NEW ISSUE - BOOK ENTRY ONLY

RATINGS: S&P: "A"
Moody's: "A2"
Fitch: "A"
(See "BOND RATINGS" herein.)

In the opinions of Foley & Judell, L.L.P. and Auzenne & Associates, L.L.C., Co-Bond Counsel, assuming continuing compliance with certain covenants to satisfy the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code") described herein, interest on the Series 2019 Bonds is excluded from gross income for federal income tax purposes except that no opinion is expressed as to the status of interest on any Series 2019 Bond for any period that a Series 2019 Bond is held by a "substantial user" of the facilities financed by such Series 2019 Bonds or by a "related person" within the meaning of Section 147(a) of the Code. Interest on the Series 2019 Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax. See "TAX EXEMPTION" herein. In addition, Co-Bond Counsel will render an opinion that interest on the Series 2019 Bonds is exempt from all taxation for state, parish, municipal or other purposes in the State of Louisiana. See "TAX EXEMPTION – Louisiana Taxes" herein and the proposed form of Co-Bond Counsel Opinion attached hereto as APPENDIX D.

Louis Armstrong New Orleans International Airport

$23,800,000
NEW ORLEANS AVIATION BOARD
GENERAL AIRPORT REVENUE REFUNDING BONDS
(GULF OPPORTUNITY ZONE PROJECTS)
SERIES 2019 (NON-AMT)

Dated: Date of Delivery **Due: January 1, as shown on inside cover**

The $23,800,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds (Gulf Opportunity Zone Projects) Series 2019 (Non-AMT) (the "*Series 2019 Bonds*") are being issued by the New Orleans Aviation Board (the "*Issuer*" or the "*Aviation Board*") to currently refund a portion of the outstanding New Orleans Aviation Board Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects) Series 2010A (Non-AMT) (the "*Series 2010A GO Zone Bonds*"). The Series 2019 Bonds are to be issued pursuant to the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the "*General Indenture*") among the Aviation Board, The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*") and the City of New Orleans (the "*City*"), as supplemented and amended through a Fifth Supplemental Trust Indenture among the same parties and dated as of December 1, 2019 (the "*Fifth Supplemental Indenture*", together with the General Indenture and prior Supplemental Indentures, the "*Indenture*").

The Series 2010A GO Zone Bonds were designated and issued as "Qualified Gulf Opportunity Zone Bonds" and the Series 2019 Bonds will be issued in accordance with the provisions of the Gulf Opportunity Zone Act of 2005 ("*Go Zone Act*") and IRS Notice 2019-39. See "TAX EXEMPTION – Qualified Gulf Opportunity Zone Bonds" herein.

Principal of the Series 2019 Bonds is payable upon maturity or redemption to the registered owners upon presentation and surrender of the Series 2019 Bonds at the principal corporate trust office of the Trustee. Interest on the Series 2019 Bonds is payable semiannually on January 1 and July 1 of each year (each an "*Interest Payment Date*"), commencing on July 1, 2020. The Series 2019 Bonds will be issued initially in book-entry only form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("*DTC*"). DTC will act as securities depository for the Series 2019 Bonds. Purchases of the Series 2019 Bonds may be made only in book-entry form in authorized denominations by credit to participating broker-dealers and other institutions on the books of DTC, as described herein. Principal, premium (if any) and interest on the Series 2019 Bonds will be payable by the Trustee to DTC, which will remit such payments in accordance with its normal procedures, as described herein. The Aviation Board reserves the right to terminate the use of the book-entry only system and issue fully registered certificated Series 2019 Bonds. See "APPENDIX H – Book-Entry Only System".

The Series 2019 Bonds will mature on January 1 in the years and in the principal amounts and will bear interest at the rates set forth on the inside cover hereof. The Series 2019 Bonds are subject to optional redemption prior to maturity. See "THE SERIES 2019 BONDS" herein.

The Series 2019 Bonds are special, limited obligations of the Aviation Board payable from and secured by a pledge of Net Revenues (as defined herein), which pledge is on a parity with the pledge of such Net Revenues made to secure the New Orleans Aviation Board General Airport Revenue Bonds, Series 2015 (the "*Series 2015 Bonds*"), New Orleans Aviation Board General Airport Revenue Bonds, Series 2017 (the "*Series 2017 Bonds*"), and any Additional Bonds that may be issued pursuant to the General Indenture.

THE SERIES 2019 BONDS ISSUED BY THE AVIATION BOARD UNDER THE INDENTURE ARE NOT INDEBTEDNESS OF THE CITY, AND NEITHER THE CITY'S GENERAL CREDIT NOR TAXING POWER IS PLEDGED FOR THE PAYMENT THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS. THE AVIATION BOARD HAS NO TAXING POWER.

THIS COVER PAGE CONTAINS INFORMATION FOR QUICK REFERENCE ONLY. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Series 2019 Bonds are offered when, as and if issued, subject to approval of legality by Foley & Judell, L.L.P, New Orleans, Louisiana, and Auzenne & Associates, L.L.C., New Orleans, Louisiana, as Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Butler Snow LLP., Baton Rouge, Louisiana, and Golden Holley James LLP, Atlanta, Georgia, Co-Underwriters' Counsel. Certain legal matters will be passed upon for the Aviation Board by its Chief Legal Counsel and Deputy Director of Legal Affairs, Michele D. Allen-Hart, Esq. It is expected that the Series 2019 Bonds in definitive form will be available for delivery in New York, New York, on or about December 30, 2019, upon payment therefor.

Citigroup

Backstrom McCarley Berry & Co., L.L.C. **BofA Securities** **Raymond James** **Siebert Williams Shank & Co., LLC**

The date of this Official Statement is December 9, 2019.

MATURITY SCHEDULE

$23,800,000
NEW ORLEANS AVIATION BOARD
GENERAL AIRPORT REVENUE REFUNDING BONDS
(GULF OPPORTUNITY ZONE PROJECTS)
SERIES 2019 (NON-AMT)

Base CUSIP†: 64763H

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2021	$670,000	5.000%	1.150%	103.827	JJ5
2022	710,000	5.000%	1.200%	107.497	JK2
2023	745,000	5.000%	1.270%	110.955	JL0
2024	780,000	5.000%	1.340%	114.217	JM8
2025	820,000	5.000%	1.430%	117.176	JN6
2026	860,000	5.000%	1.550%	119.702	JP1
2027	905,000	5.000%	1.610%	122.365	JQ9
2028	950,000	5.000%	1.710%	124.509	JR7
2029	1,000,000	5.000%	1.810%	126.391	JS5
2030	1,045,000	5.000%	1.900%	125.541[C]	JT3
2031	1,100,000	5.000%	1.980%	124.790[C]	JU0
2032	1,155,000	5.000%	2.040%	124.231[C]	JV8
2033	1,210,000	5.000%	2.100%	123.675[C]	JW6
2034	1,275,000	5.000%	2.140%	123.306[C]	JX4
2035	1,335,000	4.000%	2.440%	112.540[C]	JY2
2036	1,390,000	4.000%	2.480%	112.196[C]	JZ9
2037	1,445,000	4.000%	2.520%	111.854[C]	KA2
2038	1,505,000	4.000%	2.550%	111.598[C]	KB0
2039	1,565,000	4.000%	2.580%	111.342[C]	KC8
2040	1,625,000	5.000%	2.370%	121.209[C]	KD6
2041	1,710,000	5.000%	2.400%	120.938[C]	KE4

[C] Priced to the first par call date of January 1, 2029.

†CUSIP® is a registered trademark of the American Bankers Association ("ABA"). CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of ABA by Global Markets Intelligence S&P, a division of McGraw-Hill Financial. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP data herein is provided for convenience of reference only. Neither the Aviation Board, the City, the Municipal Advisor nor the Underwriters or their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2019 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2019 Bonds.

NO DEALER, BROKER, SALESMAN, OR OTHER PERSON HAS BEEN AUTHORIZED BY THE NEW ORLEANS AVIATION BOARD ("AVIATION BOARD"), THE CITY OF NEW ORLEANS ("CITY"), OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE AVIATION BOARD, THE CITY, OR THE UNDERWRITERS. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE SERIES 2019 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN CONCERNING THE DEPOSITORY TRUST COMPANY ("DTC") HAS BEEN FURNISHED BY DTC, AND NO REPRESENTATION IS MADE BY THE AVIATION BOARD, THE CITY, OR THE UNDERWRITERS AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION.

ALL INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE AVIATION BOARD AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY, THE UNDERWRITERS.

THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITY TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF ANY OF THE PARTIES DESCRIBED HEREIN SINCE THE DATE HEREOF. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN ANY OF THE PARTIES DESCRIBED HEREIN AND ANY ONE OR MORE OF THE PURCHASERS OR REGISTERED OWNERS OF THE SERIES 2019 BONDS.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN JUDGMENT AS TO THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED, INCLUDING WITHOUT LIMITATION, THE RISK FACTORS CONTAINED IN THE SECTION ENTITLED "INVESTMENT CONSIDERATIONS" HEREIN.

BY ITS PURCHASE OF THE SERIES 2019 BONDS, AN INVESTOR IS ACKNOWLEDGING THAT IT HAS REVIEWED ALL THE INFORMATION IT DEEMS NECESSARY TO MAKE AN INFORMED DECISION, AND THAT IT IS NOT RELYING ON ANY REPRESENTATION OF THE UNDERWRITERS OR ANY OF THEIR OFFICERS, REPRESENTATIVES, AGENTS OR DIRECTORS IN REACHING ITS DECISION TO PURCHASE THE SERIES 2019 BONDS.

THE INVESTOR, BY ITS PURCHASE OF THE SERIES 2019 BONDS, ACKNOWLEDGES ITS CONSENT FOR THE UNDERWRITERS TO RELY UPON THE INVESTOR'S UNDERSTANDING OF AND AGREEMENT TO THE PRECEDING PARAGRAPH AS SUCH RELATES TO THE DISCLOSURE AND FAIR DEALING OBLIGATIONS THAT MAY BE APPLICABLE TO THE UNDERWRITERS UNDER APPLICABLE SECURITIES LAWS AND REGULATIONS.

THE SERIES 2019 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2019 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2019

BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2019 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THIS OFFICIAL STATEMENT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2019 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES OR YIELDS LOWER THAN THE PUBLIC OFFERING PRICES OR YIELDS STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES OR YIELDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE AVIATION BOARD WILL UNDERTAKE TO PROVIDE CONTINUING DISCLOSURE ON A PERIODIC BASIS FOR THE BENEFIT OF THE BONDHOLDERS PURSUANT TO THE REQUIREMENTS OF SECTION (b)(5)(i) OF SECURITIES AND EXCHANGE COMMISSION RULE l5c2-12 (17. C.F.R. PART 240, § 140.15C2-12 ("RULE"). SEE "CONTINUING DISCLOSURE" HEREIN.

THE STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT, AND IN OTHER INFORMATION PROVIDED BY THE AVIATION BOARD THAT ARE NOT PURELY HISTORICAL, ARE FORWARD LOOKING STATEMENTS. ALL FORWARD LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE AVIATION BOARD ON THE DATE HEREOF, AND THE AVIATION BOARD DOES NOT ASSUME ANY OBLIGATION TO UPDATE ANY SUCH FORWARD LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISK AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF OR ACCURACY OF SUCH INFORMATION. SEE "FORWARD LOOKING STATEMENTS" HEREIN.

THE FINAL OFFICIAL STATEMENT WILL BE PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND FORM ("ORIGINAL BOUND FORMAT") OR ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THE FINAL OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

TABLE OF CONTENTS

INTRODUCTORY STATEMENT 1

THE AVIATION BOARD 2

PLAN OF FUNDING 4

THE SERIES 2019 BONDS 4
- General 4
- Optional Redemption 5
- Selection of Series 2019 Bonds to be Redeemed 5
- Notice of Redemption 5

SOURCES AND USES OF FUNDS 6

SECURITY FOR BONDS 6
- Pledge of Airport Net Revenues 6
- Definition of Revenues 6
- Flow of Revenues Under the General Indenture 7
- Bonds are Limited Obligations of the Aviation Board 9
- Rate Covenants under the General Indenture 9
- Parity Obligations 9
- Pledge of Net PFC Revenues Deposited to PFC Account of Debt Service Fund 9
- Additional Bonds Test 9
- Completion Bonds 10
- Refunding Bonds 10
- Bond Reserve Fund Requirement 10
- Swap Information 10
- Authorized but Unissued Parity Debt 11
- Subordinate Obligations 11
- Released Revenues 11

DESCRIPTION OF DEBT SERVICE REQUIREMENTS FOR BONDS 12

THE AIRPORT 13
- The Air Service Area 13
- The City and MSA 14
- Airport Management 14
- Airline-Airport Use and Lease Agreement 16
- Enplanements 18
- MSY and U.S. System Enplanements 18
- Nonstop Services 18
- Historical Enplanements by Carrier 19
- Airport's Top 25 O&D Markets in Year 2018 20
- Commercial Aircraft Landed Weight at Airport 21
- Total Aircraft Landed Weight by Fiscal Year 21
- The North Terminal Project 21
- Passenger Facility Charge Authority Approved by FAA 22
- Airport Improvement Program (AIP) from the FAA 22
- Aviation Trust Fund (ATF) from the Louisiana Department of Transportation and Development (LA DOTD) 22
- Aviation Board Capital Fund 22

AIRPORT FINANCIAL INFORMATION 22
- Historic Airport Revenues and Expenses 23

Analysis of Airport Operations ... 23
Fiscal Year 2018 versus Fiscal Year 2017 Results ... 24
Fiscal Year 2017 versus Fiscal Year 2016 Results ... 24
Operating Results for the First Nine Months of Fiscal Year 2019 (unaudited) ... 25
Revenues ... 26
Financial Statements ... 26
Outstanding Debt ... 26
Parity Debt ... 26
Future Debt ... 26
Pension Plans and Post-Retirement Benefit Obligations ... 26
General ... 26
Pension Plans ... 27
Postretirement Healthcare Benefits Obligations ... 29
Casualty and Risk Insurance Coverage ... 30
Current Insurance Coverage ... 30
Commitments and Contingencies ... 31
Self-Insurance ... 31
Commitments ... 31
Claims and Judgments ... 31

THE PASSENGER FACILITY CHARGE PROGRAM ... 31
General ... 31
Net PFC Revenues for Debt Service on Bonds ... 32

REPORT OF THE AVIATION CONSULTANT ... 34
Debt Service Coverage by Fiscal Year ... 34
Prospective Financial Information ... 36

CAPITAL IMPROVEMENTS PROGRAM ... 36

INFORMATION CONCERNING THE AIRLINES ... 37

LITIGATION ... 37

INVESTMENT CONSIDERATIONS ... 37
General ... 37
Limited Obligations ... 37
No Acceleration ... 38
Hurricane and Flood Risks ... 38
Factors Affecting the Airline Industry ... 38
General ... 38
Economic Conditions ... 39
Cost of Aviation Fuel ... 39
Airline Concentration; Effect of Airline Industry Consolidation; Cancellation of Flights by Airlines ... 40
Growth of Low Cost Carriers ... 40
International Conflict and the Threat of Terrorism ... 40
Structural Changes in the Travel Market ... 41
Effect of Airline Bankruptcies ... 41
General ... 41
Bankruptcy Code Rules ... 41
Pre-Petition Obligations ... 43
Passenger Facility Charges ... 43
Aviation Security and Health Safety Concerns ... 43
Cyber Liability ... 44
Regulations and Restrictions Affecting the Airport ... 44
Ability to Meet Rate Covenant ... 45

Availability of PFCs and PFC Approval 45
Availability of Funding for the Long Term Development Plan 46
Federal Funding; Impact of Federal Sequestration 46
Forward-Looking Statements 47
Alternative Transportation Modes and Future Parking Demand 47
Assumptions in the Airport Consultant's Report 48
Future and Proposed Legislation 48

LEGAL MATTERS 48

TAX EXEMPTION 49
General 49
Qualified Gulf Opportunity Zone Bonds 50
Changes in Federal and State Tax Law 50
Tax Treatment of Premium 51
Qualified Tax-Exempt Obligations for Financial Institutions 51
Louisiana Taxes 51
No Other Opinions 51

AUDITED FINANCIAL STATEMENTS 51

BOND RATINGS 52

VERIFICATION OF COMPUTATIONS 52

UNDERWRITING 52

CONTINUING DISCLOSURE 53

FINANCIAL ADVISOR 54

MISCELLANEOUS 54

APPENDIX A Master Definition List

APPENDIX B Summary of Certain Provisions of the General Indenture and the Fifth Supplemental Indenture

APPENDIX C Report of the Aviation Consultant

APPENDIX D Form of Opinion of Co-Bond Counsel

APPENDIX E Form of Opinion of Aviation Board Counsel

APPENDIX F Financial Statements

APPENDIX G Form of Continuing Disclosure Certificate

APPENDIX H Book-Entry Only System

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OFFICIAL STATEMENT

$23,800,000
NEW ORLEANS AVIATION BOARD
GENERAL AIRPORT REVENUE REFUNDING BONDS
(GULF OPPORTUNITY ZONE PROJECTS)
SERIES 2019 (NON-AMT)

INTRODUCTORY STATEMENT

This Introductory Statement is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2019 Bonds (as hereinafter defined) to potential investors is made only by means of the entire Official Statement.

This Official Statement, including the cover page and Appendices attached hereto, and including certain financial information relating to the New Orleans Aviation Board (the "*Issuer*" or the "*Aviation Board*"), is provided to furnish certain information in connection with the issuance of $23,800,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds (Gulf Opportunity Zone Projects) Series 2019 (Non-AMT) (the "*Series 2019 Bonds*" together with Outstanding Series 2015 Bonds, as hereinafter defined, and Series 2017 Bonds, as hereinafter defined, the "*Bonds*"). The Bank of New York Mellon Trust Company, N.A. will act as Trustee, Paying Agent and Bond Registrar for the Bonds ("*Trustee*") pursuant to the General Revenue Bond Trust Indenture among the Aviation Board, the City of New Orleans (the "*City*"), and the Trustee, dated as of February 1, 2009 (the "*General Indenture*"), as supplemented and amended through a Fifth Supplemental Indenture dated as of December 1, 2019 (the "*Fifth Supplemental Indenture*," together with the General Indenture and all prior Supplemental Indentures, the "*Indenture*").

The Series 2019 Bonds are being issued by the Aviation Board in accordance with the provisions of the Gulf Opportunity Zone Act of 2005 ("*GO Zone Act*"), and IRS Notice 2019-39, to currently refund a portion of the outstanding New Orleans Aviation Board Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects) Series 2010A (Non-AMT) (the "*Series 2010A GO Zone Bonds*"). The Series 2010A GO Zone Bonds were issued along with New Orleans Aviation Board Revenue Bonds (Passenger Facility Charge Projects) Series 2010B (Non-AMT) (the "*Series 2010B PFC Bonds***,** together with the Series 2010A GO Zone Bonds, the "*Series 2010 Bonds*").

The Series 2019 Bonds are limited obligations of the Aviation Board payable solely from and secured by the Trust Estate, including the Net Revenues and certain amounts deposited into the accounts held under the General Indenture and the Fifth Supplemental Indenture, including Net PFC Revenues that may be deposited at the discretion of the Aviation Board to the Transferred PFC Account of the Debt Service Fund. None of the properties of the Airport is subject to any mortgage or other lien for the benefit of the owners of the Series 2019 Bonds.

BONDS ISSUED BY THE AVIATION BOARD UNDER THE INDENTURE ARE NOT INDEBTEDNESS OF THE CITY, AND NEITHER THE CITY'S GENERAL CREDIT NOR TAXING POWER IS PLEDGED FOR THE PAYMENT THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS. THE AVIATION BOARD HAS NO TAXING POWER.

See "**SECURITY FOR BONDS**" herein.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement, including the cover page, contain brief descriptions of, among other matters, the Bonds, the Indenture, and the Report of the Aviation Consultant. All references herein to the aforementioned documents are qualified in their entirety by reference to such documents included in the Appendices hereto.

This Official Statement and the other documents described herein may be obtained upon request and upon payment of reproduction costs and postage through the office of the Trustee, The Bank of New York Mellon Trust Company, N.A., One American Place, Suite 1510, 301 Main Street, Baton Rouge, Louisiana; telephone number: (225) 379-7353. This Official Statement is also available online at www.emma.msrb.org.

All capitalized terms used, and not otherwise defined, in this Official Statement shall have the meanings ascribed thereto in the Indenture.

THE AVIATION BOARD

The Aviation Board is charged with the power and authority to administer, operate, and maintain airport facilities owned by the City, including the airport known as the Louis Armstrong New Orleans International Airport ("*Airport*"). The Aviation Board consists of nine members appointed by the Mayor of the City ("*Mayor*") with the approval of the City Council for terms of five years. As a matter of custom, the Mayor appoints one member of three nominated by the City of Kenner (the city in which the largest portion of the Airport is located) and another three nominated by the President of the Parish of St. Charles (the parish in which a small portion of the Airport is located).

The members of the Aviation Board as of the date of this Official Statement are as follows:

Name	Term Expires
Hon. Michael G. Bagneris, Chairman	June 30, 2023
J. Douglas Thornton, Vice Chairman	June 30, 2021
Ti Adelaide Martin	June 30, 2022
Lea Ruth Kullman	June 30, 2022
Roger H. Ogden	June 30, 2022
Octave "Todd" J. Francis III	June 30, 2019*
Gary Smith, Sr.	June 30, 2022
Joseph "Nick" Nicolosi, Jr.	June 30, 2022
Hon. Neil C. Abramson	June 30, 2022

*Board Members with expired terms have a legal seat on the Aviation Board until they resign or another person is appointed.

Brief biographies for the Aviation Board members follow:

Hon. Michael G. Bagneris, Judge (Retired), was appointed to the Aviation Board on March 28, 2019 and was elected Chairman of the Aviation Board on May 16, 2019. His term expires on June 30, 2023. Judge Bagneris attended Yale University where he received two Bachelor of Arts degrees, one in American History and the other in African-American History. In 1975, he received his Juris Doctorate from Tulane Law School. While in law school, Judge Bagneris clerked for the Law Firm of Fine & Waltzer, and became an associate upon graduation; in 1979, he became a partner and the firm was renamed Fine, Waltzer & Bagneris; in 1980 he became Executive Counsel to Mayor Ernest "Dutch" Morial; in 1986, he returned to his law practice at Waltzer & Bagneris; in 1993, he was elected Judge in the Orleans Parish Civil District Court; after serving 20 years on the bench Judge Bagneris retired on December 11, 2013. As a judicial educator, Judge Bagneris lectures extensively, primarily on evidence, personal injury, legal experts, ethics, and professionalism, and serves as a Bar Examiner for the Louisiana State Bar. He is a former member of the Louisiana Judicial College, Supreme Court Ethics Committee, and Supreme Court Pro Se Litigation Committee. In addition to his service as Chairman of the Aviation Board, Judge Bagneris is a member of numerous professional and civic organizations, including the American Bar Association, American Judges Association, Jazz & Heritage Festival Foundation, Judicial Council-NBA, Louis A. Martinet Society, Louisiana District Judges Association, Louisiana Judicial Council-NBA, Louisiana State Bar Association, National Bar Association, National Urban League, New Orleans Bar Association, and New Orleans Museum of Art.

Mr. J. Douglas Thornton serves as the Vice Chairman of the Aviation Board. He was first appointed to the Aviation Board on June 17, 2010 and his current term expires on June 30, 2021. Mr. Thornton serves as the Chairman for the Aviation Board Construction Committee. Mr. Thornton is the Executive Vice President, ASM Global new Orleans (Mercedes-Benz Superdome and Smoothie King Center Management Co.).

Ms. Ti Adelaide Martin was first appointed to the Aviation Board in January 2007 and her current term expires on June 30, 2022. She serves as the Chairwoman for the Aviation Board Finance Committee. Ms. Martin is the co-owner of Commander's Palace and its family of restaurants. She is presently engaged in the day-to-day operations of Commander's Place and the other restaurants included within the Commander's family of restaurant-related businesses.

Ms. Lea Ruth Kullman is the owner of Kullman Consulting, which specializes in non-profit consulting and political fundraising. She served as Finance Director for Mitch Landrieu when he served as Lieutenant Governor and Mayor of New Orleans. Additional previous clients include educational and cultural non-profits including the Louisiana Children's Museum, the Louisiana Philharmonic Orchestra, the Jewish Federation of Greater New Orleans and Kingsley House. Prior to starting the firm, she was Campaign Director of the Jewish Federation of Greater New Orleans. Ms. Kullman also is involved in many civic and community organizations. She has served as President of Planned Parenthood of Louisiana, Touro Synagogue and Touro Infirmary. She currently serves Secretary/Treasurer of Louisiana Children's Medical Center and was on the Executive committee of New Schools for New Orleans. Ms. Kullman was a founding board member of New Orleans College Prep as well as Live Oak Wilderness Camp. Ms. Kullman was first appointed to the Aviation Board in July 2017 and her current terms expires on June 30, 2022.

Mr. Roger H. Ogden was first appointed to the Aviation Board in August 2011 and his current term expires on June 30, 2022. Mr. Ogden is a real estate developer, civic leader and philanthropist. Mr. Ogden is co-founder of Stirling Properties where for 20 years he led the company as principal and CEO. He was the founding chairman of the Southeast Super Region Committee, a collaboration between GNO Inc. and the Baton Rouge Area Chamber, that united the Southeast Louisiana region in economic development initiatives. Additionally, Mr. Odgen serves on the boards of GNO Inc., Business Council of New Orleans, and BioDistrict New Orleans.

Mr. Octave "Todd" J. Francis III, CIMA®, AIF® was first appointed to the Aviation Board in June 2013 and his current term expires on June 30, 2019. (Board Members with expired terms have a legal seat on the Aviation Board until resignation or another person is appointed.) Mr. Francis is a Managing Director, Senior Vice-President, Investments with Raymond James. Mr. Francis, as a board member of the Aviation Board, is governed by the Louisiana Governmental Code of Ethics ("*Code of Ethics*"), La. R.S. 2:1101 et seq. While Mr. Francis does not have a "substantial economic interest" in Raymond James & Associates, Inc. as that term is defined in the Code of Ethics La. R.S. 42:1102 (21) that would prohibit his participation as an Aviation Board member in any Aviation Board transaction with Raymond James under La. R.S. 42:1112 (A) and (B), he elected to recuse himself pursuant to La. R.S. 42:1120.4 from any discussion or vote of the Aviation Board approving the Official Statement, approval and execution of the Bond Purchase Agreement, execution of the Indenture, and the execution of any other required documents in connection with the offerings described herein. His position with Raymond James started on March 21, 2018. Before joining Raymond James & Associates, Inc., Mr. Francis was the founding and Managing Principal of FFC Capital Markets, a Southeast Louisiana headquartered investment and municipal advisory and consulting enterprise.

Mr. Gary Smith, Sr. serves as the St. Charles Parish Representative for the Aviation Board. He was first appointed on February 20, 2014 and his current term expires June 30, 2022. Mr. Smith is the President of the Magnolia Companies of Louisiana and has been involved in all aspects of this family-run business since childhood, including, but not limited to, construction/dredging, heavy equipment, marine industries, and real estate, all of which operate as separate entities under The Magnolia Companies umbrella.

Mr. Joseph "Nick" Nicolosi, Jr. was first appointed to the Aviation Board in June 2018 and his term expires on June 30, 2022. Mr. Nicolosi is retired from the City of Kenner having served 29 years that included service as a Kenner Police Detective followed by his appointments as Community Service Director, Code Enforcement Director, Public Works Director, and Chief Administrative Officer. He also retired from Jefferson Parish having served as Administrative Assistant to Council District 4. He presently owns NBN Services LLC, a small business development service.

Hon. Neil C. Abramson[1], State Representative, was appointed to the New Orleans Aviation Board on September 5, 2019. His term expires on June 30, 2022. Since 2008, Mr. Abramson has served as the State Representative for the 98th District of Louisiana. He received a Bachelor's of Arts in Government from Dartmouth College in New Hampshire in 1989 and his Juris Doctorate from Louisiana State University Law Center in 1992 where he finished first in his class. He was an intern to former United States Senator J. Bennett Johnston, Jr., and former U.S. Representative Jimmy Hayes of Louisiana's 7th congressional district, since disbanded. Mr. Abramson also was a clerk to U.S. District Judge Frank J. Polozola of the United States District Court for the Middle District of Louisiana. Mr. Abramson was elected to the Louisiana House of Representatives during the 2007 general election, re-elected for a second term on October 22, 2011, and re-elected for third term in 2015. Mr. Abramson has served on the following committees during his time as Representative: Ways and Means, Civil Law and Procedure, select Committee on Hurricane Recovery, Health and Welfare, Judiciary, Joint Legislative Committee on Capital Outlay, Joint Legislative Committee on Budget, and State Bond Commission. He serves as Chairman of the Committee on Ways and Means (2016–20), and previously served as Chairman of the Joint Legislative Committee on Capital Outlay (2016–18); Chairman of the Committee on Civil Law and Procedure (2012–16); Chairman of the Select Committee on Hurricane Recovery (first chairman of committee) and Vice Chair of Judiciary from 2007-11. In addition to his service as State Representative and member of the Aviation Board, he currently is a Litigation Attorney for the law firm of Liskow & Lewis in New Orleans, Louisiana.

PLAN OF FUNDING

Proceeds of the Series 2019 Bonds will be used to currently refund a portion of the outstanding Series 2010A GO Zone Bonds. The Series 2010 Bonds, consisting of the Series 2010A GO Zone Bonds and the Series 2010B PFC Bonds, were issued pursuant to the Aviation Board's PFC General Revenue Bond Trust Indenture (the "*PFC Indenture*") by and among the Aviation Board, the City, and The Bank of New York Trust Company, N.A. (the "*PFC Trustee*"), dated as of November 1, 2007, as amended through the Second Supplemental Trust Indenture dated as of December 1, 2009.

The Aviation Board will defease all of the Series 2010 Bonds in accordance with the requirements of the PFC Indenture by providing irrevocable instructions to the PFC Trustee to accept proceeds of the Series 2019 Bonds and to deposit such proceeds, together with other funds held by the PFC Trustee, to an escrow fund (the "*Escrow Fund*") created pursuant to an Escrow Deposit Agreement between the Issuer and the PFC Trustee, as escrow trustee. The deposit of the Series 2019 Bonds proceeds and other funds to the Escrow Fund will be sufficient to defease the Series 2010 Bonds on the issue date of the Series 2019 Bonds and to redeem all of the Series 2010 Bonds on their first optional redemption date of January 1, 2020.

Following the deposits to the Escrow Fund, the Series 2010 Bonds will have been deemed paid and no other PFC Bonds will be outstanding under the PFC Indenture. The Aviation Board has covenanted and agreed that no additional PFC Bonds will be issued under the PFC Indenture; however, the PFC Indenture will not be cancelled or discharged on the issue date of the Series 2019 Bonds but will remain intact to receive all Passenger Facility Charges for deposit to the funds established within the PFC Indenture and to fund approximately $16.6 million of the North Terminal Project on a pay-as-you-go basis.

THE SERIES 2019 BONDS

General

The Series 2019 Bonds will be dated the date of delivery and will bear interest at the rates per annum and mature on January 1 in the years and in the principal amounts indicated on the inside cover page of this Official Statement. Interest on the Series 2019 Bonds will be payable each January 1 and July 1 (each an "*Interest Payment Date*"), commencing July 1, 2020.

[1] Mr. Abramson currently serves as a member of the Louisiana State Bond Commission which must approve all tax-exempt bonds, including the Series 2019 Bonds. The State Bond Commission approved the Series 2019 Bonds prior to Mr. Abramson's appointment to the Aviation Board.

The Series 2019 Bonds will be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof, and will be numbered from No. R-1 upwards issued initially as one certificate per maturity as set forth on the inside cover page hereof. The Series 2019 Bonds will be registered in the name of Cede & Co., as nominee for the Depository Trust Company ("*DTC*"), New York, New York, which will act as the securities depository for the Series 2019 Bonds. Purchasers of the Series 2019 Bonds will not receive certificates representing the interest in the Series 2019 Bonds purchased. Purchases of the beneficial interests in the Series 2019 Bonds will be made in book-entry only form in authorized denominations by credit to participating broker-dealers and other institutions on the books of DTC as described herein. Any purchaser of beneficial interests in the Series 2019 Bonds must maintain an account with a broker or dealer who is or acts through a DTC Participant in order to receive payment of the principal of and interest on such Series 2019 Bonds. See "**APPENDIX H - Book-Entry Only System**" hereto.

The principal of the Series 2019 Bonds shall be payable to the registered owners thereof upon surrender of the Series 2019 Bonds at the principal corporate trust office of the Trustee except as otherwise provided in "**APPENDIX H - Book-Entry Only System.**" Interest on the Series 2019 Bonds, when due and payable, shall be paid by check or draft mailed by the Trustee on such due date to DTC or the Registered Owner of a Series 2019 Bond, at the address appearing on the Bond Register maintained by the Trustee at the close of business on the applicable date ("*Record Date*") irrespective of any transfer or exchange of the Series 2019 Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Aviation Board shall default in payment of interest due on such Interest Payment Date. The Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2019 Bonds may request payment by wire transfer if such Registered Owner have requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of any such default, such defaulted interest shall be payable on a payment date established by the Trustee to the persons in whose names the Series 2019 Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Series 2019 Bonds not less than fifteen (15) days preceding such special record date. Payment as aforesaid shall be made in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

The Bank of New York Mellon Trust Company, N.A. is serving as Trustee, Paying Agent, and Bond Registrar under the Indenture and has a principal corporate trust office in Baton Rouge, Louisiana.

Optional Redemption

The Series 2019 Bonds maturing on or after January 1, 2030 are subject to redemption at the option of the Aviation Board, in whole or in part on any date on or after January 1, 2029 in the order directed by the Aviation Board, in minimum aggregate principal amounts of \$5,000 and integral multiples thereof, from any available moneys in the Redemption Fund at the price of par plus accrued interest to the redemption date. The Aviation Board shall give the Trustee at least forty-five days' notice of any Optional Redemption to be made specifying the redemption date and principal amounts to be redeemed.

Selection of Series 2019 Bonds to be Redeemed

If less than all Series 2019 Bonds outstanding are to be redeemed through optional redemption, the principal amount of Series 2019 Bonds of each maturity to be redeemed may be specified by the Aviation Board by written notice to the Trustee, or, in the absence of timely receipt by the Trustee of such notice, shall be selected by the Trustee by lot or by such other method as the Trustee shall deem fair and appropriate; provided, however, that the principal amount of Series 2019 Bonds of each maturity to be redeemed may not be larger than the principal amount of Series 2019 Bonds of such maturity then eligible for redemption and may not be smaller than the smallest Authorized Denominational; provided, however that so long as DTC is acting as securities depository for the Series 2019 Bonds, such selection will be made in accordance with DTC's practice.

Notice of Redemption

In the event any of the Series 2019 Bonds are called for redemption, the Trustee shall, upon receipt from the Aviation Board of notice of its intention to redeem at least forty-five days prior to the date fixed therefore, give notice in the form provided by the Aviation Board to the Registered Owners and the Trustee in the name of the

Aviation Board, of the redemption of such Series 2019 Bonds. Such notice shall be given by mail at least thirty days prior to the date fixed for redemption to the registered owners of the Series 2019 Bonds to be redeemed; provided, however, that failure to give such notice by mail to any registered owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other of the Series 2019 Bonds. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Series 2019 Bonds so called for redemption at the place or places of payment, such Series 2019 Bonds shall be redeemed.

The Series 2019 Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with the Indenture shall cease to bear interest on the specified redemption date.

SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2019 Bonds, along with monies in existing trust funds, are to be applied as follows:

SOURCES	Series 2019 Refunding Bonds	Series 2010AB Fund Balances	Total
Par Amount	23,800,000.00	-	23,800,000.00
Original Issue Premium	4,246,848.55	-	4,246,848.55
Equity Contribution	-	396,852.46	396,852.46
DSRF Release	-	4,336,319.00	4,336,319.00
Interest Set-Asides	-	1,370,356.26	1,370,356.26
Remaining 2010A Bond Proceeds	-	20,639,049.00	20,639,049.00
PFC Cash Contribution	-	1,181,119.13	1,181,119.13
TOTAL SOURCES	**28,046,848.55**	**27,923,695.85**	**55,970,544.40**
USES			
Series 2010 Defeasance Escrow	27,483,512.87	27,526,843.39	55,010,356.26
Series 2019 Debt Service Fund	2,398.71	-	2,398.71
Cost of Issuance	453,147.54	396,852.46	850,000.00
Underwriter's Discount	107,789.43	-	107,789.43
TOTAL USES	**28,046,848.55**	**27,923,695.85**	**55,970,544.40**

SECURITY FOR BONDS

Pledge of Airport Net Revenues

Bonds (including the Series 2015 Bonds, Series 2017 Bonds, and Series 2019 Bonds) issued under the General Indenture are secured on a first lien parity basis by the Net Revenues of the Airport. Net Revenues are Revenues after deducting current expenses of operation, maintenance and current repair of the Airport System and other facilities of the Aviation Board.

The Aviation Board's ability to generate sufficient Net Revenues to pay debt service on the Bonds is dependent upon a number of factors. See “**INVESTMENT CONSIDERATIONS**” herein.

Definition of Revenues

“Revenues” and “Revenues of the Airport System” shall mean all revenues derived by the Aviation Board from the use and operation of the Airport System, excluding (i) Special Facility Revenues, except after the payment of any Special Facility Bonds used to finance such Special Facility as permitted by the General Indenture, (ii) any gifts, grants or other amounts, the use of which is restricted by the donor or grantor or by law or regulation, (iii) the proceeds of any passenger facility charge or other per passenger charge defined in the General Indenture as the

"PFC" established by the Aviation Board for use by the Aviation Board, (iv) any sums received by the Aviation Board or the City from the State or the United States of America, including the avails of any tax, (v) the proceeds of any rental car customer facility charge defined as the "CFC" in the General Indenture, (vi) any Released Revenues, (vii) interest accruing on, and any profit resulting from the investment of monies in any fund or account of the Aviation Board that is not available by agreement or otherwise for deposit into the Operation Fund, (viii) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles, (ix) the proceeds of any condemnation awards, and (x) security deposits and the proceeds of the sale of any property constituting all or any portion of the Airport; provided however the Aviation Board may in the future pledge any CFC, PFC, or Released Revenues as additional security for one or more series of Bonds, Subordinated Bonds or Swaps or other obligations issued hereunder and the amount of any such pledged CFC, PFC, or Released Revenues deposited into any one of the Airport Operating Accounts or a sub-account created therein, the Debt Service Fund or any account or sub-account created therein, or any account or sub-account created within any fund or account created under the General Indenture or created for a particular Series of Bonds, Subordinated Bonds, Swap or any other obligation by the Applicable Supplemental Indenture authorizing such Series, Swap or other obligations shall constitute Revenues. Without limiting the generality of the foregoing, "Revenues" include all the income from the ownership and operation of the Airport System including landing fees and charges, ground rentals, space rentals in buildings, charges of every character made to concessionaires, all fees received by the Aviation Board or the City on account of the operation of ground transportation to and from any Airport System facility, earnings from the operation of the parking facilities, earnings on the investments of the Aviation Board including, without limitation, investment earnings of proceeds of the Bonds, except as specifically excluded in items (i) through (x) above.

For a historical summary of the Revenues of the Airport System, see "**AIRPORT FINANCIAL INFORMATION – Revenues**" herein.

Flow of Revenues Under the General Indenture

Revenues are deposited daily as received by the Aviation Board into the Airport Operating Fund established under the General Indenture. On the second Business Day preceding the first Wednesday of each calendar month, the Aviation Board and/or the City, as applicable, debits or transfers from the Airport Operating Fund amounts required to be applied to the following purposes in the following order (except that payments required by item (b) below shall be made in the normal course of business):

(a) Arbitrage Rebate Fund: to the payment of any sums required to be deposited in the Arbitrage Rebate Fund;

(b) Operation and Maintenance Fund: to the payment of all Operation and Maintenance Expenses;

(c) Debt Service Fund: an amount which together with other amounts on deposit in such Fund will equal the Debt Service Fund Requirement as of the first day of the next ensuing month;

(d) Debt Service Reserve Fund: an amount which together with the amounts on deposit therein will equal the Funded Debt Service Reserve Fund Requirement as of the first day of the next ensuing month; provided, however, if there is a Reimbursement Obligation due the Provider of any Reserve Asset sums payable pursuant to this item (d) shall be applied first pro-rata to the reimbursement of the Providers of such Reserve Asset so as to reinstate the amounts available thereunder and second to the replenishment of the Funded Debt Service Reserve Fund Requirement;

(e) Improvement Account: such amount as shall be required, if any, by the Commercial Airline Leases or the Airport System budget;

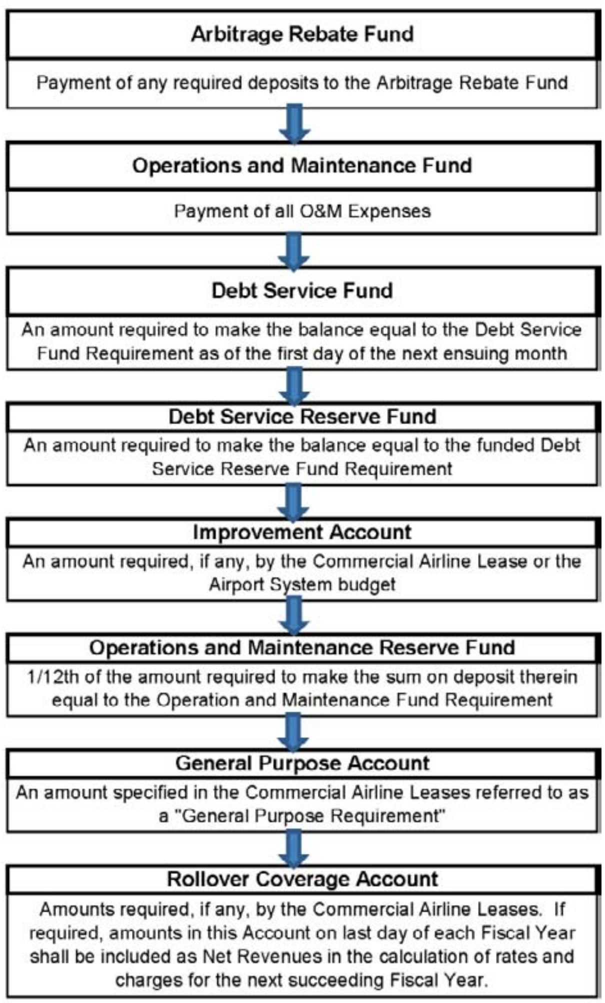
(f) Operation and Maintenance Reserve Fund: an amount equal to one-twelfth ($1/12^{th}$) of the difference between the sums credited to such Fund and the Operation and Maintenance Reserve Fund Requirement until there has been accumulated therein an amount equal to the Operation and Maintenance Reserve Fund Requirement and thereafter in the event of a withdrawal therefrom, an amount equal to $1/36^{th}$ of the amount which, together with the amounts on deposit therein as of the date of any such withdrawal, will equal the Operation and Maintenance Reserve Fund Requirement as of the first day of the 36^{th} month following such withdrawal;

(g) General Purpose Account: an amount equal to the General Purpose Account Requirement consisting of such amounts as specified in the Commercial Airlines Leases. The sums credited to the General Purposes Account may be applied by the Aviation Board to any lawful use or purpose of the Aviation Board, including without limitation, Operation and Maintenance Expenses, the purchase or payment of Bonds and the payment of the cost of any Capital Improvement; and

(h) Rollover Coverage Amount: the amounts required, if any, by the provisions of the Commercial Airline Leases with terms commencing subsequent to December 31, 2008, in the order of priority established by the General Indenture if required by such Commercial Airline Leases. The sums in the Rollover Coverage Account may only be used for the purposes provided in the Commercial Airlines Leases. To the extent required by the Commercial Airline Leases the sums in the Rollover Coverage Account on the last day of each Fiscal Year shall be included as Net Revenues in the calculation of the required rates and charges for the next succeeding Fiscal Year. The sums credited to the Rollover Coverage Account on the first Business Day of each Fiscal Year shall be transferred to the Airport Operating Account or as otherwise provided in the Commercial Airline Leases at such time is in effect with a term commencing subsequent to December 31, 2008.

See "**APPENDIX B - Summary of Certain Provisions of the General Indenture, Indenture and the Fifth Supplemental Indenture**" herein.

A diagram showing the flow of funds is set forth below:



Bonds are Limited Obligations of the Aviation Board

BONDS ISSUED BY THE AVIATION BOARD UNDER THE INDENTURE ARE NOT INDEBTEDNESS OF THE CITY, AND NEITHER THE CITY'S GENERAL CREDIT NOR TAXING POWER IS PLEDGED FOR THE PAYMENT THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATIONS. THE AVIATION BOARD HAS NO TAXING POWER.

Rate Covenants under the General Indenture

The Aviation Board has covenanted under the General Indenture to impose and collect rates, fees, rentals, or other charges for the Airport System Rates and Rentals sufficient to produce:

1. Revenues in each Fiscal Year at least sufficient to make all the payments required in order to pay (i) all sums due as arbitrage rebate with respect to Bonds, (ii) all Operation and Maintenance Expenses of the Airport System, (iii) the annual debt service requirements on all Bonds, (iv) any amounts required to be deposited into the Debt Service Reserve Fund, (v) any amounts required to be deposited into the Improvement Account if required by the Commercial Airline Leases, (vi) any amounts required to be deposited to the Operation and Maintenance Reserve Fund, (vii) all obligations due any Provider under a Credit Facility, Liquidity Facility, or a Reserve Asset instrument including interest and fees, and (viii) scheduled payments of principal and interest on all Subordinated Bonds; and

2. Net Revenues (together with the sum on deposit in the Rollover Coverage Account on the last day of the immediately preceding Fiscal Year, if required or permitted by the Commercial Airline Leases at the time of such computation) at least equal to 125% of the Bond Debt Service Requirement with respect to the Bonds for such Fiscal Year (collectively, the "*Rate Covenant*").

Net PFC Revenues deposited into the Transferred PFC Account of the Debt Service Fund to pay debt service on Bonds are included in the computation of Net Revenues for purposes of satisfying the Rate Covenant.

Parity Obligations

Bonds issued under the Indenture are secured by a first lien on Net Revenues. Accordingly, upon their issuance, the Series 2019 Bonds will be secured by and be payable from the Net Revenues on parity basis with Outstanding Series 2015 Bonds and Series 2017 Bonds. The Aviation Board has the right to issue additional parity debt if certain tests for the issuance of such parity debt are satisfied. See "**SECURITY FOR BONDS – Additional Bonds Test**" herein.

Pledge of Net PFC Revenues Deposited to PFC Account of Debt Service Fund

Following defeasance of the Series 2010 Bonds, no bonds will be outstanding under the PFC Indenture; however, Net PFC Revenues will continue to be deposited daily to a Receipts Fund under the PFC Indenture. Unless otherwise intercepted and deposited to other funds under the PFC Indenture for other purposes, such as Pay-As-You-Go PFC Projects approved by the FAA, Net PFC Revenues will flow to an Excess PFC Fund established under the PFC Indenture. Net PFC Revenues on deposit in the Excess PFC Fund may be transferred by the Aviation Board to the Transferred PFC Account in the Debt Service Fund established under the General Indenture. When Net PFC Revenues are so deposited to the PFC Account in the Debt Service Fund, they are immediately pledged and applied to pay debt service on Bonds. See "**THE PASSENGER FACILITY CHARGE PROGRAM – Net PFC Revenues for Debt Service on the Bonds**" herein.

Additional Bonds Test

Additional Bonds may be issued by the Aviation Board under the General Indenture for purposes not expressly prohibited by applicable law if the requirements of either (a) or (b) below are met:

(a) <u>Historical Test for Net Revenues and Debt Service Requirement</u>: the sum of (I) Net Revenues of the Airport System and (II) 1/12 of the amount of Rollover Coverage provided for each Fiscal Year of each month included within the below described period of calculation as certified by an Authorized Officer of the Aviation Board for any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding the date of issuance of such series of Additional Bonds shall have equaled not less than one hundred twenty-five percent (125%) of the aggregate Debt Service Fund Requirement on all Outstanding Bonds and the proposed Additional Bonds for such twelve (12) month period; or

(b) Prospective Test for Net Revenues and Debt Service Requirement: Both (I) the sum of (A) Net Revenues of the Airport System and (B) 1/12 of the amount of Rollover Coverage provided for each Fiscal Year of each month included within the below described period of calculation as certified by an Authorized Officer of the Aviation Board for any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding the date of issuance of such series of Additional Bonds shall have equaled not less than one hundred twenty-five percent (125%) of the aggregate Debt Service Fund Requirement on all Outstanding Bonds and (II) the Net Revenues of the Airport System estimated by the Aviation Consultant to be derived during the three (3) consecutive calendar years commencing with the calendar year next following the issuance of such Series or with respect to the acquisition or construction of any income producing capital asset at the end of the Period of Construction of the project or projects, if any, to be financed by such series of Additional Bonds (as estimated by the Aviation Consultant) and projecting that the estimated Net Revenues for each year of the applicable forecast period shall equal not less than one hundred twenty-five percent (125%) of the Debt Service Fund Requirement for each of such three (3) consecutive calendar years of all Bonds then outstanding and the Additional Bonds proposed to be issued.

See "**APPENDIX B - Summary of Certain Provisions of the General Indenture and the Fifth Supplemental Indenture**" herein.

The Series 2019 Bonds are issued as Additional Bonds under the General Indenture pursuant to the Prospective Test under the General Indenture. See "Section 4 – Financial Analysis – Table 27 within **APPENDIX C – Report of the Aviation Consultant**" herein.

Completion Bonds

A Series of Completion Bonds may be issued without the necessity of producing any of the certificates required for the issuance of Additional Bonds if such Completion Bonds do not exceed in original principal amount ten percent (10.0%) of the total costs of the Capital Improvement(s) for which they are issued to complete.

Refunding Bonds

One or more Series of refunding bonds may be issued under the General Indenture for the purpose of refunding all or any part of one or more Series of Outstanding Bonds if the Aviation Board obtains a certificate from an Authorized Bond Representative demonstrating that the refunding will reduce the total debt service payments on the refunded Bonds on a present value basis.

Bond Reserve Fund Requirement

The Series 2019 Bonds are designated Reserve Bonds by the Fifth Supplemental Indenture and are issued on parity with the Outstanding Series 2015 Bonds and Series 2017 Bonds. Accordingly, the Aviation Board and the Trustee must maintain the Debt Service Reserve Fund Requirement established by the Fifth Supplemental Indenture for the Series 2019 Bonds. The Debt Service Reserve Fund Requirement for Bonds, including the Series 2019 Bonds, is $70,537,750.00. In the event that funds in the Bonds Debt Service Fund and Redemption Fund are insufficient to pay the principal and Redemption Price of and interest on the Bonds then due or to make other payments required to be made from the Debt Service Fund, there shall be withdrawn from the Debt Service Reserve Fund and deposited in the Debt Service Fund the amount necessary to meet the deficiency.

Swap Information

The Aviation Board is not a party to any interest rate swap agreement and has no plans to enter into an interest rate swap agreement with respect to any Bonds.

Authorized but Unissued Parity Debt

As of the date the Series 2019 Bonds are issued, there will be no authorized but unissued series of Bonds proposed to be issued as parity debt; however, the Aviation Consultant's Report assumes Additional Bonds will be issued in 2021 by the Aviation Board to pay off approximately $75 million of the Series 2017A Note (as hereinafter defined) which matures on October 1, 2022. See **Section 4 - Financial Analysis – Table 20** within **APPENDIX C - Report of the Aviation Consultant**.

Subordinate Obligations

Subordinated Obligations may be issued by the Aviation Board pursuant to the General Indenture without regard to any additional subordinate bonds test or limitation. The Aviation Board authorized and issued on October 27, 2017 a General Airport Revenue Interim Drawdown Note (AMT) (North Terminal Project) Series 2017A (the "*Series 2017A Note*") in an amount not to exceed $75,000,000. The Series 2017A Note is a Subordinate Obligation that matures on October 1, 2022. As of November 30, 2019, the Aviation Board drew down $58,950,630 to finance the completion of the North Terminal Project. See "**THE AIRPORT – The North Terminal Project**" herein. No other Subordinate Obligations are outstanding and no other Subordinate Obligations are now authorized by the Aviation Board.

Released Revenues

Upon delivering to the Trustee specified items under the General Indenture, the Aviation Board is authorized to eliminate amounts ("*Released Revenues*") from Revenues which may otherwise be pledged to Bonds issued under the General Indenture. No Released Revenues have been authorized and the Aviation Board has no plan or intention to authorize any Released Revenues. See "**APPENDIX A – Master Definition List**" herein.

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DESCRIPTION OF DEBT SERVICE REQUIREMENTS FOR BONDS

The table below sets forth the Debt Service Requirement for all outstanding Bonds.

Debt Service Requirements for the Bonds

Bond Year Ending January 1	Series 2015 Bonds	Series 2017 Bonds	Series 2019 Bonds	Total Debt Service
2019	28,142,350.00	23,659,183.76	-	51,801,533.76
2020	28,142,350.00	39,931,183.76	-	68,073,533.76
2021	28,142,350.00	36,084,503.30	1,790,704.44	66,017,557.74
2022	28,142,350.00	36,079,820.60	1,794,100.00	66,016,270.60
2023	28,142,350.00	36,080,733.10	1,793,600.00	66,016,683.10
2024	40,572,350.00	22,109,250.00	1,791,350.00	64,472,950.00
2025	40,575,850.00	22,108,250.00	1,792,350.00	64,476,450.00
2026	40,573,100.00	22,105,000.00	1,791,350.00	64,469,450.00
2027	40,571,750.00	22,109,000.00	1,793,350.00	64,474,100.00
2028	40,568,500.00	22,109,250.00	1,793,100.00	64,470,850.00
2029	40,569,750.00	22,115,250.00	1,795,600.00	64,480,600.00
2030	40,568,500.00	22,111,000.00	1,790,600.00	64,470,100.00
2031	40,568,000.00	22,111,250.00	1,793,350.00	64,472,600.00
2032	40,571,250.00	22,110,000.00	1,793,350.00	64,474,600.00
2033	40,566,000.00	22,111,500.00	1,790,600.00	64,468,100.00
2034	40,575,500.00	22,109,750.00	1,795,100.00	64,480,350.00
2035	40,566,750.00	22,114,000.00	1,791,350.00	64,472,100.00
2036	40,573,250.00	22,113,000.00	1,792,950.00	64,479,200.00
2037	40,566,750.00	22,116,000.00	1,792,350.00	64,475,100.00
2038	44,410,250.00	21,881,750.00	1,794,550.00	68,086,550.00
2039	48,778,500.00	17,506,000.00	1,794,350.00	68,078,850.00
2040	48,782,750.00	17,510,250.00	1,791,750.00	68,084,750.00
2041	48,781,750.00	17,505,250.00	1,795,500.00	68,082,500.00
2042	53,026,500.00	17,510,750.00	-	70,537,250.00
2043	53,025,250.00	17,510,500.00	-	70,535,750.00
2044	53,025,000.00	17,509,000.00	-	70,534,000.00
2045	53,030,250.00	17,505,500.00	-	70,535,750.00
2046	-	70,534,250.00	-	70,534,250.00
2047	-	70,537,750.00	-	70,537,750.00
2048	-	70,533,750.00	-	70,533,750.00
TOTALS	**$1,111,559,300.00**	**$837,432,674.52**	**$37,651,304.44**	**$1,986,643,278.96**

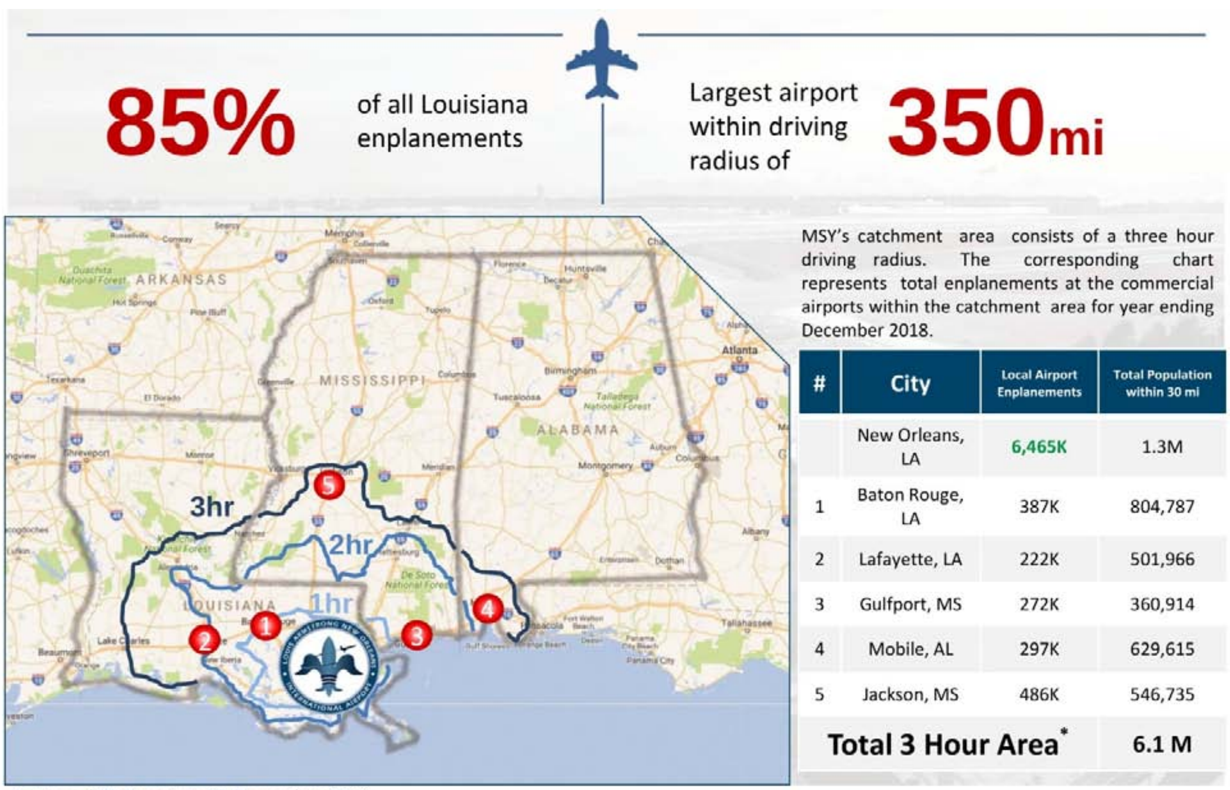
THE AIRPORT

The Air Service Area

The Airport is owned by the City and is located in both Jefferson Parish and St. Charles Parish, and is approximately 14 miles west of the City's central business district. It is the largest primary commercial service airport serving Southeast Louisiana. The Airport primarily serves passengers whose travel originates or terminates in the Air Service Area which consists of the following parishes: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St John the Baptist, and St. Tammany. There are six other primary commercial service airports in Louisiana; all of which are classified by the FAA as small hub or nonhub airports. By comparison, the Airport is classified as a medium hub airport with approximately 6.6 million enplanements in Fiscal Year 2018. Based on the airport traffic data compiled by the Airports Council International-North America, the Airport ranked thirty-eight (38^{th}) out of 545 United States commercial service airports in total passengers in calendar year 2018. Outside of Louisiana, there are two primary commercial service airports within a 200-mile drive from the Airport; Gulfport-Biloxi International Airport and Jackson-Evers International Airport, both of which are classified as small hub airports and are significantly smaller than the Airport.

The Airport's market reach extends beyond its primary air service area (the New Orleans MSA) to the rest of Louisiana and areas between the Airport and the nearest major commercial service airports: George Bush Intercontinental Airport and William P. Hobby Airport in Houston, Texas; Memphis International Airport in Memphis, Tennessee; and Hartsfield-Jackson Atlanta International Airport in Atlanta, Georgia.

Primary Air Service Area



#	City	Local Airport Enplanements	Total Population within 30 mi
	New Orleans, LA	6,465K	1.3M
1	Baton Rouge, LA	387K	804,787
2	Lafayette, LA	222K	501,966
3	Gulfport, MS	272K	360,914
4	Mobile, AL	297K	629,615
5	Jackson, MS	486K	546,735
Total 3 Hour Area*			**6.1 M**

Source: BTS Transtats YE December 2018

The City and MSA

The City of New Orleans is located in the State of Louisiana and is on the Mississippi River, 110 miles from its mouth.

The New Orleans Metropolitan Statistical Area (MSA) includes Jefferson, Orleans, St. Bernard, St. Charles, Plaquemines, St. John the Baptist, St. James, and St. Tammany Parishes. The Air Service Area is composed of the New Orleans MSA and beyond. In 2018, the MSA population of approximately 1.3 million accounted for more than 27 percent of the State population.

The City is a major convention and tourist center and is recognized as one of the world's premier tourist destinations. Travel + Leisure lists New Orleans as one of the World's Best Cities. TripAdvisor includes New Orleans as one of the Top 25 Destinations. U.S. News and World Reports lists New Orleans as one of the Top U.S. Places. In 2018, the City attracted almost 18 million visitors who spent over $9.1 billion, the highest spending in the City's history. The City's distinctive jazz music and various festivals, including Mardi Gras, all contribute to its attractiveness to tourists.

New Orleans is a popular and growing port-of-call being served by Carnival Cruise Lines, Norwegian Cruise Line, and Royal Caribbean Cruise Line. One-third of the 1.5 million cruise visitors in 2018 arrived by Air.

Hotel Room capacity in the New Orleans MSA in 2018 is just under 40,000 rooms and continues to grow with more than 5,000 new hotel rooms planned for New Orleans through 2020.

The City is home to seven institutions of higher education (Tulane University, University of New Orleans, Loyola University New Orleans, Southern University at New Orleans, Xavier University of Louisiana, Dillard University, and University of Holy Cross) as well as Delgado Community College, the LSU Health Sciences Center-New Orleans, and other similar hospital facilities are also located in the City.

Airport Management

The Airport is managed by the Aviation Board. The Aviation Board-appointed Director of Aviation and Deputy Directors are responsible for day-to-day operations and planning for the Airport. They are currently:

Mr. Kevin Dolliole	Director of Aviation
Mr. Walter J. Krygowski	Deputy Director of Operations and Maintenance
Ms. Henrietta Brown	Deputy Director of Finance and Business Management
Ms. Michele D. Allen-Hart	Chief Legal Counsel and Deputy Director of Legal Affairs
Ms. Michelle Wilcut	Deputy Director of Customer Service
Ms. Kristina Bennett-Holmes	Deputy Director of Commercial Development
Mr. James McCluskie	Deputy Director of Planning, Development and Construction
Ms. Alexandra Tassiello	Deputy Director of Administration and Innovation

Below are brief biographies for these individuals:

Mr. Kevin Dolliole is the Airport's Director of Aviation. With over 40 years of experience in various facets of the aviation industry, Mr. Dolliole is involved in many organizations that are dedicated to the advancement of aviation and related industries. He recently served on the Board of Directors for Airports Consultants Council and also has served on the Board of Directors for Airports Council International-North America. A New Orleans native, he began his aviation career at the Louis Armstrong New Orleans International Airport before going on to serve as the Director of Aviation at the San Antonio International Airport and the St. Louis Lambert International Airport. Mr. Dolliole received a Bachelor of Science in Business Administration from Xavier University and a Master of Business Administration from the University of New Orleans.

Mr. Walter J. Krygowski is the Deputy Director of Operations and Maintenance. Mr. Krygowski previously served as Senior Airport Counsel, Deputy Director of Aviation and Interim Director of Aviation at Dayton International Airport. He is a member of the Ohio State Bar, Airport Council International – North America, and the American Association of Airport Executives. At the Airport, Mr. Krygowski is responsible for the oversight of all operations and maintenance, including airfield and terminal operations, airport communications, security, airfield and terminal maintenance, ground transportation, and Airport Rescue and Fire Fighting.

Ms. Henrietta Brown is the Airport's Deputy Director of Finance and Business Management. Ms. Brown has more than 20 years of finance and administration experience, with eight of those years at mid-size airports in progressively responsible management roles. Most recently, she served as Chief Aviation Administration Officer at San Antonio International Airport. Prior airport experience includes the Columbus Regional Airport Authority and the St. Louis Lambert International Airport. Ms. Brown has a Bachelor of Science degree in Accounting from the University of Missouri, a Masters in Business Administration from Webster University, and a Master of Divinity degree from Eden Theological Seminary. Ms. Brown is a Certified Member of the American Association of Airport Executives.

Ms. Michele D. Allen-Hart is the Airport's Chief Legal Counsel and Deputy Director of Legal Affairs. Ms. Allen-Hart is a business and property attorney and experienced litigator. She has served as a lead trial attorney and coordinated hundreds of cases prior to bringing her experience in the private sector to the Aviation Board. She has negotiated and drafted and amended numerous professional, service, and construction contracts; leases and permits; and solicitation documents for procurements. Ms. Allen-Hart received her Bachelor of Arts in Political Science from the University of Miami and her Juris Doctorate of Law from St. Thomas University School of Law. Ms. Allen-Hart is licensed to practice law in Louisiana.

Ms. Michelle Wilcut is the Airport's Deputy Director of Customer Service and oversees the Janitorial, Training, and Customer Service departments at the Airport. Ms. Wilcut began her career at the Airport in the Operations Department and moved to the Training Department to institute training programs for airport employees. She was promoted to Public Relations Manager where she served as the media liaison and airport spokesperson. She holds a Bachelor's degree in Aviation Management from Embry-Riddle Aeronautical University.

Ms. Kristina Bennett-Holmes is the Airport's Deputy Director of Commercial Development and oversees all Air Service Development initiatives for passenger and cargo airline recruitment, Business Development of Airport real estate, and Properties Management of lease agreements outside the terminal facility and tenant relations. Prior to her services to the Aviation Board, Ms. Bennett-Holmes was Vice President of Business Development for Thanks Again and the Director of Marketing and Business Development for Gulfport-Biloxi International Airport. She holds a Bachelor's degree in Business Administration from the University of Southern Mississippi and earned her Master's in Business Administration from William Carey University. She is a Certified Member of the American Association of Airport Executives**.**

Mr. James McCluskie is the Deputy Director of Planning, Development, and Construction. He has over 25 years in planning and construction, with 12 years of airport experience. Prior to joining the Airport, Mr. McCluskie was the Director of Planning and Development at the Fort Lauderdale Hollywood International Airport that oversaw the $1.5 billion elevated runway and terminal modernization program. Most recently, Mr. McCluskie served as Vice President of Planning, Engineering, and Construction of the Reno-Tahoe Airport Authority. In that role, he oversaw the construction of the terminal redevelopment program and construction of two major runways. Mr. McCluskie has a Master's Degree in Urban Regional Planning from Florida Atlantic University, specializing in urban design and economic development. At the Airport, Mr. McCluskie is responsible for oversight of the North Terminal Program and all other planning and construction projects at the Airport.

Ms. Alexandra Tassiello is the Deputy Director of Administration and Innovation where she oversees the Information Technology, Human Resources, Procurement, Materials Management, and Innovation departments. Prior to joining the Airport, Ms. Tassiello served as Director of Innovation for the City of New Orleans, restructured and launched the City's $2 billion disaster recovery program. She also previously designed and directed innovative and successful economic development, resilience, and infrastructure recovery programs for the State of Louisiana following Hurricanes Katrina and Rita. Ms. Norton has consulted on transportation planning for the City of Santa Monica, Dodger Stadium, and the Los Angeles subway extension. She earned her Bachelor's Degree in Political Philosophy and Master's Degree in of Urban Planning with a specialization in Transportation from UCLA.

Airline-Airport Use and Lease Agreement

The Airline-Airport Use and Lease Agreement between the Aviation Board and Signatory Airlines dated and effective as of January 1, 2009 (the "*Airline Agreement*"), as amended, establishes rentals, fees, and charges payable by all airlines which execute an Airline Agreement with the Aviation Board (the "*Signatory Airlines*") during the term of the Airline Agreement. The Signatory Airlines at the time unanimously agreed to the Airline-Airport Use and Lease Agreement Term Sheet dated November 5, 2014 (the "*Term Sheet*") on October 27, 2014 which provided for agreement in principal to complete a new passenger terminal (the "*North Terminal Building*") and associated facilities on the north side of the airfield and to cease all carrier operations from the existing passenger terminal (the "*North Terminal Project*"). The Term Sheet served as the negotiating basis for what was intended at that time to be a new use and lease agreement, including a budget of not-to-exceed $650 million for the North Terminal Project.

Pursuant to an amendment to the Airline Agreement with an effective date of January 1, 2015 (the "*2015 Amendment*"), the Term Sheet attached to the 2015 Amendment extended the Airline Agreement for a period of one (1) year through December 31, 2015 or until the earlier of the execution of a new use and lease agreement.

Pursuant to an amendment to the Airline Agreement with an effective date of January 1, 2016 (the "*2016 Amendment*"), the term of the Airline Agreement was extended and the Term Sheet was modified (the "*2016 Amended Term Sheet*"). Rather than negotiating a new agreement, the 2016 Amendment extended the term of the Airline Agreement to the earliest of (i) the date that a new Airline-Airport Use and Lease Agreement is executed by the Aviation Board and at least two (2) signatory Airlines that together account for a numerical majority of the total enplaned passengers served at the Airport in the immediately preceding twelve month period, or (ii) the date that is five (5) years after the North Terminal Building is able to be occupied by Air Transportation Companies (the "*North Terminal Occupancy*") or (iii) December 31, 2023. The 2016 Amended Term Sheet increased the approved budget for the North Terminal Project from not-to-exceed $650 million to not-to-exceed $807 million.

The execution of the 2016 Amendment also evidenced the Signatory Airlines' consent and approval of the terms of the contract ("*CMAR Contract*") for the construction of the North Terminal Project between the Aviation Board and the Hunt, Boh, Gibbs, Metro Joint Venture dated December 21, 2015. The CMAR Contract was first amended to incorporate six alternates and to increase the original guaranteed maximum price ("*GMP*") of $598,979,208 to $613,341,360. The Aviation Board approved a Change Order #1 to the CMAR Contract to incorporate several changes resulting from unforeseen changes or additions to the scope of work that increased the GMP to $616,638,435. Based on a report from Crescent City Aviation Team ("*CCAT*"), the Airline Airport Affairs Committee ("*AAAC*") met and voted on October 25, 2016 on the increase in gates from 30 to 35 along with other modifications and an Airline Allowance that increased the cost of the North Terminal Project. Change Orders have been and may continue to be approved that nominally affect the cost of the North Terminal Project. As of September 19, 2019 meeting of the Aviation Board, the CMAR Contract value is $860,500,356.

Pursuant to an amendment to the Airline Agreement with an effective date of January 1, 2018 (the "*2018 Amendment*"), a new Article confirmed the composition of a committee (the "*Steering Committee*") which was previously formed for the review and approval of the North Terminal Project. The Steering Committee consists of the Airport Director (who acts as co-Chair), the Airport's Deputy Director of Operations and Maintenance, the Chair of the AAAC (who acts as co-Chair), and two (2) additional representatives of the Signatory Airlines as members. The 2018 Amendment amended and restated the 2016 Amended Term Sheet as of May 23, 2018 (the "*2018 Restated Term Sheet*"). The 2018 Restated Term Sheet contains an agreement that the North Terminal Project cost will not exceed 110% of the amount of $994 million without first either obtaining Majority in Interest (*MII*) consent, as defined in the Airline Agreement.

The Airlines have been involved in the development of the North Terminal Project through J.A. Watts, Inc. J.A. Watts is the dedicated technical consultant serving as a representative of the Signatory Airlines and Non-Signatory Airlines at the Airport. J.A. Watts services are paid for by the Airport. Airline representatives and their technical consultant have been actively engaged in development of the design criteria and attend status and development meetings for the design of the North Terminal Project. The Airline representatives are routinely briefed at recurring AAAC and/or at Steering Committee meetings scheduled to discuss Airport/Airline issues and the North Terminal project.

The list below represents all of the Signatory Airlines currently operating at the Airport:

Southwest Airlines, Co.
Delta Air Lines, Inc.
American Airlines, Inc.
United Air Lines, Inc.
JetBlue Airways Corporation
Federal Express Corp.
United Parcel Service, Inc.
Spirit Airlines Inc.

Non-Signatory Airlines operating at the Airport are:

Air Canada Inc.
Air Transat
Alaska Airlines, Inc.
Allegiant Air, LLC.
Ameriflight
British Airways
Compañía Panameña de Aviación, S.A. d/b/a Copa Airlines
Condor Flugdienst GmbH
Frontier Airlines Inc.
Sun Country Airlines
Sunwing Airlines Inc.

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Enplanements

With enplanements increasing more than 50% since 2008, the growth rate at the Airport ranks third among the top 60 U.S. Airports. There were over 7 million enplaned passengers in 2018 and the year-to-date enplaned passengers at the Airport through August 2019 is up 2.9%.

As of October 1, 2019, the Airport was served by 10 U.S. passenger carriers and 6 foreign flag passenger carriers providing scheduled service.

MSY and U.S. System Enplanements

From 2004 to 2018, the Airport outperformed the entire U.S. system in cumulative enplanement growth, even after experiencing a sharp decrease in traffic following the 2005 hurricanes. The Airport's enplanements increased from approximately 4.86 million in 2004 to 6.57 million in 2018, a 35 percent cumulative increase compared with a 32 percent cumulative increase for the entire U.S. system. The annual pace of enplanement growth at MSY averaged 2.2 percent, compared with the U.S. system's 2.0 percent. The relatively strong pace of enplanement growth at MSY raised the Airport's share of U.S. system enplanements from a low 0.38 percent in 2006 to 0.65 in 2018, which was near the levels achieved by the Airport from the mid-1990s to 2003 when the Airport maintained an annual share of at least 0.71 percent.

MSY and U.S. System Enplanements (In Thousands), 2004-2018

Year	MSY Enplanements[1]	U.S. Enplanements[2]	MSY's Market Share
2004	4,863	763,710	0.64%
2005	3,904	800,850	0.49%
2006	3,109	808,103	0.38%
2007	3,765	835,510	0.45%
2008	3,988	809,822	0.49%
2009	3,908	767,817	0.51%
2010	4,102	787,478	0.52%
2011	4,281	802,135	0.53%
2012	4,307	813,123	0.53%
2013	4,598	825,322	0.56%
2014	4,892	851,850	0.57%
2015	5,345	896,632	0.60%
2016	5,580	931,989	0.60%
2017	6,005	964,765	0.62%
2018	6,565	1,011,223	0.65%
Compound Annual Growth Rate			
2004-2018	2.2%	2.0%	

Nonstop Services

Fueling a portion of the enplanement growth at the Airport has been new nonstop service to all major U.S. destinations. The Airport has grown from 39 nonstop destinations in 2009 to 55 in 2019. Two nonstop destinations were launched in the spring of 2019: Louisville by Allegiant Air and Montego Bay, Jamaica by Vacation Express. Additionally, Allegiant Air is launching seasonal serve to Grand Rapids in October 2019 and a new international airline, Air Transat, will begin seasonal service to Montreal, Canada, in November 2019. A series of additional frequencies have been added to existing destinations by a variety of airlines, the most notable of which being Spirit Airlines with five new routes (Austin, Destin, Philadelphia, Raleigh-Durham, Nashville). American Airlines will also launch daily service to Phoenix (the only hub previously unserved within their network) in December 2019.

Historical Enplanements by Carrier

Sixteen passenger carriers currently serve the Airport. Southwest has the highest market share at 35.63% in 2018. Three other passenger carriers have market shares above 10%: Delta at 16.59%, American at 15.02%, and United at 12.74%. Airline market shares of enplaned passengers for 2014 through 2018 were as follows:

HISTORICAL ENPLANEMENTS BY CARRIER
Louis Armstrong New Orleans International Airport
FYs 2014-2018

	FY 2014		FY 2015		FY 2016		FY 2017		FY 2018	
Airlines[1]	Enplanements	Share	Enplanements	Share	Enplanements	Share	Enplanements	Share	Enplanements	Share
Alaska Airlines	27,947	0.60%	52,613	1.00%	54,864	1.00%	66,320	1.10%	96,783	1.47%
Allegiant Air[2]	0	0.00%	18,444	0.30%	66,493	1.20%	86,470	1.44%	73,276	1.12%
American	468,904	9.60%	496,948	9.30%	909,585	16.30%	952,679	15.86%	985,738	15.02%
Delta	990,152	20.20%	1,043,482	19.50%	1,047,907	18.80%	1,050,967	17.50%	1,088,809	16.59%
Branson AirExpress[2]	0	0.00%	157	0.00%	663	0.00%	0	0.00%	0	0.00%
Frontier	46,516	1.00%	75,677	1.40%	80,038	1.40%	135,852	2.26%	185,487	2.83%
GLO Airlines[2]	0	0.00%	502	0.00%	16,018	0.30%	8,638	0.14%	0	0.00%
JetBlue	118,251	2.40%	131,662	2.50%	159,976	2.90%	190,937	3.18%	203,278	3.10%
Orange Air[2]	0	0.00%	2,450	0.00%	0	0.00%	0	0.00%	0	0.00%
PEOPLExpress	389	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Spirit	80,411	1.60%	205,185	3.80%	320,343	5.70%	419,526	6.99%	636,257	9.69%
Southwest[3]	1,910,130	39.00%	2,063,999	38.60%	2,080,510	37.30%	2,203,395	36.69%	2,339,168	35.63%
Sun Country	0	0.00%	0	0.00%	0	0.00%	0	0.00%	5,325	0.08%
United[4]	801,532	16.40%	812,531	15.20%	789,129	14.10%	795,479	13.25%	836,437	12.74%
US Airways/ America West	415,364	8.50%	391,971	7.30%	0	0.00%	0	0.00%	0	0.00%
Continental[4]	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
AirTran[3]	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Air Canada[5]	20,420	0.40%	22,237	0.40%	23,455	0.40%	28,298	0.47%	28,424	0.43%
All Others[6]	12,286	0.30%	26,767	0.50%	30,596	0.50%	66,466	1.11%	85,760	1.31%
TOTALS:	**4,892,302**	**100.00%**	**5,344,625**	**100.00%**	**5,579,577**	**100%**	**6,005,027**	**100%**	**6,564,742**	**100%**

[1] Includes regional affiliate partners, as applicable
[2] Airline services commenced in 2015
[3] Southwest and AirTran Enplanements reflected on a consolidated basis without separation
[4] Continental and United Enplanements reflected on a consolidated basis without separation
[5] Includes operations by Air Canada's low-cost carrier affiliate, Jazz
[6] Consists of other international scheduled and charter airlines

Source: New Orleans Aviation Board

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Airport's Top 25 O&D Markets in Year 2018

The Airport serves a broad national market as shown in the table below. Long distance destinations New York, NY, Washington D.C., and Los Angeles, CA are the top three Origin and Destinations ("*O&D*") destinations in 2018. The table below shows the Airport's top 25 O&D markets in 2018, ranked by share of O&D enplanements at the Airport.

MSY's Top 25 O&D Markets in 2018

2018 Ranking[1]	Metropolitan Area (2018 Population Ranking)	Airports	O&D Market Share	Daily Nonstop Departures[2]	Airlines with Nonstop Service from MSY[3]	Air Miles from MSY
1	New York, NY (1)	EWR, JFK, LGA, ISP, HPN, SWF	8.2%	13	B6, DL, NK, UA, WN	1,177
2	Washington, DC (6)	BWI, DCA, IAD	6.7%	8	AA, UA, WN	974
3	Los Angeles, CA (2)	LAX, SNA, ONT, BUR, LGB	5.9%	7	AA, DL, NK, WN	1,670
4	Houston, TX (5)	HOU, IAH	5.3%	18	NK, UA, WN	304
5	Chicago, IL (3)	ORD, MDW	4.9%	9	AA, NK, UA, WN	831
6	Dallas, TX (4)	DAL, DFW	4.9%	14	AA, NK, WN	442
7	Miami, FL (7)	FLL, MIA	4.3%	4	AA	675
8	Atlanta, GA (9)	ATL	4.0%	15	DL, NK, WN	425
9	Orlando, FL (22)	MCO	3.8%	5	F9, G4, NK, WN	551
10	San Francisco, CA (12)	SFO, OAK, SJC	3.5%	2	AS, UA, VX	1,911
11	Denver, CO (19)	DEN	3.1%	5	F9, UA, WN	1,062
12	Boston, MA (10)	BOS, PVD, MHT	3.0%	3	B6, DL, NK, WN	1,368
13	Philadelphia, PA (8)	PHL	2.4%	3	AA, F9	1,089
14	Tampa, FL (18)	TPA, PIE	2.2%	4	G4, NK, WN	488
15	Las Vegas, NV (28)	LAS	2.2%	3	NK, WN	1,500
16	Detroit, MI (14)	DTW	1.9%	4	DL, NK	926
17	Austin, TX (30)	AUS	1.8%	<1	F9, WN	444
18	Seattle, WA (15)	SEA	1.7%	1	AS, DL	2,086
19	Minneapolis, MN (16)	MSP	1.4%	2	DL, NK, SY, UA	1,039
20	Nashville, TN (36)	BNA	1.4%	3	SY, WN	471
21	San Diego, CA (17)	SAN	1.4%	1	WN	1,599
22	Phoenix, AZ (11)	PHX	1.2%	1	WN	1,300
23	Raleigh/Durham, NC (42)	RDU	1.2%	1	F9, G4, WN	778
24	San Antonio, TX (24)	SAT	1.2%	1	F9, WN	493
25	Cleveland, OH (33)	CLE, CAK	1.0%	1	G4, NK	651
	Top 25 Destinations		**78.6%**	**128**		
	Other Destinations		**21.4%**	**29**		
	Total		**100.0%**	**157**		

[1] Ranking is based on share of O&D passenger enplanements in 2018.
[2] The number of daily nonstop departures equals the year's total departures divided by 365.
[3] Published carriers with at least 12 nonstop service flights from MSY. Airline codes: AA=American; B6=JetBlue; DL=Delta; F9=Frontier; G4=Allegiant; NK=Spirit; SY=Sun Country; UA=United; WN=Southwest; VX=Virgin America.
Sources: U.S. Census Bureau population estimates, U.S. Department of Transportation 10%-sample airline ticket survey, and OAG Schedules Analyzer.
Prepared by: Aviation Consultant

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Commercial Aircraft Landed Weight at Airport

The Table below presents annual commercial aircraft landed weight from 2014 through 2018.

Airline	Landed Weight (Million Pounds)					Market Share				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
Mainline	5,153	5,503	5,763	6.542	7,085	84.2%	84.6%	85.1%	84.8%	85.5%
Regional	672	662	632	458	400	11.0%	10.2%	9.3%	9.8%	8.9%
Charter	1	25	61	17	14	n.a.	0.4%	0.9%	0.8%	0.9%
Cargo	299	310	316	357	390	4.8%	4.8%	4.7%	4.8%	4.7%
TOTAL	**6,125**	**6,500**	**6,772**	**7.374**	**7.889**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Total Aircraft Landed Weight by Fiscal Year

Total aircraft landed weight at the Airport for Fiscal Years 2013 through 2018 was as follows:

HISTORICAL AIRCRAFT LANDED WEIGHT
Louis Armstrong New Orleans International Airport
Fiscal Years 2013–2018
(Weight in Thousand Pounds)

Fiscal Year	Total Landed Weight
2013	6,032,372
2014	6,122,519
2015	6,499,788
2016	6,771,515
2017	7,374,223
2018	7,888,855

Source: New Orleans Aviation Board

Based on preliminary 2018 all-cargo land weight data compiled by the FAA, the Airport ranked 68th out of 138 qualifying U.S. airports, including both commercial services and general aviation airports.

The North Terminal Project

The North Terminal Project consists of a new passenger terminal ("*North Terminal*") on the North side of the Airport and necessary related improvements, such as aircraft aprons, a central utility plant, a parking garage, parking spaces in surface lots, on-site roadway systems and associated ground transportation facilities, and associated enabling projects such as navigational equipment, storm water pump station, and airfield lighting vault relocations. The new passenger terminal has 35 airline gates and consists of over 972,000 square feet of space and was open and available for occupancy on November 6, 2019.

The existing terminal facility on the South side of the Airport ("*South Terminal*") consists of approximately 1,200,000 square feet of space, which includes four Concourses (A, B, C, and D) and 42 gates. Councourses A, B, and C are no longer used for commercial passenger service and will be redeveloped and repurposed. Concourse D remains and is used for charter flights.

Passenger Facility Charge Authority Approved by FAA

The FAA issued a Final Agency Decision on October 11, 2019 that approved the Aviation Board's amendment to the approved PFC application 14-11-C-00-MSY ("*Application 11*"), which had authorized the Aviation Board to collect $400,733,236 in PFCs for various capital projects at the Airport, including the North Terminal Project. Under the FAA's original approval of Application 11 (Final Agency Decision issued on January 9, 2015), the FAA had approved a collection rate of $3.00 per enplaned passenger. As a result, the Airport's PFC collection rate was originally scheduled to decline from $4.50 to $3.00 on February 1, 2026. As a result of the approved amendment, the Airport's PFC collection rate will remain at $4.50 per enplaned passenger, with an estimated charge expiration date of August 1, 2034. The total authorized use of PFCs for the North Terminal Project is $389,281,874. In addition, $11,451,262 of PFCs were authorized for other projects under Application 11. Including prior authorizations, the Aviation Board has been approved by the FAA for total collections of $965,553,886.

