

# FY20 Year-End Summary Report Long Beach Airport

November 19, 2020



long beach airport

Presentation to the  
Airport Advisory Commission

# Presentation Overview

- COVID Impacts and Financial Overview
- FY20 Preliminary Financial Report (unaudited)
- Revenues Results from Airlines, Concessionaires, Car Rentals, etc.
- Operating Results and Cost Per Enplanement Metric
- Status of Projects



where the going is easy®

# Impacts from COVID-19

- Traffic Declined by over 95% in the initial months
- Significant Revenue Declines
- Operational Changes to Respond to the Pandemic
- CARES Act Funding Received (\$18.4 million)
- Recovery Continues

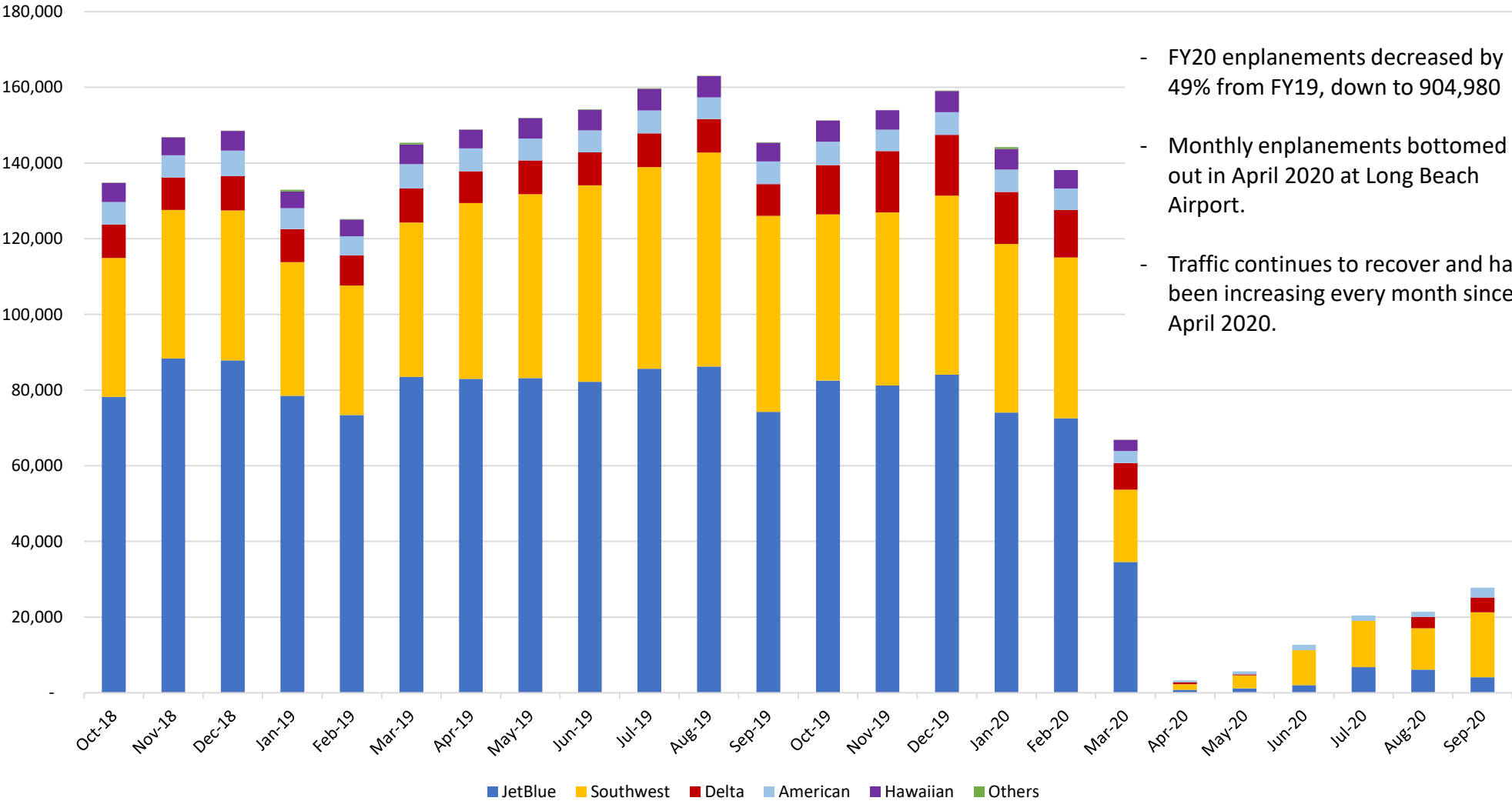
# LGB FY20 Year-End Preliminary Financial Report

