Los Angeles International Airport (LAX)

LAX is the seventh busiest airport in the world and third in the United States. LAX served more than 74.9 million passengers in 2015. LAX offers 742 daily nonstop flights to 101 cities in the U.S. and 1,273 weekly nonstop flights to 76 cities in 41 countries on 64 commercial air carriers. LAX ranks 14th in the world and fifth in the U.S. in air cargo tonnage processed, with more than 2.1 million tons of air cargo valued at over \$101.4 billion. LAX handled 655,564 operations (landings and takeoffs) in 2015.

An economic study based on 2014 operations reported LAX generated 620,610 jobs in Southern California with labor income of \$37.3 billion and economic output (business revenues) of more than \$126.6 billion. This activity added \$6.2 billion to local and state revenues and \$8.7 billion in federal tax revenues. The study also reported that LAX's ongoing capital-improvement program creates an additional 121,640 annual jobs with labor income of \$7.6 billion and economic output of \$20.3 billion, \$966 million in state and local taxes, and \$1.6 billion in federal tax revenues.

LAX is part of a system of two Southern California airports – along with Van Nuys general aviation – that are owned and operated by Los Angeles World Airports, a proprietary department of the City of Los Angeles that receives no funding from the City's general fund.

For more information about LAX, please visit www.lawa.aero/lax or follow on Twitter [@flyLAXAirport](https://twitter.com/flyLAXAirport), on Facebook at www.facebook.com/LAInternationalAirport, and on YouTube at www.YouTube.com/laxairport1. Information about LAX's ongoing multi-billion-dollar LAX Modernization Program, as well as tips and shortcuts to help navigate LAX during construction, are available at www.LAXisHappening.com.

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