The Aviation Board expects to submit a PFC application to redirect approximately $36 million of previously approved PFCs to fund the passenger loading bridges for the North Terminal. The Aviation Board expects to transfer PFCs from the Excess PFC Fund under the PFC Indenture to the Transferred PFC Account in the Debt Service Fund established under the General Indenture to pay debt service related to the passenger loading bridges in the North Terminal.

Airport Improvement Program (AIP) from the FAA

The Airport received a commitment letter from the FAA valued at $83.38 million for the years 2014 through 2017. In September 2018, the FAA issued an airport infrastructure grant of $20.3 million in additional Airport funding. The Airport has received $110,764,141 of expected funding as of September 2019. FAA discretionary funding provided 75% of eligible Airfield project costs for the North Terminal Project that were not anticipated to be funded with PFCs. The remaining 25% of Airfield costs was paid with funding from the Aviation Trust Fund (ATF) administered by Louisiana Department of Transportation and Development ("DOTD") (10%) and from the Series 2015 and 2017 Bond proceeds (15%).

Aviation Trust Fund (ATF) from the Louisiana Department of Transportation and Development (LA DOTD)

The Aviation Board expects to receive $29,700,320 in matching total funds from the ATF to use toward the North Terminal Project. The ATF matches funding from the FAA AIP program at a ratio of 10:1, effectively funding 10% of total eligible Airfield costs for the North Terminal Project, or $14.7 million. In addition to matching funds for AIP, the Airport received an allocation of $3 million per year from 2014-2018 programmed for the North Terminal Project for a total of $15,000,000. As of September 2019, the Aviation Board received $11,727,021 in matching funds and an allocation of $7,343,508 from 2014-2018.

Aviation Board Capital Fund

The Aviation Board provided $17,636,834.18 from its Capital Fund to the North Terminal Project to provide for PFC ineligible portions of the North Terminal Project.

AIRPORT FINANCIAL INFORMATION

The Airport is structured as an enterprise fund of the City. The financial statements for the Airport are prepared on the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred. Capital asset, except land, are capitalized and depreciated over their useful lives. The City and the Aviation Board are required by Louisiana law to have their financial statements audited annually. Historically, the City has engaged an auditing firm to perform a combined audit of the City's and the Aviation Board's financial statements. The fiscal year 2018 audited financial statements of the Aviation Board by Postlethwaite & Netterville, APAC, are attached hereto as **APPENDIX F**. Potential investors are advised to review the material found in **APPENDIX F** in full.

Historic Airport Revenues and Expenses

The following chart sets forth the historical financial information derived from its audited financial statements for the Airport for the five year period of FY 2014 through FY 2018 and unaudited financial information for FY 2019 through June 30, 2019.

HISTORIC AIRPORT REVENUES AND EXPENSES
Louis Armstrong New Orleans International Airport
Fiscal Years 2014–2018
Unaudited financial information for FY 2019 through June 30, 2019

	2014 (Restated)	2015	2016 (Restated)	2017	2018	2019 through 6/30
OPERATING REVENUES						
Airfield	$ 14,675,958	$ 13,883,993	$ 15,279,443	$ 12,659,542	$ 5,834,937	$ 6,497,491
Terminal	55,238,509	56,463,903	60,461,012	61,744,206	63,321,415	40,240,021
Ground transportation	2,941,799	3,225,162	3,676,170	4,081,820	4,250,908	2,105,340
Total Operating Revenues	**72,856,266**	**73,573,058**	**79,416,625**	**78,485,568**	**73,407,260**	**48,842,852**
OPERATING EXPENSES						
Direct	16,448,610	14,599,181	17,214,258	19,324,234	19,509,389	$ 9,119,595
Depreciation and Impairment Write-Down	42,846,625	40,481,377	39,181,389	33,980,565	31,336,453	15,302,574
Administrative	23,439,500	26,185,212	26,176,349	26,855,812	30,982,118	14,838,488
Cancelled/Unreimbursed Projects	-	-	-	-	-	-
Total Operating Expenses	**82,734,735**	**81,265,770**	**82,571,996**	**80,160,611**	**81,827,960**	**39,260,657**
Operating Loss	(9,878,469)	(7,692,712)	(3,155,371)	(1,675,043)	(8,420,700)	9,582,195
NON_ OPERATING REVENUES (EXPENSES)						
Investment Income	97,017	40,792	148,865	2,316,112	6,982,457	$ 3,628,277
Interest Expense	(21,104,251)	(18,229,599)	(17,528,355)	(17,864,046)	(19,922,753)	(23,373,068)
Passenger Facility Charge	19,214,158	21,161,870	22,137,323	24,445,693	26,409,515	14,409,760
Customer Facility Charge	12,260,160	13,147,640	15,275,732	17,038,019	17,268,862	9,076,006
Gain/(Loss) on Disposal of Assets	(3,474,034)	28,279	(1,424,800)	-	3,194	177
Cost of issuance of bonds	-	-	-	(2,363,371)	(997,998)	-
Other, Net	1,548,801	(2,450,666)	(3,500,575)	74,070	(1,092,903)	1,667,146
Total Non_ Operating Revenues, Net	**8,541,851**	**13,698,316**	**15,108,190**	**23,646,477**	**28,650,374**	**5,408,297**
Loss before Capital Contributions	(1,336,618)	6,005,604	11,952,819	21,971,434	20,229,674	$ 14,990,493
Capital Contributions	12,302,222	10,406,245	33,620,725	29,780,128	49,029,172	$ 1,796,169
Change in Net Position	10,965,604	16,411,849	45,573,544	51,751,562	69,258,846	16,786,662
Net Position, Beginning of Year (Restated)	367,248,690	378,214,294	394,626,143	440,199,687	485,569,539	$ 554,828,385
Cumulative effect of change in accounting principal	-	-	-	(6,381,710)	-	-
Total Net Assets, End of Year	**$ 378,214,294**	**$ 394,626,143**	**$ 440,199,687**	**$ 485,569,539**	**$ 554,828,385**	**$ 571,615,047**

Source: Postlethwaite & Netterville Audited Financial Statements and Supplemental Schedules Dec. 31, 2014 and 2013, Dec. 31, 2015, Dec. 31, 2016, Dec. 31, 2017, and Dec. 31, 2018 and New Orleans Aviation Board - FY 2019 Unaudited Accounting Records

Analysis of Airport Operations

The following represents management's discussion and analysis of the results of operations at the Airport. The discussion presented below references financial information presented in the table above. For a detailed discussion of the Airport's financial performance in audited financial statement for Fiscal Year 2018, see "Management's Discussion and Analysis" on pages 4-17 in "**Financial Statements and Supplemental Schedules – December 31, 2018 (With Independent Auditors' Report Thereon)**" are attached hereto as **APPENDIX F**.

Fiscal Year 2018 versus Fiscal Year 2017 Results

Non-operating revenues for 2018 increased by approximately $22.9 million compared to 2017, due primarily to investment income generated from interest earned from deposits and investments at financial institutions. In addition, capital contributions significantly increased due to a significant increase in the ATF grant revenue of $19.2 million.

Fiscal Year 2017 versus Fiscal Year 2016 Results

Non-operating revenues for 2017 increased by approximately $5.1 million compared to 2016, due primarily to investment income generated from interest earned from deposits and investments at financial institutions. In addition, collection on PFC and CFC increased in 2017 due to increased number of passenger passed through the Airport during the year.

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Operating Results for the First Nine Months of Fiscal Year 2019 (unaudited)

The following table shows major sources of operating revenues and expenses for the first nine months of Fiscal Year 2019 compared to the first nine months of Fiscal Year 2018.

SUMMARY OF REVENUE AND EXPENSES

(Comparison of September 30, 2018 and 2019)

DESCRIPTION	2019	2018	2019 OVER/ (UNDER) 2018
Airline Revenue			
Landing Fees	10,075,550	6,138,532	3,937,018
Terminal Buildings	27,229,704	21,685,897	5,543,807
Apron Fees	2,503,999	2,134,773	369,226
Loading Bridges	68,994	161,331	(92,337)
Total Airline Revenue	**39,878,247**	**30,120,532**	**9,757,715**
Non-Airline Revenue			
Terminal Buildings	773,955	734,306	39,648
Land & Facilities	2,070,188	2,222,277	(152,089)
Terminal Concessions	8,536,005	8,259,776	276,230
Rental Car	8,281,871	7,989,017	292,854
Parking Operations	12,116,076	11,498,740	617,337
Ground Transportation	3,796,628	3,522,613	274,015
Fixed Based Operations	566,353	511,932	54,422
Other Revenue	227,069	117,247	109,822
Total Non-Airline Revenue	**36,368,145**	**34,855,908**	**1,512,238**
Total Operating Revenues	**76,246,392**	**64,976,440**	**11,269,952**
Operating Expenses:			
Administrative	14,871,570	13,144,460	1,727,111
Police Services	2,890,325	3,065,560	(175,235)
Security Services	1,016,728	1,006,551	10,178
City - Fire Department	3,871,550	3,568,964	302,586
Janitorial & Waste Removal	2,438,711	2,214,865	223,846
Materials & Supplies	612,184	721,702	(109,518)
Utilities & Telecom	2,684,946	3,003,626	(318,680)
Repairs & Maintenance	3,406,949	3,807,989	(401,040)
Insurance & Indemnity	1,615,450	1,561,763	53,687
Professional Services	1,585,925	1,673,498	(87,573)
Other	424,233	1,322,916	(898,683)
Total Operating Expenses	**35,418,572**	**35,091,894**	**326,678**
Total Operating Income (Before Depreciation and Amortization)	**40,827,820**	**29,884,546**	**10,943,274**

Source: New Orleans Aviation Board – Fiscal Year 2019 and Fiscal Year 2018 Unaudited Accounting Records

Revenues

As shown in the table captioned "**Statements of Revenues, Expenses, and Changes in Net Position**" found at page 20 of the Aviation Board's fiscal year 2018 audit attached herein as **APPENDIX F**, operating revenues are divided into the following three major categories: 1) Airfield, 2) Terminal, and 3) Ground Transportation. The Airfield and Terminal categories represent the majority of the Airport's total operating revenues. Historically, the Airfield fee rates are set pursuant to the Airport's residual lease agreement with the Airlines; Terminal rentals are established pursuant to the airline residual lease agreements on a square foot basis for various categories of terminal space. The Aviation Board and representatives of most of the airlines operating at the Airport are signatories to a residual airline lease which is effective as of January 1, 2009. See – **Airline-Airport Use and Lease Agreement** herein.

Financial Statements

The financial statements of the Airport for fiscal year ending December 31, 2018 included within **APPENDIX F** to this Official Statement have been audited by Postlethwaite & Netterville, APAC, New Orleans, Louisiana. The Airport's financial statements are audited as a part of the audit of the City's financial statements.

The Airport's independent auditors have not compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

Outstanding Debt

Parity Debt

The Series 2019 Bonds are being issued as Additional Bonds under the General Indenture on a parity with the Aviation Board's General Series 2015 Bonds and Series 2017 Bonds. All Bonds issued under the Indenture are secured by a first lien on the Net Revenues of the Airport. The outstanding principal amount of each series of Bonds (other than the Series 2019 Bonds) are as follows:

Series 2015	$565,325,000
Series 2017	$420,690,000
Total:	$986,015,000

Future Debt

The Aviation Consultant's report assumes that Additional Bonds will be issued in 2021 by the Aviation Board to pay off a portion of the approximately $75 million of the Series 2017A Note which matures on October 1, 2022 and further assumes that annual debt service will be funded with PFC Revenues. See **Section 4 - Financial Analysis – Table 20** within **APPENDIX C - Report of the Aviation Consultant**.

Pension Plans and Post-Retirement Benefit Obligations

General

The Aviation Board adopted new accounting standards GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This new standard requires the Airport to recognize and report its total other post-employment benefit liability, measured according to actuarial methods and approaches prescribed within the standard along with certain disclosures. See **Note (9) – Pension Plan** within **APPENDIX F** to this Official Statement, pages 42-49 and **Note (10) – Other Post-Employment Benefits** within **APPENDIX F** to this Official Statement, pages 50-52.

Pension Plans

Employees and officers of the Aviation Board are eligible for membership in the Employees' Retirement System of the City of New Orleans, a defined benefit contributory retirement plan (the "*Plan*"). Separate financial reports on the Employees' Plan for the year ended December 31, 2018 are available from the City of New Orleans Director of Finance, 1300 Perdido Street, Room 1E12, New Orleans, Louisiana, 70112, (504) 658-1850.

The City's annual pension cost for the current year and related actuarial methods and assumptions for each plan, including the Employees' Plan, are described in the City's Independent Auditors' Report by Postlethwaite & Netterville dated July 30, 2019 for the year ended December 31, 2018 (the "*City Audit*"). See Note (8) on pages 59-71 of the City Audit and Exhibit B-3 thereto on pages 90-92 for a description of Pension Plans and Postretirement Healthcare Benefits.

The City sponsors and administers four separate single-employer, contributory defined benefit pension plans which issue an annual publicly available financial report that includes financial statements and required supplementary information for each plan. Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling, or downloading the reports as follows:

Employees' Retirement System of the City of New Orleans
1300 Perdido Street, Suite 1E12, New Orleans, Louisiana 70112
(504) 658-1850

Police Pension Fund of the City of New Orleans
715 S. Broad, Room B23, New Orleans, Louisiana 70119
(504) 826-2900

Firefighters' Pension and Relief Fund of the
City of New Orleans (Old and New Systems)
3520 General DeGaulle Drive, New Orleans, Louisiana 70114
(504) 366-8102

Municipal Police Employees' Retirement System
7722 Office Park Boulevard, Baton Rouge, Louisiana 70809
(800) 443-4248
lampers.org

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The Schedules of Net Pension Liability and Employer Contributions on page 90 from the City Audit are copied below:

SCHEDULE OF NET PENSION LIABILITY
(Amount in Thousands)

Actuarial Valuation Date December 31	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll (millions)	Net Position as a Percentage of Payroll
Employees' Retirement System:						
2014	$ 540,176	$ 370,750	$ 169,426	68.64%	$ 97,244	174.23%
2015	562,686	339,099	223,587	60.26%	105,692	211.55%
2016	606,005	353,610	252,395	58.35%	115,505	218.51%
2017	629,766	391,827	234,865	62.22%	120,809	194.41%
2018	658,353	292,615	365,738	44.45%	128,530	284.55%
Firefighters' Pension and Relief Fund (New System):						
2014	$ 502,316	$ 65,377	$ 436,939	13.02%	$ 26,985	1619.19%
2015	393,707	50,268	343,439	12.77%	27,089	1267.82%
2016	414,297	42,998	371,299	10.38%	27,149	1367.63%
2017	416,165	42,736	373,429	10.27%	27,762	1345.11%
Firefighters' Pension and Relief Fund (Old System):						
2014	$ 176,689	$ 15,260	$ 161,429	8.64%	$ -	N/A
2015	169,294	15,003	154,291	8.86%	-	N/A
2016	150,250	8,515	141,735	5.67%	-	N/A
2017	135,310	3,818	131,492	2.82%	-	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(Amount in Thousands)

Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
Employees' Retirement System:					
2014	$ 20,871	$ 20,307	$ (564)	$ 97,244	20.88%
2015	21,892	22,447	555	105,692	21.24%
2016	22,713	27,305	4,592	115,505	23.64%
2017	26,858	27,170	312	120,809	22.49%
2018	28,015	28,096	81	128,530	21.86%
Firefighters' Pension and Relief Fund (New System):					
2014	$ 36,182	$ 20,649	$ (15,533)	$ 26,985	76.52%
2015	31,993	30,501	(1,492)	27,089	112.60%
2016	33,640	32,279	(1,361)	27,149	118.90%
2017	33,640	36,329	2,689	27,762	130.86%
Firefighters' Pension and Relief Fund (Old System):					
2014	$ 18,841	$ 17,173	$ (1,668)	$ -	N/A
2015	17,404	18,066	662	-	N/A
2016	17,169	12,121	(5,048)	-	N/A
2017	16,599	12,380	(4,219)	-	N/A

Postretirement Healthcare Benefits Obligations

The City provides certain continuing health care and life insurance benefits ("*OPEB*") for its retired employees through a single-employer defined benefit OPEB plan administered by the City. See Note (9) on pages 71-74 of the City Audit for a description of the self-insured comprehensive health benefit program benefits provided by the City. The medical benefits provided by the City are made available to employees upon actual retirement according to the retirement eligibility provisions of the system by which the employee was covered, including the Employees' Plan. Employees do not contribute to their post-employee benefit costs until they become retirees and begin receiving benefits. The City's total OPEB liability as of December 31, 2018 was determined by actuarial valuation as of the date and totaled $123,723,000. See page 72 of the City Audit.

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Casualty and Risk Insurance Coverage

Current Insurance Coverage

The Aviation Board purchases comprehensive commercial property and casualty insurance for losses and claims resulting in damage to Airport properties, employee injuries, or liability claims and lawsuits against the Airport. Property insurance provides coverage to repair or replace property damaged by fire, hurricane, flood, terrorism, and additional standard causes of loss in order to continue or expedite return to Airport operations after a loss event. General Liability, Public Officials Liability, Terrorism and Auto Liability insurance protects the Airport's financial assets from losses claimed by third parties for injuries or damages incurred from Airport operations. Workers' Compensation is purchased to provide benefits and medical treatment for Airport employees who sustain an on the job injury. All insurance carriers are required to have an A. M. Best Financial Rating of "A" or better. Coverage levels and terms are reviewed and competitively marketed by the Airport's Broker of Record on an annual basis to maintain the most advantageous coverage available in current insurance market conditions. The table below provides a summary of current insurance policies in place:

SUMMARY OF INSURANCE FOR NEW ORLEANS AVIATION BOARD

The table below describes the insurance coverages, insurance carriers, policy periods, liability limits and deductibles in connection with insurance policies of the Aviation Board.

COVERAGE	INSURANCE CARRIER	POLICY PERIOD	LIMITS OF LIABILITY	DEDUCTIBLE
Airport Owners & Operators Liability	ACE Property & Casualty Ins. Co.	01/01/2019 - 01/01/2020	$100,000,000 Each Occurrence	$250,000 Each Occurrence
Excess Airport Liability	Lloyd's of London	01/01/2019 - 01/01/2020	$200,000,000 Each Occurrence	$100,000,000 Each Occurrence
Public Officials Liability & Employment Practices	Illinois Union Insurance Company	01/01/2019 - 01/01/2020	$15,000,000 Per Wrongful Act	$100,000 Per Wrongful Act
Boiler & Machinery	The Hartford Steam Boiler Inspection and Insurance Company	01/01/2019 - 01/01/2020	$100,000,000 Each Occurrence	$100,000 Each Occurrence
Property Coverage - All Risk	Great American Insurance Company of New York		$100,000,000 Each Occurrence All Risk	$500,000 Each Occurrence All Risk
Wind and Hail including Named Storm	Endurance American Specialty Ins. Co./ First Specialty Insurance Corp./ Interstate Fire & Casualty Company/ Lloyd's of London/ Interstate Fire & Casualty Company/ Princeton Excess & Surplus Lines Ins. Co./ National Fire & Marine Insurance Company	01/01/2019 - 01/01/2020	$100,000,000 Wind & Hail per occurrence except $35,000,000 Each Occurrence Named Storm	$250,000 per occurrence except named storm 2% subject to $250,000 minimum per occurrence
Flood (11 Policies)	Hartford Insurance Company of the Midwest	01/01/2019 - 01/01/2020	$500,000 Building $500,000 Contents (Varies by Location)	$1,250 Each Occurrence
Terrorism	Lloyd's of London	01/01/2019 - 01/01/2020	$75,000,000 Each Occurrence	$250,000 Each Occurrence
Auto Liability	Travelers Property Casualty Co. of America	01/01/2019 - 01/01/2020	$1,000,000 Each Occurrence	None
Workers' Compensation	LWCC	01/01/2019 - 01/01/2020	Statutory	None
Cyber Risk	Travelers Casualty and Surety Company of America	01/01/2019 - 01/01/2020	$5,000,000 Each Occurrence	$50,000 Each Occurrence
Commercial Crime	Travelers Casualty and Surety Company of America	01/01/2019 - 01/01/2020	$2,000,000 Each Occurrence	$20,000 per loss

Commitments and Contingencies

Self-Insurance

The Airport is insured for hospitalization and unemployment losses and claims under the City's self-insurance program. The Airport pays premiums to the City's unemployment self-insurance program. The Airport and its employees pay premiums to the City's hospitalization self-insurance program.

Commitments

In the normal course of business, the Airport enters into various commitments and contingent liabilities, such as construction contracts and service agreements, which are not reflected in the accompanying financial statements.

Claims and Judgments

There are several pending lawsuits in which the Airport is involved. Based upon review and evaluation of such lawsuits and the advice of legal counsel, management does not believe that the ultimate outcome of such litigation will be material to the Airport's financial position.

THE PASSENGER FACILITY CHARGE PROGRAM

General

Under the Aviation Safety and Capacity Expansion Act (the "*PFC Act*") the FAA may authorize a public agency which controls a qualifying airport to impose a PFC of $1, $2, or $3 for each qualifying enplaned passenger at such airport, subject to certain limitations and exceptions. As discussed in the next paragraph the $3 amount may be increased to as much as $4.50 of per qualified enplaned passenger. Proceeds of an authorized PFC may be used only to fund specific airport projects approved by the FAA, or to pay debt service and other financing costs on bonds issued to fund such specific projects, that (i) preserve or enhance capacity, safety or security of the national air transportation system, (ii) reduce noise impacts resulting from an airport or (iii) furnish opportunities for enhanced competition among air carriers. Under certain circumstances, the FAA may also grant approval to impose a PFC ("impose" or "impose only" approval) before approval to spend the PFC on approved projects ("use" approval) is granted. Approval to both collect and spend PFCs is referred to as "impose and use" approval. The approval of each project (a "*PFC Project*") includes a specific dollar amount for (i) capital costs and (ii) if requested by the airport operator, may also include interest and other financing costs. In some instances, the interest and other financing costs are specified separately.

The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century ("*AIR-21*"), signed into law on April 5, 2000, enables a public agency to apply to the FAA to increase the PFC level that it may charge to $4.00 or $4.50. For a public agency to qualify for a PFC level above $3, AIR-21 required that the FAA must review the public agency's application or amendment request to make specified findings that are additional to those already required under the PFC Act and regulation. These required findings were modified by the Federal Aviation Administration Reauthorization Act of 2018 (the "*2018 FAA Act*"). Currently, the FAA must find if the project is an eligible surface transportation or terminal project, that the public agency has made adequate provision for financing the airside needs of the airport, including runways, taxiways, aprons, and aircraft gates.

PFCs may be used by the Aviation Board only to pay "allowable costs" of specific airport projects approved by the FAA, including debt service and other financing costs on bonds issued to finance such specific projects. Final Agency Decisions (formerly Records of Decision) of the Federal Aviation Administration (FAA) allow the imposition and/or use of PFCs for the Airport (collectively the "*Approvals*").

PFCs are all PFCs collected from passengers for the use of the Airport pursuant to 14 Code of Federal Regulations ("*CFR*") Part 158, and approved by the FAA in the Approval and all Future Approvals after deducting all collection compensation due to the Carriers or other entities pursuant to Section 158.53 of 14 CFR Part 158 including such amounts authorized in Future Approvals other than Operational Expense Approvals, including any interest earned thereon after receipt by the Aviation Board.

Since April 1, 1993, the initial effective date of the Aviation Board's PFC program, the Aviation Board estimates that over 90% of all passenger enplanements at the Airport have qualified and been subject to the passenger facility charge. The Aviation Board expects that a similar percentage of passenger enplanements will continue to be subject to its PFC.

Prior to passage of the 2018 FAA Act, a medium or large hub airport had to demonstrate that a project will make a significant contribution to improving air safety and security, increasing competition among air carriers, reducing current or anticipated congestion, or reducing the impact of aviation noise on people living near the airport. The FAA determined that the Aviation Board had not made this showing for the North Terminal Program, and approved PFC collections for the program at the $3.00 level. As a result, the PFC rate of collection at the Airport was originally scheduled to decline from $4.50 to $3.00 on February 1, 2026.

The 2018 FAA Act eliminated the "significant contribution" test for medium and large hub airports. Consequently, on October 4, 2019, the Aviation Board submitted an amendment request to increase the Airport's PFC collection rate from $3.00 to $4.50. The FAA approved the amendment on October 11, 2019, with an estimated charge expiration date of August 1, 2034. As a result, the Airport's PFC collection rate will remain at $4.50 throughout the forecast period presented in the Report of the Aviation Consultant.

Net PFC Revenues for Debt Service on Bonds

The Aviation Consultant's funding plan assumes that the collection level of PFCs will remain at the current rate of $4.50 throughout the forecast period. The Series 2015 Bonds and the Series 2017 Bonds have funded approximately $763.3 million of the North Terminal Project Costs. The funding plan referenced in the Report of the Aviation Consultant published with the issuance of the Series 2017 Bonds estimated that the PFC Eligible Portion of the proceeds of the Bonds is $306.2 million.

The Report of the Airport Consultant forecasts PFCs available in the Excess PFC Fund under the PFC Indenture to be transferred to the Transferred PFCs Account of the Debt Service Fund under the Indenture to pay debt service on the Series 2015 Bonds, Series 2017 Bonds, Series 2019 Bonds, and a projected Series 2021 Bonds in the table on the following page.

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Table 28| Projected PFC Revenue Cash Flow

	Estimated	Projected									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Excess PFC Fund balance - Beginning of Year	$ 97,074,000	$ 78,461,000	$ 79,013,000	$ 78,873,000	$ 79,520,000	$ 82,538,000	$ 85,970,000	$ 91,795,000	$ 98,033,000	$ 105,737,000	$ 113,962,000
Net PFC Revenues (PFC Collections)											
Enplaned Passengers	6,952,000	7,132,000	7,213,000	7,362,000	7,454,000	7,559,000	7,659,000	7,764,000	7,882,000	8,016,000	8,143,000
Percent PFC-Eligible	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Projected PFC-Eligible Passengers	6,257,000	6,419,000	6,492,000	6,626,000	6,709,000	6,803,000	6,893,000	6,988,000	7,094,000	7,214,000	7,329,000
PFC Rate	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39
Estimated Net PFC Revenues	$ 27,468,000	$ 28,179,000	$ 28,500,000	$ 29,088,000	$ 29,453,000	$ 29,865,000	$ 30,260,000	$ 30,677,000	$ 31,143,000	$ 31,669,000	$ 32,174,000
Total PFC Resources Available	$ 124,542,000	$ 106,640,000	$ 107,513,000	$ 107,961,000	$ 108,973,000	$ 112,403,000	$ 116,230,000	$ 122,472,000	$ 129,176,000	$ 137,406,000	$ 146,136,000
Less: Use of PFC Resources											
Debt Service - Series 2010A PFC Bonds[1]	$ 1,337,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Escrow funding deposit for Series 2010B PFC Bonds[2]	1,290,000	-	-	-	-	-	-	-	-	-	-
Near-Term Infrastructure CIP	122,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
PayGo Application - Terminal Program	16,647,000	-	-	-	-	-	-	-	-	-	-
	$ 19,396,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000
Excess Net PFC Revenues Available for Transfer	$ 105,146,000	$ 105,140,000	$ 106,013,000	$ 106,461,000	$ 107,473,000	$ 110,903,000	$ 114,730,000	$ 120,972,000	$ 127,676,000	$ 135,906,000	$ 144,636,000
Less: Net PFC Revenues transferred to Debt Service Funds											
Series 2015 Bonds	$ 20,000,000	$ 20,000,000	$ 18,200,000	$ 18,000,000	$ 16,000,000	$ 16,000,000	$ 14,000,000	$ 14,000,000	$ 13,000,000	$ 13,000,000	$ 13,000,000
Series 2017A/B Bonds	-	-	-	-	-	-	-	-	-	-	-
Series 2017D Bonds	6,632,000	3,972,000	3,969,000	3,973,000	3,972,000	3,971,000	3,971,000	3,971,000	3,970,000	3,974,000	3,972,000
Series 2019 Bonds	53,000	2,155,000	2,160,000	2,158,000	2,154,000	2,153,000	2,155,000	2,159,000	2,160,000	2,159,000	2,155,000
Series 2021 Bonds	-	-	2,811,000	2,810,000	2,809,000	2,809,000	2,809,000	2,809,000	2,809,000	2,811,000	2,810,000
	$ 26,685,000	$ 26,127,000	$ 27,140,000	$ 26,941,000	$ 24,935,000	$ 24,933,000	$ 22,935,000	$ 22,939,000	$ 21,939,000	$ 21,944,000	$ 21,937,000
Excess PFC Fund - End of Year	**$ 78,461,000**	**$ 79,013,000**	**$ 78,873,000**	**$ 79,520,000**	**$ 82,538,000**	**$ 85,970,000**	**$ 91,795,000**	**$ 98,033,000**	**$ 105,737,000**	**$ 113,962,000**	**$ 122,699,000**

[1] Assumes Series 2010A PFC Bonds will be refunded with the Series 2019 bonds during 2019.

[2] Assumes Series 2010B PFC Bonds redeemed in 2019.

The foregoing table illustrates Net PFC Revenue amounts available and allocated (i) to pay for near term infrastructure and Pay-As-You-Go PFC Projects approved by FAA and (ii) to the Transferred PFCs Account of the Debt Service Fund under the Indenture to pay debt service on the Bonds.

REPORT OF THE AVIATION CONSULTANT

The Report of the Aviation Consultant is included in this Official Statement as **APPENDIX C**. The Report of the Aviation Consultant is part of this Official Statement, and purchasers of the Series 2019 Bonds should read the report of the Aviation Consultant in its entirety.

The Aviation Board retained Unison Consulting, Inc. to serve as the Aviation Consultant (the "*Aviation Consultant*") in connection with the issuance of the Series 2019 Bonds. The Aviation Consultant, in association with AVK Consulting, prepared the Report of the Aviation Consultant dated December 3, 2019 (the "*Report of the Aviation Consultant*"). The Report of the Aviation Consultant does not reflect pricing terms of the Series 2019 Bonds or any other changes occurring after December 3, 2019.

The Report of the Aviation Consultant forecasts key measures of commercial aviation activity, presents aviation activity and financial projections for the period commencing in 2019 and ending in 2029 (the "*Forecast Period*"), and sets forth the assumptions upon which the projections are based. Actual results may differ from projections contained therein because of unforeseen events, and variations may be material. The Report of the Aviation Consultant should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

Enplanements at the Airport are presented in the Forecast Model under the following three scenarios:

High Growth Scenario: forecasts enplanements of 6.95 million in 2021 and 8.83 million in 2029, representing a compound annual growth rate of 2.4 percent.

Low Growth Scenario: forecasts enplanements of 6.95 million in 2019 and 7.97 million in 2029 at the Airport, representing a compound annual growth rate of 1.4 percent.

Base Growth Scenario: forecasts enplanements of 6.95 million in 2019 and 8.14 million in 2029 at the Airport, representing a compound annual growth rate of 1.6 percent.

See **Section 3 – Forecast Commercial Activity – Forecast Methodology** within **APPENDIX C - Report of the Aviation Consultant**.

Debt Service Coverage by Fiscal Year

Table 29 on the following page copied from the Aviation Consultant's Report illustrates the "Key Financial Projections – Base and Low Scenario Forecasts" under the Base Growth Scenario Forecast and the Low Growth Scenario Forecast from 2020 through 2029.

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Table 29| Key Financial Projections - Base and Low Scenario Forecasts

	Projected									
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Base Scenario Forecast										
Net Revenues	$ 74,213,000	$ 79,274,000	$ 78,695,000	$ 77,137,000	$ 77,131,000	$ 77,090,000	$ 76,826,000	$ 76,831,000	$ 76,835,000	$ 76,758,000
Debt Service Coverage	1.32	1.29	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28
Airline Revenues required	$ 50,883,000	$ 54,995,000	$ 54,227,000	$ 54,760,000	$ 55,017,000	$ 57,727,000	$ 57,621,000	$ 58,660,000	$ 59,300,000	$ 59,664,000
Airline cost per enplaned passenger	$7.57	$7.62	$7.37	$7.35	$7.28	$7.54	$7.42	$7.44	$7.40	$7.33
Net PFC Revenues Transferred	$ 26,127,000	$ 27,140,000	$ 26,941,000	$ 24,935,000	$ 24,933,000	$ 22,935,000	$ 22,939,000	$ 21,939,000	$ 21,944,000	$ 21,937,000
Excess PFC Fund balance	$ 79,013,000	$ 78,873,000	$ 79,520,000	$ 82,538,000	$ 85,970,000	$ 91,795,000	$ 98,033,000	$ 105,737,000	$ 113,962,000	$ 122,699,000
Low Scenario Forecast										
Net Revenues	$ 74,213,000	$ 79,274,000	$ 78,695,000	$ 77,137,000	$ 77,131,000	$ 77,090,000	$ 76,826,000	$ 76,831,000	$ 76,835,000	$ 76,758,000
Debt Service Coverage	1.32	1.29	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28
Airline Revenues required	$ 51,634,000	$ 55,816,000	$ 55,487,000	$ 56,007,000	$ 56,265,000	$ 58,824,000	$ 58,755,000	$ 59,723,000	$ 60,377,000	$ 60,558,000
Airline cost per enplaned passenger	$7.68	$7.88	$7.73	$7.70	$7.62	$7.84	$7.73	$7.72	$7.69	$7.60
Net PFC Revenues Transferred	$ 26,127,000	$ 27,140,000	$ 26,941,000	$ 24,935,000	$ 24,933,000	$ 22,935,000	$ 22,939,000	$ 21,939,000	$ 21,944,000	$ 21,937,000
Excess PFC Fund balance	$ 78,513,000	$ 77,850,000	$ 77,773,000	$ 80,088,000	$ 82,822,000	$ 88,024,000	$ 93,635,000	$ 100,746,000	$ 108,322,000	$ 116,388,000
Increase (Decrease) From Base										
Net Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Coverage	-	-	-	-	-	-	-	-	-	-
Airline Revenues required	$ 751,000	$ 821,000	$ 1,260,000	$ 1,247,000	$ 1,248,000	$ 1,097,000	$ 1,134,000	$ 1,063,000	$ 1,077,000	$ 894,000
Airline cost per enplaned passenger	$0.11	$0.26	$0.36	$0.35	$0.34	$0.30	$0.31	$0.28	$0.29	$0.27
Net PFC Revenues Transferred	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Excess PFC Fund balance	$ (500,000)	$ (1,023,000)	$ (1,747,000)	$ (2,450,000)	$ (3,148,000)	$ (3,771,000)	$ (4,398,000)	$ (4,991,000)	$ (5,640,000)	$ (6,311,000)

The Report of the Aviation Consultant forecasts that Revenues will be sufficient to ensure that all Operation and Maintenance Expenses, debt service, and fund deposit requirements can be generated through reasonable user fees. The Report of the Aviation Consultant is based on a number of assumptions and projections. The Report of the Aviation Consultant has been included herein in reliance upon the knowledge and experience of Unison Consulting, Inc. as the Aviation Consultant. As stated in the Report of the Aviation Consultant, forecasts of commercial aviation activity are based on information available at the time of analysis, measurable factors that drive air travel demand, and assumptions about the availability and characteristics of airline service at the Airport. Any projection is subject to uncertainties; therefore, there are likely to be differences between the projections and actual results, and those differences may be material. See "**INVESTMENT CONSIDERATIONS**: **Assumptions in the Aviation Consultant's Report**" and "**APPENDIX C – Report of the Aviation Consultant**" for a discussion of factors, data, and information that may affect projections related to the air transportation industry and the Airport.

Prospective Financial Information

The Report of the Aviation Consultant included in **APPENDIX C** of this Official Statement was prepared by the Aviation Consultant and contains prospective financial information. This prospective financial information was not prepared with a view toward compliance with the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Other prospective financial information included in this Official Statement, including summaries of prospective financial information from the Report of the Aviation Consultant and budget information, has been prepared by, and is the responsibility of, the Aviation Board's management. Postlewaite & Netterville, independent auditors, has neither examined nor compiled this prospective financial information and, accordingly, Postlewaite & Netterville does not express an opinion or offer any other form of assurance with respect thereto. The "*Financial Statements and Supplemental Schedules – December 31, 2018 and 2017*" included in the City's 2018 CAFR relates to the Aviation Board's historical financial information. It does not extend to the prospective financial information and should not be read to do so.

CAPITAL IMPROVEMENTS PROGRAM

The Airport's 2019-2024 capital improvement program (the "*ACIP*") submitted to the FAA is intended to preserve and enhance the airside infrastructure which is separate from the North Terminal Project. The following projects are programmed for implementation in the 2019-2024 ACIP:

NEW ORLEANS AIRPORT CAPITAL PLAN 2019-2024 (ACIP)
TAXIWAY G EXTENSION (WEST)
TAXIWAY REHABILITATION - E&S
AIRFIELD REHABILITATION PROGRAM - RWY. 11-29
AIRFIELD REHABILITATION PROGRAM - RWY. 2-20

AIRPORT MASTER PLAN
NORTH APRON REHABILITATION ARFF VEHICLE REPLACEMENT SOUTHSIDE REDEVELOPMENT

Funding for the ACIP is expected to be from available FAA Airport Improvement Program (AIP) Grants, state grants, third parties, and/or Airport resources. The costs of the ACIP not funded from AIP Grants, state grants, or third parties will be included in the Airline rate base. Projects may be advanced or delayed as funding sources are finalized, and the Airport may elect to cancel or reschedule a given project if planned funding sources are not realized. The Aviation Board does not expect to issue additional Bonds to finance these improvements.

INFORMATION CONCERNING THE AIRLINES

Each airline (or their respective parent corporations) serving the Airport is required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation. Such reports can be inspected in the Office of Aviation Information Management of the U.S. Department of Transportation, 400 Seventh Street, S.W. Washington D.C. 20590, and copies of such reports can be obtained from the Department of Transportation at prescribed rates. In addition, those airlines (or their respective parent corporations) serving the Airport, which have sold debt or equity securities to the public, are subject to the reporting requirements of the Securities Exchange Act of 1934 and in accordance therewith, file reports and other information with the Securities and Exchange Commission (the "*Commission*"). Certain information, including financial information, as of particular dates concerning each of the airlines (or their respective parent corporations) is disclosed in certain reports and statements filed with the Commission. Such reports and statements can be inspected in the Public Reference Room of the Commission at 450 Fifth St. N.W. Washington, D.C. 20549; Room 1204, Everett McKinley Dirksen Building, and at the Commissions' Regional offices at 219 South Dearborn Street, Chicago, Illinois 60604, and at 26 Federal Plaza, New York, New York 10278, and copies of such reports and statements can be obtained from the Public Reference Section of the Commission, Washington D.C. 20549 at prescribed rates. The SEC maintains a website at www.sec.gov containing reports, proxy statements, and other information regarding registrants that are filed periodically with the Commission.

LITIGATION

There is no action, suit, proceeding, inquiry, or investigation at law or in equity or before or by any court, public board, or body pending, or to the knowledge of the Aviation Board, threatened against or affecting the Aviation Board, nor, to its knowledge, is there any basis therefore, wherein an unfavorable decision, ruling or finding would adversely affect the validity of the Bonds, the Aviation Board's right or ability to collect and apply the Revenues as required by the General Indenture and the Fifth Supplemental Indenture, the ability of the Aviation Board to establish rates, fees, rentals, or other charges for use of the Airport system, or any agreement or instrument to which the Aviation Board is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

INVESTMENT CONSIDERATIONS

General

In considering the matters set forth in this Official Statement, prospective investors should carefully review all investment considerations set forth throughout this Official Statement, and should specifically consider certain risks associated with the Bonds. There follows a summary of some, but not necessarily all, of the possible investment considerations and risks which should be carefully evaluated by prospective purchasers of the Bonds prior to the purchase thereof. Moreover, the order in which investment considerations are presented in this caption is not intended to reflect either the likelihood that a particular event will occur or the relative significance of such an event. The Bonds may not be suitable investments for all persons. Prospective purchasers should be able to evaluate the risks and merits of an investment in the Bonds and should confer with their own legal and financial advisors before considering a purchase of the Bonds.

Limited Obligations

The Bonds are limited obligations of the Aviation Board payable solely from and secured by the Trust Estate, including the Net Revenues and certain amounts deposited into the accounts held under the General Indenture and the Fifth Supplemental Indenture, including Net PFC Revenues that may be deposited at the discretion of the Aviation Board to the Transferred PFC Account of the Debt Service Fund. None of the properties of the Airport is subject to any mortgage or other lien for the benefit of the owners of the Bonds.

BONDS ISSUED BY THE AVIATION BOARD UNDER THE INDENTURE ARE NOT INDEBTEDNESS OF THE CITY, AND NEITHER THE CITY'S GENERAL CREDIT NOR TAXING POWER IS PLEDGED FOR THE PAYMENT THEREOF WITHIN THE MEANING OF ANY

CONSTITUTIONAL, STATUTORY, OR CHARTER LIMITATIONS. THE AVIATION BOARD HAS NO TAXING POWER.

No Acceleration

Bonds are not subject to acceleration under any circumstances or for any reason, including without limitation, on the occurrence or continuance of an event of default in the payment of debt service on any of the Bonds issued under the Indenture (including the Bonds) or a default in the performance of any duty or covenant provided by law or in the Indenture. Upon the occurrence of such an event of default, Holders of the Bonds would only be entitled to principal and interest payments on the Bonds as they come due. Under certain circumstances, Holders of the Bonds may not be able to pursue certain remedies or enforce covenants contained in the Indenture. Moreover, since Net Revenues are that portion of Revenues that remain after the deduction of the Operation and Maintenance Expenses of the Airport System and the Aviation Board is not subject to involuntary bankruptcy proceedings, the Aviation Board may be able to continue indefinitely collecting Revenues and applying them to the operation of the Airport System even if an event of default has occurred and no payments are being made on the Bonds. See "**APPENDIX B – Summary of Certain Provisions of the General Indenture and the Fifth Supplemental Indenture**" herein.

Hurricane and Flood Risks

Coastal Louisiana, including New Orleans MSA, is susceptible to hurricanes wherein winds and flooding have from time to time caused significant damage, particularly in the case of Hurricane Katrina. Subsequent to Hurricane Katrina, the U.S. Army Corps of Engineers (the "*Corps*") undertook a project consisting of the planning, design and construction of a flood protection system to the Metropolitan New Orleans Area. The improvements to the flood protection system, known as the Hurricane and Storm Damage Risk Reduction System ("*HSDRRS*"), consists of a $14.5 billion system of levees, floodwalls, and pumps designed to eliminate nearly all flooding from 100-year storm events and significantly reduces flood risks from 500-year storm events. According to data generated by the Corps, a storm more severe than Hurricane Katrina would only cause modest flooding as compared to floods caused by Hurricane Katrina.

A 100-year storm is an event that has a 1% chance of occurring in any given year. The Corps designed the HSDRRS based on computer-generated models of 152 storms of varying paths, speeds, rainfall volumes, intensities, and radius. Based on data derived from these models, the Corps was able to determine the necessary structural specifications to protect Metropolitan New Orleans Area from 100-year storms. The HSDRRS involves a variety of innovative improvements to levees, floodwalls, outfall canals, interim closure structures, and pump stations in and around the Metropolitan New Orleans Area.

The Corps continues to explore further improvements to the HSDRRS in the Metropolitan New Orleans Area, while also working with officials in New Orleans Parish to improve drainage infrastructure as part of the Southeast Louisiana Urban Drainage program, which is critical in protecting the New Orleans MSA from flooding caused by rain-only storm events.

No assurance can be given that the proposed flood protection system improvements will prevent wind and flooding resulting from future significant weather events.

Factors Affecting the Airline Industry

General

Key factors that affect airline traffic at the Airport and the financial condition of the airlines, and, therefore, the amount of Net Revenues available for payment of the Bonds issued under the General Indenture (including the Bonds) include: local, regional, national, and international economic and political conditions; international hostilities; world health concerns; aviation security concerns; airline service and routes; airline airfares and competition; airline industry economics, including labor relations and costs; availability and price of aviation fuel (including the ability of airlines to hedge fuel costs); regional, national, and international environmental regulations; airline consolidation and mergers; capacity of the national air traffic control and airport systems; capacity of the

Airport; competition from neighboring airports; and business travel substitutes, including teleconferencing, videoconferencing, and web-casting.

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs, and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the terrorist attacks of September 11, 2001 and the economic recession that occurred between 2008 and 2009. Other business decisions by airlines, such as the reduction or elimination of service to unprofitable markets could affect airline operations in the future.

In addition to revenues received from the airlines, the Aviation Board derives a substantial portion of its revenues from parking operations, food and beverage concessions, retail concessions, and others. Declines in passenger traffic at the Airport may adversely affect the commercial operations of many of such concessionaires. While the Aviation Board's agreements with retail and food and beverage concessionaires require them to pay a minimum annual guarantee, severe financial difficulties could lead to a failure by a concessionaire to make the required payments or could lead to the cessation of operations of such concessionaire.

Many of these factors are outside the Aviation Board's control. Changes in demand, decreases in aviation activity, and their potential effect on enplaned passenger traffic at the Airport may result in reduced Revenues and Passenger Facility Charges. The following are just a few of the factors affecting the airline industry including, regional and national economic conditions, costs of aviation fuel, airline concentration, international conflicts and threats of terrorism, and structural changes in the travel market. See also "- **Aviation Security and Health Safety Concerns**" below for additional discussion on the costs of security.

Economic Conditions

Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economies. The U.S. economy entered the Great Recession from December 2007 to June 2009. The Great Recession was the longest and deepest recession since the Great Depression. The recovery from the Great Recession was also the slowest of all recoveries from previous recessions since the Great Depression. The Great Recession spread globally and weakened demand for domestic and international passenger and cargo air services.

Airlines responded to weak air travel demand and high fuel prices with cuts in domestic seat capacity, increases in load factors, retirement of old aircraft, fleet reconfiguration, route transfers between mainline and regional service, route network changes, pricing changes, and various other cost-cutting measures. Mounting financial difficulties led to bankruptcies, mergers, and business restructuring, including consolidations.

The U.S. economy has now entered its 11th year of expansion after the Great Recession, surpassing its previous record 10-year expansion. Driven by growth in consumer spending and business investment, the U.S. economy is predicted to continue growing over the next few years, although recession risks are always present. The sources of economic risks include political and economic policy uncertainty, international trade tensions, the high level of U.S. government and private debt, tightening labor market, stock market volatility, slowing global economy, and continuing political tensions abroad.

The U.S. airline industry began to earn net profits in 2010, helped by business restructuring, capacity discipline, and decreases in fuel prices. U.S. airlines continue to enjoy relatively low fuel costs and earn net profits. Markedly improved financial performance has allowed them to renew their fleets and increase scheduled flights and seats, while maintaining capacity discipline.

Cost of Aviation Fuel

Airline earnings are significantly affected by changes in the price of aviation fuel. According to Airlines for America (an airline trade association, formerly known as Air Transport Association of America), fuel, along with labor costs, is one of the largest cost components of airline operations, and it continues to be an important and uncertain determinate of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world (particularly in the oil-producing nations in the Middle East and North Africa), Organization of Petroleum Exporting Countries policy, the rapid growth of economies such as China and India, the levels of inventory carried by industries, the amounts of reserves maintained by governments, disruptions to production and refining facilities and weather. According to statistics compiled by the airline trade organization called Airlines for America, jet fuel accounts for approximately one-quarter of the airline industry's total operating expenses. Jet fuel cost per gallon quadrupled from 2000 to 2008. It remained at record high levels through 2014. In late 2014, jet fuel prices began falling along with world oil prices, returning to mid-2000s' levels. World oil prices slowly recovered after June 2017, raising the average spot price per barrel for 2017 to almost $51. Prices continued to increase to nearly $71 through October 2018, before dropping down to about $50 within two months in December 2018. They have risen steadily since then, reaching a high of almost $64 in April 2019. As of July 2019, oil prices were about $57. According to the U.S. Energy Information Administration short-term energy outlook, U.S. airlines yet again face increases in jet fuel prices, although this time with more fuel-efficient fleets, more cost-efficient business operations, and better financial conditions.

Airline Concentration; Effect of Airline Industry Consolidation; Cancellation of Flights by Airlines

The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible the airlines serving the Airport could consolidate operations through acquisition, merger, alliances, and code share sales strategies. Examples of airlines mergers occurring over the last several years include: (a) in 2008, Delta acquired Northwest and its affiliated air carriers, Mesaba, Pinnacle (now known as Endeavor), and Compass; (b) on October 1, 2010, United Airlines and Continental Airlines merged and United Airlines and Continental Airlines began operating as a single airline (under the United brand) in March 2012; (c) on May 2, 2011, Southwest acquired Air Tran, and Southwest and Air Tran began operating as a single airline (under the Southwest brand) in March 2012; and (d) effective December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc. As of the date of this Official Statement, none of these mergers have had any material impact on airline service or enplanements at the Airport. While these prior mergers have not had any material impact on airline service and enplanements at the Airport or on Revenues, future mergers or alliances among airlines operating at the Airport may result in fewer flights or decreases in gate utilization by one or more airlines. Such decreases could result in reduced Revenues, reduced Net PFC Revenues, and/or increased costs for the other airlines serving the Airport.

Growth of Low Cost Carriers

Low Cost Carriers ("*LCCs*") increase reliance on fee revenues (e.g., baggage fees, seat assignments fees, boarding preferences fees, and food/beverages fees) to take advantage of an operating cost structure that is typically significantly lower than the cost structure of the network carriers. Other advantages can include lower labor costs, greater labor flexibility, streamlined aircraft fleet (i.e., fewer different types of aircraft in a given airline's fleet), and a generally more efficient operation. These lower costs permit LCCs to offer a lower fare structure to the traveling public than network carriers and to still maintain profitability. LCCs increased access to major markets may moderate average airfare increases that can typically result from airline consolidation. In calendar year 2018, LCCs provided approximately 38.8% of the airline seat capacity in the U.S. market.

LCCs emerged in larger markets where passenger levels were high enough for the LCCs to overcome certain barriers to entry, such as control of the majority of airport gates and slots by the larger carriers. The cost structure of LCCs allows for lower fares which stimulate traffic and drive LCCs into more and larger markets. Budget conscious flyers have emerged as an underserved segment which has helped to expand the LCC market to include Ultra Low Cost Carriers ("*ULCCs*"), such as Frontier Airlines, Allegiant Air, Sun County, and Spirit Airlines.

ULCCs at the Airport, such as Frontier Airlines, Allegiant Air, Sun Country, and Spirit Airlines, provided approximately 8.4% of the airline seat capacity at MSY in 2016, 10.7% in 2017, and 13.7% in 2018. For 2019, the published schedules of these ULCCs at the Airport reflect approximately 15.7% of the airline seat capacity at MSY.

International Conflict and the Threat of Terrorism

The increased threat of terrorism has had, and may continue to have, a negative impact on air travel. The Aviation Board cannot predict the likelihood of future incidents similar to the terrorist attacks of September 11, 2001, the likelihood of future air transportation disruptions, or the impact on the City or the airlines operating at the Airport from such incidents or disruptions.

Structural Changes in the Travel Market

Many factors have combined to alter consumer travel patterns. The threat of terrorism against the United States remains high. As a result, the federal government has mandated various security measures that have resulted in new security taxes and fees and longer passenger processing and wait times at airports. Both add to the costs of air travel and make air travel less attractive to consumers relative to ground transportation, especially to short-haul destinations. Additionally, consumers have become more price sensitive. Efforts of airlines to stimulate traffic by heavily discounting fares have changed consumer expectations regarding airfares. Consumers have come to expect extraordinarily low fares. In addition, the availability of fully transparent price information on the internet now allows quick and easy comparison shopping, which has changed consumer purchasing habits. This has made pricing and marketing even more competitive in the U.S. airline industry. Finally, smaller corporate travel budgets, combined with the higher time costs of travel, have made business customers more amenable to communications substitutes such as tele- and video- conferencing.

Effect of Airline Bankruptcies

General

Since December 2000, numerous airlines have filed for bankruptcy protection including, among others, ATA Airlines (f/k/a American Trans Air), Northwest, Delta, including its subsidiary Comair, Mesaba, MN Airlines (d/b/a Sun Country Airlines) (which filed for protection twice), US Airways (which filed for protection twice), UAL Corporation, the parent of United, AMR Corporation, the parent of American Airlines and American Eagle, Air Canada and Frontier. Some of these airlines have emerged from bankruptcy. Only ATA Airlines, Delta, U.S. Airways, United, American, Frontier, Northwest, and Sun Country operated at the Airport at the time of their respective filings for bankruptcy protection, and each such airline except for Northwest, and ATA Airlines continues to operate at the Airport.

Bankruptcy Code Rules

As with all bankruptcies, the success or failure of the debtor depends in part on the legal and business circumstances – for example, has the airline filed seeking relief under Chapter 7 of the Bankruptcy Code (liquidation) or Chapter 11 of the Bankruptcy Code (reorganization) and, if Chapter 11 of the Bankruptcy Code, is the airline able to continue to operate and is the airline's lender(s) and other major creditors being cooperative and supportive.

Assuming any agreements between the debtor airline in question and the Aviation Board are executory contracts or unexpired leases (collectively an "*Executory Contract*"), then the airline has the right either to assume or to reject the agreement subject to bankruptcy court approval. Section 365 of the Bankruptcy Code applies to Executory Contracts. The various rules for Executory Contracts depend in part on whether the airline has filed for relief under Chapter 7 of the Bankruptcy Code or Chapter 11 of the Bankruptcy Code and whether the Executory Contract at issue (e.g., the Airline Agreement) is a lease of residential real property or a lease of non-residential real property or a lease of personal property or a contract (and not a lease).

Assuming any agreement between an airline and the Aviation Board is an Executory Contract and is an unexpired lease of property under which the airline is the lessee, and further assuming the airline has filed for Chapter 11 of the Bankruptcy Code relief, then (a) if the Executory Contract is a lease of personal property, the airline can either assume or reject it (subject to bankruptcy court approval) at any time before the confirmation of a plan, but the bankruptcy court can shorten or lengthen that period, and (b) if the Executory Contract is a lease of non-residential real property, then the airline can either assume or reject it (subject to bankruptcy court approval) by the earlier of (i) 120 days after the date of the order for relief (generally, the date a voluntary Chapter 11 of the Bankruptcy Code case is filed) or (ii) the date of entry of an order confirming a plan, but the bankruptcy court again may extend this period for 90 days on a motion showing cause to do so.

In General, assumption of an Executory Contract (subject to bankruptcy court approval) requires that the airline (a) cure all defaults or provides adequate assurance it will promptly cure all defaults (with exceptions and limitations for non-monetary defaults), (b) compensates or provides adequate assurance it will promptly compensate the other party for any actual pecuniary loss resulting from the default, and (c) provides adequate assurance of future performance of the Executory Contract. Certain types of Executory Contracts cannot be assumed – e.g., an Executory Contract to make a loan or one for personal services.

The Bankruptcy Code also has rules requiring the debtor airline to perform its obligations (with exceptions and limitations for non-monetary obligations) under Executory Contracts after a Chapter 11 filing which involve non-residential real property or personal property, subject to some time and other exceptions and limitations.

The Bankruptcy Code also has rules regarding (and allowing) debtors to assign Executory Contracts which have been assumed.

The Bankruptcy Code also has rules regarding the rejection of Executory Contracts by a debtor airline. Generally, a rejection of an Executory Contract constitutes a breach of it and the Aviation Board would have an unsecured claim against the airline as a result of such rejection. If the Executory Contract is a lease, the Bankruptcy Code limits the lessor's unsecured claims arising from a rejection to (a) the greater of the rent, without acceleration, for (i) one year or (ii) 15%, not to exceed three years, of the remaining term of the lease, following the date the bankruptcy case was filed (or, if earlier, the date the lessor repossessed the property), plus (b) any unpaid rent due under the lease, without acceleration, through the date the bankruptcy case was filed (or, if earlier, the date the lessor repossessed the property).

The Bankruptcy Code also has special rules (Section 1110) for the rights of a secured party with a security interest in equipment of an airline (such as aircraft, aircraft engines, propellers, appliances, and spare parts) in a Chapter 11 case, or of a lessor or conditional vendor of such equipment of an airline in a Chapter 11 case, regarding the taking of possession of such equipment and enforcing its rights and remedies. Generally, these rules require the airline to agree to perform its obligations under such security agreement, lease, or conditional sale contract within certain time limitations (with exceptions and limitations for non-monetary defaults) subject to approval of the bankruptcy court. If the debtor airline fails to do so, then the automatic stay no longer applies and the secured creditor, lessor, or conditional vendor can enforce its rights under the applicable agreement.

The Bankruptcy Code also has rules regarding payments made by an airline within 90 days before a bankruptcy case filing that allow the airline to recapture such payments if they are deemed to be an "avoidable preference." These rules are complicated and contain exceptions and defenses.

The Bankruptcy Code also has rules regarding the confirmation of a Chapter 11 reorganization plan and/or the sale of assets of a debtor airline. A discussion of these rules would be complex and lengthy, and any potential investor should seek the advice of its legal counsel regarding them.

In general, if an airline files a bankruptcy case, the Aviation Board would be subject to risks, including, among others and without limitation, the risks of (i) delay (which could be substantial) in receiving payments due it, (ii) receiving only reduced payments of amounts due it, (iii) receiving none of the payments due it, (iv) having to return previous payments it received from the airline, (v) having its Executory Contracts with the airline rejected (or negotiating new terms to avoid rejection), and (vi) delay (which could be substantial) in enforcing any of its rights and remedies under Executory Contracts with an airline or being prohibited from enforcing them. Bankruptcy courts are courts of equity. While the Bankruptcy Code has rules (some of which are summarized above), a bankruptcy court generally has the power to render equity as it deems appropriate. The bankruptcy process can be protracted and expensive. Any potential investor should seek the advice of its legal counsel regarding the effects of a bankruptcy of an airline.

With respect to an airline in a bankruptcy proceeding in a foreign country, the Aviation Board is unable to predict what types of orders and/or relief could be issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the United States.

Pre-Petition Obligations

During the pendency of a bankruptcy proceeding, a debtor airline may not, absent a bankruptcy court order, make any payments to the Aviation Board arising on account of goods and services provided to the airline prior to the bankruptcy, subject to the rules on Executory Contracts. Thus, the Aviation Board's stream of payments from a debtor airline could also be interrupted to the extent of pre-petition goods and services supplied to the airline, subject again to the rules on Executory Contracts and the general risks of bankruptcy discussed herein.

Passenger Facility Charges

Pursuant to the PFC Act, the FAA has approved the Aviation Board's applications to require the airlines to collect and remit to the Aviation Board a $4.50 PFC on each enplaning revenue passenger at the Airport until February 1, 2026, after which the collection level becomes $3.00 per passenger. See "**THE PASSENGER FACILITY CHARGE PROGRAM.**"

The PFC Act provides that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Aviation Board) imposing the PFCs, except for any handling fee (which currently is $0.11 per PFC) or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFCs separately and to disclose the existence and amount of funds regarded as trust funds in their respective financial statements. However, the airlines, provided they are not under bankruptcy protection, are permitted to commingle PFCs with other revenues. The bankruptcy courts have not fully addressed such trust arrangements. Therefore, the Aviation Board cannot predict how a bankruptcy court might rule on this matter in the event of a bankruptcy filing by one of the airlines operating at the Airport.

The PFC Act requires an airline in bankruptcy protection to segregate PFCs from all of its other revenues.

It is possible that the Aviation Board could be held to be an unsecured creditor with respect to unremitted PFCs held by an airline that has filed for bankruptcy protection. Additionally, the Aviation Board cannot predict whether an airline operating at the Airport that files for bankruptcy protection would have properly accounted for the PFCs revenues owed to the Aviation Board or whether the bankruptcy estate would have sufficient moneys to pay the Aviation Board in full for the PFCs revenues owed by such airline. All of the airlines that were operating at the Airport at the time of their respective filings for bankruptcy protection and during the time they operated at the Airport while under bankruptcy protection submitted to the Aviation Board all of the PFCs collected by them.

Aviation Security and Health Safety Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of potential international hostilities and terrorist attacks, may influence passenger travel behavior and air travel demand.

Safety concerns in the aftermath of the terrorist attacks in September 2001 were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against future terrorist incidents and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport security functions under the TSA, more effective dissemination of information about threats, more intensive screening of passengers, baggage, and cargo, and deployment of new screening technologies. The airlines and the federal government were primarily responsible for, and bore most of the capital costs associated with, implementing the new security measures.

Aviation security concerns intensified again in 2014 following the high profile disappearance of Malaysia Airlines Flight 370, the crash of Malaysia Airlines Flight 17, the crash of AirAsia Flight 8501, the crash of TransAsia Flight 222, and the crash of TransAsia Flight GE235. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

No assurance can be given that these precautions will be successful. Also, the possibility of intensified international hostilities and further terrorist attacks involving or affecting commercial aviation are a continuing concern that may affect future travel behavior and airline passenger demand.

Public health and safety concerns have also affected air travel demand from time to time. In 2003, concerns about the spread of severe acute respiratory syndrome (SARS) led public health agencies to issue advisories against nonessential travel to certain regions of the world. In 2009, while the United States Centers for Disease Control and Prevention ("*CDC*") and the World Health Organization ("*WHO*") did not recommend that people avoid domestic or international travel, concerns about the spread of influenza caused by the H1N1 virus reduced international air travel, particularly to and from Mexico and Asia. In 2014, an outbreak of Ebola in West Africa and the discovery of a patient and health care workers infected with Ebola in the United States have again raised concerns about the spread of communicable disease through air travel. While the CDC and WHO have not yet recommended travelers avoid domestic or international travel, in the event the CDC or WHO recommends travel restrictions, or should another outbreak occur, prospective investors should take into consideration the impact that such developments may have on activity levels at the Airport and the potential financial impact on the airlines that serve the Airport.

Cyber Liability

Computer networks and data transmission and collection are vital to the efficient operation of the airline industry. Air travel industry participants, including airlines, the FAA, the TSA, the Airport, concessionaires and others collect and store sensitive data, including intellectual property, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. While, the Airport does not collect or maintain this third party data, the secure processing, maintenance and transmission of Airport information is critical to the Airport's operations. Despite security measures, information technology and infrastructure may be vulnerable to cybersecurity attacks and the information stored on airline industry networks could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in the efficiency of the air travel industry, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, operations and the services provided, and cause a loss of confidence in the air travel industry, which could ultimately adversely affect Gross Revenues.

The Airport maintains a security posture designed to deter cybersecurity attacks and is committed to deterring attacks on its electronic systems and responding to such attacks to minimize their impact on operations. The Airport's cybersecurity and operational safeguards are actively monitored. Additionally, the Airport maintains a comprehensive cyber risk insurance policy, which includes coverage for first party loss, liability, and eCrime exposures. See **AIRPORT FINANCIAL INFORMATION - SUMMARY OF INSURANCE FOR NEW ORLEANS AVIATION BOARD** herein. However, no assurances can be given that the Airport's security measures will prevent cybersecurity attacks, and no assurances can be given that any cybersecurity attacks, if successful, will not have a material adverse effect on the operations or financial condition of the Airport or the airlines serving the Airport.

Regulations and Restrictions Affecting the Airport

The operations of the Airport System are affected by a variety of contractual, statutory, and regulatory restrictions and limitations including, without limitation, the provisions of the Airline Agreements and the Operating Agreements, the federal acts authorizing the imposition, collection and use of Passenger Facility Charges and extensive federal legislation and regulations applicable to all airports in the United States. In the aftermath of the terrorist attacks of September 11, 2001, the Airport also has been required to implement enhanced security measures mandated by the FAA, the Department of Homeland Security, and the Aviation Board management.

It is not possible to predict whether future restrictions or limitations on Airport System operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or Net PFC Revenues for capital projects for the Airport System, whether additional requirements will be funded by the federal government whether such restrictions or legislation or regulations would adversely affect Net Revenues. See "**- Aviation Security and Health Safety Concerns**" above.

Ability to Meet Rate Covenant

As described in "**SECURITY FOR BONDS - Rate Covenants under the General Indenture**" in this document, the Aviation Board has covenanted in the Indenture that it will at all times fix, charge, impose and collect rentals, rates, fees and other charges for the use of the Airport System, and, to the extent it legally may do so, revise the same as may be necessary or appropriate, in order that in each Fiscal Year, the rate covenant set forth in the Indenture is met. In addition to Net Revenues, the Aviation Board expects to pay a portion of the debt service on the Bonds with PFCs deposited to the Transferred PFC Account of the Debt Service Fund. PFCs deposited to the PFC Account of the Debt Service Fund constitute Revenues for purposes of the Rate Covenants.

If Net Revenues (and PFCs expected to be used to pay Bonds debt service) were to fall below the levels necessary to meet the rate covenant in any Fiscal Year, the Indenture provides for procedures under which the Aviation Board would retain and request an Airport Consultant to make recommendations as to the revision of the Aviation Board's rentals, rates, fees and other charges, its Operating and Maintenance Expenses or the method of operation of the Airport System in order to satisfy as quickly as practicable the rate covenant set forth in the Indenture. The Indenture provides that so long as the Aviation Board substantially complies in a timely fashion with the recommendations of the Airport Consultant, the Aviation Board will not be deemed to have defaulted in the performance of its duties under the Indenture even if the resulting Net Revenues plus Other Available Funds are not sufficient to be in compliance with the rate covenant set forth in the Indenture, so long as Debt Service is paid when due.

Increasing the schedule of rentals, rates, fees and other charges for the use of the Airport System and for services rendered by the Aviation Board in connection with the Airport System is subject to contractual, statutory and regulatory restrictions. Implementation of an increase in the schedule of rentals, rates, fees and other charges for the use of the Airport System could have an unfavorable impact on the operation of the Airport System by making the cost of operating at the Airport System unattractive to airlines, concessionaires and others in comparison to other airports, or by reducing the operating efficiency of the Airport System. Notwithstanding this potential impact, the Airline Agreements acknowledge the existence of the rate covenant under the Indenture and include an agreement by the Signatory Airlines to pay such rentals, rates, fees, and charges.

Availability of PFCs and PFC Approval

The Aviation Board expects to use PFCs to pay a portion of the debt service on the Bonds.

Not all PFCs are pledged to the payment of the Bonds; only PFCs credited to the Excess PFC Funds under the PFC Indenture that are transferred to the Transferred PFC Account of the Debt Service Fund are pledged to and will pay debt service on the Bonds.

The amount of PFCs received by the Aviation Board in future years will vary based upon the actual number of PFC-eligible passenger enplanements at the Airport. No assurance can be given that any level of enplanements will be realized. See "**- Factors Affecting the Airline Industry**" above. Additionally, the FAA may terminate the Aviation Board's authority to impose the PFC, subject to informal and formal procedural safeguards, if (a) PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Act or regulations promulgated by the FAA under authority of the PFC Act ("*PFC Regulations*"), or (b) the Aviation Board otherwise violates the PFC Act or the PFC Regulations. The Aviation Board's authority to impose a PFC may also be terminated if the Aviation Board violates certain provisions of the Airport Noise and Capacity Act of 1990 (the "*ANCA*") and its implementing regulations relating to the implementation of noise and access restrictions for certain types of aircraft. The regulations under ANCA also contain procedural safeguards to ensure that the Aviation Board's authority to impose a PFC would not be summarily terminated. No assurance can be given that the Aviation Board's authority to impose a PFC will not be terminated by Congress or the FAA, that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the Aviation Board or that the Aviation Board will not seek to decrease the amount of PFCs to be collected, provided such decrease does not violate the Aviation Board's covenant in the Indenture. A shortfall in PFCs may cause the Aviation Board to increase rates and charges at the Airport to meet the debt service requirements on the Bonds that the Aviation Board plans to pay from PFCs, and/or require the Aviation Board to identify other sources of funding for its capital program, including issuing Additional Bonds and/or Subordinate Obligations, to finance the pay-as-you-go projects currently expected to be paid with PFCs.

Availability of Funding for the Long Term Development Plan

The Aviation Board's plan of finance assumes that proceeds of the Bonds, PFCs, federal grants, and other available revenues of the Aviation Board will be received by the Aviation Board in certain amounts and at certain times to pay the costs of the planned projects described in "**SOURCES AND USES - Funding Plan for the North Terminal Project**" and "**REPORT OF THE AVIATION CONSULTANT**". No assurance can be given that these sources of funding will be available in the amounts or on the schedule assumed.

To the extent that any portion of the funding assumed in the plan of finance for the Long Term Development Plan is not available as anticipated, the Aviation Board may be required to defer or remove projects or issue additional Bonds and/or Subordinate Obligations to pay the costs of such projects.

Federal Funding; Impact of Federal Sequestration

On October 5, 2018, the President signed into law a five-year reauthorization bill for the FAA (the "*2018 FAA Act*"). The 2018 FAA Act retains the federal cap on PFCs at $4.50 and authorizes $3.35 billion per year for the Airport Improvement Program ("*AIP*") through federal fiscal year 2023, which is the same funding level as was in place during the preceding five years. AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set- asides and the national priority ranking system). There can be no assurance that the FAA will receive spending authority. In addition, AIP could be affected by the automatic across-the-board spending cuts, known as sequestration, described in more detail below. The Aviation Board is unable to predict the level of available AIP funding it may receive. If there is a reduction in the amount of AIP grants awarded to the Aviation Board for the Airport, such reduction could (i) increase by a corresponding amount the capital expenditures that the Aviation Board would need to fund from other sources (including surplus revenues, additional Revenue Bonds or Subordinate Obligations), (ii) result in decreases to Planned CIP Projects or (iii) extend the timing for completion of certain projects. See "**CAPITAL IMPROVEMENT PROGRAM**" in this document.

Federal funding received by the Aviation Board could also be adversely affected by the implementation of the Budget Control Act of 2011 (the "*Budget Control Act*"). As a result of the failure of the Joint Select Committee on Deficit Reduction to reach an agreement on the deficit reduction actions as required by the Budget Control Act, sequestration - a unique budgetary feature of the Budget Control Act - has been triggered. On January 2, 2013, President Obama signed into law H.R. 8, the American Taxpayer Relief Act of 2012, which delayed the initiation of the sequestration process from January 2, 2013 to March 1, 2013. On March 26, 2013, President Obama signed the Consolidated and Further Continuing Appropriations Act of 2013, providing funds for operation of the federal government through September 30, 2013, and off-setting some of the sequestration- mandated reductions for Fiscal Year 2013. The spending reductions for Fiscal Year 2013 were approximately $85.4 billion, with similar cuts for Fiscal Years 2014 through 2021.

The Aviation Board receives numerous grants from the FAA and the TSA for various capital projects and the FAA employs and manages the air traffic control personnel at the Airport. These expenditures of the FAA are subject to sequestration. The FAA implemented furloughs in April 2013 that resulted in major air traffic control system delays. The furloughs were suspended after one week for the balance of federal Fiscal Year 2013 following Congress' authorization of alternate funding from reductions in the amounts of available AIP funds or any other programs or accounts in federal Fiscal Year 2013. On December 26, 2013, the Senate approved the Bipartisan Budget Act of 2013 (the "*Budget Act*"), which sets overall discretionary spending for the federal Fiscal Year 2014 at $1.013 trillion, and provides $63 billion in sequester relief over two years. The Budget Act restores the cuts made by budget sequestration to the FAA's operations and procurement accounts and provides full funding for the AIP at $3.35 billion for the federal Fiscal Year 2014.

The Aviation Board is unable to predict future sequestration funding cuts or furloughs or the impact of such actions on the Airport's airline traffic, grant receipts and Revenues. The Aviation Board intends to take any commercially reasonable measures necessary to continue smooth operation of the Airport.

Forward-Looking Statements

This Official Statement, including the Appendices and the documents incorporated by reference in this document, contain "forward-looking statements," which generally can be identified with words or phrases such as "anticipates," believes," "could," "estimates," "expects," "foresees," "may," "plan," "predict," "should," "will," or other words or phrases of similar import. All statements included in this Official Statement, including the Appendices in this document, that any person expects or anticipates will, should, or may occur in the future, including but not limited to, the projections in the Airport Consultant's Report, are forward-looking statements. These statements are based on assumptions and analysis made by the Aviation Board and the Airport Consultant, as applicable, in light of their experience and perception of historical trends, current conditions, and expected future developments as well as other factors they believe are appropriate in the circumstances. However, whether actual results and developments will conform with expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under this "**INVESTMENT CONSIDERATIONS**" caption in this document as well as additional factors beyond the Aviation Board's control. The risk factors and assumptions described under such caption and elsewhere in this Official Statement could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement and any Appendices in this document are qualified by these cautionary statements. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the Net Revenues or the operations of the Airport. All subsequent forward-looking statements attributable to the Aviation Board or persons acting on its behalf are expressly qualified in their entirety by the factors and assumptions described above and in any documents containing those forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Aviation Board on the date hereof, and the Aviation Board does not assume any obligation to update any such forward-looking statements.

The forward-looking statements are necessarily based on various assumptions and estimates that are inherently subject to numerous risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Any financial projections set forth in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to the prospective financial information. The Aviation Board's independent auditors have not compiled, examined, or performed any procedures with respect to the prospective financial information contained in this Official Statement, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The Aviation Board's independent auditors have not been consulted in connection with the preparation of any financial projections contained in this Official Statement and the Aviation Board's independent auditors assume no responsibility for its content.

Alternative Transportation Modes and Future Parking Demand

One significant category of non-airline revenue at the Airport is from ground transportation activity, including use of on-Airport parking garages; pick-up fees paid by transportation network companies ("*TNCs*"), such as Uber Technologies Inc. and Lyft, Inc.; fees paid by shuttle and limousine concessionaires; access fees charged to off-airport parking operators; and rental car transactions by Airport passengers.

New technologies (such as autonomous vehicles and connected vehicles) and innovative business strategies in established markets such as commercial ground transportation and car rental may continue to occur and may result in further changes in Airport passengers' choice of ground transportation mode.

While the Aviation Board makes every effort to anticipate demand shifts, there may be times when the Aviation Board's expectations differ from actual outcomes. In such event, revenues from one or more ground transportation modes may be lower than expected. The Aviation Board cannot predict with certainty what impact these innovations in ground transportation will have over time on revenues from parking, other ground transportation services or rental cars. The Aviation Board also cannot predict with certainty whether or to what extent it will collect non-airline revenues in connection with such technologies or innovative business strategies.

Assumptions in the Airport Consultant's Report

As noted in the Aviation Consultant's Report, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may and are likely to occur. Therefore, the actual results achieved during the forecast period will vary, and the variations may be material. No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular set of facts or circumstances, and prospective purchasers of the Bonds are cautioned not to place undue reliance upon the forecast in the Report of the Aviation Consultant or upon any other forecasts or projections or requirements for forecasts or projections. If actual results are less favorable than the results forecast or projected or if the assumptions used in preparing such forecasts or projections prove to be incorrect, the Aviation Board's ability to make timely payment of the principal of and interest on all of its obligations, including the Series 2019 Bonds, may be materially and adversely impaired. See "**APPENDIX C – Report of the Airport Consultant**" in this document.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Series 2019 Bonds should consult their own tax advisors regarding the foregoing matters.

LEGAL MATTERS

The Series 2019 Bonds are offered when, as and if issued, subject to approval of legality by Foley & Judell, L.L.P., New Orleans, Louisiana and Auzenne & Associates, L.L.C., New Orleans, Louisiana, as Co-Bond Counsel. Certain legal matters will be passed upon by Butler Snow LLP and Golden Holley James LLP as Co-Counsel to the Underwriters (hereinafter defined). Certain legal matters will be passed upon by the Aviation Board's Chief Legal Counsel and Deputy Director of Aviation-Legal Affairs, Michele D. Allen-Hart, Esq.

No litigation has been filed questioning the validity of the Bonds or the security thereof and a certificate to that effect will be delivered by the Issuer to the Underwriters upon the issuance of the Series 2019 Bonds.

The approving opinion of Co-Bond Counsel is limited to the matters set forth therein, and Co-Bond Counsel is not passing upon the accuracy or completeness of this Official Statement. Co-Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Co-Bond Counsel as of the date thereof. Co-Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Co-Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Co-Bond Counsel's opinion is not a guarantee of a particular result and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Co-Bond Counsel's professional judgment based on its review of existing law and in reliance on the representations and covenants that it deems relevant to such opinion.

A manually executed original of such opinion will be delivered to the Underwriters on the date of payment for and delivery of the Series 2019 Bonds. The proposed form of said legal opinion appears in **APPENDIX D** to this Official Statement.

TAX EXEMPTION

The following is a summary of certain United States of America federal income tax consequences of the ownership of the Series 2019 Bonds as of the date hereof. Each prospective investor should consult with such investor's own tax advisor regarding the application of United States of America federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

This summary is based on the Code, as well as Treasury regulations and administrative and judicial rulings and practice. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary is intended as a general explanatory discussion of the consequences of holding the Bonds, generally, and does not purport to furnish information in the level of detail or with the investor's specific tax circumstances that would be provided by an investor's own tax advisor. For example, it generally is addressed only to original purchasers of the Bonds that are "U.S. holders" (as defined below), deals only with Bonds held as capital assets within the meaning of Section 1221 of the Code and does not address tax consequences to holders that may be relevant to investors subject to special rules, such as individuals, trusts, estates, tax-exempt investors, foreign investors, cash method taxpayers, dealers in securities, currencies or commodities, banks, thrifts, insurance companies, electing large partnerships, mutual funds, regulated investment companies, real estate investment trusts, FASITs, S-corporations, persons that hold Bonds as part of a straddle, hedge, integrated or conversion transaction, and persons whose "functional currency" is not the U.S. dollar. In addition, except as described below, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a holder of Bonds.

As used herein, a "U.S. holder" is a "U.S. person" that is a Beneficial Owner of a Bond. A "non-U.S. investor" is a holder (or beneficial owner) of a Bond that is not a U.S. person. For these purposes, a "U.S. person" is a citizen or resident of the United States of America, a corporation or partnership created or organized in or under the laws of the United States of America or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury regulations), an estate, the income of which is subject to United States of America federal income taxation regardless of its source, or a trust if (i) a United States of America court is able to exercise primary supervision over the trust's administration and (ii) one or more United States of America persons have the authority to control all of the trust's substantial decisions.

In the opinion of Foley & Judell, L.L.P., New Orleans, Louisiana and Auzenne & Associates, L.L.C., New Orleans, Louisiana, as Co-Bond Counsel, under existing law and assuming continuing compliance with covenants of the Issuer designed to meet the applicable requirements of the Code, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax.

General

The Code imposes a number of other requirements that must be satisfied in order for interest on state and local obligations, such as the Series 2019 Bonds, to be excluded from gross income for federal income tax purposes. The Aviation Board has covenanted in the Indenture to comply with these requirements in order to maintain the exclusion from gross income of interest on the Series 2019 Bonds for purposes of federal income taxation. Co-Bond Counsel's opinion will assume continuing compliance with those covenants set forth in the Indenture pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Series 2019 Bonds for federal income tax purposes and, in addition, will rely on representations by the Aviation Board with respect to matters solely within their knowledge which Co-Bond Counsel has not independently verified. If the Aviation Board should fail to comply with the covenants in the Indenture or the Agreement, as the case may be, or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Series 2019 Bonds could become included in gross income for federal income tax purposes retroactive to the date of delivery of the Series 2019 Bonds regardless of the date on which the event causing such incurability occurs.

Although Co-Bond Counsel has rendered an opinion that interest on the Series 2019 Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Series 2019 Bonds may otherwise affect the federal income tax liability of the recipient. The extent of those other tax consequences will depend on the recipient's particular tax status or other items of income or deduction. Owners of the Series 2019 Bonds should be aware that the ownership of tax-exempt obligations, such as the Series 2019 Bonds may result in depend on the recipient's particular tax status or other items of income or deduction. Owners of the Series 2019 Bonds should be aware that the ownership of tax-exempt obligations, such as the Series 2019 Bonds may result in collateral federal income tax consequences to certain taxpayers. Furthermore, future law and/or regulations enacted by federal, state, or local authorities may affect certain owners of the Series 2019 Bonds.

Except as stated above, Co-Bond Counsel will express no opinion as to any federal, state, or local tax consequences resulting from the ownership of, receipt of interest on or disposition of the Series 2019 Bonds.

Prospective purchasers of the Bonds are advised to consult their own tax advisors prior to any purchase of the Series 2019 Bonds as to the impact of the federal, state and local consequences of acquiring, holding or disposing of the Series 2019 Bonds.

Qualified Gulf Opportunity Zone Bonds

IRS Notice 2019-39 applies to any current refunding issue that is used (directly or indirectly in a series of current refunding issues) to refund Qualified Gulf Opportunity Zone Bonds under §1400N of the GO Zone Act ("*GO Zone Bonds*") of the Code referred to as "Qualified Bonds".

The Series 2010A GO Zone Bonds are original Qualified Bonds that were issued before the deadline for the issuance of such bonds under §1400N(a)(2)(D) for GO Zone Bonds. The Bonds are designated and issued as "Qualified Gulf Opportunity Zone Bonds" in accordance with IRS Notice 2019-39 and satisfy the following requirements:

- The "issue price" of the Bonds is no greater than the outstanding stated principal amount of the Series 2010A GO Zone Bonds; however, since the Series 2010A GO Zone Bonds were originally issued with more than a de minimis amount of original issue premium, the present value of the Series 2010A GO Zone Bonds is used in lieu of the outstanding stated principal amount to determine the maximum issue price of the Bonds.

- The Bonds otherwise meet all applicable requirements for the issuance of tax-exempt private activity bonds as Qualified Bonds, including without limitation, the requirement that the average maturity of the Bonds are no longer than 120 percent of the average reasonably expected economic life of the Consolidated Facility refinanced with the net proceeds of the Bonds.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein. In addition, such legislation (whether currently proposed, proposed in the future or enacted) could affect the market value or marketability of the Bonds. For example, negotiations between the Executive and Legislative Branches of the United States government regarding the federal budget may result in the enactment of tax legislation that could significantly reduce the benefit of, or otherwise affect, the exclusion of gross income for federal income tax of interest on all state and local obligations, including the Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Prospective purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

The opinions expressed by Co-Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Co-Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed federal or state tax legislation, regulations or litigation.

THE FOREGOING DISCUSSION OF CERTAIN FEDERAL AND STATE INCOME TAX CONSEQUENCES IS PROVIDED FOR GENERAL INFORMATION ONLY. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES TO THEM IN LIGHT OF THEIR OWN PARTICULAR INCOME TAX POSITION, OF ACQUIRING, HOLDING OR DISPOSING OF THE BONDS.

Tax Treatment of Premium

All of the Series 2019 Bonds (collectively the "*Premium Bonds*") are offered and sold to the public at a premium. The premium is the excess of the issue price over the stated redemption price at maturity and must be amortized on an actuarial basis by the owner of the Premium Bonds from the date of acquisition of the Premium Bonds through the maturity date thereof. The premium is not deductible for federal income tax purposes, and owners of the Premium Bonds sold at a premium are required to reduce their basis in such Premium Bonds by the amount of premium that accrued while they owned such Premium Bonds. Owners of the Premium Bonds should consult their own tax advisors as to the federal income tax purposes of the amount of premium purposes of determining the taxable gain or loss upon the sale or other disposition of the Premium Bonds (prior to maturity and at maturity), and all other federal tax consequences and any state and local tax aspects of owning the Premium Bonds.

Qualified Tax-Exempt Obligations for Financial Institutions

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution," on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible by such taxpayer in determining taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer which is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds," which are designated by an Aviation Board as "qualified tax-exempt obligations." Section 265(b)(5) of the Code defines the term "financial institution" as referring to any corporation described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business which is subject to federal or state supervision as a financial institution.

The Series 2019 Bonds will not be designated by the Aviation Board as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code.

Louisiana Taxes

In the opinion of Co-Bond Counsel, interest on the Series 2019 Bonds is exempt from all taxation for state, parish, municipal, or other purposes in the State of Louisiana.

No Other Opinions

Except as stated above, Co-Bond Counsel will express no opinion as to any federal, state, or local tax consequences resulting from the ownership of, receipt of, interest on or disposition of the Series 2019 Bonds.

AUDITED FINANCIAL STATEMENTS

The financial statements of the Airport for fiscal years ended December 31, 2018, included as **APPENDIX F** to this Official Statement, have been audited respectively by Postlethwaite & Netterville, APAC, of New Orleans, Louisiana to the extent and for the periods indicated in the report. It should be noted that such financial statements are prepared in accordance with generally accepted accounting principles which may not be consistent with the methods used in accounting for Revenues under the Indenture.

The Airport's independent auditors have not complied, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

BOND RATINGS

S&P Global Ratings, Moody's Investors Service, Inc. and Fitch Ratings, Inc. have assigned their long-term ratings of "A" (Stable Outlook), "A2" (Stable Outlook), and "A" (Stable Outlook), respectively, to the Series 2019 Bonds. Such ratings reflect only the views of such organizations and are not a recommendation to buy, sell or hold the Series 2019 Bonds. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following corporate addresses:

S&P Global Ratings
55 Water Street
New York, New York 10041
Telephone: (212) 438-2076

Moody's Investors Service, Inc.
7 World Trade Center at 250 Greenwich Street
New York, New York 10007
Telephone: (212) 553-0300

Fitch Ratings, Inc.
One State Street Plaza
New York, New York 10004
Telephone: (212) 908-0500

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such ratings agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2019 Bonds.

VERIFICATION OF COMPUTATIONS

Concurrently with the delivery of the Series 2019 Bonds, the Aviation Board will obtain a verification report from Terminus Analytics, LLC that the funds required to be irrevocably deposited in trust in the Escrow Fund are sufficient for the payment of the principal, premium, if any, and interest on the Series 2010A GO Zone Bonds on the redemption date of January 1, 2020.