|                               | <b>FY2019<br/>Year-End Actual</b> | <b>FY2020<br/>Year-End Actual</b> | <b>%<br/>Change</b> | <b>FY2020<br/>Adjusted Budget</b> | <b>FY2020<br/>Year-End Actual</b> | <b>% of<br/>Budget</b> |
|-------------------------------|-----------------------------------|-----------------------------------|---------------------|-----------------------------------|-----------------------------------|------------------------|
| <u>Passenger Enplanements</u> | 1,757,323                         | 904,980                           | -49%                | 1,850,000                         | 904,980                           | 49%                    |
| <u>Operating Revenues</u>     |                                   |                                   |                     |                                   |                                   |                        |
| Airlines Revenues             | \$15,586,783                      | \$10,368,808                      | -33%                | \$17,358,537                      | \$10,368,808                      | 60%                    |
| Parking Operations            | 9,230,268                         | 4,946,854                         | -46%                | 8,978,926                         | 4,946,854                         | 55%                    |
| Concession Sales              | 2,830,385                         | 1,489,419                         | -47%                | 3,007,900                         | 1,489,419                         | 50%                    |
| Rental Car                    | 3,306,341                         | 1,884,550                         | -43%                | 3,110,345                         | 1,884,550                         | 61%                    |
| Ground Transportation         | 1,911,478                         | 1,027,865                         | -46%                | 1,817,148                         | 1,027,865                         | 57%                    |
| Aviation Land Rents           | 4,857,736                         | 4,840,448                         | 0%                  | 4,700,000                         | 4,840,448                         | 103%                   |
| Fuel Flowage Fees             | 228,677                           | 170,516                           | -25%                | 210,000                           | 170,516                           | 81%                    |
| Non-Aviation Land Rents       | 4,683,026                         | 4,606,463                         | -2%                 | 4,790,000                         | 4,606,463                         | 96%                    |
| Other Revenues                | <u>1,433,980</u>                  | <u>903,043</u>                    | -37%                | <u>692,958</u>                    | <u>903,043</u>                    | 130%                   |
| Total Operating Revenues      | \$44,068,673                      | \$30,237,967                      | -31%                | \$44,665,814                      | \$30,237,967                      | 68%                    |
| <u>Operating Expenditures</u> |                                   |                                   |                     |                                   |                                   |                        |
| Salaries & Benefits           | \$11,510,092                      | \$11,575,944                      | 1%                  | \$11,987,559                      | \$11,575,944                      | 97%                    |
| Services and Supplies         | 8,566,067                         | 6,478,363                         | -24%                | 10,016,001                        | 6,478,363                         | 65%                    |
| City Services                 | <u>14,697,535</u>                 | <u>16,561,710</u>                 | 13%                 | <u>16,441,126</u>                 | <u>16,561,710</u>                 | 101%                   |
| Total Operating Expenditures  | \$34,773,694                      | \$34,616,018                      | 0%                  | \$38,444,686                      | \$34,616,018                      | 90%                    |
| <u>Net Operating Results</u>  | \$9,294,979                       | \$(4,378,051)                     | -147%               | \$6,221,129                       | \$(4,378,051)                     | -70%                   |
| <u>CARES Act Drawdowns</u>    | \$-                               | \$14,670,716                      |                     | \$18,403,630                      | \$14,670,716                      | 80%                    |

*Note: Source - City of Long Beach Financial System. Figures reported are not final and uses data available as of 11/13/2020.  
The report and data are unaudited and fiscal year 2020 closing has not been completed as of the time of this report.*



LGB Monthly Enplanements (EPAX)