UNDERWRITING

Citigroup Global Markets Inc., as Senior Managing Underwriter, and Backstrom McCarley Berry & Co., L.L.C., BofA Securities, Inc., Raymond James & Associates, Inc., and Siebert Williams Shank & Co., LLC, as Co-Managers (collectively, the "*Underwriters*") have agreed to purchase the Series 2019 Bonds from the Aviation Board at an aggregate purchase price of $27,939,059.12 (consisting of the $23,800,000.00 face amount of the Series 2019 Bonds, plus original issue premium of $4,246,848.55, less $107,789.43 underwriting discount). The Bond Purchase Agreement (the "*Purchase Agreement*") between the Underwriters and the Aviation Board provides that the Underwriters will purchase all of the Series 2019 Bonds if any are purchased. The obligation of the Underwriters to accept delivery of the Series 2019 Bonds is subject to various conditions contained in the Purchase Agreement.

The Underwriters intend to offer the Series 2019 Bonds to the public at the initial offering prices set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2019 Bonds to the public. The Underwriters may offer and sell the Series 2019 Bonds to certain dealers at prices lower than the public offering price. In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market price of the Series 2019 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Citigroup Global Markets Inc. ("*CGMI*"), an underwriter of the Series 2019 Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "*Fidelity*") for the distribution to retail investors of certain municipal securities offerings. CGMI will share a portion of its underwriting compensation with Fidelity with respect to any Series 2019 Bonds that are allocated to retail orders submitted by it. Any such sharing will not affect the aggregate underwriting compensation set forth or CGMI's share of such compensation.

Backstrom McCarkley Berry & Co., L.L.C. ("*BMcB*") has entered into separate non-exclusive Distribution Agreements with 280 Securities and Rockfleet Financial, ("*Firm*") to augment both our institutional and retail marketing capabilities for the distribution of certain new issue municipal securities underwritten by or allocated to BMcB, which includes the captioned Bonds. Pursuant to our distribution agreements, the Firm may purchase Bonds from BMcB at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells, or BMcB may share with the Firms a portion of the fees or commission paid to BMcB applicable to their disclosed transactions.

BofA Securities, Inc. has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("*MLPF&S*"). As part of this arrangement, BofA Securities, Inc. may distribute Series 2019 Bonds to MLPF&S, which may in turn distribute such Series 2019 Bonds to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2019 Bonds.

Siebert Williams Shank & Co., LLC (formerly known as Siebert Brandford Shank & Co., L.L.C.) has entered into a separate agreement with Muriel Siebert & Co. for retail distribution of certain securities offerings, at the original issue prices. Pursuant to this distribution agreement, if applicable to the Series 2019 Bonds, Muriel Siebert & Co. will purchase Series 2019 Bonds at the original issue price less the selling concession with respect to any Series 2019 Bonds that such entity sells. Siebert Williams Shank & Co., LLC will share a portion of its underwriting compensation with Muriel Siebert & Co.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Aviation Board for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (other related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Aviation Board.

CONTINUING DISCLOSURE

The Aviation Board will, pursuant to a Continuing Disclosure Certificate to be dated the date of delivery of the Series 2019 Bonds (the "*Continuing Disclosure Certificate*"), covenant for the benefit of the Series 2019 Bond owners to provide (i) certain financial information and operating data relating to the Aviation Board in each year no later than eight (8) months from the end of the Aviation Board's fiscal year, with the first such report due not later than August 31, 2020 (the "*Annual Report*"), and (ii) notices of the occurrence of certain enumerated events, called "Listed Events," in the future that may affect the Aviation Board or the Series 2019 Bonds. The Annual Reports and any notices of Listed Events required pursuant to the Continuing Disclosure Certificate will be filed with the MSRB through the Electronic Municipal Market Access website ("*EMMA*"). For the specific nature of the information to be contained in the Annual Report or the potential Listed Events, see "**APPENDIX G - Form of Continuing Disclosure Certificate**" attached hereto. The Aviation Board is entering into the Continuing Disclosure Certificate in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5) (the "*Rule*"). The Aviation Board has not undertaken to provide all information investors may desire to have in making decisions to hold, sell or buy the Series 2019 Bonds and has no obligation to provide any information subsequent to the delivery of the Series 2019 Bonds except as provided in the Continuing Disclosure Certificate.

The Aviation Board has entered into undertakings (the "*Prior Undertakings*") with respect to Bonds previously issued under its three separate Indentures. Without a determination of materiality, the Aviation Board notes that in the last five years (i) two required quarterly reports for fiscal year 2017 were filed one and two days late, respectively, and no failure to file notices were filed with respect thereto, and (ii) the Aviation Board failed to file a timely event notice with respect to a rating upgrade it received on April 1, 2011 regarding its Series 2009 GARB Bonds from BBB+ to A-; however, an event filing was posted on February 19, 2015 to EMMA on the upgrade.

The Aviation Board has established procedures to ensure proper filing of the reports and notices required by the Continuing Disclosure Certificate and its Prior Undertakings with the MSRB in the future. Furthermore, Act 463 of the 2014 Regular Session of the Louisiana Legislature, effective August 1, 2014, provides additional procedures designed to ensure compliance with the Continuing Disclosure Certificate by (i) requiring public entities, such as the Aviation Board, to keep certain records demonstrating compliance with the Continuing Disclosure Certificate, and (ii) mandating the Aviation Board's auditor, as part of the preparation of the Aviation Board's annual financial audit, review the Aviation Board's compliance with its continuing disclosure undertakings and record keeping requirements.

FINANCIAL ADVISOR

Frasca & Associates, LLC ("*Municipal Advisor*") serves as independent registered municipal advisor to the Aviation Board on matters relating to debt management. The Hackett Group serve as subcontractors to the Municipal Advisor. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Series 2019 Bonds and has reviewed and commented on certain legal documentation, including the Official Statement. The advice on the plan of financing and the structuring of the Series 2019 Bonds was based on materials provided by the Aviation Board and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Aviation Board or the information set forth in this Official Statement or any other information available to the Aviation Board with respect to the appropriateness, accuracy or completeness of disclosure of such information or other information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information contained in this Official Statement.

MISCELLANEOUS

The references, excerpts, and summaries of all documents referenced herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2019 Bonds, the security for the payment of the Series 2019 Bonds, and the rights and obligations of the holders thereof. Copies of the documents referred to herein are available for inspection at the office of the Aviation Board. Any statements made in this Official Statement involving matters of opinion, forecasts, or estimates, where or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the opinions, forecasts or estimates will be realized.

This Official Statement has been deemed to be final by the Aviation Board as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the permitted omissions under said Rule.

This Official Statement has been duly authorized by the Aviation Board and duly executed and delivered on its behalf by the official signing below.

NEW ORLEANS AVIATION BOARD

By: /s/ Michael G. Bagneris
Hon. Michael G. Bagneris, Chairman

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APPENDIX A

MASTER DEFINITION LIST

I. GENERAL INDENTURE

"**Act**" shall mean collectively Article VI, Section 37 of the Louisiana Constitution of 1974, as amended, Part XIV of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, in particular Section 1034(D) and (F) thereof, together with other constitutional and statutory authority supplemental thereto, including without limitation La.R.S. 39:1430 and the provisions of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

"**Additional Bonds**" shall mean Bonds of the Board issued pursuant to Section 205 of the General Indenture.

"**Additional Security**" shall have the meaning set forth in Section 209 of the General Indenture and as may be provided through a Supplemental Indenture.

"**Airport**" means the Louis Armstrong New Orleans International Airport (formerly called Moisant Field) owned by the City and operated, administered and maintained by the Board as it presently exists, including all lands, buildings, hangars, runways, shops or other aviation facilities, or other facilities related or appurtenant thereto, and any additions, extensions or improvements to said Airport hereafter made or acquired. The said term "Airport" shall not include Special Facilities as defined herein whether financed with the proceeds of "Special Facility Bonds" or not or pursuant to a "Special Facility Lease," as such terms are defined herein.

"**Airport Facility**" shall mean any portion or component of the Airport System, other than a Special Facility.

"**Airport Facilities**" shall mean collectively all and each of the portions and components of the Airport System other than a Special Facility.

"**Airport Operating Account**" shall mean the account of the Airport Operating Fund described in the General Indenture.

"**Airport Operating Fund**" shall mean the fund described in the General Indenture.

"**Airport System**" shall mean all airport and aviation facilities, or any interest therein, now or from time to time hereafter owned by the City and/or operated or controlled in whole or in part by the Board, together with all properties, facilities and services thereof, and all additions, extensions, replacements and improvements thereto, and all services provided or to be provided by the Board in connection therewith except any Special Facility. The Airport System shall include the Airport and the downtown heliport.

"**Applicable Series Resolution**" shall mean the resolution of the governing authority of the Board authorizing the issuance of a particular Series of Bonds, adopting the form of the Supplemental Indenture pursuant to which such series of Bonds shall be issued and authorizing the execution of such Supplemental Indenture.

"**Applicable Supplemental Indenture**" shall mean, with respect to any Series of Bonds, the Supplemental Indenture authorizing the issuance of such Series of Bonds.

"**Arbitrage Rebate Fund**" shall mean the Fund described in the General Indenture.

"**Architect**" means any registered architect or firm of architects entitled to practice and practicing as such under the laws of the State, and retained by the Board for the purpose of designing and supervising the construction, reconstruction, renovating or repair of properties comprising the Airport System.

"**Authorized Newspapers**" shall mean not less than two newspapers or financial journals of general circulation (or substantial circulation in the financial community), one in the City of New Orleans, Louisiana, and one in the Borough of Manhattan, City and State of New York, each customarily published at least once a day for at least five days (other than legal holidays) in each calendar week and printed in the English language.

"**Authorized Officer**" or "**Authorized Board Representative**" shall mean the Chairman of the Aviation Board of Commissioners of the Aviation Board, the Director of Aviation or any other officer, official, employee, agent or other person authorized by resolution of the Aviation Board or the City, respectively, to act on behalf of said entity for any purpose of this General Indenture.

"**Aviation Consultant**" means any nationally recognized consultant or firm of consultants employed by the Aviation Board in accordance with the provisions of Section 606 of the General Indenture.

"**Bond Counsel**" shall mean any law firm nationally recognized as having experience with the issuance of tax-exempt debt by or on behalf of operators of airports served by scheduled commercial air carriers.

"**Board**" shall mean the New Orleans Aviation Board, an agency of the City created and established pursuant to Article V, Chapter 6, Section 5-602 of the Charter and as further recognized in Chapter 2 of Title 2 of the Louisiana Revised Statutes of 1950, as amended, or the successor thereto.

"**Bonds**" shall mean any of the New Orleans Aviation Board Revenue Bonds authenticated and delivered under the General Indenture as Secured Obligations, including without limitation the Initial Bonds, all Additional Bonds, Reimbursement Obligations arising with respect to items of Additional Secured constituting Secured Obligations as provided in the General Indenture but shall not include Subordinated Bonds or any other Subordinated Obligations(s).

"**Bondowner**," "**Owner**" or "**Registered Owner**" when used with reference to Bonds shall mean the registered owner of the Bonds from time to time as shown on the register for a particular Series of Bonds held by the Paying Agent for such Series of Bonds.

"**Bond Debt Service Requirement**" shall mean, for any period of calculation, the aggregate of the Debt Service Fund Requirement on all Bonds Outstanding during such period (not including principal due as a result of acceleration, optional redemption or as a result of purchase upon tender of any Tender Bonds).

"**Bond Year**" shall mean a 12 month period commencing with January 2, 2009, and each January 2 thereafter while any Bonds are Outstanding and ending on January 1 of the Next succeeding year provided that the first and last Bond Year for any Series of Bonds may be a longer of shorter period as required under the circumstances.

"**Business Day**" shall mean herein a day of the year on which banks located in the cities in which the Principal Offices of the Board, the Trustee, the Paying Agent, the Providers and the Remarketing Agent are located, are not required or authorized to remain closed and on which The New York Stock Exchange is not closed.

"**Capitalized Interest Account**" shall mean the account by that name described in the General Indenture.

"**Capital Improvement**" shall mean any improvement to the Airport System or related facilities the cost of which would be properly chargeable to the capital account of the Board.

"**Capital Improvement Fund**" shall mean the fund described in the General Indenture.

"**CFC**" shall mean the per transaction or per diem customer facility charge expressed in dollars or as a percentage of gross rentals imposed by the Board through ordinance or resolution or resulting from agreement upon either (i) the lessors or (ii) the lessees of rental cars to be collected by those persons and entities engaging in the business of leasing cars to the public using the Airport whether located on the Airport or operating from an off Airport site to be remitted to the Board, its designee or assignee.

"**Charter**" shall mean the Home Rule Charter of the City adopted on May 1, 1954, as amended from time to time, and any home rule charter for the City replacing it.

"**City**" shall mean the City of New Orleans, Louisiana.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder.

"**Commercial Airlines Lease**" shall mean any Commercial Airlines Leases, Airline Use And Lease Agreement, or similar agreement providing for the use of the facilities and services of the Airport System made and entered into by and between the City of New Orleans, Louisiana (acting by and through the Board) and the commercial airlines operating at, from and out of the Airport, and in the event there is at any time no such lease then in existence, shall include the resolution or other proceedings adopted by the Board prescribing the effective rates and charges for the services, commodities and facilities of the Airport System.

"**Compound Interest Bonds**" shall have the meaning given such term in the General Indenture.

"**Cost**" as applied to any Capital Improvement, shall mean all or any part of the cost, paid by or on behalf of or reimbursable by or to the Board, of construction, acquisition, alteration, reconstruction and remodeling of such Capital Improvement, all lands, real and personal property, rights of way, water rights, air rights, franchises, easements and interests necessary or convenient therefor, the cost of any demolitions or relocations necessary in connection therewith, financing charges, interest prior to, during and for such period as the Board shall determine after the period of construction of such Capital Improvement on Bonds and bond anticipation notes or other obligations issued in whole or in part to finance such construction, architectural, engineering, financial and legal services, plans, specifications, appraisals, surveys, inspections, estimates of costs and revenues, and other expenses necessary or incident to determining the feasibility or practicality of such work, organizational, administrative, operating and other expenses prior to the commencement of and during such work, advance training of operating personnel and other expenses, including initial working capital, of completing such work and placing the same in operation, and any other item of "Cost" attributable to the construction, acquisition, alteration, reconstruction and remodeling of such Capital Improvement and placing the same in operation.

"**Cost of Issuance**" shall mean all items of expense directly or indirectly payable or reimbursable by or to the Board and related to the authorization, sale and issuance of Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Fiduciaries, legal fees and charges, underwriter's fees or other compensation, fees and disbursements of consultants and professionals, costs and expenses of refunding, accrued interest payable upon the initial investment of the proceeds of Bonds, premiums for the insurance of the payment of Bonds, fees, expenses and termination fees or costs incurred in connection with Swaps, fees and expenses payable in connection with any Additional Security or Reserve Asset, fees and expenses payable in connection with any remarketing agreements or interest rate indexing agreements and any other cost, charge or fee in connection with the original issuance of Bonds.

"**Costs of Issuance Account**" shall mean the account of the Proceeds Fund described in the General Indenture.

"**Counsel's Opinion**" shall mean an opinion signed by an attorney or firm of attorneys selected by the Board, the City or the Trustee respectively.

"**Debt Service Fund**" shall mean the fund so designated and created by the General Indenture.

"**Debt Service Fund Requirement**" shall mean, as of any particular date of computation, the amount of money obtained by aggregating the several sums, computed with respect to the Bonds of each Series outstanding, of (i) any unpaid interest due on such Bonds at or before said date and an amount equal to the product realized by multiplying the next succeeding installment of interest on such Bonds by a fraction the numerator of which is the number of months or portion of months which have elapsed since the next preceding date to which interest has been paid or, if there be no such date, the date of issuance of such Bonds and the denominator of which is the number of months between the next preceding date to which interest has been paid or, if there has been no such date, the date of issuance of such Bonds and the next succeeding interest payment date and with regard to Variable Rate Bonds if at the time of any such calculation the rate of interest for such period is not known, at the rate for the Pro Forma Bond Issue, (ii) the principal amount of any such Bonds matured and unpaid at or before said date, (iii) with respect to any Principal Installment of any Bonds not included in (iv) above, but payable on the next succeeding Principal Installment payment date other than by reason of acceleration or redemption at the option of the Board or the Registered Owner of any Bonds, an amount equal to the product realized by multiplying the next succeeding Principal Installment due on such Bonds by a fraction the numerator of which is the number of months or portion of months which have elapsed since the next preceding Principal Installment payment date on which principal was paid or if there be no such date with respect to such Bonds, the date twelve months prior to the first Principal Installment payment date, or, if later, the date of issuance of such Bonds, unless some other date is provided for in the Applicable Supplemental Indenture, and the denominator of which is the number of months between the next preceding Principal Installment payment date on which principal was paid or, if there has been no such date, the later of the date twelve months prior to the first Principal Installment payment date or the date of issuance of the Bonds, and the next succeeding Principal Installment payment date and (iv) any unpaid sum due by the Board in regard to any Swap at or before such date and an amount equal to the product realized by multiplying the next succeeding payment payable by the Board with respect to such Swap by a fraction the numerator of which is the number of months or portions of months which have elapsed since the next preceding date on which a payment was scheduled to be made by or to the Board with regard to such Swap or, if there has been no such date, the date of commencement of payment obligations under such Swap and the denominator of which is the number of months between the next preceding date on which the Board was scheduled to make or receive a payment regarding such Swap or, if there has been no such date, the date of commencement of payment obligations under such Swap and the next succeeding date on which the Board will be scheduled to make or receive a payment regarding said Swap, LESS an amount equal to the product realized by multiplying the next succeeding payment due to be made by the Swap Party to the Board by a fraction the numerator of which is the number of months or portions of months which have elapsed since the next preceding date on which a payment was scheduled to be made by or to the Swap Party or, if there has been no such date, the date of commencement of payment obligations under such Swap and the denominator of which is the number of months between the next preceding date on which the Swap Party was scheduled to make or receive a payment regarding such Swap or, if there has been no such date, the date of commencement of payment obligations under such Swap and the next succeeding date on which the Swap Party will be scheduled to make or receive a payment regarding such Swap. Any Non-issuance Swap Term-out Payment shall be included in the calculation of Debt-Service Fund Requirement only to the extent provided within and in accordance with the provisions of the Swap with respect to which such Non-issuance Swap Term-out Payment is due. If any payment due pursuant to a Swap is a variable amount to be determined in accordance with any index or other method for the purposes of calculating such amount unless otherwise provided in the Supplemental Indenture or resolution authorizing such Swap, such payment, if unknown, shall be assumed to be equal in amount to the last such variable payment made pursuant to such Swap or due pursuant to such Swap or, if no such payment has yet been made or due, shall be assumed to be equal in amount to the payment that would have been required during the immediately preceding appropriate period of time.

"**Debt Service Reserve Fund**" or "**Reserve Fund**" shall mean the fund so designated and created by the General Indenture.

"**Debt Service Reserve Fund Requirement**," "**Reserve Fund Requirement**" or "**Reserve Requirement**" shall mean, with respect to Reserve Bonds (there being no Reserve Fund Requirement for Bonds, Dual Bonds, Additional Bonds or Subordinated Bonds which have not been designated by the Board as Reserve Bonds), as of any particular date of computation, the amount specified in the Supplemental Indenture providing for any Series of Reserve Bonds; PROVIDED HOWEVER with respect to any Series of Tax-Exempt Reserve Bonds, the Debt Service Reserve Fund Requirement shall not exceed the maximum amount permitted under the Code and the regulations promulgated thereunder as a reasonable required reserve fund.

"**Defeasance Obligations**" shall mean:

A. Cash
B. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series — "SLGS").
C. Direct obligations of the Treasury which have been stripped by the Treasury itself.

D. Resolution Funding Corp. (REFCORP) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

E. Pre-refunded municipal bonds rated “Aaa” by Moody's and “AAA” by Standard & Poor's. If however, the issue is only rated by Standard & Poor's (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

F. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

1. U.S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership

2. Farmers Home Administration (FmHA)
   Certificates of beneficial ownership

3. General Services Administration
   Participation certificates

4. U.S. Maritime Administration
   Guaranteed Title XI financing

5. U.S. Department of Housing and Urban Development (HUD)
   Local Authority Bonds

“**Depository**” or “**Depository Banks**” means any bank or banks located in the City and designated as a City depository or City depositories under the Charter of the City and into which the monies of the treasury of the Board are deposited constituting Revenues of the Airport System.

“**Director of Finance**” or “**Director of Finance of the City**” means the single executive heading the Department of Finance pursuant to the Charter.

“**Discount Bonds**” shall have the meaning given such term in the General Indenture.

“**Event of Default**” shall mean any event specified in Section 701 of the General Indenture.

“**FAA**” shall mean the Federal Aviation Administration.

“**FAA Grant**” shall mean a grant in aid by the FAA to the Board for the benefit of the Airport.

“**Favorable Tax Opinion**” shall mean an opinion of Bond Counsel acceptable to the Board and the Trustee to the effect that any proposed action or inaction will not adversely affect the exclusion of the interest on any Tax-Exempt Bonds from gross income for federal income tax purposes.

“**Fiduciary**” shall mean any Trustee or any Paying Agent

“**Fiscal Year**” shall mean the period beginning on January 1 of any calendar year and ending on December 31 of such calendar year or such other period of twelve calendar months as may be authorized by the Board.

“**Fitch**” shall mean the credit rating agency known by such name which is a wholly owned subsidiary of Fimalac, S. A. and any credit rating agency which is a successor thereto.

“**Funded Debt Service Reserve Fund Requirement**” shall mean, as of any particular date of computation, an amount equal to the Debt Service Reserve Fund Requirement less the stated and unpaid amounts of all Reserve Asset relating to Bonds.

“**Funds and Accounts**” shall mean the funds and accounts created by the General Indenture or any Supplemental Indenture.

“**General Airport Revenues**” shall mean the Revenues derived from the operation of the Airport System not including the items which are initially excluded from such definition (as defined herein below) such excluded items being Passenger Facility Charge (PFC) revenues excluded by item (iii) of the exclusions from such definition, Customer Facility Charge (CFC) revenues excluded by item (v) of the exclusions from such definition, and Special Facility Revenues.

“**General Indenture**” shall mean the General Revenue Bond Trust Indenture by and among the Board, the City and the Trustee dated as of February 1, 2009 as supplemented and amended from time to time.

“**General Purposes Account**” shall mean that account of the Airport Operating Fund created pursuant to the General Indenture.

“**General Purposes Account Requirement**” shall mean as of any particular date of computation with respect to the Bonds an amount to be specified, if any, in the Commercial Airlines Leases, if any.

“**Grant Receipt Fund**” shall mean the fund described the General Indenture.

“**hereunder,**” “**hereby**,” “**hereof**,” and any similar terms refer to the General Indenture as a whole; the term “**heretofore**” shall mean before the effective date of the General Indenture; and the term "**hereafter**" shall mean after the effective date of the General Indenture.

“**Interest**” with respect to any Bond, shall mean the stated interest payment thereon or such other amount payable on any Compound Interest Bond or Discount Bond designated as interest pursuant to an Applicable Supplemental Indenture.

“**Interest Payment Date**” shall mean the dates for the payment on interest on any Bonds as provided in the applicable Supplemental Indenture.

“**Major Portion**” shall mean, for purposes of Section 603 (6) of the General Indenture, any Airport Facilities or portions thereof which, if the governance or ownership of such facilities had been voluntarily transferred, sold or disposed of by the City and/or the Board or taken by eminent domain proceedings at the beginning of an annual period which includes the month of commencement of the 12-month period ending on the day of such disposition or taking would have resulted in a reduction in Net Revenues for such annual period of more than 50% when the actual Net Revenues for such annual period are decreased by the Revenues directly attributable to such Airport Facilities and increased by the expenses of the Board directly attributable to such Airport Facilities. The Board shall notify each Rating Agency which then maintains a rating on any of the Bonds, prior to voluntarily transferring the governance, selling or disposing of a Major Portion of any Airport Facilities or portions thereof and upon its becoming aware of any proposed or actual eminent domain proceedings.

“**Maximum Annual Debt Service**” shall mean as of any computation date the maximum Bond Debt Service Requirement payable in the current or any future Bond Year.

“**Maximum Rate**” shall have the meaning set forth in the General Indenture.

“**Mayor**” shall mean the Mayor or Chief Executive Officer of the City.

“**Moody’s**” shall mean Moody's Investors Service and any credit rating agency which is a successor thereto.

“**Net PFC Revenues**” shall mean all passenger facility charges collected from passengers for the use of the Airport pursuant to 14 Code of Federal Regulations Part 158 and approved by the FAA in the Approval and all Future Approvals after deducting all collection compensation due to the Carriers or other entities pursuant to Section

158.53 of 14 Code of Federal Regulations Part 158 including such amounts authorized in Future Approvals, including any interest earned thereon after receipt by the Board.

"**Net Revenues**" means all revenues from the use and operation of the Airport System as described in the definition of Revenues contained herein, after they have been deducted from the Operation and Maintenance Expenses of the Airport System.

"**NOAB Wire Account**" shall mean the account of the Board acknowledged and referred to in the General Indenture.

"**Non-Borrowed Capital Budget**" shall mean the amount of Revenues reflected in the budget of the Airport System for any Fiscal Year prepared in accordance with the provisions of Section 606 of the General Indenture to be used to pay Costs of Capital Improvements.

"**Non-issuance Swap Term-out Payment**" shall mean with respect to any particular Swap, the meaning set forth in such Swap.

"**Operation and Maintenance Expenses**" shall mean the current expenses of operation, maintenance, and current repair of the Airport System and other Aviation facilities or the Board, and shall include, without limiting the generality of the foregoing, insurance premiums, salaries and administrative expenses of the Board, labor, the cost of materials and supplies used for current operation, the cost of audits, Aviation Consultant, legal, engineering or architectural services required by the provisions of the General Indenture, fees and other amounts due pursuant to any Credit Facility or Liquidity Facility (other than as to Providers as Owners of Bonds), amounts payable pursuant to final judgments rendered against the Board by a court of proper jurisdiction and venue; and charges for the accumulation of appropriate reserves not annually recurrent but which are sure or may be incurred in accordance with sound accounting practice. There shall be included within the term Operation and Maintenance Expenses for the purpose hereof the amounts required to be paid into the Operation and Maintenance Reserve Fund and the Renewal and Replacement Reserve Fund Required pursuant to items (f) and (g) of Paragraph 2 of Section 505 of the General Indenture. "Operation and Maintenance Expenses" shall not include any allowance for depreciation, renewals or extensions or any charges for the accumulation of reserves for capital replacements, renewals or extensions.

"**Operation and Maintenance Reserve Fund**" means the fund described in Section 509 of the General Indenture.

"**Operation and Maintenance Reserve Fund Requirement**" shall mean, as of any particular date of computation with respect to the Bonds, an amount at least equal to 1/6th of the "Operation and Maintenance Expenses" reflected in the most current calculation of rates and charges as prepared by the Aviation Consultant.

"**Outstanding**," when used with reference to Bonds, shall mean as of a particular date, all Bonds theretofore and thereupon being authenticated and delivered except any Bond cancelled by the Board or a Fiduciary at or before said date, any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to the General Indenture and Bonds deemed to have been paid as provided in the General Indenture, Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in the Indenture or by law and when used with reference to a Swap, shall mean any Swap executed by the Board and a Swap Party which has not terminated.

"**Owner(s)**" shall mean Bondowners.

"**PFC**" shall mean any Passenger Facility Charge collected from persons for the use of the Airport pursuant to 14 C.F.R. § 158.

"**PFC General Indenture**" shall mean that certain PFC General Revenue Bond Trust Indenture among the Board, the City and J.P. Morgan Trust Company, N.A., as trustee, which has been succeeded in function by J.P. Morgan Mellon Trust Company, N.A., dated as of November 1, 2007.

“**Paying Agent**” or “**Paying Agent/Registrar**” shall mean the paying agent appointed in accordance with the General Indenture for any series of Bonds, and its successors which may at any time be substituted in its place pursuant to the General Indenture, any such Fiduciary to be appointed in a Supplemental Indenture.

“**Period of Construction**” shall have the meaning set forth in the General Indenture.

“**Permitted Investments**” shall mean any of the following securities to the extent permitted by applicable law:

(1) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TGRS) or obligations, the principal of and interest on, which are unconditionally guaranteed by the United States of America.

(2) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

a. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

b. Farmers Home Administration (FHA)
Certificates of beneficial ownership

c. Federal Financing Bank

d. Federal Housing Administration Debentures (FHA)

e. General Services Administration
Participation certificates

f. Government National Mortgage Association (GNMA or “Ginnie Mae”)
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations
(not acceptable for certain cash-flow sensitive issues.)

g. U.S. Maritime Administration
Guaranteed Title XI financing

h. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(3) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

a. Federal Home Loan Bank System
Senior debt obligations

b. <u>Federal Home Loan Mortgage Corporation</u> (FHLMC or "Freddie Mac") Participation Certificates
Senior debt obligations

c. <u>Federal National Mortgage Association</u> (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations

d. <u>Student Loan Marketing Association</u> (SLMA or "Sallie Mae")
Senior debt obligations

(4) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by Standard & Poor's of AAAm-G; AAAm; or AAm.

(5) Certificates of deposit secured at all times by collateral described in (1) and/or (2) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(6) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC or FSLIC.

(7) Investment Agreements, including GIC's, acceptable to the applicable Credit Provider.

(8) Commercial paper rated, at the time of purchase, "Prime – 1" by Moody's and "A-1" or better by Standard & Poor's.

(9) Bonds or notes issued by any state or municipality which are rated by Moody's and Standard & Poor's in one of the two highest rating categories assigned by such agencies.

(10) Federal funds or banker's acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime – 1" or "A3" or better by Moody's and "A-1" or "A" or better by Standard & Poor's.

(11) Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Board, the City, or a Fiduciary (buyer/lender) and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Board, the City, or a Fiduciary in exchange for the securities at a specified date. Repurchase Agreements must satisfy the following criteria or be approved by the appropriate Credit Provider.

a. <u>Any Repurchase Agreements must be between the Board, the City or a Fiduciary and a dealer bank or securities firm which are</u>:

(i) Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's and Moody's, or

(ii) Banks rated "A" or above by Standard & Poor's and Moody's.

b. <u>The written Repurchase Agreement contract must include the following</u>:

(i) <u>Securities which are acceptable for transfer are</u>:

(1) Direct U.S. governments, or

(2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

(ii) The term of the Repurchase Agreement may be up to 30 days

(iii) The collateral must be delivered to the Board, the City or a Fiduciary, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

(iv) Valuation of Collateral

(1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest

(a) The value of collateral must be equal to 104% of the amount of cash transferred by the Board, the City, or a Fiduciary to the dealer bank or security firm under the Repurchase Agreement plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

c. Legal opinion which must be delivered to the Board, the City, or a Fiduciary:

(i) The Repurchase Agreement meets guidelines under state law for legal investment of public funds.

"**Principal Amount**" with respect to any Bond, shall mean the stated principal thereon or such other amount payable on any Compound Interest Bond or Discount Bond designated as principal pursuant to an Applicable Supplemental Indenture.

"**Principal Installment**" shall mean, as of any particular date of computation and with respect to Bonds of a particular Series, an amount of money equal to the aggregate of the principal amount of Outstanding Bonds of said Series which mature on a single future date, reduced by the aggregate principal amount of such Outstanding Bonds which would at or before said future date be retired by reason of the payment when due and application in accordance with this General Indenture of Sinking Fund Payments payable at or before said future date for the retirement of such Outstanding Bonds, plus the amount of any Sinking Fund Payment payable at or before said future date for the retirement of any Outstanding Bonds of said Series.

"**Proceeds Fund**" shall mean the fund so denominated described in the General Indenture.

"**Pro Forma Bond Issue**" shall have the meaning given such term in the General Indenture.

"**Pro Forma Rate Agent**" shall have the meaning set forth in the General Indenture.

"**Project**" shall mean the undertaking to be accomplished with the proceeds of any series of Bonds, including without limitation, the acquisition and construction of tangible or intangible items and the refinancing of any debt of the Board or debt of the City relating to the Board or the Airport System.

"**Project Account**" shall mean the account so denominated of the Proceeds Fund described in the General Indenture.

"**Provider(s)**" shall mean any entity providing any item of Additional Security.

"**Purchase Price**" shall mean the total sum due the owners of any Tender Bond tendered for purchase pursuant to the provision of the Applicable Supplemental Indenture.

"**Rates and Rentals**" shall mean, collectively, the rates, fees, rentals or other charges for the services, facilities and commodities of the Airport System as such term is used in Section 604 of the General Indenture and throughout the General Indenture.

"**Rating Agency**" shall mean Fitch Ratings and Standard & Poor's and Moody's or any other nationally recognized credit rating agency which has issued and maintains a rating on any of the Bonds at the request of the Board.

"**Redemption Fund**" shall mean the fund described in the General indenture.

"**Redemption Price**" shall mean, with respect to any Bond, the principal amount thereof plus the premium, if any, payable upon redemption thereof.

"**Released Revenues**" shall mean Revenues in respect of which the Trustee has received the following:

(a) a request of an Authorized Officer describing those Revenues and requesting that those Revenues be excluded from the pledge and lien of the General Indenture on Revenues;

(b) an Aviation Consultant's certificate or report based upon reasonable assumptions, to the effect that Revenues, after the Revenues covered by the Authorized Officer's request are excluded for each of the five full Fiscal Years following the Fiscal Year in which such certificate or report is delivered, will be sufficient to enable the Board to satisfy the coverage covenant set forth in the General Indenture in each of those five Fiscal Years;

(c) a Bond Counsel's opinion to the effect that (i) the conditions set forth in the General Indenture to the release of those Revenues have been met and (ii) the exclusion of those Revenues from the pledge and lien of the Indenture will not, in and of itself, cause the interest on any outstanding Tax-exempt Bonds to be included in gross income from purposes of federal income taxation; and

(d) written confirmation from each of the Rating Agencies to the effect that the exclusion of those Revenues from the pledge and lien of this Indenture will not cause a withdrawal or reduction in any unenhanced rating then assigned to any Bonds or Subordinated Bonds or other Secured Obligations or Subordinated Obligations.

Upon the Trustee's receipt of those documents, the Revenues described in the Authorized Officer's request shall be excluded from the pledge and lien of this Indenture, and the Trustee shall take all reasonable steps requested by the Authorized Officer to evidence or confirm the release of that pledge and lien on the Released Revenues.

"**Reserve Asset(s)**" shall mean an instrument providing for the payment of sums for the payment of principal and interest on any particular Series of Reserve Bonds and the scheduled payment obligations of the Board pursuant to a Swap (but not any Swap termination payments) in the manner provided under the General Indenture in one or more of the following forms:

(1) an irrevocable, unconditional, and unexpired surety bond or letter of credit issued or confirmed by a banking institution, the long term unsecured debt obligations of which are rated on the date of delivery of such instrument within the three highest rating categories generally available to banking institutions by one or more of Fitch Ratings, Moody's, or Standard & Poor's; or

(2) an irrevocable and unconditional policy or policies of insurance in full force and effect and issued by a municipal bond insurer, obligations insured by which are rated on the date of delivery of such policy, by reason of such insurance, within the three highest rating categories available to insurers

generally issuing such insurance by one or more of Fitch Ratings, Moody's, Standard & Poor's, or A.M. Best Company;

(3) The obligation to reimburse the issuer of a Reserve Asset credit instrument for any fees, expenses, claims or draws upon such Reserve Asset credit instrument shall be subordinate to the payment of debt service on the Reserve Bonds. The right of the issuer of a Reserve Asset credit instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Reserve Fund, and, subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Reserve Fund. The Reserve Asset credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Asset credit instrument to reimbursement will be further subordinated to cash replenishment of the Reserve Fund to an amount equal to the difference between the full original amount available under the Reserve Asset credit instrument and the amount then available for further draws or claims. If (i) the issuer of a Reserve Asset credit instrument becomes insolvent or (ii) the issuer of a Reserve Asset credit instrument defaults in its payment obligations thereunder or (iii) the claims-paying ability of the issuer of the insurance policy or surety bond falls below the third highest rating category one or more of Fitch Ratings, Moody's, Standard & Poor's, or A.M. Best Company then the obligation to reimburse the issuer of the Reserve Asset credit instrument shall be subordinate to the cash replenishment of the Reserve Fund should the Board determine to replace such Reserve Asset with a cash Funded Reserve Requirement.

(4) If (i) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or (ii) the rating of the claims paying ability of the issuer of the surety bond or insurance policy falls below the third highest rating category of one or more of Fitch Ratings, Moody's, Standard & Poor's, or A.M. Best Company, the Board may at its sole option (a) elect to not replace the subject Reserve Asset and not replace it with a cash Funded Reserve Requirement (b) deposit into the Reserve Fund an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Fund to equal the Debt Service Reserve Fund Requirement on the applicable Series of Reserve Bonds, such amount to be paid over the ensuing five years in equal installments deposited at least semiannually or (c) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in either of 1-2 above within six months of such occurrence.

(5) Where applicable, the amount available for draws or claims under the Reserve Asset credit instrument may be reduced by the amount of cash or Permitted Investments deposited in the Account of the Reserve Fund for the applicable Series of Reserve Bonds pursuant to the preceding subparagraph.

(6) If the Board chooses the above described alternatives to a cash-funded Reserve Fund for any particular Series of Reserve Bonds, any amounts owed by the Board to the issuer of such credit instrument as a result of a draw thereon or a claim thereunder, as appropriate, shall be included in any calculation of Debt Service Fund Requirement required to be made pursuant to the General Indenture for any purpose, e.g., rate covenant or additional bonds test.

(7) The Trustee shall ascertain the necessity for a claim or draw upon the Reserve Asset credit instrument and provide notice to the issuer of the Reserve Asset credit instrument in accordance with its terms not later than three days (or such longer period as may be necessary depending on the permitted time period for honoring a draw under the Reserve Asset credit instrument) prior to each interest payment date.

(8) Cash on deposit in the applicable account of the Reserve Fund for any particular Series of Reserve Bonds shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Asset credit instrument. If and to the extent that more than one Reserve Asset credit instrument is deposited in the applicable Account

of the Reserve Fund for any particular Series of Reserve Bonds, drawings thereunder and repayments of costs associated therewith shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

"**Reserve Bond(s)**" shall mean any Bonds, Dual Bonds, Additional Bonds, or Subordinated Bonds for which a Reserve Fund Requirement is made applicable by the Series Resolution providing therefor.

"**Revenues**" and "**Revenues of the Airport System**" shall mean all revenues derived by the Board from the use and operation of the Airport System, excluding (i) Special Facility Revenues except after the payment of any Special Facility Bonds used to finance such Special Facility as permitted by the General Indenture, (ii) any gifts, grants or other amounts, the use of which is restricted by the donor or grantor or by law or regulation, (iii) the proceeds of any passenger facility charge or other per passenger charge defined in the General Indenture as the "PFC" established by the Board for use by the Board (iv) any sums received by the Board or the City from the State or the United States of America, including the avails of any tax, (v) the proceeds of any rental car customer facility charge defined as the "CFC" in the General Indenture, (vi) any Released Revenues, (vii) interest accruing on, and any profit resulting from the investment of monies in any fund or account of the Board that is not available by agreement or otherwise for deposit into the Operation Fund, (viii) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles, (ix) the proceeds of any condemnation awards, and (x) security deposits and the proceeds of the sale of any property constituting all or any portion of the Airport; PROVIDED HOWEVER the Board may in the future pledge any CFC, PFC, or Released Revenues as additional security for one or more series of Bonds, Subordinated Bonds or Swaps or other obligations issued hereunder. The amount of any such pledged CFC, PFC or Released Revenues deposited into any one of the Airport Operating Accounts, the Debt Service Fund, or any account or sub-account created under the General Indenture or created by a Supplemental Indenture shall constitute Revenues. Without limiting the generality of the foregoing, "Revenues" include all the income from the ownership and operation of the Airport System including landing fees and charges, ground rentals, space rentals in buildings, charges of every character made to concessionaires, all fees received by the Board or the City on account of the operation of limousines and taxi-cabs to and from any Airport System facility, earnings from the operation of the parking facilities, earnings on the investments of the Board including, without limitation, investment earnings of proceeds of the Bonds, except as specifically excluded in items (i) through (x) above.

"**Secured Obligations**" shall mean, collectively, any Bonds and Additional Bonds, and any Swap secured by a first lien pledge of the Revenues of the Airport System issued pursuant to the provisions of the General Indenture and shall be measured for the purposes of voting or counting consents (i) as to Bonds by Outstanding principal amount or (ii) as to Swaps by an amount equal to 30% of the Outstanding notional amount of each Swap.

"**Secured Obligees**" shall mean any Secured Obligation, including, without limitation, any Owner of Outstanding Bonds and any Swap Party pursuant to an Outstanding Swap.

"**Series**" when used with respect to less than all of the Bonds, shall mean such Bonds designated as a Series of Bonds pursuant to a Supplemental Indenture.

"**Series Resolution**" shall mean the resolution of the governing authority of the Board authorizing the issuance of any Series of Bonds, approving the form and authorizing the execution of the applicable Supplemental Indenture.

"**Significant Portion**" shall mean, for purposes of the General Indenture, any Airport Facilities or portions thereof which, if such facilities had been sold or disposed of by the City and/or the Board at the beginning of an annual period which includes the month of commencement of the 12-month period ending on the day of such disposition, would have resulted in a reduction in Net Revenues for such annual period of more than 4% when the actual Net Revenues for such annual period are decreased by the Revenues directly attributable to such Airport Facilities and increased by the expenses of the Board directly attributable to such Airport Facilities. The Board shall notify each Rating Agency which then maintains a rating on any of the Bonds prior to the selling or disposing of a Significant Portion of any Airport Facilities or portions thereof.

"**Signing Parties**" shall mean those parties designated to execute the Bonds by the Applicable Supplemental Indenture.

"**Sinking Fund Payment**" shall mean, as of any particular date of computation and with respect to Bonds of a particular Series, the amount of money required by any Supplemental Indenture to be paid by the Board on a single future date for the retirement of any Outstanding Bonds of said Series which mature on or after said future date, but does not include any amount payable by the Board by reason of the redemption of Bonds at the election of the Board.

"**Special Facility**" shall mean any existing or planned facility, structure, equipment, or other property, real or personal, which is or is to be located at the Airport or a part of any facility or structure located at the Airport and is designated as such by the Board as more fully provided in Section 801 of the General Indenture financed with Special Facility Bonds.

"**Special Facility Bonds**" shall have the meaning set forth in the General Indenture.

"**Special Facility Lease(s)**" shall mean a lease of a Special Facility or a portion of a Special Facility.

"**Special Facility Revenues**" shall mean the revenues earned or paid to the Board from or with respect to any Special Facility and designated as such by the Board.

"**Special Receipts Fund**" shall mean that fund described in the General Indenture.

"**Standard & Poor's**" shall mean Standard & Poor's U. S. Finance Ratings and any credit rating agency which is a successor thereto.

"**State**" shall mean the State of Louisiana.

"**Subordinated Bonds**" shall mean any Bonds issued pursuant to the provisions of the General Indenture.

"**Subordinated Obligation(s)**" shall mean any obligation for the payment of money of the Board incurred or issued pursuant to the provisions of the General Indenture which are secured by a lien on the Revenues and the Trust Estate on a subordinated or inferior basis to the first lien pledge of such items to Secured Obligations.

"**Supplemental Indenture**" shall mean any supplemental or amending trust indentures supplementing or amending the General Indenture by and between the Board, the City, and any financial institution, as trustee, executed in connection with the issuance of any Series of Bonds issued as Initial Bonds or Additional Bonds authorized pursuant hereto, which provides the details for such Additional Bonds including the provisions regarding determining the Variable Rates, purchase and remarketing of Tender Bonds and providing Additional Security for such Additional Bonds pursuant to Section 209 of the General Indenture.

"**Swap**" or "**Swaps**" shall mean an interest rate swap agreement executed by the Board payable from and secured by the Trust Estate and the Revenues of the Airport System.

"**Swap Party**" or "**Swap Parties**" shall mean the entity which enters any Swap with the Board and any assignee thereof and, collectively, all such entities pursuant to all Outstanding Swaps.

"**Swap Revenues**" shall mean the sums of money due to be paid by the Swap Party to the Board pursuant to any Swap subject to any netting of payments provided by the applicable Swap.

"**Tax Certificate**" shall mean the Tax Certificate, concerning certain matters pertaining to the use of proceeds of a particular Series of Tax-Exempt Bonds executed and delivered by the Board and the Trustee on the date of issuance of a particular Series of Tax-Exempt Bonds, including any and all exhibits attached thereto.

“**Tax-Exempt Bonds**” means any series of Bonds which, when issued, are accompanied by an Opinion of Bond Counsel to the effect that the interest thereon is excluded from gross income for federal income tax purposes.

“**Tender Bonds**” shall have the meaning given such term in the General Indenture.

“**Trust Estate**” shall mean all items granted as security for and pledged to the payment of Outstanding Bonds issued pursuant to the General Indenture.

“**Trustee**” means any trustee appointed in accordance with Section 901 of the General Indenture and any successor or successors to any thereof.

“**Variable Rate Bonds**” shall have the meaning given such term in the General Indenture.

“**Vendor Payment Fund**” shall mean that fund described in the General Indenture.

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II. FIFTH SUPPLEMENTAL INDENTURE

"**Accounts**" shall mean the accounts referred to or established pursuant to the Fifth Supplemental Indenture.

"**Act**" shall mean Part XIV of Chapter 4 of Subtitle II of Title 39 of the Revised Statutes of Louisiana of 1950, as amended, (La. R.S. 39:1034 (D) and (F), together with the constitutional and statutory authority supplemental thereto, including without limitation, Chapter 13 of Title 39 (La. R.S. 39:1421 through 1430, inclusive) and Chapter 14-A of Title 39 (La. R.S. 39:1444 through 1456, inclusive) of the Louisiana Revised Statutes of 1950, as amended.

"**Authorized Board Representative**" shall mean the Chairman, or in his absence the Vice Chairman, the Director of Aviation or acting Director of Aviation, or in the absence thereof, any of the Deputy Directors of Aviation of the Aviation Board.

"**Authorized Denominations**" shall mean $5,000 or any integral multiple thereof.

"**Beneficial Owner**" shall have the meaning referred to in the Fifth Supplemental Indenture.

"**Bondowners**," "**Owners,**" or "**Registered Owners**" shall mean the person in whose name any Series 2019 Bond is registered on the records maintained by the Trustee as paying agent registrar.

"**Bond Resolution**" shall mean the Resolutions adopted by the Aviation Board on July 18, 2019 and October 17, 2019, providing for the issuance of the Series 2019 Bonds.

"**Bonds**" shall mean any bonds secured by a first lien parity pledge of the Net Revenues pursuant to the General Indenture, including without limitation, the Outstanding Series 2015 Bonds, Series 2017 Bonds, and the Series 2019 Bonds issued under the General Indenture.

"**City**" shall mean the City of New Orleans, Louisiana.

"**Council**" shall mean the City Council of New Orleans, Louisiana.

"**Debt Service Reserve Fund Requirement**" or "**Reserve Fund Requirement**" for the Series 2019 Bonds shall mean the least of:

(A) the Maximum Annual Debt Service coming due in any Fiscal Year with respect to the Bonds;

(B) 125% of average annual Bond Debt Service Requirement on all Bonds Outstanding; or

(C) 10% of the principal amount of Bonds;

calculated as of the issuance date of the Series 2019 Bonds, $70,537,750.00 on December 30, 2019, and thereafter recalculated upon any refunding of less than all the then Outstanding Bonds. In such case, the Reserve Fund Requirement for the un-refunded Outstanding Bonds and the Series of Refunding Bonds which refunded a portion of the Bonds may be calculated on the basis of a single Reserve Fund Requirement for both the applicable Series of Refunding Bonds and the un-refunded Outstanding Bonds. However, in no event shall the Reserve Fund Requirement calculated or recalculated at the times required above exceed the maximum amount permitted under the Code and the regulations promulgated thereunder as a reasonable required reserve with respect to Tax-exempt Bonds.

"**Default Interest**" shall have the meaning set forth in the Fifth Supplemental Indenture.

"**DTC**" shall mean The Depositary Trust Company.

“**Event of Default**” shall mean any one of the Events of Default as described in the Second Supplemental Indenture.

“**GARB(s)**” shall mean the Series 2015 Bonds, the Series 2017 Bonds, and the Series 2019 Bonds issued and Outstanding pursuant to the General Indenture.

“**General Indenture**” shall mean the General Revenue Bond Trust Indenture among the Aviation Board, the City, and the Trustee dated as of February 1, 2009, as supplemented and amended by Supplemental Indentures, through the Fifth Supplemental Indenture.

“**Interest Payment Date**” shall mean each January 1 and July 1.

“**Mayor**” shall mean the Mayor or Chief Executive Officer of the City.

“**North Terminal Project**” shall mean the passenger terminal on the north side of the Airport, and other related enabling facilities such as aircraft parking aprons and taxiways, a 2,200-space parking garage, and associated roadway access and infrastructure, and related improvements associated with the passenger terminal on the north side of the Airport.

“**PFC**” shall mean any Passenger Facility Charge collected from persons for the use of the Airport pursuant to14 C.F.R. § 158.

“**PFC Indenture**” shall mean the General Revenue Bond Trust Indenture relating to passenger facility charges among the Issuer, the City, and the Trustee dated as of November 1, 2007 by and among Board, the City, and the PFC Trustee.

“**PFC Trustee**” shall mean The Bank of New York Trust Company, N. A. as trustee under the PFC Indenture and any successor trustee in interest thereunder.

“**Principal Office**” shall mean those offices set forth in Section 14.02 of the Fifth Supplemental Indenture.

“**Rating Agency**” shall mean the company or companies whose ratings of taxable and tax-exempt bonds are nationally recognized, and accepted as indicators of the investment qualities of such bonds and which has or have assigned a rating to the Bonds, initially Fitch Ratings, Moody's Investor Services and Standard and Poor's Public U.S. Public Finance Ratings.

“**Regular Record Date**” shall mean the fifteenth day of the month next preceding any Interest Payment date, whether such day is a Business Day or not.

“**Second Supplemental Indenture**” shall mean the Second Supplemental Trust Indenture dated as of March 1, 2015 executed by and among the Aviation Board, the City, and Trustee.

“**Series 2015 Bonds**” shall mean, collectively, the Series 2015A Bonds and the Series 2015B Bonds.

“**Series 2015A Bonds**” shall mean the Outstanding New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2015A (Non-AMT).

“**Series 2015B Bonds**” shall mean the Outstanding New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project) Series 2015B (AMT).

“**Series 2010 PFC Bonds**” shall mean the Outstanding New Orleans Aviation Board Gulf Opportunity Revenue Bonds (Passenger Facility Charge Projects), Series 2010 (Non-AMT).

“**Series 2010 PFC Bonds Trustee**” shall mean The Bank of New York Mellon Trust Company, N.A. and its successors and assigns.

“**Series 2017 Bonds**” shall mean the Series 2017A Bonds, the Series 2017B Bonds, the Series 2017C Bonds, and the Series 2017D Bonds.

“**Series 2017A Bonds**” shall mean the Outstanding New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017A (Non-AMT).

“**Series 2017B Bonds**” shall mean the Outstanding New Orleans Aviation Board General Airport Revenue Bonds (North Terminal Project), Series 2017B (AMT).

“**Series 2017C Bonds**” shall mean the Outstanding New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017C (Taxable).

“**Series 2017D Bonds**” shall mean, together, the (i) Outstanding New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-1 (Non-AMT) and the (ii) Outstanding New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017D-2 (AMT).

“**Series 2019 Bonds**” shall mean the $23,800,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds (Gulf Opportunity Zone Projects) Series 2019 (Non-AMT).

“**Special Record Date**” shall mean the date selected for payment of overdue interest in accordance with the provisions of the Fifth Supplemental Indenture.

“**Trustee**” shall mean The Bank of New York Mellon Trust Company NA., and its successors and assigns.

“**Trust Estate**” shall have the meaning set forth in the General Indenture.

“**Underwriter**” shall mean the syndicate of underwriters for the purchase of the Bonds consisting of Citigroup Global Markets Inc., as Senior Managing Underwriter, on its own behalf and on behalf of Backstrom McCarley Berry & Co., LLC, BofA Securities, Inc., Raymond James & Associates, and Siebert Williams Shank & Co., LLC or a syndicate of other underwriters as revised by the Chairman of the Aviation Board and Director of Aviation.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE AND THE FIFTH SUPPLEMENTAL INDENTURE

I. GENERAL INDENTURE

Authorization of Bonds

One or more issues of Bonds may be issued for the benefit of the City to be designated as "New Orleans Aviation Board Revenue Bonds," or in the case of refunding bonds issued pursuant to the General Indenture "New Orleans Aviation Board Refunding Bonds," which Bonds may be issued from time to time, without limitation as to amount except as provided in the General Indenture or as limited by law. The Bonds may, if and when authorized by the Board pursuant to one or more Supplemental Indentures, be issued in one or more Series, and the designation thereof, in addition to the name "New Orleans Aviation Board Revenue Bonds," or in the case of refunding bonds "New Orleans Aviation Board Refunding Bonds" may include such further appropriate designations added to or incorporated in such title for the Bonds of any particular Series as the Board may determine.

Conditions Precedent to the Delivery of Additional Bonds Other Than Refunding Bonds

One or more Series of additional Bonds other than Refunding Bonds (the "**Additional Bonds**") may be issued in accordance with the General Indenture for the purpose of paying all or a portion of the Cost of any Capital Improvement, the making of deposits in the Debt Service Fund, the Debt Service Reserve Fund, and, if any, the insurance reserve account established pursuant to the General Indenture, the payment of Cost of Issuance, the payment of the principal of and interest and premium, if any, on notes issued in anticipation of such Bonds in accordance with the General Indenture, the refunding of any Outstanding Bonds, payment of any termination fees relating to any interest rate swap agreements of the Board any combination of the foregoing and any other purpose not expressly prohibited by applicable law.

A Series of Additional Bonds shall be executed by the Signing Parties and delivered to the Paying Agent for such Series of Bonds and by it authenticated and delivered to or upon the order of the Board, but only upon notification by the Board that it has received:

(i) A Certificate of an Authorized Officer of the Board stating that the General Indenture is still effective and identifying every Supplemental Indenture relating thereto;

(ii) The documents, monies and opinions required by the General Indenture;

(iii) The requirements of either sub-part (a) or (b) of this item (iii) are met:

(a) the sum of (I) Net Revenues of the Airport System and (II) 1/12 of the amount of Rollover Coverage provided for each Fiscal Year of each month included within the below described period of calculation as certified by an Authorized Officer of the Board for any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding the date of issuance of such series of Additional Bonds shall have equaled not less than one hundred twenty-five percent (125%) of the aggregate Debt Service Fund Requirement on all Outstanding Bonds and the proposed Additional Bonds for such twelve (12) month period; or

(b) Both (I) the sum of (A) Net Revenues of the Airport System and (B) 1/12 of the amount of Rollover Coverage provided for each Fiscal Year of each month included within the below described period of calculation as certified by an Authorized Officer of the Board for any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding the date of issuance of such series of Additional bonds shall have equaled not less than one hundred twenty-five percent (125%) of the aggregate

Debt Service Fund Requirement on all Outstanding Bonds and (II) the Net Revenues of the Airport System estimated by the Aviation Consultant to be derived during the three (3) consecutive calendar years commencing with the calendar year next following the issuance of such Series or with respect to the acquisition or construction of any income producing capital asset the end of the Period of Construction of the project or projects, if any, to be financed by such series of Additional Bonds (as estimated by the Aviation consultant) and projecting that the estimated Net Revenues for each year of the applicable forecast shall equal not less than one hundred twenty-five percent (125%) of the Debt Service Fund Requirement for each of such three (3) consecutive calendar years of all Bonds then outstanding and the Additional Bonds proposed to be issued. The term "Period of Construction" shall mean with respect to any income producing capital asset the period of time beginning with the initiation of study and design and of construction or acquisition, or beginning with the issuance of a Series of the Bonds for the financing of the cost of such construction or acquisition of any improvement or additions or extensions or betterment of the Airport System, whichever is earlier, and ending on the date of substantial completion of such improvements, additions, extensions or betterments as determined by the Aviation Consultant.

All calculations of Debt Service Fund Requirement for Variable Rate Bonds shall be based upon the applicable Pro Forma Bond Issue. (k the case of Bonds which are not secured by the revenues until a "Crossover Date," the certificate shall be for as appropriate (a) any period of twelve (12) consecutive calendar months out of the eighteen (18) calendar months next preceding or (1) three (3) consecutive calendar years following the Crossover Date and shall be made for the current and any future Fiscal Year on the basis of estimates of Net Revenues for such years of the Aviation Consultant). In making the calculations required by this subpart (2)(iii), if the Board has adopted, implemented and imposed higher rates, fees, rentals or other charges for the services, facilities and commodities of the Airport System prior to the date of the issuance of a series of Additional Bonds, the calculation of Net Revenues may be made assuming such rats had been in effect during such period. Further, if the Board has adopted resolutions providing or the Commercial Airline Lease requires the Board to provide Rollover Coverage for any Fiscal Year included within any period of calculation the amount of such Rollover Coverage or an appropriate portion thereof in the case of a calculation period of 12 consecutive months not all included within one Fiscal Year may be included in such calculation.

The requirements of this sub-part (2)(iii) are not applicable to Subordinated Bonds and other Subordinated Obligation(s).

(iv) A certificate of an Authorized Officer of the Board stating that, as of the delivery of such Additional Bonds, no Event of Default, as described in the General Indenture, will have happened and will then be continuing;

Completion Bonds

A Series of Completion Bonds may be issued without the necessity of producing any of the certificates required for the issuance of Additional Bonds if such Completion Bonds do not exceed in original principal amount, 10% of the total costs of the Capital Improvement(s) for which they are issued to complete and shall be executed by the Signing Parties and delivered by the Board to the Trustee/Paying Agent for such Series of Bonds and by it authenticated and delivered to or upon the order of the Board, but only upon notification by the Board that all requirements of applicable State law have been satisfied and that it was received:

(i) the documents, moneys, showings, consents, approvals, certificates and opinions required by the Indenture;

(ii) the documents and moneys, if any, required by the applicable Supplemental Indenture authorizing such Completion Bonds;

(iii) a certificate of an Authorized Officer of the Board stating that, as of the delivery of such Completion Bonds, no Event of Default will have happened and will then be continuing; and

(iv) a certificate of an Authorized Officer of the Board stating (i) which previous Series of Bonds were issued to provide the amounts to acquire or construct the Capital Improvement(s) to which the proceeds of the Completion Bonds will be applied, (ii) identifying such Capital Improvement(s), and (iii) stating that the amounts available to be applied to such Capital Improvement(s) from the proceeds of the Completion Bonds will be sufficient to complete such Capital Improvement(s) and directing the Trustee to deposit such proceeds in the appropriate Project Account of the appropriate Proceeds Fund.

Additional Security

(1) In connection with the initial issuance or subsequent to the issuance of any Series of Bonds and subject to the restrictions contained in the General Indenture, the Board may obtain or cause to be obtained letters of credit, lines of credit, insurance, standby bond purchase agreements, interest rate swap and cap agreements, Reserve Assets or similar obligations or instruments ("**Additional Security**") providing for payment of all or a portion of the principal, premium, or interest due or to become due on one or more specific Series of Bonds, providing for the purchase of such Bonds or a portion thereof by the issuer of any such Additional Security or providing for exchanging, capping, modifying debt service payments incurred in connection with one or more specific Series of Bonds. The issuer of Additional Security or the guarantor of the obligations of the issuer of such Additional Security must be (at the time of such issuance) an entity, the unsecured long term debt obligations of which is rated in one of the three highest long term rating categories by at least one of the entities constituting the Rating Agency or the obligations insured or guaranteed by which are rated in such categories by reason of such insurance or guarantee except that the Swap Party or the guarantor of the obligations of the Swap Party to any Swap shall be at the time of execution of any such Swap an entity the unsecured short term debt of which is rated at least MIG-3 by Moody's or SP-2 by Standard & Poor's and the unsecured long term debt of which is rated at least A by Moody's and A by Standard & Poor's provided however, if any Bonds or obligations of the Board pursuant to any Swap are guaranteed by a Credit Provider, any Swap Party approved in writing by all affected Credit Providers shall be permitted. In connection therewith, the Board may enter into agreements with the issuer of such Additional Security providing for, inter alia:

(i) the payment of fees and expenses to such issuer for the issuance of such Additional Security;

(ii) the terms and conditions of such Additional Security and the Series of Bonds affected thereby; and

(iii) the security, if any, to be provided for the issuance of such Additional Security.

The Board may secure such Additional Security by an agreement providing for the purchase of a particular Series of Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Board in the Applicable Series Resolution and/or the Applicable Supplemental Indenture. The Board may also in an agreement with the Provider of such Additional Security agree to directly reimburse (a "**Reimbursement Obligation**") such Provider for amounts paid under the terms of such Additional Security, including fees and expenses together with interest thereon, which payments shall be subordinate, except for (i) regularly scheduled payments due by the Board pursuant to a Swap, and (ii) payments due to a Provider as a result of its subrogation to rights of an Owner to any other amounts required to be paid under the General Indenture with respect to principal, premium, if any, and interest on the Bonds. As long as no amounts shall be paid under such Additional Security and such Reimbursement Obligation shall remain contingent, such Reimbursement Obligation shall not be taken in account hereof under the provisions of the General Indenture. Upon the payment of amounts under the Additional Security which results in the Reimbursement Obligations becoming due and payable, such Reimbursement Obligation shall be deemed a Bond Outstanding hereunder for the purposes of the General Indenture. With respect to a Swap, the Board may agree to pay to the Swap Party any and all amounts that may be payable by the Board under the Swap.

(2) Any such Additional Security shall be solely for the benefit of and secure the specific Series of Bonds or portion thereof as specified in the Applicable Supplemental Indenture.

Transfer of Bonds

(1) Except for such Bonds as may be issued in bearer form with coupons as provided in the General Indenture, each Bond shall be transferable only upon the register for the Series of which such Bond is a part by the Registered Owner thereof in person or by his attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or his duly authorized attorney. Upon the transfer of any such Bond the Board shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and Series and maturity as the surrendered Bond.

(2) The Board and each Fiduciary may deem and treat the person in whose name any Outstanding Bond shall be registered upon the register for Bonds of such Series as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and neither the Board nor any Fiduciary shall be affected by any notice to the contrary. The Board agrees to indemnify and save each Fiduciary harmless from and against any and all loss, expense, judgment of liability incurred by it, acting in good faith and without negligence hereunder, in so treating such Registered Owner.

Regulations with Respect to Exchanges and Transfers

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the Signing Parties shall execute and the Paying Agent for such Series of Bonds shall authenticate and deliver Bonds in accordance with the provisions of this General Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Paying Agent. For every such exchange or transfer of Bonds, whether temporary or definitive, the Board or the Paying Agent may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer. The Board shall not be obligated to make any such exchange or transfer of Bonds of any Series during the 15 days next preceding an interest or principal payment date of the Bonds of such Series or, in the case of any proposed redemption of Bonds of such Series of Bonds of any Series selected, called or being called for redemption in whole or in part except transfers to any Provider.

The Pledges Effected by the Indenture

There are pledged for the payment of the principal and Redemption Price of and interest on the Bonds, and the sums due and payable by the Board in connection with any Swaps, subject to the payment of all necessary Operation and Maintenance Expenses of the Airport System, subject to the provisions of the General Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein in this Section, and on a basis subordinate to the Bondowners and any Swap party in favor of the entity to whom any Reimbursement Obligation is due as set forth in the General Indenture (i) subject to the General Indenture, the proceeds of sale of such Bonds, to the extent set forth in the Applicable Supplemental Indenture, (ii) the Net Revenues remaining after payment from the Revenues of all Operation and Maintenance Expenses of the Airport System (including when authorized by the Applicable Supplemental Indenture PFC Revenues), (iii) the Swap Revenues, (iv) all monies, securities and Reserve Asset(s) in all funds and accounts established by or pursuant to the General Indenture, except the Arbitrage Rebate Fund, Capital Improvement Fund Grants Receipt Fund, Operational and Maintenance Reserve Fund, Special Receipts Fund, Vendor Payment Fund and the Improvement Account, General Purpose Account and Rollover Coverage Account of the Airport Operating Fund and NOAB Wire Account, which shall not constitute security for the Bonds, and (v) other money, property or rights added to this pledge by any Supplemental Indenture. Neither the City nor the State shall be obligated to pay the Bonds or any other sums due under the General Indenture and neither the faith and credit nor the taxing power of the City, the State or any other entity is pledged to such payment.

Establishment of Funds and Accounts

(1) On or prior to the date of delivery of Bonds, the following funds and accounts shall be established by the Board, the City and the Trustee as applicable, which funds and accounts shall be held as indicated below:

Name of Funds and Accounts	Held By	Pledged to Bonds
1. Proceeds Funds		
a) Costs of Issuance Account	The Trustee	Yes
b) Project Account	The Trustee	Yes
2. Airport Operating Fund		
a) Airport Operating Account	The City	Yes
b) Improvement Account	The City	No
c) General Purposes Account	The City	No
d) Rollover Coverage Account	The City	No
3. Debt Service Fund	The Trustee	Yes
4. Redemption Fund	The Trustee	Yes
5. Debt Service Fund	The Trustee	Yes
6. Operation and Maintenance Reserve Fund	The Trustee	No
7. Arbitrage Rebate Fund	The Trustee	No
8. NOAB Wire Account	The Trustee	No
9. Grants Receipt Fund	The Trustee	No
10. Capital Improvement Fund	The Trustee	No
11. Special Receipts Fund	The Trustee	No
12. Vendor Payment Fund	The Trustee	No

There shall also be established such other funds and accounts within the aforementioned funds and such additional funds and such additional funds and accounts which are necessary or desirable under any Applicable Supplemental Indenture for a specific Series of Bonds, Subordinated Bonds, Swaps or other obligations which are additionally secured by a pledge of a CFC or a PFC, Commercial Paper, Variable Rate Bonds or Tender Bonds.

(2) On or prior to the date of issuance of any Dual Bonds the following funds and accounts may be established by the Board, the City and the Trustee as applicable, which funds and accounts shall be held as indicated below:

Name of Funds and Accounts	Held By
1. Dual Bonds Proceeds Fund	The Trustee
a) Costs of Issuance Account	
b) Project Account	
2. Transfer Fund	The Trustee
3. Dual Bonds Debt Service Fund	The Trustee
4. Dual Bonds Redemption Fund	The Trustee
5. Dual Bonds Debt Service Reserve Fund	The Trustee
6. Dual Bonds Arbitrage Rebate Fund	The Trustee

There shall also be established within the aforementioned Dual Bonds Funds and Accounts such additional funds and accounts as are necessary or desirable under any Applicable Supplemental Indenture for a specific series of Dual Bonds.

(3) Use of Transfer Fund. The Trustee shall establish a Transfers Fund to be used with respect to Dual Bonds together with such appropriately designated other sub-accounts as may be desirable under the circumstances and as provided by a Supplemental Indenture providing for Dual Bonds. The Transfers of Net PFC Revenues to be used to pay and secure Dual Bonds received by the Trustee shall be credited to the Transfers Fund and applied, credited or deposited into the other Funds and Accounts for Dual Bonds as provided in the applicable Series Resolution relating to any Series of Dual Bonds. If the amount of the Transfers for any relevant period received by the Trustee is insufficient to meet the requirements of paragraph (b) below the Trustee shall immediately take the actions required pursuant to the applicable 1 Series Resolution and use its best efforts to obtain additional Transfers in the required amount.

(4) Use of Dual Bonds Funds and Accounts. The Dual Bonds Funds and Accounts shall be used for the same purposes as the Funds and Accounts of the same name (except for the words "Dual Bonds") as provided in the below sections.

Proceeds Fund

(1) The Trustee shall establish a Proceeds Fund for which each Series of Bonds into which such amounts shall be deposited as required by the Applicable Supplemental Indenture to pay Costs of Issuance and Costs of the Projects financed with each Series of Bonds. Unless otherwise provided in the Applicable Supplemental Indenture, there shall be established within the Proceeds Fund the following separate accounts for each Series of Bonds:

> (a) A Costs of Issuance account into which shall be credited the amount, if any, provided in the Applicable Supplemental Indenture to pay Costs of Issuance of such Series. Such amount shall be disbursed in such manner as shall be determined by the Board and/or provided in the Applicable Supplemental Indenture.
>
> (b) A Project Account into which shall be credited (i) the portion of the proceeds of any Series of Bonds to be applied to the Costs of the Project financed by such Series that portion, if any, of the balance then remaining of the proceeds of any notes (or renewals thereof) issued in anticipation of the Bonds of such Series which were issued to pay the Cost of any Project financed in whole or in part by such Bonds, (ii) the proceeds of insurance on any such Project received by the Board during the period of its construction pursuant to Section 605(1) of the General Indenture, (iii) earnings on investments in the Costs of Issuance Account and the Project Account, provided however that the Supplemental Indenture applicable to any series of Bonds may provide that the earnings on investments in the accounts for such Series of Bonds shall be credited monthly to the Airport Operating Account, and (iv) any other amounts (not required by this General Indenture to be otherwise deposited), as determined by the Board.

(2) Amounts in the Cost of Issuance Account for a particular Series of Bonds shall be applied to the Cost of Issuance of the Series of Bonds for which such Account was established and to the Cost of the Projects financed in whole or in part by such Series. Such amounts shall be disbursed in such manner as determined by the Board. Upon completion of such Projects, the Board shall file with the Trustee a certificate of an Authorized Officer, setting forth the final Cost of such Projects and stating that such Projects have been completed to the satisfaction of the Board and that all amounts withdrawn from the applicable Project Account for such Projects have been applied to the Cost of such Projects. Such certificate shall further set forth the balance, if any, remaining in the applicable Project Account not required for the payment of Costs of Issuance or for the payment of Cost of such Projects. Any such balance shall be applied at the request of the Board (i) to the Cost of Capital Improvements, including Projects, by deposit of such amount in another and separate Project Account, or (ii) to the redemption of the Bonds of the Series for which such Project Account was established by deposit of such amount in the applicable account in the Redemption Fund.

(3) Upon the determination by the Board that a Project undertaken or to be undertaken has been or should be delayed and that no further amounts or significantly reduced amounts should be expended with respect thereto from the applicable Project Account, the Board may, by resolution duly adopted by the Board, direct the Trustee to transfer all or a specified amount of the sums then on deposit in (i) the applicable Project Account to the Capitalized Interest Account as provided in the General Indenture (ii) another and separate Project Account or (iii)

the applicable account in the Redemption Fund for application to the redemption of Bonds of the Series for which such Project Account was established.

Application of Revenues

(1) All Revenues shall be collected by the Board and deposited into the Airport Operating Fund (except as provided in the General Indenture and shall be credited to the accounts of said fund, used and expended at the times and for the purposes as set forth in the General Indenture, and in the order of priority set forth in sub-parts (a) through (h) of Section 505(2) of the General Indenture.

(2) Net PFC Revenues shall be collected by the Board as provided in its PFC General Indenture as long as there is a separate PFC General Indenture, and with respect to Dual Bonds shall be transferred to the Trustee for deposit into the Transfer Fund as provided in any Supplemental Indenture providing for Dual Bonds. If at any time there is no need for a PFC General Indenture or the General Indenture is consolidated with the PFC General Indenture, all Net PFC Revenues shall be collected by the Board and deposited daily into a PFC Receipts Fund to be held by the Trustee, then transferred to the Transfer Fund and applied as provided in the amendments made to the General Indenture to accommodate the lack of need of a PFC General Indenture, any consolidation and the requirements of any Supplemental Indenture providing for Dual Bonds.

Airport Operating Fund

(1) All Revenues shall be deposited by the Board daily as received into the Airport Operating Fund (except investment earnings, and the items specified in paragraph (2) below which shall be applied as specified in the General Indenture) which shall consist of the following accounts to be used for the following purposes:

(a) the Airport Operating Account into which all Revenues deposited into the Airport Operating Fund shall be credited, from which all Operation and Maintenance Expenses of the Airport System shall be debited and from which the other transfers provided for in paragraph 2 herein below shall be made;

(b) the Improvement Account into which there shall be credited from the Airport Operating Account such amounts, if any, as shall be required to be deposited therein by the Commercial Airline Leases with terms commencing subsequent to December 31, 2008 or such amount, if any, determined by the Airport Consultant within the Non-Borrowed Capital Budget, if so prepared, of the annual budget provided for in the General Indenture, which sums may be used to pay the costs of improvements to the Airport System;

(c) a General Purposes Account into which there shall be credited the amounts in the order of priority set forth in paragraph (2)(h) below. The sums credited to the General Purposes Account may be held and applied by the Board to any lawful purpose or use of the Board, including without limitation, Operation and Maintenance Expenses, the purchase or payment of Bonds, and the payment of the Cost of any Capital Improvement. All earnings on the investment of sums credited to the General Purposes Account shall be credited as soon as practicable to the Airport Operating Account; and

(d) a Rollover Coverage Account into which shall be transferred the amounts required, if any, by the provisions of the Commercial Airline Leases with terms commencing subsequent to December 31, 2008, in the order of priority established by the General Indenture if required by such Commercial Airline Leases. The sums in the Rollover Coverage Account may only be used for the purposes provided in the Commercial Airlines Leases. To the extent required by the Commercial Airline Leases the sums in the Rollover Coverage Account on the last day of each Fiscal Year shall be included as Net Revenues in the calculation of the required rates and charges for the next succeeding Fiscal Year. The sums credited to the Rollover Coverage Account on the first Business Day of each Fiscal Year shall be transferred to the Airport Operating Account or as otherwise provided in the Commercial Airline Leases at such time is in effect with a term commencing subsequent to December 31, 2008.

(2) All Revenues except Special Facility Revenues, (i) except Net PFC Revenues which shall be credited to the PFC Receipts Fund, (ii) CFC proceeds, (iii) Released Revenues, (iv) proceeds of insurance and condemnation to the extent provided in the General Indenture, (v) proceeds of any sale or other disposition of any part of the Airport System to the extent provided in the General Indenture, and (vi) Swap Revenues, (which shall be applied in the Debt Service Fund) shall be collected by or for the account of the Board and deposited daily, as far as practicable, in the Airport Operating Fund and be credited to the Airport Operating Account. The foregoing sentence notwithstanding, PROVIDED HOWEVER (i) CFC, PFC, or Released Revenues which constitute Revenues because it is pledged as an item of security for a series of Bonds, Subordinated Bonds, Swaps or any other obligation may be deposited to the Airport Operating Account, the Debt Service Fund, any account or sub-account created within either, or any other fund or account created under the General Indenture or created by the Applicable Supplemental Indenture providing for a particular series of Bonds, Subordinated Bonds, Swap or other obligation and (ii) any other monies so directed by the General Indenture and any other monies of the Board which it may in its discretion determine to so apply unless required to be otherwise applied by the General Indenture. There shall be credited to the Transfer Fund or if so provided in an the applicable Supplemental Indenture providing for Dual Bonds to a sub-account for a Series of Dual Bonds in the Airport Operating Account, the Debt Service Fund, any account or sub-accounted created within either, or any other fund or account created under the General Indenture or created by the Applicable Supplemental Indenture providing for a particular series of Dual Bonds. There shall also be deposited in the Airport Operating Fund any other monies so directed by the General Indenture and any other monies of the Board which it may in its discretion determine to so apply unless required to be otherwise applied by the General Indenture. On the second Business Day preceding the first Wednesday of each calendar month, beginning with the month following the month in which any of the Initial Bonds are delivered, the Board and/or the City, as applicable, shall debit or transfer from the Airport Operating Fund the amounts required to be applied to the following purposes and in the following order (except that payments required by item (b) below shall be made in the normal course of business):

(a) To the payment of any sums required to be deposited in the Arbitrage Rebate Fund;

(b) To the payment of all Operation and Maintenance Expenses;

(c) To the Debt Service Fund an amount which together with other amounts on deposit in such Fund will equal the Debt Service Fund Requirement as of the first day of the next ensuing month;

(d) To the Debt Service Reserve Fund an amount which together with the amounts on deposit therein will equal the Funded Debt Service Reserve Fund Requirement as of the first day of the next ensuing month; provided however, if there is a Reimbursement Obligation due the Provider of any Reserve Asset instrument, sums payable pursuant to this item (d) shall be applied first pro-rata to the reimbursement of the Providers of such Reserve Asset instruments so as to reinstate the amounts available thereunder and second to replenishment of the Funded Debt Service Reserve Fund Requirement;

(e) To the Improvement Account such amount as shall be required, if any, by the Commercial Airline Leases or the Airport System budget;

(f) To the Operation and Maintenance Reserve Fund an amount equal to one-twelfth (1/12th) of the difference between the sums credited to such Fund and the Operation and Maintenance Reserve Fund Requirement until there has been accumulated therein an amount equal to the Operation and Maintenance Reserve Fund Requirement and thereafter in the event of a withdrawal therefrom an amount equal to 1/36th of the amount which together with the amounts on deposit therein as of the date of any such withdrawal, will equal the Operation and Maintenance Reserve Fund Requirement as of the first day of the 36th month following such withdrawal;

(g) Any balance remaining in the Airport Operating Account following the above and foregoing payments or credits and the payment of all obligations due any Provider under a Credit Facility, Liquidity Facility or a Reserve Asset instrument including interest and fees shall be credited in the General Purpose Account, until there has been credited therein such amount as shall be specified in the Commercial Airlines Leases with terms commencing subsequent to December 31, 2008, if any, (such amount being hereinafter referred to as the "General Purposes Account Requirement"). The sums credited to the General

Purposes Account may be applied by the Board to any lawful use or purpose of the Board including without limitation, Operation and Maintenance Expenses, the purchase or payment of Bonds and the payment of the cost of any Capital Improvement.

(h) After an amount equal to the General Purposes Account Requirement, if any, as provided in the Commercial Airline Leases, if any, has been credited during such Fiscal Year in the General Purposes Account, (but not necessarily accumulated therein) any balance remaining in the Airport Operating Account following the above and foregoing transfers shall be credited to the Rollover Coverage Account if required by the Commercial Airline Leases and if the Commercial Airlines Leases do not provide for credit to the Rollover Coverage Account, such sums shall be credited to the General Purpose Account.

Debt Service Fund

(1) There shall be paid into the Debt Service Fund (i) the amounts on the dates provided for in the General Indenture such amounts derived from any CFC or PFC pledged to the payment of a particular series of Bonds, Subordinated Bonds, Swap or other obligation if so specified by the Applicable Supplemental Indenture and (ii) the Swap Revenues, when received.

(2) There shall be paid out of the Debt Service Fund to the respective Paying Agents for any Bonds or any Swap Party pari passu without priority of one such payment over any other such payment on or before each interest payment date of any Bonds the amount required for the interest and Principal Installments payable on such date (as more specifically provided in the Applicable Supplemental Indenture or Swap), on the date payments are due by the Board pursuant to any Swap, if any such payment is then due, the sum due by the Board to the Swap Party, on the dates Reimbursement Obligations are due which reimburse the Provider of any Additional Security for the payment of interest or principal on any Bonds or any payment due by the Board on a Swap, the sum due such Provider of such Additional Security and on or before each redemption date for the Bonds, other than a redemption date on account of Sinking Fund Payments, the amount required for the payment of interest on the Bonds then to be redeemed; provided that in each case the Board may direct the making of such payments to the Paying Agents on such date prior to the due date as the Board determines to the extent amounts are available therefore in such fund. The Paying Agents shall apply such amounts to the payment of interest and principal on and after the due dates thereof. If on any interest payment date of the Bonds the amount accumulated in the Debt Service Fund for any of the purposes specified above exceeds the amount required therefore, the Board may direct the Trustee to deposit such excess in the Redemption Fund or, in its discretion, in the Airport Operating Account. There shall also be paid out of the Debt Service Fund accrued interest included in the purchase price of Bonds purchased for retirement under any provision of the General Indenture.

(3) Amounts accumulated in the Debt Service Fund with respect to any Sinking Fund Payment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Payment was established) may, and if so directed by the Board shall, be applied prior to the 30th day preceding the due date of such Sinking Fund Payment to the purchase of Bonds of the Series and maturity for which such Sinking Fund Payment was established, at prices not exceeding the applicable sinking fund Redemption Price plus interest on such Bonds to the first date on which such Bonds could be redeemed (or in the case of a Sinking Fund Payment due on the maturity date, the principal amount thereof plus interest to such date), such purchases to be made in such manner as the Trustee shall determine, or the redemption, pursuant to the General Indenture, of such Bonds then redeemable by their terms. The applicable Redemption Price or principal amount (in the case of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Fund until such Sinking Fund Payment date for the purpose of calculating the amount of such fund. As soon as practicable after the 45th day preceding the due date of any such Sinking Fund Payment, the Trustee shall proceed (by giving notice as provided in the General Indenture) to call for redemption on such due date Bonds of the Series and maturity for which such Sinking Fund Payment was established (except in the case of Bonds maturing on a Sinking Fund Payment date) in such amount as shall be necessary to complete the retirement of the principal amount of the Bonds of such Series and maturity as specified for such Sinking Fund Payment in the Applicable Supplemental Indenture, and whether or not the balance in the Debt Service Fund is sufficient to pay all such Bonds. There shall be paid out of the Debt Service Fund to the appropriate Paying Agents, on or before such redemption date or maturity date, the amount

required for the redemption of the Bonds so called for redemption or for the payment of such Bonds then maturing, and such amount shall be applied by such Paying Agents to such redemption or payment.

(4) In satisfaction, in whole or in part, of any amount required to be paid into the Debt Service Fund pursuant to the General Indenture which is attributable to a Sinking Fund Payment, there may be delivered on behalf of the Board to the Trustee, Bonds of the Series and maturity entitled to such payment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Payment shall reduce the amount thereof by the amount of the aggregate of the sinking fund Redemption Prices of such Bonds.

(5) Notwithstanding anything to the contrary contained in the General Indenture, the Trustee shall not purchase or accept Bonds in lieu of any Sinking Fund Payment during the period of 30 days prior to the due date of any Sinking Fund Payment.

(6) The Board may establish in any Applicable Supplemental Indenture a separate account (called "**Capitalized Interest Account**") within the Debt Service Fund and may deposit or transfer to the Trustee to deposit in the Capitalized Interest Account any proceeds of Bonds as directed by such Supplemental Indenture and any other monies not otherwise directed to be applied by this General Indenture. Amounts in the Capitalized Interest Account shall be applied to the payment of interest on the Bonds and as otherwise provided in the Applicable Supplemental Indenture.

(7) The Board may establish in any Applicable Supplemental Indenture which pledges a CFC or a PFC as additional security for a series of Bonds, Subordinated Bonds, Swap or other obligation separate accounts or sub-accounts within the Debt Service Fund for such series of Bonds, Subordinated Bonds, Swap or other obligation to be used to hold and apply to the payment of any thereof and transfer therefrom any amounts derived from a CFC or PFC which are in excess of the Debt Service Fund Requirement for such series of Bonds, Subordinated Bonds, Swap or other obligation as directed by the Applicable Supplemental Indenture.

(8) All earnings on the investment of sums held within the Debt Service Fund shall be transferred as soon as practicable to the Airport Operating Fund and credited to the Airport Operating Account.

Redemption Fund

(1) The Board may deposit in the Redemption Fund any monies, including Revenues, not otherwise required by the General Indenture to be deposited or applied. There shall be established in the Redemption Fund a separate account (herein called "**Redemption Account**") with respect to each Series of Bonds.

(2) If at any time the amount on deposit and available therefore in the Debt Service Fund is insufficient to pay the principal and Redemption Price of and interest on the Bonds then due, the Trustee shall withdraw from the Redemption Fund and deposit in the Debt Service Fund the amount necessary to meet the deficiency (other than amounts held therein for the redemption of Bonds for which a notice of redemption shall have been given). Subject to the foregoing, amounts in each account in the Redemption Fund may be applied to the redemption of related Bonds in accordance with the General Indenture and the Applicable Supplemental Indenture or, in lieu thereof, to the purchase of related Bonds at prices not exceeding the applicable Redemption Prices (plus accrued interest) had such Bonds been redeemed (or, if not then subject to redemption, at the applicable Redemption Prices when next subject to redemption), such purchases to be made by the Trustee at such times and in such manner as directed by the Board.

(3) All earnings on the investment of sums held within the Redemption Fund shall be transferred as soon as practicable to the Airport Operating Account.

Debt Service Reserve Fund

(1) The Board and the Trustee shall at all times maintain the Debt Service Reserve Fund Requirement in the Debt Service Reserve Fund.

(2) If at any time the amounts on deposit and available therefore in the Debt Service Fund and the Redemption Fund are insufficient to pay the principal and Redemption Price of and interest on the Bonds then due or to make other payments required to be made from the Debt Service Fund there shall be withdrawn from the Debt Service Reserve Fund and deposited in the Debt Service Fund the amount necessary to meet the deficiency. Amounts so withdrawn shall be derived as set forth in the Applicable Supplemental Indenture with respect to the Bonds for which such withdrawal is to be made; provided however, (i) in the event a portion of the Debt Service Reserve Requirement is at the time of such withdrawal satisfied by a Reserve Asset instrument, draws shall only be made upon any Reserve Asset instrument after all other sums have been depleted from the Debt Service Reserve Fund, (ii) only amounts due as regularly scheduled payment obligations of the Board pursuant to any Swap may be paid with the proceeds of draws upon a Reserve Asset instrument unless otherwise directed by the Reserve Asset Provider, and (iii) in the event more than one Reserve Asset is contained within the Debt Service Reserve Fund and a draw is required, such draw shall be made pro-rata upon each Reserve Asset instrument then in effect.

(3) If on the last Business Day of any month, the amount on deposit in the Debt Service Reserve Fund is in excess of the Debt Service Reserve Fund Requirement (calculated as of the first day of the next succeeding month) such excess shall be withdrawn and deposited in the Airport Operating Fund to the credit of the Airport Operating Account.

(4) Whenever the Board shall determine that the cash and Permitted Investments on deposit in the Debt Service Reserve Fund together with all other funds available for the purpose of redeeming Bonds is equal to or in excess of the Redemption Price of all Bonds Outstanding and the Bonds are then subject to optional redemption, the Trustee, at the direction of the Board shall transfer the balance of such cash and Permitted Investments from the Debt Service Reserve Fund to the Redemption Fund in connection with the redemption of all Bonds Outstanding.

(5) Earnings on the investment of sums held in the Debt Service Reserve Fund shall remain therein unless the Supplemental Indenture applicable to any particular series of Bonds provides that such earnings shall be transferred to the Airport Operating Account.

Operation and Maintenance Reserve Fund

An Operation and Maintenance Reserve Fund shall be credited the Operation and Maintenance Reserve Fund Requirement and shall be therein at all times be maintained the amount required by the General Indenture. Amounts from time to time credited to the Operation and Maintenance Reserve Fund may be used at any time first to pay for any Operation and Maintenance Expenses for which amounts are not otherwise available in the Airport Operating Account; second, to purchase land for runway clear zones for which no bond proceeds are available; and third, to the extent any amounts are remaining to be transferred to the Debt Service Fund, the Debt Service Reserve Fund or any similar fund created to provide for the payment, or reserves for payment of the Bonds to the extent of any deficiency therein. All earnings on the investment of sums held within the Operation and Maintenance Reserve Fund shall be transferred as soon as practicable to the Airport Operating Account.

Vendor Payment Fund

In order to facilitate payment of (i) Costs of any Capital Improvement or expense relating to the Airport System and (ii) payment of invoices relating to Ineligible Costs or non-PFC Projects (as such terms are defined in the PFC General Indenture) relating to an Approved Project (as such term is defined in the PFC General Indenture) with a single check, the Trustee shall create a Vendor Payment Fund into which the Trustee shall credit amounts derived from any source including Funds and Accounts created by the General Indenture and any Supplemental Indenture, the Funds and Accounts created by the PFC General Indenture and any supplemental indenture issued pursuant thereto, and grants. All amounts in payment of vendors with respect to Costs of any Capital Improvement or expense to be derived from (i) the Special Receipts Fund shall be paid with checks drawn upon the Vendor Payment Fund and (ii) derived from other sources including the Funds and Accounts created by the General Indenture may be paid with checks drawn upon the Vendor Payment Fund.

Arbitrage Rebate Fund

In order to maintain the tax-exempt status of the tax exempt Bonds, there is authorized and ordered established with respect to each series of tax-exempt Bonds an “Arbitrage Rebate Account” within the “Arbitrage Rate Fund.” This Fund shall be maintained by the Trustee and used to receive any amounts payable by the Board to the U.S. Treasury pursuant to Section 148(f) of the Code and invested and applied as described in the Applicable Supplemental Indenture relating thereto. The amounts on deposit in this Fund shall be payable to the United States Treasury in such amounts and at such times as provided in the said Supplemental Indenture but in no event later than required by Section 148(0 of the Code and the regulations promulgated thereunder. The Board further covenants that it will comply with any Treasury Regulations applicable to Section 148(f) of the Code including any calculations of rebate amounts required under said Treasury Regulations. It is hereby recognized and understood that monies deposited in the Arbitrage Rebate Fund and any earnings thereon do not constitute Revenues of the Board and such amounts are not and never shall be pledged to the payment of or be security for any Bonds.

Special Receipts Fund

Due to the special needs and requirements pertaining to the administration and management of money which is received by the Board from various sources to be applied to various projects which may be related to other projects, which may need to be paid from one source but later reimbursed from a different source and some of which projects may transition over time from a non-PFC Project to a PFC Project, (as such terms are defined in the PFC General Indenture) and in order to facilitate the payment with one check of invoices relating to non-PFC Projects which may in the future become PFC Projects (as such terms are defined in the PFC General Indenture), are acquired or constructed in connection with Approved Projects (as such term is defined in the PFC General Indenture) or the accounting for such amounts will be simplified if administered by the Trustee under the provisions of the General Indenture, the Trustee shall create a Special Receipts Fund into which the Trustee shall deposit or credit any amounts provided by the Board to the Trustee which do not constitute the proceeds of Revenues, Bonds, Secured Obligations, Subordinated Obligations, PFC Bonds or Net PFC Revenues (as such terms are defined in the PFC General Indenture) accompanied by written instructions of the staff of the Board to place such amounts therein. Monies in the Special Receipts Fund shall be transferred to the Vendor Payment Fund upon receipt by the Trustee of a requisition executed by an Authorized Board Representative.

NOAB Wire Account

The Board shall, to the extent possible, instruct the FAA to wire transfer all grant payments to the Board into the NOAB Wire Account. Any FAA Grant payments not wired to such account shall be deposited by the Board in the NOAB Wire Account day by day when actually received by the Board. The Board shall wire transfer to the Trustee for deposit into the Grant Receipt Fund of the General Indenture (as opposed to the Grant Receipt Fund of the PFC General Indenture) immediately upon receipt, the portion of any payment of any FAA Grant which represents a portion of any Cost of any Capital Improvement or Project to be paid from or reimburse amounts derived from General Airport Revenues or financed with Secured Obligations. Notwithstanding the foregoing, the Board may utilize the NOAB Wire Account to receive amounts from any source whether related to any Capital Improvement and/or Project or not but upon receipt of such amounts shall direct the Trustee as to the holding and transfer of such amounts in a written direction from an Authorized Board Representative. FAA Grants relating to PFC Projects shall be paid by the Board into the Grants Receipt Fund of the PFC General Indenture.

Grant Receipt Fund

The Grant Receipt Fund shall be used to receive wire transfers of monies from the Board's NOAB Wire Account representing those portions of FAA Grants which are due by the FAA with respect to any Capital Improvement or Project, a portion of any Cost of which were or are to be paid by the Trustee from any Fund or Account created pursuant to the General Indenture or any Supplemental Indenture. Within two Business Days following receipt by the Trustee of monies in the Grant Receipt Fund, the Trustee shall transfer from the Grant Receipt Fund to the credit of the appropriate sub-account of the Project Account, the Proceeds Fund, the General Purposes Account, the Capital Improvement Fund or the Special Receipts Fund, the amount needed to reimburse such Account or Fund as confirmed in written instructions of an Authorized Board Representative for prior unreimbursed debits from any such Account or Fund made in anticipation of receipt of an amount from a FAA Grant.

Capital Improvement Fund

The Board may deposit to the Capital Improvements Fund amounts derived from any source, including, without limitation, amounts in the Airport Operating Account, and General Purposes Account of the General Indenture, FAA Grants and General Airport Revenues (not otherwise required by the provisions of the General Indenture to be credited to another Fund or Account) which by law or direction of the Board may only be or are intended to be spent on any Capital Improvements. Amounts credited to the Capital Improvement Fund may only be used to pay the Costs of any Capital Improvement or Project or reimburse amounts previously spent by the Board for such purposes. The Board shall deliver its instructions to the Trustee for transfers from the Capital Improvement Fund pursuant to a certificate or other written instrument of an Authorized Board Representative.

Investments

(1) Except as otherwise provided in the General Indenture, money held for the credit of any fund or account under the General Indenture shall, to the fullest extent practicable, be invested, either alone or jointly with monies in any other fund or account, by the applicable Fiduciary at the direction of an Authorized Officer of the City in Permitted Investments which shall mature or be redeemable at the option of the holder thereof on such dates and in such amounts as may be necessary to provide monies to meet the payments from such funds and accounts; provided that if monies in two or more funds or accounts are commingled for purposes of investments, the holder of such commingled accounts shall maintain appropriate records of the Permitted Investments or portions thereof held for the credit of such fund or account. Permitted Investments purchased as an investment of monies in any fund or account shall be deemed at all times to be a part of such fund or account and all income thereon shall accrue to and be deposited in such fund or account and thereafter, except with respect to the Proceeds Fund and the Debt Service Reserve Fund, transferred to the Airport Operating Fund to the credit of the Airport Operating Account and all losses from investment shall be charged against such fund or account unless otherwise provided by a Supplemental Indenture; provided that all income earned on investment of the Proceeds Fund and the Debt Service Reserve Fund for any Series of Bonds shall be credited to and deposited in the Proceeds Fund or the Debt Service Reserve Fund unless the Supplemental Indenture applicable to such series of Bonds provides that such earnings shall be transferred to the Airport System Account.

(2) In lieu of investment in Permitted Investments, amounts on deposit in any fund or account may be deposited by the holder of such fund or account in its name for the account of such fund or account on demand or on time deposit with such depository or depositories (including any Fiduciary)
as the holder of such fund or account may from time to time appoint for such purpose. Any depository so appointed shall be a bank or trust company which is a member of the Federal Deposit Insurance Corporation organized under the laws of the State or a national banking association authorized to do business in, and having its principal office in the State for general banking business, and in each case qualified under the laws of the State to receive deposits of public monies. No monies shall be deposited with a depository in amounts in excess of Federal Deposit Insurance Corporation insurance limits unless all monies so deposited are secured to the extent and in the manner required by law for the securing of deposits of a political subdivision of the State.

(3) In computing the amount in any fund or account hereunder for any purpose, Permitted Investments shall be valued at the lesser of fair market value or amortized cost. As used herein the term “amortized cost,” when used with respect to an obligation purchased at a premium above or a discount below par means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of days remaining to maturity on such obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase; and in the case of an obligation purchased at a premium, by deducting the product thus obtained from the purchase price, and in the case of an obligation purchased at a discount, by adding the product thus obtained to the purchase price. Unless otherwise provided in the General Indenture, Permitted Investments in any fund or account hereunder shall be valued at least once in each Fiscal Year on the last day thereof. Notwithstanding the foregoing, Permitted Investments in the Debt Service Reserve Fund shall be valued (0 semiannually if the Permitted Investments thereon have an average weighted

maturity of ten years or more or (ii) annually if such Permitted Investments average weighted maturity is less than ten years at the lesser of fair market value or amortized cost for all purposes of the Resolution.

Holding of Special Deposits

Monies held by or for the account of the Board, the City, the Trustee or any Fiduciary in connection with the Airport System which are required to be applied under the terms of an agreement to the construction or alteration of a facility which is the subject to such agreement (including, without limitation, any such monies received by the Board or the City for such purpose under any grant or loan agreement with the United States of America or the State or any agency, political subdivision or instrumentality of either) or which are subject to refund by the Board or the City or held for the account of others or subject to refund to others, including, without limitation, any amounts which, under any agreement by the Board providing for adequate separation of such amounts from Revenues, any amounts deducted from wage and salary payments to the employees of the Board or the City, any amounts contributed by the Board or the City to any pension or retirement fund or system which amounts are held in trust for the benefit of the employees of the Board and any amounts held as deposits, including customers' service deposits, guaranteed revenue contract deposits, unexpended developer's deposits under construction loan contracts, minimum revenue deposits and unexpended jobbing deposits, together with any investments of such monies and interest and profits thereon to the extent such interest and profits are also held for the account of others or subject to refund to others, may be held by the Trustee, the City or the Board outside of the various funds and accounts established by the General Indenture and, notwithstanding anything herein to the contrary, shall not be subject to the pledge created by the General Indenture or be considered Revenues hereunder while so held.

Covenants of the Aviation Board and the City

Extension of Payment of Bonds

Except as expressly authorized with respect to a particular Series of Bonds in an Applicable Supplemental Indenture, the Board shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time for payment of claims for interest shall be extended, such Bonds or claims for interest shall not be entitled in case of any default under the General Indenture to the benefit of the General Indenture or to any payment out of any assets of the Board or the funds (except funds held in trust for the payment of particular Bonds or claims for interest pursuant to the General Indenture) held by the Trustee, the City or the Fiduciaries, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing in this Section shall be deemed to limit the right of the Board to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Completion of Construction; Maintenance and Improvements of the Airport System; To Manage Airport System Efficiently; Sale, Lease or Other Disposition of Airport Facilities; Eminent Domain

(1) The Board will proceed with all reasonable dispatch to complete the acquisition, construction, reconstruction, improvement, betterment or extension of any properties, the costs of which are to be paid from the proceeds of Bonds or from monies in the Airport Operating Fund, the Proceeds Fund, or from government grants or contributions.

(2) The Board will maintain, preserve, keep and operate or cause to be maintained, preserved, kept and operated, the properties constituting the Airport System (including all additions, improvements and betterments thereto and extensions thereof and every part and parcel thereto) in good repair, working order and operating condition in conformity with standards customarily followed in the Aviation industry for airports of like size and character, and from monies lawfully available therefore or made available therefore, will from time to time construct additions and improvements to and extensions and betterments of said properties which are economically sound, so that at all times the business carried on in connection therewith shall be properly and advantageously conducted in an efficient manner and at reasonable cost.

(3) The Board shall operate and maintain the Airport System as a revenue-producing enterprise and shall manage the same in the most efficient manner consistent with sound economy and public advantage and consistent with the protection of the Bondowners.

(4) The City and/or the Board shall not, except as permitted below, transfer, sell or otherwise dispose of an Airport Facility or Airport Facilities. For purposes of this section, any transfer of an asset over which the City and/or the Board retains substantial control in accordance with the terms of such transfer shall not, for as long as the City and/or the Board has such control, be deemed a disposition of an Airport Facility or Airport Facilities. A lease pursuant to the FAA airport privatization pilot program pursuant to 49 USC § 47134 shall constitute a disposition of the Airport for these purposes.

The City and/or the Board may transfer, sell or otherwise dispose of Airport Facilities only if such transfer, sale or disposition complies with one or more of the following provisions:

(a) The property being disposed of is inadequate, obsolete or worn out;

(b) The property proposed to be disposed of and all other Airport Facilities disposed of during the 12-month period ending on the day of such transfer (but excluding property disposed of under (a) above), will not, in the aggregate, constitute a Significant Portion, the proceeds are deposited into the Airport Operating Fund to be used as described in subpart (5) below and the Board believes that such disposal will not prevent it from fulfilling its obligations under the Indenture; or

(c) Prior to the disposition of such property, there is delivered to the Trustee a certificate of the Aviation Consultant to the effect that notwithstanding such disposition, but taking into account the use of such proceeds in accordance with the expectations of the Board as evidenced by a certificate of an Authorized Board Representative, the Consultant estimates that Board will be in compliance with the provisions of Section 604 of the General Indenture during each of the five Fiscal Years immediately following such disposition.

Airport Facilities which were financed with the proceeds of obligations, the interest on which is then excluded from gross income for federal income tax purposes, shall not be disposed of, except under the terms of provision a) above, unless the Board has first received a written opinion of Bond Counsel to the effect that such disposition will not cause the interest on such obligations to become includable in gross income for federal income tax purposes.

No such disposition shall be made which would cause the City and/or the Board to be in default of any other covenant contained in the General Indenture.

(5) If a Significant Portion which is less than a Major Portion of any Airport Facility or Airport Facilities is voluntarily transferred or otherwise disposed of or should be taken by eminent domain proceedings or conveyance in lieu thereof, the City and/or the Board shall create within the Airport Operating Fund a special account and credit the net proceeds received as a result of such taking or conveyance to such account and shall within a reasonable period of time, after the receipt of such amounts, use such proceeds to (i) replace the Airport Facility or Airport Facilities which were taken or conveyed, (ii) provide an additional revenue-producing Airport Facility or Airport Facilities, (iii) redeem Bonds or (iv) create an escrow fund pledged to pay specified Bonds and thereby cause such Bonds to be deemed to be paid as provided in Article IV of the General Indenture.

(6) Should the governance of the Airport System or a Major Portion of the Airport System be voluntarily transferred or otherwise disposed of including a long-term lease under the FAA airport privatization pilot program to any entity other than the City or taken by eminent domain proceedings:

(a) if the transferee by notarial act, (i) assumes all of the obligations of both the Board and the City pursuant to this General Indenture, every Supplemental Indenture, every agreement providing for every item of Additional Security, all Bonds, all Subordinated Bonds, and all other Secured Obligations and Subordinated Obligations, (ii) releases the Board and the City from all such obligation assumed by the Transferee, (iii) agrees to indemnify the Board and the City from all such obligations, (iv) an original or certified copy of such notarial act of assumption is delivered to the Trustee and (v) the Board has received a Favorable Tax Opinion with respect to such assumption, then the transferee shall be substituted as the obligor for all such obligations and the Board and the City shall be automatically without any further actions or requirements discharged from all liability pursuant to the General Indenture, every Supplemental Indenture, every item of Additional Security, all Bonds, all Subordinated Bonds, and all other Secured Obligations and Subordinated Obligations; or

(b) if the transferee does not by notarial act assume all the obligations of both the Board and the City and comply with all of the provisions of item (a) of this subpart (6) above, including the receipt of a Favorable Tax Opinion, then the Board shall (i) replace the Airport Facility or Airport Facilities which were transferred, otherwise disposed or the governance of which was transferred to any entity other than the City or taken by eminent domain proceeds, (ii) provide an additional revenue-producing Airport Facility or Airport Facilities, (iii) redeem all Bonds and Subordinated Bonds and discharge all Secured Obligations and Subordinated Obligations or (iv) create an escrow fund pledged to pay Bonds, Subordinated Bonds, other Secured Obligations and Subordinated Obligations and thereby cause such items to be deemed to be paid as provided in Article IV of the General Indenture.

Rates, Rents, Fees and Charges

(1) The Board shall impose, charge and collect reasonable rates, fees, rentals or other charges for the services, facilities and commodities of the Airport System (collectively, the "**Rates and Rentals**") so that:

(a) Revenues in each Fiscal year will be at least sufficient to make all the payments required by the General Indenture and make all scheduled payments of principal and interest with respect to Subordinated Bonds; and

(b) Net Revenues together with the sum on deposit in the Rollover Coverage Account on the last day of the immediately preceding Fiscal Year, if required or permitted at the time of such computation by the Commercial Airline Lease, will at least equal 125% of the Bond Debt Service Requirement with respect to the Bonds for such Fiscal Year.

(2) If after the end of any Fiscal Year, the Net Revenues did not meet the requirements of paragraph (1) of the General Indenture, if permitted by the Commercial Airline Lease the Airlines shall be billed the additional amounts required to make the Net Revenues meet the requirements of paragraph (1) above.

(3) If during any Fiscal year, Revenues and other funds are estimated to produce less than the amount required under subsection (1) above, the Board shall revise the Rates and Rentals or alter its methods of operation or take other action in such manner as is necessary to produce the amount so required, or if less, the maximum amount deemed feasible by the Aviation Consultant.

(4) Within 120 days after the end of each Fiscal Year, the Board shall furnish to the Trustee calculations of the coverage requirement under subsection (1) and (2) of this Section.

(5) If any of the calculations specified in subsection (2), (3) or (4) of this Section for any Fiscal Year indicates that the Board has not satisfied its obligations under subsection (1) or (2) of this Section, then as soon as practicable, but in any event no later than 45 days after the receipt by the Trustee of such calculation, the Board shall employ an Aviation Consultant to review and analyze the financial status and the administration and operation of the Airport System and to submit to the Board, within 45 days after employment of the Aviation Consultant, a written report on the same, including the action which the Aviation Consultant recommends should be taken by the Board with respect to the revision of Rates and Rentals, alteration of its methods of operation or the taking of other action that is projected to result in producing the amount so required in the then current Fiscal Year or, if less, the maximum amount deemed feasible by the Aviation Consultant. Within 60 days following its receipt of the recommendations, the Board shall, after giving due consideration to the recommendations, revise the Rates and Charges or alter its methods of operation, which revisions or alterations need not comply with the Aviation Consultant's recommendations as long as any revisions or alterations are projected by the Board to result in

compliance with subsections (1) and (2) above. The Board shall transmit copies of the Aviation Consultant's recommendations to the Trustee and to each Owner who has requested the same.

(6) If at any time and as long as the Board is in full compliance with the provisions of subsections (3), (4) and (5) above, there shall be no Event of Default under the General Indenture as a consequence of the Board's failure to satisfy the covenants contained in subsection (1) or (2) of above during such period.

Nothing contained hereinabove shall be construed to prevent the City, acting by and through the Board, from entering into long term leases or contracts after the effective date hereof, in the manner provided by law.

Aviation Consultant

The Board covenants that (i) at all times required by the General Indenture and (ii) at such other times as the Board, in its reasonable judgment, deems assistance from the Aviation Consultant to be appropriate, while any of the Bonds are outstanding, it will employ an Aviation Consultant experienced in the field of administration, maintenance and operation of airports and facilities thereof. The Aviation Consultant shall be appointed by the Board at such compensation as may be fixed by it. The Aviation Consultant shall at the request of the Board inspect the Airport System and make reports thereon and advise and make recommendations to the Board in connection with the administration, maintenance and operation thereof, including recommendations for any revisions necessary in fees, rates, and other charges to comply with the provisions of the General Indenture, and shall, if so requested, prepare a recommended budget for Operation and Maintenance Expenses and needed Capital Improvements of the Airport System on a Fiscal Year basis. Such budget shall, when deemed appropriate by the Aviation Consultant, include as a portion thereof an amount of the Revenues for such Fiscal Year to be used in such Fiscal Year to pay the Costs of Capital Improvements which will not be borrowed (the "**Non Borrowed Capital Budget**"). Copies of any report and recommendations made by the Aviation Consultant shall be filed as soon as available with the Board and the Trustee and made available for inspection by any holder of any of the Bonds upon request. If any Bonds or obligations of the Board pursuant to a Swap are Outstanding which are insured or guaranteed by any Provider, the Trustee shall furnish such Provider copies of the report and recommendations of the Aviation Consultant within 30 days of receipt of such items by it.

Compliance with Law and Leases

The Board will perform punctually all duties and obligations with respect to the properties constituting the Airport System required by the General Indenture and the laws of the State and will perform all contractual obligations undertaken by it under any leases and agreements with the United States of America, its agencies and with persons and corporations both public and private.

Accounts and Reports

(1) The Board shall maintain its books and accounts in accordance with generally accepted accounting principles and in accordance with such other principles of accounting as the Board shall deem appropriate.

(2) The Board shall annually file with the City and the Trustee a copy of an annual report for such year, accompanied by financial statements audited by and containing the report of a nationally recognized independent public accountant or firm of accountants, relating to the operations and properties of the Airport System for such Fiscal Year and setting forth in reasonable detail its financial condition as of the end of such year, the income and expenses for such year, including a summary of the receipts in and disbursements from the funds and accounts maintained under the General Indenture during such Fiscal Year and the amounts held therein at the end of such Fiscal Year. The annual report shall include a portion thereof which clearly sets forth and itemizes the Revenues and reflects the amount of Net Revenues. Each annual report shall be accompanied by a certificate of the accountant or firm of accountants auditing the same to the effect that in the course of and within the scope of their examination of such financial statements made in accordance with generally accepted auditing standards, nothing came to their attention that would lead them to believe that a default had occurred under the General Indenture or, if such is not the case, specifying the nature of the default.

In the event any Outstanding Bonds or the obligations of the Board to pay pursuant to any Outstanding Swap are insured or guaranteed by any Provider a copy of the annual report and audit required by this section shall be provided to such Provider within 30 days of receipt by the Trustee.

Covenant as to Arbitrage

The Board agrees that as long as any of the tax-exempt Bonds remain Outstanding, money on deposit in any fund or account maintained in connection with a particular series of such Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other sources in connection therewith, will not be used in a manner that would cause such series of Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder. The Board and the City shall observe and not violate the requirements of Section 148(c) of said Code and any such applicable regulations. In the event that nationally recognized bond counsel is of the opinion that it is necessary to restrict or limit the yield on the investment of monies held by it pursuant to a particular series of tax-exempt Bonds, or to use such monies in certain manners, in order to avoid the bonds being considered "arbitrage bonds" within the meaning of the Code and the regulations thereunder as such may be applicable to the Bonds at such time, the Board shall enter into an arbitrage rebate agreement requiring the rebate of arbitrage earnings to the United States Treasury.

Tax Covenant

The Board covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Tax-Exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Board covenants that it will comply with the instructions and requirements of the applicable Tax Certificate, which is incorporated in the General Indenture as if fully set forth therein. This covenant shall survive payment in full or defeasance of any Tax-Exempt Bonds.

In the event that at any time the Board is of the opinion that for investment of any moneys held by the Trustee under the General Indenture, the Board shall so instruct the Trustee under the General Indenture in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Notwithstanding any provisions of this section of the General Indenture, if the Board shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section of the General Indenture is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on any Tax-Exempt Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section of the General Indenture and of the applicable Tax Certificate, and the covenants thereunder shall be deemed to be modified to that extent.

Further Assurances

At any and all times the City and the Board shall, as far as may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, Supplemental Indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be reasonably necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, Revenues and other monies, securities and funds hereby pledged or assigned, or intended so to be, or which the Board or the City may hereafter become bound to pledge or assign.

Declaration of Default or Early Termination of Swap

The Board covenants and agrees that as long as any Swap is Outstanding pursuant to which the obligations of the Board to pay are insured or guaranteed by any Provider and such Provider is continuing to perform its payment obligations pursuant to such Swap, the Board shall not declare an event of default or early termination of any such Swap insured or guaranteed by such Provider unless such Provider shall have consented to such declaration or early termination or shall have directed the same.

City Shall Not Issue Bonds

The City covenants and agrees that it shall:

(1) not issue any additional bonds whatsoever pursuant to the provisions of the Basic Bond Resolution;

(2) not issue any additional bonds whatsoever pursuant to the provisions of the General Bond Resolution;

(3) not avail itself of the provisions of Part XIV of Chapter 4 of Subtitle II of Title 39 and/or Chapter 2 of Title 2 of the Louisiana Revised Statutes of 1950, as amended, in so far as such provisions authorize the City to issue bonds in its name secured by the pledge of the revenues of the Airport and/or the Airport System as long as any Bonds issued hereunder are Outstanding; and

(4) cause the Board to issue in the Board's name pursuant to the authority of the Act any bonds to be secured by a pledge of the Revenues or pledge of any other revenues derived from the Airport System as long as any Bonds issued hereunder are Outstanding.

Events of Default

If one or more of the following events (in the General Indenture called "**Events of Default**") shall happen,

(i) if default shall be made in the payment of the principal or Redemption Price of any Bond when due, whether at maturity or by call for mandatory redemption or redemption at the option of the Board or any Registered Owner or otherwise, or in the payment of any Sinking Fund Payment when due,

(ii) if default shall be made in the payment of any installment of interest on any Bond when due,

(iii) if default shall be made by the Board or the City in the performance or observance the covenants, agreements and conditions on its part with respect to rates, rents, fees and charges as provided in the General Indenture,

(iv) if default shall be made by the Board or the City in the performance or observance of any other of the covenants, agreements or conditions on either such party's part provided in the General Indenture or in the Bonds and such default shall continue for a period of 30 days after written notice thereof shall be given to the Board, or the City by the Trustee or to the Board and the City by the Registered Owners of a majority in principal amount of the Bonds Outstanding; provided that if such default cannot be remedied within such 30 day period, it shall not constitute an Event of Default under the General Indenture if corrective action is instituted by the Board or the City within such period and diligently pursued until the default is remedied,

(v) if under the provision of any law for the relief of debtors, an order, judgment or decree is entered by a court of competent jurisdiction appointing a receiver, trustee, or liquidator

(vi) for the Board or the whole or any substantial part of the Airport System granting relief in involuntary proceedings with respect to the Board under the federal bankruptcy act, or assuming custody or control of the Board or of the whole or any substantial part of the Airport System and the order, judgment or decree is not set aside or stayed within sixty (60) days from the date of entry of the order, judgment or decree,

(vii) if the Board admits in writing its inability to pay its debts generally as they become due, commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness makes an assignment for the benefit of its creditors, consents to the appointment of a receiver of the whole or any substantial part of the Airport System under any law for the relief of debtors, or consents to the assumption by any court of competent jurisdiction under any law for the relief of debtors of custody or control of the Board or of the whole or any substantial part of the Airport System, or

(viii) if any event of default shall have occurred pursuant to any Supplemental Indenture,

then, and in each and every such case, as long as such Event of Default shall not have been cured, the applicable Fiduciary only with the consent of or at the direction of the Secured Obligees of twenty-five percent (25%) in amount of the Secured Obligations Outstanding (by notice in writing to the Board), may declare the principal of all the Bonds then Outstanding, and the interest accrued thereon, and the payments due by the Board and not made by any guarantor of the Board's obligation pursuant to any Swap to be due and payable immediately, and upon any such declaration, the same shall become due and payable immediately, anything in the General Indenture, in any of the Bonds or any Swap contained to the contrary notwithstanding. The right to make such declaration as aforesaid, however, is subject to the condition that if, at any time after such declaration, all Events of Default (other than the payment of principal and interest due and payable solely by reason of such declaration) shall have been cured or provision deemed by the applicable Fiduciary to be adequate shall be made therefore, then and in every such case, unless a final judgment has been obtained for any principal, interest or payment due pursuant to a Swap coming due and payable solely by reason of such declaration, the Secured Obligees of a majority in amount of the Secured Obligations Outstanding, by written notice to the applicable Fiduciary, the City and the Board may annul such declaration or if the applicable Fiduciary shall have acted without a direction from Secured Obligees theretofore delivered to the applicable Fiduciary, the City and the Board written direction to the contrary by the Secured Obligees of a majority in amount of the Secured Obligations then Outstanding, then any such declaration shall be deemed to be annulled provided that no such annulment shall be possible without the approval of a Swap Party if (1) the Event of Default giving rise to such declaration was an Event of Default of a kind described in clause (vii) above relating to a Swap with that Swap Party, (2) that Swap Party has taken action in reliance on such declaration and (3) as a result, that Swap Party would incur damages if such declaration were annulled.

The above and foregoing provisions to the contrary notwithstanding (i) payments made by any Provider pursuant to any policy of insurance or surety bond shall not be given effect in determining whether a payment default has occurred and (ii) any Provider shall be deemed to be the sole holder of Bonds it has insured and shall be deemed to be the Swap Party with respect to any obligation pursuant to any Swaps which obligation has been insured by such Provider; provided, however, that should any Provider be in default or have repudiated its obligations to pay pursuant to any insurance policy or surety bond relating to Outstanding Bonds and/or Swaps then such Provider shall not be considered to be the holder of such Bonds nor the Swap Party pursuant to such Swap, it being understood that the actual Swap Party, and not such Provider, shall be considered the Swap Party pursuant to such Swap whether any such default or repudiation by such Provider relates to such Swap or to Outstanding Bonds.

In connection with any election regarding remedies provided for in Article VII of the General Indenture, a Credit Provider (not in default under the terms of its Credit Facility) shall be deemed to be the sole Secured Obligee with respect to the applicable Series of Bonds and/or Swap.

Application of Revenues and Other Monies after Default

(1) During the continuance of an Event of Default, the Revenues, Swap Revenues and the monies, securities and funds held by the applicable Fiduciary, the Board or the City and the income therefrom as follows and in the following order:

(i) to the payment of the reasonable and proper charges and expenses incurred in connection with (i) the administration of the provisions of the General Indenture and any Supplemental Indenture of the Board, City, the Trustee, and (ii) of the Aviation Consultant selected by the Board pursuant to the General Indenture;

(ii) to the payment of the amounts required for reasonable and necessary Operation and Maintenance Expenses, including reasonable and necessary reserves and working capital therefore, and for the reasonable repair and replacement of the Airport System necessary to prevent loss of Revenues or to provide for the continued operation of the Airport System, as certified to the Board by an Aviation Consultant selected by the Board;

(iii) to the payment of the interest and principal amount or Redemption Price then due on the Bonds, and the payment of sums due Swap Parties subject to the extension of payment provisions of the General Indenture, as follows:

(a) unless the principal amount of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto to all installments of interest and the payment of sums due Swap Parties other than sums due by the Board upon early termination or default of a Swap then due in the order of the maturity of such installments and sums maturing, and if the amount available shall not be sufficient to pay in full all installments and sums maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal amount or Redemption Price of any Bonds which shall become due, whether at maturity or by call for redemption, and to the payment of any sums due a Swap Party by the Board as a result of early termination or default of a Swap, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds sums due a Swap Party by the Board as a result of early termination or default of a Swap, due on any date, then to the payment thereof ratably, according to the amounts of principal, Redemption Price or payments due upon early termination or default on a Swap due on such date, to the persons entitled thereto, without any discrimination or preference; and

(b) if the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal amount and interest then due and unpaid upon the Bonds and the payment of any amounts due and unpaid by the Board pursuant to a Swap as a result of early termination or default, without preference or priority of principal over interest or of interest over principal, or principal or interest over sums due by the Board pursuant to a Swap as a result of early termination or default, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, or over principal or interest over sums due by the Board pursuant to a Swap, ratably according to the amounts due respectively for principal amount and interest to the persons entitled thereto without any discrimination or preference;

(iv) to the payment of amounts owing to Providers, other than amounts owing as a result of such Providers' subrogation or ownership rights in respect of Bonds.

(2) If and whenever all overdue installments of interest on all Bonds together with the reasonable and proper charges and expenses of the City, the Board and the Fiduciaries, and all other sums payable by the Board under the General Indenture, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, and all payments due by the Board pursuant to any Swap, shall either be paid by or for the account of the Board, or provision satisfactory to the Board shall be made for such payment and all defaults under the General Indenture, the Bonds and Swaps shall have been cured, the Board shall pay all monies, securities and funds remaining unexpended in all funds and accounts provided by the General Indenture to be held by the Board and thereupon the Board and the City shall be restored, respectively, to their former positions and rights under the General Indenture and all Revenues shall thereafter be applied as provided in Article V. No such payment over to the Board by the City or resumption of the application of Revenues as provided in Article V shall extend to or affect any subsequent default under the General Indenture or impair any right consequent thereon.

(3) The proceeds of any Additional Security shall be applied by the Board in the manner provided in the Applicable Supplemental Indenture authorizing or providing for such Additional Security.

(4) The above and foregoing provisions shall not be applicable to the proceeds of the remarketing of any tendered Bonds or the proceeds of a draw upon a Liquidity Facility which proceeds shall only be applied to the payment of the Purchase Price due the Owners of the tendered Bonds remarketed or sold as Bank Bonds.

(5) The amounts derived from any CFC or PFC pledged as security for any Bonds, Subordinated Bonds, Swap or other obligation shall be applied by the Trustee and the Board only to the Bonds, Subordinated Bonds, Swap or other obligation to which such CFC or PFC is pledged as shall be provided in the Applicable Supplemental Indenture.

Proceedings Brought by Applicable Fiduciary

(1) Whether or not a declaration shall be made by the applicable Fiduciary, Bondowners or Swap Party pursuant to the General Indenture, if an Event of Default shall happen and shall not have been remedied, then and in every such case, the Fiduciary may proceed to protect and enforce its rights and the rights of the Registered Owners of the Bonds and Swap Parties under the General Indenture by a suit or suits in equity or at law, but only with the consent of 25% of the Secured Obligees whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Board as if the Board were the trustee of an express trust, or for the enforcement of any other legal or equitable right as the Fiduciary, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the General Indenture.

(2) Upon the occurrence of an Event of Default, by suit, action or proceedings in any court of competent jurisdiction, the applicable Fiduciary shall be entitled to obtain the appointment of a receiver of the monies, securities and funds then held in any fund or account under the General Indenture and of the Revenues, with all such powers as the court making such appointment shall confer. Such receiver may take possession of the Airport System, operate and maintain it, and collect and receive the Revenues in the same manner as the Board itself might do, including if necessary the use of a lock box, and shall apply the same in accordance with the obligations of the Board. Notwithstanding the appointment of any receiver, the Board shall be entitled to retain possession and control of and to collect and receive income from any monies, securities and funds deposited or pledged with it under the General Indenture or agreed or provided to be delivered to or deposited or pledged with it under the General Indenture.

(3) All rights of action under the General Indenture may be enforced by the applicable Fiduciary without the possession of any of the Bonds or the production thereof on the trial or other proceedings.

(4) The Secured Obligees of a majority in amount of the Secured Obligations Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the applicable Fiduciary, provided that the applicable Fiduciary shall have the right to decline to follow any such direction if the applicable Fiduciary shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the applicable Fiduciary in good faith shall determine that the action or proceeding so directed would involve the applicable Fiduciary in personal liability or be unjustly prejudicial to the Secured Obligees not parties to such direction.

(5) Regardless of the happening of an Event of Default, the applicable Fiduciary, but only with the consent of 25% of the Secured Obligees, shall have the power to, but unless requested in writing by the Secured Obligees of a majority in amount of the Secured Obligations then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to institute and maintain such suits and proceedings as it may deem necessary or expedient to prevent any impairment of the security under the General Indenture by any acts which may be unlawful or in violation of the General Indenture, or necessary or expedient to preserve or protect its interests and the interests of the Secured Obligees.

Restriction on Action

(1) Except as provided in subpart (2) herein below, no Secured Obligee shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this General Indenture or for any remedy under this General Indenture, unless such Secured Obligee shall have previously given

to the applicable Fiduciary written notice of the happening of any Event of Default and the Secured Obligees of at least twenty-five percent (25%) in amount of the Secured Obligations then Outstanding shall have filed a written request with the applicable Fiduciary, and shall have offered it reasonable opportunity, to exercise the powers granted in the General Indenture in its own name, and unless such Secured Obligees shall have offered to the applicable Fiduciary adequate security and indemnity against the costs, expenses and liabilities to be incurred thereby, and the applicable Fiduciary shall have refused to comply with such request within a reasonable time.

(2) No Swap Party shall have any right to institute any suit, action or proceeding at law (but not in equity) for the enforcement of any provision of the General Indenture available to it or to the Trustee on its behalf (including enforcement of the Pledge hereby created to the Trustee on behalf of the Swap Party) or for any remedy under the General Indenture, unless such Swap Party shall not have timely received the payments due to be received by it pursuant to the applicable Swap from either the Board or any guarantor of the obligations of the Board and notice shall have been given to the Board and any grace period as provided in the Swap with respect thereto shall have elapsed. The Trustee shall take all action consistent with the other provisions hereof as shall be requested in writing by a Swap Party necessary to preserve and protect the pledge created by the General Indenture in favor of a Swap Party to the extent provided in any Swap and to enforce the obligations of the Board with respect to any Swap. In the event the action requested to be taken pursuant to the preceding sentence shall require the Trustee either to exercise the remedies granted herein or to institute any action, suit or proceeding in its own name, the Swap Party shall provide to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred in connection therewith.

(3) Nothing in the General Indenture shall affect or impair the obligation of the Board to pay on the respective dates of maturity thereof the principal amount of and interest on the Bonds, or affect or impair the right of action of any Registered Owner to enforce the payment of its Bond.

Remedies Not Exclusive

No remedy by the terms of the General Indenture conferred upon or reserved to the Fiduciary, the Bondowners or a Swap Party is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or provided at law or in equity or by statute.

Effect of Waiver and Other Circumstances

(1) No delay or omission of any Fiduciary, of any Bondowner, or any Swap Party to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such default or to be an acquiescence therein.

(2) Prior to the declaration of maturity of the Secured, the Secured Obligees of a majority in principal amount of the Secured Obligations at the time Outstanding may on behalf of the Secured Obligees of all of the Secured Obligations waive any past default under the General Indenture and its consequences, except a default in the payment of interest on or principal or Redemption Price of any of the Bonds and except a default relating to a Swap, which can only be waived by the applicable Swap Party. No such waiver shall extend to any subsequent or other default.

Special Facility; Special Facility Bonds

The Board may (a) designate an existing or planned facility, structure, equipment or other property, real or personal, which is located or to be located at the Airport or part of any facility or structure at or to be located at the Airport as a Special Facility, (b) provide that revenues earned by the Board from or with respect to such Special Facility whether pursuant to Special Facility Leases(s) or otherwise derived shall constitute Special Facility Revenues and shall not be included as Revenues, and (c) issue Special Facility Bonds for the purpose of acquiring, constructing, renovating, or improving such Special Facility, or providing financing to a third party for such purposes. Principal, purchase price, if any, redemption premium, if any, and interest with respect to Special Facility Bonds shall be payable from and secured by the Special Facility Revenues, and not from or by Net Revenues.

No Special Facility Bonds shall be issued by the Board unless an Aviation Consultant has certified (i) that the estimated Special Facility Revenues with respect to the proposed Special Facility will be at least sufficient to pay the principal, or purchase price, interest, and all sinking fund, reserve fund and other payments required with respect to Special Facility Bonds when due, and to pay all costs of operating and maintaining the Special Facility not paid by a party other than the Board; (ii) that estimated Net Revenues calculated without including the Special Facility Revenues and without including any operation and maintenance expenses of the Special Facility as Operation and Maintenance Expenses will be sufficient so that the Board will be in compliance with the rate covenants of the General Indenture during each of the five Fiscal Years immediately following the issuance of the Special Facility Bonds; and (iii) no Event of Default exists under the General Indenture. Upon the payment in full or other discharge of the Special Facility Bonds, Special Facility Revenues with respect to the Special Facility shall be included as Revenues.

Supplemental Indentures Effective upon Filing

The Board may, at any time and from time to time, execute a Supplemental Indenture supplementing the General Indenture for any one or more of the following purposes, which Supplemental Indenture, upon the approval by and the filing with the signing parties, in accordance with the General Indenture, of a copy thereof certified by an Authorized Officer of the Board, the City and the Trustee, shall be fully effective in accordance with its terms:

(1) to close the General Indenture against, or provide limitations and restrictions contained in the General Indenture on, the original issuance of Bonds or Swaps;

(2) to add to the covenants and agreements of the Board or the City contained in the General Indenture other covenants and agreements thereafter to be observed for the purpose of further securing the Bonds or Swaps;

(3) to surrender any right, power or privilege reserved to or conferred upon the Board or the City by the General Indenture;

(4) to authorize Bonds of a Series and Swaps and, in connection therewith, specify and determine any matters and things relative to such Bonds and Swaps not contrary to or inconsistent with the General Indenture;

(5) to exercise any provision herein or to make such determinations hereunder as expressly provided herein to be exercised or determined in any Supplemental Indenture;

(6) to confirm, as further assurance, any pledge under and the subjection to any lien or pledge created or to be created by the General Indenture of the Revenues;

(7) to facilitate credit enhancement;

(8) to make any other changes which do not materially adversely affect the interests of any Bondholders or any Swap Party; and

(9) to make any change for any purpose prior to the issuance of any of the Initial Bonds and prior to the execution of any Swap.

Supplemental Indenture Regarding Ambiguities

At any time or from time to time but subject to the conditions or restrictions in the General Indenture contained, a Supplemental Indenture of the Board amending or supplementing the General Indenture may be executed curing any ambiguity or curing, correcting or supplementing any defect or inconsistent provisions contained in the General Indenture or making such provisions in regard to matters or questions arising under the General Indenture as may be necessary or desirable, but no such resolution shall be effective until after the filing with the Board, the City and the Trustee in accordance with the General Indenture of a executed copy of such Supplemental Indenture.

Supplemental Indentures Amending Indentures or Bonds

At any time or from time to time but subject to the conditions or restrictions in the General Indenture contained, a Supplemental Indenture amending or supplementing the General Indenture may be executed modifying any of the provisions of the General Indenture or Bonds or releasing the City or the Board from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained, but, except as provided in the General Indenture, no such Supplemental Indenture shall be effective until after the filing with the Board, the City and the Trustee, in accordance with the General Indenture, of a copy of such Supplemental Indenture and unless no Bonds or Swaps authorized by a Supplemental Indenture adopted prior to the adoption of such Supplemental Indenture remain Outstanding at the time it becomes effective, or such Supplemental Indenture is consented to by or on behalf of Secured Obligees in accordance with and subject to the provisions of the General Indenture permitting Amendments thereto.

Execution and Filing of Supplemental Indentures

Any Supplemental Indenture referred to and permitted or authorized by the General Indenture may be executed without the consent of any of the Secured Obligees, but shall become effective only on the conditions to the extent and at the time provided in the General Indenture. Every such Supplemental Indenture so becoming effective shall thereupon form a part of the General Indenture. Any such Supplemental Indenture when executed and filed shall be accompanied by a Counsel's Opinion to the effect that such Supplemental Indenture has been duly and lawfully executed by the Board, the City and the Trustee in accordance with the provisions of the General Indenture, is authorized or permitted by the General Indenture, and constitutes the lawful and binding obligation of the Board, the City and the Trustee in accordance with its terms. Any Supplemental Indenture executed while Bonds insured by any Provider or payments due by the Board pursuant to Swaps guaranteed by any Provider are Outstanding shall not become effective until consented to by such Provider provided, however, no such consent of any Provider shall be required if such Provider shall be in default or have repudiated its obligations pursuant to any insurance policy relating to the Bonds or guarantee of the Board's obligations to pay pursuant to any Swap.

Powers of Amendment

Any modification or amendment of the Bonds or of the General Indenture may be made by a Supplemental Indenture, with the written consent given as provided in the General Indenture, in case no Swap Outstanding is affected by such modification of the Registered Owners of at least sixty-six and two-thirds percent (66 2/3%) in the principal amount of all Bonds Outstanding at the time such consent is given, or if less than all of the several Series of Bonds then Outstanding are affected by the modification, or amendment, of the Registered Owners of at least sixty-six and two-thirds percent (66 2/3%) in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given, in case only Swaps are affected by such modification, of the Swap Parties of Swaps representing sixty-six and two-thirds percent (66 2/3%) of the Outstanding notional amount of the Swaps or if less than all Swaps are affected thereby of the Swaps of the affected Swap Parties, and in case both Bonds and Swaps are affected by such modification, of the Registered Owners of at least sixty-six and two-thirds percent (66 2/3%) in Outstanding Principal amount of all Bonds affected and of at least sixty-six and two/thirds percent (66 2/3%) in notional amount of all Outstanding Swaps affected by such modification and in case the modification or amendment changes the amount or date of any Sinking Fund Payment, of the Registered Owners of at least sixty-six and two-thirds percent (66 2/3%) in principal amount of the Bonds of the particular Series and maturity entitled to such Sinking Fund Payment Outstanding at the time such consent is given; provided, however, that if such modification or amendment will by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the vote or consent of the Registered Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under the General Indenture; and provided, further, that no such modification or amendment shall permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or the rate of interest thereon or the method for determining such rate without the consent of the Registered Owner of such Bond, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto, or shall reduce the percentages of the principal amount of Bonds the consent of which is required to effect any such modification or amendment. No modification or amendment shall become effective while Bonds insured by any Provider or payments due by the Board pursuant to Swaps guaranteed by any Provider are Outstanding until consented to by such Provider provided, however, no such consent of such Provider shall be required if such Provider shall be in default or have repudiated its payment obligations pursuant to any insurance policy relating to the Bonds or guarantee of the Board's obligation to pay pursuant to any Swap. For purposes of this Section, and notwithstanding anything to the contrary in Section 701 or elsewhere in the General Indenture, if the consent of a Swap Party is required in connection with any amendment or modification affecting a Swap and the obligations of the Board in connection with such Swap are guaranteed under a policy of insurance or surety bond issued by any Provider, both such Swap Party and such Provider shall be treated as Swap Parties with respect to such Swap.

Consent

The Board may at any time execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions of the General Indenture to take effect when and as provided in the General Indenture. Upon the adoption of such Supplemental Indenture, an executed copy thereof shall be filed with the Board, the City and the Trustee, any other Fiduciary and each Provider for the inspection of the Bondowners and/or Swap Parties. A copy of such Supplemental Indenture (or summary thereof or reference thereto in form approved by the Board) together with a request to Bondowners and/or Swap Parties shall be mailed by the Board to Bondowners and Swap Parties. A copy of each Supplemental Indenture shall be mailed by the Board to each Swap Party pursuant to any Outstanding Swap even though the Board deems such Supplemental Indenture not to affect any Swap within 10 days after the adoption of the Supplemental Indenture. Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Board the written consents of the percentages of the Registered Owners of Outstanding Bonds and/or Swap Parties and any required insurer or guarantor specified in the General Indenture and a notice shall have been given as hereinafter in this Section provided. Any such consent shall be binding upon the Registered Owner of the Bonds, Swap Party and any required insurer or guarantor giving such consent and on any subsequent Registered Owner, Swap Party and any required insurer or guarantor (whether or not such subsequent Registered Owner or Swap Party has notice thereof). At any time after the Registered Owners or Swap Parties and any required insurer or guarantor of the required percentages of Bonds shall have filed their consent to the Supplemental Indenture, notice, stating in substance that the Supplemental Indenture has been consented to by the Registered Owners, Swap Parties and any required insurer or guarantor of the required percentages of Bonds or Swaps and will be effective as provided in this Section, shall be given to the Bondowners and/or Swap Parties and any required insurer or guarantor by mailing such notice to Bondowners and/or Swap Parties and any required insurer or guarantor even though the Board in its judgment deems such Supplemental Indenture not to affect any Swap (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as herein provided). The Board shall file with the Trustee proof of giving such notice. Such Supplemental Indenture shall be deemed conclusively binding upon the City, the Board, the Fiduciaries, the Registered Owners of all Bonds, the Swap Parties and any required insurer or guarantor at the expiration of sixty (60) days after the filing with the Trustee proof of the mailing of such notice, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding commenced for such purpose within such sixty day period or commenced thereafter if commenced by a Swap Party to whom neither a copy of the relevant Supplemental Indenture nor a copy of such notice was sent as provided in this Section; provided, however, that any Fiduciary and the Trustee during such sixty day period and any such further period during which any such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

Modification by Unanimous Action

Notwithstanding anything contained in the General Indenture, the rights and obligations of the Board, the City and the Trustee and of the Registered Owners of the Bonds and Swap Parties and the terms and provisions of the Bonds or of the General Indenture may be modified or amended in any respect upon the adoption of a Supplemental Indenture by the Board and the consent of the Registered Owners of all of the Bonds then Outstanding, and all Swap Parties of Outstanding Swaps such consent to be given as provided in the General Indenture except that no notice to Bondowners, Swap Parties and Credit Providers shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Defeasance

If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Registered Owners of the Bonds then Outstanding the principal amount and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated therein and in the General Indenture, no Swaps are then Outstanding and all amounts due any Provider, including a Provider of a Reserve Asset instrument, have been paid, then the pledge of any Revenues or other monies and securities pledged by the General Indenture and all other rights granted by the General Indenture shall be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Board all such instruments as may be desirable to evidence such release and discharge and the Fiduciaries shall pay over or deliver to the Board all monies or securities held by them pursuant to the General Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

No Recourse on the Bonds

No recourse shall be had for the payment of the principal or Redemption Price of or the interest on the Bonds or for any claim based thereon or on this General Indenture against any member, officer, agent, representative or employee of the Board, the City, the Trustee or any person executing the Bonds. No member, officer, agent, representative or employee of the Board, the City or the Trustee shall be held personally liable to any purchaser or holder of any Bond under or upon such Bond, or under or upon this General Indenture or any Supplemental Indenture relating to Bonds, or, to the extent permitted by law, because of the sale or issuance or attempted sale or issuance of Bonds, or because of any act or omission in connection with the construction, acquisition, operation or maintenance of the Airport System, or because of any act or omission in connection with the investment or management of the Revenues, funds or monies of the Board, the City or the Trustee or otherwise in connection with the management of their affairs, excepting solely for things willfully done or omitted to be done with an intent to defraud.

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II. FIFTH SUPPLEMENTAL INDENTURE

Items Pledged by the Board to Bonds:

(i) Net Revenues as defined in the General Indenture on a first lien parity basis with the Outstanding Series 2015 Bonds and Outstanding Series 2017 Bonds;

(ii) The other items relating only to the Bonds as defined herein including PFCs deposited to the Transferred PFCs Account of the Debt Service Fund as provided in Section 3.03 of the Fifth Supplemental Indenture and such other accounts and sub-accounts made specific to the Bonds.

Details of the Series 2019 Bonds; Manner of Payment

The Series 2019 Bonds shall be dated the date of their original issuance and delivery. Each Series 2019 Bond shall bear interest at the applicable rate computed on the basis of a 360-day year (consisting of twelve months of thirty days each) from the date of authentication, if authenticated, on an Interest Payment Date to which interest has been paid, or if not authenticated, on an Interest Payment Date from the next preceding Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid on the Series 2019 Bonds, the date of the original issuance of the Series 2019 Bonds, respectively.

The Series 2019 Bonds shall mature on the dates and in the principal amounts and shall bear interest, payable on each Interest Payment Date commencing January 1 of the years and at the rates per annum set forth below.

Series 2019 Bond (Non-AMT)

Base CUSIP†: 64763H

Maturity (January 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2021	$670,000	5.000%	1.150%	103.827	JJ5
2022	710,000	5.000%	1.200%	107.497	JK2
2023	745,000	5.000%	1.270%	110.955	JL0
2024	780,000	5.000%	1.340%	114.217	JM8
2025	820,000	5.000%	1.430%	117.176	JN6
2026	860,000	5.000%	1.550%	119.702	JP1
2027	905,000	5.000%	1.610%	122.365	JQ9
2028	950,000	5.000%	1.710%	124.509	JR7
2029	1,000,000	5.000%	1.810%	126.391	JS5
2030	1,045,000	5.000%	1.900%	125.541[C]	JT3
2031	1,100,000	5.000%	1.980%	124.790[C]	JU0
2032	1,155,000	5.000%	2.040%	124.231[C]	JV8
2033	1,210,000	5.000%	2.100%	123.675[C]	JW6
2034	1,275,000	5.000%	2.140%	123.306[C]	JX4
2035	1,335,000	4.000%	2.440%	112.540[C]	JY2
2036	1,390,000	4.000%	2.480%	112.196[C]	JZ9
2037	1,445,000	4.000%	2.520%	111.854[C]	KA2
2038	1,505,000	4.000%	2.550%	111.598[C]	KB0
2039	1,565,000	4.000%	2.580%	111.342[C]	KC8
2040	1,625,000	5.000%	2.370%	121.209[C]	KD6
2041	1,710,000	5.000%	2.400%	120.938[C]	KE4

[C] Priced to the first par call date of January 1, 2029.

Funds and Accounts Created by The Fifth Supplemental Indenture

In addition to the funds and accounts established pursuant to Section 502 of the General Indenture, which are to be maintained and used pursuant to Section 3.01 above, there are hereby created by the Fifth Supplemental Indenture to be established by the Trustee and the Trustee as applicable and maintained in connection with the Bonds, namely:

	Name of Funds and Accounts	**Held By**	**Pledged to Bonds**
1	Bonds Sub-Account of the Cost of Issuance Account of the Proceeds Fund	Trustee	Yes
2	Transferred PFCs Account of the Debt Service Fund	Trustee	Yes
3	Bonds Redemption Account of the Redemption Fund	Trustee	Yes
4	Bonds Account of the Debt Service Reserve Fund	Trustee	Yes
5	Bonds Account of the Arbitrage Rebate Fund	Trustee	No
9	Series 2010 PFC Bonds Escrow Account	Series 2010 PFC Bonds Trustee	No

In order to facilitate the purposes of the Fifth Supplemental Indenture and the receipt, holding application and transfer of Net Revenues, the Trustee, at the direction of the Board, may create such additional funds, accounts and sub-accounts as may be required under the circumstances.

Transferred PFCs Account of the Debt Service Fund

The Trustee shall accept Net PFC Revenues transferred by the PFC Trustee for deposit to the Transferred PFCs Account of the Debt Service Fund and shall pay debt service on the Bonds on the Interest Payment Date immediately following receipt by the Trustee of such Net PFC Revenues.

Earnings on Accounts

Investment earnings on the sums credited to the following funds, and accounts created for the Bonds shall be applied as follows:

(a) investment earnings of the amounts credited to the Costs of Issuance Accounts shall remain therein until the Trustee is advised by the Board that all Costs of Issuance have been paid and any remaining balance shall be credited to the Airport Operating Account; and

(b) all investment earnings of the amounts credited to the Debt Service Reserve Fund shall be transferred to the Airport Operating Account.

Optional Redemption.

The Series 2019 Bonds maturing on or after January 1, 2030 are subject to redemption at the option of the Aviation Board, in whole or in part on any date on or after January 1, 2029 in the order directed by the Aviation Board, in minimum aggregate principal amounts of $5,000 and integral multiples thereof, from any available moneys in the Redemption Fund at the price of par plus accrued interest to the redemption date. The Aviation Board shall give the Trustee at least forty-five days' notice of any Optional Redemption to be made specifying the redemption date and principal amounts to be redeemed.

Selection of Bonds to be Redeemed

A redemption of Bonds may be a redemption of the whole or of any part of the Bonds, but solely from funds available for that purpose in accordance with the provisions of the Fifth Supplemental Indenture. If less than all of the Bonds of any maturity shall be called for redemption under any provision of the Fifth Supplemental Indenture permitting such partial redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Board in its absolute discretion; provided further that, to the extent possible, Bonds or portions thereof shall be selected for redemption in a manner such that Bonds remaining Outstanding thereafter shall be in an Authorized Denomination. If it is determined that less than all of the principal amount represented by the Series 2019 Bonds is to be called for redemption, then, upon notice of intention to redeem such portion, the Registered Owner of such Bonds shall forthwith surrender such Bonds to the Trustee for (a) payment to such Registered Owner of the redemption price of such portion of principal amount so called and (b) making available for pickup by such Registered Owner of a new Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Bonds. New Bonds representing the unredeemed balance of the principal amount of such Bonds shall be issued to the Registered Owner thereof, without charge therefore. If the Registered Owner of any Series 2019 Bond or portion thereof selected for redemption shall fail to present such Bonds to the Trustee for payment and exchange as aforesaid, such Bonds shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the principal amount called for redemption (and to that extent only) and shall cease to bear interest on the specified redemption date and shall thereafter cease to be entitled to any lien, benefit or security under the Indenture.

Notice of Redemption

(a) In the event any of the Bonds are called for redemption, the Trustee shall, upon receipt from the Board of notice of its intention to redeem at least thirty (30) days prior to the date fixed therefore, give notice in the form provided by the Board to the Registered Owners and the Trustee in the name of the Board, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the date, the price, and the place or places where amounts due upon such event will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of the Bonds, so to be redeemed, (ii) if any redemption is subject to the condition of receipt of sufficient monies and that if such condition is not satisfied, the Owners will be notified thereof as soon as practicable, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by mail at least thirty (30) days prior to the date fixed for redemption to the Registered Owners of the Bonds to be redeemed; provided, however, that failure to give such notice by mail to any Registered Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other of the Bonds. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed.

(b) With respect to any notice of redemption of Bonds in accordance with Article IV of the Fifth Supplemental Indenture, upon receipt by the Trustee of sufficient monies or Defeasance Obligations to effect such redemption on the applicable date, such Bonds shall be deemed to have been paid within the meaning of Section 1201 of the General Indenture. Such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, interest and premium, if any, on such Bonds to be redeemed, and that if such moneys shall not have been so received, said notice shall be of no force and effect, and the Board shall not be required to redeem such Bonds. In the event such moneys are not so received, the redemption shall not be made and the Trustee shall, within a reasonable time thereafter, give notice in the manner in which the notice of redemption was given, that such moneys were not so received.

(c) Any Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with the Indenture shall cease to bear interest on the specified redemption date.

No Partial Redemption After Default

Anything in the Fifth Supplemental Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default, there shall be no redemption or **optional** purchase by the Board of less than all of the Bonds at the time Outstanding

Events of Default

The occurrence of an "Event of Default" pursuant to the General Indenture shall constitute, and is referred to herein, as an "Event of Default" with respect to the Bonds.

Remedies

(a) The applicable trustee shall give notice as provided in the General Indenture and the Fifth Supplemental Indenture of any Event of Default to the Board, the City, the Trustee, and the Bondowners as promptly as practicable after the occurrence of any thereof, of which either trustee has actual knowledge known to it even though only an Event of Default with respect to Section 701 of the General Indenture constitutes an Event of Default with respect to the Bonds.

(b) If an Event of Default has occurred and is continuing with respect to the Bonds, the Trustee shall be governed by and follow the procedures of and pursue the remedies set forth in Article VII of the General Indenture.

Supplements and Amendments Not Requiring Bondowner Consent

The Board, the City, and the Trustee may, but without the consent or approval of, or notice to, any of the Bondowners, enter into such supplements and amendments to the Fifth Supplemental Indenture as shall not, in the opinion of the Trustee, materially and adversely affect the interests of the Bondowners (which supplements and amendments shall thereafter form a part hereof), for any purpose including any of the following:

(a) to cure any ambiguity or formal defect or omission in the Fifth Supplemental Indenture or in any supplement or amendment to the Fifth Supplemental Indenture, or

(b) to grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondowners or the Trustee or either of them, or

(c) to subject to the lien and pledge of the Fifth Supplemental Indenture additional payments, revenues, properties or collateral, or

(d) to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder, or

(e) any amendment, supplement or modification which shall not materially and adversely affect the interests of the Bondowners and which, in the judgment of the Trustee, will not prejudice the interests of the Trustee, or

(f) to evidence the appointment of a separate Trustee or Co-Trustee or the succession of a new Trustee, or

(g) to modify, amend, or supplement the Fifth Supplemental Indenture or any supplement or amendment hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States, or

(h) to provide for the issuance of Bonds which are not maintained under a book entry system or in bearer form, to the extent permitted by law (but with the opinion of bond counsel that such change will not impair exclusion from gross income for federal income tax purposes), or

(i) to secure a rating in one of the two highest rating categories of the Rating Agency.

Supplements and Amendments Requiring Consent of Owners of the Secured Obligations

With the consent of the Owners of Bonds of not less than a majority in aggregate amount of the Secured Obligations at the time Outstanding, the Board, the City and the Trustee may, from time to time and at any time, enter into supplements and amendments to the Fifth Supplemental Indenture, which the Board deems necessary and desirable for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Fifth Supplemental Indenture or of any supplement or amendment to the Fifth Supplemental Indenture or of modifying in any manner the rights of the Owners of the Bonds; provided, however, that nothing herein contained shall permit, or be construed as permitting without the consent of the Owners of not less than 100% in aggregate principal amount of the Secured Obligations at the time outstanding, (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium, if any, or the rate of interest thereon, or (c) granting a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture. Nothing herein contained, however, shall be construed as making necessary the approval by Bondowners of the execution of any supplement or amendment to the Fifth Supplemental Indenture as authorized in the preceding heading not requiring Bondowner consent.

Copies of any such supplement or amendment shall be given at least 10 days prior to the effective date thereof to the Rating Agency. It shall not be necessary for the consent of the Registered Owners of Bonds to approve the particular form of any proposed supplement or amendment, but it shall be sufficient if such consent shall approve the substance thereof.

If at any time the Board shall request the Trustee to enter into any supplement or amendment to the Fifth Supplemental Indenture for any of the purposes specified above, the Trustee shall, at the expense of the Board, cause notice of the proposed execution of such supplement or amendment to be mailed, postage prepaid, to the Trustee, to all Registered Owners. Such notice shall briefly set forth the nature of the proposed supplement or amendment and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Secured Obligees. The Trustee shall not, however, be subject to any liability to any Secured Obligee by reason of its failure to mail the notice required hereunder, and any such failure shall not affect the validity of such supplement or amendment when consented to as provided above.

Whenever, at any time within three years after the date of the first giving of such notice, the Board shall deliver to the Trustee an instrument or instruments in writing purporting to be executed by the Owners of not less than a majority in aggregate amount of the Secured Obligations then Outstanding, which instrument or instruments shall refer to the proposed supplement or amendment described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Trustee and the City may execute such supplement or amendment in substantially such form, without liability or responsibility to any Owner of any Secured Obligations, whether or not such Owner shall have consented thereto.

If the Owners of not less than a majority in aggregate amount of the Secured Obligations Outstanding at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to the execution of such supplement or amendment, or to object to any of the terms and provisions contained therein or the operation thereof or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Board or the City from executing the same or from taking any action pursuant to the provisions thereof.

Supplements and Amendments Deemed Part of Supplemental Indenture

Any supplement or amendment to the Fifth Supplemental Indenture executed in accordance with the provisions of the Fifth Supplemental Indenture shall thereafter form a part of the Fifth Supplemental Indenture, and all of the terms and conditions contained in any such supplement or amendment as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of the Fifth Supplemental Indenture for any and all purposes. Upon the execution of any supplement or amendment to the Fifth Supplemental

Indenture pursuant to the provisions of the Fifth Supplemental Indenture, the Fifth Supplemental Indenture shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Fifth Supplemental Indenture of the Board, the City, the Trustee, and all Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Release of Supplemental Indenture

Bonds issued pursuant to the provisions hereof, shall be deemed paid and no longer considered Outstanding and the provisions of the Fifth Supplemental Indenture discharged upon satisfaction and in accordance with the provisions of the General Indenture. Notwithstanding the foregoing sentence, (i) any defeasance accomplished with cash will be accompanied by an opinion of counsel that the defeasance cash held to pay any of the Bonds will not be included within the estate of the Board in the event of a bankruptcy proceeding by or against it, (ii) concurrent with any such defeasance, the Board shall have received a verification report of a firm of certified public accountants or other nationally recognized verification firm opining as to the sufficiency of the Defeasance Obligations and cash to pay all defeased Bonds as scheduled, and (iii) each Rating Agency having previously rated the Bonds shall be given notice of such defeasance.

No Additional Bonds or Subordinate Bonds

Anything herein to the contrary notwithstanding, there shall be no Additional Bonds or other Obligations issued pursuant to the Fifth Supplemental Indenture. Additional Bonds and Subordinated Bonds may be issued in accordance with the provisions as applicable of the General Indenture.

Covenants of Board

(a) Payment of Debt Service on the Bonds: The Board covenants that it will promptly pay or cause to be paid the principal of and redemption premium, if any, and interest on every Bond at the places, on the dates and in the manner provided herein and such Bond according to the true intent and meaning thereof. Except as in the Fifth Supplemental Indenture otherwise provided, such principal, redemption premium, and interest on every Series 2019 Bond is payable solely from the payments made by the Board from the Trust Estate and the Transferred PFCs Account of the Debt Service Fund.

(b) Covenant not to issue Additional PFC Bonds [under the PFC Indenture]: The Board covenants and agrees that no additional PFC Bonds will be issued under the PFC Indenture.

(c) Performance of Covenants: The Board covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the General Indenture, the Fifth Supplemental Indenture, in any and every Obligation executed, authenticated and delivered hereunder and in all proceedings of the Board pertaining thereto, and will faithfully observe and perform at all times any and all covenants, undertakings, stipulations, and provisions of any Reimbursement Agreement on its part to be observed or performed.

(d) Successors are Bound: In the event of the dissolution of the Board, all of the covenants, stipulations, obligations, and agreements contained in the Fifth Supplemental Indenture by or on behalf of or for the benefit of the Board shall bind or inure to the benefit of the successor or successors of the Board from time to time and any officer, board, commission, authority, agency, or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations, and agreements shall be transferred by or in accordance with law. The word "Board" as used in the Fifth Supplemental Indenture shall include such successor or successors.

(e) Maintenance of Tax-Exemption of Series 2019 Bonds: The Board covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2019 Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Board covenants that it will comply with the instructions and requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Bonds.

(f) Investment Instructions to Trustee: In the event that at any time the Board is of the opinion that for the purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the Trustee under the Fifth Supplemental Indenture, the Board shall so instruct the Trustee under the Fifth Supplemental Indenture in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Notwithstanding any provisions of this Section, if the Board shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2017 Tax-exempt Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Reliance upon Opinions and Certifications

Any certificate or opinion made or given by an officer of the Board may be based (whether or not expressly so stated), insofar as it relates to legal matters, upon a certificate or opinion of, or representation by counsel, unless such officer knows that the certificate or representation, with respect to the matter upon which his or her certificate or opinion may be based, are erroneous. Any certificate or opinion made or given by counsel may be based (whether or not expressly so stated), insofar as it relates to factual matters, upon the certificate or opinion of, or representation by, an officer or officers of the Board, unless such counsel knows that the certificate, opinion or representation with respect to the matters upon which his or her certificate or opinion may be based as aforesaid, is erroneous.

All representations, warranties and covenants on the part of the Board contained in the Fifth Supplemental Indenture are based, insofar as they relate to legal matters, upon an opinion or opinions of or representations by counsel.

Louisiana Law Governs

The Fifth Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of Louisiana.

Payments Due on Legal Holidays

In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption or purchase of any Bonds or the date fixed for the giving of notice or the taking of any action under the Fifth Supplemental Indenture shall not be a Business Day, then payment of such interest, principal, Purchase Price and redemption premium, if any, the giving of such notice or the taking of such action need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

Further Authority

The officials of the Board, attorneys, engineers, and other agents or employees of the Board are hereby authorized to do all acts and things required of them by the Fifth Supplemental Indenture for the full, punctual and complete performance of all of the terms, covenants and agreements contained in the Bonds and the Fifth Supplemental Indenture.

APPENDIX C

REPORT OF THE AVIATION CONSULTANT

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December 3, 2019

Mr. Kevin Dolliole
Director of Aviation
New Orleans Aviation Board
Louis Armstrong New Orleans International Airport
P.O. Box 20007
New Orleans, LA 70141

Subject: ***Financial Feasibility Report – New Orleans Aviation Board Special Facility Revenue Bonds, Series 2018A and Series 2018B***

Dear Mr. Dolliole:

Unison Consulting, Inc. (Unison), in association with AVK Consulting, is pleased to submit the attached Financial Feasibility Report (Report) regarding the proposed issuance by the New Orleans Aviation Board (the Aviation Board) of its General Airport Revenue Refunding Bonds (Gulf Opportunity Zone Projects), Series 2019 (the Series 2019 Bonds).

The Series 2019 Bonds are being issued by the Aviation Board pursuant to the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the General Indenture) among the Aviation Board, The Bank of New York Mellon Trust Company, N.A. (the Trustee) and the City of New Orleans (the City), as supplemented and amended through a Fifth Supplemental Trust Indenture among the same parties (the Fifth Supplemental Indenture), together with the General Indenture and prior Supplemental Indentures, the "Indenture."

Proceeds of the Series 2019 Bonds will be used to refund a portion of the outstanding New Orleans Aviation Board Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects) Series 2010A (the Series 2010A GO Zone Bonds). The Series 2010A GO Zone Bonds were issued simultaneously with the New Orleans Aviation Board Revenue Bonds (Passenger Facility Charge Projects), Series 2010B (non-AMT) (the "Series 2010B Bonds," together with the Series 2010A Bonds, the "Series 2010 Bonds"), pursuant to the Aviation Board's PFC General Revenue Bond Trust Indenture (the PFC Indenture) by and among the Aviation Board, the City, and The Bank of New York Trust Company, N.A. (the PFC Trustee), dated as of November 1, 2007, as amended through the Second Supplemental Trust Indenture dated as of December 1, 2009. The 2010 Bonds will be defeased as of the issue date of the Series 2019 Bonds.

The Series 2019 Bonds are special, limited obligations of the Aviation Board payable from and secured by a pledge of Net Revenues (as defined in the General Indenture), which pledge is on a parity with the pledge of such Net Revenues made to secure the New Orleans Aviation Board General Airport Revenue Bonds, Series 2015 (the Series 2015 Bonds), New Orleans Aviation Board General Airport Revenue Bonds, Series 2017 (the Series 2017 Bonds), and any Additional Bonds that may be issued pursuant to the General Indenture.

The Aviation Board and the Airport

The Aviation Board was created in 1943 to oversee the administration, operation, and maintenance of the Airport. The Aviation Board, which is an unattached board under the executive branch of the New Orleans City Government, represents the City in all aviation matters.[1] The Aviation Board also oversees an unmanned heliport in New Orleans.[2]

The Aviation Board consists of nine members that are appointed by the Mayor of New Orleans and approved by the New Orleans City Council. The Airport is located in the City of Kenner, which is in Jefferson Parish, and in an unincorporated area of St. Charles Parish. The City of Kenner and the Parish of St. Charles have input regarding the selection of one member each to the Aviation Board. The members are not compensated and serve five-year terms. The Chair and Vice-Chair are elected by the other Board members and serve in the Chair or Vice-Chair position until a new Chair or Vice Chair is selected by the Board members. The Aviation Board appoints a Director of Aviation and Deputy Directors to run day- to-day airport operations and plan airport development, supported by a staff of full-time professional and technical personnel.

The Airport is located approximately 14 miles west of the New Orleans central business district, three miles south of Lake Pontchartrain, and on-half mile north of the Mississippi River. Most of the Airport is located in Jefferson Parish, Louisiana, with a small portion located in an unincorporated area in St. Charles Parish. The Airport is the largest primary commercial service airport serving Southeast Louisiana, and it is classified as a primary medium hub airport in the FAA's National Plan of Integrated Airports System. The medium hub classification is for airports serving between 0.25 and 1 percent of all annual enplaned passengers in the United States. In 2017, MSY served 6 million enplanements, which accounted for approximately 0.7 percent of total U.S. system enplanements.

Legal Framework

Proceeds of the Series 2019 Bonds will be used to refund a portion of the outstanding New Orleans Aviation Board Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects) Series 2010A (the Series 2010A GO Zone Bonds). The Series 2010A GO Zone Bonds were issued simultaneously with the New Orleans Aviation Board Revenue Bonds (Passenger Facility Charge Projects), Series 2010B (non-AMT) (the "Series 2010B Bonds," together with the Series 2010A Bonds, the "Series 2010 Bonds"), pursuant to the Aviation Board's PFC General Revenue Bond Trust Indenture (the PFC Indenture) by and among the Aviation Board, the City, and The Bank of New York Trust Company, N.A. (the PFC Trustee), dated as of November 1, 2007, as amended through the Second Supplemental Trust Indenture dated as of December 1, 2009. The 2010 Bonds will be defeased as of the issue date of the Series 2019 Bonds.

---

[1] Lakefront Airport, a general aviation facility located on the southern shore of Lake Pontchartrain and within Orleans Parish, is owned by the Orleans Levee District.
[2] On July 18, 2019, the Aviation Board approved a resolution authorizing the Director of Aviation to proceed with the steps necessary to discontinue operations at the Heliport and close it.

Rate Covenant

Under Section 604 of the Indenture, the Board covenants to impose, charge, and collect reasonable rates, fees, rentals, or other charges for services, facilities, and commodities of the Airport System that must be sufficient to provide for the following:

a. Revenues in each Fiscal Year will be at least sufficient to make all the payments required by Section 505(2)(a) through (g) of the Indenture and make all scheduled payments of principal and interest with respect to Subordinated Bonds; and

b. Net Revenues together with the sum on deposit in the Rollover Coverage Account on the last day of the immediately preceding Fiscal Year, required by the Commercial Airline Lease, will at least equal 125% of the Bond Debt Service Requirement with respect to the Bonds for such Fiscal Year.

This provision is known as the "Rate Covenant."

Section 205 of the Indenture requires that certain conditions be met in order for "Additional Bonds" to be issued by the Board. The Series 2019 Bonds are being issued as Additional Bonds pursuant to the Indenture. In order to issue Additional Bonds, the Board must demonstrate that:

- The sum of Net Revenues and the amounts deposited into the Rollover Coverage Account during 12 consecutive months of the preceding 18 calendar months preceding the date of issuance of the Additional Bonds will at least equal 125% of the Bond Debt Service Requirement for all outstanding Bonds and the proposed Additional Bonds, for such 12-month period; and

- The sum of projected Net Revenues and the amounts projected to be deposited in the Rollover Coverage Account during the three (3) consecutive calendar years commencing with the calendar year following the calendar year in which the Additional Bonds are planned to be issued, will at least equal 125% of the Bond Debt Service Requirement with respect to the Bonds for such calendar years.

This provision is known as the "Additional Bonds Test."

The attached Report includes calculations of recent historical Net Revenues and projected Net Revenues to evaluate the ability of the Board to meet the requirements of the Rate Covenant and the Additional Bonds Test.

Airline-Airport Use and Lease Agreement

The Airline-Airport Use and Lease Agreement between the Board and Signatory Airlines dated and effective as of January 1, 2009, as amended (the Airline Agreement) establishes rentals, fees, and charges payable by all Signatory Airlines during the term of the Airline Agreement. The Airline Agreement calculates airline rates, fees, and charges that, together with other revenues, generate sufficient Net Revenues to maintain the rate covenant established under the Indenture under a residual rate-setting methodology. The financial analysis presented in Section 4 of the attached Report reflects the airline rates and charges methodology specified in the Airline Agreement.

Report Organization

The following summary of the components of the attached Report provides an overview of the comprehensive analysis performed:

- Section 1 describes the Aviation Board, the Louis Armstrong New Orleans International Airport (MSY or the Airport), and the financing transaction.

- Section 2 defines the Airport's air service area and discusses the local economic base.

- Section 3 analyzes the historical aviation activity at the Airport and presents forecasts of future aviation activity.

- Section 4 reviews the financial framework of the Airport, reviews the recent historical financial performance of the Airport, and examines the ability of the Airport to generate sufficient Revenues in each year of the forecast period to meet the Airport's financial obligations. Key financial indicators, including debt service coverage and airline cost per enplaned passenger are also presented.

Assumptions

The analysis and forecasts contained in the attached Report are based upon certain data, estimates, and assumptions that were provided by the Airport, and certain data and projections from other independent sources as referenced herein. The attached Report should be read in its entirety for an understanding of the forecasts and the underlying assumptions. In our opinion, the data, estimates, and assumptions used in the report are reliable, and provide a reasonable basis for our forecast given the information available and circumstances as of the date of this Report. However, any forecast is subject to uncertainties. Inevitably, some assumptions will not be realized, and unanticipated events and circumstances may occur. Therefore, the actual results achieved may vary from the forecasts, and the variations could be material.

The major assumptions utilized in the attached Report are listed below:

1. The forecasts of aviation activity presented in the Report were developed using a hybrid modeling framework that incorporates both supply and demand considerations. This approach features capacity-driven, short-term forecasts and demand-driven long-term forecasts. For the long-term forecasts, we use regression analysis to link growth in future airport activity to trends in key demand drivers. The model is consistent with sound economic theory, is well-supported by empirical trends, and passes statistical evaluation.
2. The Aviation Board anticipates issuing General Airport Revenue Bonds in 2021 (the Series 2021 Bonds) to pay off approximately $75 million of short-term notes issued for the acquisition of passenger loading bridges and roadway improvements related to the North Terminal Project.
3. The Aviation Board will apply PFCs to offset a portion of annual debt service associated with the Series 2015 Bonds, the Series 2017 Bonds, and the Series 2019 Bonds that fund PFC-eligible portions of the North Terminal Project.

Findings and Conclusions

Based upon the assumptions and analysis presented in the attached Report, we forecast that the Board will be able to comply with the Rate Covenant and Additional Bonds Test provisions of the Indenture, and other governing legal documents, while maintaining a reasonable airline cost per enplaned passenger. Specifically, we conclude the following:

- Under the base case air traffic forecast, enplanements will increase to 8.143 million in 2029, representing an average annual growth rate of 1.6 percent from 2019 through 2029. A low forecast was also developed and used for the sensitivity financial analysis, under which enplanements are forecast to increase to 7.973 million in 2029, representing a 1.4 percent average annual growth rate.

- Under the base case air traffic forecast, debt service coverage is projected to remain above the 1.25 requirement. It is projected to remain at or above 1.28 throughout the forecast period.

- Under the base case air traffic forecast, the Airport's airline cost per enplaned passenger is projected to increase to $7.62 in 2021, and then decrease thereafter, to $7.33 in 2029.

- Under the low air traffic forecast scenario, debt service coverage is projected to be the same as under the base case scenario, at or above 1.28 throughout the forecast period. The airline cost per enplanement is projected to increase to $7.88 in 2021, and then decrease thereafter, to $7.60 in 2029.

Based on the above, we conclude that it is financially feasible for the Aviation Board to proceed with the issuance of the Series 2019 Bonds.

Sincerely,

UNISON CONSULTING, INC.

Unison Consulting, Inc.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

New Orleans Aviation Board
General Airport Revenue Refunding Bonds
(Gulf Opportunity Zone Projects)
Series 2019 (Non-AMT)

REPORT OF THE AVIATION CONSULTANT

Prepared by

UNISON CONSULTING

In Association with
AVK Consulting

December 3, 2019

Table of Contents

SECTION 1 │ INTRODUCTION 1
New Orleans Aviation Board 1
Louis Armstrong New Orleans International Airport 2
The Financing Transaction 4
SECTION 2 │ ECONOMIC BASE 6
Air Service Area 6
The Levee System Failure Following Hurricane Katrina 9
Overview of Economic and Demographic Trends 10
Population 11
Labor Market 13
Employment by Industry 17
Tourism 23
Economic Output 25
Personal Income 27
Outlook for the New Orleans MSA 28
Outlook for the National Economy 31
Oil Prices 33
Summary 34
SECTION 3 | AVIATION ACTIVITY 36
Historical Commercial Aviation Activity 36
Long-Term Enplanement Trends 37
Airport and U.S. System Enplanements 40
Domestic and International Traffic 42
Origin and Destination (O&D) and Connecting Traffic 43
Relative Composition of Passenger Traffic Between Residents and Visitors 43
Seasonality in Enplanements 44
Airline Market Shares 45
Top O&D Markets 49
Scheduled Nonstop Passenger Airline Service 50
Passenger Yield 54
Commercial Aircraft Landings and Landed Weight 55

Forecast Commercial Aircraft Activity....57
Forecast Methodology....57
Forecast Uncertainty and Risk Factors....68
Economic Conditions....68
Trends in Oil Prices and Jet Fuel Prices....68
Financial Health of the U.S. Airline Industry....69
Performance of Major Airlines Serving the Airport....70
Grounding of the Boeing 737 MAX....73
Airline Economics, Competition, and Airfares....76
Airline Mergers....76
Aviation Security, Health and Safety Concerns....77
Structural Changes in Travel Demand....77
SECTION 4 | FINANCIAL ANALYSIS....78
Financial Framework....78
The Indenture and Application of Revenues....78
Airport Accounting....80
Airline Revenues and Rates and Charges Methodology....82
Airport Operation and Maintenance (O&M) Expenses....83
Wages, Salaries and Fringe Benefits....83
City Services....86
Insurance....86
Police Services....86
Fire Services....86
Cleaning and Waste Removal....87
Shuttle and Parking Services....87
Security Services....87
Repairs and Maintenance....87
Utilities....87
Supplies....88
Professional Services....88
Other....88
Debt Service....88

Airport Revenues 90
Revenues other than Airline Revenues 95
Key Financial Indicators 101
Application of Revenues 101
Debt Service Coverage 101
PFC Revenue Cash Flow 101
Airline Cost per Enplaned Passenger 105
Sensitivity Analysis 105
Summary 107

List of Tables

Table 1 | Louisiana State and MSA Populations, 2018 11
Table 2| The New Orleans MSA's Largest Employers 21
Table 3| Commercial Passenger Air Carriers Providing Scheduled Service at MSY in 2019 37
Table 4| MSY and U.S. System Enplanements (In Thousands), 2004-2018 40
Table 5| MSY Domestic and International Enplanements (in Thousands), 2004-2018 42
Table 6| MSY Enplanements by Airline, 2004-2018 48
Table 7| MSY's Top 25 O&D Markets in 2018 49
Table 8| Commercial Aircraft Landings at MSY 2011-2018 55
Table 9| Commercial Aircraft Landed Weight at MSY 2011-2018 56
Table 10| Select Forecasts of MSY Enplanements 63
Table 11| Base Forecast of Commercial Aviation Activity at MSY 65
Table 12| Low Forecast of Commercial Aviation Activity at MSY 66
Table 13| High Forecast of Commercial Aviation Activity at MSY 67
Table 14: Scheduled Seats Before & After Boeing 737 MAX Grounding 74
Table 15: Year-over-Year Change in Scheduled Seats Before & After Boeing 737 MAX Grounding ... 75
Table 16| Historical Financial Results Per Financial Statements Reconciled to Net Revenues 81
Table 17| Historical O&M Expenses 84
Table 18| Projected O&M Expenses 85
Table 19| Sources and Uses of Series 2019 Bonds 89
Table 20| Historical and Projected Annual General Airport Revenue Bond Debt Service 91
Table 21| Historical Revenues 92
Table 22| Projected Revenues 93
Table 23| Projected Landing Fees 96
Table 24| Projected Terminal Rentals 97
Table 25| Projected Apron Rentals 98
Table 26| Projected Application of Revenues 102
Table 27| Historical and Projected Debt Service Coverage 103
Table 28| Projected PFC Revenue Cash Flow 104

List of Figures

Figure 1| Location of the Airport 14 Miles West of Downtown New Orleans 3
Figure 2| Primary Air Service Area – The New Orleans-Metairie, LA, Metropolitan Statistical Area... 7
Figure 3| MSY's Broad Catchment Area 8
Figure 4| Population Growth 12
Figure 5| Employment Recovery from the Great Recession 14
Figure 6| New Orleans MSA Nonfarm Employment from 1980 15
Figure 7| New Orleans MSA Civilian Labor Force 16
Figure 8| Civilian Labor Force Trends 16
Figure 9| Employed Labor Force Trends 17
Figure 10| Unemployment Trends 17
Figure 11| 2018 Industry Distribution of Nonfarm Jobs 18
Figure 12| New Orleans MSA Employment Growth by Industry, 2004-2018 20
Figure 13|Largest Companies by Parish in the New Orleans MSA 22
Figure 14| Greater New Orleans Visitors 25
Figure 15| New Orleans MSA Real Gross Domestic Product 26
Figure 16| Growth in Real Gross Domestic Product 27
Figure 17| Per Capita Personal Income 28
Figure 18| Forecast Growth in Key Socioeconomic Indicators for the New Orleans MSA 30
Figure 19| Forecast Growth in Key Socioeconomic Indicators, New Orleans MSA & U.S. 30
Figure 20| U.S. Real Gross Domestic Product Annualized Percent Change from the Prior Period 31
Figure 21| U.S. Real GDP Growth Forecasts, Wall Street Journal Economic Forecasting Survey 32
Figure 22| Moody's Analytics' Forecasts of Key Socioeconomic Indicators for the United States 33
Figure 23| Monthly Crude Oil Prices (Cushing, OK WTI) 34
Figure 24| MSY Annual Enplanement Trends, 1990-2018 39
Figure 25| MSY and System Enplanement Growth Trends, 2004-2018 41
Figure 26| MSY O&D and Connecting Traffic, 2004-2018 43
Figure 27| Split of O&D Passenger Traffic Between Residents and Visitors 44
Figure 28| MSY Monthly Enplanements, January 2010-June 2019 44
Figure 29| MSY Enplanements by Published Airline,[1] 2004-2018 46
Figure 30| MSY Enplanements by Carrier Type,[1] 2004-2018 47
Figure 31| MSY's Top 25 O&D Markets in 2018 50
Figure 32| MSY Trends in Scheduled Air Service, 2009-2018 51
Figure 33| MSY's Top 25 Nonstop Markets in 2018 52
Figure 34| Scheduled Daily Seats, All Carriers, MSY & Selected Medium Hub Airports, 2009-2018 . 53
Figure 35| Domestic Passenger Yield, MSY & Select Southwest Airlines' Medium Hub Airports 54
Figure 36| Key Features of the Forecasting Approach 57
Figure 37| Key Drivers of Enplanement Growth 58
Figure 38| Historical and Forecast Annual Growth Trends in the Key Explanatory Variables 59
Figure 39| Base Regression and Monte Carlo Simulation Forecasts 62
Figure 40| U.S. Jet Fuel and Consumer Price Indexes 69

Figure 41| U.S. Passenger Airlines Quarterly Net Profit ($)..70
Figure 42 | Domestic Scheduled Seats by the Four Major U.S. Airlines 71
Figure 43| Flow of Funds..80

SECTION 1 | INTRODUCTION

This Report of the Aviation Consultant (Report) examines the financial feasibility of the issuance of the New Orleans Aviation Board General Airport Revenue Refunding Bonds (Gulf Opportunity Zone Projects), Series 2019 (the Series 2019 Bonds).