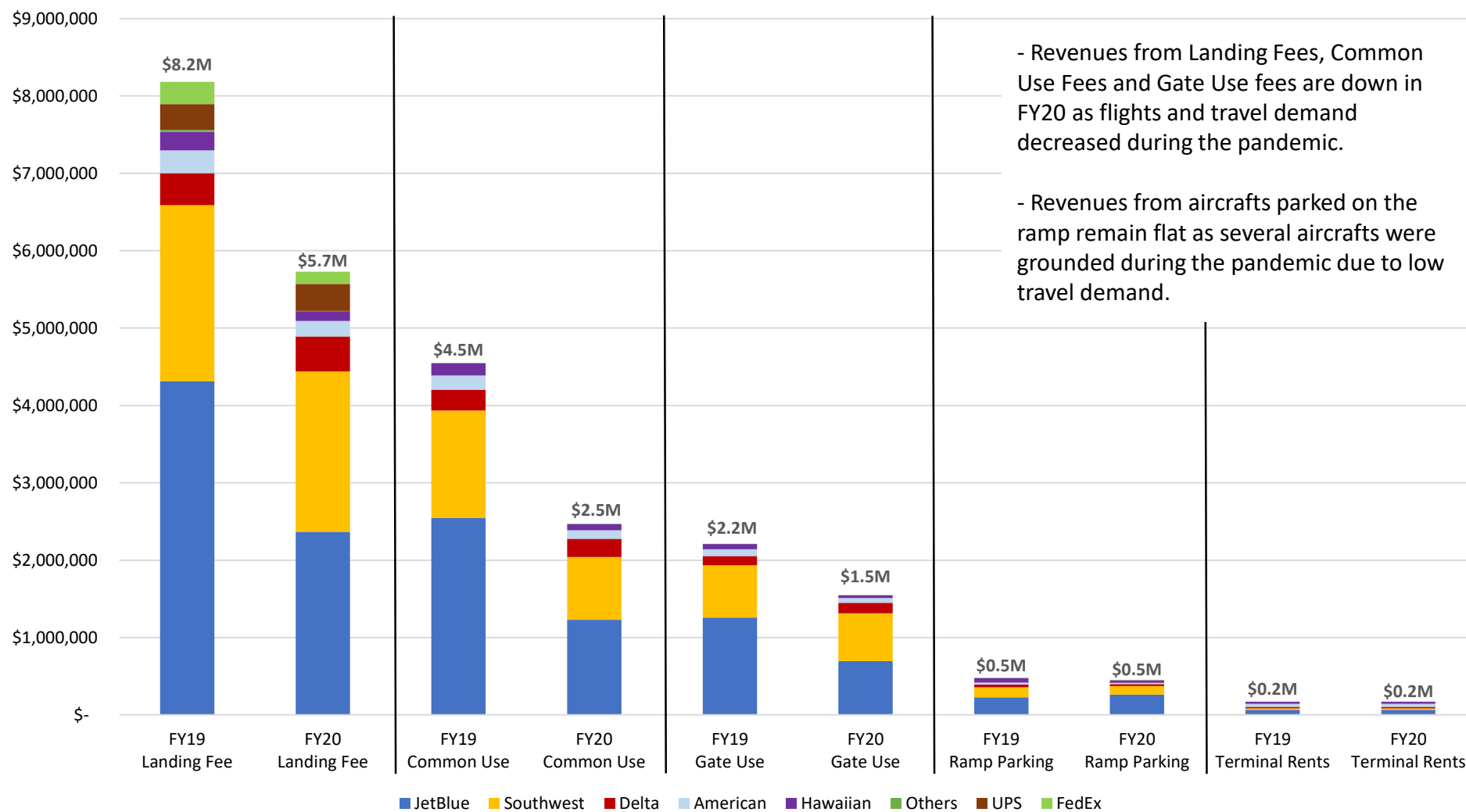


- FY20 enplanements decreased by 49% from FY19, down to 904,980
- Monthly enplanements bottomed out in April 2020 at Long Beach Airport.
- Traffic continues to recover and has been increasing every month since April 2020.

Notes:

- Source - LGB Monthly Airline Landing Reports
- Stay-at-Home Orders in CA issued on March 19, 2020
- Others include unscheduled and charter flights

## LGB Airline Revenues Categories



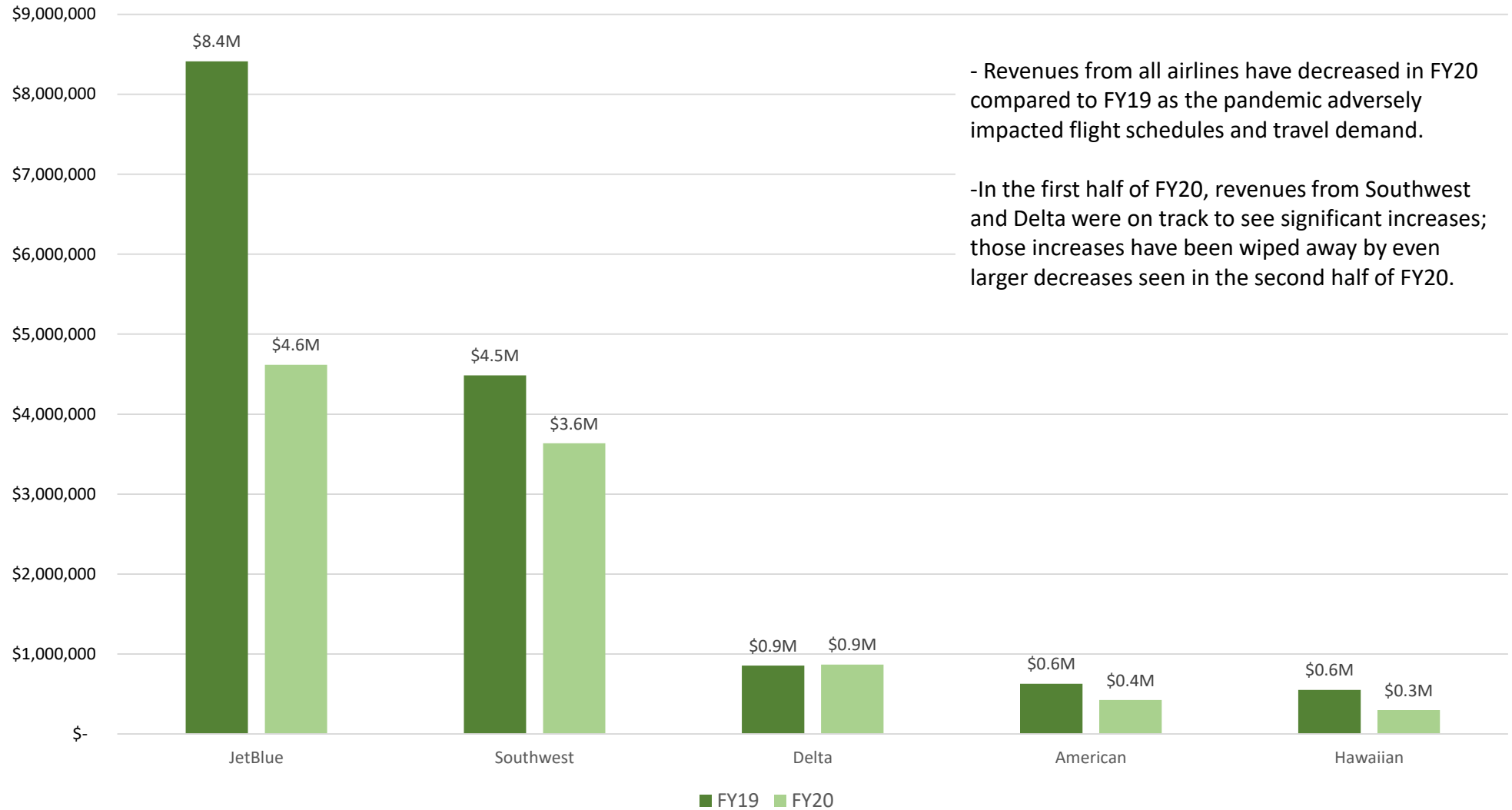
- Revenues from Landing Fees, Common Use Fees and Gate Use fees are down in FY20 as flights and travel demand decreased during the pandemic.

- Revenues from aircrafts parked on the ramp remain flat as several aircrafts were grounded during the pandemic due to low travel demand.

### Notes:

- Source - LGB Monthly Airline Landing Reports
- Others include unscheduled and charter flights
- FedEx and UPS are Cargo Carriers and pay only landing fees
- Terminal Rents are fixed monthly rents for space usage and utilities

## LGB Revenues From Airlines

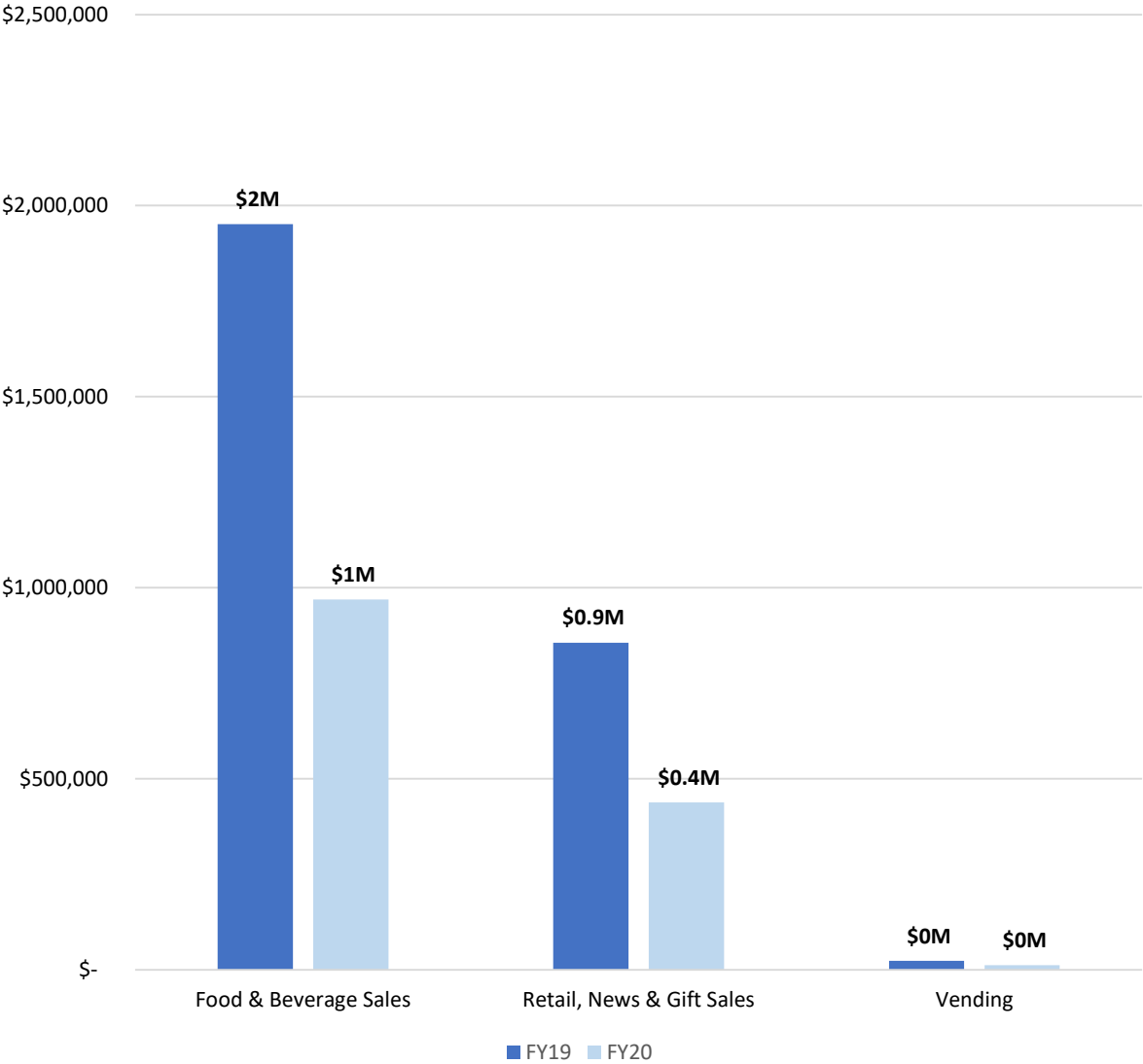


### Notes:

- Source - LGB Monthly Airline Landing Reports

- Airline revenues include Landing Fees, Gate Use Fees, Ramp Parking, Common Use Fees and Terminal Rents