The Series 2019 Bonds are being issued by the New Orleans Aviation Board (the Aviation Board) pursuant to the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the General Indenture) among the Aviation Board, The Bank of New York Mellon Trust Company, N.A. (the Trustee) and the City of New Orleans (the City), as supplemented and amended through a Fifth Supplemental Trust Indenture among the same parties (the Fifth Supplemental Indenture), together with the General Indenture and prior Supplemental Indentures, the "Indenture."

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This Report is organized into the following sections:

- Section 1 describes the Aviation Board, the Louis Armstrong New Orleans International Airport (MSY or the Airport), and the financing transaction.
- Section 2 defines the Airport's air service area and discusses the local economic base.
- Section 3 analyzes the historical aviation activity at the Airport and presents forecasts of future aviation activity.
- Section 4 reviews the financial framework of the Airport, reviews the recent historical financial performance of the Airport, and examines the ability of the Airport to generate sufficient Revenues in each year of the forecast period to meet the Airport's financial obligations. Key financial indicators, including debt service coverage and airline cost per enplaned passenger are also presented.

New Orleans Aviation Board

The Aviation Board was created in 1943 to oversee the administration, operation, and maintenance of the Airport. The Aviation Board, which is an unattached board under the executive branch of the

New Orleans City Government, represents the City in all aviation matters.[1] The Aviation Board also oversees an unmanned heliport in New Orleans.[2]

The Aviation Board consists of nine members that are appointed by the Mayor of New Orleans and approved by the New Orleans City Council. The Airport is located in the City of Kenner, which is in Jefferson Parish, and in an unincorporated area of St. Charles Parish. The City of Kenner and the Parish of St. Charles have input regarding the selection of one member each to the Aviation Board. The members are not compensated and serve five-year terms. The Chair and Vice-Chair are elected by the other Board members and serve in the Chair or Vice-Chair position until a new Chair or Vice Chair is selected by the Board members.

The operations and improvements at the Airport are funded by airport user charges, special taxing district revenues, revenues derived from leases and concession agreements, Passenger Facility Charges (PFCs), Louisiana Department of Transportation Trust Fund Grants, and funds received from the Federal Aviation Administration (FAA) and the Transportation Security Administration (TSA). No general tax fund revenues from any state or local government are used to operate or maintain the Airport.

Louis Armstrong New Orleans International Airport

In the mid 1930's, the City coordinated with the Civil Aviation Division (the predecessor to the FAA) to establish an airport at Moisant Field as an alternative to the Lakefront Airport located in the eastern portion of the City. Before the City could begin construction on the future airport, the land was taken over by the U.S. government and used as an air base during World War II. The land was used by the Army until the end of the war and was returned to the City, plus an additional 295 adjacent acres, in 1946. Commercial air service began at Moisant Field in May 1946 and by 1947 the Airport contained four runways on 1,360 acres. The site has since been expanded to the present size of 1,700 acres, which include all Airport facilities and parcels for noise mitigation that the Aviation Board acquired before 2006. The Airport's three letter identifier, MSY, stands for Moisant Stock Yards.

The Airport is adjacent to Interstate Highway 10, approximately 14 miles west of the New Orleans Central Business District, three miles south of Lake Pontchartrain, and one-half mile north of the Mississippi River. Most of the Airport is located in Jefferson Parish, Louisiana, with a small portion located in an unincorporated area in St. Charles Parish. The location of the Airport is depicted in Figure 1.

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[1] Lakefront Airport, a general aviation facility located on the southern shore of Lake Pontchartrain and within Orleans Parish, is owned by the Orleans Levee District.

[2] On July 18, 2019, the Aviation Board approved a resolution authorizing the Director of Aviation to proceed with the steps necessary to discontinue operations at the Heliport and close it.

A passenger terminal and two concourses were dedicated in 1959 and in 1960 the name of the Airport was changed to New Orleans International Airport. In 1974, two more concourses were added at the east end of the passenger terminal, thereby increasing the number of gates to 42. An extensive renovation was done on the West Concourse in 1979 and again in the 1990s. In August 2001, the Airport's name was changed to Louis Armstrong New Orleans International Airport in honor of what would have been the 100th birthday of the famous musician, who was born in New Orleans.

Figure 1| Location of the Airport 14 Miles West of Downtown New Orleans

Source: Louisiana State University and U.S. Army Corps of Engineers.

In August 2011, the Aviation Board began a detailed analysis of the options for a new passenger terminal facility. The analysis focused on design, financial feasibility, environmental impact, and land use. After an extensive analysis, the Aviation Board determined that a new terminal complex on the North side of the Airport was the most feasible option for a new terminal facility. In April 2013, the Aviation Board announced its decision to proceed with the North Terminal Project, which consists of a new passenger terminal along with necessary related improvements on the North side of the Airport, such as an aircraft apron, a central utility plant, a parking garage, surface parking lots, an on-site roadway system and associated ground transportation facilities, and associated enabling projects such as navigational equipment and airfield lighting vault relocations. The North Terminal Project is designed to accommodate the long-term needs of the Airport and preserve or repurpose existing assets where possible. The North Terminal opened to the public on November 6, 2019.

The new passenger terminal consists of a three-story terminal building with three concourses (A, B, and C), 35 airline gates, and approximately 972,000 square feet of space. Departures and ticketing are located on the upper level. The ticketing and check-in area has over 100 check-in counters with some leased by specific airlines and some available for common use as needed. Additionally, an in-line baggage screening system for checked baggage has been designed to improve efficiency by screening luggage for passengers "behind the scenes." The middle level provides general circulation between gates and through the terminal concession areas. After passing through a consolidated security checkpoint, passengers have access to over 40 different food, beverage, news, gift, and specialty retail concessions. Baggage claim and arrival pick-ups are on the lower level, with access to the arrival roadway. The three concourses contain aircraft gates with passenger boarding bridges equipped with 400-hertz electrical service and pre-conditioned air. The terminal has the ability to process international flights. Additionally, a concrete apron was constructed to serve the new terminal building, as well as two new parking garages, a surface parking lot, and a remote economy garage with shuttle service.

The FAA classifies the Airport as a primary medium hub airport in the National Plan of Integrated Airports System (NPIAS). A medium hub airport serves between 0.25 percent and 1 percent of all annual enplaned passengers in the United States. In 2018, MSY's 6.6 million enplanements accounted for approximately 0.7 percent of total U.S. system enplanements and ranked 38th largest among U.S. commercial service airports.[3]

The Financing Transaction

The Aviation Board will defease the Series 2010A GO Zone Bonds in accordance with the requirements of the PFC Indenture by providing irrevocable instructions to the PFC Trustee to accept proceeds of the Series 2019 Bonds and to deposit such proceeds, together with other funds held by the PFC Trustee, to an escrow fund (the Escrow Fund) created pursuant to an Escrow Deposit Agreement between the Issuer and the PFC Trustee, as escrow trustee. The deposit of the Series 2019 Bonds proceeds and other funds to the Escrow Fund will be sufficient to defease the Series 2010A GO Zone Bonds on the issue date of the Series 2019 Bonds and to redeem the Series 2010A GO Zone Bonds on their first optional redemption date of January 1, 2020.

Following the deposits to the Escrow Fund, the Series 2010A GO Zone Bonds will have been deemed paid and no other PFC Bonds will be outstanding under the PFC Indenture. The Aviation Board has covenanted and agreed that no additional PFC Bonds will be issued under the PFC

[3] Federal Aviation Administration, "Enplanements at All Commercial Service Airports (by Rank)," CY2018 Passenger Boarding Data (Preliminary), accessed online on August 23, 2019, at: https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/.

Indenture. However, the PFC Indenture will not be cancelled or discharged but will remain intact to receive all PFCs for deposit to the funds established within the PFC Indenture.

The Series 2019 Bonds are special, limited obligations of the Aviation Board payable from and secured by a pledge of Net Revenues (as defined in the General Indenture), which pledge is on a parity with the pledge of such Net Revenues made to secure the New Orleans Aviation Board General Airport Revenue Bonds, Series 2015 (the Series 2015 Bonds), New Orleans Aviation Board General Airport Revenue Bonds, Series 2017 (the Series 2017 Bonds), and any Additional Bonds that may be issued pursuant to the General Indenture.

Please see Section 4 for a detailed financial analysis of the financing transaction, including key financial projections.

SECTION 2 | ECONOMIC BASE

Demographic and economic trends within the airport's air service area and nationwide influence the demand for air travel at MSY, particularly the origin and destination (O&D) segment—passengers beginning or ending their flight itineraries at the Airport. More than 90 percent of the Airport's passenger traffic are O&D passengers. Trends within the air service area influence the ability of local residents to travel and the attractiveness of the local area as a travel destination for both business and leisure, and impacts visitor travel. National trends contribute to the demand for air travel at MSY in two ways. National trends influence visitor demand for air travel. They also influence local demand for air travel because what happens in the broad national economy affects economic trends within the air service area.

This section discusses relevant demographic and economic trends in the Airport's air service area, the New Orleans-Metairie-Kenner, LA, metropolitan statistical area (the New Orleans MSA), along with trends in the entire state of Louisiana and the United States.

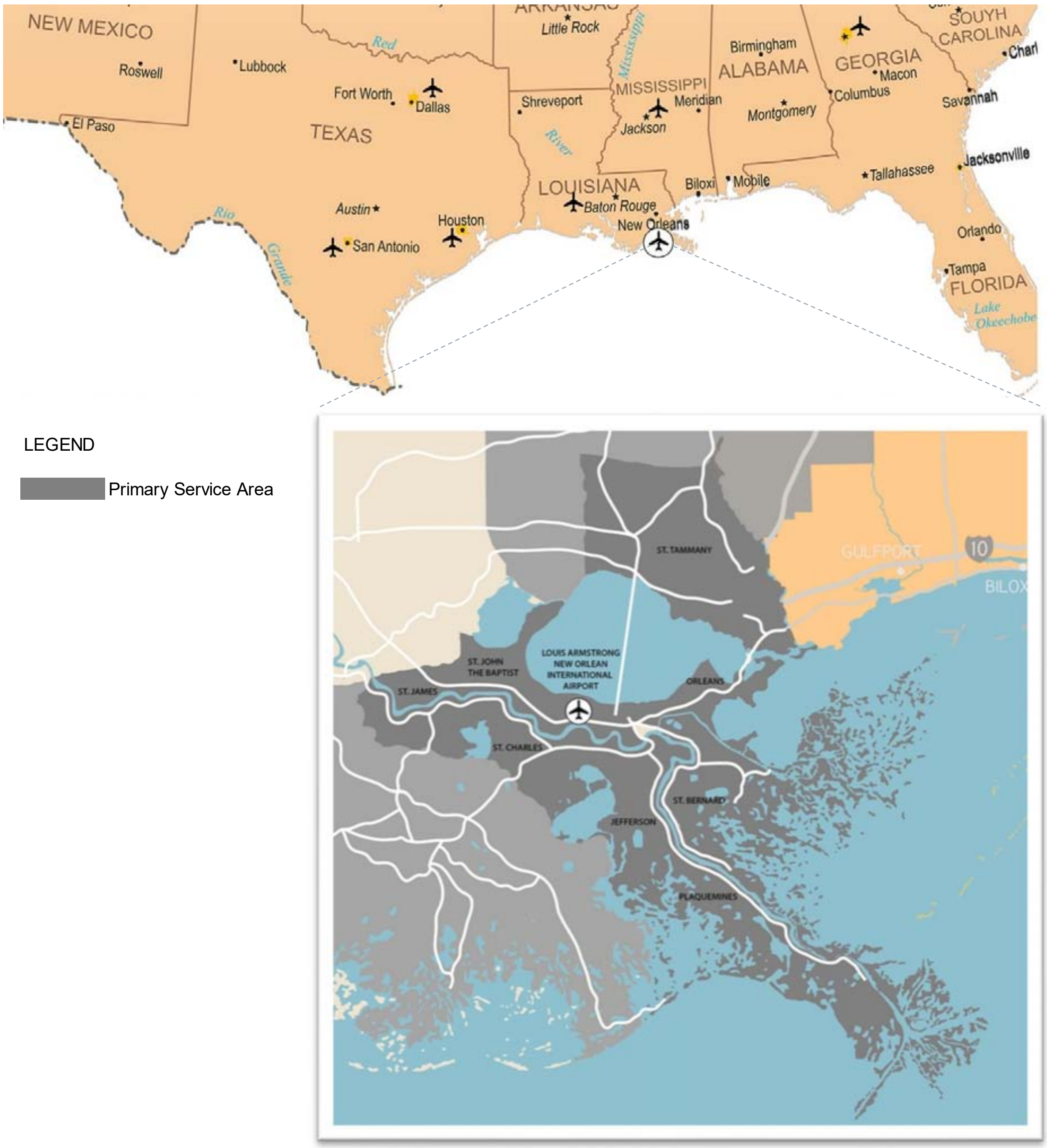
Air Service Area

The Airport's primary air service area is the New Orleans MSA, which consists of eight parishes in Louisiana: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, and St. Tammany (Figure 2).[4] The principal cities in the New Orleans MSA are New Orleans and Metairie. The Airport is located approximately 14 miles west of the City of New Orleans' central business district. A large portion of the Airport site lies within Jefferson Parish, and a small portion lies in an unincorporated area in St. Charles Parish.

Because MSY is the state's largest commercial service airport, the Airport's market reach extends beyond the New Orleans MSA to other parts of Louisiana and parts of neighboring Mississippi. Figure 3 shows the Airport's broad catchment area within a three-hour drive. This broad catchment area includes Baton Rouge and Lafayette, Louisiana; Gulfport and Jackson, Mississippi; and Mobile, Alabama.

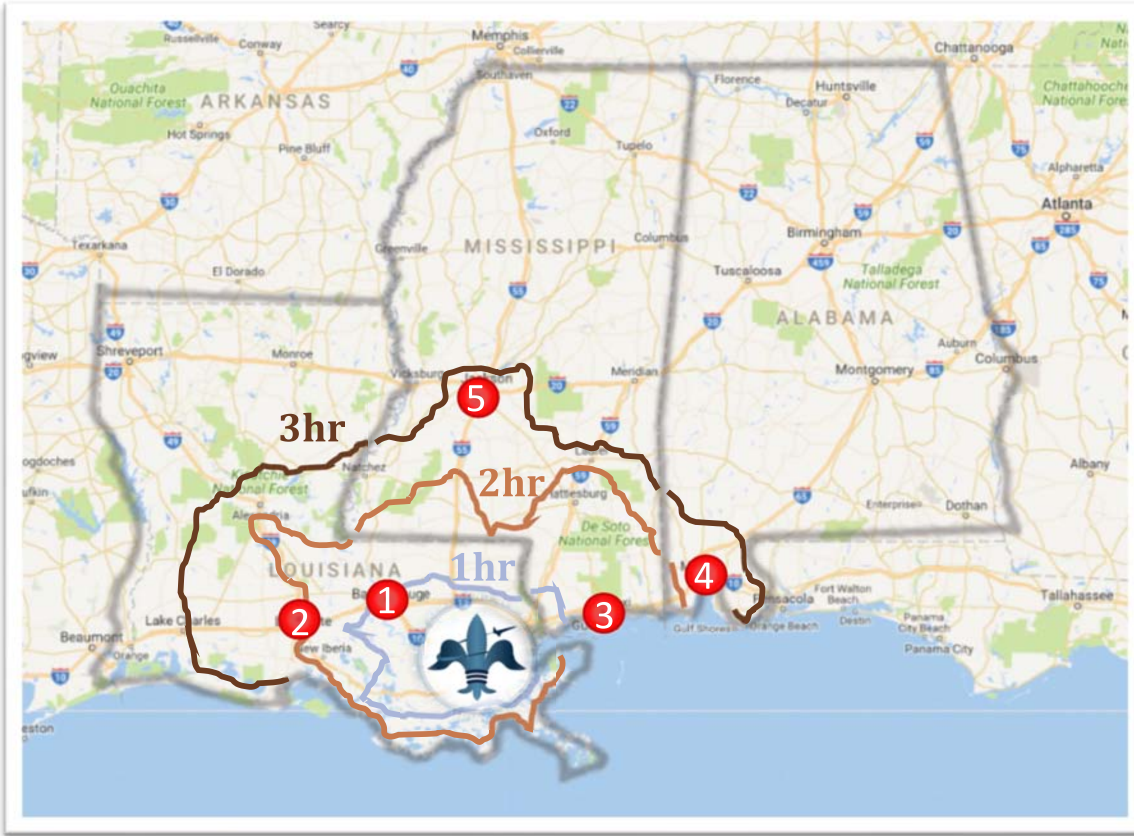
[4] Louisiana parishes are equivalent to counties in other states.

Figure 2| Primary Air Service Area – The New Orleans-Metairie, LA, Metropolitan Statistical Area



Source: Unison Consulting, Inc.

Figure 3| MSY's Broad Catchment Area



#	City	Local Airport Enplanements	Total Population within 30 mi
	New Orleans, LA	6,465K	1.3M
1	Baton Rouge, LA	387K	804,787
2	Lafayette, LA	222K	501,966
3	Gulfport, MS	272K	360,914
4	Mobile, AL	297K	629,615
5	Jackson, MS	486K	546,735
Total 3 Hour Area*			**6.1 M**

* MSY's broad catchment area within a three-hour drive.
Source: Aviation Board using enplanement data from the U.S. Bureau of Transportation Statistics.

Although there are six other commercial service airports in Louisiana, none of them offer the level and composition of commercial air service that would create significant competition for MSY. The largest of the six other commercial service airports in Louisiana is Baton Rouge Metropolitan Airport (BTR), located 78 miles northwest of MSY in East Baton Rouge Parish. BTR is a small hub airport with 386,657 enplanements in 2018 (approximately 6 percent of MSY's enplanements).[5] BTR's annual enplanements historically remained under 400,000, except in 2005 when New Orleans suffered flooding following Hurricanes Katrina and Rita and the following three years. In 2005, BTR's enplanements increased 40 percent, while MSY's enplanements decreased 20 percent as many New Orleans residents relocated temporarily outside the City. That year, BTR's enplanements reached 13 percent of MSY's enplanements.

Outside Louisiana, there are two primary commercial service airports within a 200-mile drive from MSY: (1) Gulfport-Biloxi International Airport (GPT) in Gulfport, Mississippi (75 miles from MSY), and (2) Jackson-Evers International Airport (JAN) in Jackson, Mississippi (180 miles from MSY), both classified as small hub airports and significantly smaller than MSY. In 2018 GPT had 271,566 enplanements, and JAN had 485,677 enplanements. Beyond GPT is Mobile Regional Airport (MOB), a non-primary commercial service airport with 296,848 enplanements in 2018. MOB is also within 200 miles of MSY.[6]

MSY's market is limited only by the location of larger airports closest to MSY:

- Houston's George Bush Intercontinental Airport (348 road miles from MSY) and William P. Hobby Airport in Texas (340 road miles from MSY)
- Memphis International Airport in Tennessee (378 road miles from MSY).
- Hartsfield-Jackson Atlanta International Airport in Georgia (472 road miles from MSY)

The Levee System Failure Following Hurricane Katrina

Although the levee system failure in 2005 happened more than a decade ago, this event remains important for understanding the socio-economic trends in the New Orleans MSA and the passenger traffic trends at the Airport to the present. The levee failure following Category 4 Hurricane Katrina's landfall on August 29, 2005 caused flooding and severe destruction across Louisiana, with the New Orleans MSA suffering the greatest destruction. Less than a month later, Category 3 Hurricane Rita made landfall on September 24, 2005, and caused substantial re-flooding.

Hurricane Katrina is the costliest U.S. hurricane, with estimated damage over $81 billion and costs over $160 billion (in $2005 U.S. dollars). The hurricane destroyed or damaged more than 800,000 housing units—about 40 percent of the houses in Louisiana and 60 percent in the New Orleans

[5] By FAA classification, a small hub airport handles 0.05 percent to less than 0.25 percent of annual U.S. enplanements. The BTR 2018 enplanement figure is from the Bureau of Transportation Statistics T-100 Market data.
[6] The source for 2018 enplanement figures is the Bureau of Transportation Statistics T-100 Market data.

MSA—leaving many people homeless.[7] As a result, the population of the New Orleans MSA decreased sharply.

The hurricane recovery and rebuilding efforts in New Orleans cushioned the effects of the U.S. economic recession in 2008-2009 (the Great Recession). The New Orleans MSA rebounded from the Great Recession more quickly than the rest of the nation—recouping population and labor force losses from the Great Recession by 2012. Population and employment levels, however, have yet to return to levels reached prior to Hurricane Katrina, although passenger traffic at the Airport surpassed pre-Katrina levels in 2014.

Overview of Economic and Demographic Trends

The key economic and demographic trends in the New Orleans MSA are summarized below and are described in the following sub-sections.

- The New Orleans MSA lost 25 percent of its population after the levee system failures resulting from Hurricane Katrina, followed by Hurricane Rita. The recovery efforts have brought back many of the dispersed residents and have also attracted in-migration, but the population of the New Orleans MSA remains smaller than its peak before the hurricanes—still more than 8 percent smaller as of 2018.

- The New Orleans MSA labor force also remains smaller than its peak in 2004—still 4 percent smaller as of 2018. The labor market recovery was stalled by the U.S. economic recession in 2008-2009 and the recent state recession in Louisiana resulting from the downturn in the oil industry.

- The New Orleans MSA's economy has reduced its dependence on durable goods manufacturing. This development reduces the New Orleans MSA's vulnerability to industry-specific downturns and moderates the effect of nationwide economic recessions. The MSA economy's three largest industry sectors are: (1) *trade, transportation, and utilities*; (2) *education and health services*; and (3) *leisure and hospitality.* No single industry sector accounts for more than 20 percent of nonfarm employment. The New Orleans MSA continues to thrive as a popular tourist destination and convention venue—winning numerous awards.

- Significant out-migration and job losses after the hurricanes caused the New Orleans MSA GDP to decline two years ahead of the recession. GDP recovery began earlier in the New Orleans MSA because of massive fund infusions for reconstruction, but it was stalled by the Great Recession and the subsequent decline in manufacturing output.

- The sharp decrease in population in 2006, combined with increased economic activity during reconstruction, raised the New Orleans MSA's per capita personal income above

[7] The University of Rhode Island Graduate School of Oceanography, "Katrina Impacts," Hurricanes: Science and Society, <http://www.hurricanescience.org>, accessed on May 7, 2018.

the national average over the period from 2006 through 2011. Beginning in 2012, the New Orleans MSA's per capita personal income fell again below the national average, consistent with long-term trends prior to 2006.

- The New Orleans MSA's economy is expected to continue improving, driven by the national economic expansion. Although there is a considerable amount of economic uncertainty, experts on the local economy expect job increases to continue based on several new developments.

Population

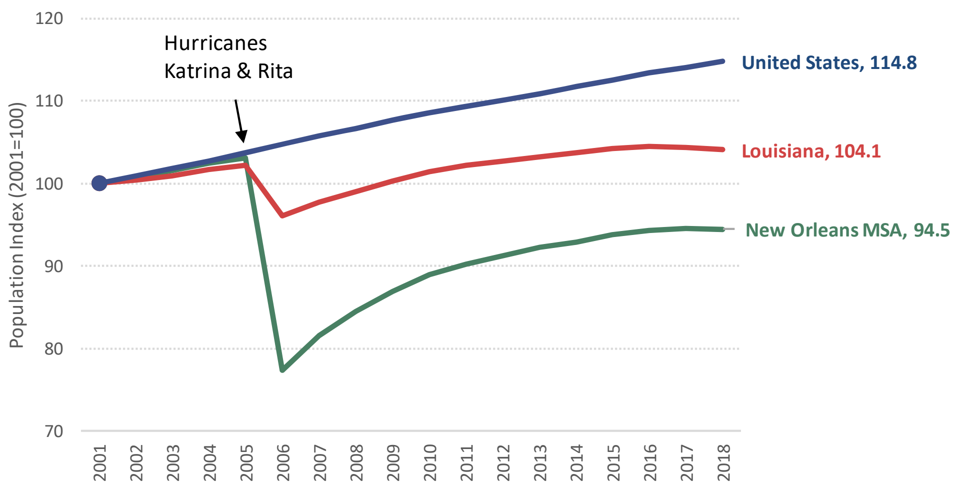
The New Orleans MSA is Louisiana's largest metropolitan area, with 27 percent of the state population in 2018 (Table 1). After the 2005 hurricanes, the New Orleans MSA lost 25 percent of its population to outmigration. The recovery efforts have not only brought back many of the dispersed residents, but they have also attracted new residents. By 2018, the New Orleans MSA has gained back two-thirds of the population lost after the hurricanes. The Louisiana state population decreased only 6 percent after the 2005 hurricanes and returned to its pre-Katrina peak level in 2011.Figure 4 shows the long-term population growth trends in the New Orleans MSA, Louisiana, and the United States. From 2001 to 2018, the New Orleans MSA population was still down 5.5 percent, while Louisiana and the United States posted net population gains of 4.1 percent and 14.8 percent, respectively. Population growth in the New Orleans MSA and Louisiana has returned to the usual pace before the hurricanes—slower than the pace of national population growth. In the last two years, the New Orleans MSA population stayed flat, while the Louisiana state population decreased slightly.

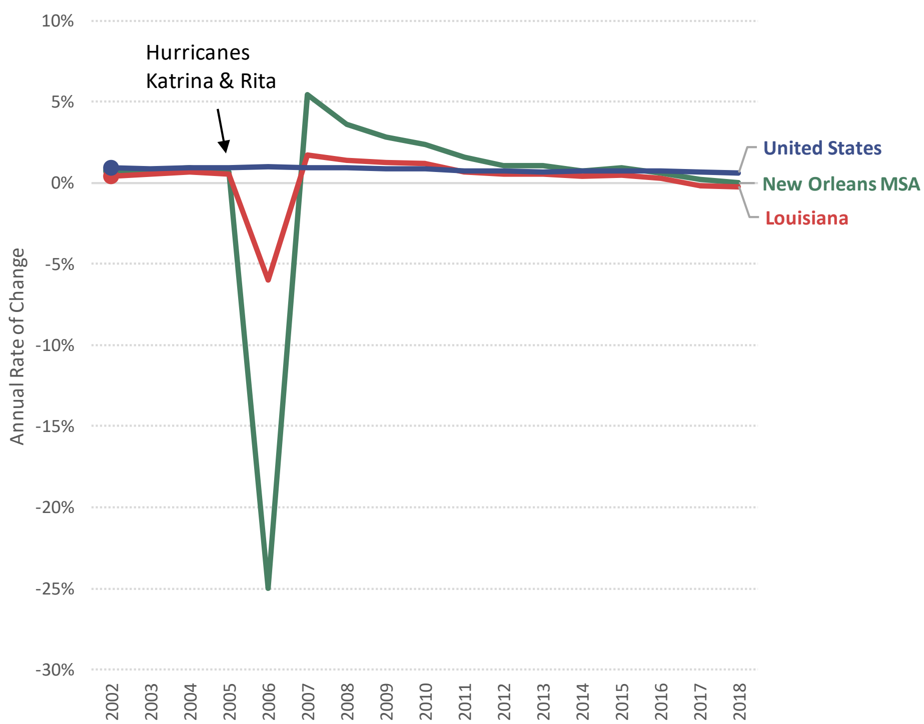
Table 1| Louisiana State and MSA Populations, 2018

Geographic Area	2018 Population	Share of State Population
State of Louisiana	**4,659,978**	**100%**
New Orleans-Metairie MSA	1,270,399	27%
Baton Rouge MSA	831,310	18%
Lafayette MSA	489,364	11%
Shreveport-Bossier City MSA	436,341	9%
Lake Charles MSA	210,080	5%
Houma-Thibodaux MSA	209,136	4%
Monroe MSA	176,805	4%
Alexandria MSA	153,044	3%
Hammond MSA	133,777	3%

Source: U.S. Census Bureau mid-year population estimates.

Figure 4| Population Growth





Source: U.S. Census Bureau mid-year population estimates.

Labor Market

Within the air service area, trends in the labor market reflect business conditions and overall economic well-being—factors that influence the demand for air travel. Job growth reflects the pace of economic growth, which is important for raising living standards, boosting consumer confidence, and increasing consumer spending.

As Louisiana's largest MSA by population, New Orleans is also the state's largest employment center. In 2018, the New Orleans MSA provided 577,400 full-time and part-time nonfarm jobs,[8] which accounted for 29 percent of the state total. Prior to 2005, the New Orleans MSA accounted for at least 33 percent of Louisiana's total nonfarm jobs.

Historically, the New Orleans MSA had been creating jobs at a slower pace than the nation. When Hurricanes Katrina and Rita struck in 2005, the New Orleans MSA lost nearly a quarter of all jobs. After the hurricanes, reconstruction efforts began in 2006 and rapidly restored jobs in the following three years.

The reconstruction efforts helped the New Orleans MSA weather the Great Recession better than the rest of the nation. As Figure 5 shows, the New Orleans MSA continued to add jobs during the first year of the Great Recession in 2008. The Great Recession eventually hampered the New Orleans MSA economy. The New Orleans MSA lost jobs in 2009 and 2010, but these job losses were small relative to job losses experienced nationwide. Before turning around, the New Orleans MSA lost only 1 percent of nonfarm jobs and recovered all of them by 2011. In comparison, the nation lost 6 percent and recovered all of them only by 2014. The diversification of the New Orleans MSA economy, particularly the reduced dependence on durable goods manufacturing, also helped moderate the regional effects of the Great Recession.[9]

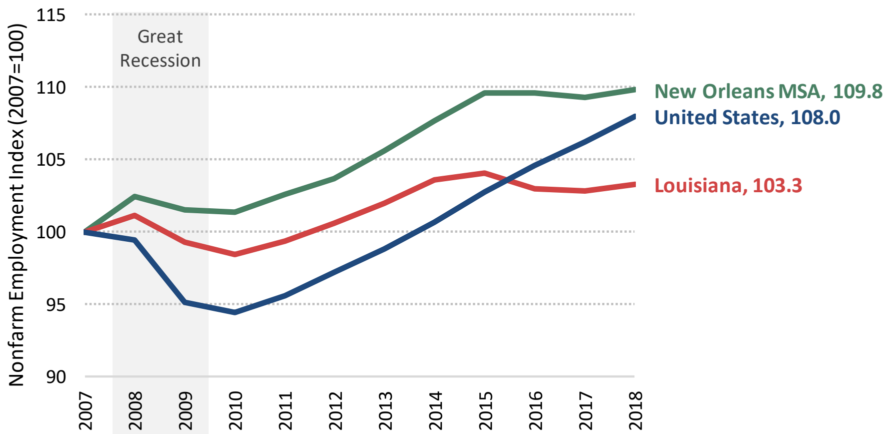
The New Orleans MSA enjoyed five years of steady growth in employment through 2015. In 2016 and 2017, it was again set back by a 28-month long state recession caused by the downturn in the oil industry. The New Orleans MSA has many firms in the oil and gas industry or in industries that are closely linked with exploration and production activities.[10] Compared with the entire state of Louisiana, however, the New Orleans MSA suffered smaller losses from the recent downturn in the oil industry.

In addition to job losses related to the oil industry downturn, the New Orleans MSA incurred job losses in construction and related industries when the Army Corps of Engineers reduced its budget on the Hurricane and Storm Damage Risk Reduction System. It also lost jobs from the shutdown of

[8] The Bureau of Labor Statistics measures nonfarm jobs as the number of full-time and part-time positions on company payrolls, including civilian government agencies. This definition excludes self-employed, unpaid, and household workers.
[9] Loren Scott, James Richardson, and Judy Collins, *The Louisiana Economic Outlook: 2014 and 2015*, Louisiana State University E.J. Ourso College of Business, October 2013.
[10] Loren Scott and Judy Collins, *The Louisiana Economic Outlook: 2019 and 2020*, Louisiana State University E.J. Ourso College of Business, September 2018.

local operations by certain businesses (Trinity Yachts, Louis Dreyfus, Chiquita, and Macy's). Offsetting these job losses were new jobs created by the opening of the new University Medical Center Hospital, some $11 billion in industrial construction, and final construction work on the new VA Hospital.[11] In 2018, the New Orleans MSA economy turned around with a 0.5 percent increase in nonfarm employment. Data for the first half of 2019 show an improving job market posting an average year-over-year increase in nonfarm employment of 1.5 percent.

Figure 5| Employment Recovery from the Great Recession

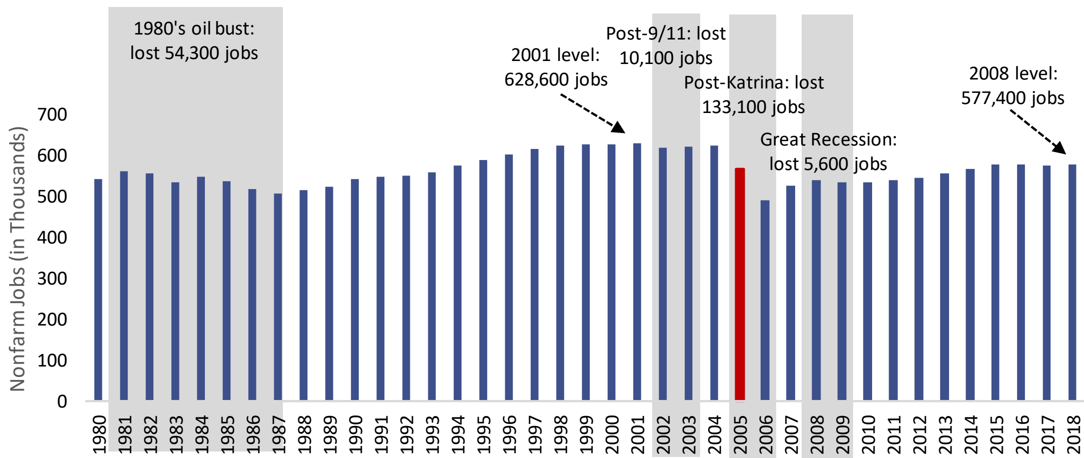


Source: U.S. Bureau of Labor Statistics.

Figure 6 gives a long-term perspective of trends in nonfarm jobs in the New Orleans MSA. It shows how great the hurricane losses were (133,100 jobs), and how small the recession losses were (5,600 jobs), compared to previous job losses since the 1980s. Although the New Orleans MSA has long recovered its recession job losses, in 2018 it was still short 47,200 jobs in restoring the nonfarm employment level in 2004 prior to Hurricanes Katrina and Rita.

[11] *Ibid*.

Figure 6| New Orleans MSA Nonfarm Employment from 1980



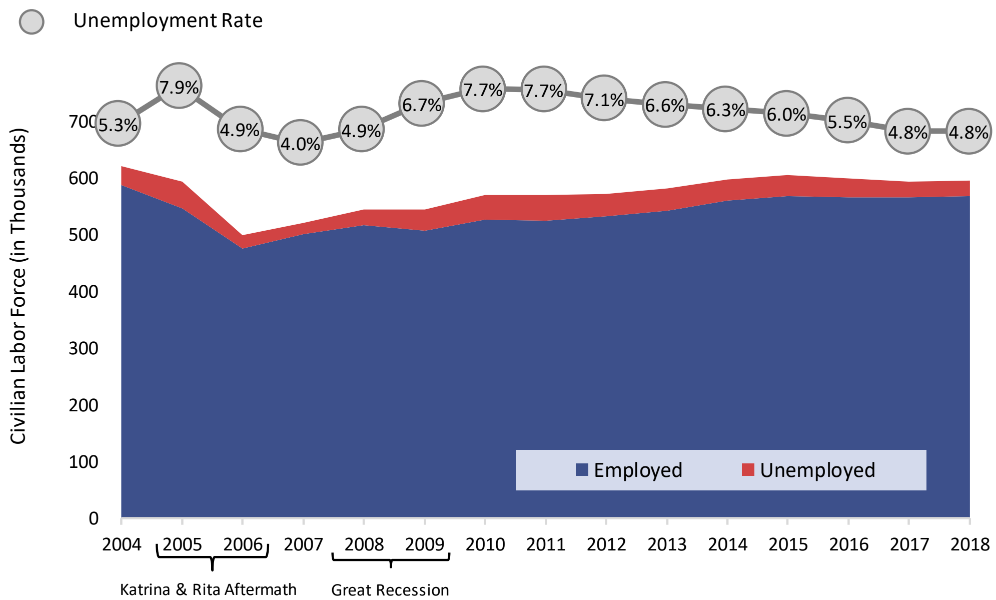
Source: U.S. Bureau of Labor Statistics.

In the following figures, the year 2004 was chosen as the beginning year in presenting labor market trends, because it was the year preceding the hurricanes, when nonfarm employment reached its highest level after decreasing in 2002 following the 2001 recession and terrorist attacks. The employment level in 2004 reflected relatively "normal" labor market conditions.

Figure 7 and Figure 8 present the trends in the New Orleans MSA civilian labor force, which includes individuals 16 years and older, who are either employed or actively seeking employment (including self-employment). The significant population outmigration following the 2005 hurricanes reduced the size of the New Orleans MSA civilian labor force by 16 percent. In 2018, 13 years into the recovery from the 2005 hurricanes, the New Orleans MSA labor force was still 4 percent smaller than its size in 2004. As a result, the New Orleans MSA still lagged behind the entire state of Louisiana and the United States in overall growth in labor force from 2004 to 2018, although the New Orleans MSA posted stronger growth in labor force during most years between 2006 and 2015. Figure 9 shows similar trends for the employed segment of the labor force.

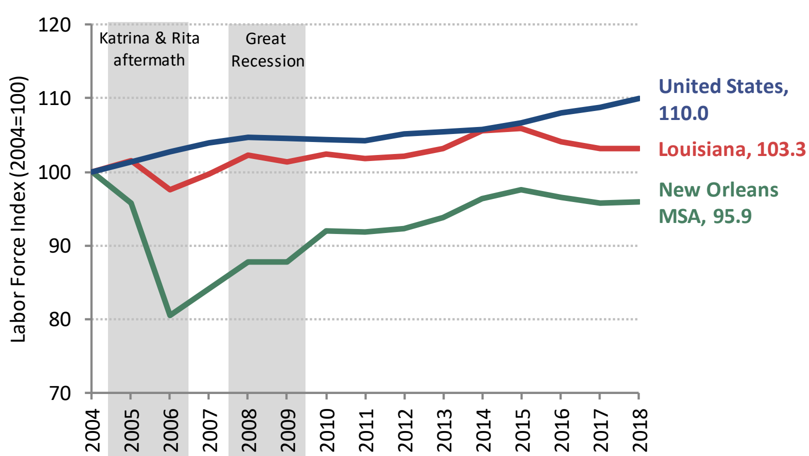
Figure 10 shows the trends in the unemployment rate, which rose above 7 percent in both the New Orleans MSA and the entire state of Louisiana in 2005 due to the economic disruption caused by the hurricanes and in 2010-2012 due to the recession. The MSA and state unemployment rates did not rise as high as the U.S. unemployment rate during the recession years. Since then, unemployment rates have fallen considerably in New Orleans, Louisiana, and the entire nation, reflecting the broad economic expansion that is still continuing in 2019. Unemployment rates continued to fall during the first half of 2019.

Figure 7| New Orleans MSA Civilian Labor Force



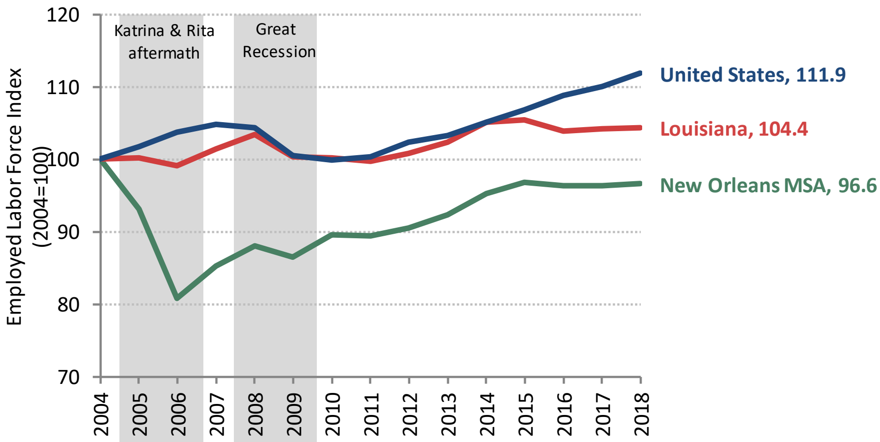
Source: U.S. Bureau of Labor Statistics.

Figure 8| Civilian Labor Force Trends



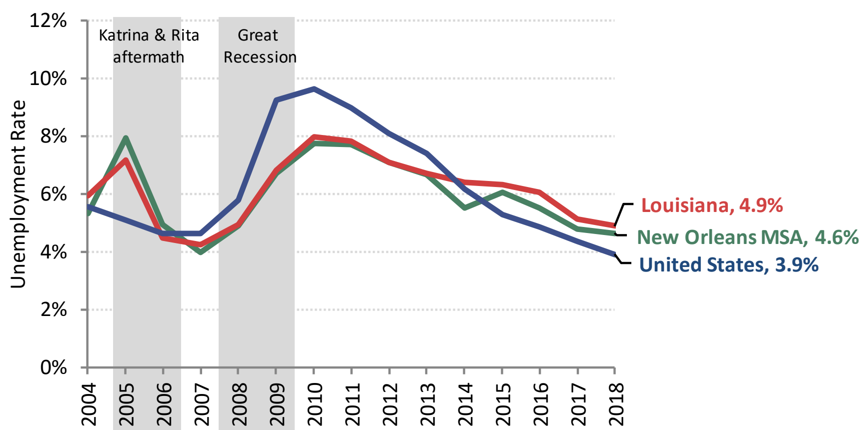
Source: U.S. Bureau of Labor Statistics.

Figure 9| Employed Labor Force Trends



Source: U.S. Bureau of Labor Statistics.

Figure 10| Unemployment Trends



Source: U.S. Bureau of Labor Statistics.

Employment by Industry

The New Orleans MSA has a diversified employment base, with no single industry supersector[12] accounting for more than 20 percent of nonfarm jobs in 2018 (Figure 11). Economic diversification has reduced the New Orleans MSA economy's vulnerability to industry-specific downturns, such as the downturn in durable goods manufacturing during the Great Recession and the recent downturn in the oil industry. Jobs in knowledge-based industries have been gaining ground in the New

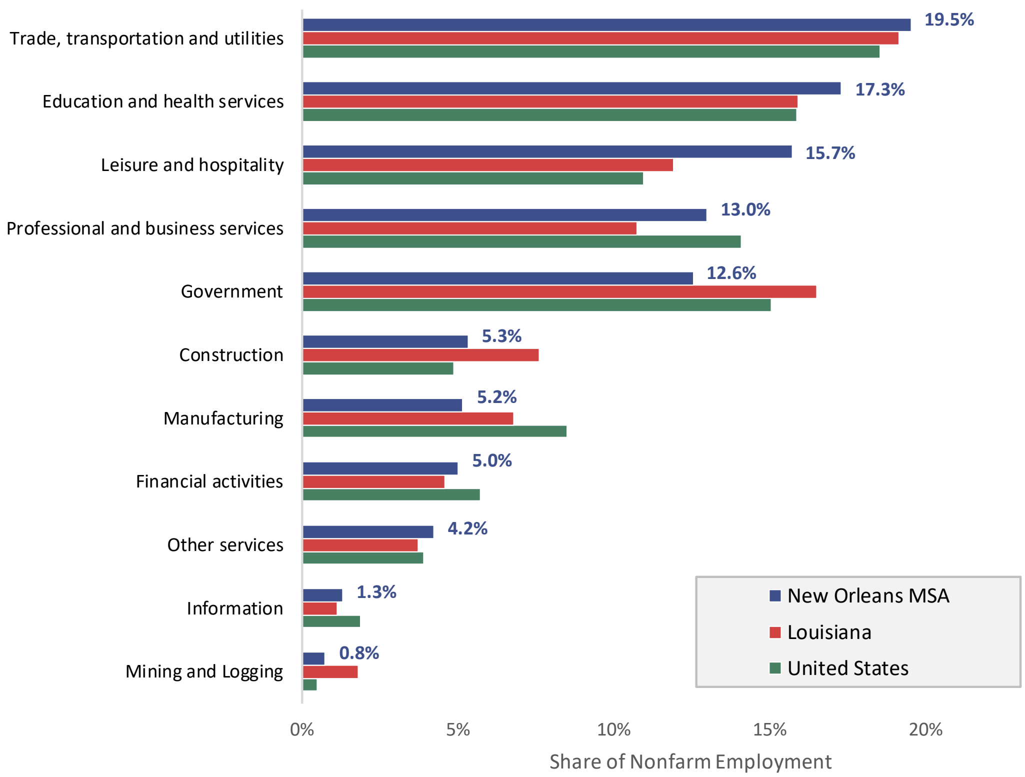
[12] The U.S. Bureau of Labor Statistics uses the term "supersector" to refer to a high-level aggregation of related industries.

Orleans MSA, and heavy construction and engineering have expanded with post-hurricane reconstruction efforts.

The distribution of nonfarm jobs in the New Orleans MSA compares more closely to the national distribution than to Louisiana's. One reason is the shrinking presence of chemical manufacturing and energy exploration in the New Orleans MSA, which has had ripple effects on many industry sectors.[13] The New Orleans MSA's three largest industry supersectors are:

- *trade, transportation and utilities* (20 percent).
- *education and health services* (17 percent).
- *leisure and hospitality* (15 percent).

Figure 11| 2018 Industry Distribution of Nonfarm Jobs



Source: U.S Bureau of Labor Statistics, Current Employment Statistics Survey.

[13] Loren Scott, James Richardson and Judy Collins, *The Louisiana Economic Outlook: 2014 and 2015*, Louisiana State University E.J. Ourso College of Business, October 2013, page 34.

The New Orleans MSA is home to MSY, the nation's 38th largest airport in 2018 based on total enplanements.[14] The New Orleans MSA is also home to the largest port complex in the Western Hemisphere, which includes the Port of New Orleans and the Port of South Louisiana. The ports, MSY, and rail and highway access give the New Orleans MSA unparalleled infrastructure for international trade.[15] The New Orleans MSA has a huge medical complex, and several universities, the largest of which are the University of New Orleans and Tulane University.[16] Tourism continues to be a major economic driver of the New Orleans MSA. *Leisure and hospitality* provides a significantly larger share of nonfarm jobs in the New Orleans MSA than in the state and the nation. The New Orleans MSA is continuing to attract companies in the tech sector,[17] making the *professional, scientific and technical services* industry, which is within the *professional and business services* supersector, one of the area's growth drivers.

Figure 12 shows the change in non-farm jobs by industry supersector in the New Orleans MSA from 2004 to 2018. Although the New Orleans MSA still show a net job loss of 8 percent, five industry supersectors added jobs over that period:

- *Education and health services* added 15 percent.
- *Leisure and hospitality* added 7 percent.
- *Construction* added 8 percent.
- *Other services* added 3 percent.
- *Professional and business services* added 2 percent. Within this industry supersector, *professional, scientific and technical services* added 8 percent.

All the other industry supersectors lost jobs, with *mining and logging* leading in proportional job loss of 48 percent due to the fall in oil and natural gas prices in recent years. The decreases in employment in the other industry supersectors, except *manufacturing*, were due largely to the decrease in the MSA population. The decrease in *manufacturing* employment was due to the recession, as the demand for durable goods is often the first to decrease during economic downturns.

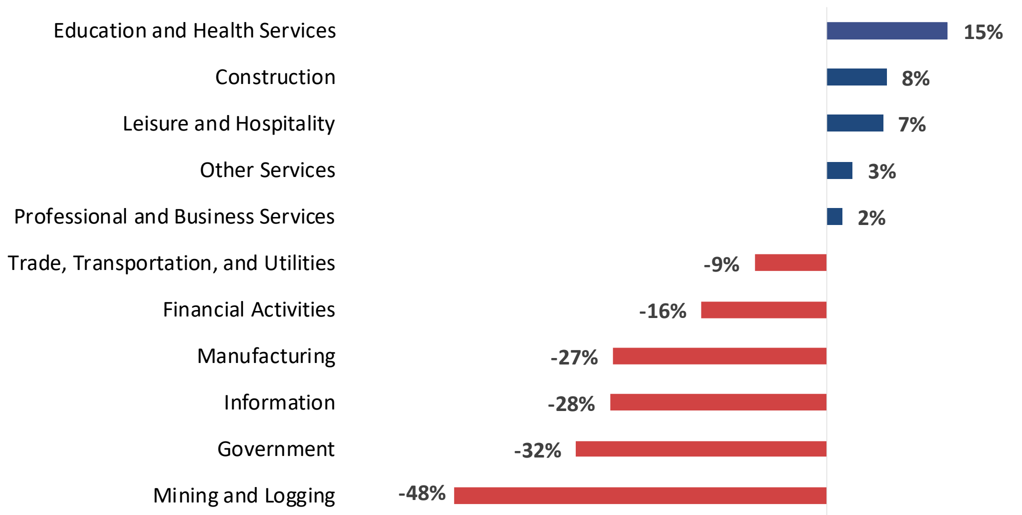
[14] Federal Aviation Administration, "Enplanements at All Commercial Service Airports (by Rank)," CY2018 Passenger Boarding Data (Preliminary), <https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/>, accessed on August 23, 2019.

[15] See the Greater New Orleans, Inc.'s overview of the region, <https://gnoinc.org/explore-the-region/>, accessed on September 6, 2019.

[16] Loren Scott and Judy Collins, The Louisiana Economic Outlook: 2018 and 2019, Louisiana State University E.J. Ourso College of Business, October 2017, page 19.

[17] *Ibid*.

Figure 12| New Orleans MSA Employment Growth by Industry, 2004-2018



The changes in jobs in *construction* and *mining and logging* are calculated from 2005.
Source: U.S. Bureau of Labor Statistics, Current Employment Statistics Survey.

Table 2 lists the New Orleans MSA's largest employers. Many of them do business in the *education and health services* sector.

Table 2| The New Orleans MSA's Largest Employers

Company	Parish	Employees
Ochsner Health System	Orleans	16,000
Ochsner Medical Center	Orleans	7,832
University of New Orleans	Orleans	3,425
North Oaks Medical Center	St. Tammany	2,374
Harrah's Casino	Orleans	2,200
Children's Hospital	Orleans	2,139
Tulane University	Orleans	2,000
Harrah's Hotel	Orleans	2,000
University Medical Center	Orleans	1,838
St. Tammany Parish Hospital	St. Tammany	1,803
Boh Brothers Construction Company	Orleans	1,650
Tulane Medical Center	Orleans	1,529
West Jefferson Medical Center	Orleans	1,526
Luzianne Coffee Co.	Orleans	1,454
U.S. Army Corps of Engineers	Orleans	1,430
Entergy Corporation	Orleans	1,325

The number of employees reflect employment at a single location.
Source: Chelsea Brasted, "Louisiana's 50 biggest employers: Do you work for one of them?" *The Times-Picayune*, June 28, 2018, citing data provided by Greater New Orleans Inc.

Figure 13 lists the largest companies in each parish. The list reflects the economic diversity of the New Orleans MSA, where each parish is differentiated by industry mix, attractions, and strategic business advantage.[18]

Figure 13 | Largest Companies by Parish in the New Orleans MSA

Jefferson

- East Jefferson General Hospital
- Laitram Corporation
- Ochsner Health System
- Pellerin Milnor Corporation
- Republic National Distributing Company
- Revolution Foods
- VersaTech Automation Services, LLC
- West Jefferson Medical Center
- Zatarain's

Orleans

- Boh Bros. Construction Co., LLC
- GE Digital
- LSU Health Sciences Center New Orleans
- New Orleans Cold Storage
- Reily Foods Company
- TCI – Transportation Consultants, Inc.
- Textron Marine & Land Systems
- Tulane University
- USDA, National Finance Center

Plaquemines

- Baker Hughes Oilfield Operations, Inc.
- Belle Chasse Academy
- C & C Marine
- Chevron Oronite Co.
- Daybrook Fisheries, Inc.
- Fab-Con, Inc.
- Naval Air Station Joint Reserve Base
- Point Eight Power Company
- Scott Armature, LLC
- TECO Bulk Terminal
- Versatruss Americas LLC

St. Bernard

- Associated Terminals
- Boasso America
- Chalmette Refining, LLC
- Domino Foods, Inc.
- Rain CII
- Valero Energy, Inc.

St. Charles

- Cospolich, Inc.
- The Dow Chemical Company
- Entergy – Waterford 3
- Glazer's
- Monsanto Company
- Motiva Enterprises
- Otto Candies, LLC
- Randa Accessories
- Shell Chemical
- Valero Energy, Inc.

St. James

- Imperial Sugar Company
- Mosaic Fertilizer LLC
- Motiva Enterprises
- Noranda Alumina LLC
- Occidental Chemical Corporation
- Quality Marine Services
- St. James Parish Hospital
- Zen-Noh Grain Corporation

St. John the Baptist

- Cargill
- DuPont Dow
- Marathon Petroleum Company, LLC
- Nalco Company
- Natco Food Service
- Pin Oak Terminals
- River Parishes Contractors, Inc.
- River Parishes Hospital
- Wal-Mart Stores Inc.

St. Tammany

- Chevron
- C-Innovation
- Gilsbar, Inc.
- Hornbeck Offshore Services
- Lakeview Regional Medical Center
- Pool Corp.
- Slidell Memorial Hospital
- St. Tammany Parish Hospital
- Southeast Louisiana Hospital
- Textron Marine & Land Systems
- Tulane Regional Primate Research Center
- Walmart Associates, Inc.

Source: Greater New Orleans, Inc., <https://gnoinc.org/explore-the-region/>, accessed on September 30, 2019.

[18] See the Greater New Orleans, Inc.'s overview of the region at https://gnoinc.org/explore-the-region/.

Tourism

The New Orleans MSA continues to thrive as a popular tourist destination and earn accolades from various travel publications. The MSA is best known for the City of New Orleans, one of the most unique cities in the world, and named Frommer's "Best Place to Go" in the World in 2018. Greater New Orleans, Inc., the regional economic alliance serving a 10-parish region that encompasses the New Orleans MSA, describes New Orleans as "a complex, cosmopolitan city with modern skyscrapers, centuries-old mansions, five-star restaurants, world-class shopping, abundant live music, breathtaking natural beauty, and a world-famous spirit."[19]

New Orleans is popular for its vibrant nightlife, festivals, cuisine, music, art, culture, architectural landmarks, tours, cruises and other attractions:

- **Nightlife** –New Orleans, where bars and clubs remain open all night, has been named top destination in the world for night life by TripAdvisor. Bourbon Street in the French Quarter is the most well-known for all-night entertainment.
- **Festivals** – Each year, a season of festivals kicks off with the biggest of them all, Mardi Gras. More than 135 music and food and drink festivals—roughly one festival every three days—follow throughout the year. New Orleans always places first in Travel + Leisure's annual ranking for "America's Best Cities for Festivals."
- **Cuisine** – New Orleans' numerous restaurants offer exceptional dining and diverse cuisine. According to the New Orleans Convention and Visitors Bureau, no place loves its food quite as sincerely—or as indulgently—as New Orleans. The city always receives top ranking for its cuisine by Travel + Leisure, Bon Appétit, and SAVEUR.
- **Music** – New Orleans is the birthplace of jazz and a mecca for gospel, R&B, rock, and pop music. There are live musical performances everywhere—on the streets, in the clubs of New Orleans, in small venues, and in big concert venues like the Smoothie King Center (formerly the New Orleans Arena).
- **Art and culture** – New Orleans' Old World roots created a strong foundation and long-standing appreciation for the arts seen in countless galleries, performance spaces, and museums, according to the New Orleans Convention and Visitors Bureau.
- **Architecture** – With 20 historic districts on the National Register, New Orleans has more national historic architectural landmarks than any other city in the United States.[20]
- **Tours and Cruises** – A variety of tours showcase New Orleans' culture, food, and history. The city's prime location near the Gulf of Mexico makes it popular for cruises to destinations

[19] See the Greater New Orleans, Inc.'s overview of Orleans Parish, <https://gnoinc.org/explore-the-region/orleans-parish/>, accessed on September 6, 2019.
[20] New Orleans Tourism Marketing Corporation, <http://www.neworleansonline.com/neworleans/architecture/historicbuildings.html>, accessed on September 6, 2019.

including Mexico, Jamaica, Grand Cayman and more. Local cruise operators offer jazz cruises along the Mississippi River.

- **Casinos and horse racing**- Tourists also come to New Orleans for its casinos: Harrah's land-based casino in the downtown area and two riverboat casinos in the outskirts (Boomtown Casino on the intra-coastal canal and Treasure Chest Casino on Lake Pontchartrain). New Orleans also offers horse racing at the New Orleans Fair Grounds Race Course and Slots.[21]

- **Sports and outdoor recreation** – New Orleans hosts year-round sports events, including professional basketball games featuring the New Orleans Pelicans at the Smoothie King Center (formerly New Orleans Arena), PGA Tour golf tournament (Zurich Classic of New Orleans) at TPC Louisiana, and professional football games featuring the New Orleans Saints at the Mercedes Benz Superdome. [22]

The City of New Orleans receives top designations from various travel sites and publications. Below are examples of destination awards and honors received by the City for 2019 alone:

- The Elysian Bar was included in Bon Appetit's "The Hot Ten: America's Best New Restaurants" in 2019.
- Maison de la Luz won the inaugural Skift Design Award for Best Guest Experience in 2019.
- Hotel Peter and Paul was named one of the "World's Greatest Places to Stay" in 2019 by TIME.
- Travel + Leisure named New Orleans the No. 3 City in the United States in Travel + Leisure's World's Best Awards 2019.
- TimeOut named New Orleans the No. 2 best city to visit in the United States in 2019.
- Southern Living named New Orleans the No. 3 city in "The South's Best Cities 2019" and the No. 2 city in "The South's Best Food Cities 2019", March 2019.
- AFAR featured New Orleans on their "Where To Go In 2019" list, January 2019.
- Smarter Travel named New Orleans one of "The 10 Best U.S. Cities to Visit in 2019", December 2018.[23]

[21] ExploreNewOrleans.info, <http://exploreneworleans.info/html/casinos NewOrleans.php>, accessed on September 6, 2019.
[22] The discussion of New Orleans' tourist attractions is based on information from the following sources: (1) New Orleans Convention and Visitors Bureau, (2) New Orleans Tourism Marketing Corporation, and (3) ExploreNewOrleans.Info.
[23] New Orleans Convention and Visitors Bureau,< https://www.neworleans.com/>, accessed on September 30, 2019.

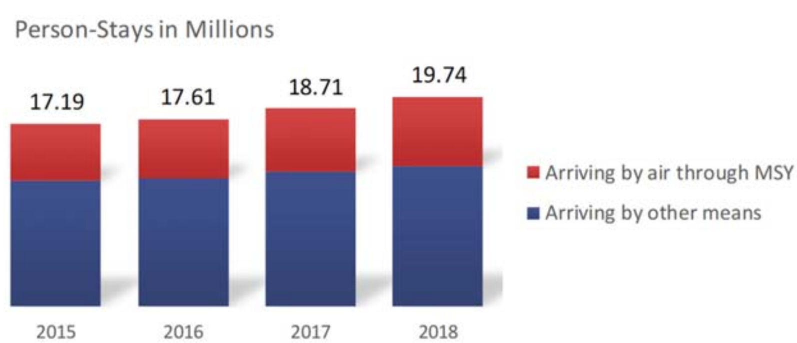
- Forbes included New Orleans on their list of "The 38 Cheapest Places To Travel In 2019", December 2018.

- Business Insider featured New Orleans on their list of "The 3 best places to travel every month of 2019", December 2018.

- Fodor's included New Orleans on their "Fodor's Go List 2019", November 2018.

Since 2007 the number of visitors to Greater New Orleans[24] has been increasing steadily, apart from a slight dip during the Great Recession.[25] Figure 14 shows continuing growth in visitors from 17.19 million person-stays (people arriving by all travel modes, including air) in 2015 to 19.74 million person stays in 2018, an overall increase of 14.8 percent. MSY enplanements increased 23.8 percent over the same period, increasing in share of total person-stays from 31 percent in 2015 to 33 percent in 2018. The volume of visitors, as does airport passenger traffic, tends to grow with the national economy. However, it also tends to decrease during economic downturns.

Figure 14 | Greater New Orleans Visitors



Greater New Orleans includes the eight parishes in the New Orleans MSA and the two adjacent parishes of Tangipahoa and Washington. Source: Total person-stays from DK Shifflet, *Louisiana Visitor Volume and Spending*, 2017 and 2018, prepared for Louisiana Department of Culture, Recreation & Tourism, and MSY enplanements from Aviation Board records.

Economic Output

Gross domestic product (GDP) measures the value of all goods and services produced in an area. GDP grows during economic expansion and falls during recession. Growth in airport passenger traffic is highly correlated with GDP growth, as demonstrated by the analysis of historical passenger traffic trends and confirmed by statistical analyses performed to develop the forecast of passenger traffic.

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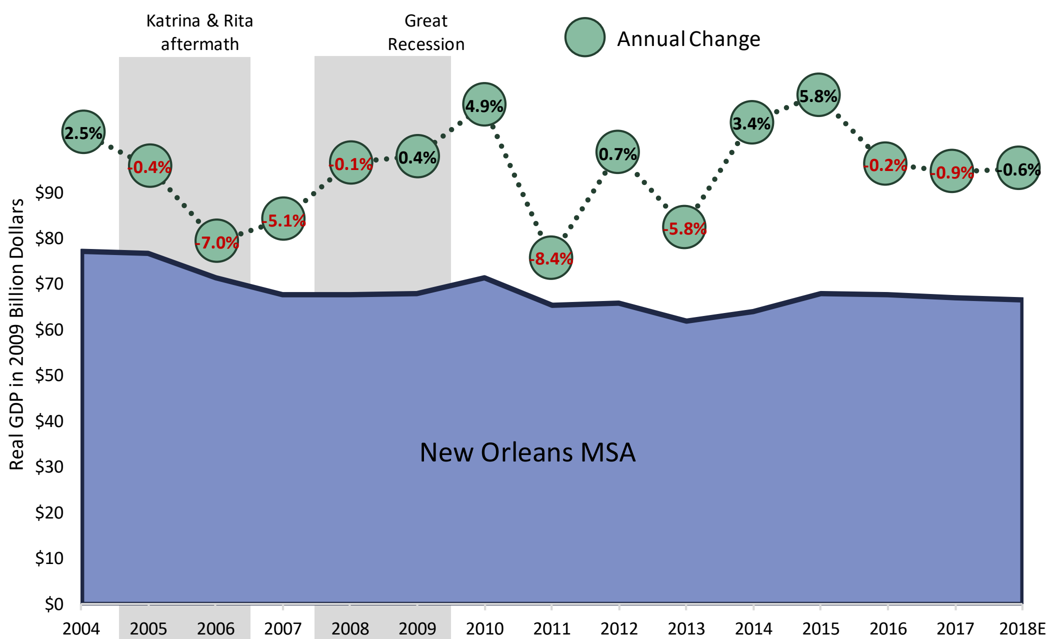
[24] Greater New Orleans includes the eight parishes in the New Orleans MSA and the two adjacent parishes of Tangipahoa and Washington.
[25] The University of New Orleans Hospitality Research Center, *Louisiana Tourism Forecast*, Louisiana Department of Culture, Recreation and Tourism, March 2017.

Figure 15 shows the trends in New Orleans MSA's inflation-adjusted GDP (real GDP) from 2004, the year prior to Hurricanes Katrina and Rita, to 2018. The data show a generally decreasing trend, despite increases in some years, reflecting the fact that the New Orleans MSA's GDP has not completely recovered from the economic disruption caused by the 2005 hurricanes, the subsequent population outmigration, the 2008-2009 Great Recession, and the recession-induced decrease in manufacturing output. The New Orleans MSA's economic recovery was set back by the oil industry-induced recession in the Louisiana state economy in 2016 and 2017.

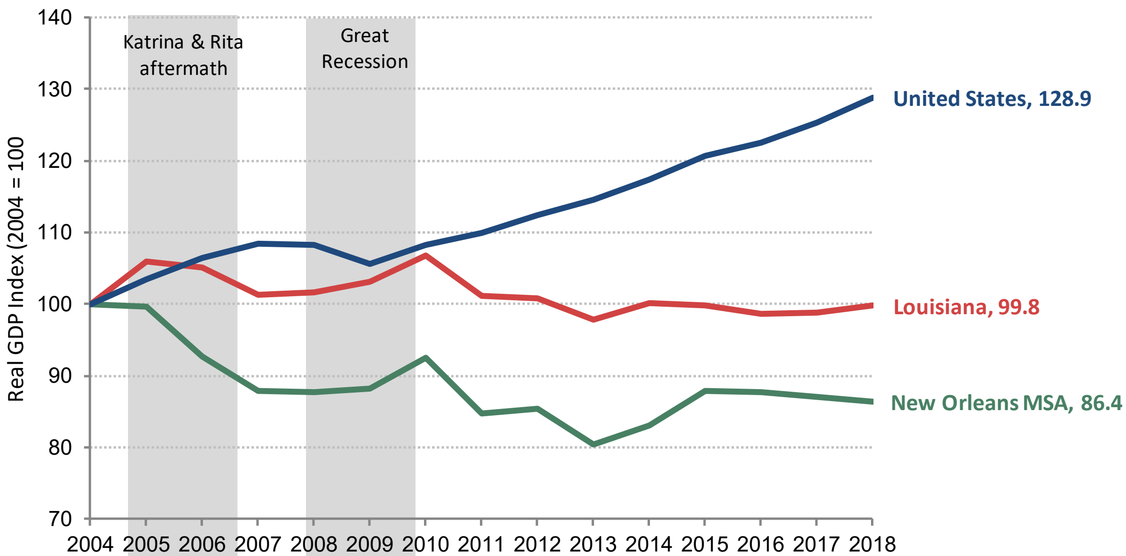
Figure 15| New Orleans MSA Real Gross Domestic Product



Sources: U.S. Bureau of Economic Analysis and Moody's Analytics' for an estimate of the New Orleans MSA GDP in 2018.

Comparing GDP growth trends from 2004 in the New Orleans MSA and the entire country in Figure 16 reveals how far the New Orleans MSA economy has lagged behind as a result of the economic disruption caused by the hurricanes, the massive population outmigration following the hurricanes, the decline in industrial manufacturing following the Great Recession, and the oil-industry induced state recession in 2016 and 2017. In 2017, the New Orleans MSA real GDP remained 13 percent below its 2004 level (the level before Hurricanes Katrina and Rita), while the U.S. real GDP had already grown 25 percent from its 2004 level.

Figure 16| Growth in Real Gross Domestic Product



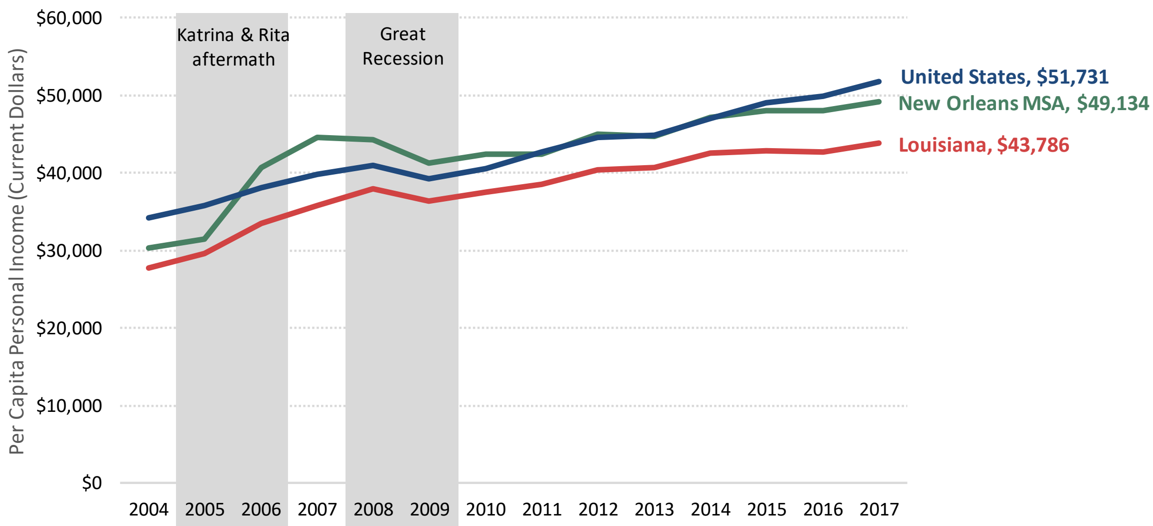
Sources: U.S. Bureau of Economic Analysis and Moody's Analytics' for an estimate of the New Orleans MSA GDP in 2018.

Personal Income

Personal income measures the income people receive from all sources—employment, proprietorship, government transfers, rental properties, and other assets. Per capita personal income is total personal income divided by the population. Consumers' ability to spend and build wealth depends on their personal income. Growth in personal income boosts demand for air travel. A component of GDP, personal income follows the same cyclical pattern: increasing during economic expansion and decreasing during economic recession.

The New Orleans MSA—like the entire state of Louisiana—historically had lower per capita personal income than the United States. This changed after the 2005 hurricanes, mainly because the New Orleans MSA lost many residents and reconstruction activity increased wages, salaries, and proprietors' income (Figure 17). The New Orleans MSA per capita personal income rose above the U.S. per capita personal income from 2006 to 2010. After 2010, the New Orleans MSA per capita personal income became closely aligned with the national average before falling below the U.S. level again in 2016 and 2017. The New Orleans MSA per capita personal income has remained considerably higher than the per capita personal income in the entire state of Louisiana.

Figure 17| Per Capita Personal Income



Source: U.S. Bureau of Economic Analysis.

In 2017, the New Orleans MSA had lower per capita personal income than 97 other MSAs. But the New Orleans MSA also had lower cost of living than 130 other MSAs, based on the U.S. Bureau of Economic Analysis Regional Price Parity (RPP) index for all items. There are 384 MSAs in the United States.

Outlook for the New Orleans MSA

The New Orleans MSA has enjoyed a solid economic recovery from the Great Recession despite a slowdown caused by the recent oil industry-induced statewide economic recession in Louisiana. The continuing U.S. economic expansion and Louisiana's recovery from the oil industry downturn will help promote continued growth in the New Orleans MSA economy.

Louisiana State University's Louisiana Economic Outlook (LEO) for 2019 and 2020 projects a net gain of 6,500 jobs (1.1 percent) in 2019 and 9,100 jobs (1.6 percent) in 2020 for the New Orleans MSA, based on the following developments:

- World-leading information technology (IT) companies opened offices in New Orleans in 2018. The biggest of these new IT New Orleans office openings is DXC Technology's Digital Transformation Center, which opened in May 2018 and is expected to create roughly 2,000 jobs by 2022. The other new IT New Orleans offices are Accruent's and iMerit's, which brought another 450 jobs to the city.
- Louisiana is enjoying an industrial resurgence. As of its publication date, LEO documented at least $181.8 billion projects that had been announced since 2012, of which $42 billion are within the New Orleans MSA. Construction began in 2017 and 2018 on several projects: the Yuhuang Chemical's new plant in St. James Parish ($2.3 billion); expansion of Monsanto's herbicide producing plant in Luling ($975 million); maintenance and upgrade of Entergy

Corporation power plants ($1.15 billion); refinery upgrades by Valero in St. Charles Parish ($325 million), Marathon in Garyville ($120 million), Shell Motiva in St. James ($150 million), and Shell Norco ($10 million); Noranda Bauxite and Chemicals' plant expansion ($35 million); and Ergon's facility expansion ($200 million).

- Numerous large projects at the front-end engineering and design stage (FEED): Formosa Petrochemicals complex ($9.4 billion), Southern Louisiana Methanol ethanol plant ($1.7 billion), Wanhua Chemicals methanol plant ($1.12 billion), and Syngas Energy Holdings methanol plant ($350 million)—all in St. James Parish. LEO lists many other projects begin considered in other parishes in the New Orleans MSA.

- The Michoud Assembly Facility (MAF) in New Orleans is expected to add approximately 700 jobs in 2019 and 2020, after the announcement in August 2018 by the National Aeronautics and Space Administration (NASA) that it will send another group of astronauts into space. Certain components of the NASA spacecraft to be used by this group of astronauts will be assembled at MAF.

- Also located at MAF, LM Wind Power (wholly-owned by GE and formerly known as Blade Dynamics) anticipates adding 150 engineers to the 100 employees at its design center.

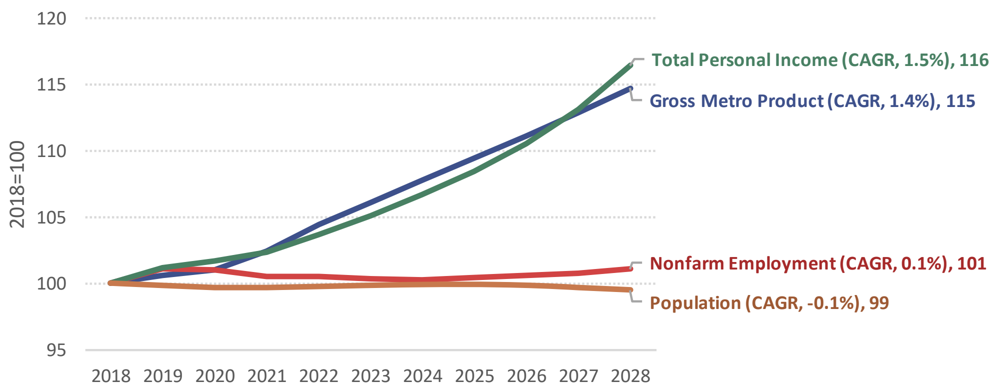
- Textron Marine & Land Systems in New Orleans increased the amount of its contract with the U.S. Navy from $84 million to $180 million for building the Ship-to-Shore Connector amphibious landing craft. The Navy wants 73 of these craft and is looking to add another $500 million to the contract, which would support up to 600 jobs at this site.

- Other major construction projects include expansion of major healthcare facilities (Ochsner Health System and LCMC Health System), renovation of the World Trade Center, construction of the new North Terminal at MSY, and expansion of the World War II Museum.[26]

Long term economic forecasts for the New Orleans MSA by Moody's Analytics, an independent economic forecasting firm, reflect optimism, although they anticipate slowing of economic growth in 2020 and 2021, reflecting the maturity of the current economic expansion (Figure 18). Moody's Analytics' also expects the New Orleans MSA population to decrease slightly. Figure 19 compares Moody's Analytics' forecasts for the New Orleans MSA and the United States. The New Orleans MSA is forecast to grow slower than the nation in all four indicators—this is consistent with long-term historical trends.

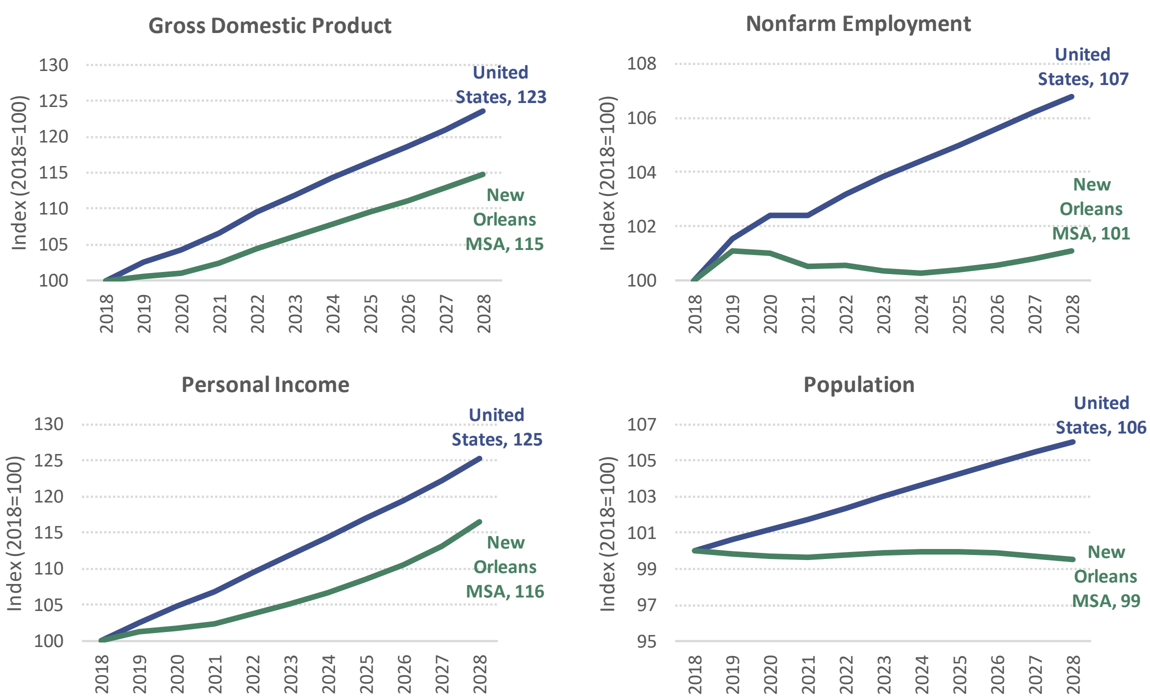
[26] Loren C. Scott and Judy S. Collins, *Louisiana Economic Outlook: 2019 and 2020*, Louisiana State University E.J. Ourso College of Business Economics & Policy Group, September 2018.

Figure 18| Forecast Growth in Key Socioeconomic Indicators for the New Orleans MSA



Source: Moody's Analytics, August 2019.

Figure 19| Forecast Growth in Key Socioeconomic Indicators, New Orleans MSA & U.S.



Source: Moody's Analytics, August 2019.

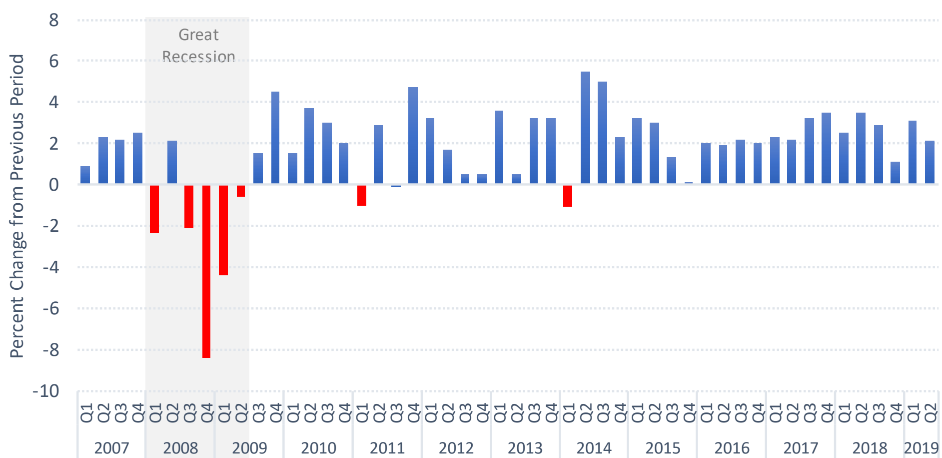
Outlook for the National Economy

The national economy is a major driver of the New Orleans MSA economy. It creates demand for the goods and services produced by various industries in the New Orleans MSA. Continued growth in the U.S. economy would bring continued growth in the New Orleans MSA economy. Similarly, a national economic recession would hamper growth in the MSA economy. The risks facing the national economy also present risks to the New Orleans MSA's economy.

The U.S. economy grew briskly in 2018, after years of slow and uneven recovery from the Great Recession. The pace of economic growth, however, has begun to slow. The 35-day shutdown of the federal government from December 22, 2018, to January 25, 2019, contributed to the economic slowdown in the first quarter of 2019 by reducing production and weakening consumer and business confidence. The stimulus from the 2018 tax cuts has waned, and persistent uncertainty over the economic and foreign policies of the U.S. administration continues to dampen business investment spending. The economic fundamentals, however, remain strong as hiring continues, the unemployment rate continues to fall, consumer spending continues to drive the economy, and inflation remains low. In July 2019, the U.S. economy surpassed its record 10-year expansion from 1991 through 2001.

Figure 20 shows annualized seasonally adjusted percent changes in quarterly U.S. real GDP from the first quarter of 2007 to the second quarter of 2019. Since the beginning of the current economic expansion in the third quarter of 2009, quarterly real GDP growth has averaged 2.3 percent—lower than the average growth rates in previous economic expansions. The slow growth has likely contributed to the longevity of the current economic expansion, now on its 41st quarter.

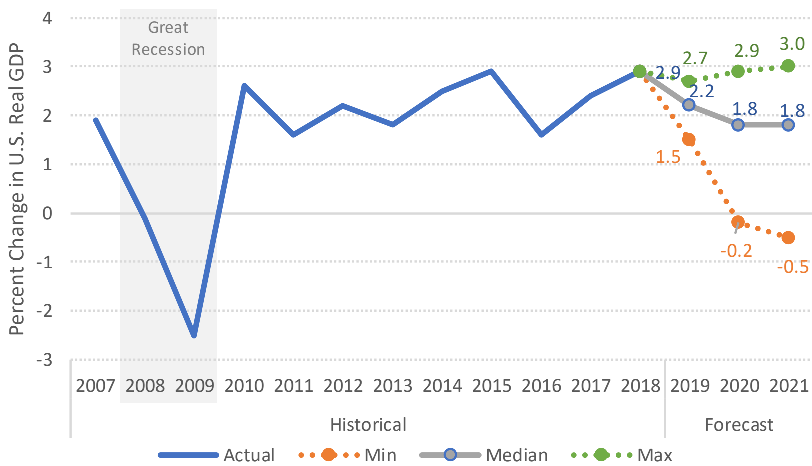
Figure 20| U.S. Real Gross Domestic Product Annualized Percent Change from the Prior Period



Source: U.S. Bureau of Economic Analysis.

In 2018, economic growth was boosted by a strong labor market, low unemployment, low inflation, relatively low levels of consumer debt, strong corporate balance sheets, improving corporate profits, and global economic expansion. Many of these factors remain supportive of continued growth, although recession fears are growing with the escalation of the U.S.-China trade war. Figure 21 shows the range of economic growth forecasts from the Wall Street Journal ("WSJ") August 2019 Economic Forecasting Survey of more than 60 economists. The survey provides median predictions for U.S. real GDP growth of 2.2 percent in 2019, 1.8 percent in 2020, and 1.8 percent in 2021.

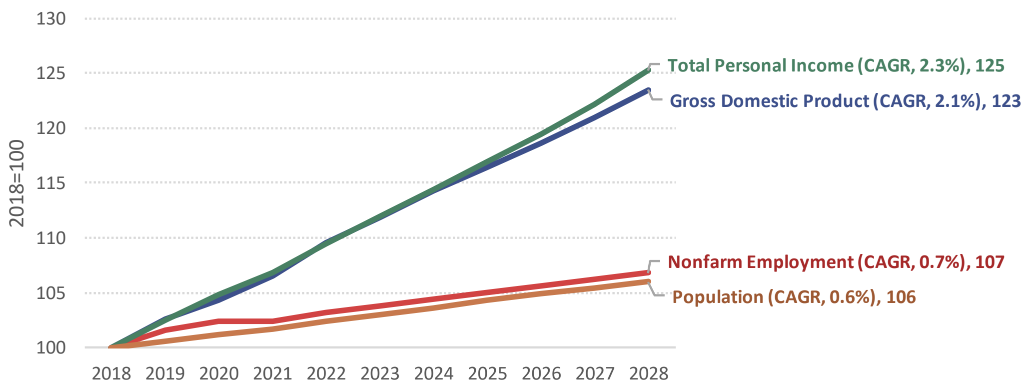
Figure 21| U.S. Real GDP Growth Forecasts, Wall Street Journal Economic Forecasting Survey



Sources: U.S. Bureau of Economic Analysis for historical data, and the Wall Street Journal August 2019 Survey of Economists for the forecasts.