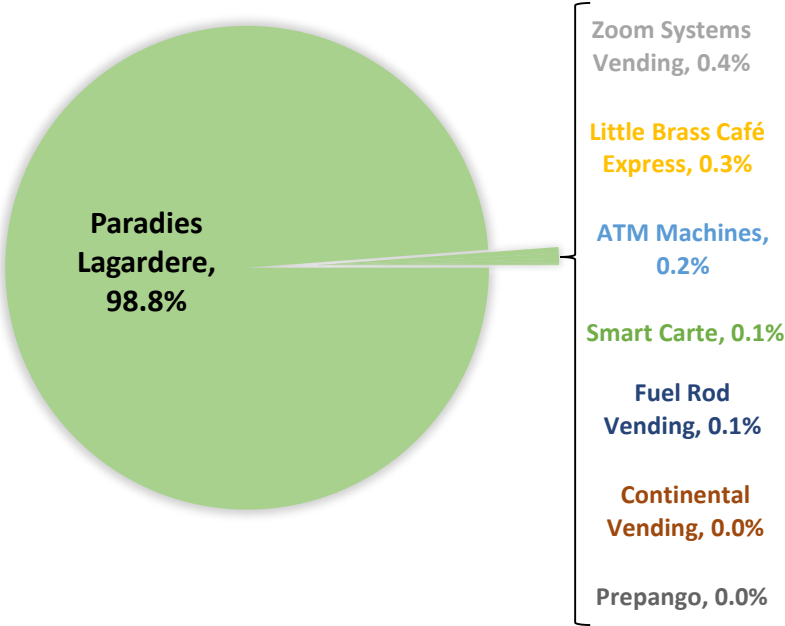
### LGB Revenues from Concessions Sales



Notes: - Source - LGB Monthly Concession Sales Reports

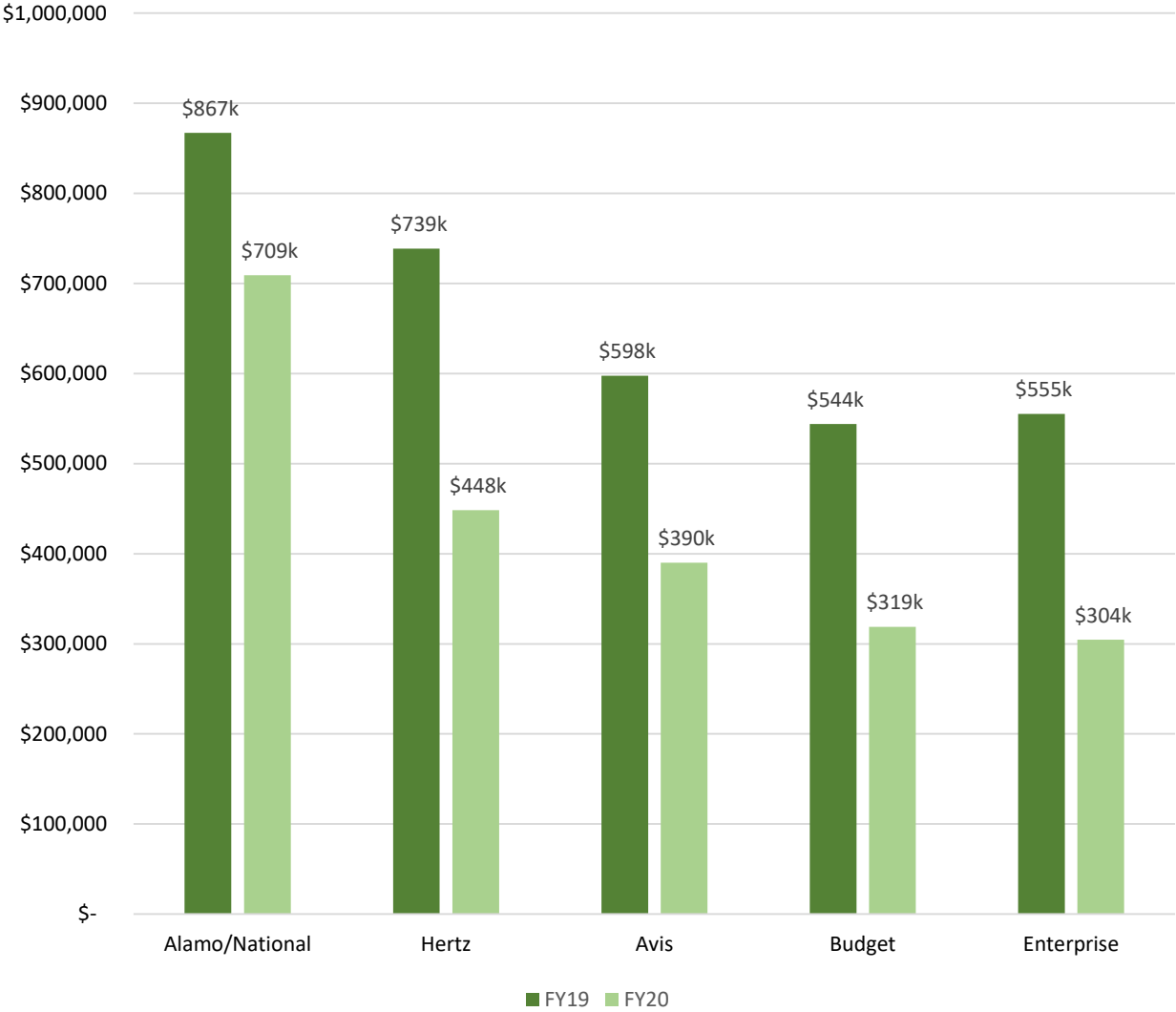
- The decrease in travel demand during the pandemic adversely impacted concession sales across all categories including food and beverage sales, retail, new and gift sales and vending.
- Concessionaires adapted during the pandemic by modifying operating hours, cutting operating cost, etc.
- A new concessionaire, Prepango, added during the pandemic operates a face mask vending machine.

### Concessionaires





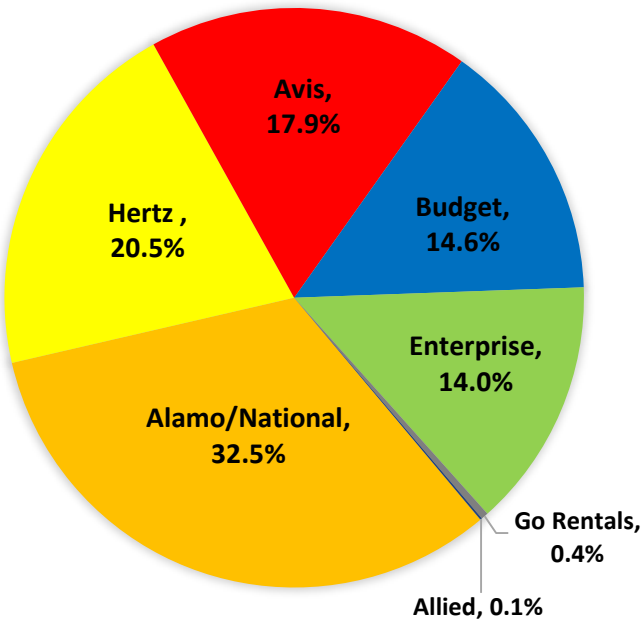
LGB Car Rental Revenues



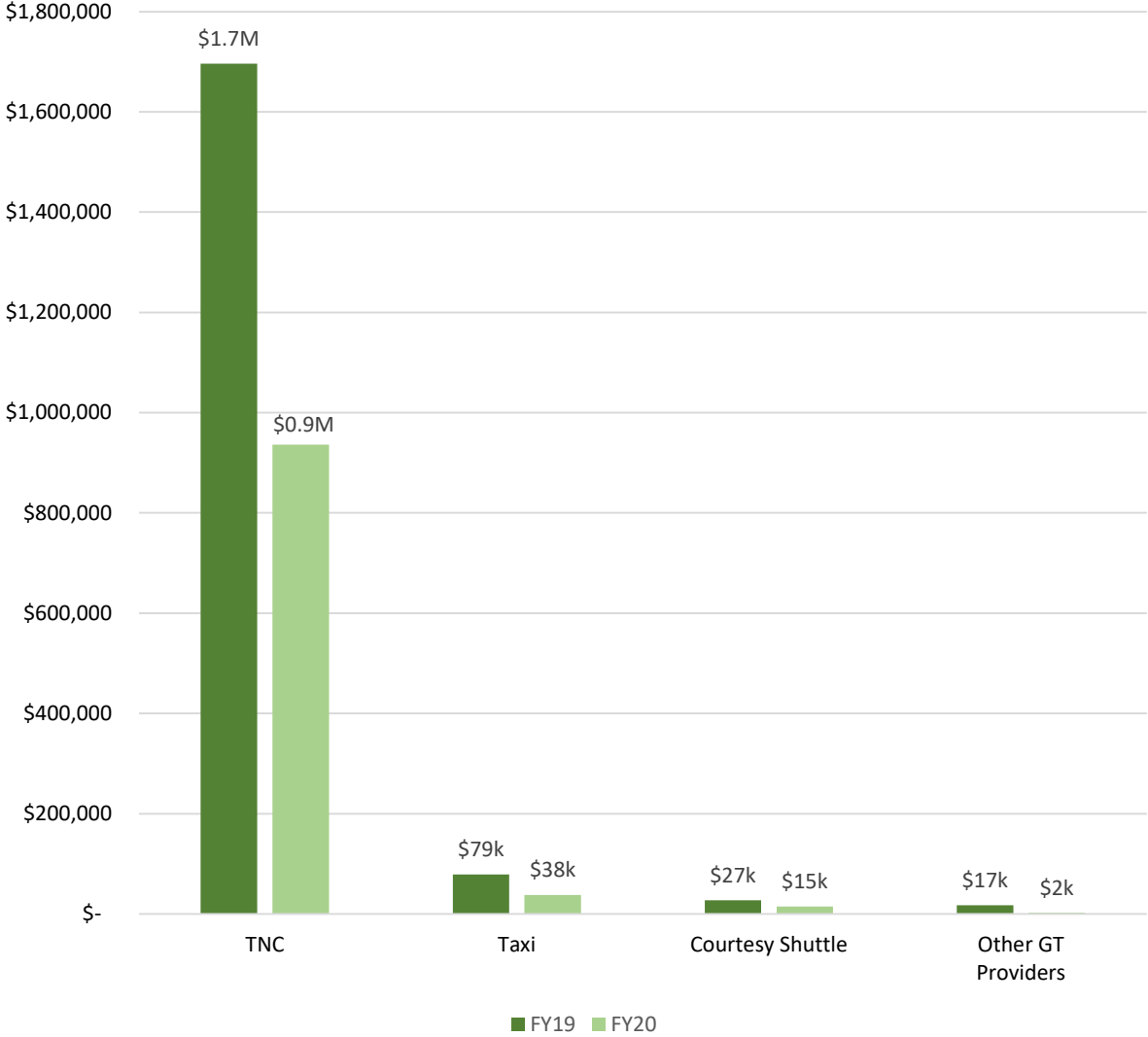
Notes: - Source - LGB Monthly Car Rental Activity Reports

- The decrease in travel demand during the pandemic adversely impacted car rental activities, which is largely dependent on arriving traffic.
- All car rental companies saw significant decreases in revenues in the second half of FY20.