Figure 22 shows Moody's Analytics' 10-year forecasts for four key socioeconomic indicators for the United States. Moody's Analytics' growth forecasts for U.S. real GDP are above the WSJ survey median for 2019 and 2021 and below the WSJ survey median for 2020. For the 10-year period through 2028, Moody's Analytics forecasts average annual growth rates of 2.1 percent for U.S. real GDP, 2.3 percent for U.S. total personal income, 0.7 percent of U.S. nonfarm employment, and 0.6 percent for U.S. population.

Figure 22| Moody's Analytics' Forecasts of Key Socioeconomic Indicators for the United States



Source: Moody's Analytics, July 2019.

An indication of growing recession fears, estimates of the probability of the U.S. economy going into a recession over the next 12 months have been rising in recent months. In the WSJ August 2019 economic forecasting survey, the recession probability estimates ranged from 10 to 65 percent with a median of 35 percent, a 5 percentage-point increase from the median estimate in the previous month's survey and a marked increase from median estimates less than 20 percent prior to December 2018. In the WSJ June 2019 survey, economists were asked to predict the start of the next recession. Forty-nine percent predicted 2021, 37 percent predicted 2020, only 5 percent predicted 2019, and the remaining 9 percent predicted after 2021. A number of factors pose risks to the U.S. economy, many of them arising from government economic policy interventions:

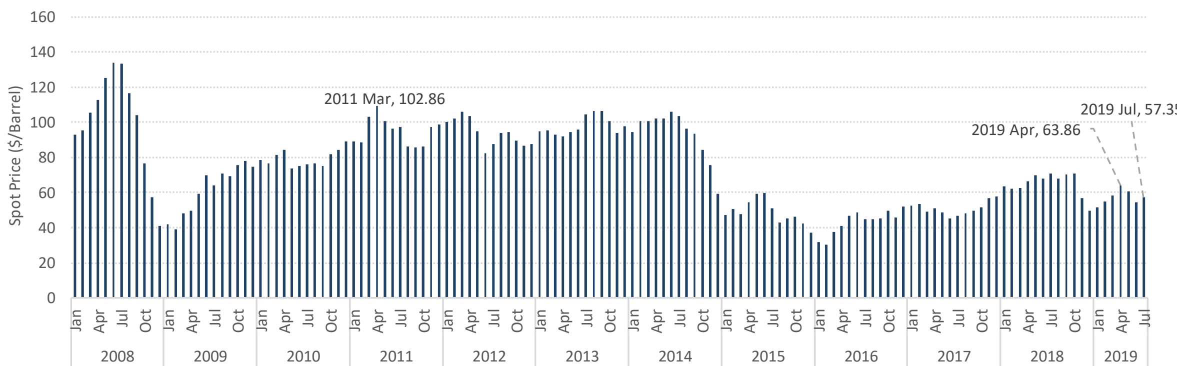
- U.S.-China trade war and threat of a currency war
- Overall trade protectionist stance of the current U.S. administration
- Tariff-induced price increases on manufacturing inputs and consumer goods
- Stock market volatility
- Slowing global economy
- Tightening labor market
- Rising U.S. government debt
- U.S. immigration policy issues
- Deep partisan divisions that give rise to political uncertainty and gridlock

Oil Prices

World oil prices have fallen significantly since mid-2014, from a June 2014 peak near $106 per barrel to around $30 per barrel in February 2016, based on the West Texas Intermediate (WTI) spot price (Figure 23). Oil prices recovered but remain volatile; they have been historically sensitive to geo-political issues in the Middle East. Since June 2017, they had been on an upward trend, with the average WTI spot price per barrel rising to $50.79 in 2017 and to $65.06 in 2018. Prices have again decreased in 2019 due to increased oil production amid a slowing global economy. The U.S. Energy Information Administration Short-Term Energy Outlook as of August 2019 projects WTI spot prices to average $57.87 in 2019 and $59.50 in 2020.[27]

As the nation's ninth largest producer of crude oil, Louisiana has been adversely affected by the fall in oil prices. The state emerged from a 20-month oil industry-induced recession in 2018, and its recovery rests on continued national economic expansion and the recovery of oil prices to levels above $60 per barrel.

Figure 23| Monthly Crude Oil Prices (Cushing, OK WTI)



Source: U.S. Energy Information Administration.

Summary

The Airport serves the New Orleans MSA, Louisiana's largest metropolitan area. Demographic and economic trends determine New Orleans' attractiveness as a business and leisure destination, and the ability of its residents to travel. In the past 14 years, the New Orleans MSA suffered setbacks from the levee system failures resulting from Hurricane Katrina and the subsequent damage from Hurricane Rita in 2005, broad economic slowdown from the Great Recession in 2008 and 2009, and the fall in oil prices that caused a downturn in the oil industry and the Louisiana state economy in 2016 and 2017. Today, the New Orleans MSA economy is back on a positive growth track since the oil industry and the Louisiana state economy have emerged from their recent downturn. The New Orleans MSA has long recovered its economic losses from the Great Recession. It is close to recovering all of its population and economic losses following the 2005 hurricanes. The New

[27] U.S. Energy Information Administration, *Short-Term Energy Outlook*, August 2019, <https://www.eia.gov/outlooks/steo/>, accessed on September 6, 2019.

Orleans MSA economy continues to diversify, reducing its dependence on vulnerable industry sectors such as manufacturing and oil-related industry sectors.

The New Orleans MSA economy may slow if the U.S. economy were to enter another recession. A major driver to the New Orleans MSA economy, the U.S. economy, now entering the 11th year of its current expansion, continues to show strength. But it also faces growing recession risks from escalating trade tensions and their economic repercussions within the U.S. and on the rest of the world.

SECTION 3 | AVIATION ACTIVITY

MSY is the 38th largest out of 545 U.S. commercial service airports based on calendar year (CY) 2018 enplanements. It is the 8th largest among the 31 airports classified as medium hubs by the FAA—airports accounting for at least 0.25 percent but less than 1 percent of annual U.S. enplanements.[28] Based on preliminary CY2018 all-cargo landed weight data compiled by the FAA, MSY ranked 68th out of 138 qualifying U.S. airports, including both commercial service and general aviation airports.[29]

This section reviews the historical trends in commercial aviation activity at the Airport and underlying drivers. It presents forecasts of enplanements and landed weight for the 10-year period ending in 2029, the forecast methodology and assumptions, and the broad factors affecting the aviation industry and the Airport that can bring risk and uncertainty into the forecasts.

Historical Commercial Aviation Activity

The FAA classifies MSY as a medium hub airport, accounting for at least 0.25 percent but less than 1 percent of total U.S. enplanements. In 2018, MSY's 6.6 million enplanements accounted for approximately 0.7 percent of total U.S. system enplanements and ranked 38th largest among U.S. commercial service airports.[30]

As of November 2019, airline schedules and Airport records show 10 U.S. passenger carriers and six foreign flag passenger carriers currently provide scheduled service at MSY (Table 3). Although not listed, regional airlines also operate at MSY as affiliates of American, Delta, and United.

The Airport has grown from 39 nonstop destinations in 2009 to 55 in 2019. Two nonstop destinations were launched in the spring of 2019: Louisville by Allegiant Air and Montego Bay, Jamaica by Vacation Express. Additionally, Allegiant Air launched seasonal serve to Grand Rapids in October 2019 and a new international airline, Air Transat, began seasonal service to Montreal, Canada, in November 2019. A series of additional frequencies have been added to existing destinations by a variety of airlines, the most notable of which being Spirit Airlines with five new routes (Austin, Destin, Philadelphia, Raleigh-Durham, Nashville). American Airlines will also launch daily service to Phoenix (the only hub previously unserved within their network) in December 2019.

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[28] Federal Aviation Administration, "Enplanements at All Commercial Service Airports (by Rank)," *CY2018 Passenger Boarding Data (Preliminary)*, accessed online on August 23, 2019, https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/.

[29] Federal Aviation Administration, "Qualifying Cargo Airports, Rank Order, and Percent Change from 2017," *CY2018 All-Cargo Airports by Landed Weight (Preliminary)*, accessed online on August 23, 2019, at: https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/.

[30] Federal Aviation Administration, "Enplanements at All Commercial Service Airports (by Rank)," CY2018 Passenger Boarding Data (Preliminary), accessed online on August 23, 2019, at: https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger/.

Table 3| Commercial Passenger Air Carriers Providing Scheduled Service at MSY in 2019

Scheduled Passenger Carriers		
U.S. Carriers	Foreign Flag Carriers	All-Cargo Carriers
Alaska Airlines	Air Canada	FedEx Express
Allegiant Air	Air Transat	UPS Airlines
American Airlines	British Airways	DHL
Delta Air Lines	Condor Airlines	
Frontier Airlines	Copa Airlines	
JetBlue Airways	Sunwing Airlines	
Southwest Airlines		
Spirit Airlines		
Sun Country Airlines		
United Airlines		

Sources: Airport records and OAG Schedules Analyzer.

Source: OAG Schedules Analyzer, as of November 2019.
Note: Table includes marketing airlines only.

Long-Term Enplanement Trends

The last 20 years have been eventful for the U.S aviation industry:

- The long-running U.S. economic expansion from the early 1990s ended with the brief recession, which lasted from March to November 2001. While the U.S. economy was in recession, the U.S. aviation industry faced terrorist attacks on September 11, 2001, which caused already weak air travel demand to fall sharply.

- The significant decline in air travel and the stringent airport security measures following the terrorist attacks prompted lasting structural changes in travel behavior and airline business practices.

- Meanwhile, jet fuel cost per gallon quadrupled from 2000 to 2008. It remained at record high levels through 2014. In late 2014, jet fuel prices began falling along with world oil prices, returning to mid-2000s' levels. In recent months, jet fuel prices have begun to recover and are expected to continue rising. U.S. airlines yet again face increases in jet fuel prices, although this time with more fuel-efficient fleets, more cost-efficient business operations, and better financial conditions.

- Amid record fuel prices, the U.S. economy entered the Great Recession from December 2007 to June 2009. The Great Recession has been the longest and deepest recession since the Great Depression. The recovery from this recession was also the slowest of all recoveries from previous recessions since the Great Depression. The Great Recession spread globally and weakened demand for domestic and international passenger and cargo air services.

- Airlines responded to weak air travel demand and high fuel prices with cuts in domestic seat capacity, increases in load factors, retirement of old aircraft, fleet reconfiguration, route transfers between mainline and regional service, route network changes, pricing changes, and various other cost-cutting measures. Mounting financial difficulties led to bankruptcies, mergers, and business restructuring, including consolidations.

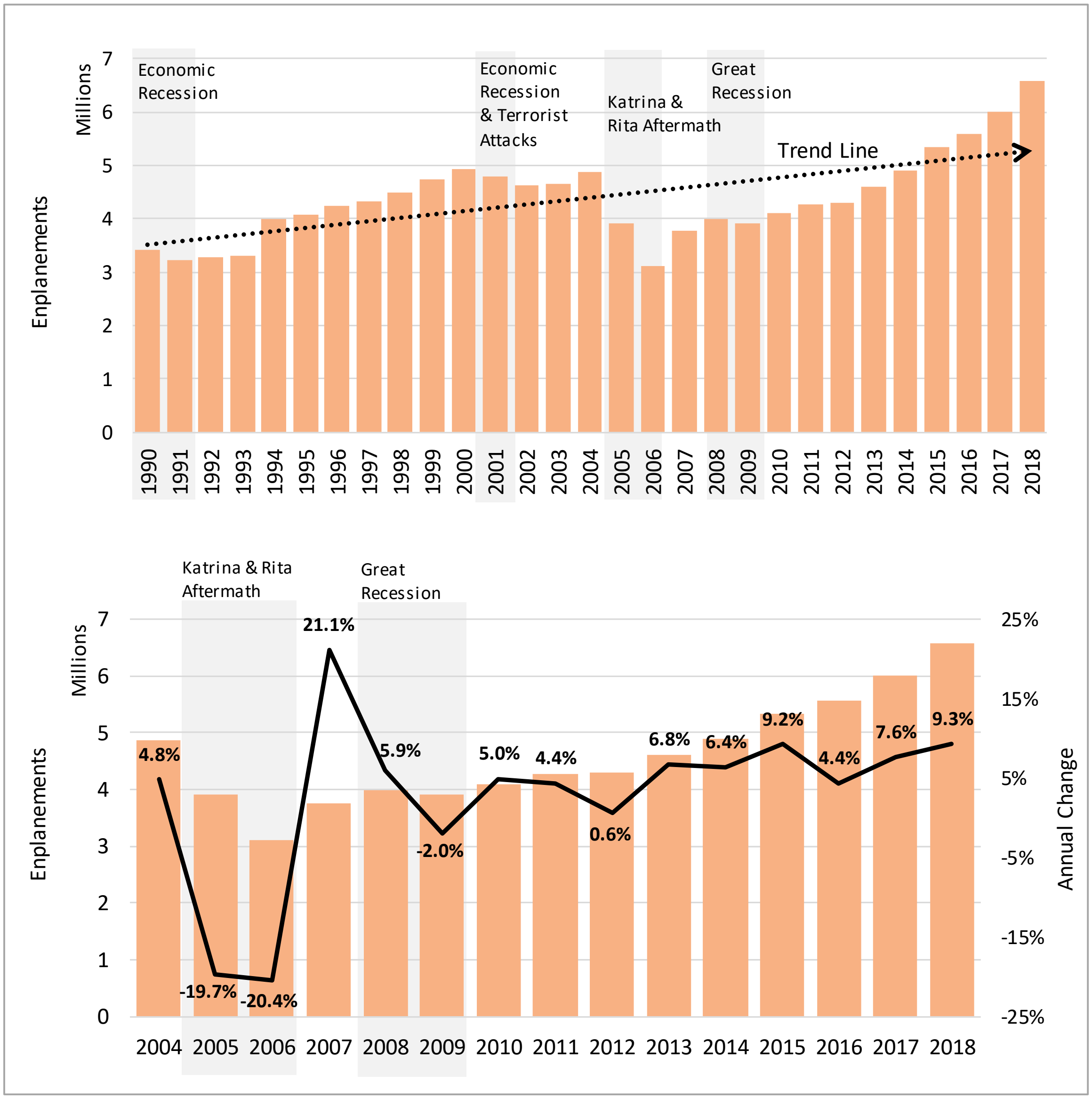
- The aviation industry was also affected by bad weather, natural disasters, disease outbreaks, wars, and civil unrest in different parts of the world.
- The U.S. airline industry began to earn net profits in 2010, helped by business restructuring, capacity discipline, and decreases in fuel prices. U.S. airlines continue to enjoy relatively low fuel costs and earn net profits. Markedly improved financial performance has allowed them to renew their fleets and increase scheduled flights and seats, while maintaining capacity discipline.

These developments have affected MSY. Significant decreases in passenger traffic coincided with the economic recessions, the terrorist attacks, and natural disasters (Figure 24).

As described in Section 2, levee system failures and flooding brought on by the 2015 hurricanes severely disrupted Airport activity and the local economy. Enplanement levels declined by approximately 20 percent each year in 2005 and 2006 to a low level not seen since the early 1980s. As the region recovered from the devastating hurricanes, passenger traffic had a strong resurgence in 2007, growing by more than 20 percent. Reconstruction from the hurricanes mitigated the effect of the Great Recession. Enplanements increased by 5.8 percent in 2008 and regressed only slightly, less than 2 percent, in 2009. MSY enplanements have continued to grow in the years following the Great Recession, increasing at an average annual rate of 6.1 percent between 2010 and 2018.

Despite several setbacks, the Airport has exceeded the traffic level that it experienced in 2004, prior to the hurricanes, as well as its all-time peak traffic of 4.94 million enplanements in 2000. In 2018, MSY had 6.6 million enplanements—more than a 9 percent increase over the previous year and 35 percent higher than the number of enplanements in 2004.

Figure 24| MSY Annual Enplanement Trends, 1990-2018



Source: Airport records and analysis by Unison Consulting, Inc. The trend line on the top chart results from linear trend line fitting—a simple, linear time-series regression without correction for serial correlation—on annual enplanement levels from 1990 to 2018. The bottom chart focuses on the percentage change in enplanements in 2004 and subsequent years, covering the period from Hurricanes Katrina and Rita, through the Great Recession, and up to 2018.

While MSY has experienced short-term fluctuations in passenger traffic coinciding with economic recessions and adverse events, the long-term trend shows growing traffic. Enplanements at MSY grew at an average annual rate of 2.4 percent between 1990 and 2018. Despite the substantial loss of traffic following the hurricanes, the last 10 years (since 2008) show an average annual growth rate of 5 percent. MSY's enplanement growth after 2012 has average 7.3 percent, which is considerably faster than the growth of similarly-sized airports over this six-year period.

Airport and U.S. System Enplanements

Table 4 and Figure 25 compare enplanement growth trends at MSY and in the entire U.S. system from 2004 to 2018. Over this period, MSY outperformed the entire U.S. system in cumulative enplanement growth, even after experiencing a sharp decrease in traffic following the 2005 hurricanes. MSY enplanements increased from approximately 4.86 million in 2004 to 6.57 million in 2018, a 35 percent cumulative increase compared with a 32 percent cumulative increase for the entire U.S. system. The annual pace of enplanement growth at MSY averaged 2.2 percent, compared with the U.S. system's 2.0 percent.

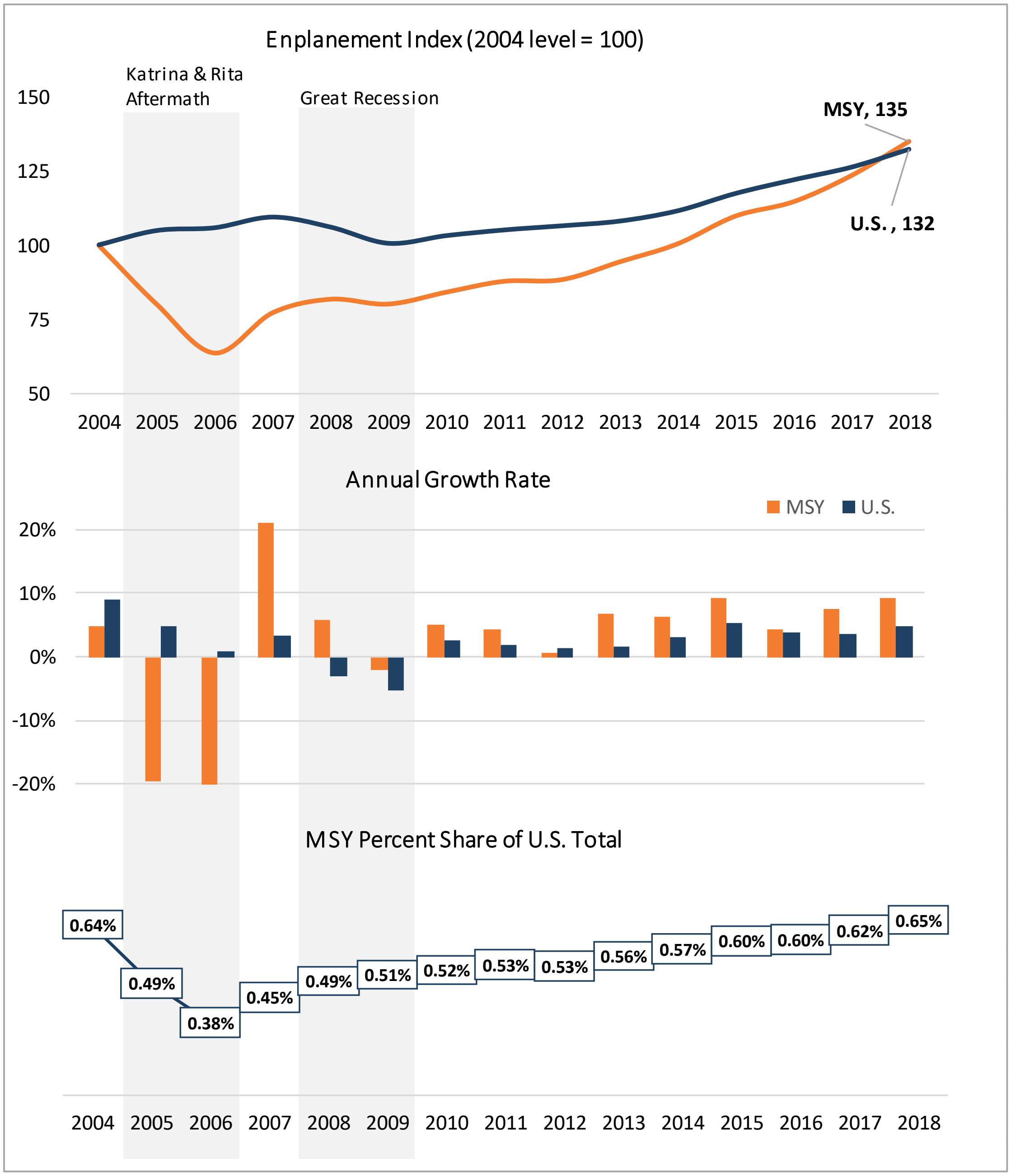
The relatively strong pace of enplanement growth at MSY raised the Airport's share of U.S. system enplanements from a low 0.38 percent in 2006 to 0.65 in 2018—near levels achieved from the mid-1990s to 2003 when the Airport maintained an annual share of at least 0.71 percent.

Table 4| MSY and U.S. System Enplanements (In Thousands), 2004-2018

Year	MSY Enplanements[1]	U.S. Enplanements[2]	MSY's Market Share
2004	4,863	763,710	0.64%
2005	3,904	800,850	0.49%
2006	3,109	808,103	0.38%
2007	3,765	835,510	0.45%
2008	3,988	809,822	0.49%
2009	3,908	767,817	0.51%
2010	4,102	787,478	0.52%
2011	4,281	802,135	0.53%
2012	4,307	813,123	0.53%
2013	4,598	825,322	0.56%
2014	4,892	851,850	0.57%
2015	5,345	896,632	0.60%
2016	5,580	931,989	0.60%
2017	6,005	964,765	0.62%
2018	6,565	1,011,223	0.65%
Compound Annual Growth Rate			
2004-2018	2.2%	2.0%	

[1] Airport records.
[2] U.S. Bureau of Transportation Statistics.

Figure 25| MSY and System Enplanement Growth Trends, 2004-2018



Sources: Airport records and U.S. Bureau of Transportation Statistics.

Domestic and International Traffic

Passenger traffic at MSY is nearly all domestic. During the past 10 years, domestic traffic accounted for an average share of 99.3 percent of MSY annual enplanements, and international traffic accounted for the remaining 0.7 percent (Table 5).

In 2004, prior to the hurricanes, international traffic represented 1.1 percent of annual enplanements. This share significantly decreased when Air Canada left the market between 2006 and 2009. As Air Canada resumed service in 2010, and Copa Airlines arrived at MSY in 2015, the international traffic share increased to 0.8 percent. In 2017, British Airways and Condor Airlines began service from MSY to London and Frankfurt, respectively, increasing the Airport's international traffic share closer to 2 percent in 2017 and 2018.

Table 5| MSY Domestic and International Enplanements (in Thousands), 2004-2018

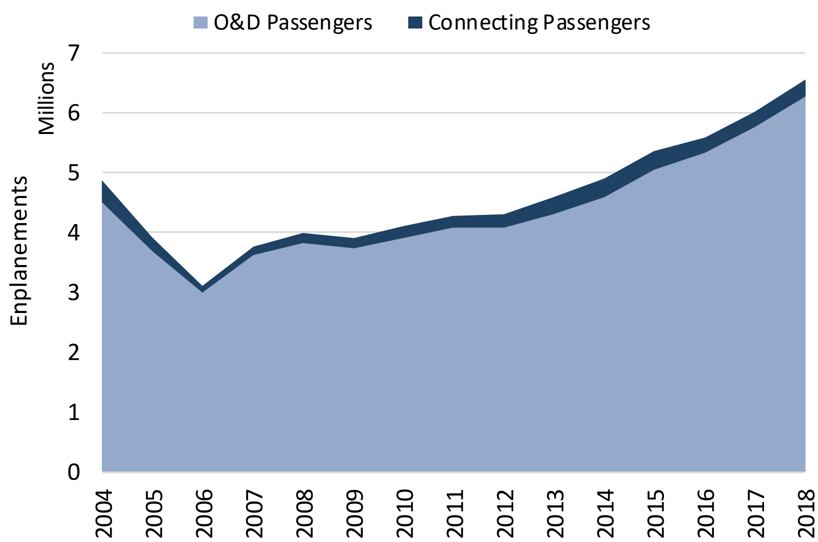
	Domestic		International[1]		Total
CY	Number	% of Total	Number	% of Total	Enplanements
2004	4,811	98.9%	51.6	1.1%	4,863
2005	3,874	99.2%	30.7	0.8%	3,904
2006	3,101	99.7%	7.9	0.3%	3,109
2007	3,759	99.8%	6.4	0.2%	3,765
2008	3,982	99.9%	5.2	0.1%	3,988
2009	3,903	99.9%	5.4	0.1%	3,908
2010	4,093	99.8%	9.6	0.2%	4,102
2011	4,256	99.4%	24.9	0.6%	4,281
2012	4,287	99.5%	20.2	0.5%	4,307
2013	4,576	99.5%	21.8	0.5%	4,598
2014	4,868	99.5%	24.1	0.5%	4,892
2015	5,303	99.2%	41.9	0.8%	5,345
2016	5,530	99.1%	49.3	0.9%	5,580
2017	5,916	98.5%	89.2	1.5%	6,005
2018	6,457	98.4%	107.7	1.6%	6,565
Compound Annual Growth Rate					
2004-2017	1.60%		4.30%		1.64%
2017-2018	9.15%		20.83%		9.32%

[1]International enplanements include enplanements by foreign flag carriers and international enplanements reported by charter airlines.
Source: Airport records.

Origin and Destination (O&D) and Connecting Traffic

MSY serves predominately O&D passengers—those who begin and end their travel at MSY. Based on airline ticket survey data from the U.S. Department of Transportation and Airport data on enplanements from 2004, we estimate the O&D traffic share to range from 93 percent to 96 percent of total enplanements (Figure 26). The remainder consists of connecting passengers who stop at the Airport to connect to another flight.

Figure 26| MSY O&D and Connecting Traffic, 2004-2018

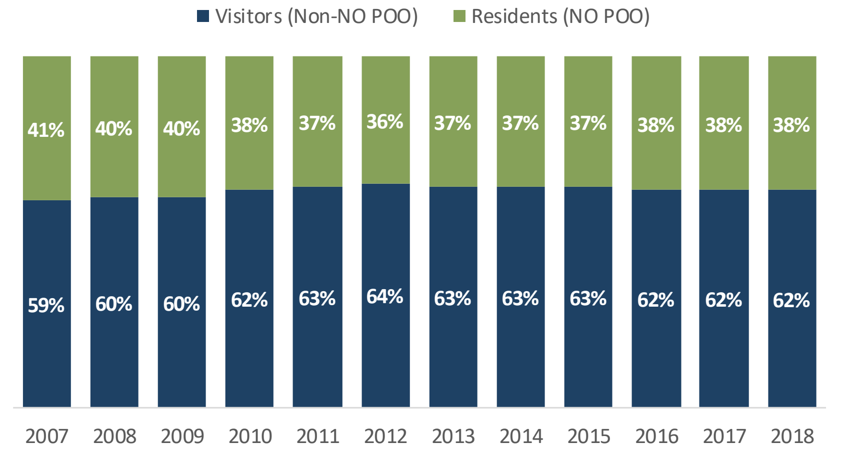


Sources: Unison estimated O&D traffic at MSY based on data from the U.S. Department of Transportation 10%-sample airline ticket survey and Airport records of international enplanements (assuming all O&D).

Relative Composition of Passenger Traffic Between Residents and Visitors

Since 2007 residents have accounted for the minority share of MSY's passenger traffic (Figure 27). This share decreased slightly from 41 percent in 2007 to 38 percent in the past three years. New Orleans is a popular visitor destination, and thus visitors account for the majority of MSY's passenger traffic.

Figure 27| Split of O&D Passenger Traffic Between Residents and Visitors



NO POO – New Orleans Point of Origin
Source: Airport records.

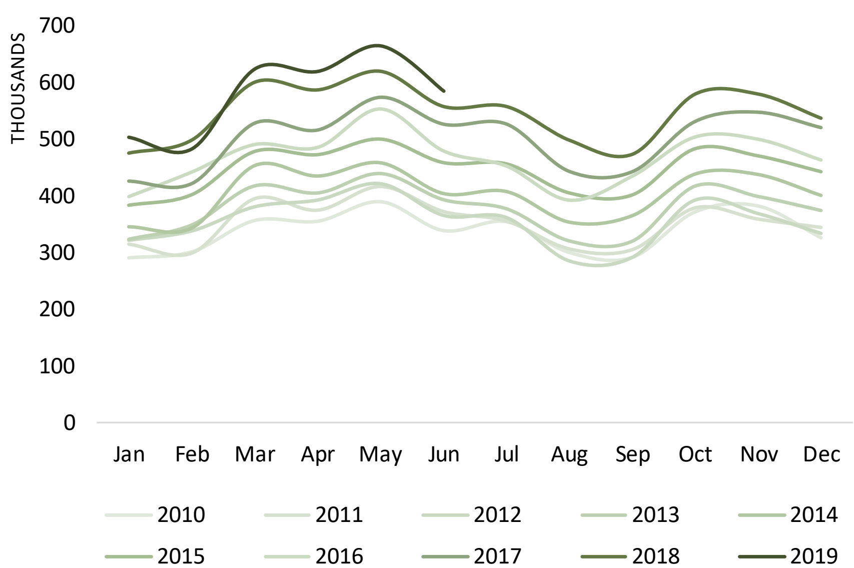
Seasonality in Enplanements

As shown in Figure 28, monthly enplanement levels at MSY tend to rise during the spring, particularly in May, when the weather is cool and many music festivals are held in New Orleans. Enplanements typically drop to their lowest level in August or September, when temperature and humidity levels rise to their peak and the hurricane season begins.

Figure 28| MSY Monthly Enplanements, January 2010-June 2019

Distribution of Annual Enplanements by Month	
Jan	7.2%
Feb	7.5%
Mar	9.0%
Apr	8.9%
May	9.6%
Jun	8.6%
Jul	8.5%
Aug	7.3%
Sep	7.3%
Oct	9.0%
Nov	8.9%
Dec	8.2%

Average based on 2010-2018 monthly enplanements.



Source: Airport records.

Airline Market Shares

MSY has a broad base of air service providers with no airline having a monopoly on traffic. Figure 29 and Figure 30 present the trends in enplanements by airline. The two figures each contain the following:

- An area chart that shows the trend in annual enplanements from 2004 to 2018, and the breakdown by airline in Figure 29 and by carrier type in Figure 30.

- Trend lines showing annual enplanement levels relative to the pre-Katrina level in 2004, by airline in Figure 29 and by carrier type in Figure 30.

- A column chart showing shares of total enplanements, by the published airline in Figure 29 and by carrier type in Figure 30, in 2004, the year prior to the levee system failure, in 2006, the year when enplanements fell to their lowest level since the hurricanes, and in 2018, the last full year with available data.

Table 6 shows the underlying airline enplanement data.[31] The key trends are as follows:

- Southwest Airlines' exclusively mainline service[32] accounts for the largest share of MSY enplanements, which increased from 34 percent in 2004 to 36 percent in 2018. Southwest's share reached one of its lowest points, 28 percent, in 2006 when Southwest's enplanements decreased to about one-half of their pre-Katrina level in 2004. Southwest's service has clearly recovered, with 2018 enplanements at MSY exceeding their 2004 level by 43 percent.

- Delta Air Lines maintained a relatively stable share of approximately one-fifth of the Airport market through 2017. Although Delta's share of enplanements slipped to 17 percent in 2018, down from its share of 21 percent in 2004, its 2018 enplanements were still 8 percent higher than their pre-Katrina 2004 level.

- American Airlines' share of enplanements at MSY decreased from 21 percent in 2004 to 15 percent in 2017. The combined enplanements for American and its regional affiliates in 2018 were still only at 96 percent of their level in 2004.

- United Airlines' share of MSY enplanements decreased from 20 percent in 2004 to 13 percent in 2018.

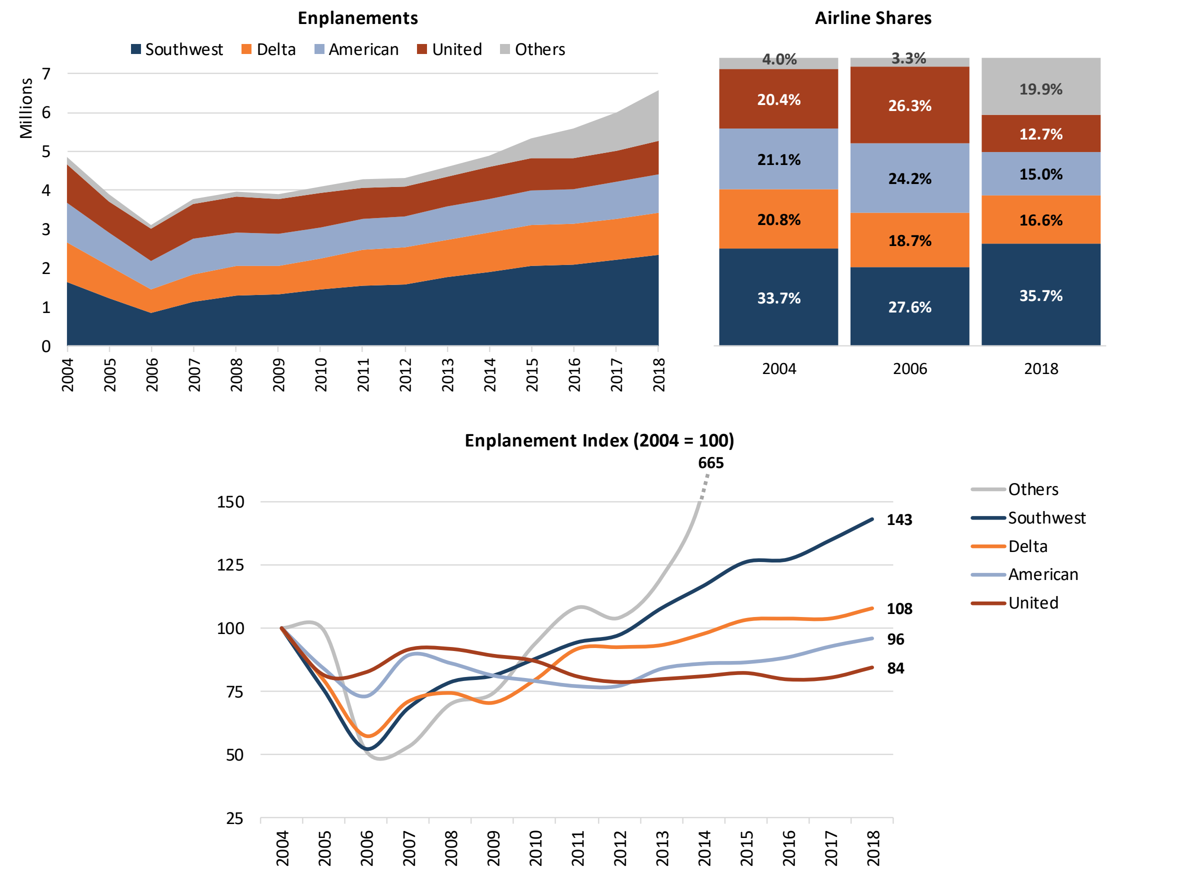
- Although Southwest, Delta, American, and United have the clear majority of enplanements at MSY, other airlines have dramatically increased their enplanements since 2012. The combined enplanements in 2018 for all other airlines increased nearly seven-fold since

[31] Merged airline reported with surviving airline unless otherwise noted.
[32] "Mainline service" refers to flights operated by an airline's main operating unit, in contrast to flights operated by a regional subsidiaries or affiliates.

2004. Enplanement growth from low-cost airlines, such as Spirit, JetBlue, Frontier, and Allegiant, has been instrumental in this shift.

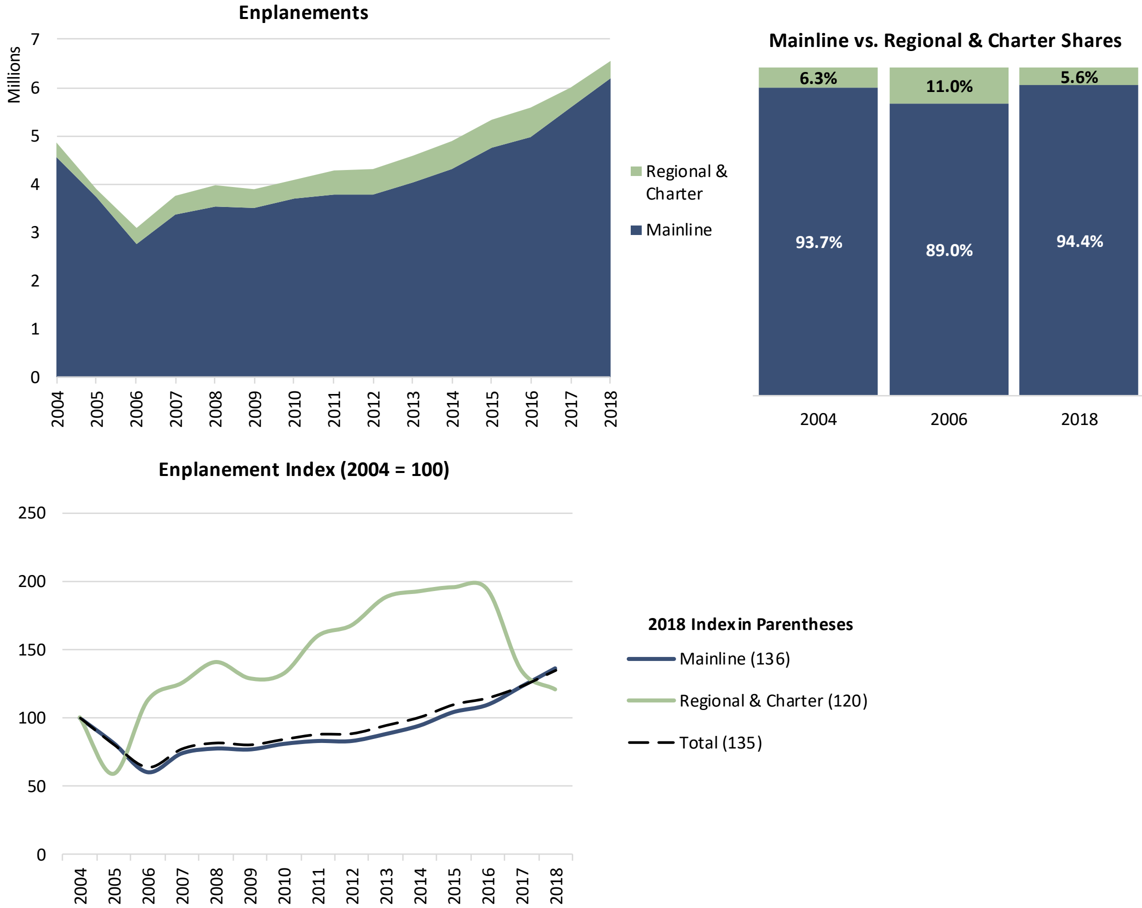
- Mainline carriers still account for most of the service at MSY. Although the mainline share of MSY enplanements decreased from 94 percent in 2004 to 89 percent in 2006, the share has recovered to 94 percent in 2018. Regional service, including very little charter activity, increased its share from 6 percent in 2004 to more than 10 percent between 2006 and 2016. In 2016, regional and charter enplanements exceeded their pre-Katrina level by 94 percent, while mainline enplanements surpassed their pre-Katrina level by 9 percent. Both mainline and regional and charter enplanements remain above their pre-Katrina levels in 2017. However, enplanement levels of regional and charter carriers have decreased since 2006, slipping by 0.8 percent in 2016 and by nearly 31 percent in 2017. They currently account for 5.6 percent of total enplanements, slightly less than the pre-Katrina 2004 share.

Figure 29| MSY Enplanements by Published Airline,[1] 2004-2018



[1] Each published airline's traffic includes enplanements on mainline service and on regional service operated by affiliates, if any. Southwest's traffic includes AirTran's enplanements before their merger. United's traffic includes Continental's enplanements before their merger. American's traffic includes U.S. Airways enplanements before their merger.
Source: Airport records.

Figure 30| MSY Enplanements by Carrier Type,[1] 2004-2018



[1] Mainline service represents flights operated by an airline's main operating unit. Regional and charter service represents flights operated by the airlines' regional subsidiaries or affiliates. The very little charter activity, which accounts for less than half a percent of annual enplanements, is grouped with regional service provided by affiliates of American, Delta and United.
Source: Airport records.

Table 6| MSY Enplanements by Airline, 2004-2018

	Enplanements (in Thousands)															Change
Airline	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2004-18
Southwest & AirTran	**1,636**	**1,237**	**857**	**1,119**	**1,287**	**1,329**	**1,437**	**1,545**	**1,592**	**1,765**	**1,910**	**2,064**	**2,081**	**2,203**	**2,341**	**43.0%**
Delta & Northwest	**1,011**	**803**	**581**	**718**	**753**	**714**	**804**	**929**	**936**	**945**	**990**	**1,045**	**1,051**	**1,051**	**1,092**	**8.0%**
Mainline	859	740	445	532	587	630	702	792	807	825	877	939	951	976	1,031	20.0%
Regional	152	63	136	187	166	84	102	137	129	119	113	106	99	75	62	-59.5%
American & US Airways[1]	**1,027**	**863**	**752**	**918**	**886**	**836**	**814**	**793**	**794**	**863**	**884**	**889**	**910**	**953**	**986**	**-4.0%**
Mainline	1,008	851	680	824	725	651	645	606	604	639	664	621	633	795	822	-18.4%
Regional	19	13	72	93	161	185	169	187	190	223	221	268	277	157	164	742.5%
United & Continental	**991**	**806**	**818**	**906**	**910**	**883**	**862**	**801**	**779**	**790**	**802**	**814**	**789**	**795**	**836**	**-15.6%**
Mainline	898	725	695	818	823	769	746	664	619	593	581	641	642	682	753	-16.1%
Regional	94	81	123	88	86	114	116	137	160	197	220	173	147	113	83	-11.5%
Others	**197**	**195**	**101**	**104**	**138**	**146**	**184**	**213**	**205**	**236**	**306**	**532**	**750**	**999**	**1,310**	**565.3%**
Mainline[2]	157	172	90	91	123	137	169	187	173	203	273	492	699	951	1,265	706.1%
Regional (Air Canada)	19	10	0	0	0	0	2	15	19	19	20	22	23	28	28	48.4%
Charter	21	13	11	13	15	8	13	10	13	15	13	18	27	20	16	-21.7%
Total	**4,863**	**3,904**	**3,109**	**3,766**	**3,973**	**3,908**	**4,102**	**4,281**	**4,307**	**4,598**	**4,892**	**5,345**	**5,580**	**6,001**	**6,565**	**35.0%**
Mainline	4,558	3,725	2,766	3,385	3,545	3,516	3,700	3,795	3,796	4,025	4,305	4,757	5,006	5,608	6,212	36.3%
Regional & Charter	305	179	343	381	428	392	403	486	510	573	587	587	574	394	353	15.7%

[1] Including America West, which was rebranded into US Airways in 2006.
[2] Including Spirit, Frontier, JetBlue, Allegiant, Midwest, Alaska (started service in 2014), Virgin America (started service in 2017 and ended service in 2018), and foreign flag carriers.
Source: Airport records.

Top O&D Markets

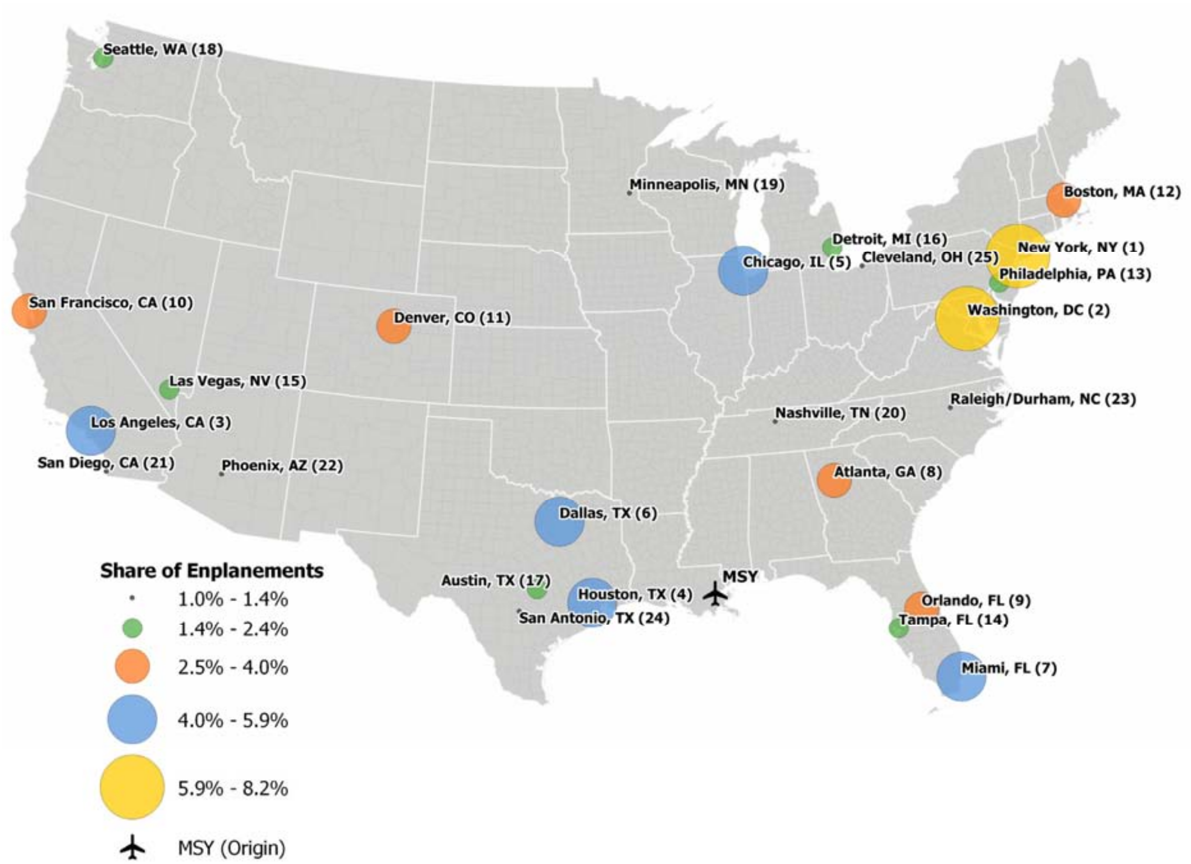
Table 7 and Figure 31 show the Airport's top 25 O&D markets in 2018, ranked by share of O&D enplanements at MSY. They include 22 of the 30 largest U.S. metropolitan areas by 2018 population, as well as three smaller metropolitan areas. The top 25 markets received 128 of the 157 daily nonstop flight departures from MSY and accounted for 79 percent of O&D enplanements at the Airport. The top 5 markets were: New York, Washington, DC, Los Angeles, Houston, and Chicago.

Table 7| MSY's Top 25 O&D Markets in 2018

2018 Ranking[1]	Metropolitan Area (2018 Population Ranking)	Airports	O&D Market Share	Daily Nonstop Departures[2]	Airlines with Nonstop Service from MSY[3]	Air Miles from MSY
1	New York, NY (1)	EWR, JFK, LGA, ISP, HPN, SWF	8.2%	13	B6, DL, NK, UA, WN	1,177
2	Washington, DC (6)	BWI, DCA, IAD	6.7%	8	AA, UA, WN	974
3	Los Angeles, CA (2)	LAX, SNA, ONT, BUR, LGB	5.9%	7	AA, DL, NK, WN	1,670
4	Houston, TX (5)	HOU, IAH	5.3%	18	NK, UA, WN	304
5	Chicago, IL (3)	ORD, MDW	4.9%	9	AA, NK, UA, WN	831
6	Dallas, TX (4)	DAL, DFW	4.9%	14	AA, NK, WN	442
7	Miami, FL (7)	FLL, MIA	4.3%	4	AA	675
8	Atlanta, GA (9)	ATL	4.0%	15	DL, NK, WN	425
9	Orlando, FL (22)	MCO, SFB	3.8%	5	F9, G4, NK, WN	551
10	San Francisco, CA (12)	SFO, OAK, SJC	3.5%	2	AS, UA, VX	1,911
11	Denver, CO (19)	DEN	3.1%	5	F9, UA, WN	1,062
12	Boston, MA (10)	BOS, PVD, MHT	3.0%	3	B6, DL, NK, WN	1,368
13	Philadelphia, PA (8)	PHL	2.4%	3	AA, F9	1,089
14	Tampa, FL (18)	TPA, PIE	2.2%	4	G4, NK, WN	488
15	Las Vegas, NV (28)	LAS	2.2%	3	NK, WN	1,500
16	Detroit, MI (14)	DTW	1.9%	4	DL, NK	926
17	Austin, TX (30)	AUS	1.8%	<1	F9, WN	444
18	Seattle, WA (15)	SEA	1.7%	1	AS, DL	2,086
19	Minneapolis, MN (16)	MSP	1.4%	2	DL, NK, SY, UA	1,039
20	Nashville, TN (36)	BNA	1.4%	3	SY, WN	471
21	San Diego, CA (17)	SAN	1.4%	1	WN	1,599
22	Phoenix, AZ (11)	PHX, AZA	1.2%	1	WN	1,300
23	Raleigh/Durham, NC (42)	RDU	1.2%	1	F9, G4, WN	778
24	San Antonio, TX (24)	SAT	1.2%	1	F9, WN	493
25	Cleveland, OH (33)	CLE, CAK	1.0%	1	G4, NK	651
	Top 25 Destinations		**78.6%**	**128**		
	Other Destinations		**21.4%**	**29**		
	Total		**100.0%**	**157**		

[1] Ranking is based on share of O&D passenger enplanements in 2018.
[2] The number of daily nonstop departures equals the year's total departures divided by 365.
[3] Published carriers with at least 12 nonstop service flights from MSY. Airline codes: AA=American; B6=JetBlue; DL=Delta; F9=Frontier; G4=Allegiant; NK=Spirit; SY=Sun Country; UA=United; WN=Southwest; VX=Virgin America.
Sources: U.S. Census Bureau population estimates, U.S. Department of Transportation 10%-sample airline ticket survey, and OAG Schedules Analyzer.

Figure 31| MSY's Top 25 O&D Markets in 2018

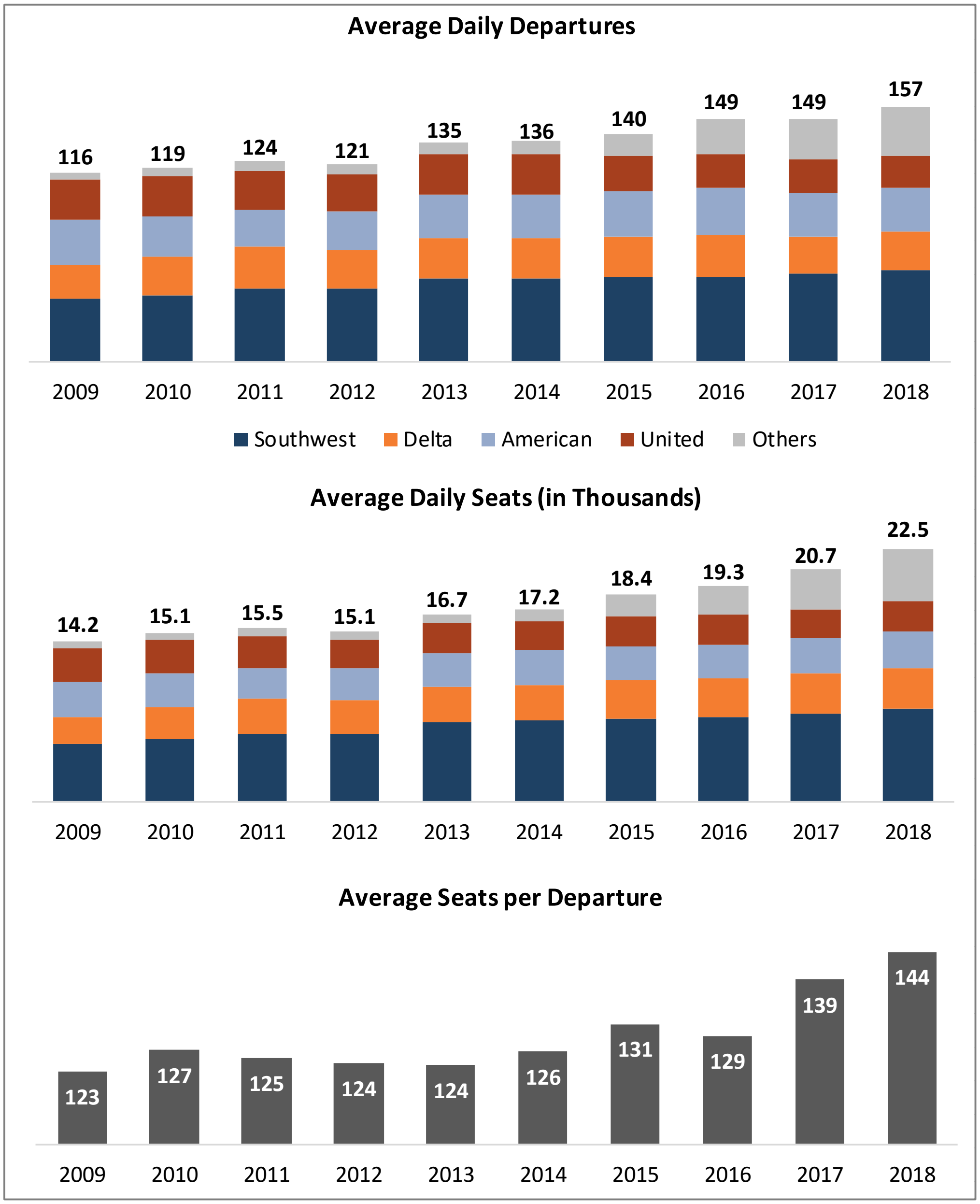


Source: U.S. Department of Transportation 10%-sample airline ticket survey.

Scheduled Nonstop Passenger Airline Service

According to flight schedule records, the airlines serving the Airport provided scheduled nonstop passenger service to 57 destinations in 2018. Average daily flight departures jumped 5 percent in 2018, after increasing 29 percent from 2009 levels in 2016 (from 116 to 149) and remaining constant in 2017. Seats on these flights increased by 8 percent compared to 2017, and by 59 percent compared to 2009 seats (Figure 32). Including AirTran Airways service prior to integration, Southwest Airlines posted a 62 percent increase, the largest proportional increase in seat capacity provided since 2009. Including Northwest Airlines service prior to integration, Delta Air Lines posted the second largest proportional increase of 44 percent since 2009. The average number of seats per flight departure increased over the past two years (to 139 in 2017 and to 144 in 2018). This increase reflects the growing predominance of mainline service with larger aircraft at MSY.

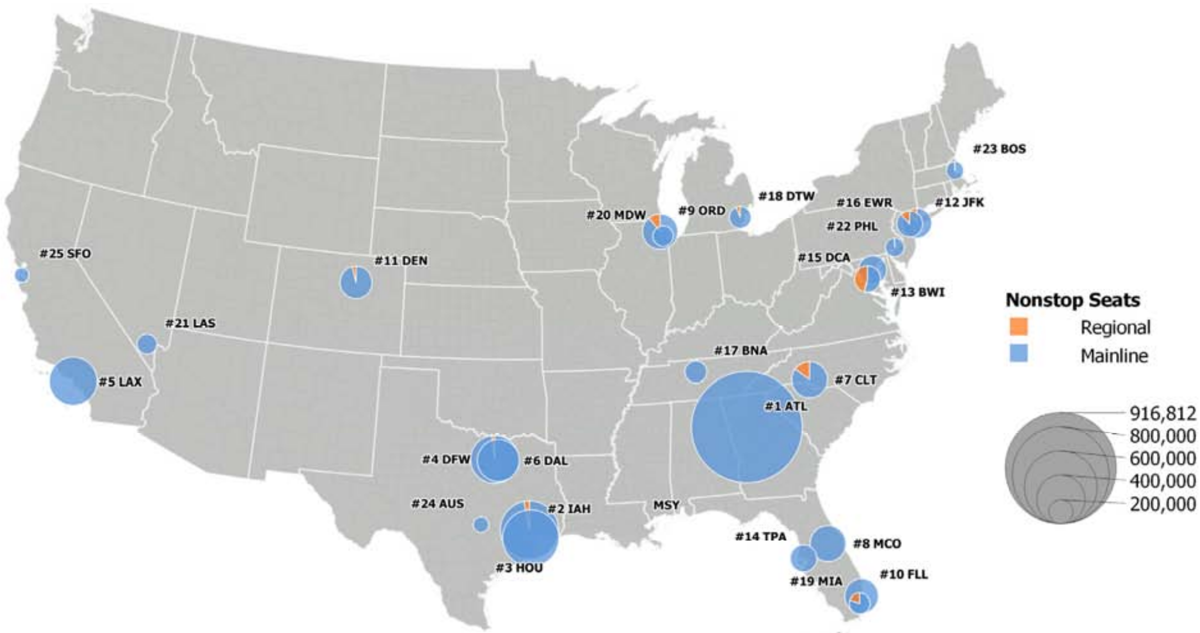
Figure 32| MSY Trends in Scheduled Air Service, 2009-2018



Source: OAG Schedules Analyzer.

Figure 33 shows MSY's top 25 nonstop markets based on scheduled seats in 2018. The markers show the mix of mainline and regional service.

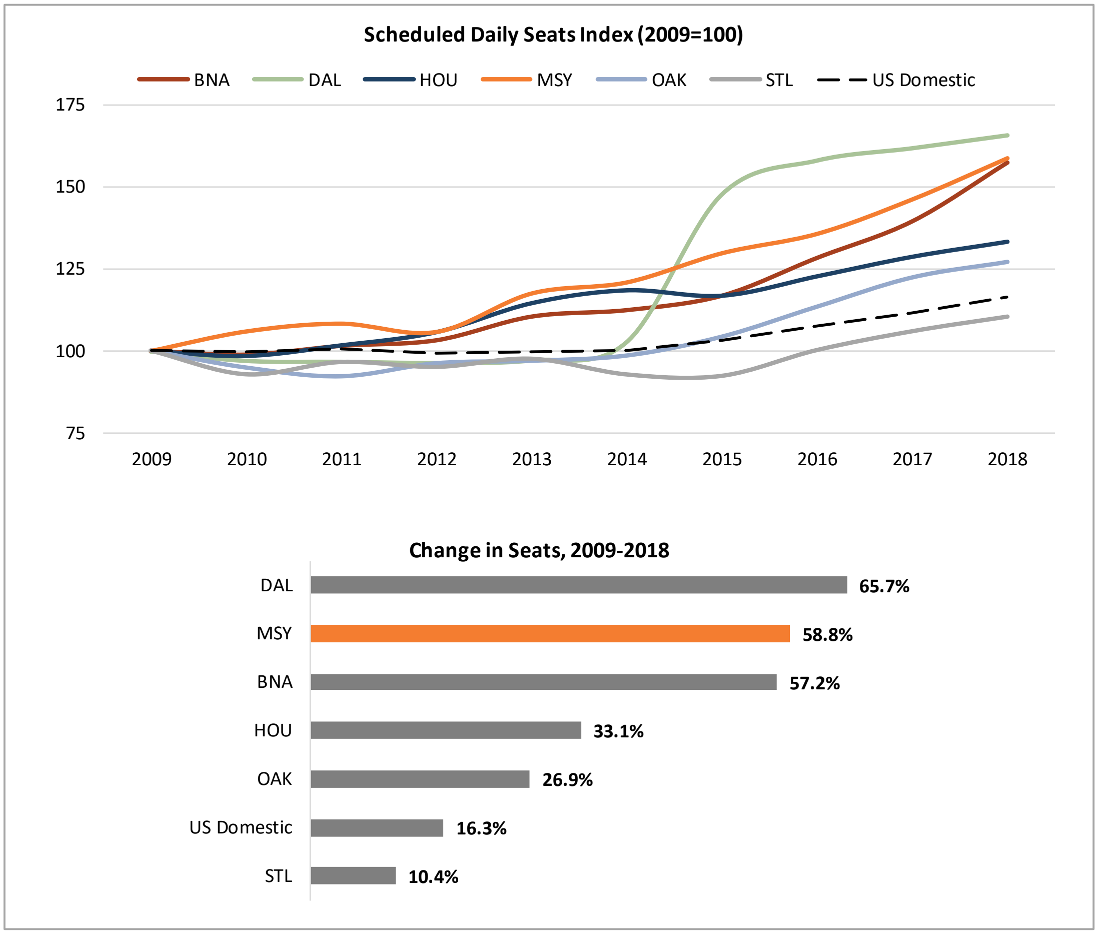
Figure 33| MSY's Top 25 Nonstop Markets in 2018



Source: OAG Schedules Analyzer; ranking is based on seats on scheduled nonstop flights from MSY.

As shown in Figure 34, the trends in scheduled seats at MSY since 2009 compare favorably with the trends at five other medium hub airports with significant Southwest Airlines service. MSY shows the second highest increase in seats, 58.8 percent, from 2009 to 2018.

Figure 34| Scheduled Daily Seats, All Carriers, MSY & Selected Medium Hub Airports, 2009-2018



Source: Airline flight schedules accessed using OAG Schedules Analyzer.

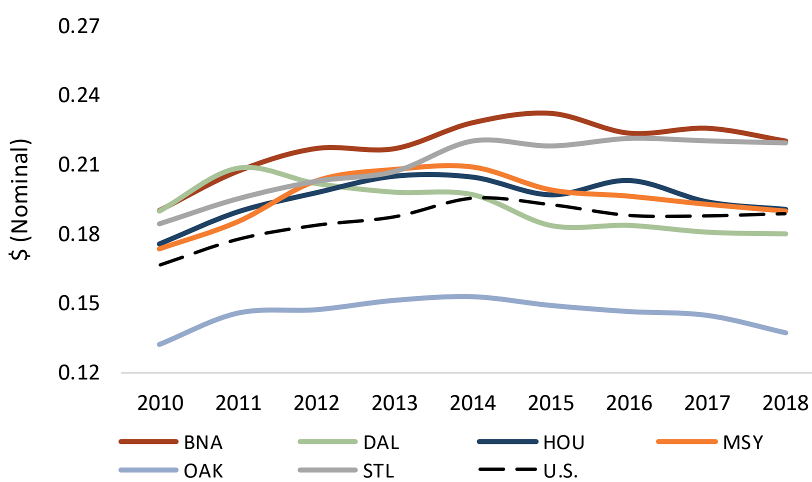
Passenger Yield

Lower airfares attract passengers. This effect is even more pronounced at airports serving tourism markets. A common measure of airfares that controls for distance (stage length) is passenger yield—the average airline revenue per revenue passenger mile. Figure 35 shows the domestic passenger yields at MSY, select other medium hub airports served by Southwest Airlines, and the U.S. average, from 2010 to 2018. The average domestic passenger yield at MSY was consistently higher than the U.S. average. Among the other medium hubs with Southwest service, MSY's average domestic passenger yield falls in the middle of the range, close to HOU's average domestic passenger yield.

For the first time since 2009, U.S. domestic yields decreased in 2015—by 1.5 percent from the previous year. They decreased another 2.4 percent in 2016 and 0.1 percent in 2017, likely due to low oil prices and the rapid growth of ultra-low-cost airlines. Yields at MSY decreased 5 percent in 2015, 1.3 percent in 2016, and 1.8 percent in 2017. Although U.S. domestic yields recovered slightly in 2018 (up 0.5 percent), they continued to decline at MSY (down 1.5 percent). Over the past decade (2009 to 2018), domestic yields increased, on average, 2.1 percent per year at MSY, slightly faster than national rate of increase of 2.0 percent per year over the same period.

Since passenger traffic began to recover after the Great Recession, airlines have restrained growth in seat capacity and have been able to increase air fares faster than general inflation. This trend of air fares increasing faster than inflation is likely to continue only for a short period, as the published airline schedules for 2018 indicate overall increases in airline seat capacity. In the 2019 publication of the FAA's Aerospace Forecasts, baseline projections showed that nominal passenger yields in the domestic market are expected to increase by 1.7 percent annually between 2019 and 2029. In real terms (adjusted for inflation), the domestic passenger yields are expected to decline by 0.5 percent annually between 2019 and 2029.

Figure 35| Domestic Passenger Yield, MSY & Select Southwest Airlines' Medium Hub Airports



Source: U.S. Department of Transportation 10%-sample airline ticket survey.
Note: One-way equivalent airline yields for trips beginning at MSY and listed airports (no exclusions applied).

Commercial Aircraft Landings and Landed Weight

Table 8 and Table 9 present annual commercial aircraft landings and landed weight by published airline from 2011. Both measures have recovered strongly since decreasing in 2012. Between 2012 and 2018, landings increased by nearly 28 percent while landed weight increased by 44 percent.

Southwest Airlines accounts for the largest share of landings, which are very close to the airline's share of enplanements. In 2018, Southwest accounted for 35 percent of landings. In general, mainline service accounts for the vast majority of landings—88 percent in 2018.

Table 8| Commercial Aircraft Landings at MSY 2011-2018

	Landings								Market Share							
Airline	2011	2012	2013	2014	2015	2016	2017	2018	2011	2012	2013	2014	2015	2016	2017	2018
Southwest & AirTran	**16,373**	**16,248**	**18,666**	**18,458**	**19,006**	**18,809**	**19,411**	**20,306**	**35.3%**	**35.8%**	**37.0%**	**36.7%**	**36.1%**	**33.8%**	**34.8%**	**35.1%**
Delta	**9,210**	**8,683**	**9,011**	**8,745**	**9,230**	**9,866**	**8,740**	**8,842**	**19.9%**	**19.1%**	**17.8%**	**17.4%**	**17.5%**	**17.8%**	**15.7%**	**15.3%**
Mainline	6,706	6,444	6,683	6,698	7,598	8,201	7,493	7,830	14.5%	14.2%	13.2%	13.3%	14.4%	14.8%	13.4%	13.5%
Regional	2,504	2,239	2,328	2,047	1,632	1,665	1,247	1,012	5.4%	4.9%	4.6%	4.1%	3.1%	3.0%	2.2%	1.7%
American & US Airways	**8,434**	**8,583**	**9,880**	**9,857**	**9,850**	**10,164**	**9,716**	**9,705**	**18.2%**	**18.9%**	**19.6%**	**19.6%**	**18.7%**	**18.3%**	**17.4%**	**16.8%**
Mainline	5,595	5,374	6,075	6,103	5,401	5,580	7,136	7,010	12.1%	11.9%	12.0%	12.2%	10.3%	10.0%	12.8%	12.1%
Regional	2,839	3,209	3,805	3,754	4,449	4,584	2,580	2,695	6.1%	7.1%	7.5%	7.5%	8.4%	8.2%	4.6%	4.7%
United & Continental	**8,619**	**8,227**	**9,068**	**8,874**	**8,151**	**7,583**	**7,277**	**7,210**	**18.6%**	**18.1%**	**18.0%**	**17.7%**	**15.5%**	**13.6%**	**13.1%**	**12.5%**
Mainline	5,978	5,243	5,110	4,723	5,168	5,267	5,468	5,954	12.9%	11.6%	10.1%	9.4%	9.8%	9.5%	9.8%	10.3%
Regional	2,641	2,984	3,958	4,151	2,983	2,316	1,809	1,256	5.7%	6.6%	7.8%	8.3%	5.7%	4.2%	3.2%	2.2%
Others	**3,746**	**3,605**	**3,862**	**4,293**	**6,416**	**9,151**	**10,570**	**11,767**	**8.1%**	**7.9%**	**7.6%**	**8.5%**	**12.2%**	**16.5%**	**19.0%**	**20.3%**
Mainline[2]	1,870	1,788	2,137	2,731	4,344	5,757	7,838	9,865	4.0%	3.9%	4.2%	5.4%	8.3%	10.4%	14.1%	17.1%
Regional	357	360	340	333	363	377	475	488	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%	0.9%	0.8%
Charter	277	291	303	293	621	1,779	848	87	0.6%	0.6%	0.6%	0.6%	1.2%	3.2%	1.5%	0.2%
Cargo	1,242	1,166	1,082	936	1,088	1,238	1,409	1,327	2.7%	2.6%	2.1%	1.9%	2.1%	2.2%	2.5%	2.3%
Total	**46,382**	**45,346**	**50,487**	**50,227**	**52,653**	**55,573**	**55,714**	**57,830**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Mainline	36,522	35,097	38,671	38,713	41,517	43,614	47,346	50,965	78.7%	77.4%	76.6%	77.1%	78.9%	78.5%	85.0%	88.1%
Regional	8,341	8,792	10,431	10,285	9,427	8,942	6,111	5,451	18.0%	19.4%	20.7%	20.5%	17.9%	16.1%	11.0%	9.4%
Other (including Charter)	277	291	303	293	621	1,779	848	87	0.6%	0.6%	0.6%	0.6%	1.2%	3.2%	1.5%	0.2%
Cargo	1,242	1,166	1,082	936	1,088	1,238	1,409	1,327	2.7%	2.6%	2.1%	1.9%	2.1%	2.2%	2.5%	2.3%

[1] Including America West, which was rebranded into US Airways in 2006.
[2] Including Spirit, Frontier, JetBlue, Allegiant, Midwest, Alaska (started service in 2014), Virgin America (ended service in April 2018), and foreign flag carriers.
Source: Airport records.

Table 9| Commercial Aircraft Landed Weight at MSY 2011-2018

	Landed Weight (Million Pounds)								Market Share							
Airline	2011	2012	2013	2014	2015	2016	2017	2018	2011	2012	2013	2014	2015	2016	2017	2018
Southwest & AirTran	**1,968**	**1,958**	**2,271**	**2,274**	**2,386**	**2,376**	**2,482**	**2,655**	**35.1%**	**35.7%**	**37.6%**	**37.1%**	**36.7%**	**35.1%**	**33.9%**	**33.7%**
Delta	**1,123**	**1,125**	**1,187**	**1,195**	**1,199**	**1,240**	**1,265**	**1,242**	**20.0%**	**20.5%**	**19.7%**	**19.5%**	**18.4%**	**18.3%**	**17.3%**	**15.7%**
Mainline	959	979	1,038	1,059	1,082	1,115	1,172	1,167	17.1%	17.9%	17.2%	17.3%	16.6%	16.5%	16.0%	14.8%
Regional	163	146	149	135	117	124	93	75	2.9%	2.7%	2.5%	2.2%	1.8%	1.8%	1.3%	1.0%
American & US Airways	**937**	**940**	**1,057**	**1,076**	**1,035**	**1,075**	**1,132**	**1,160**	**16.7%**	**17.1%**	**17.5%**	**17.6%**	**15.9%**	**15.9%**	**15.5%**	**14.7%**
Mainline	727	708	779	804	713	744	943	959	12.9%	12.9%	12.9%	13.1%	11.0%	11.0%	12.9%	12.2%
Regional	210	232	278	272	322	331	190	201	3.7%	4.2%	4.6%	4.4%	5.0%	4.9%	2.6%	2.5%
United & Continental	**1,012**	**925**	**952**	**927**	**936**	**896**	**903**	**937**	**18.0%**	**16.9%**	**15.8%**	**15.1%**	**14.4%**	**13.2%**	**12.3%**	**11.9%**
Mainline	851	751	728	687	740	749	774	850	15.2%	13.7%	12.1%	11.2%	11.4%	11.1%	10.6%	10.8%
Regional	161	174	224	240	196	147	129	88	2.9%	3.2%	3.7%	3.9%	3.0%	2.2%	1.8%	1.1%
Others	**574**	**531**	**566**	**653**	**944**	**1,185**	**1,546**	**1,894**	**10.2%**	**9.7%**	**9.4%**	**10.7%**	**14.5%**	**17.5%**	**21.1%**	**24.0%**
Mainline[2]	200	177	220	303	554	749	1,080	1,418	3.6%	3.2%	3.7%	4.9%	8.5%	11.1%	14.7%	18.0%
Regional	53	52	51	50	54	59	92	73	0.9%	0.9%	0.8%	0.8%	0.8%	0.9%	1.3%	0.9%
Charter	n.a.	n.a.	n.a.	1	25	61	17	14	n.a.	n.a.	n.a.	0.0%	0.4%	0.9%	0.2%	0.2%
Cargo	322	303	295	299	310	316	357	390	5.7%	5.5%	4.9%	4.9%	4.8%	4.7%	4.9%	4.9%
Total	**5,614**	**5,479**	**6,032**	**6,125**	**6,500**	**6,772**	**7,328**	**7,889**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Mainline	4,705	4,573	5,036	5,128	5,475	5,733	6,450	7,049	83.8%	83.5%	83.5%	83.7%	84.2%	84.7%	88.0%	89.4%
Regional	587	603	702	697	689	661	504	436	10.5%	11.0%	11.6%	11.4%	10.6%	9.8%	6.9%	5.5%
Other (including Charter)	n.a.	n.a.	n.a.	1	25	61	17	14	n.a.	n.a.	n.a.	0.0%	0.4%	0.9%	0.2%	0.2%
Cargo	322	303	295	299	310	316	357	390	5.7%	5.5%	4.9%	4.9%	4.8%	4.7%	4.9%	4.9%

[1] Including America West, which was rebranded into US Airways in 2006.

[2] Including Spirit, Frontier, JetBlue, Allegiant, Midwest, Alaska (started service in 2014), Virgin America (ended service in April 2018), and foreign flag carriers.

Source: Airport records.

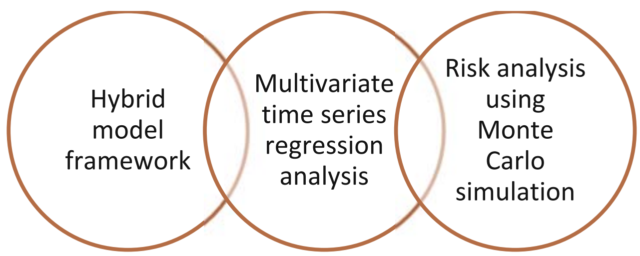
Forecast Commercial Aircraft Activity

Forecasts are presented for three key measures of commercial aviation activity (enplanements, aircraft landings, and landed weight). Forecast enplanement levels determine the number of aircraft operations and corresponding landed weight, considering trends in boarding load factors and aircraft seat capacity.

Forecast Methodology

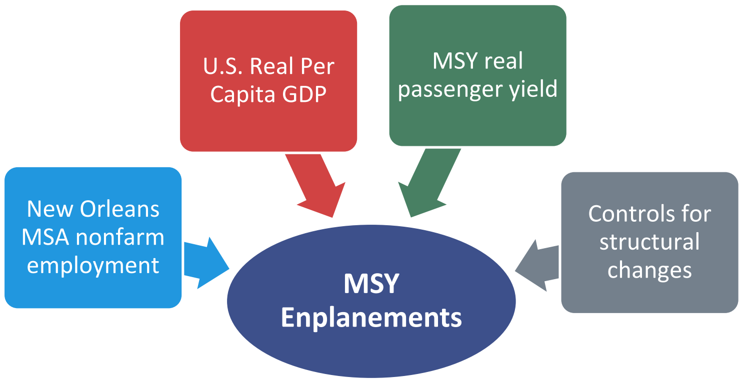
Unison's forecasting approach has three main features: a hybrid model framework, regression analysis, and forecast risk analysis using Monte Carlo simulation (Figure 36). To forecast commercial passenger traffic, we use a hybrid model that incorporates both air service supply and demand considerations. It is capacity-driven in the short run and demand-driven in the long run. The forecast for 2019 considers scheduled airline service through June 2019. Airlines publish scheduled flights and seats for six-to-nine months ahead based on passenger bookings. The schedules therefore reflect near-term market demand. Beyond the first year, forecasts are largely demand-driven, with market demand factors driving growth in enplanements and growth in enplanements driving growth in aircraft operations and landed weight.

Figure 36| Key Features of the Forecasting Approach



To develop long-term forecasts, multivariate time series regression analysis links enplanement growth to trends in market demand drivers for passenger traffic at MSY (Figure 37). Multivariate time series regression analysis provides a quantitative framework for measuring the contributions of multiple explanatory variables to aviation activity using historical data, while accounting for structural changes, time-dependent trends, and serial correlation often found in time series data. The model estimation process produces regression coefficients measuring the contributions of explanatory variables, which are then used to generate forecasts of enplanements given projected trends for the explanatory variables. Model estimation uses the least squares method, designed to minimize forecast errors.

Figure 37| Key Drivers of Enplanement Growth

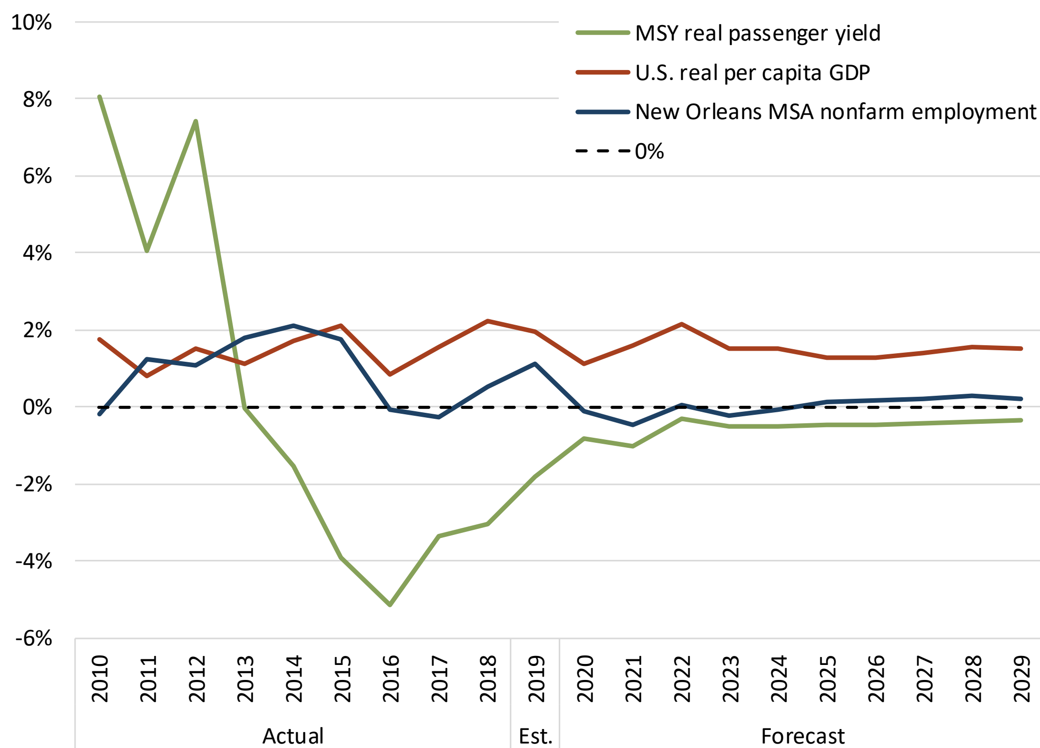


The regression model specification is based on the underlying theory of consumer demand and the dynamics of traffic growth at the Airport. Total enplanements serve as the dependent variable. The model explanatory variables selected for MSY enplanements are as follows:

- New Orleans MSA nonfarm employment (an indicator of local economic trends)
- U.S. real per capita GDP (an indicator of U.S. economic trends)
- MSY average real passenger yield (an indicator of the price of air travel)

These three explanatory variables proved the best explaining enplanement trends at MSY, based on statistical evaluation metrics. Figure 38 shows the trends in the three market demand drivers underlying historical and forecast trends in enplanements.

Figure 38| Historical and Forecast Annual Growth Trends in the Key Explanatory Variables



Sources: U.S. Bureau of Census, U.S. Bureau of Labor Statistics, Moody's Analytics, U.S. Department of Transportation 10-sample airline ticket survey, and Federal Aviation Administration.

New Orleans MSA Nonfarm Employment

Nonfarm employment in the New Orleans MSA reflects local economic conditions. The New Orleans MSA lost 23 percent of its employment base and 25 percent of its population following Hurricanes Katrina and Rita. Residents have since been returning, and the reconstruction created new jobs that attracted new residents to New Orleans. In the early years of recovery, the workforce and population of the New Orleans MSA grew at rates well above the U.S. average. The MSA's jobs increased by nearly 10 percent between 2006 and 2008, before decreasing during the tail end of the Great Recession. Trends in recent years indicate that nonfarm employment growth in the New Orleans MSA is slowing to a pace more consistent with the historical trend prior to the 2005 hurricanes. It is projected to grow at an average annual rate of only 0.02 percent over the 10-year forecast period. Growth in nonfarm employment in the New Orleans MSA promotes growth in MSY enplanements. The projections for nonfarm employment in the New Orleans MSA anticipate a slowdown in growth in 2020 and a decrease in 2021.

U.S. Real Per Capita GDP

U.S. real per capita GDP indicates overall economic and income growth trends. The U.S. economy entered its 11th year of expansion following the Great Recession, surpassing its previous record 10-year expansion. The consensus outlook is for continued slow growth amid ever-present risk factors. For the MSY base enplanement forecast, the U.S. real per capita GDP—U.S. real GDP divided by the U.S. population—is projected to grow at an average annual rate of 1.5 percent over the 10-year forecast period, based on Moody's Analytics' forecasts for U.S. real GDP and U.S. population. Growth in U.S. real per capita GDP promotes growth in MSY enplanements. The projections for U.S. real GDP anticipate a slowing of the national economy in 2020 to indicate the next turn in the business cycle, although the slowdown is not expected to be as severe as the experience in the last recession.

MSY Average Real Passenger Yield

Consumer demand, including the demand for air travel, is inversely related to price. Demand increases when price decreases, and demand decreases when price increases, if all other things are equal. Average real passenger yield indicates the price of air travel. The average real passenger yield at MSY decreased in recent years, consistent with national trends. For the forecast, we assume that the trend in average real passenger yield at MSY will follow industry trends for domestic yields projected in the 2019 FAA Aerospace Forecasts—decreasing by 0.5 percent per year on average through 2029. The projected decreases in MSY's real passenger yield, although very small, promote growth in enplanements at MSY.

The projected trends for key explanatory variables described above produce the base forecast enplanements. Recognizing uncertainty in the future trends of these explanatory variables, we performed Monte Carlo simulation, a comprehensive probabilistic approach to forecast risk analysis, to produce a range of forecasts. The traditional approach to risk analysis calls for making three sets of assumptions—somewhat arbitrarily—regarding the future trends of key explanatory variables to produce base, low, and high forecast scenarios. Monte Carlo simulation offers a more scientific approach, using probability distributions and random sampling techniques to generate ranges of future values for key explanatory variables, produce a range of forecasts, and estimate forecast probabilities.

From the range of forecast enplanements resulting from Monte Carlo simulation, we establish the low and high forecast scenarios. The low forecast scenario uses the 25-percentile forecast enplanements while the high forecast scenario uses the 75-percentile forecast enplanements.

Interpretation of Percentiles

A percentile indicates the value at or below which a given percentage of results fall. For example, if we arrange 100 forecast results for one year from lowest to highest, 25 results (25 percent) will be at or below the 25-percentile, 75 results (75 percent) will be at or below the 75-percentile, and 50 results (50 percent) will be at or below the 50-percentile (also known as the median). A percentile gives the probability that actual outcome will be as forecast or lower.