LGB FY20 Car Rental Market Share

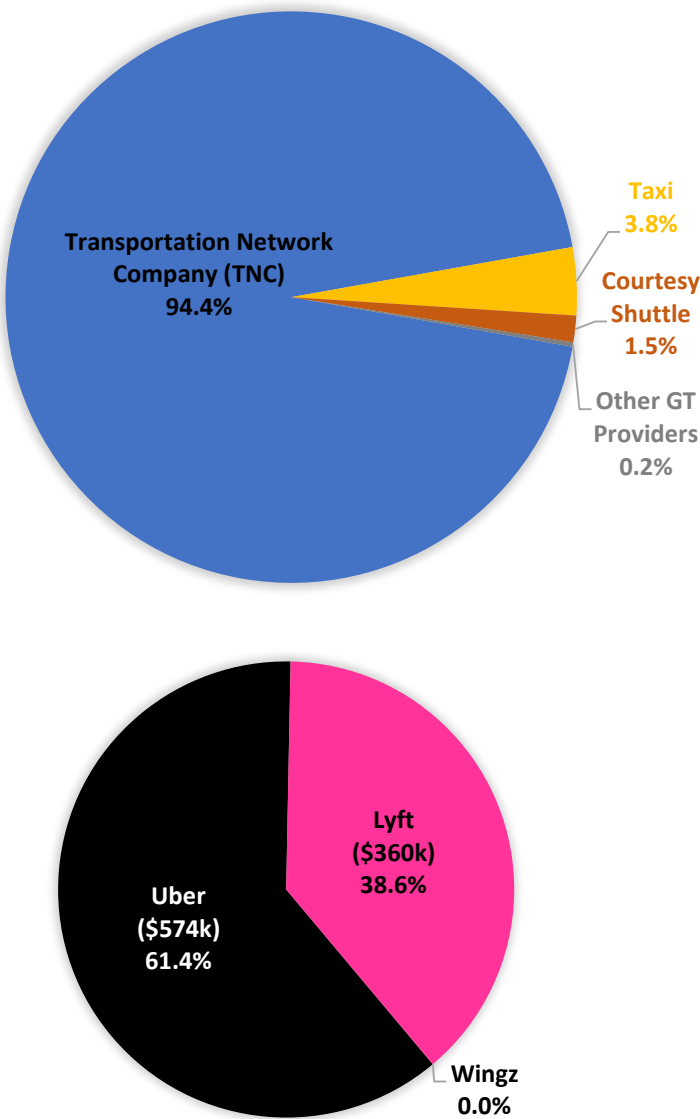


LGB Ground Transportation (GT) Revenues

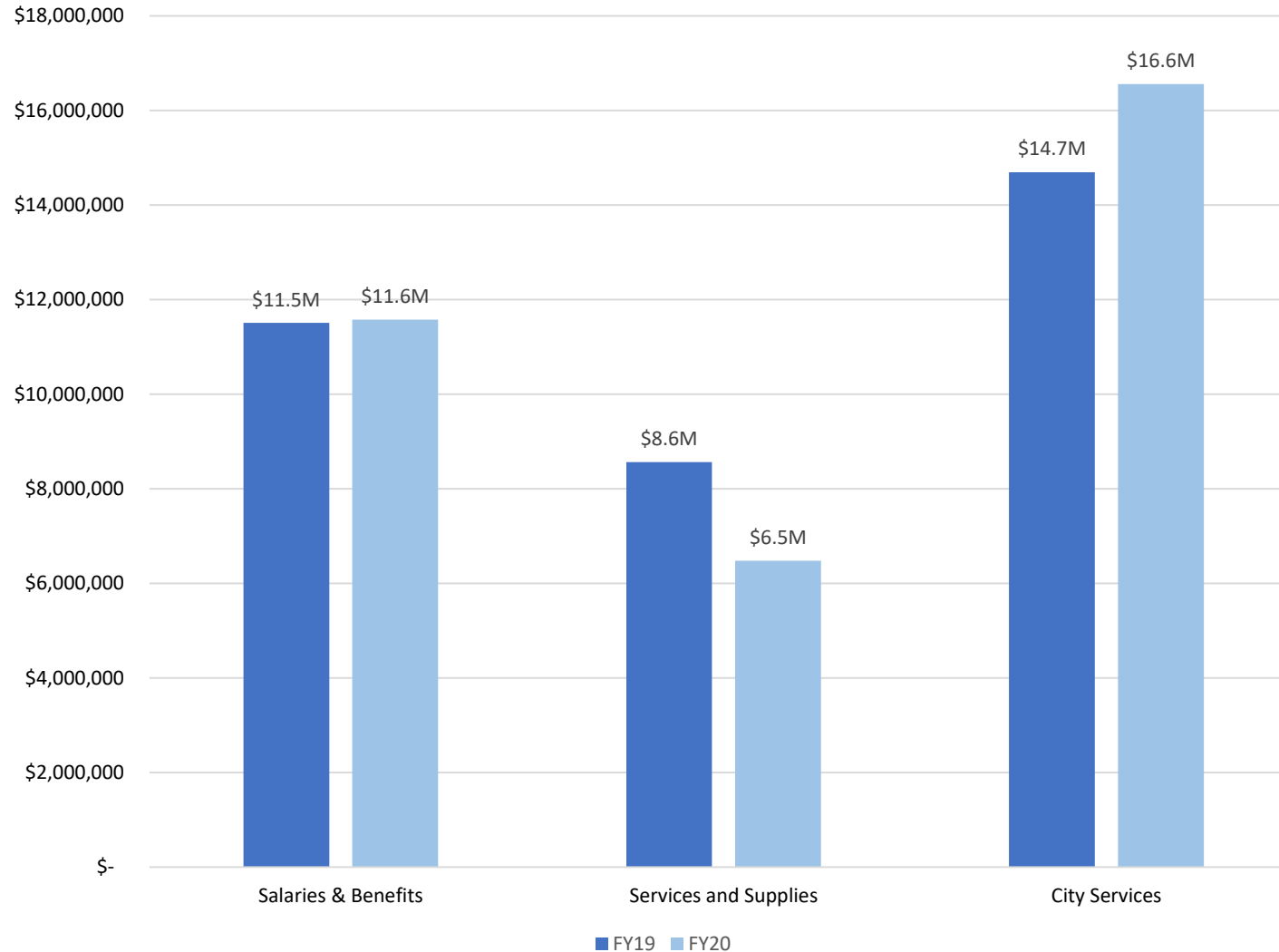


Notes: - Source - LGB Monthly Ground Transportation Activity Reports  
- Transportation Network Companies (TNC) include Uber, Lyft and Wingz

LGB GT Market Share



## LGB Expenditures



- The CARES Act grant of 2020 indirectly offset revenue losses by funding a large portion of labor expenses in the second half of FY20.