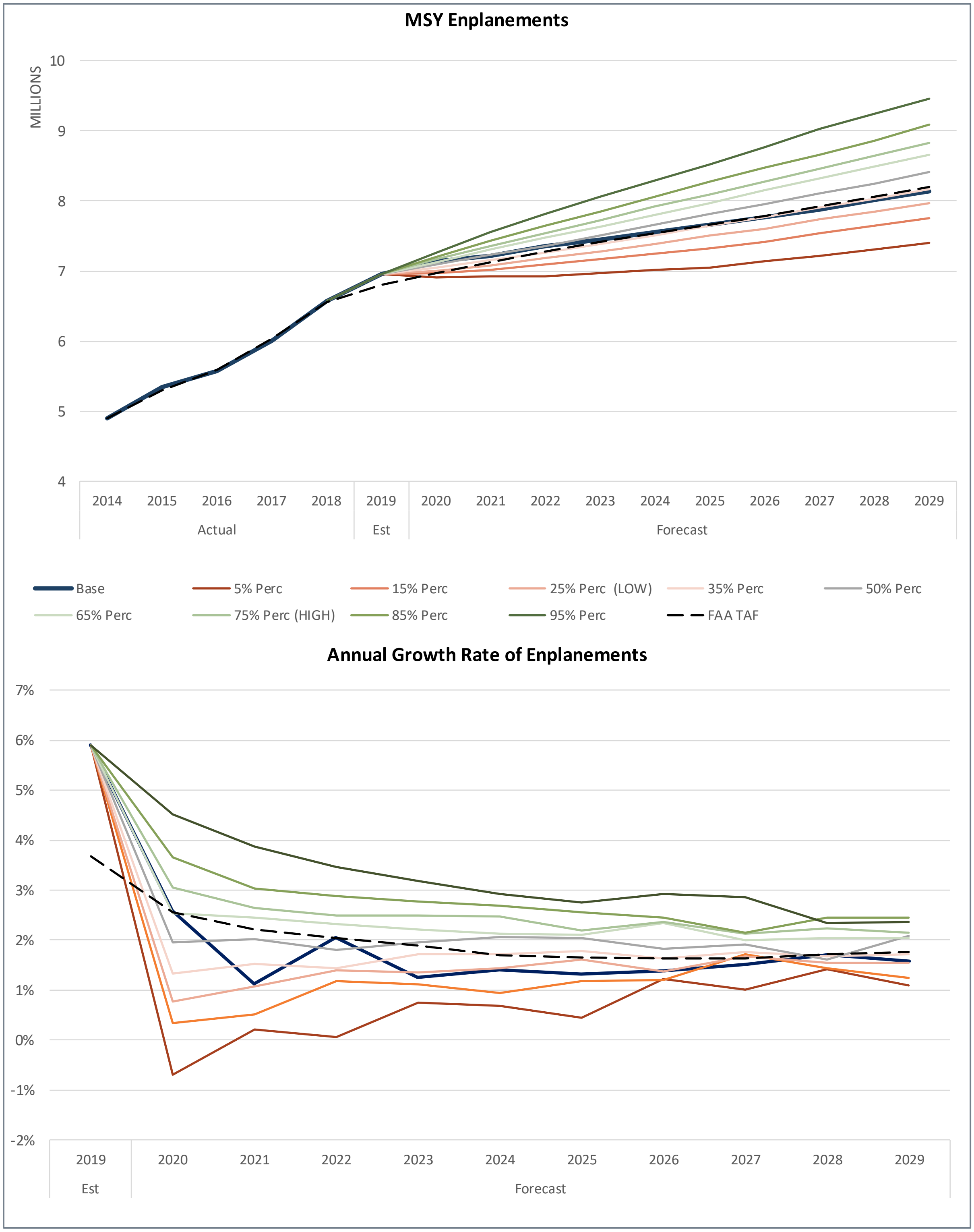
The following examples illustrate how the percentile results can be used to indicate forecast probability:

- The 75-percentile results correspond with a 75 percent probability that actual enplanements will be at or below the forecast and a 25 percent probability that actual enplanements will exceed the forecast.
- The 25-percentile results correspond with a 25 percent probability that actual enplanements will be at or below the forecast and a 75 percent probability that actual enplanements will exceed the forecast.

The range of forecasts bounded by the 25-percentile and the 75-percentile is called the interquartile range, which contains the middle 50 percent of results. The range bounded by the 5-percentile and the 95-percentile contains the middle 90 percent of results.

Figure 39 shows the forecast annual enplanements at MSY resulting from the base regression model assumptions shown in Figure 38, along with select percentile results from the Monte Carlo simulation. After growing 5.9 percent in 2019, the base forecast enplanements slow down to a 2.6 percent growth the following year, in line with the 65-percentile results of the Monte Carlo simulation. They decelerate further in 2021 and approach the 50-percentile (median) results, reflecting an expected slowdown in national and regional economic growth. Through the remainder of the forecast period, they gradually approach the 35-percentile results. Figure 39 includes the FAA Terminal Area Forecast (TAF) for MSY enplanements, adjusted to reflect enplanements on a calendar year basis. The TAF projections are based on the Airport's historical enplanements through 2017 and estimated enplanements for 2018.

Figure 39| Base Regression and Monte Carlo Simulation Forecasts



Sources: Unison Consulting, Inc., and Federal Aviation Administration for the TAF.

Table 10 shows the base, low, and high growth forecasts, along with the latest TAF for MSY.

Table 10| Select Forecasts of MSY Enplanements

		Enplanements (000)			
	Year	Base	Low	High	TAF 2019
Actual	2016	5,580	5,580	5,580	5,589
	2017	6,005	6,005	6,005	6,033
	2018	6,565	6,565	6,565	6,561
Est.	2019	6,952	6,952	6,952	6,802
Forecast	2020	7,132	7,006	7,164	6,976
	2021	7,213	7,081	7,353	7,131
	2022	7,362	7,179	7,536	7,276
	2023	7,454	7,277	7,725	7,414
	2024	7,559	7,382	7,917	7,539
	2025	7,659	7,501	8,091	7,664
	2026	7,764	7,605	8,283	7,790
	2027	7,882	7,732	8,458	7,917
	2028	8,016	7,851	8,647	8,054
	2029	8,143	7,973	8,832	8,196
		Annual Growth Rate			
Actual	2017	7.6%	7.6%	7.6%	7.9%
	2018	9.3%	9.3%	9.3%	8.7%
Est.	2019	5.9%	5.9%	5.9%	3.7%
Forecast	2020	2.6%	0.8%	3.0%	2.6%
	2021	1.1%	1.1%	2.6%	2.2%
	2022	2.1%	1.4%	2.5%	2.0%
	2023	1.3%	1.4%	2.5%	1.9%
	2024	1.4%	1.4%	2.5%	1.7%
	2025	1.3%	1.6%	2.2%	1.7%
	2026	1.4%	1.4%	2.4%	1.6%
	2027	1.5%	1.7%	2.1%	1.6%
	2028	1.7%	1.5%	2.2%	1.7%
	2029	1.6%	1.6%	2.1%	1.8%
		Compound Annual Growth Rate			
	2019-2029	1.6%	1.4%	2.4%	1.9%

Sources: Unison Consulting, Inc., and Federal Aviation Administration for the TAF.

Table 11 shows a summary of forecast enplanements, aircraft arrivals (departures), and landed weight under the base growth scenario, serving as the base input to the financial analysis in Section 4. Annual enplanements at MSY are projected to increase from 6.95 million in 2019 to 8.14 million in 2029. The average annual growth rate is projected to be 1.6 percent over the 10-year forecast period. Annual aircraft arrivals are projected to increase from approximately 58,600 in 2019 to 68,000 in 2029 at an average annual rate of 1.5 percent. Relative to enplanements, flights grow slower due to increases in aircraft gauge and load factors. Annual aircraft landed weight is projected to increase from 8.4 billion pounds in 2019 to 9.6 billion pounds in 2029 at an average annual rate of 1.3 percent.

Table 12 shows a summary of forecast enplanements, aircraft arrivals (departures), and landed weight under the low growth scenario. Forecasts under this scenario serve as the basis for sensitivity analysis in the financial analysis in Section 4. Annual enplanements at MSY are projected to increase from 6.95 million in 2019 to 7.97 million in 2029 at an average annual rate of 1.4 percent. Annual aircraft arrivals are projected to increase from approximately 58,600 in 2019 to 66,700 in 2029 at an average annual rate of 1.3 percent. Annual aircraft landed weight is projected to increase from 8.4 billion pounds in 2019 to 9.4 billion pounds in 2029 at an average annual rate of 1.1 percent.

The high growth scenario for forecast enplanements, aircraft arrivals (departures), and landed weight is summarized in Table 13. Under this scenario, annual enplanements at the Airport are projected to increase from 6.95 million in 2019 to 8.83 million in 2029 at an average annual rate of 2.4 percent. Annual aircraft arrivals are projected to increase from approximately 58,600 in 2019 to 73,700 in 2029 at an average annual rate of 2.3 percent. Annual aircraft landed weight is projected to increase from 8.4 billion pounds in 2019 to 10.4 billion pounds in 2029 at an average annual rate of 2.1 percent.

Table 11| Base Forecast of Commercial Aviation Activity at MSY

	Actual			Est.	Forecast										CAGR
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019-2029
Enplanement (in Thousands)															
Mainline	5,005	5,611	6,217	6,627	6,804	6,881	7,023	7,111	7,211	7,306	7,407	7,520	7,648	7,769	1.6%
Of which:															
Southwest	2,081	2,203	2,341	2,409	2,481	2,509	2,561	2,593	2,630	2,664	2,701	2,742	2,789	2,833	1.6%
All Others	2,925	3,408	3,877	4,218	4,322	4,371	4,462	4,518	4,581	4,642	4,706	4,777	4,859	4,936	1.6%
Regional	546	374	336	312	316	320	326	330	335	340	344	349	355	361	1.5%
Charters	28	20	11	13	13	13	13	13	13	13	13	13	13	13	0.0%
Total	**5,580**	**6,005**	**6,565**	**6,952**	**7,132**	**7,213**	**7,362**	**7,454**	**7,559**	**7,659**	**7,764**	**7,882**	**8,016**	**8,143**	**1.6%**
Annual Growth Rate	4.4%	7.6%	9.3%	5.9%	2.6%	1.1%	2.1%	1.3%	1.4%	1.3%	1.4%	1.5%	1.7%	1.6%	
Aircraft Arrivals or Departures (in Thousands)															
Mainline	43.6	47.3	51.0	54.5	55.5	55.7	56.5	56.9	57.4	57.8	58.3	58.9	59.7	60.3	1.0%
Of which:															
Southwest	18.8	19.4	20.3	21.5	22.0	22.1	22.4	22.5	22.7	22.9	23.1	23.3	23.6	23.9	1.0%
All Others	24.8	27.9	30.7	33.0	33.5	33.7	34.1	34.4	34.7	34.9	35.3	35.6	36.1	36.5	1.0%
Regional	8.9	6.1	5.5	5.2	5.2	5.2	5.3	5.3	5.4	5.4	5.5	5.5	5.6	5.7	1.0%
Charters	1.8	0.8	0.0	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.0%
Subtotal-Passenger carriers	54.3	54.3	56.5	60.4	61.4	61.7	62.5	63.0	63.5	64.0	64.5	65.2	66.0	66.7	1.0%
Cargo	1.2	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	0.0%
Total	**55.6**	**55.7**	**58.1**	**58.6**	**58.3**	**59.0**	**60.0**	**60.6**	**61.2**	**61.7**	**62.1**	**62.5**	**67.3**	**68.0**	**1.5%**
Annual Growth Rate	5.1%	0.3%	4.3%	0.8%	-0.5%	1.2%	1.7%	1.0%	1.0%	0.9%	0.7%	0.6%	7.7%	1.1%	
Landed Weight (in Million Pounds)															
Mainline	5,763	6,496	7,085	7,554	7,695	7,766	7,911	7,997	8,097	8,193	8,297	8,414	8,549	8,677	1.4%
Of which:															
Southwest	2,376	2,482	2,655	2,812	2,873	2,899	2,953	2,985	3,022	3,058	3,096	3,139	3,190	3,237	1.4%
All Others	3,387	4,014	4,431	4,742	4,822	4,866	4,958	5,012	5,075	5,136	5,201	5,274	5,359	5,440	1.4%
Regional	631	458	401	380	382	386	394	398	403	408	413	419	426	433	1.3%
Charters	61	17	12	90	90	90	90	90	90	90	90	90	90	90	0.0%
Subtotal-Passenger carriers	6,456	6,971	7,499	8,024	8,168	8,242	8,395	8,485	8,590	8,692	8,801	8,924	9,066	9,200	1.4%
Cargo	316	357	390	389	389	389	389	389	389	389	389	389	389	389	0.0%
Total	**6,772**	**7,328**	**7,889**	**8,413**	**8,557**	**8,631**	**8,783**	**8,874**	**8,979**	**9,081**	**9,189**	**9,313**	**9,455**	**9,589**	**1.3%**
Annual Growth Rate	4.2%	8.2%	7.7%	6.6%	1.7%	0.9%	1.8%	1.0%	1.2%	1.1%	1.2%	1.3%	1.5%	1.4%	

Sources: Airport records for actual data and Unison Consulting, Inc., for forecasts.

Table 12| Low Forecast of Commercial Aviation Activity at MSY

	Actual			Est.	Forecast										CAGR
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019-2029
Enplanement (in Thousands)															
Mainline	5,005	5,611	6,217	6,627	6,678	6,750	6,844	6,937	7,037	7,151	7,250	7,372	7,486	7,602	1.4%
Of which:															
Southwest	2,081	2,203	2,341	2,409	2,427	2,454	2,488	2,522	2,558	2,600	2,635	2,680	2,721	2,763	1.4%
All Others	2,925	3,408	3,877	4,218	4,251	4,297	4,356	4,416	4,479	4,552	4,615	4,692	4,765	4,839	1.4%
Regional	546	374	336	312	315	318	323	327	332	337	342	348	353	358	1.4%
Charters	28	20	11	13	13	13	13	13	13	13	13	13	13	13	0.0%
Total	**5,580**	**6,005**	**6,565**	**6,952**	**7,006**	**7,081**	**7,179**	**7,277**	**7,382**	**7,501**	**7,605**	**7,732**	**7,851**	**7,973**	**1.4%**
Annual Growth Rate	4.4%	7.6%	9.3%	5.9%	0.8%	1.1%	1.4%	1.4%	1.4%	1.6%	1.4%	1.7%	1.5%	1.6%	
Aircraft Arrivals or Departures (in Thousands)															
Mainline	43.6	47.3	51.0	54.5	54.5	54.7	55.1	55.5	56.0	56.6	57.1	57.8	58.4	59.0	0.8%
Of which:															
Southwest	18.8	19.4	20.3	21.5	21.5	21.6	21.7	21.9	22.1	22.3	22.5	22.8	23.0	23.3	0.8%
All Others	24.8	27.9	30.7	33.0	33.0	33.1	33.4	33.6	33.9	34.3	34.6	35.0	35.4	35.7	0.8%
Regional	8.9	6.1	5.5	5.2	5.2	5.2	5.2	5.3	5.3	5.4	5.4	5.5	5.6	5.6	0.9%
Charters	1.8	0.8	0.0	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.0%
Subtotal-Passenger carriers	54.3	54.3	56.5	60.4	60.4	60.6	61.0	61.5	62.0	62.7	63.3	64.0	64.7	65.4	0.8%
Cargo	1.2	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	0.0%
Total	**55.6**	**55.7**	**58.1**	**58.6**	**58.3**	**59.0**	**60.0**	**60.6**	**61.2**	**61.7**	**62.1**	**62.5**	**66.0**	**66.7**	**1.3%**
Annual Growth Rate	5.1%	0.3%	4.3%	0.8%	-0.5%	1.2%	1.7%	1.0%	1.0%	0.9%	0.7%	0.6%	5.6%	1.1%	
Landed Weight (in Million Pounds)															
Mainline	5,763	6,496	7,085	7,554	7,553	7,618	7,709	7,801	7,901	8,019	8,120	8,248	8,368	8,490	1.2%
Of which:															
Southwest	2,376	2,482	2,655	2,812	2,811	2,835	2,868	2,902	2,939	2,983	3,020	3,068	3,112	3,158	1.2%
All Others	3,387	4,014	4,431	4,742	4,742	4,783	4,840	4,898	4,962	5,036	5,100	5,180	5,256	5,333	1.2%
Regional	631	458	401	380	380	384	389	393	399	405	410	417	423	429	1.2%
Charters	61	17	12	90	90	90	90	90	90	90	90	90	90	90	0.0%
Subtotal-Passenger carriers	6,456	6,971	7,499	8,024	8,024	8,092	8,188	8,285	8,391	8,514	8,621	8,755	8,881	9,010	1.2%
Cargo	316	357	390	389	389	389	389	389	389	389	389	389	389	389	0.0%
Total	**6,772**	**7,328**	**7,889**	**8,413**	**8,412**	**8,481**	**8,577**	**8,673**	**8,779**	**8,903**	**9,009**	**9,144**	**9,270**	**9,399**	**1.1%**
Annual Growth Rate	4.2%	8.2%	7.7%	6.6%	0.0%	0.8%	1.1%	1.1%	1.2%	1.4%	1.2%	1.5%	1.4%	1.4%	

Sources: Airport records for actual data and Unison Consulting, Inc., for forecasts.

Table 13| High Forecast of Commercial Aviation Activity at MSY

	Actual			Est.	Forecast										CAGR
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2019-2029
Enplanement (in Thousands)															
Mainline	5,005	5,611	6,217	6,627	6,829	7,010	7,185	7,365	7,548	7,714	7,898	8,066	8,246	8,423	2.4%
Of which:															
Southwest	2,081	2,203	2,341	2,409	2,482	2,548	2,612	2,677	2,744	2,804	2,871	2,932	2,997	3,062	2.4%
All Others	2,925	3,408	3,877	4,218	4,347	4,462	4,573	4,688	4,804	4,910	5,027	5,134	5,249	5,361	2.4%
Regional	546	374	336	312	322	330	339	347	356	364	372	380	389	397	2.4%
Charters	28	20	11	13	13	13	13	13	13	13	13	13	13	13	0.0%
Total	**5,580**	**6,005**	**6,565**	**6,952**	**7,164**	**7,353**	**7,536**	**7,725**	**7,917**	**8,091**	**8,283**	**8,458**	**8,647**	**8,832**	**2.4%**
Annual Growth Rate	4.4%	7.6%	9.3%	5.9%	3.0%	2.6%	2.5%	2.5%	2.5%	2.2%	2.4%	2.1%	2.2%	2.1%	
Aircraft Arrivals or Departures (in Thousands)															
Mainline	43.6	47.3	51.0	54.5	55.7	56.8	57.8	58.9	60.1	61.1	62.2	63.2	64.3	65.4	1.8%
Of which:															
Southwest	18.8	19.4	20.3	21.5	22.0	22.4	22.8	23.3	23.7	24.1	24.5	24.9	25.4	25.8	1.8%
All Others	24.8	27.9	30.7	33.0	33.7	34.4	35.0	35.7	36.4	37.0	37.7	38.3	39.0	39.6	1.9%
Regional	8.9	6.1	5.5	5.2	5.3	5.4	5.5	5.6	5.7	5.8	5.9	6.0	6.1	6.2	1.9%
Charters	1.8	0.8	0.0	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.0%
Subtotal-Passenger carriers	54.3	54.3	56.5	60.4	61.7	62.9	64.0	65.3	66.5	67.6	68.8	70.0	71.2	72.4	1.8%
Cargo	1.2	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	0.0%
Total	**55.6**	**55.7**	**58.1**	**58.6**	**58.3**	**59.0**	**60.0**	**60.6**	**61.2**	**61.7**	**62.1**	**62.5**	**72.5**	**73.7**	**2.3%**
Annual Growth Rate	5.1%	0.3%	4.3%	0.8%	-0.5%	1.2%	1.7%	1.0%	1.0%	0.9%	0.7%	0.6%	16.0%	1.6%	
Landed Weight (in Million Pounds)															
Mainline	5,763	6,496	7,085	7,554	7,724	7,911	8,093	8,282	8,475	8,650	8,846	9,024	9,217	9,407	2.2%
Of which:															
Southwest	2,376	2,482	2,655	2,812	2,875	2,944	3,011	3,081	3,153	3,218	3,290	3,356	3,428	3,498	2.2%
All Others	3,387	4,014	4,431	4,742	4,849	4,967	5,082	5,201	5,322	5,432	5,555	5,668	5,789	5,908	2.2%
Regional	631	458	401	380	389	398	408	418	428	437	447	456	466	475	2.3%
Charters	61	17	12	90	90	90	90	90	90	90	90	90	90	90	0.0%
Subtotal-Passenger carriers	6,456	6,971	7,499	8,024	8,203	8,400	8,591	8,790	8,993	9,177	9,383	9,570	9,773	9,973	2.2%
Cargo	316	357	390	389	389	389	389	389	389	389	389	389	389	389	0.0%
Total	**6,772**	**7,328**	**7,889**	**8,413**	**8,592**	**8,788**	**8,980**	**9,179**	**9,382**	**9,566**	**9,771**	**9,959**	**10,162**	**10,362**	**2.1%**
Annual Growth Rate	4.2%	8.2%	7.7%	6.6%	2.1%	2.3%	2.2%	2.2%	2.2%	2.0%	2.1%	1.9%	2.0%	2.0%	

Sources: Airport records for actual data and Unison Consulting, Inc., for forecasts.

Forecast Uncertainty and Risk Factors

The forecasts of commercial aviation activity are based on information available at the time of analysis, measurable factors that drive air travel demand, and assumptions about the availability and characteristics of airline service at the Airport. These assumptions may not hold in the future, so that actual commercial activity could differ materially from the forecasts. In addition, broader factors that affect the aviation industry and the Airport bring risk and uncertainty into the forecasts. Several of these factors are discussed below.

Economic Conditions

National and regional economic conditions affect airport traffic trends. The national economy is a major driver of the regional economy as a whole, and it is an important determinant of air travel demand. Economic expansions increase income, boost consumer confidence, stimulate business activity, and increase demand. In contrast, economic recessions reduce income, diminish consumer confidence, dampen business activity, and weaken demand. Generally, air travel demand declines during economic recessions and grows during economic recoveries and expansions. While the diversity of the regional economy helps temper the effects of business cycles, the regional economy is vulnerable to a national economic recession as deep as the Great Recession in 2008-2009.

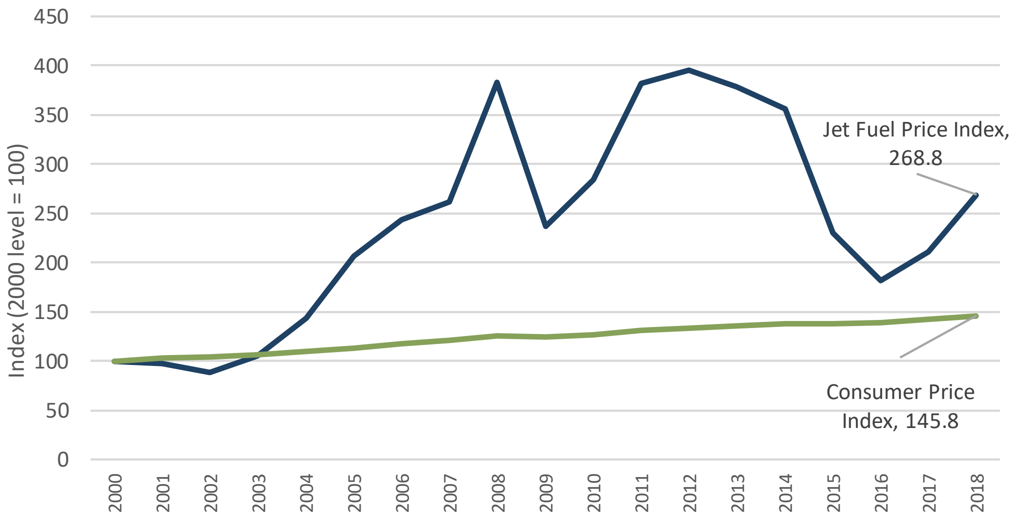
The U.S. economy has now entered its 11th year of expansion after the Great Recession, surpassing its previous record 10-year expansion. Driven by growth in consumer spending and business investment, the U.S. economy is predicted to continue growing over the next few years, although recession risks are always present. The sources of economic risks include political and economic policy uncertainty, international trade tensions, the high level of U.S. government and private debt, tightening labor market, stock market volatility, slowing global economy, and continuing political tensions abroad.

Trends in Oil Prices and Jet Fuel Prices

Oil prices affect one of the largest components of airline costs—jet fuel. The sharp increase in oil prices in the past decade caused sharp increases in jet fuel costs (Figure 40). The U.S. airline industry suffered huge financial losses, pushing many airlines into bankruptcy and prompting significant changes in airlines' operations and business practices. In contrast, the sharp decrease in oil prices since June 2014 has brought airlines windfall profits, allowing them to renew their fleets and invest in other service improvements.

Beginning in mid-2017, jet fuel prices have been rising again, although they still remain low relative to the high levels reached the mid-2000s. This time U.S. airlines are better-positioned to overcome fuel cost increases with more fuel-efficient fleets, more cost-efficient business operations, and better financial conditions.

Figure 40| U.S. Jet Fuel and Consumer Price Indexes



Sources: U.S. Bureau of Transportation Statistics, U.S. Bureau of Labor Statistics, and Unison Consulting, Inc.

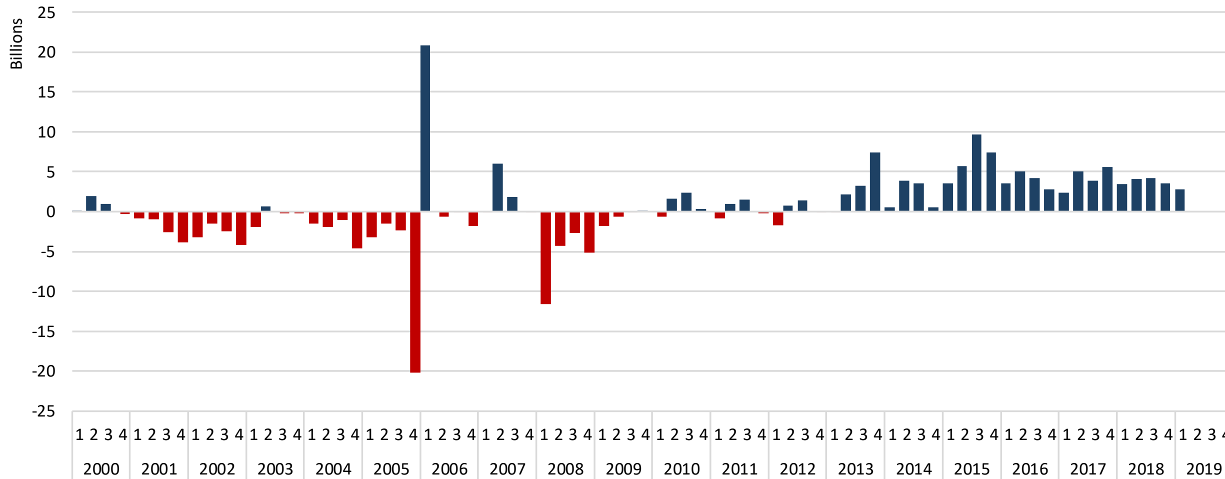
Financial Health of the U.S. Airline Industry

Since 2000, the U.S. airline industry has incurred losses in seven years, totaling $83.9 billion, and has made profits in 11 years, totaling $125 billion (Figure 41). The period since 2010 has been one of the industry's most profitable periods.

The losses were incurred prior to 2010, when the demand for air travel declined following the September 2001 terrorist attacks and during the Great Recession, and when fuel prices increased to record levels. Jet fuel prices increased steadily from 2002 to 2008. The greatest increase in jet fuel prices—a 44 percent increase—occurred in 2005, and the airline industry also posted its greatest quarterly loss in 2005. Mounting financial difficulties forced many airlines into bankruptcy and liquidation. Surviving airlines merged, cut costs, retired fuel-inefficient aircraft, scaled back networks, changed pricing of airline services, and took many other measures to improve financial results. Airlines began to see profits in 2006, but they were unable to sustain them through the Great Recession in 2008 and 2009.

The airline industry has been earning profits more steadily since 2010, reaping the benefits of lower fuel prices, capacity discipline, traffic recovery along with global and U.S. economic recovery. Amid strong air travel demand, airlines have been able to raise airfares and earn substantial revenues from ancillary services. Airports have benefitted with increases in airline service.

Figure 41| U.S. Passenger Airlines Quarterly Net Profit ($)



Source: U.S. Bureau of Transportation Statistics F41 Schedule P12 data.

Performance of Major Airlines Serving the Airport[33]

The market performance of major airlines operating at MSY can affect future Airport traffic. The four largest airlines at MSY together accounted for approximately 80 percent of enplanements in 2018. The enplanement shares of these airlines are as follows: Southwest (35.7 percent), Delta (16.6 percent), American (14.5 percent) and United (12.7 percent). Airport statistics reported for 2018 reveal that enplanements for the largest carriers decreased between 2017 and 2018. With the exception of United, the top carriers still lost market share at MSY in 2018, primarily to smaller carriers (Allegiant, Frontier, JetBlue, and Spirit) and new destinations and higher frequencies offered by existing air carriers. Two nonstop destinations were launched in the spring of 2019: Louisville by Allegiant Air and Montego Bay, Jamaica by Vacation Express. Additionally, Allegiant Air launched seasonal serve to Grand Rapids in October 2019 and a new international airline, Air Transat, began year-round service to Montreal, Canada, in November 2019. A series of additional frequencies have been added to existing destinations by a variety of airlines, the most notable of which being Spirit Airlines with five new routes (Austin, Destin, Philadelphia, Raleigh-Durham, Nashville). American Airlines will also launch daily service to Phoenix (the only hub previously unserved within their network) in December 2019.

In recent years, the top-four carriers have been earning profits, aided by the continuing economic expansion and relatively stable fuel prices. They have also been adding capacity as shown in Figure 42 for the U.S. domestic market.

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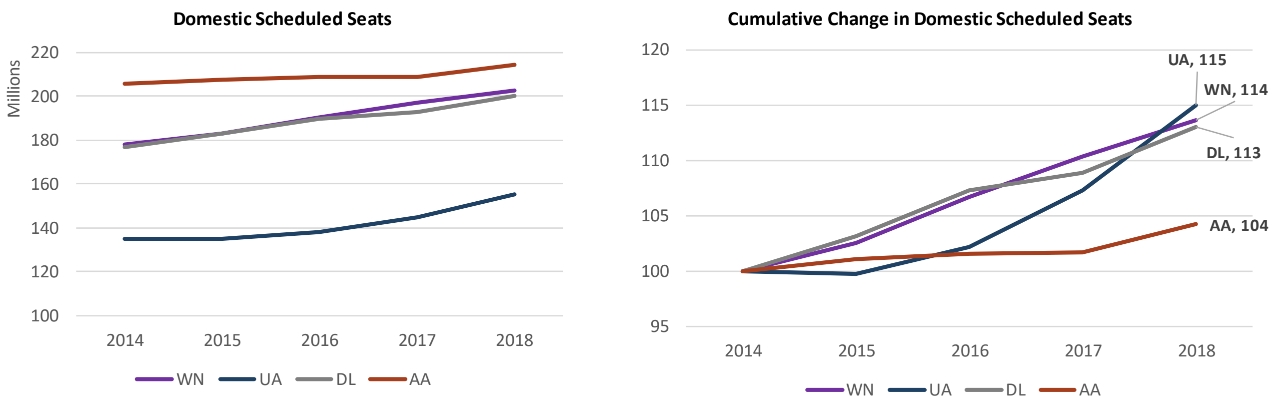
[33] The discussion is based on information and reports contained in the airlines' websites and operating data from the Bureau of Transportation Statistics.

Figure 42 | Domestic Scheduled Seats by the Four Major U.S. Airlines



AA – American Airlines (includes US Airways in 2014-2015)
DL – Delta Airlines
UA – United Airlines
WN – Southwest Airlines (includes AirTran Airways in 2014)
Source: OAG Schedules Analyzer.

Southwest Airlines

Southwest is the largest scheduled domestic market U.S. carrier, based on its share of U.S. system revenue passenger miles (17.83 percent in 2018). In 2018, Southwest reported its 46th consecutive annual net income of $2.5 billion, maintaining its record as the only major U.S. airline that has remained consistently profitable through all the downturns in the airline industry. Southwest's business strategy centers on cost discipline and profitably charging competitively low fares. Adjusted for stage length, Southwest has lower unit costs, on average, than the majority of major domestic carriers.

Southwest is able to keep its costs low by (1) using a single aircraft type, the Boeing 737, (2) operating an efficient point-to-point route structure, and (3) achieving high labor productivity. Southwest began flying Boeing's new 737 MAX 8 aircraft in October 2016. As of December 31, 2018, Southwest had 31 737 MAX 8 in its fleet of 750 Boeing 737 aircraft. Southwest expects to grow its fleet to 794 aircraft by the end of 2019.

Like other airlines, Southwest cut capacity during the last recession and the early years of economic recovery, and it began increasing capacity in recent years. The turning point for Southwest's domestic capacity was 2015, as shown in Figure 42. Southwest's scheduled domestic seats in 2018 were up 14 percent from 2014. Southwest expects to continue its strategic capacity increases in 2019.[34]

[34] Southwest Airlines Co. Fourth Quarter -Form 10K, February 5, 2019.

Delta Air Lines

Delta is the third largest scheduled domestic market U.S. carrier, accounting for 16.88 percent of U.S. system revenue passenger miles in 2018. Delta earned a net income of $5.1 billion in 2018, consistently earning an annual profit since 2010.[35] Delta merged with Northwest Airlines in October 2008 and completed the integration of the two airlines in 2010.

As of December 31, 2018, Delta had 1,025 aircraft in its fleet. Delta took delivery of 68 new aircraft in 2018, including five Airbus A350s and four Airbus A220s, toward meeting its target of 30 percent mainline fleet renewal by 2020.[36]

As shown in Figure 42, Delta has steadily increased domestic seat capacity since 2014, posting a cumulative increase of 13 percent from 2014. Delta plans to continue increasing seat capacity in 2019.

American Airlines

American is the second largest scheduled domestic market U.S. passenger carrier, based on its 17.82 percent share of U.S. system revenue passenger miles in 2018. American earned a net income of $1.41 billion in 2018, and it has been profitable in every year since emerging from bankruptcy and merging with U.S. Airways in December 2013. As a result of the merger, US Airways Group became a subsidiary of AMR Corporation, which changed its name to American Airlines Group Inc. (AAG). US Airways operations were fully integrated into American Airlines in late 2015.

As of year-end 2018, American had 956 aircraft in its mainline fleet and 595 aircraft in its regional fleet. As of January 2019, American expects to expand its mainline fleet with 47 new Boeing 787s to replace retiring aircraft in its fleet.

As shown in Figure 42, American has steadily increased domestic seat capacity since 2014, albeit very slowly. American's scheduled domestic seats in 2018 were up 4 percent from 2014.[37]

United Airlines

United is the fourth largest scheduled domestic market U.S. passenger carrier, as measured by its share of U.S. system revenue passenger miles (15.04 percent in 2018). United merged with Continental Airlines in October 2010 and began operating as a single airline in November 2011. United reported $2.1 billion in net income for 2018. It has consistently earned a net annual profit since 2013.

In 2018, United added 21 new Boeing aircraft to its fleet, including four 777-300ER, four 787-9, three 787-10 and ten 737 MAX 9 aircraft. As of December 2018, United had 770 aircraft in its

[35] Delta Air Lines Earnings Releases, various years.
[36] Delta Air Lines Investor Day 2017, December 14, 2017.
[37] American Airlines Investor Relations Update, January 24, 2019.

mainline fleet and 559 aircraft in its regional fleet. United plans to expand its mainline and regional fleets to 803 and 568, respectively, by the end of 2019.[38]

As shown in Figure 42, United continued to cut its domestic seats through 2015, but has since turned around to increase its scheduled domestic seats in 2018 by 15 percent more than its 2014 schedules.

Grounding of the Boeing 737 MAX

Following the crash of Ethiopian Airlines' Boeing 737 MAX flight on March 10, 2019, the FAA ordered the grounding of those airplanes on March 13, 2019. Three U.S. airlines have this aircraft in their fleets: Southwest Airlines has 34, American Airlines has 24, and United Airlines has 14.[39] These airlines have had to make cuts in their systemwide schedules as a result of the grounding of the aircraft.

Table 14 compares the three airlines' scheduled seats at MSY for the months of April through September 2019 before the grounding (using schedules posted as of March 11, 2019) and after the grounding (using schedules posted as of September 2, 2019). The analysis focuses on only six months of airline schedules, given that airlines typically publish six months of advanced schedules for their planned service. Therefore, right before the grounding of the Boeing 737 MAX, airlines had published their advanced schedules for service through September 2019.

Before the grounding, Southwest and United operated the Boeing 737 MAX 8 and Boeing 737 MAX 9, respectively, at MSY. Although American did not operate any Boeing 737 MAX aircraft at MSY, the grounding of the Boeing 737 MAX 8 would have affected its operations system-wide, including its operations at MSY. The published schedules of March 11, before the grounding, indicated that Southwest and United had planned to fly the Boeing 737 MAX planes at MSY. All three airlines including American show cuts in scheduled seats at MSY for the six-month period from the schedules published as of March 11. Southwest's scheduled seats at MSY decreased 0.6 percent, smaller than the 3 percent decrease in its scheduled seats systemwide. This is not the case for American Airlines and United Airlines. American's scheduled seats at MSY decreased 9.2 percent, greater than the 2.5 percent decrease throughout its entire domestic network. United's scheduled seats at MSY decreased 3.3 percent, greater than the 2.1 percent decrease throughout its entire domestic network. Together, Southwest, American and United cut 90,163 seats from their six-month schedules for MSY after the Boeing 737 MAX grounding. Those 90,163 seats represent a 3.2 percent capacity cut at MSY, more than the 2.6 percent cut in system capacity for all the three carriers.

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[38] United Airlines Reports on Full-Year and Fourth-Quarter 2018 Performance, and Investor Update, January 15, 2019.

[39] Airlines' fleet details in Planespotters.net.

Table 14: Scheduled Seats Before & After Boeing 737 MAX Grounding

Published Scheduled Seats

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Apr-Sep19
Southwest (WN)							
Published before B737 MAX grounding[1]	277,178	283,726	277,123	286,260	261,095	253,155	**1,638,537**
Published after B737 MAX grounding[2]	279,157	287,848	273,113	280,201	259,825	248,586	**1,628,730**
Difference at MSY	**1,979**	**4,122**	**-4,010**	**-6,059**	**-1,270**	**-4,569**	**-9,807**
Percent difference at MSY	**0.7%**	**1.5%**	**-1.4%**	**-2.1%**	**-0.5%**	**-1.8%**	**-0.6%**
Compare with cuts in scheduled seats systemwide	**-2.3%**	**-2.4%**	**-3.6%**	**-3.6%**	**-2.7%**	**-3.4%**	**-3.0%**
American (AA)							
Published before B737 MAX grounding[1]	119,668	119,362	106,041	112,199	116,662	111,856	**685,788**
Published after B737 MAX grounding[2]	113,192	111,254	96,396	94,807	98,861	108,132	**622,642**
Difference at MSY	**-6,476**	**-8,108**	**-9,645**	**-17,392**	**-17,801**	**-3,724**	**-63,146**
Percent difference at MSY	**-5.4%**	**-6.8%**	**-9.1%**	**-15.5%**	**-15.3%**	**-3.3%**	**-9.2%**
Compare with cuts in scheduled seats systemwide	**-1.7%**	**-1.8%**	**-2.0%**	**-2.6%**	**-2.7%**	**-4.0%**	**-2.5%**
United (UA)							
Published before B737 MAX grounding[1]	98,062	101,478	79,276	79,610	77,006	83,410	**518,842**
Published after B737 MAX grounding[2]	96,998	95,889	75,001	75,744	75,116	82,884	**501,632**
Difference at MSY	**-1,064**	**-5,589**	**-4,275**	**-3,866**	**-1,890**	**-526**	**-17,210**
Percent difference at MSY	**-1.1%**	**-5.5%**	**-5.4%**	**-4.9%**	**-2.5%**	**-0.6%**	**-3.3%**
Compare with cuts in scheduled seats systemwide	**-0.1%**	**-1.6%**	**-2.0%**	**-2.2%**	**-3.0%**	**-3.6%**	**-2.1%**
Subtotal (WN, AA, UA)							
Published before B737 MAX grounding[1]	494,908	504,566	462,440	478,069	454,763	448,421	**2,843,167**
Published after B737 MAX grounding[2]	489,347	494,991	444,510	450,752	433,802	439,602	**2,753,004**
Difference at MSY	**-5,561**	**-9,575**	**-17,930**	**-27,317**	**-20,961**	**-8,819**	**-90,163**
Percent difference at MSY	**-1.1%**	**-1.9%**	**-3.9%**	**-5.7%**	**-4.6%**	**-2.0%**	**-3.2%**
Compare with cuts in scheduled seats systemwide	**-1.5%**	**-1.9%**	**-2.6%**	**-2.8%**	**-2.8%**	**-3.7%**	**-2.6%**

[1] Based on schedules posted on March 11, 2019.
[2] Based on schedules posted on September 2, 2019.

Table 15 compares the year-over-year change in scheduled seats indicated by the published schedules before the grounding and the actual schedules for the months of April through September. If the Boeing 737 MAX had not been grounded, Southwest would have increased its scheduled seats at MSY for the six-month period by 8.8 percent over the same period in 2018, instead of 8.1 percent. American would have increased its scheduled seats at MSY by 13 percent, instead of only 2.6 percent. United would have increased its scheduled seats at MSY by 9.9 percent, instead of 6.3 percent. All three airlines combined would have increased their scheduled seats at MSY by 10 percent, instead of 6.5 percent.

The other U.S. airlines that do not have the Boeing 737 MAX in their fleets increased their scheduled seats after the grounding of the Boeing 737 MAX, making up for some of the cuts that Southwest, American, and United had to make. Their scheduled seats for the six-month period from April through September 2019 increased 1.1 percent at MSY, compared to 2 percent system-wide.

Table 15: Year-over-Year Change in Scheduled Seats Before & After Boeing 737 MAX Grounding

Published Scheduled Seats							
	Southwest (WN)						
	Apr-19	**May-19**	**Jun-19**	**Jul-19**	**Aug-19**	**Sep-19**	**Apr-Sep19**
Published before B737 MAX grounding[1]	8.1%	9.0%	10.7%	8.0%	6.5%	10.4%	**8.8%**
Published after B737 MAX grounding[2]	8.9%	10.5%	9.0%	5.8%	6.0%	8.4%	**8.1%**
Percentage point difference	**0.8%**	**1.6%**	**-1.6%**	**-2.3%**	**-0.5%**	**-2.0%**	**-0.7%**
	American (AA)						
	Apr-19	**May-19**	**Jun-19**	**Jul-19**	**Aug-19**	**Sep-19**	**Apr-Sep19**
Published before B737 MAX grounding[1]	17.0%	16.9%	3.7%	7.3%	17.0%	16.6%	**13.0%**
Published after B737 MAX grounding[2]	10.7%	9.0%	-5.7%	-9.4%	-0.9%	12.7%	**2.6%**
Percentage point difference	**-6.3%**	**-7.9%**	**-9.4%**	**-16.6%**	**-17.9%**	**-3.9%**	**-10.4%**
	United (UA)						
	Apr-19	**May-19**	**Jun-19**	**Jul-19**	**Aug-19**	**Sep-19**	**Apr-Sep19**
Published before B737 MAX grounding[1]	12.4%	17.4%	6.4%	10.8%	2.8%	8.4%	**9.9%**
Published after B737 MAX grounding[2]	11.2%	10.9%	0.6%	5.4%	0.3%	7.8%	**6.3%**
Percentage point difference	**-1.2%**	**-6.5%**	**-5.7%**	**-5.4%**	**-2.5%**	**-0.7%**	**-3.6%**
	Subtotal (WN, AA, UA)						
	Apr-19	**May-19**	**Jun-19**	**Jul-19**	**Aug-19**	**Sep-19**	**Apr-Sep19**
Published before B737 MAX grounding[1]	11.0%	12.4%	8.2%	8.3%	8.3%	11.5%	**10.0%**
Published after B737 MAX grounding[2]	9.8%	10.3%	4.0%	2.1%	3.3%	9.3%	**6.5%**
Percentage point difference	**-1.2%**	**-2.1%**	**-4.2%**	**-6.2%**	**-5.0%**	**-2.2%**	**-3.5%**

[1] Based on schedules posted on March 11, 2019.

[2] Based on schedules posted on September 2, 2019.

Airline Economics, Competition, and Airfares

Airfares have an important effect on passenger demand, particularly for relatively short trips where other travel modes are alternatives and for price-sensitive "discretionary" travel, such as vacation travel. Airfares are influenced by airline operating costs, debt burden, passenger demand, capacity and yield management, market presence, and competition. Recent data have shown that the sustained decline of real airfares in the U.S. has not been offset by increases in ancillary passenger fees, including baggage fees.

The traffic forecasts for MSY assume that, over the long term, annual increases in airfares at MSY will not exceed annual inflation. If they do, the increases in airfares would dampen forecast traffic growth.

Airline Mergers

Responding to competition, cost and regulatory pressures, the airline industry has been consolidating. Airline mergers affect service and traffic at airports, when they consolidate facilities, optimize route networks, and route connecting traffic through other hubs. The impact on affected airports usually plays out within a few years—sometimes immediately—following the merger. The impact can be significant or trivial, depending upon whether the merging airlines have a large market share at an airport and whether they carry significant connecting traffic through the airport.

Recent mergers include Delta and Northwest in 2008, United and Continental in 2010, Southwest and AirTran in 2011, American and US Airways in 2013, and Alaska and Virgin America in 2016.

The previous mergers had mostly positive effects on MSY. In particular, Southwest's integration of AirTran at MSY has been positive, steadily increasing scheduled seats at MSY. The effects of the Alaska-Virgin America merger, which began in September 2017, also appears to be positive. Despite Virgin America ceasing operations in April 2018, the combined seats of the two airlines at the Airport have increased—by 21 percent in 2017 and by 46 percent in 2018.

More recently, Thomas Cook Airlines, the parent company of Condor Flugdienst, fell into compulsory liquidation in September 2019. Condor Flugdienst intends to continue operating. It has begun business restructuring under bankruptcy protection (Protective Shield Proceedings under Germany's Insolvency Code) and has received an offer of bridge financing from the German government. The carrier has provided seasonal service at MSY as a non-signatory airline since 2017, accounting for less than 0.1 percent of MSY's annual enplanements.

Pricing is a significant competitive factor in the airline industry because airfares are an important consideration for customers when choosing flights. The significant growth of ultra low-cost carriers (ULCCs) has made airline price competition even more fierce. ULCCs offer "a la carte" service offerings, promoting extremely low relative base fares while separately charging for related services and products. Certain major U.S. airlines have responded by introducing a new "Basic Economy" fare product, offering a lower base fare to compete with a ULCC base fare but with significant restrictions on related amenities and services. This price competition has led to lower fares across the industry.[40]

Aviation Security, Health and Safety Concerns

Concerns about security, health, and safety influence consumer travel behavior. Even with tightened security measures implemented by the Department of Homeland Security, terrorism remains a serious threat to the aviation industry. Additionally, the stringent airport security screening and long waits at security screening lines discourage air travel particularly to destinations that can be reached by ground transportation within a reasonable amount of time. Health and safety concerns can also cause temporary dips in traffic in affected routes.

Structural Changes in Travel Demand

Consumers alter their travel patterns in response to changes at airports, changes in airline business practices, and changes in technology. For example, the stringent airport security screening and long wait times at airports after the 2001 terrorist attacks decreased the demand for air travel for short-haul trips. Intense fare competition and the ease of comparison shopping allowed by the internet have made consumers more price sensitive. The widespread use of tele- and video conferencing has decreased the need for business travel.

[40] Southwest Airlines Co. 2017 Annual Report to Shareholders, March 23, 2018.

SECTION 4 | FINANCIAL ANALYSIS

This section presents a review of the framework for the financial operation of the Airport, including key provisions of the General Revenue Bond Trust Indenture dated as of February 1, 2009, (the General Indenture), providing for the issuance of general airport revenue bonds (GARBs). This section also (i) reviews the recent historical financial performance of the Airport and examines the ability of the Airport to generate sufficient Net Revenues to meet the obligations of the Indenture in each year of the forecast period, and (ii) discusses the information and assumptions underlying the financial forecasts, which include Airport Revenues, Operation and Maintenance (O&M) Expenses, debt service requirements, and debt service coverage. The financial projections presented in this section are based on the base case air traffic forecast developed in Section 3.

Financial Framework

The Indenture and Application of Revenues

The Series 2019 Bonds are being issued to refund the Series 2010A GO Zone Bonds in a manner consistent with the requirements of the PFC Indenture by providing irrevocable instructions to the PFC Trustee to accept proceeds of the Series 2019 Bonds and to deposit such proceeds, together with other funds held by the PFC Trustee, to an escrow fund (the Escrow Fund) created pursuant to an Escrow Deposit Agreement between the Issuer and the PFC Trustee, as escrow trustee. The Series 2010B GO Zone Bonds will be defeased with PFC Revenues and revenues available from the release of the Series 2010B GO Zone Bond Debt Service Reserve.

The 2019 Bonds are being issued by the Aviation Board pursuant to the General Indenture as supplemented and amended by a Fifth Supplemental Trust Indenture among the same parties and dated as of December 1, 2019. The General Indenture and the Fifth Supplemental Indenture are collectively referred to in this Report as the "Indenture." The Series 2019 Bonds are being issued on parity with the Series 2015 Bonds and the Series 2017 Bonds.

Under Section 604 of the General Indenture, the Board covenants to impose, charge and collect reasonable rates, fees, rentals or other charges for services, facilities and commodities of the Airport System (collectively, Rates and Charges) sufficient so that:

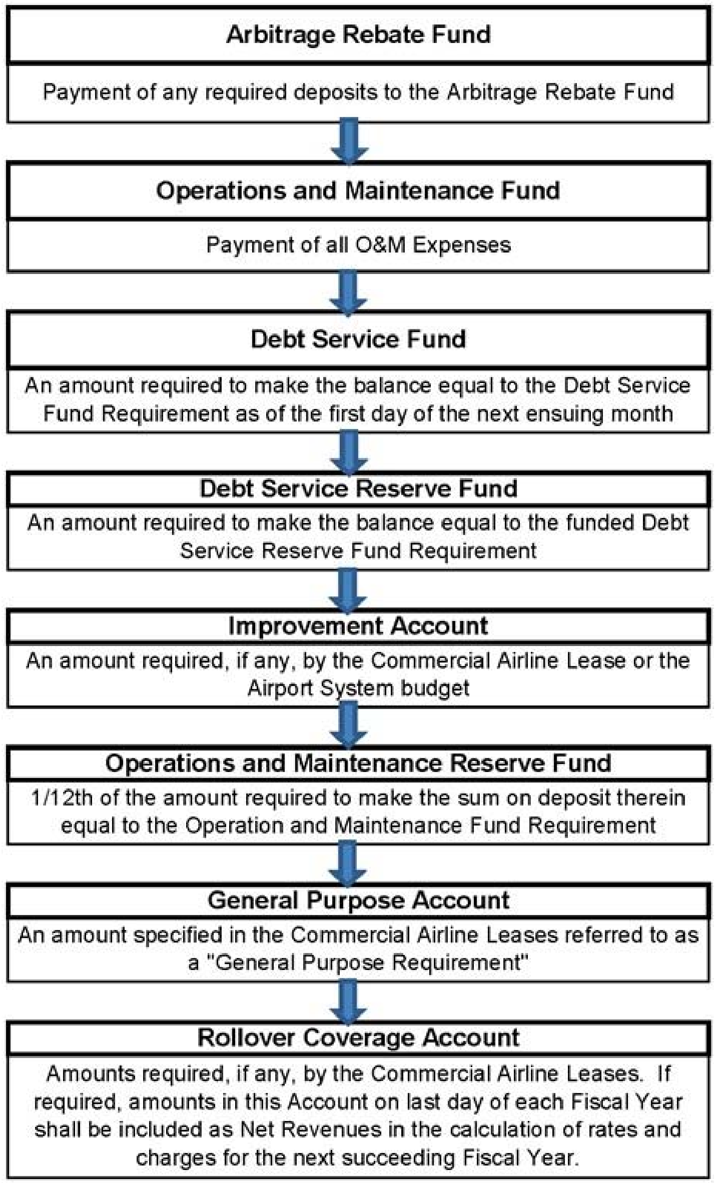
a. Revenues in each Fiscal Year will be at least sufficient to make all the payments required by Section 505(2)(a) through (g) of the General Indenture and make all scheduled payments of principal and interest with respect to Subordinated Bonds; and

b. Net Revenues together with the sum on deposit in the Rollover Coverage Account on the last day of the immediately preceding Fiscal Year, if required by the Commercial Airline Lease, will at least equal 125% of the Bond Debt Service Requirement with respect to the Bonds for such Fiscal Year.

Figure 43 illustrates the application of and priority in the uses of amounts in the Airport Operating Fund. On the second Business Day preceding the First Wednesday of each calendar month, the Aviation Board and/or the City, as applicable, shall debit or transfer from the Airport Operating Fund the amounts required to be applied in the following order to pay or deposit:

1. Arbitrage Rebate Fund: all sums due to be deposited into the Arbitrage Rebate Fund to pay arbitrage rebate amounts required with respect to tax-exempt bonds.
2. Operating and Maintenance Fund: all Operation and Maintenance Expenses (O&M Expenses).
3. Debt Service Fund: an amount required to make the balance therein equal to the Debt Service Fund Requirement as of the first day of the next ensuing month.
4. Debt Service Reserve Fund: an amount required to make the balance therein to equal the Funded Debt Service Reserve Fund Requirement.
5. Improvement Account: such amount as shall be required, if any, by the Commercial Airline Leases (not presently required).
6. Operation and Maintenance Reserve Fund: one-twelfth of the amount required to make the sum on deposit therein equal the Operation and Maintenance Fund Requirement.
7. General Purposes Account: an amount specified in the Commercial Airline Leases referred to as a "General Purpose Requirement." The sums credited to this Account may be applied by the Board to any lawful use or purpose of the Board, including without limitation, O&M Expenses, the purchase or payment of Bonds, and the payment of the cost of any Capital Improvement.
8. Rollover Coverage Account: amounts required, if any, by the Commercial Airline Leases. To the extent required, the amounts in the Rollover Coverage Account on the last day of each Fiscal Year shall be included as Net Revenues in the calculation of rates and charges for the next succeeding Fiscal Year as required by Section 604 the Indenture.

Figure 43| Flow of Funds



Airport Accounting

The City of New Orleans operates the Airport as an Enterprise Fund in accordance with generally accepted accounting principles (GAAP) for governmental entities. The City prepares its financial statements based on the City's fiscal year, which corresponds with the calendar year (beginning on January 1 and ending on December 31). The City's financial statements are examined following the end of the fiscal year by independent certified public accountants. The purpose of this audit is to determine if the City's financial statements are in compliance with GAAP and the requirements of various state and federal agencies with which the City has agreements and receives grants-in-aid.

The Airport's 2018 audited financial statements show that as of December 31, 2018, the Airport had total assets and deferred outflows of resources of approximately $2.0 billion, total liabilities and deferred inflows of resources of approximately $1.4 billion, and net investment in capital assets of approximately $0.6 billion.

Table 16 summarizes the Airport's operating results for 2014 through 2018 presented in the financial statements, the Net Revenues presented in this Report, and a reconciliation between the two presentations. The Net Revenues presented in this Report are calculated pursuant to the definitions of Revenues, Operation and Maintenance Expenses (O&M Expenses), and Net Revenues included in the Indenture. The reconciling items between the annual Operating Loss reported in the financial statements and the Net Revenues presented in this Report consist of depreciation and impairment write-downs, interest income and various other non-operating revenues, and amounts in the Rollover Coverage Account on the last day of the previous calendar year.

Table 16| Historical Financial Results Per Financial Statements Reconciled to Net Revenues

Category	2014	2015	2016	2017	2018
Audited Statement of Revenues and Expenses					
Operating Revenues	$ 72,856,266	$ 73,573,058	$ 79,416,625	$ 78,485,568	$ 73,407,260
Less: Operating Expenses	(82,734,735)	(81,265,770)	(82,571,996)	(80,160,611)	(81,827,960)
Operating Loss	**$ (9,878,469)**	**$ (7,692,712)**	**$ (3,155,371)**	**$ (1,675,043)**	**$ (8,420,700)**
Net Revenues per Bond Indenture					
Revenues	$ 74,037,446	$ 75,601,962	$ 81,142,159	$ 82,447,484	$ 78,045,888
Less: Operation & Maintenance Expenses	(39,888,110)	(40,784,393)	(43,390,607)	(46,180,046)	(50,491,507)
Rollover Coverage	3,719,082	3,721,446	3,729,060	3,740,582	3,290,643
Transferred PFCs	-	-	-	656,065	6,474,750
Net Revenue per General Indenture	**$ 37,868,418**	**$ 38,539,015**	**$ 41,480,612**	**$ 40,664,085**	**$ 37,319,774**
Reconciliation					
Operating Loss per Financial Statements	$ (9,878,469)	$ (7,692,712)	$ (3,155,371)	$ (1,675,043)	$ (8,420,700)
Add: Depreciation and Impairment Write-Down[1]	42,846,625	40,481,377	39,181,389	33,980,565	31,336,453
Add: Interest Income and other non-operating revenues[2]	1,181,180	2,028,904	1,725,534	3,961,916	4,638,628
Add: Transferred PFCs	-	-	-	656,065	6,474,750
Add: Rollover Coverage	3,719,082	3,721,446	3,729,060	3,740,582	3,290,643
Net Revenues and Rollover Coverage	**$ 37,868,418**	**$ 38,539,015**	**$ 41,480,612**	**$ 40,664,085**	**$ 37,319,774**
Debt Service Fund Requirements	14,876,328	14,879,950	14,879,400	13,170,475	19,475,434
Debt Service Coverage	**2.55**	**2.59**	**2.79**	**3.09**	**1.92**

[1] Deprecation and Impairment Write-Down are included in Operating Expenses in the financial statements, but is excluded from the definition of Operation and Maintenance Expenses in the Indenture.

[2] Interest income and other non-operating revenues are included in the definition of Revenues in the Indenture, but are categorized as Nonoperating revenues on the financial statements.

Airline Revenues and Rates and Charges Methodology

The Airline-Airport Use and Lease Agreement between the Board and Signatory Airlines dated and effective as of January 1, 2009, as amended (the Airline Agreement) establishes rentals, fees, and charges payable by all Signatory Airlines during the term of the Airline Agreement. The Airline Agreement calculates airline rates, fees, and charges that, together with other revenues, generate sufficient Net Revenues to maintain the rate covenant established under the Indenture under a residual rate-setting methodology. Through an amendment, the term of the Airline Agreement was extended to a date that is the earlier of (i) the date that a new Airline-Airport Use and Lease Agreement is executed by Aviation Board and at least two (2) Signatory Airlines that together account for a numerical majority of the total enplaned passengers served at the Airport in the immediately preceding twelve month period; (ii) the date that is five (5) years after the North Terminal Occupancy; or (iii) December 21, 2023.

The Airline Agreement, as amended, stipulates the following:

- The form of the rate-making methodology will be residual.
- On December 31, 2020, each Signatory Airline will be granted a one-time opportunity to return no more than 25% of total leased space. At any time during the term of the Airline Agreement, a Signatory Airline may add additional leased space up to the extent such space is available and operationally required.
- The North Terminal Project and the 2014-2019 CIP projects will be considered approved by the Signatory Airlines and will be included in the airline rate base.
- All gates and terminal space leased to the Signatory Airlines will be leased on a preferential basis, with a utilization requirement provision of a minimum of four scheduled turns per day for each gate. All unleased gates will be Airport controlled for common use.
- The Signatory Airlines will have Majority-In-Interest (MII) voting rights for capital projects in the Terminal, Airfield, and Apron cost centers costing over $1,500,000.
- The Board will target an airline cost per enplaned passenger of no more than $10.00 during the initial term of the Agreement.
- The Board will maximize the use of PFCs to offset PFC eligible debt service for the North Terminal Project.
- The Board will use amounts available from the General Purposes Account to fund incremental coverage on the bonds issued to fund costs of the North Terminal.
- The Signatory Airlines agreed to fund, through rates and charges, a $6.0 million deposit to the General Purposes Account for each year from 2016 through 2018. From 2019 through the expiration of the Agreement, the deposit to the General Purposes Account will be $3.0 million per year.

Airport Operation and Maintenance (O&M) Expenses

Airport O&M Expenses are incurred in the maintenance and operations of the Airport. Table 17 shows the historical O&M Expenses from 2014 through 2018, the most recent fiscal year for which actual (historical) information on O&M Expenses is available. Total O&M Expenses increased from approximately $39.9 million in 2014 to approximately $50.5 million in 2018, averaging an annual increase of 6.1 percent.

The largest components of 2018 O&M Expenses were Wages & Salaries (21.7 percent), Fringe Benefits (13.0 percent), Repairs and Maintenance (12.0 percent), Fire Services (9.6 percent), Police Services (8.2 percent), and Utilities (7.4 percent). Together, these six largest categories accounted for approximately 71.9 percent of total 2018 O&M Expenses. Historical O&M Expense trends are explained in more detail by category below.

Table 18 presents estimated 2019, budget 2020, and projected O&M Expenses for 2021 through 2029.

The projections of O&M Expenses are based on the historical trends; anticipated trends during the forecast period; some operational savings achieved by relocating to a newer, more efficient terminal facility; and the additional assumptions described in the following paragraphs. O&M Expenses for 2020 are projected to reflect a realistic cost to staff and operate the new North Terminal.

Thereafter, O&M Expenses are projected to increase as follows:

- 3.0 percent per year for wages and benefits, including police and fire services;
- Annual allowances for airline marketing incentives and infrastructure repair; and
- 2.0 percent annual increase for all other services, equipment, utilities, and supplies.

Total O&M Expenses are projected to increase from approximately $56.1 million in 2019 to approximately $80.0 million in 2029, or by an average annual growth rate of 3.6 percent.

Wages, Salaries and Fringe Benefits

During the historical period of 2014 through 2018, Wages and Salaries increased from 7.9 million to $11.0 million, or by an average of 8.4 percent per year. During this same period, Fringe Benefits increased from $3.4 million to $6.5 million, or by an average of 18.0 percent per year. Fringe Benefits include medical insurance, pension costs, and other related employee benefit costs. Increases in Wages, Salaries, and Fringe Benefits are attributable to City employee pay increases and filling previously authorized but vacant positions. The large increase in Fringe Benefits in 2018 (from $4.3 million in 2017 to $6.5 million in 2018) was mainly due to a one-time expense to record unfunded pension costs.

Table 17| Historical O&M Expenses

O&M Expenses	2014	2015	2016	2017	2018	CAGR 2014 - 2018
Wages & Salaries	$ 7,940,883	$ 8,263,528	$ 8,650,899	$ 9,342,213	$ 10,977,742	8.4%
Fringe Benefits	3,370,224	4,077,337	4,058,234	4,265,481	6,543,547	18.0%
City Services	1,753,518	1,753,518	1,753,518	1,753,518	1,753,518	0.0%
Insurance	2,757,143	2,303,847	2,192,973	1,864,206	2,056,382	-7.1%
Police Services	3,642,554	3,445,867	3,616,135	3,628,815	4,140,458	3.3%
Fire Services	4,372,106	5,015,516	4,877,414	5,256,891	4,834,273	2.5%
Cleaning and Waste Removal	2,600,576	2,411,742	2,146,231	2,307,336	2,987,881	3.5%
Shuttle Services/Parking	2,387,979	628,524	489,906	558,638	379,350	-36.9%
Security Services	1,338,565	1,208,045	1,097,567	1,291,672	1,352,822	0.3%
Repairs and Maintenance	2,849,340	4,239,108	6,393,234	6,145,369	6,069,607	20.8%
Utilities	4,234,363	3,560,241	3,410,862	3,575,815	3,721,744	-3.2%
Supplies	1,208,778	1,277,092	1,274,604	1,610,313	1,530,096	6.1%
Professional Services	964,776	540,231	869,951	1,585,734	2,703,057	29.4%
Other Expenses	217,305	661,491	1,145,590	1,497,934	479,388	21.9%
Total O&M before Marketing Incentives	$ 39,638,110	$ 39,386,087	$ 41,977,117	$ 44,683,935	$ 49,529,865	5.7%
Marketing Incentives	250,000	1,398,306	1,413,490	1,496,111	961,642	40.0%
Total O&M Expenses	**$ 39,888,110**	**$ 40,784,393**	**$ 43,390,607**	**$ 46,180,046**	**$ 50,491,507**	**6.1%**

Source: Airport records and audited financial statements.

Table 18| Projected O&M Expenses

O&M Expenses Category	Estimated 2019	Projected 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Wages & Salaries	$12,784,000	$14,153,000	$14,578,000	$15,016,000	$15,467,000	$15,931,000	$16,409,000	$16,901,000	$17,408,000	$17,931,000	$18,469,000
Fringe Benefits	6,012,000	6,162,000	6,346,000	6,536,000	6,732,000	6,934,000	7,142,000	7,356,000	7,576,000	7,804,000	8,038,000
City Services	1,754,000	1,754,000	1,806,000	1,860,000	1,916,000	1,973,000	2,032,000	2,093,000	2,156,000	2,221,000	2,288,000
Insurance	2,867,000	3,400,000	3,468,000	3,537,000	3,608,000	3,680,000	3,754,000	3,829,000	3,906,000	3,984,000	4,064,000
Police Services	4,500,000	4,900,000	5,047,000	5,198,000	5,354,000	5,515,000	5,680,000	5,850,000	6,026,000	6,207,000	6,393,000
Fire Services	5,500,000	5,700,000	5,871,000	6,047,000	6,228,000	6,415,000	6,607,000	6,805,000	7,009,000	7,219,000	7,436,000
Cleaning and Waste Removal	4,199,000	4,095,000	4,177,000	4,261,000	4,346,000	4,433,000	4,522,000	4,612,000	4,704,000	4,798,000	4,894,000
Shuttle Services/Parking	1,476,000	2,100,000	2,142,000	2,185,000	2,229,000	2,274,000	2,319,000	2,365,000	2,412,000	2,460,000	2,509,000
Security Services	1,690,000	2,400,000	2,448,000	2,497,000	2,547,000	2,598,000	2,650,000	2,703,000	2,757,000	2,812,000	2,868,000
Repairs and Maintenance	5,181,000	6,951,000	7,085,000	7,221,000	7,360,000	7,502,000	7,648,000	7,797,000	7,947,000	8,100,000	8,257,000
Utilities	4,712,000	5,545,000	5,656,000	5,769,000	5,885,000	6,004,000	6,124,000	6,246,000	6,371,000	6,498,000	6,627,000
Supplies	1,312,000	1,503,000	1,534,000	1,564,000	1,594,000	1,625,000	1,658,000	1,692,000	1,726,000	1,760,000	1,794,000
Professional Services	2,251,000	2,930,000	2,989,000	3,050,000	3,111,000	3,173,000	3,236,000	3,300,000	3,364,000	3,430,000	3,499,000
Other Expenses	1,894,000	2,437,000	2,484,000	2,531,000	2,580,000	2,630,000	2,681,000	2,733,000	2,786,000	2,840,000	2,896,000
Total O&M Expenses[1]	$56,132,000	$64,030,000	$65,631,000	$67,272,000	$68,957,000	$70,687,000	$72,462,000	$74,282,000	$76,148,000	$78,064,000	$80,032,000
Allocation of O&M Expense by Cost Center											
Airfield Area	$13,506,000	$15,406,000	$15,791,000	$16,185,000	$16,591,000	$17,007,000	$17,434,000	$17,872,000	$18,321,000	$18,782,000	$19,256,000
Terminal Building and Area	38,092,000	43,451,000	44,537,000	45,651,000	46,794,000	47,968,000	49,173,000	50,408,000	51,674,000	52,974,000	54,309,000
Apron Area	1,500,000	1,712,000	1,755,000	1,799,000	1,844,000	1,890,000	1,937,000	1,986,000	2,036,000	2,087,000	2,140,000
Ground Transportation and Other Areas	3,034,000	3,461,000	3,548,000	3,637,000	3,728,000	3,822,000	3,918,000	4,016,000	4,117,000	4,221,000	4,327,000
	$56,132,000	$64,030,000	$65,631,000	$67,272,000	$68,957,000	$70,687,000	$72,462,000	$74,282,000	$76,148,000	$78,064,000	$80,032,000

[1] Excludes Marketing Incentives to be paid out of the General Purpose Account.

Wages and Salaries are estimated to increase to $12.8 million in 2019 (an increase of 16.5 percent), mainly because staffing positions were added throughout the year in anticipation of the opening of the North Terminal, and a pay increase that had become effective in December 2018. Fringe Benefits[41] are budgeted to decrease to $6.0 million in 2019 (from $6.5 million in 2018), mainly because the 2018 amount reflected the one-time recognition of unfunded pension costs, as mentioned above. The 10.7 percent budgeted increase in Wages and Salaries expense in 2020 (to $14.2 million) reflects the first full year of the staffing increases implemented throughout the year in 2019. Beginning in 2021, Wages, Salaries and Fringe Benefits are projected to increase at an average annual rate of 3.0 percent, to simulate annual cost of living increases approximately equal to the projected increases in the CPI and the continued filling of budgeted positions currently unfilled. Wages and Salaries are projected to increase to approximately $18.5 million in 2029, and Fringe Benefits are projected to increase to $8.0 million in 2029, for a total of Wages, Salaries and Fringe Benefits of approximately $26.5 million in 2029.

City Services

City Services include charges for professional services provided to the Airport by other City departments. This category totaled approximately $1.8 million in 2018 and was relatively constant between 2014 and 2018. Total City Services are projected to increase at an average annual rate of 2.7 percent during the remainder of the forecast period, to approximately $2.3 million in 2029. The City is in the process of updating its cost allocation plan, which could affect both the amount and the services that are allocated to the Airport.

Insurance

Insurance costs decreased from approximately $2.8 million in 2014 to $2.1 million in 2018, representing an average annual decrease of 7.1 percent. Insurance costs are projected to increase to $3.4 million in 2020 to reflect the addition of insuring the new North Terminal. Thereafter, insurance costs are projected to increase at an average annual rate of 2.0 percent.

Police Services

Police Services increased by an average of 3.3 percent per year from 2014 to 2018. During the forecast period Police Services are projected to increase 3.6 percent annually, to account for inflationary increases in wages and benefits.

Fire Services

Fire Services increased from approximately $4.4 million in 2014 to $4.8 million in 2018, or at an average annual growth rate of 2.5 percent. A 3.1 percent increase average annual increase is assumed for Fire Services, to account for inflationary increases in wages and benefits.

[41] Fringe Benefits include health and medical benefits, payroll taxes, pension costs, and life insurance benefits.

Cleaning and Waste Removal

Cleaning and Waste Removal expenses increased from approximately $2.6 million in 2014 to approximately $3.0 million in 2018. Cleaning and Waste Removal expenses are estimated to increase to $4.2 million in 2019, mainly due to the additional costs related to cleaning both the old terminal complex on the Southside and the new North Terminal. Cleaning and Waste Removal expenses are projected to increase at 1.5 percent annually during the forecast period.

Shuttle and Parking Services

Shuttle and Parking Services decreased from $2.4 million in 2014 to $0.4 million in 2018, or an average annual decrease of 36.9%. Upon opening of the North Terminal, Shuttle and Parking Services expenses are projected to be $2.1 million for the first full year of operation in 2020 and expected to increase at an average annual rate of 2.0 percent, thereafter.

Security Services

Security Services consist of contracted services for securing and patrolling roadways and certain areas of the Airport not provided by Police Services. Security Services increased slightly from $1.3 million in 2014 to $1.4 million in 2018, or an average annual increase of 0.3 percent. Security Services are expected to increase from 2019 to 2020 by 42.0 percent to reflect the opening of the North Terminal and additional security personnel needed at the concessions loading docks. Concessions tenants will reimburse the Airport for the security cost of the loading docks. Thereafter, Security Services are projected to increase annually by 2.0 percent.

Repairs and Maintenance

Repairs and Maintenance include, among other things, the costs for outside maintenance contractors that provide services for various facilities and systems and for infrastructure repairs throughout the Airport. Repairs and Maintenance expenses increased from $2.9 million in 2014 to $6.1 million in 2018, or an average annual increase of 20.8 percent. Repairs and Maintenance are estimated to decrease to 5.2 million in 2019 due to lower costs associated with the South terminal that ceased to operate as a passenger terminal when the North Terminal opened. This expense category is budgeted to increase to 7.0 million in 2020, mainly due to the anticipated expenses to maintain the New Terminal at a high standard. In addition, the Airport expects to continue to incur a certain level of repair and maintenance expenses for the South terminal, which houses the Airport administration offices. Thereafter, Repairs and Maintenance costs are projected to increase at an average annual rate of 1.9 percent.

Utilities

Utilities expenses consist of expenditures for electricity, natural gas, fuel oil, and water. Utilities expenses decreased from approximately $4.2 million in 2014 to approximately $3.7 million in 2018, or an average annual decrease of 3.2%. Utilities expenses are projected to increase 17.7 percent between 2019 and 2020 to reflect additional utilities costs paid directly by the Airport associated with operation of both the North Terminal and the existing terminal facilities on the Southside, based on a detailed analysis prepared by the Airport. This increase will be offset by additional revenue received from billing tenants for utility usage in the North Terminal. Thereafter, Utilities expenses are projected to increase at an average annual rate of 2.0 percent.

Supplies

Expenses for Supplies include the costs for rental of equipment, cleaning supplies, uniforms, office supplies, and other general maintenance supplies. Supplies expenses increased from $1.2 million from 2014 to $1.5 million in 2018, or at an average annual rate of 6.1 percent. Supplies expenses are projected to decrease by 14.3 percent between 2018 and 2019. Thereafter, Supplies expenses are projected to increase at an annual rate of 2.0 percent.

Professional Services

Professional Services includes fees for specialized engineering, legal, financial, planning, and other consulting service firms. Based on Airport management initiatives, Professional Services increased from $1.0 million in 2014 to $2.7 million in 2018, or an average annual increase of 29.4 percent. Professional Services are projected to increase by 14.6 percent in 2020, mainly due to additional costs related to the opening of the North Terminal. Thereafter, Professional Services are projected to increase at an annual rate of 2.0 percent.

Other

Other Expenses consist of costs for training, travel, education, legal services, other advertising and marketing, and other miscellaneous expenses. Other Expenses increased from $0.2 million in 2014 to $0.5 million in 2018. During the forecast period, Other Expense are projected to increase at an annual rate of 1.9 percent.

Debt Service

The sources and uses of funds for the Series 2019 Bonds are summarized on Table 19.

The financial analysis assumes that a portion of the currently outstanding Series 2010A GO Zone Bonds will be refunded with the proceeds of the Series 2019 Bonds. In accordance with the requirements of the PFC Indenture, irrevocable instructions will be provided to the PFC Trustee to accept proceeds and to deposit such proceeds, together with other funds held by the PFC Trustee, to an escrow fund (the Escrow Fund) created pursuant to an Escrow Deposit Agreement between the Issuer and the PFC Trustee, as escrow trustee. The deposit of the Series 2019 Bonds proceeds and other funds to the Escrow Fund will be sufficient to defease the Series 2010A GO Zone Bonds on the issue date of the Series 2019A Bonds and to redeem the Series 2010A GO Zone Bonds on their first optional redemption date of January 1, 2020.

The proceeds of the Series 2019A Bonds, together with certain transferred proceeds of the currently outstanding Series 2010A PFC Bonds, will be used to defease and redeem the Series 2010A PFC Bonds, to fund a Debt Service Reserve Fund for the Series 2019A Bonds, and to pay the costs of issuance of the Series 2019A Bonds.

Table 19| Sources and Uses of Series 2019 Bonds

Sources and Uses	Series 2019A	Defeasance of Series 2010B	Total
Sources of Funds			
Par Amount	$27,190,000		$ 27,190,000
Premium	3,912,000		3,912,000
Other Sources:			
Bond Funds	1,115,000		1,115,000
Debt Service Reserve Fund release	4,249,000	27,000	4,276,000
Remaining 2010A Proceeds	20,000,000		20,000,000
PFC Cash Contribution		1,291,000	1,291,000
Total Sources of Funds	**$ 56,466,000**	**$ 1,318,000**	**$ 57,784,000**
Uses of Funds			
Refunding Escrow Deposits	$53,693,000	$1,318,000	$ 55,011,000
Debt Service Reserve Fund	2,228,000		2,228,000
Cost of Issuance	545,000		545,000
Total Uses of Funds	**$ 56,466,000**	**$ 1,318,000**	**$ 57,784,000**

Source: Frasca & Associates.

PFC Revenues will be used to defease and redeem the outstanding Series 2010B GO Zone Bonds in the amount of $1.29 million. Following the deposits to the Escrow Fund, the Series 2010A and the Series 2010B GO Zone Bonds will have been deemed paid and no other PFC Bonds will be outstanding under the PFC Indenture. The Aviation Board has covenanted and agreed that no additional PFC Bonds will be issued under the PFC Indenture. However, the PFC Indenture will not be cancelled or discharged on the issue date of the Series 2019A Bonds, but will remain intact to receive all PFCs for deposit to the funds established within the PFC Indenture.

The financial analysis also assumes that the Aviation Board will issue GARBs in 2021 (the Series 2021 Bonds) to pay off approximately $75 million of short-term notes that had been issued for the acquisition of passenger loading bridges and roadway improvement related to the North Terminal Project. It is assumed that the portion of annual debt service for the Series 2021 Bonds associated with the cost of the passenger loading bridges will be funded with PFC Revenues.

The additional Debt Service Fund Requirement is projected based on the following components:

- Series 2019A Bonds - Annual debt service was estimated by Frasca & Associates, based on an average coupon rate of 5.00 percent and a final maturity date of January 1, 2041.

- Series 2021 Bonds - Annual debt service was estimated by Frasca & Associates, based on an average coupon rate of 5.00 percent and a final maturity date of January 1, 2046.

The Series 2019A and Series 2021 Bonds are to be special, limited obligations of the Aviation Board payable from and secured by a pledge of Net Revenues (as defined in the General Indenture), which pledge is on a parity with the pledge of such Net Revenues made to secure the Series 2015 Bonds, the Series 2017 Bonds, and any Additional Bonds that may be issued pursuant to the General Indenture. The Debt Service Fund Requirements during the forecast period, including the Series 2019 and Series 2021 Bonds are summarized on Table 20. The Total Debt Service Requirement is projected to increase to $66.4 million in 2020, to $72.2 million in 2021 and 2022, and then decrease to $70.7 million in 2023 through 2029.

The Aviation Board intends to maximize the use of Net PFC Revenues to offset the PFC eligible portion of the Debt Service Requirement on the Series 2015 Bonds, the 2017 Bonds, the Series 2019 Bonds, and the Series 2021 Bonds. Net PFC Revenues will be transferred to the 2015, 2017, 2019, and 2021 Debt Service Funds annually, as available, to reduce the amount payable from Airline Revenues. The Indenture permits the pledge and deposit of Net PFC Revenues into the Debt Service Fund to pay debt on one or more series of bonds. In accordance with the terms of the Indenture, this deposit of Net PFC Revenues to the Transferred PFCs Account to debt service on the Series 2015, the Series 2017 Bonds, the Series 2019A Bonds, and the Series 2021 Bonds; as provided for in the Third Supplemental Indenture, will constitute such Net PFC Revenues as Revenues pledged under the Indenture.

Airport Revenues

Airport Revenues (Revenues), as defined in the Indenture, mean all revenues derived by the Board from the use and operation of the Airport System. Revenues do not include (a) Special Facility Revenues except after the Payment of any Special Facility Bonds, (b) any gifts, grants or other amounts, the use of which is restricted by the donor or grantor or by law or regulation, (c) the proceeds of any passenger facility charges or other per passenger charge except those as applied in Section 501(v) of the Indenture, (d) any sums received by the Board or City from the State or the United States of America including avails of any tax, (e) the proceeds of any rental car customer facility charge, (f) any Released Revenues, (g) interest accruing on, and any profit resulting from the investment of monies in any fund or account of the Board that is not available by agreement or otherwise for deposit into the Operation Fund, (h) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles, (i) the proceeds of any condemnation awards, or (j) security deposits and the proceeds of the sale of any property constituting all or any portion of the Airport.

Airport Revenues are shown on Table 21 which presents actual historical revenues for 2014 through 2018, the most recent fiscal year for which actual historical information is available. Total Revenues grew from $74.0 million to $78.0 million from 2014 to 2018 at an average annual growth rate of 1.3 percent. Table 22 presents the estimated and budget Revenues for 2019 and 2020, which were prepared by Airport staff. Total Revenues are estimated to be $112.1 million in the 2020 Budget. Total Revenues are projected to increase to approximately $134.9 million from 2020

Table 20| Historical and Projected Annual General Airport Revenue Bond Debt Service

	Actual	Estimated	Budget					Projected				
Debt Service Fund Requirement	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Existing												
Series 2009 Bonds	$ 11,786,250	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Series 2015 Bonds[1]	-	26,383,000	28,142,000	28,142,000	28,142,000	40,572,000	40,576,000	40,573,000	40,572,000	40,569,000	40,570,000	40,569,000
Series 2017A Bonds	-	6,069,000	6,116,000	6,117,000	6,119,000	5,669,000	5,692,000	5,687,000	5,695,000	5,695,000	5,697,000	5,691,000
Series 2017B Bonds	-	13,350,000	13,440,000	13,443,000	13,440,000	12,469,000	12,445,000	12,447,000	12,444,000	12,445,000	12,445,000	12,449,000
Series 2017C Bonds	1,214,434	12,549,000	12,557,000	12,551,000	12,549,000	-	-	-	-	-	-	-
Series 2017D Bonds	6,474,750	6,632,000	3,972,000	3,969,000	3,973,000	3,972,000	3,971,000	3,971,000	3,971,000	3,970,000	3,974,000	3,972,000
	$ 19,475,434	$ 64,983,000	$ 64,227,000	$ 64,222,000	$ 64,223,000	$ 62,682,000	$ 62,684,000	$ 62,678,000	$ 62,682,000	$ 62,679,000	$ 62,686,000	$ 62,681,000
Proposed												
Series 2019 Bonds	$ -	$ 53,000	$ 2,155,000	$ 2,160,000	$ 2,158,000	$ 2,154,000	$ 2,153,000	$ 2,155,000	$ 2,159,000	$ 2,160,000	$ 2,159,000	$ 2,155,000
Series 2021 Bonds[2]	-	-	-	5,856,000	5,854,000	5,853,000	5,853,000	5,853,000	5,853,000	5,853,000	5,857,000	5,855,000
	$ -	$ 53,000	$ 2,155,000	$ 8,016,000	$ 8,012,000	$ 8,007,000	$ 8,006,000	$ 8,008,000	$ 8,012,000	$ 8,013,000	$ 8,016,000	$ 8,010,000
Total Debt Service Fund Requirement	**$ 19,475,434**	**$ 65,036,000**	**$ 66,382,000**	**$ 72,238,000**	**$ 72,235,000**	**$ 70,689,000**	**$ 70,690,000**	**$ 70,686,000**	**$ 70,694,000**	**$ 70,692,000**	**$ 70,702,000**	**$ 70,691,000**
PFC Revenues Transferred to Debt Service Funds												
Series 2015 Bonds	$ -	$ 20,000,000	$ 20,000,000	$ 18,200,000	$ 18,000,000	$ 16,000,000	$ 16,000,000	$ 14,000,000	$ 14,000,000	$ 13,000,000	$ 13,000,000	$ 13,000,000
Series 2017A/B Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Series 2017D Bonds	6,474,750	6,632,000	3,972,000	3,969,000	3,973,000	3,972,000	3,971,000	3,971,000	3,971,000	3,970,000	3,974,000	3,972,000
Series 2019 Bonds	-	53,000	2,155,000	2,160,000	2,158,000	2,154,000	2,153,000	2,155,000	2,159,000	2,160,000	2,159,000	2,155,000
Series 2021 Bonds	-	-	-	2,811,000	2,810,000	2,809,000	2,809,000	2,809,000	2,809,000	2,809,000	2,811,000	2,810,000
Total PFC Revenues available for transfer	$ 6,474,750	$ 26,685,000	$ 26,127,000	$ 27,140,000	$ 26,941,000	$ 24,935,000	$ 24,933,000	$ 22,935,000	$ 22,939,000	$ 21,939,000	$ 21,944,000	$ 21,937,000
Debt Service Fund Requirement net of PFC Revenues	**$ 13,000,684**	**$ 38,351,000**	**$ 40,255,000**	**$ 45,098,000**	**$ 45,294,000**	**$ 45,754,000**	**$ 45,757,000**	**$ 47,751,000**	**$ 47,755,000**	**$ 48,753,000**	**$ 48,758,000**	**$ 48,754,000**
Allocation of Net Debt Service Fund Requirement												
Airfield Area	$ 7,187,039	$ 15,609,000	$ 15,780,000	$ 15,874,000	$ 15,882,000	$ 9,253,000	$ 9,241,000	$ 9,348,000	$ 9,347,000	$ 9,400,000	$ 9,400,000	$ 9,402,000
Terminal Building and Area	5,015,085	20,100,000	21,675,000	23,292,000	23,472,000	30,186,000	30,199,000	31,990,000	31,994,000	32,891,000	32,894,000	32,889,000
Apron Area	798,560	1,288,000	1,371,000	1,458,000	1,467,000	1,342,000	1,343,000	1,439,000	1,440,000	1,488,000	1,488,000	1,488,000
Ground Transportation and Other Areas	-	1,354,000	1,429,000	4,474,000	4,473,000	4,973,000	4,974,000	4,974,000	4,974,000	4,974,000	4,976,000	4,975,000
	$ 13,000,684	$ 38,351,000	$ 40,255,000	$ 45,098,000	$ 45,294,000	$ 45,754,000	$ 45,757,000	$ 47,751,000	$ 47,755,000	$ 48,753,000	$ 48,758,000	$ 48,754,000

Source: Airport records and Frasca & Associates. Debt Service Fund Requirements shown net of capitalized interest.

[1] Net of interest paid from the Series 2017A/B Bond proceeds.

[2] Assumes short-term notes are refunded with the 2021 Bonds in January 2021.