- Significant reductions were made in the service and supply purchases during the second half of FY20 in response to the financial impacts of the pandemic.

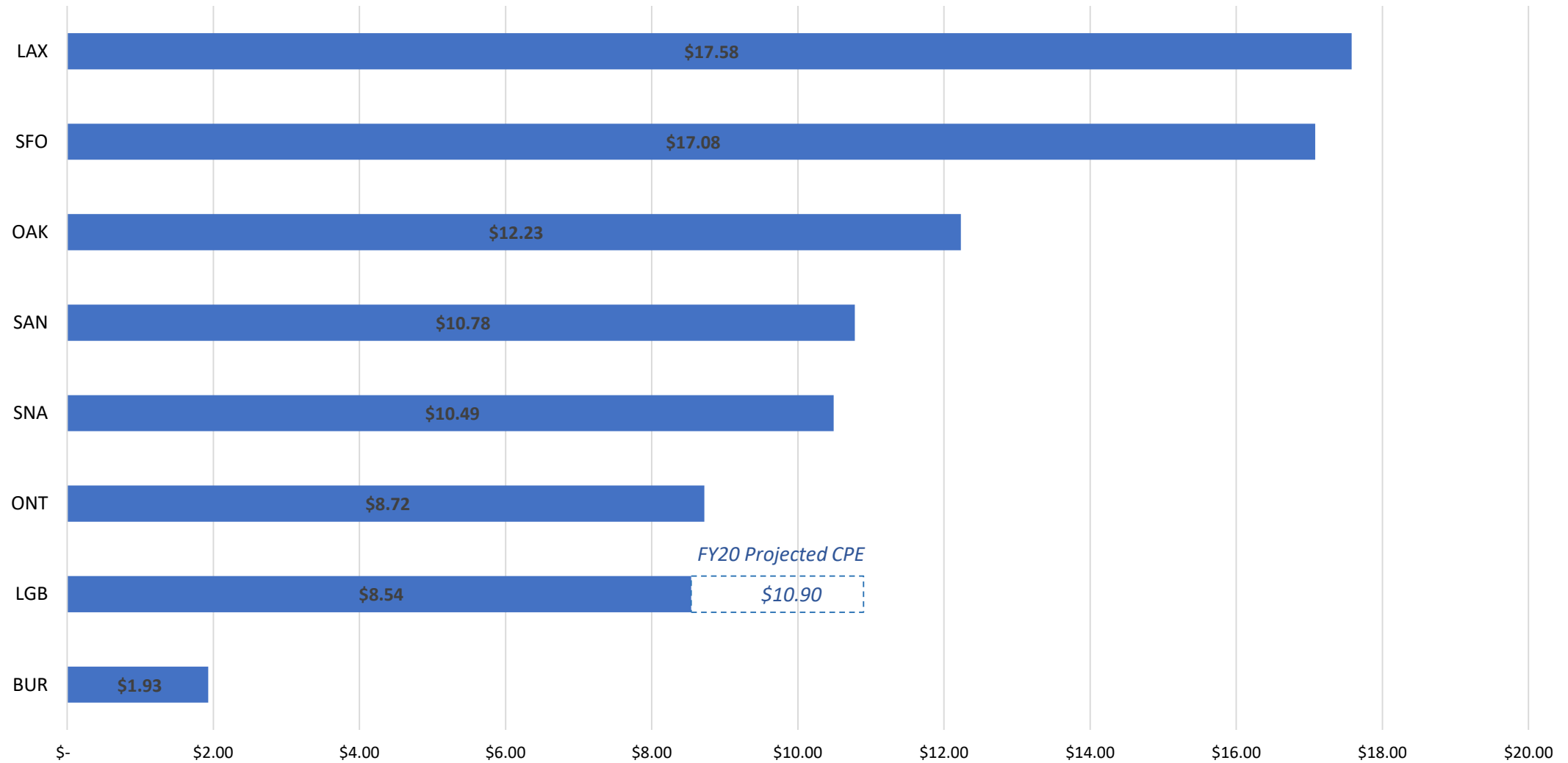
- Reductions made in the second half of FY20 included suspending all employee travel and events, negotiating rate decreases with vendors, reducing scope on service contracts, implementing a soft hiring freeze, limiting the usage of overtime, deferring non-critical maintenance and repair work, etc.

*Notes:*

- Source - City of Long Beach Financial System

- Figures reported are not final and uses data available as of 11/13/2020

### FY19 Cost Per Enplanement (CPE) Metric at Select California Airports



*Notes:*

- Source - FAA CATS Database
- Burbank Airport (BUR) has significantly higher parking revenues that offset cost of operations in addition to lower operating cost.
- LGB increased airline fee rates by 5% on October 1, 2019.

# Airport Capital Improvement Projects (CIP)

- Ground Service Equipment (GSE) Chargers (completed)
- Taxiway C (completed)
- Terminal Area Improvement Program - Phase II Projects (on-going)
- Taxiway D (in construction)
- Taxiway B (construction beginning soon)
- Taxiway L (in design)

# Summary

- COVID-19 has had a dramatic impact on Airport's operating revenues
- Added safety measures to protect travelers and employees while implementing reductions to offset revenue declines
- Enplanements drop by 49% to 0.9 million in FY20 but expected to recovery to 1.2 million in FY21
- FAA funding has enabled airfield projects to progress as scheduled
- Continue to closely monitor the industry and outlook of pandemic



where the going is easy®