Table 21| Historical Revenues

Revenue by Category	2014	2015	2016	2017	2018	CAGR 2014 - 2018
AIRLINE REVENUES[1]						
Terminal Building Rental Revenue	$ 22,304,085	$ 22,057,942	$ 22,693,477	$ 21,343,792	$ 18,785,240	-4.2%
Landing Fee Revenue	11,654,470	11,092,109	12,685,330	9,263,846	2,584,842	-31.4%
Apron Use Fee Revenue	1,952,157	1,145,050	2,154,106	2,073,072	1,344,493	-8.9%
Non-Signatory Airline Terminal Use Fees	1,906,438	3,914,126	2,493,229	2,728,069	3,585,655	17.1%
Total Airline Revenues	**$ 37,817,150**	**$ 38,209,226**	**$ 40,026,142**	**$ 35,408,778**	**$ 26,300,230**	-8.7%
REVENUES OTHER THAN AIRLINE REVENUES						
Airside Revenues						
Hangars, Buildings, and Other Ground Rentals	$ 2,388,876	$ 2,208,600	$ 2,433,006	$ 2,786,430	$ 2,833,709	4.4%
Other Airside Rentals and Fees	759,768	876,287	1,002,111	1,341,626	1,531,012	19.1%
	$ 3,148,644	$ 3,084,887	$ 3,435,117	$ 4,128,056	$ 4,364,721	23.5%
Terminal Building and Area						
Food and Beverage Concessions	$ 3,404,092	$ 3,775,314	$ 4,071,809	$ 4,407,482	$ 4,925,250	9.7%
Retail Concessions	3,079,227	3,229,398	3,488,150	4,231,803	4,459,852	9.7%
Advertising Concessions	588,702	679,135	741,170	755,154	834,063	9.1%
Other Terminal Concessions and Revenues	704,274	475,509	468,403	375,071	513,060	-7.6%
	$ 7,776,295	$ 8,159,356	$ 8,769,532	$ 9,769,510	$ 10,732,225	20.9%
Apron Area						
Other apron use fees	507,260	908,975	1,069,537	929,486	750,527	10.3%
Overnight parking charges	318,815	283,689	322,355	381,816	305,693	-1.0%
	$ 826,075	$ 1,192,664	$ 1,391,892	$ 1,311,302	$ 1,056,220	10.3%
Ground Transportation and Other Areas						
Rental Cars	$ 9,893,500	$ 9,999,344	$ 9,953,239	$ 9,958,341	$ 10,804,961	2.2%
Automobile Parking	11,420,253	10,738,484	12,712,900	13,547,235	14,736,162	6.6%
Ground Transportation	1,518,647	1,705,412	2,620,347	3,848,007	4,887,074	33.9%
Off-Airport Parking	445,997	478,484	503,144	512,296	523,894	4.1%
Downtown Heliport	9,705	5,201	4,312	2,043	1,773	-34.6%
	$ 23,288,102	$ 22,926,925	$ 25,793,942	$ 27,867,922	$ 30,953,863	
Other Non-Operating Revenues	1,181,180	2,028,904	1,725,534	3,961,916	4,638,628	40.8%
Total Revenues Other Than Airline Revenues	**$ 36,220,295**	**$ 37,392,736**	**$ 41,116,018**	**$ 47,038,706**	**$ 51,745,657**	9.3%
Total Revenues	**$ 74,037,446**	**$ 75,601,962**	**$ 81,142,159**	**$ 82,447,484**	**$ 78,045,888**	1.3%

Source: Airport records and audited financial statements.

[1] Amounts reflect airline revenues recorded through the audit period. For certain years, adjustments made to airline revenues are reflected in the subsequent year's airline revenues.

Table 22| Projected Revenues

Revenue by Category	Estimated 2019	Projected 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
AIRLINE REVENUES[1]											
Landing Fees	$ 12,110,000	$ 12,195,000	$ 13,677,000	$ 13,169,000	$ 6,558,000	$ 6,425,000	$ 6,656,000	$ 6,322,000	$ 6,198,000	$ 6,295,000	$ 6,283,000
Terminal Rentals and Fees	34,005,000	36,137,000	38,690,000	38,385,000	45,622,000	45,973,000	48,322,000	48,544,000	49,618,000	50,121,000	50,456,000
Apron Rentals	2,263,000	2,551,000	2,628,000	2,673,000	2,580,000	2,619,000	2,749,000	2,755,000	2,844,000	2,884,000	2,925,000
	$ 48,378,000	**$ 50,883,000**	**$ 54,995,000**	**$ 54,227,000**	**$ 54,760,000**	**$ 55,017,000**	**$ 57,727,000**	**$ 57,621,000**	**$ 58,660,000**	**$ 59,300,000**	**$ 59,664,000**
÷ Enplaned passengers[2]	6,530,131	6,722,709	7,213,000	7,362,000	7,454,000	7,559,000	7,659,000	7,764,000	7,882,000	8,016,000	8,143,000
Projected cost per enplaned passenger	***$7.41***	***$7.57***	***$7.62***	***$7.37***	***$7.35***	***$7.28***	***$7.54***	***$7.42***	***$7.44***	***$7.40***	***$7.33***
REVENUES OTHER THAN AIRLINE REVENUES											
Airfield Area											
Hangars, Buildings, and Other Ground Rentals	$ 2,695,000	$ 2,974,000	$ 2,742,000	$ 2,759,000	$ 2,835,000	$ 2,845,000	$ 2,855,000	$ 2,865,000	$ 2,882,000	$ 2,966,000	$ 2,977,000
Other Airside Rentals and Fees	1,753,000	1,558,000	1,582,000	1,612,000	1,637,000	1,662,000	1,688,000	1,713,000	1,742,000	1,772,000	1,801,000
	$ 4,448,000	$ 4,532,000	$ 4,324,000	$ 4,371,000	$ 4,472,000	$ 4,507,000	$ 4,543,000	$ 4,578,000	$ 4,624,000	$ 4,738,000	$ 4,778,000
Terminal Building and Area											
Food and Beverage Concessions	$ 5,080,000	$ 5,795,000	$ 5,936,000	$ 6,164,000	$ 6,355,000	$ 6,554,000	$ 6,755,000	$ 6,973,000	$ 7,200,000	$ 7,452,000	$ 7,702,000
Retail Concessions	4,659,000	5,247,000	5,270,000	5,370,000	5,428,000	5,492,000	5,605,000	5,781,000	5,974,000	6,179,000	6,387,000
Advertising Concessions	696,000	892,000	908,000	923,000	940,000	956,000	973,000	990,000	1,007,000	1,025,000	1,043,000
Other Terminal Concessions and Revenues	1,505,000	2,543,000	2,567,000	2,591,000	2,615,000	2,640,000	2,666,000	2,692,000	2,718,000	2,745,000	2,772,000
Utility and Security Reimbursements	-	2,200,000	2,244,000	2,289,000	2,335,000	2,382,000	2,429,000	2,477,000	2,526,000	2,576,000	2,626,000
	$ 11,940,000	$ 16,677,000	$ 16,925,000	$ 17,337,000	$ 17,673,000	$ 18,024,000	$ 18,428,000	$ 18,913,000	$ 19,425,000	$ 19,977,000	$ 20,530,000
Apron Area											
Other apron use fees	$ 288,000	$ 310,000	$ 318,000	$ 322,000	$ 329,000	$ 333,000	$ 337,000	$ 341,000	$ 345,000	$ 351,000	$ 357,000
Overnight parking charges	335,000	335,000	344,000	348,000	355,000	359,000	364,000	369,000	374,000	380,000	386,000
	$ 623,000	$ 645,000	$ 662,000	$ 670,000	$ 684,000	$ 692,000	$ 701,000	$ 710,000	$ 719,000	$ 731,000	$ 743,000
Ground Transportation and Other Areas											
Rental Cars	$ 11,200,000	$ 11,557,000	$ 11,689,000	$ 11,930,000	$ 12,078,000	$ 12,250,000	$ 12,410,000	$ 12,584,000	$ 12,774,000	$ 12,990,000	$ 13,197,000
Automobile Parking	16,210,000	18,370,000	19,182,000	20,315,000	20,893,000	21,626,000	21,869,000	22,647,000	23,022,000	23,196,000	23,712,000
Ground Transportation	5,106,000	5,227,000	5,315,000	5,441,000	5,538,000	5,643,000	5,747,000	5,855,000	5,972,000	6,099,000	6,224,000
Off-Airport Parking	544,000	537,000	553,000	576,000	594,000	613,000	633,000	654,000	676,000	701,000	725,000
Downtown Heliport	6,000	-	-	-	-	-	-	-	-	-	-
	$ 33,066,000	$ 35,691,000	$ 36,739,000	$ 38,262,000	$ 39,103,000	$ 40,132,000	$ 40,659,000	$ 41,740,000	$ 42,444,000	$ 42,986,000	$ 43,858,000
Other Non-Operating Revenues	2,659,000	3,688,000	4,120,000	4,159,000	4,467,000	4,513,000	4,559,000	4,607,000	5,168,000	5,223,000	5,280,000
Total Revenues Other Than Airline Revenues	**$ 52,736,000**	**$ 61,233,000**	**$ 62,770,000**	**$ 64,799,000**	**$ 66,399,000**	**$ 67,868,000**	**$ 68,890,000**	**$ 70,548,000**	**$ 72,380,000**	**$ 73,655,000**	**$ 75,189,000**
TOTAL REVENUES	**$101,114,000**	**$112,116,000**	**$117,765,000**	**$119,026,000**	**$121,159,000**	**$122,885,000**	**$126,617,000**	**$128,169,000**	**$131,040,000**	**$132,955,000**	**$134,853,000**

[1] Tables 23, 24 and 25.

[2] Enplaned passengers shown in 2019 and 2020 reflect the projections used in the calculation of the 2020 airline rates and charges. All other years reflect the forecast enplaned passengers presented in Section 3.

to 2029 or by an average annual growth rate of 2.1 percent. The recent historical trends and projected future trends in individual revenue categories are described later in this section.

In accordance with the Airline Agreement, the Signatory Airlines are charged Landing Fees, Terminal Building Rentals, and Apron Use Fees based on the residual requirement of allocable costs net of non-airline revenues. The Airline Agreement establishes direct and indirect cost and revenue centers in order to allocate O&M Expenses, Debt Service Fund requirements (net of PFCs applied to offset the Debt Service Fund requirements), amortization of Airport-funded capital improvements, non-airline revenues to calculate these fees and rentals. In addition, incremental deposits to the O&M Reserve and allowable equipment and capital outlays are allocated to the direct cost centers. The cost and revenues centers established under the Airline Agreement, are as follows:

- Airfield Area
- Terminal Building and Area
- Apron Area
- Ground Transportation and Other Area
- Indirect cost centers
    - General Administration
    - Insurance
    - Public Safety and Security

Indirect costs for Insurance and Public Safety and Security are allocated back to the direct cost centers based on set percentages. The General Administration cost center is allocated based on the direct cost centers' share of direct costs and allocated Insurance and Public Safety and Security costs. The net revenues (deficits) from the Ground Transportation and Other Area cost and revenue center, reduced by the required deposit to the General Purpose Account, are allocated 50 percent to the Airfield Area requirement and 50 percent to the Terminal Building and Area requirement. The residual requirements for the Airfield Area, the Terminal Building and Area, and the Apron Area represent the Landing Fees, the Terminal Building Rentals, and the Apron Use Fees required from the Signatory Airlines, respectively.

Based on the Airline Agreement, the Airport will fund the incremental Debt Service Coverage attributable to the North Terminal Project from funds available in the General Purposes Account. The Airport intends to deposit sufficient funds into the Rollover Coverage Account in 2019 to fund the incremental Debt Service Coverage required (which is calculated as the amount necessary to increase the balance in the Rollover Coverage Account to 25 percent of Debt Service, net of PFCs intended to be applied to Debt Service) through the maturity of the Series 2015, the Series 2017, the Series 2019A, and the Series 2021 Bonds. In 2019, the Aviation Board has been making monthly contributions to the Rollover Coverage Account from the General Purpose Account, with an anticipated balance of $10.3 million at the end of 2019.

Other fees collected from Signatory and non-Signatory Airlines include overnight parking charges, and other terminal and apron use fees. These are included as non-airline revenues.

Total Airline Revenues decreased from $37.8 million in 2014 to $26.3 million in 2018. Total Airline Revenues are projected to increase to approximately $59.7 million in the 2029. Tables 23, 24, and 25 summarize the Airline Revenues required based on the Agreement from 2020 through 2029. Airline Revenues required are projected to increase from $50.9 million in 2020 to $59.7 million in 2029.

Revenues other than Airline Revenues

Revenues other that Airlines Revenues include, among other things:

- Airfield Area revenues consisting of Hangar, Buildings, and other Ground Rentals, Charter and Itinerant Landing Fees, Aircraft Storage and Parking Fees, Inflight Catering, Fuel Flowage Fees, and Cargo Apron Rentals.
- Terminal Building and Area revenues consisting of Non-airline terminal rentals, Food and Beverage fees, Retail fees, Advertising fee, Coin-Operated Devices, and Other Terminal Revenues.
- Apron Area revenues consisting of other fees and charges paid by Signatory and non-Signatory airlines for overnight apron parking and for use of Airport common-use aprons.
- Ground Transportation revenues consisting of Rental Car concession fees, Automobile Parking fees, Ground Transportation fees, Off-Airport Parking fees, and the Downtown Heliport.
- Other revenue includes other non-operating expenses and interest income.

Airfield Area Revenues

Hangar, Buildings, and Other Ground Rentals. Hangars, Buildings, and Other Ground Rentals include building rentals, FBO fees, hangar rentals, and ground rentals. Hangar, Buildings, and Other Ground Rentals grew by 4.4 percent per year from $2.4 million in 2014 to $2.8 million in 2018. Hangars, Buildings, and Other Ground Rentals are projected to grow by a CPI adjustment where provisions in leases allow for increases and for increased leasing of other buildings and grounds. This revenue category is projected to increase to $3.0 million in 2029.

Other Airside Rentals and Fees. Other Airside Rentals and Fees include charter/itinerant landing fees, inflight catering, fuel flowage fee, cargo storage, parking and apron rentals. Other landing fees, inflight catering, and fuel flowage fees are projected to increase with growth in air traffic activity. This revenue category is projected to increase to approximately $1.8 million in 2029.

Table 23| Projected Landing Fees

	Projected									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Airfield Area Requirement										
O&M Expenses	$15,406,000	$15,791,000	$16,185,000	$16,591,000	$17,007,000	$17,434,000	$17,872,000	$18,321,000	$18,782,000	$19,256,000
O&M Reserve incremental deposit	317,000	64,000	66,000	68,000	69,000	71,000	73,000	75,000	77,000	79,000
Debt Service Fund Requirement	15,780,000	15,874,000	15,882,000	9,253,000	9,241,000	9,348,000	9,347,000	9,400,000	9,400,000	9,402,000
Debt Service Coverage	5,528,000	5,324,000	4,781,000	4,763,000	2,747,000	2,743,000	2,659,000	2,659,000	2,619,000	2,619,000
Amortization and depreciation	474,000	710,000	712,000	709,000	696,000	676,000	476,000	476,000	476,000	476,000
Equipment and Capital Outlay Allowance	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Landing Fee Credit	(3,297,000)	-	-	-	-	-	-	-	-	-
	$34,458,000	$38,013,000	$37,876,000	$31,634,000	$30,010,000	$30,522,000	$30,677,000	$31,181,000	$31,604,000	$32,082,000
Less: Airfield Area Credits										
Revenues other than Airline Revenues	$ 4,532,000	$ 4,324,000	$ 4,371,000	$ 4,472,000	$ 4,507,000	$ 4,543,000	$ 4,578,000	$ 4,624,000	$ 4,738,000	$ 4,778,000
Non Signatory Landing Fees										
Rollover Coverage Credit	5,528,000	5,324,000	4,781,000	4,763,000	2,747,000	2,743,000	2,659,000	2,659,000	2,619,000	2,619,000
Airfield Area Revenue Share Credit	15,500,000	14,688,000	15,555,000	15,841,000	16,331,000	16,580,000	17,118,000	17,700,000	17,952,000	18,402,000
	$25,560,000	$24,336,000	$24,707,000	$25,076,000	$23,585,000	$23,866,000	$24,355,000	$24,983,000	$25,309,000	$25,799,000
Net Airfield Area Requirement	$ 8,898,000	$13,677,000	$13,169,000	$ 6,558,000	$ 6,425,000	$ 6,656,000	$ 6,322,000	$ 6,198,000	$ 6,295,000	$ 6,283,000

Table 24| Projected Terminal Rentals

	Projected									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Terminal Area and Other Requirement										
O&M Expenses	$43,451,000	$44,537,000	$45,651,000	$46,794,000	$47,968,000	$49,173,000	$50,408,000	$51,674,000	$52,974,000	$54,309,000
O&M Reserve incremental deposit	894,000	180,000	186,000	190,000	195,000	201,000	206,000	211,000	216,000	223,000
Debt Service Fund Requirement	21,675,000	23,292,000	23,472,000	30,186,000	30,199,000	31,990,000	31,994,000	32,891,000	32,894,000	32,889,000
Debt Service Coverage	5,240,000	7,119,000	7,314,000	7,016,000	7,039,000	8,962,000	8,964,000	9,100,000	9,099,000	9,163,000
Amortization and depreciation	1,545,000	1,544,000	1,219,000	1,217,000	1,217,000	1,217,000	1,217,000	1,217,000	1,217,000	1,217,000
Equipment and Capital Outlay Allowance	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Capital Expenditures Not Subject to MII	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
	$73,555,000	$77,422,000	$78,592,000	$86,153,000	$87,368,000	$92,293,000	$93,539,000	$95,843,000	$97,150,000	$98,551,000
Less: Terminal Area Credits										
Revenues other than Airline Revenues	$16,677,000	$16,925,000	$17,337,000	$17,673,000	$18,024,000	$18,428,000	$18,913,000	$19,425,000	$19,977,000	$20,530,000
Rollover Coverage Credit	5,240,000	7,119,000	7,314,000	7,016,000	7,039,000	8,962,000	8,964,000	9,100,000	9,099,000	9,163,000
Terminal Area Revenue Share Credit	15,501,000	14,688,000	15,556,000	15,842,000	16,332,000	16,581,000	17,118,000	17,700,000	17,953,000	18,402,000
	$37,418,000	$38,732,000	$40,207,000	$40,531,000	$41,395,000	$43,971,000	$44,995,000	$46,225,000	$47,029,000	$48,095,000
Net Terminal Building Area Requirement	$36,137,000	$38,690,000	$38,385,000	$45,622,000	$45,973,000	$48,322,000	$48,544,000	$49,618,000	$50,121,000	$50,456,000

Table 25| Projected Apron Rentals

	Projected									
	2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
Apron Area Requirement										
O&M Expenses	$ 1,712,000	$ 1,755,000	$ 1,799,000	$ 1,844,000	$ 1,890,000	$ 1,937,000	$ 1,986,000	$ 2,036,000	$ 2,087,000	$ 2,140,000
O&M Reserve incremental deposit	35,000	7,000	7,000	8,000	8,000	8,000	8,000	8,000	9,000	9,000
Debt Service Fund Requirement	1,371,000	1,458,000	1,467,000	1,342,000	1,343,000	1,439,000	1,440,000	1,488,000	1,488,000	1,488,000
Debt Service Coverage	834,000	456,000	463,000	439,000	440,000	398,000	399,000	409,000	410,000	415,000
Amortization and depreciation	78,000	70,000	70,000	70,000	70,000	66,000	31,000	31,000	31,000	31,000
Equipment and Capital Outlay Allowance	-	-	-	-	-	-	-	-	-	-
	$ 4,030,000	$ 3,746,000	$ 3,806,000	$ 3,703,000	$ 3,751,000	$ 3,848,000	$ 3,864,000	$ 3,972,000	$ 4,025,000	$ 4,083,000
Less: Terminal Area Credits										
Revenues other than Airline Revenues	$ 645,000	$ 662,000	$ 670,000	$ 684,000	$ 692,000	$ 701,000	$ 710,000	$ 719,000	$ 731,000	$ 743,000
Rollover Coverage Credit	834,000	456,000	463,000	439,000	440,000	398,000	399,000	409,000	410,000	415,000
	$ 1,479,000	$ 1,118,000	$ 1,133,000	$ 1,123,000	$ 1,132,000	$ 1,099,000	$ 1,109,000	$ 1,128,000	$ 1,141,000	$ 1,158,000
Net Signatory Apron Area Requirement	$ 2,551,000	$ 2,628,000	$ 2,673,000	$ 2,580,000	$ 2,619,000	$ 2,749,000	$ 2,755,000	$ 2,844,000	$ 2,884,000	$ 2,925,000

Terminal Building and Area Revenues

Food and Beverage Concessions. Revenues from Food and Beverage concessionaires increased by 9.7 percent per year from approximately $3.4 million in 2014 to $4.9 million in 2018. Food and Beverage revenue for the forecast period was projected based on growth in enplaned passengers, better passenger flow to concessions resulting from consolidation of facilities at the new North Terminal, and a new concession program developed for the new North Terminal. This revenue category is projected to increase to $7.7 million in 2029.

Retail Concessions. Retail revenues increased from $3.1 million in 2014 to $4.5 million in 2018, or an average annual increase of 9.7 percent. Retail revenues for the forecast period were projected based on growth in enplaned passengers, better passenger flow to concessions resulting from consolidation of facilities at the new North Terminal, and a new concession program developed for the new North Terminal. This revenue category is projected to increase to approximately $6.4 million in 2029.

Advertising Revenues. Advertising revenues increased from $0.6 million in 2014 to $0.8 million in 2018, or an average annual increase of 9.1 percent. During the forecast period, revenues are projected to increase in part with enplaned passengers and demand for advertising. This revenue category is projected to increase from $0.7 million in 2019 to approximately $1.0 million in 2029.

Other Terminal Concessions and Revenues. Other Terminal Concessions and Revenues fluctuated between $0.7 and $0.4 million between 2014 and 2018. Other Terminal Concessions and Revenues, which include non-airline space rentals and common use fees, are projected to increase from $1.5 million in 2019 to $2.8 million in 2029.

Utility and Security Reimbursements. Utility and Security Reimbursements, which represent the recovery from airline and concession tenants for utilities and the security costs associated with the concession loading dock for the North Terminal, are projected to increase at an average annual rate of 2.0 percent between 2020 and 2029.

Apron Area Revenues

Other Apron Use Fees. Other apron use fees increased from $0.5 million in 2014 to $0.8 million in 2018 which was an average increase of 10.3 percent per year. Other apron use fees are based on common-use fees recovered from Signatory and non-Signatory Airlines for use of Airport apron and loading bridges. This revenue category is projected to be approximately $0.4 million in 2029.

Overnight Parking Charges. Historical overnight parking charge revenues remain at $0.3 million from 2014 to 2018. This revenue category is projected to be approximately $0.4 million in 2029.

Ground Transportation and Other Areas Revenues

Rental Cars. Rental Car revenues increased from $9.9 million in 2014 to $10.8 million in 2018 which was an average increase of 2.2 percent per year. Rental Cars pay the greater of 10% of gross revenues or a minimum annual guarantee (MAG). During the forecast period, Rental Car revenues are projected to increase with enplaned passengers and are assumed to equal to 10% of gross revenues. This revenue category is projected to be approximately $13.2 million in 2029.

Automobile Parking. Historical Automobile Parking revenues increased from $11.4 million in 2014 to $14.7 million in 2018. This increase was mainly attributable to an increase in Airport parking rates during those years. The development of the North Terminal included new parking facilities, with total on-airport public parking spaces increasing by almost 2,400 spaces. The Airport currently offers over 8,000 public parking spaces, located in the following three facilities on the North side of the Airport: The North Garage, the East Garage Facility, and the North Surface Lot; and in the Long-Term Garage Facility (offering remote parking on the South side of the Airport). The parking facilities provide a full range of parking products to meet the public parking needs and different preferences of MSY passengers. The constrained on-airport parking supply that existed prior to the opening of the North Terminal likely caused potential on-airport parking customers to use off-airport parking facilities. Therefore, it is anticipated that the increased public parking supply and options will result in increased use of on-airport parking facilities.

The daily maximum rates for the public parking facilities are currently set as follows: $22 for the North Garage, $20 for the East Garage, $18 for the North Surface Lot, and $12 for the Long-Term Garage Facility. The projected automobile parking revenue reflects the parking rates set for the new parking facilities applied to the anticipated parking activity, based on the forecast air traffic activity at the Airport. Automobile parking revenue is projected to increase to $23.7 million in 2029.

Ground Transportation. Ground Transportation revenues include Transportation Network Company (TNC) vehicles, limousine, and courtesy shuttle revenues. Ground Transportation revenues increased from $1.5 million in 2014 to $4.9 million in 2018, for an average annual increase of 33.9 percent. The Ground Transportation revenues increase is due primarily to the increase in passengers and the increase in the use of TNC vehicles. During the forecast period, Ground Transportation revenues are projected to increase with enplaned passengers, increasing to $6.2 million in 2029.

Off-Airport Parking. Off-Airport Parking increased from $0.4 million in 2014 to $0.5 million in 2018. During the forecast period, Off-Airport Parking revenues are projected to increase at a modest rate with the forecast increase in enplaned passengers, to $0.7

million in 2029. The modest increase in the projection reflects the anticipated effect of increased on-Airport parking, as discussed above.

Other Revenues

Other Revenues include non-operating revenues and interest income. Other non-operating revenues are projected to increase between one and two percent per year. Interest Income is projected to increase with increases in short-term interest rates and the additional interest earnings on the Series 2015, Series 2017, Series 2019, and 2021 Bond Debt Service Reserve Funds.

Key Financial Indicators

This sub-section discusses the projections of the following key financial indicators: (1) the application of Revenues pursuant to the provisions of the Indenture, (2) the Airport's ability to satisfy the rate covenants of Section 604 of the Indenture, and (3) the Airline cost per enplaned passenger.

Application of Revenues

Table 26 shows the forecast application of Revenues pursuant to the provisions of the Indenture. Revenues are applied in the order shown on Figure 43.

Debt Service Coverage

Debt service coverage is calculated as Net Revenues, plus Other Available Funds, divided by total annual GARB Debt Service. Other Available Funds, as defined in the Bond Resolution, include the unencumbered balances in the Coverage Fund and the Surplus Fund, up to a maximum of 25 percent of the current year debt service. Pursuant to the Bond Resolution, annual debt service coverage must be at least 1.25.

Debt service coverage, shown on Table 27, is projected to decrease during the forecast period from 1.31 in 2019 to 1.28 beginning in 2022, reflecting the increase in the annual net debt service primarily attributable to the proposed issuance of the Series 2021 Bonds.

PFC Revenue Cash Flow

The projected PFC Revenue cash flow is presented on Table 28. Net PFC Revenues, net of the airline collection fee, are projected to increase from approximately $27.5 million in 2019 to $32.2 million in 2029. The Aviation Board intends to fund the local share of various near-term infrastructure improvements with Net PFC Revenues. The Aviation Board also intends to fund approximately $16.6 million of the North Terminal Project with Net PFC Revenues on a pay-as-you-go basis.

Pursuant to the PFC General Indenture, Net PFC Revenues are deposited daily to a Receipts Fund. The PFC Trustee credits from the Receipts Fund, on a priority basis, Net PFC Revenues to accounts for all purposes, including payment of debt service on PFC Bonds, prior to the Net PFC Revenues being credited to an Excess PFC Fund. PFC Revenues credited to the Excess PFC Fund may be applied to any lawful purpose of the Aviation Board. A portion of the Net PFC Revenues deposited

Table 26| Projected Application of Revenues

	Estimated	Projected									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenues											
Airline Revenues	$ 48,378,000	$ 50,883,000	$ 54,995,000	$ 54,227,000	$ 54,760,000	$ 55,017,000	$ 57,727,000	$ 57,621,000	$ 58,660,000	$ 59,300,000	$ 59,664,000
Revenues Other Than Airline Revenues	52,736,000	61,233,000	62,770,000	64,799,000	66,399,000	67,868,000	68,890,000	70,548,000	72,380,000	73,655,000	75,189,000
Net PFC Revenues Transferred[1]	26,685,000	26,127,000	27,140,000	26,941,000	24,935,000	24,933,000	22,935,000	22,939,000	21,939,000	21,944,000	21,937,000
Total Revenues	**$127,799,000**	**$138,243,000**	**$144,905,000**	**$145,967,000**	**$146,094,000**	**$147,818,000**	**$149,552,000**	**$151,108,000**	**$152,979,000**	**$154,899,000**	**$156,790,000**
Deposit to Arbitrage Rebate Fund	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
O&M Expenses	56,132,000	64,030,000	65,631,000	67,272,000	68,957,000	70,687,000	72,462,000	74,282,000	76,148,000	78,064,000	80,032,000
Debt Service Fund Requirement	65,036,000	66,382,000	72,238,000	72,235,000	70,689,000	70,690,000	70,686,000	70,694,000	70,692,000	70,702,000	70,691,000
Debt Service Reserve Fund	-	-	-	-	-	-	-	-	-	-	-
Improvement Account	-	-	-	-	-	-	-	-	-	-	-
O&M Reserve Fund	582,000	1,246,000	251,000	259,000	266,000	272,000	280,000	287,000	294,000	302,000	311,000
General Purpose Account											
General Purpose Account Requirement	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Rollover Coverage Account	-	-	-	-	-	-	-	-	-	-	-
Remaining balances deposited to the General Purposes Account	3,049,000	3,585,000	3,785,000	3,201,000	3,182,000	3,169,000	3,124,000	2,845,000	2,845,000	2,831,000	2,756,000
Application of Revenues	**$127,799,000**	**$138,243,000**	**$144,905,000**	**$145,967,000**	**$146,094,000**	**$147,818,000**	**$149,552,000**	**$151,108,000**	**$152,979,000**	**$154,899,000**	**$156,790,000**

Table 27| Historical and Projected Debt Service Coverage

	Actual	Estimated	Projected									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenues												
Airline Revenues	$ 26,300,230	$ 48,378,000	$ 50,883,000	$ 54,995,000	$ 54,227,000	$ 54,760,000	$ 55,017,000	$ 57,727,000	$ 57,621,000	$ 58,660,000	$ 59,300,000	$ 59,664,000
Revenues Other Than Airline Revenues	51,745,657	52,736,000	61,233,000	62,770,000	64,799,000	66,399,000	67,868,000	68,890,000	70,548,000	72,380,000	73,655,000	75,189,000
Net PFC Revenues Transferred	6,474,750	26,685,000	26,127,000	27,140,000	26,941,000	24,935,000	24,933,000	22,935,000	22,939,000	21,939,000	21,944,000	21,937,000
Total Revenues	$ 84,520,638	$ 127,799,000	$ 138,243,000	$ 144,905,000	$ 145,967,000	$ 146,094,000	$ 147,818,000	$ 149,552,000	$ 151,108,000	$ 152,979,000	$ 154,899,000	$ 156,790,000
Less: O&M Expenses	50,491,507	56,132,000	64,030,000	65,631,000	67,272,000	68,957,000	70,687,000	72,462,000	74,282,000	76,148,000	78,064,000	80,032,000
Subtotal	$ 34,029,131	$ 71,667,000	$ 74,213,000	$ 79,274,000	$ 78,695,000	$ 77,137,000	$ 77,131,000	$ 77,090,000	$ 76,826,000	$ 76,831,000	$ 76,835,000	$ 76,758,000
Plus: Rollover Coverage Account[1,2]	3,290,643	13,583,000	13,583,000	13,583,000	13,583,000	13,583,000	13,583,000	13,583,000	13,583,000	13,583,000	13,583,000	13,583,000
Net Revenues	**$ 37,319,774**	**$ 85,250,000**	**$ 87,796,000**	**$ 92,857,000**	**$ 92,278,000**	**$ 90,720,000**	**$ 90,714,000**	**$ 90,673,000**	**$ 90,409,000**	**$ 90,414,000**	**$ 90,418,000**	**$ 90,341,000**
Debt Service Fund Requirement	19,475,434	65,036,000	66,382,000	72,238,000	72,235,000	70,689,000	70,690,000	70,686,000	70,694,000	70,692,000	70,702,000	70,691,000
Debt Service Coverage	**1.92**	**1.31**	**1.32**	**1.29**	**1.28**	**1.28**	**1.28**	**1.28**	**1.28**	**1.28**	**1.28**	**1.28**

[1] Represents the sums on deposit in the Rollover Coverage Account as of the last day of the preceding year.

[2] Assumes, in 2019, NOAB deposits amounts sufficient to provide 1.25 times coverage on the Debt Service Fund Requirement, net of PFC Revenues, through the maturity on the Series 2015, the Series 2017, the Series 2019, and the Series 2021 Bonds.

Table 28| Projected PFC Revenue Cash Flow

	Estimated	Projected									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Excess PFC Fund balance - Beginning of Year	$ 97,074,000	$ 78,461,000	$ 79,013,000	$ 78,873,000	$ 79,520,000	$ 82,538,000	$ 85,970,000	$ 91,795,000	$ 98,033,000	$ 105,737,000	$ 113,962,000
Net PFC Revenues (PFC Collections)											
Enplaned Passengers	6,952,000	7,132,000	7,213,000	7,362,000	7,454,000	7,559,000	7,659,000	7,764,000	7,882,000	8,016,000	8,143,000
Percent PFC-Eligible	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Projected PFC-Eligible Passengers	6,257,000	6,419,000	6,492,000	6,626,000	6,709,000	6,803,000	6,893,000	6,988,000	7,094,000	7,214,000	7,329,000
PFC Rate	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39
Estimated Net PFC Revenues	$ 27,468,000	$ 28,179,000	$ 28,500,000	$ 29,088,000	$ 29,453,000	$ 29,865,000	$ 30,260,000	$ 30,677,000	$ 31,143,000	$ 31,669,000	$ 32,174,000
Total PFC Resources Available	$ 124,542,000	$ 106,640,000	$ 107,513,000	$ 107,961,000	$ 108,973,000	$ 112,403,000	$ 116,230,000	$ 122,472,000	$ 129,176,000	$ 137,406,000	$ 146,136,000
Less: Use of PFC Resources											
Debt Service - Series 2010A PFC Bonds[1]	$ 1,337,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Escrow funding deposit for Series 2010B PFC Bonds[2]	1,290,000	-	-	-	-	-	-	-	-	-	-
Near-Term Infrastructure CIP	122,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
PayGo Application - Terminal Program	16,647,000	-	-	-	-	-	-	-	-	-	-
	$ 19,396,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000	$ 1,500,000
Excess Net PFC Revenues Available for Transfer	$ 105,146,000	$ 105,140,000	$ 106,013,000	$ 106,461,000	$ 107,473,000	$ 110,903,000	$ 114,730,000	$ 120,972,000	$ 127,676,000	$ 135,906,000	$ 144,636,000
Less: Net PFC Revenues transferred to Debt Service Funds											
Series 2015 Bonds	$ 20,000,000	$ 20,000,000	$ 18,200,000	$ 18,000,000	$ 16,000,000	$ 16,000,000	$ 14,000,000	$ 14,000,000	$ 13,000,000	$ 13,000,000	$ 13,000,000
Series 2017A/B Bonds	-	-	-	-	-	-	-	-	-	-	-
Series 2017D Bonds	6,632,000	3,972,000	3,969,000	3,973,000	3,972,000	3,971,000	3,971,000	3,971,000	3,970,000	3,974,000	3,972,000
Series 2019 Bonds	53,000	2,155,000	2,160,000	2,158,000	2,154,000	2,153,000	2,155,000	2,159,000	2,160,000	2,159,000	2,155,000
Series 2021 Bonds	-	-	2,811,000	2,810,000	2,809,000	2,809,000	2,809,000	2,809,000	2,809,000	2,811,000	2,810,000
	$ 26,685,000	$ 26,127,000	$ 27,140,000	$ 26,941,000	$ 24,935,000	$ 24,933,000	$ 22,935,000	$ 22,939,000	$ 21,939,000	$ 21,944,000	$ 21,937,000
Excess PFC Fund - End of Year	**$ 78,461,000**	**$ 79,013,000**	**$ 78,873,000**	**$ 79,520,000**	**$ 82,538,000**	**$ 85,970,000**	**$ 91,795,000**	**$ 98,033,000**	**$ 105,737,000**	**$ 113,962,000**	**$ 122,699,000**

[1] Assumes Series 2010A PFC Bonds will be refunded with the Series 2019 bonds during 2019.

[2] Assumes Series 2010B PFC Bonds redeemed in 2019.

to the Excess PFC Fund are expected to be transferred to the 2015, 2017, 2019 and 2021 Debt Service Funds and applied by the Board to pay debt service on the PFC eligible portion of the Series 2015 Bonds, the Series 2017 Bonds, the Series 2019A Bonds, and the Series 2021 Bonds. The Net PFC Revenues transferred to the 2015, 2017, and 2019 and 2021 Debt Service Funds are projected to range between $21.9 million and $27.1 million. After accounting for such transfers, the excess PFC revenues are projected to total $122.7 million at the end of 2029.

Airline Cost per Enplaned Passenger

An important component of the financial feasibility report is the assessment of how the planned capital improvements and the related financings will affect the airline rates and charges. Based on the financial projections discussed above, the airline cost per enplaned passenger, included on Table 22, is projected to increase from $7.41 in 2019 to $7.62 in 2021, and then decrease thereafter. The projected airline cost per enplaned passenger during the forecast period is consistent with other medium hub airports and is relatively low compared to other medium hub airports that have recently completed major capital improvement programs.

Sensitivity Analysis

A sensitivity analysis was prepared using the low air traffic forecast scenario presented on Table 12. The projections of the key financial variables under the sensitivity analysis are summarized on Table 29, along with the base forecast scenario, for comparative purposes. Net Revenues and debt service coverage are projected to be relatively the same under both the base scenario and the low scenario forecast due to the residual nature of the airline rate methodology required under the Airline Agreement. Airline revenues and the airline cost per enplaned passenger are both projected to increase under the low scenario forecast. In 2029, airline revenues and the airline cost per enplaned passenger are projected to be $0.9 million and $0.27 higher, respectively. This increase in attributable to lower projected non-airline revenues under the low scenario forecast.

Net PFC Revenues available to be transferred are projected to be the same since projected PFC Revenues under the low forecast are sufficient to make the same transfers as under the base forecast. In 2029, the excess Net PFC Revenues balance is projected to be $6.3 million lower under the low scenario forecast.

Table 29| Key Financial Projections - Base and Low Scenario Forecasts

	Projected									
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Base Scenario Forecast										
Net Revenues	$ 74,213,000	$ 79,274,000	$ 78,695,000	$ 77,137,000	$ 77,131,000	$ 77,090,000	$ 76,826,000	$ 76,831,000	$ 76,835,000	$ 76,758,000
Debt Service Coverage	1.32	1.29	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28
Airline Revenues required	$ 50,883,000	$ 54,995,000	$ 54,227,000	$ 54,760,000	$ 55,017,000	$ 57,727,000	$ 57,621,000	$ 58,660,000	$ 59,300,000	$ 59,664,000
Airline cost per enplaned passenger	$7.57	$7.62	$7.37	$7.35	$7.28	$7.54	$7.42	$7.44	$7.40	$7.33
Net PFC Revenues Transferred	$ 26,127,000	$ 27,140,000	$ 26,941,000	$ 24,935,000	$ 24,933,000	$ 22,935,000	$ 22,939,000	$ 21,939,000	$ 21,944,000	$ 21,937,000
Excess PFC Fund balance	$ 79,013,000	$ 78,873,000	$ 79,520,000	$ 82,538,000	$ 85,970,000	$ 91,795,000	$ 98,033,000	$ 105,737,000	$ 113,962,000	$ 122,699,000
Low Scenario Forecast										
Net Revenues	$ 74,213,000	$ 79,274,000	$ 78,695,000	$ 77,137,000	$ 77,131,000	$ 77,090,000	$ 76,826,000	$ 76,831,000	$ 76,835,000	$ 76,758,000
Debt Service Coverage	1.32	1.29	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28
Airline Revenues required	$ 51,634,000	$ 55,816,000	$ 55,487,000	$ 56,007,000	$ 56,265,000	$ 58,824,000	$ 58,755,000	$ 59,723,000	$ 60,377,000	$ 60,558,000
Airline cost per enplaned passenger	$7.68	$7.88	$7.73	$7.70	$7.62	$7.84	$7.73	$7.72	$7.69	$7.60
Net PFC Revenues Transferred	$ 26,127,000	$ 27,140,000	$ 26,941,000	$ 24,935,000	$ 24,933,000	$ 22,935,000	$ 22,939,000	$ 21,939,000	$ 21,944,000	$ 21,937,000
Excess PFC Fund balance	$ 78,513,000	$ 77,850,000	$ 77,773,000	$ 80,088,000	$ 82,822,000	$ 88,024,000	$ 93,635,000	$ 100,746,000	$ 108,322,000	$ 116,388,000
Increase (Decrease) From Base										
Net Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt Service Coverage	-	-	-	-	-	-	-	-	-	-
Airline Revenues required	$ 751,000	$ 821,000	$ 1,260,000	$ 1,247,000	$ 1,248,000	$ 1,097,000	$ 1,134,000	$ 1,063,000	$ 1,077,000	$ 894,000
Airline cost per enplaned passenger	$0.11	$0.26	$0.36	$0.35	$0.34	$0.31	$0.30	$0.28	$0.29	$0.27
Net PFC Revenues Transferred	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Excess PFC Fund balance	$ (500,000)	$ (1,023,000)	$ (1,747,000)	$ (2,450,000)	$ (3,148,000)	$ (3,771,000)	$ (4,398,000)	$ (4,991,000)	$ (5,640,000)	$ (6,311,000)

Summary

The following points highlight the significant findings of the financial analysis contained in this section:

- Debt service coverage was 1.92 in 2018, above the 1.25 minimum requirement.
- Debt service coverage is projected to remain above the 1.25 minimum requirement.
- The Airport's Excess PFC Fund balance is projected to total $122.7 million in 2029.
- The airline cost per enplaned passenger is projected to remain reasonable during the forecast period. The airline cost per enplaned passenger is projected to increase from $7.57 in 2020 to $7.62 in 2021, and then decrease thereafter.
- Under the low scenario forecast, debt service coverage is projected to remain relatively the same as under to base scenario forecast. The airline cost per enplaned passenger is projected to increase from $7.68 in 2020 to $7.88 in 2021, and then decrease thereafter. The Excess PFC Fund balance is projected to total $116.4 million in 2029.

APPENDIX D

FORM OF OPINION OF CO-BOND COUNSEL

December 30, 2019

Honorable Board of Commissioners
New Orleans Aviation Board
New Orleans, Louisiana

Re: $23,800,000
New Orleans Aviation Board
General Airport Revenue Refunding Bonds
(Gulf Opportunity Zone Projects)
Series 2019 (Non-AMT)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the New Orleans Aviation Board (the "*Issuer*"), an unattached board of the City of New Orleans, Louisiana (the "*City*"), of the $23,800,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds (Gulf Opportunity Zone Projects) Series 2019 (Non-AMT) (the "*Bonds*").

The Bonds are issued pursuant to (i) authority conferred by Article VI, Section 37 of the Louisiana Constitution of 1974, as amended, Part XIV of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, in particular Sections 1034(D) and (F) thereof, together with other constitutional and statutory authority supplemental thereto, including, without limitation, the provisions of Chapter 13 of Subtitle III, in particular Section 1430 thereof, of Title 39 and Chapter 14-A of Title 39 (La. R.S. 39:1444 through 1456, inclusive) of the Louisiana Revised Statutes of 1950, as amended (collectively the "*Act*"), (ii) resolutions (a) of the Issuer adopted on July 18, 2019 and October 17, 2019 (together the "*Bond Resolution*") and (b) of the City adopted on August 8, 2019 (the "*City Resolution*") approving the issuance and sale of the Bonds by the Issuer and (iii) provisions of that certain General Revenue Bond Trust Indenture among the Issuer, the City and The Bank of New York Trust Company, N.A. (the "*Trustee*") dated as of February 1, 2009, (the "*General Indenture*") as amended and supplemented through that certain Fifth Supplemental Trust Indenture among the same parties dated as of December 1, 2019 (the "*Fifth Supplemental Indenture*" and together with the General Indenture and the prior Supplemental Indentures, the "*Indenture*").

Capitalized terms used herein and not defined herein shall have the meaning set forth in the Indenture.

The Bonds have been issued to currently refund a portion of the outstanding New Orleans Aviation Board Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects) Series 2010A (Non-AMT) (the "*Series 2010A GO Zone Bonds*").

The Series 2019A GO Zone Bonds were issued as qualified Gulf Opportunity Zone Bonds under the Gulf Opportunity Zone Act of 2005 (Public Law 109-135) ("*GO Zone Act*") and may now be currently refunded in accordance with IRS Notice 2019-39.

We have examined (i) the Constitution and Statutes of the State, including the Act, (ii) the Bond Resolution, (iii) executed counterparts of the Indenture and (iv) such other documents, instruments, proceedings and matters of law as we have considered necessary or appropriate for purposes of this opinion.

On the basis of the foregoing examinations, we are of the opinion as of the date hereof and under existing law that:

1. The Issuer is an unattached board of the City pursuant to the City's Home Rule Charter with full power and authority under the Act to issue the Bonds and to perform all of its obligations under the Indenture.

2. The Indenture (i) has been duly authorized, executed, and delivered by the Issuer and the City, (ii) constitutes a legal, valid, and binding obligation of the City and the Issuer, and (iii) creates a legal, valid and binding first lien pledge of the Net Revenues to the Bonds and of other items described in the Indenture.

3. The Bonds have been duly authorized, executed, and delivered and constitute binding limited and special obligations of the Issuer, payable solely from and secured by the sources provided for in the Indenture. Neither the City's general credit nor taxing power is pledged as security for the payment of the Bonds. The Issuer has no taxing power.

4. Interest on the Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "*Code*"), except that no opinion is expressed as to the status of interest on any Bond for any period that a Bond is held by a "substantial user" of the facilities financed by such Bond or by a "related person" within the meaning of Section 147(a) of the Code. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

5. Under the Act, interest on the Bonds is exempt from all taxation for state, parish, municipal, or other local purposes in the State of Louisiana.

The Code and the regulations applicable thereunder contain certain requirements which must be met subsequent to the issuance and delivery of the Bonds for the interest on the Bonds to be and remain excluded from gross income of the owners of such Bonds for federal income tax purposes. The Issuer has covenanted to institute programs and procedures in the Indenture and other documents for the purpose of satisfying the applicable requirements of the Code and applicable Regulations.

In rendering the opinions expressed in item 4 above, we have relied on representations of the Issuer with respect to matters solely within the knowledge of the Issuer and have assumed continuing compliance by the Issuer with the covenants in the Indenture and other documents pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

The foregoing is qualified to the extent that the rights of the owners of the Bonds and the enforceability of the Bond Resolution, the Bonds and the Indenture, as the case may be, may be subject to bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of the sovereign police powers of the State of Louisiana or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

Except as stated above, we express no opinion as to any federal or state tax consequences resulting from the ownership of, receipt of interest on or disposition of the Bonds and our services as bond counsel have not extended beyond the examinations and expressions of conclusions referred to above.

Respectfully submitted,

APPENDIX E

FORM OF OPINION OF AVIATION BOARD COUNSEL

December 30, 2019

Honorable Commissioners
New Orleans Aviation Board
New Orleans, Louisiana

Citigroup Global Markets Inc.
As Representative of the Underwriters
New York, New York

The Bank of New York Mellon Trust Company, N.A.
Baton Rouge, Louisiana

Foley & Judell, L.L.P.
New Orleans, Louisiana

Re: $23,800,000
New Orleans Aviation Board
General Airport Revenue Refunding Bonds
(Gulf Opportunity Zone Projects)
Series 2019 (Non-AMT)

Ladies and Gentlemen:

This opinion is being rendered to you in the undersigned's capacity as Chief Legal Counsel to the New Orleans Aviation Board (the "*Aviation Board*") of the City of New Orleans, Louisiana (the "*City*"), relating to the sale and delivery of the $23,800,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds (Gulf Opportunity Zone Projects), Series 2019 (Non-AMT) (the "*Bonds*"). The Bonds are issued pursuant to resolutions of the Aviation Board adopted on July 18, 2019 and October 17, 2019 (the "*Bond Resolutions*") and pursuant to the provisions of the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the "*General Indenture*") among the Aviation Board, The Bank of New York Mellon Trust Company, N.A. (the "*Trustee*"), and the City, as supplemented and amended through that certain Fifth Supplemental Trust Indenture dated as of December 1, 2019 (the "*Fifth Supplemental Indenture*", together with the General Indenture and the prior Supplemental Indentures, the "*Indenture*").

Proceeds of the Bonds, together with certain other amounts to be made available by the Aviation Board, will be used to currently refund a portion of the Outstanding New Orleans Aviation Board Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects) Series 2010A (Non-AMT).

All capitalized terms herein (unless otherwise defined herein) shall have the respective meanings assigned thereto in the Indenture.

As Chief Legal Counsel for the Aviation Board, I am familiar with the constitution, statutes, and Home Rule Charter creating the Aviation Board, official records of the Aviation Board, and the general history of the Aviation Board. In connection with this opinion, I have examined, or caused to be examined, such documents, records, consents and papers, and considered such questions of law and fact as I have deemed relevant and necessary. In furnishing this opinion, I have examined the documents relating to this Bonds transaction and I have made such investigation of matters of fact and law as I have deemed necessary or appropriate to provide a basis for the opinions set forth herein. In such examination and investigation, I have relied on certificates of members and/or staff of the Aviation Board, Consultants to the Aviation Board and Co-Bond Counsel. Likewise, I have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted as originals, and the conformity to original documents of all documents submitted as certified or photostatic copies. I have also assumed that all parties to the documents relating to this Bonds transaction (other than the Aviation Board) have the corporate power and authority to enter into and perform all obligations thereunder, and, as to such other parties, the due authorization by all requisite corporate action, the due execution and delivery and the validity, binding effect, and enforceability of each such document.

Based upon the foregoing, I am of the opinion that:

1. The Aviation Board is an unattached board of the City under its Home Rule Charter with full power and authority, among other things, to adopt and perform its duties and obligations under the Bond Resolution, to deliver the Preliminary Official Statement for the Bonds dated December 3, 2019 (the "*Preliminary Official Statement*") and the Official Statement for the Bonds dated December 9, 2019 (the "*Official Statement*"), to execute, deliver and perform its duties and obligations under the Bond Purchase Agreement and the Continuing Disclosure Certificate executed by the Aviation Board on December 30, 2019 relating to the Bonds, to authorize, issue and sell the Bonds, to operate the Airport, to collect and enforce the collection of the Revenues as covenanted in the Bond Resolution and the Indenture and to impose, collect and use other available moneys in accordance with the Aviation Board's plan of finance for the North Terminal Project to be funded with the proceeds of the Bonds.

2. The Bond Purchase Agreement, the Indenture, and the Continuing Disclosure Certificate have been duly authorized, executed, and delivered by the Aviation Board, the Bond Resolutions have been duly adopted by the Commissioners of the Aviation Board, and all such instruments and the Bonds constitute valid and legal obligations of the Aviation Board enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

3. Compliance with the provisions of the Bond Purchase Agreement, the Bond Resolutions and the Indenture and performance of the Aviation Board's obligations contemplated therein do not conflict with, or constitute a breach of or default under, any applicable law, regulation, court order or consent decree of the State or any department, division, agency or instrumentality thereof or of the United States, or any loan agreement, note, resolution, indenture, order, agreement, ordinance, or other instrument to which the Aviation Board is a party or may otherwise be subject.

4. All approvals, consents, and orders of any governmental authority, board, agency, or commission having jurisdiction which would constitute conditions precedent to the performance by the Aviation Board of its obligations under the Bond Purchase Agreement, the Continuing Disclosure Certificate, the Bond Resolution, the Indenture, and the Bonds have been obtained except for certain licenses, permits, and other governmental approvals necessary for compliance with state and local building codes, regulations and requirements, which the Aviation Board expects to obtain on a timely basis when required.

5. All approvals, consents, and orders of any governmental authority, board, agency, or commission (including the FAA and the State Bond Commission) having jurisdiction which would constitute a condition precedent to the performance by the Aviation Board of its obligations under the Bond Purchase Agreement, the Bond Resolution, the Indenture, and the Bonds have been obtained and are in full force and effect.

6. Except as set forth in the Official Statement, there is no litigation or proceeding pending or, to the undersigned's knowledge, threatened, in any way affecting the existence of the Aviation Board, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the right of the Aviation Board to collect the Revenues and other moneys pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, the Indenture, the Continuing Disclosure Certificate, or the Bond Purchase Agreement, or contesting in any way the completeness

or accuracy of the Official Statement, the powers of the Aviation Board or its authority with respect to the Bonds, the Bond Resolution, the Indenture or the Bond Purchase Agreement;

7. The information contained in the Official Statement under the headings "INTRODUCTORY STATEMENT," "THE AVIATION BOARD," "THE AIRPORT," "AIRPORT FINANCIAL INFORMATION," "THE PASSENGER FACILITY CHARGE PROGRAM," "CAPITAL IMPROVEMENTS PROGRAM," "LITIGATION," "LEGAL MATTERS," "CONTINUING DISCLOSURE," and "MISCELLANEOUS" does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein in light of the circumstances under which they were made, not misleading.

In rendering this opinion, I do not express any opinion concerning any law other than the law of the State of Louisiana and the federal law of the United States, and I do not express any opinion, either implicitly or otherwise, on any issue not expressly addressed herein.

This opinion is being rendered to you for your sole benefit, and no other person or entity, other than you, is entitled to rely thereon without our prior written consent.

Respectfully submitted,

Michele D. Allen-Hart
New Orleans Aviation Board Chief Legal Counsel and Deputy
Director of Legal Affairs

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APPENDIX F

FINANCIAL STATEMENTS

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LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

(A Proprietary Component Unit of the City of New Orleans)

Financial Statements and Supplemental Schedules

December 31, 2018

(With Independent Auditors' Report Thereon)

P&N

Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Table of Contents

	Pages
Independent Auditors' Report	1 – 3
Management's Discussion and Analysis	4 – 17
Financial Statements:	
Statements of Net Position as of December 31, 2018 and 2017	18 – 19
Statements of Revenues, Expenses, and Changes in Net Position for the years ended December 31, 2018 and 2017	20
Statements of Cash Flows for the years ended December 31, 2018 and 2017	21 – 22
Notes to Financial Statements	23 – 54
Required Supplementary Information:	
Schedule of Proportionate Share of the Net Pension Liability	55
Schedule of Contributions to Defined Benefit Plan	56
Schedule of Proportionate Share of the Total OPEB Liability	57
Schedule of Changes in Total OPEB Liability and Related Ratios	58
Supplemental Schedules:	
Schedule 1 – Supplemental Schedule of Investments for the year ended December 31, 2018	59 – 60
Schedule 2 – Supplemental Schedule of Operating Revenues and Expenses by Area of Activity for the year ended December 31, 2018	61
Schedule 3 – Supplemental Schedule of Historical Debt Service Coverage Ratio as Required Under the General Revenue Bond Trust Indenture dated February 1, 2009 for the year ended December 31, 2018	62
Schedule 4 – Schedule of Compensation, Benefits, and Other Payments to the Director of Aviation	63

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30th Floor, Energy Centre, 1100 Poydras Street - New Orleans, LA 70163-3000
One Galleria Boulevard, Suite 2100 - Metairie, LA 70001
800-201-7332 Phone - 504-837-5990 Phone - 504-834-3609 Fax - pncpa.com

A Professional Accounting Corporation

Independent Auditors' Report

New Orleans Aviation Board and the
City Council of the City of New Orleans, Louisiana:

Report on the Financial Statements

We have audited the accompanying financial statements of the Louis Armstrong New Orleans International Airport (the Airport), a proprietary component unit of the City of New Orleans, as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louis Armstrong New Orleans International Airport as of December 31, 2018 and 2017, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, for the year ended December 31, 2018, the Airport adopted new accounting standard GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This new standard requires the Airport to recognize and report its total other post-employment benefit liability, measured according to actuarial methods and approaches prescribed within the standard along with certain disclosures. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 17 and the schedules presented on pages 55 and 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Airport's basic financial statements. Supplemental schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplemental schedules 1, 2, and 4 have been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, supplemental schedules 1, 2, and 4 are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

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Schedule 3 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2019, on our consideration of the Airport's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
June 28, 2019

This narrative discussion and analysis is intended to serve as an introduction to the Louis Armstrong New Orleans International Airport's basic financial statements for the fiscal years ended December 31, 2018 and 2017, with selected comparative information for the fiscal year ended December 31, 2016. The information presented here should be read in conjunction with the financial statements, footnotes, and supplementary information in this report.

Financial Highlights

- The assets and deferred outflows of the Louis Armstrong New Orleans International Airport (the Airport) exceeded its liabilities and deferred inflows at December 31, 2018 by $554,828,385 (net position). Of this amount, $5,876,819 represents unrestricted net position, which may be used to meet the Airport's ongoing obligations to citizens and creditors.
- The Airport's total net position increased by $69,258,846 or 14.3%.
- The Airport negotiated a Commercial Airline lease effective January 1, 2009 with the Airline Transportation Companies, which has been amended several times since its first effective date. The Airline - Airport Use and Lease Agreement (the "2009 Airline Lease Agreement") has a residual airline rate-setting methodology and will expire on December 31, 2023. Key provisions of the agreement include signatory airline approval of the design and construction of a $1,029B passenger terminal project, a five (5) year Airfield capital improvement program. As of the most recent amendment to the Airline Lease Agreement, effective January 1, 2018, the Board's capital spending limits are $1.5 million in any one (1) year and not to exceed $5 million over any five (5) year period without Airline approval. The annual general purpose account payment to the Board was established at the amount of $7.8 million for Fiscal Year 2018 with up to $1.3 million being dedicated solely to fund the build-out and construction costs of the operations and maintenance consortium (OMC), New Orleans Aviation Consortium, LLC, created by the Commercial Airlines who have executed the Airline Lease Agreement; the annual general purpose account payment to the Board then decreases in Fiscal Year 2019 and thereafter to $3 million per Fiscal Year. For each Fiscal Year except Fiscal Year 2018, there is a $1 million allowance for equipment and capital outlays; for Fiscal Year 2018 only, the Equipment and Capital Outlay Allowance was $1.5 million of which no more than $500,000 shall be used in order to fund the equipment, rolling stock, or other capital outlays for the OMC formation and operations.

Overview of the Financial Statements

The Louis Armstrong New Orleans International Airport (the Airport) is structured as an enterprise fund. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated, except for land and easements, over their useful lives. See the notes to the financial statements for a summary of the Airport's significant accounting policies.

Following this Management Discussion and Analysis (MD&A) are the basic financial statements and supplemental schedules of the Airport. This information taken collectively is designed to provide readers with an understanding of the Airport's finances.

The statements of net position present information on all of the Airport's assets and deferred outflows, and liabilities and deferred inflows, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Airport's financial position.

The statements of revenues, expenses, and changes in net position present information showing how the Airport's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods.

The principal operating revenues of the Airport are from sources such as airlines, concessions, rental cars, and parking. Investment income, passenger facility charges, customer facility charges, federal grants, and other revenues not related to the operations of the Airport are non-operating revenues. Operating expenses include the cost of airport and related facilities maintenance, administrative expenses, and depreciation on capital assets. Interest expense and financing costs are non-operating expenses.

The statements of cash flows relate to the flows of cash and cash equivalents. Consequently, only transactions that affect the Airport's cash accounts are recorded in these statements. A reconciliation is a part of these statements to assist in the understanding of the difference between cash flows from operating activities and operating income or loss.

Financial Position

Total assets and deferred outflows of resources increased by $116,406,404 (6.3%) this year due primarily to the increase in net capital projects by $333,885,968 and the decrease in investments by $210,581,634, related to usage of capital fund investments. Total liabilities and deferred inflows increased by $47,147,558 (3.4%) primarily resulting from an increase in noncurrent loans payable of $54,306,167 offset by a decrease in bonds payable by $15,412,388.

The largest portion of the Airport's net position, at $294,729,318 (53.1%) at 2018 and $166,410,610 (34.3%) at 2017, represents its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The Airport uses these assets to provide services to its passengers, visitors, and tenants of the airport; consequently, these assets are not available for future spending. Although the Airport's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from operations, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the Airport's net position, $254,222,248 (45.8%) at 2018 and $263,156,679 (54.2%) at 2017, represents resources that are subject to restrictions from contributors, bond indentures, and state and federal regulations on how they may be used. The remaining balance of unrestricted net position, $5,876,819 (1.1%) at 2018 and $56,002,250 (11.5%) at 2017, may be used to meet the Airport's ongoing obligations.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Management's Discussion and Analysis

December 31, 2018 and 2017

(Unaudited)

Summary of Net Position (in thousands)

		2018		(Restated) 2017		2016
Assets:						
Current assets:						
Unrestricted assets	$	120,283	$	102,695	$	105,968
Restricted assets		77,854		85,968		33,503
Noncurrent assets:						
Unrestricted assets		1,565		1,343		3,782
Restricted assets		369,883		592,552		545,182
Net capital assets		1,387,935		1,054,049		760,520
Total assets	$	1,957,520	$	1,836,607	$	1,448,955
Deferred Outflows of Resources:						
Deferred amounts related to pension liability	$	8,974	$	4,003	$	5,952
Deferred losses on advance refunding		4,782		14,260		13,397
Total deferred outflows	$	13,756	$	18,263	$	19,349
Liabilities:						
Current liabilities	$	119,055	$	114,537	$	96,032
Noncurrent liabilities		1,295,468		1,253,031		931,452
Total liabilities	$	1,414,523	$	1,367,568	$	1,027,484
Deferred Inflows of Resources:						
Deferred amounts related to pension liability	$	1,294	$	1,733	$	621
Deferred amounts related to OPEB liability		631		-		-
Total deferred inflows	$	1,925	$	1,733	$	621
Net Position:						
Net investment in capital assets	$	294,729	$	166,410	$	167,619
Restricted		254,222		263,157		210,593
Unrestricted		5,877		56,002		61,987
Total net position	$	554,828	$	485,569	$	440,199

During the year ended December 31, 2018, the Airport adopted GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* ("GASB 75"), which resulted in a restatement of 2017 net position (Note 1).

Debt Activity

At December 31, 2018 and 2017, the Airport had total debt outstanding of $1,283,319,454 and $1,244,425,675, respectively. The Airport's debt represents bonds secured solely by operating, PFC and CFC revenue. As of the date of the audit all required bond and loan principal and interest payments have been made.

Outstanding Debt (in thousands)

	2018	2017	2016
Bonds payable:			
Revenue Refunding Bonds 2007 (PFC)	$ -	$ -	$ 65,980
Revenue Refunding Bonds 2009A-C	11,225	21,915	83,700
GO Zone CFC Revenue Bonds 2009A	-	91,270	93,100
GO Zone PFC Revenue Bonds 2010A-B	53,640	53,640	53,640
Revenue Bonds 2015A-B	565,325	565,325	565,325
Revenue Bonds 2017A-D	420,690	420,690	-
GO Zone CFC Revenue Bonds 2018	82,564	-	-
Unamortized bond discount	(750)	(2,251)	(2,671)
Unamortized bond premium	95,803	93,321	57,909
Loans payable:			
GO Zone Tax Credit Bonds	-	-	13,362
Series 2017 Interim Drawdown Notes	54,822	516	-
	$ 1,283,319	$ 1,244,426	$ 930,345

More detailed information on long-term debt can be found in Note 7 of the accompanying financial statements.

Capital Assets

The Airport's investment in capital assets for the years ended December 31, 2018 and 2017 can be noted in the following tables. The total increase for the year ended December 31, 2018 and 2017 was 20.7% and 22.8%, respectively, before accumulated depreciation and amortization. The increase is related to construction in progress additions during the year for the following major projects:

Project	Approximate cost during FY 2018 (not including capitalized interest)
North Terminal Project Design/Construction	$242 million
Roadways Development Program	$83 million

Project	Approximate cost during FY 2017 (not including capitalized interest)
North Terminal Project Design/Construction	$259 million
Roadways Development Program	$38 million

These increases were offset by the completion of various projects. More detailed information on capital assets can be found in Note 6 of the accompanying financial statements.

Net Capital Assets (in thousands)

	2018	2017	2016
Land	$ 77,980	$ 77,980	$ 77,980
Air rights	22,282	22,282	22,282
Land improvements	505,322	505,322	505,322
Buildings and furnishings	420,969	420,819	420,118
Equipment	10,764	9,934	9,474
Computers	1,359	1,190	1,190
Utilities	53,413	53,413	53,413
Heliport	3,074	3,074	3,074
Construction in progress	1,034,709	670,635	344,287
Total capital assets	2,129,872	1,764,650	1,437,140
Less accumulated depreciation	741,937	710,600	676,619
Net capital assets	$ 1,387,935	$ 1,054,049	$ 760,521

Airlines Rates and Charges

As previously discussed, an Airline Airport Use and Lease Agreement became effective January 1, 2009. The rates for 2018, 2017, and 2016 are as follows:

	2018	2017	2016
Terminal building rental rates (per sq. ft.)	$64.88	$ 74.62	$ 82.99
Landing fee rate (per 1,000 lbs.)	0.17	1.13	1.86
Apron use fee rate (per sq. ft.)	0.62	1.20	1.23
Loading bridge use fee (per bridge)	10,855	10,265	12,044
Enplaned passenger use fee (per passenger)	6.57	6.22	6.74

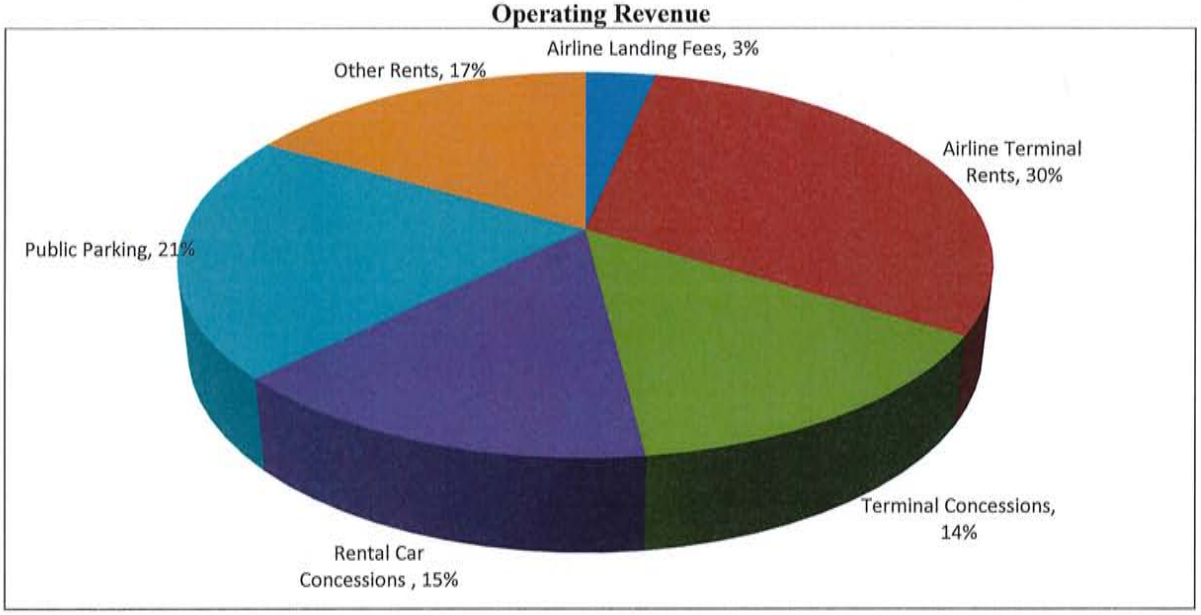
Under the terms of the agreement, these rates are subject to a year-end settlement. The Airport is required to use its best efforts such that within the later of (i) one hundred twenty (120) days following the close of each fiscal year or (ii) within sixty (60) days of receipt of audited financial statements, rates for rentals, fees, and charges for the preceding fiscal year shall be recalculated using available financial data and the methods set forth in the agreement.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)
Management's Discussion and Analysis
December 31, 2018 and 2017
(Unaudited)

Revenues

The following chart shows major sources and the percentage of operating revenues for the year ended December 31, 2018.

Operating Revenue



Operating Revenues (in thousands)

	2018	2017	2016
Passenger and cargo airlines:			
Airline landing fees	$ 2,453	$ 8,799	$ 11,911
Airline terminal rents	22,270	24,587	26,317
Land rents	76	98	100
Other rents	2,606	4,598	3,031
Total passenger and cargo airlines	27,405	38,082	41,359
Non airline rentals:			
Terminal concessions	10,520	9,655	8,569
Car rental concessions	10,805	9,958	9,953
Public parking	15,073	13,913	12,578
Other rents	9,604	6,877	6,957
Total nonairline revenues	46,002	40,403	38,057
Total operating revenues	$ 73,407	$ 78,485	$ 79,416

2018 vs. 2017

Total passenger and cargo airline revenue for 2018 decreased by $10.7 million (28%) compared to 2017 primarily due to decreased airline landing fees which reduces the amount of revenues received from the airlines, and increased non-airline revenues which reduces the amount of revenues received from the airlines. Non-airline revenues increased by $5.6 million (13.9%) due primarily to a 9.3% increase in passengers.

2017 vs. 2016

The 2017 Airline Lease Agreement was executed on January 1, 2016. Total passenger and cargo airline revenue for 2017 decreased by $3.3 million (9.2%) compared to 2016 primarily due to increased non-airline revenues which reduces the amount of revenues received from the airlines and savings due to the refunding of the Series 2009 bonds. Non-airline revenues increased by $2.3 million (6.2%) due primarily to a 7.8% increase in passengers.

Cost per enplaned passenger (CPE) is a measure used by the airline industry to reflect the costs an airline pays to operate at an airport based upon the number of enplaned passengers for that airport. The cost per enplaned passenger decreased from $7.21 in 2016 to $5.92 in 2017 and decreased to $4.01 in 2018.

	2018	2017	2016
Cost per enplaned passenger:			
Airline revenues	$ 26,347	$ 35,482	$ 40,177
Enplaned passengers	6,564	5,998	5,572
Cost per enplaned passenger	$ 4.01	$ 5.92	$ 7.21

Non-Operating Revenues and Capital Contributions (in thousands)

The following chart shows major sources of non-operating revenues for the years ended December 31, 2018, 2017, and 2016.

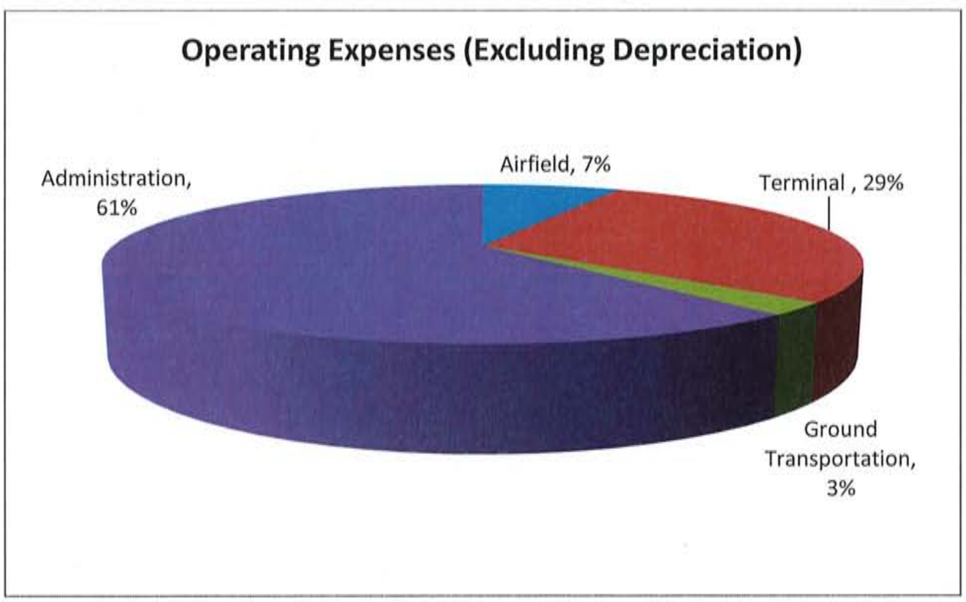
	2018	2017	2016
Investment income	$ 6,982	$ 2,316	$ 149
Passenger facility charges	26,410	24,446	22,137
Customer facility charges	17,269	17,038	15,276
Capital contributions	49,029	29,780	33,621
Gain (loss) on disposal of assets	3	-	(1,425)
Other	-	3,183	1,947
	$ 99,693	$ 76,763	$ 71,705

2018 vs. 2017
Non-operating revenues for 2018 increased by approximately $22.9 million compared to 2017, due primarily to investment income generated from interest earned from deposits and investments at financial institutions. In addition, capital contributions significantly increased due to the significant increase in the ATF grant revenue of $19.2 million.

2017 vs. 2016
Non-operating revenues for 2017 increased by approximately $5.1 million compared to 2016, due primarily to investment income generated from interest earned from deposits and investments at financial institutions. In addition, collection on PFC and CFC increased in 2017 due to increased number of passenger passed through the Airport during the year.

Expenses

The following chart shows major expense categories and the percentage of operating expenses for the year ended December 31, 2018.



Operating Expenses before Depreciation

	2018	2017	2016
Direct			
Airfield	$ 3,688	$ 3,637	$ 2,904
Terminal	14,549	14,514	13,382
Ground transportation	1,273	1,173	928
Administration	30,982	26,856	26,176
	$ 50,492	$ 46,180	$ 43,390

2018 vs. 2017
The operating expenses, before depreciation and amortization, increased by approximately $4.3 million compared to the prior year, due primarily to an increase in administration expenses of $4.1 million, primarily due to operating expenses for planning of the new terminal.

2017 vs. 2016
The operating expenses, before depreciation and amortization, increased by approximately $2.8 million compared to the prior year, due primarily to an increase in terminal related expenses of $1.2 million and increase in airfield expenses of $733,000 in 2017 as total number of passenger passed through the Airport increased by approximately 870,000.

Non-Operating Expenses

The following chart shows major expense categories of non-operating expenses for the years ended December 31, 2018, 2017, and 2016 (in thousands).

	2018	2017	2016
Interest Expense	$ 19,923	$ 17,864	$ 17,528
Other	2,091	5,473	5,448
Total Non-operating Expense	$ 22,014	$ 23,337	$ 22,976

2018 vs. 2017
Non-operating expenses decreased by approximately $1.3 million in 2018 compared to 2017, due primarily to the change in cost of issuance of bonds.

2017 vs. 2016
Non-operating expenses increased by approximately $361,000 in 2017 compared to 2016, due primarily to an increase in interest expense incurred for the outstanding bonds during 2017.

Total Revenues and Expenses (in thousands)

The following table reflects the total revenues and expenses for the Airport (in thousands):

	2018	2017	2016
Total operating revenues	$ 73,407	$ 78,486	$ 79,416
Total non-operating revenues	99,693	76,763	71,183
Total revenues	$ 173,100	$ 155,249	$ 150,599
Total operating expenses	$ 81,827	$ 80,161	$ 82,572
Total non-operating expenses	22,014	23,337	22,454
Total expenses	$ 103,842	$ 103,498	$ 105,026

Summary of Changes in Net Position (in thousands)

	2018	2017	2016
Summary of changes in net position:			
Operating revenues	$ 73,407	$ 78,486	$ 79,417
Operating expenses before depreciation	50,492	46,180	43,390
Operating income before depreciation and amortization	22,915	32,306	36,027
Depreciation	31,336	33,981	39,181
Operating income (loss)	(8,421)	(1,675)	(3,154)
Non-operating revenues, net	28,650	23,646	15,107
Income before capital contributions and transfers	20,229	21,971	11,953
Capital contributions	49,029	29,780	33,621
Change in net position	$ 69,258	$ 51,751	$ 44,574

Operating income before depreciation and amortization decreased $9.3 million (29%) in 2018 compared to 2017. Depreciation and amortization expense decreased $2.6 million (7.8%) due to certain assets being fully depreciated in 2017. Capital contributions increased by $19.2 million (64.6%) due primarily to an increase in contribution from the FAA by $2.1 million, along with an increase in ATF Grant Revenue of $17.2 million.

Debt Service Coverage

Airport revenue bond covenants require that net revenues together with the sum on deposit in the rollover coverage account on the last day of the immediately preceding fiscal year will at least equal 125% of the bond debt service requirement with respect to the bonds for such fiscal year. The bond resolution for the Revenue Refunding Bonds Series 2007A, 2007B-1, and 2007B-2, PFC Projects had a ratio requirement of 105.0% or greater obtained by dividing the available amount by the cumulative debt amount. Coverage ratios for the past three years are shown in the following table.

Revenue Refunding Bonds	2018	2017	2016
GARB Series Bonds	191.6%	309.0%	279.0%
PFC Series Bonds	973.6%	553.8%	226.4%

The Board approved the Rollover Coverage for fiscal years 2012-2018 in the amounts of, $3,719,960, $3,720,332, $3,719,082, $3,721,446, $3,729,060, $3,740,582 and $3,290,643 respectively. The funds are transferred monthly, in ratable portions of the total, to the NOAB Rollover Coverage Account held by the City of New Orleans, and then transferred to the Airport Operating Account, held by the City of New Orleans. The Airport's calculation of the historical debt service coverage ratio, as presented in Supplemental Schedule 3 to the financial statements is 191.6% for the year ended December 31, 2018 and 309.0% for the year ended December 31, 2017.

The Airport is current on all debt service payments as required by the bonds, and there has been no documented correspondence from the bond insurers or bond holders regarding noncompliance with the debt service coverage covenant.

Airport Activities and Highlights

Passenger totals for 2018 increased by 1,113,250 (9.3%), from 12,009,512 passengers in 2017 to 13,122,762 passengers in 2018, due to larger aircrafts such as Boeing 767 and 787 used by the carriers serving the Airport. Passenger aircraft operations increased slightly from 108,847 operations in 2017 to 113,182 in 2018 (4.0%). Aircraft landed weights increased from 7,328,602 in 2017 to 7,888,855 in 2018 (7.6%).

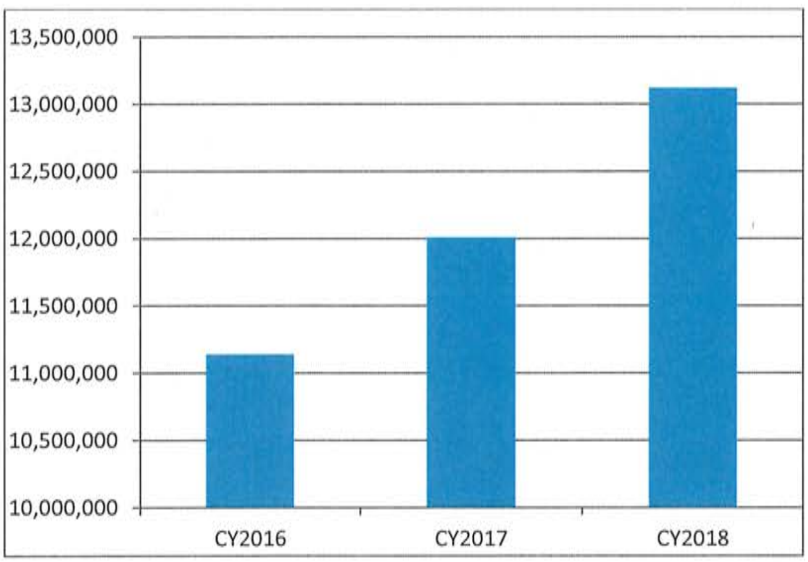
Passenger totals for 2017 increased by 870,091 (7.8%), from 11,139,421 passengers in 2016 to 12,009,512 passengers in 2017, due to larger aircrafts such as Boeing 767 and 787 used by the carriers serving the Airport. Passenger aircraft operations increased slightly from 108,697 operations in 2016 to 108,847 in 2017 (0.1%). Aircraft landed weights increased from 6,771,515 in 2016 to 7,328,602 in 2017 (4.2%).

Selected statistical information about total passengers, aircraft landed weight, and air carrier operations for the past three years are presented in the table below.

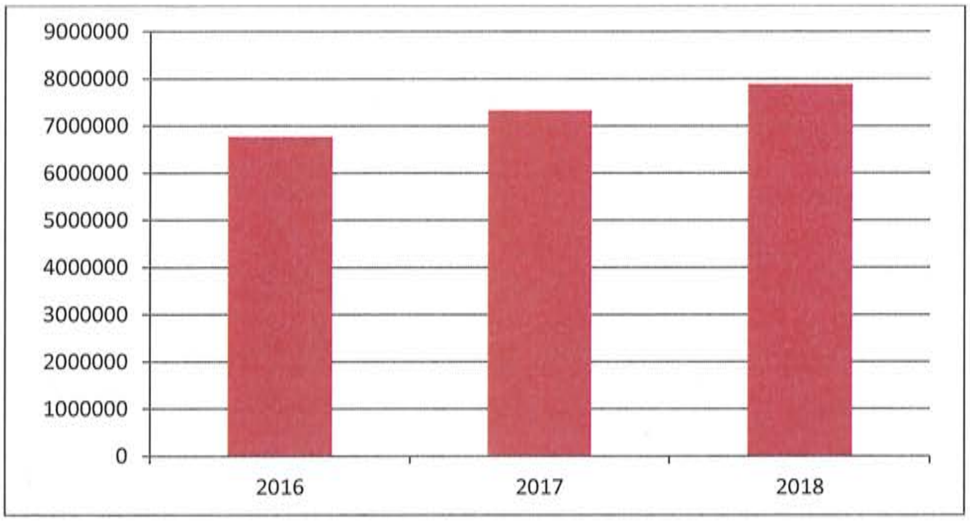
Fiscal year	Total passengers	Landed weight (1,000 pound units)	Air carrier operations
2016	11,139,421	6,771,515	108,697
2017	12,009,512	7,328,602	108,847
2018	13,122,762	7,888,855	113,182

Fiscal year	Number of daily departures	Number of destinations	Average daily seats
2016	147	59	19,200
2017	140	49	18,400
2018	151	53	22,222

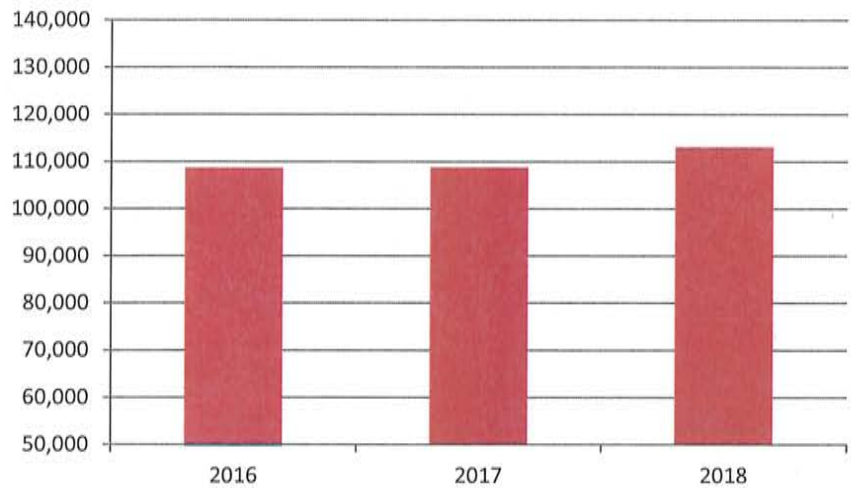
Total Passengers for the Year



Landed Weight per 1,000 pounds



Number of Passenger Flight Operations



Economic Factors and Next Year's Budget

The Airport budgeted for an increase in 2019 non-airline revenue from \$41.9 million to \$48.1 million, tallying to a \$6.2 million (14.8%) addition to last year's budget. This is driven by a projected increase in enplaned passengers of approximately 7.5% over 2018 budgeted enplaned passengers.

Compared to the 2018 budget, the Airport proposed an increase in the 2019 operating expenses of \$1.3 million. This increase will address leadership recruitment, North Terminal transition services, and customer service. The Airport continues to budget and maintain a competitive total cost per enplanement (CPE) rate. The 2019 budgeted CPE of \$6.77 is well under the Airport's goal of maintaining a CPE of less than \$10.

Requests for Information

This financial report is designed to provide a general overview of the Airport's finances. Questions concerning any of the information should be addressed to the Chief Financial Officer, Louis Armstrong New Orleans International Airport, Post Office Box 20007, New Orleans, Louisiana 70141.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)
Statements of Net Position
December 31, 2018 and 2017

	2018	Restated 2017
Assets and Deferred Outflows of Resources		
Current assets:		
Unrestricted assets:		
Cash (note 2)	$ 20,941,896	$ 12,896,253
Accounts receivable, less allowance for doubtful accounts of $311,867 in 2018; $518,353 in 2017	6,240,207	7,765,338
Due from the City of New Orleans	629	52,064
Investments (note 2)	92,595,706	80,705,525
Interest receivable	60,242	841,046
Prepaid expenses and deposits	444,751	434,578
Total current unrestricted assets	120,283,431	102,694,804
Restricted assets (notes 2 and note 5):		
Cash	2,818,127	6,472,875
Investments (note 2)	50,628,516	50,225,147
Passenger facility charges receivable	3,540,682	2,748,352
Customer facility charges receivable	2,522,686	1,287,582
Capital grant receivable	18,343,932	25,234,227
Total current restricted assets	77,853,943	85,968,183
Total current assets	198,137,374	188,662,987
Noncurrent assets:		
Capital assets (note 6):		
Capital assets not being depreciated	1,134,971,081	770,896,887
Capital assets being depreciated	994,900,869	993,752,642
Less accumulated depreciation	(741,936,538)	(710,600,085)
Net capital assets	1,387,935,412	1,054,049,444
Prepaid insurance on revenue bonds, less accumulated amortization of $2,634,271 in 2018; $2,427,210 in 2017	636,287	414,634
Advances to related facility management company	927,956	927,956
Total noncurrent unrestricted assets	1,389,499,655	1,055,392,034
Restricted assets (note 2 and note 5):		
Cash	206,232	-
Investment	369,677,066	592,552,250
Total noncurrent restricted assets	369,883,298	592,552,250
Total noncurrent assets	1,759,382,953	1,647,944,284
Total assets	1,957,520,327	1,836,607,271
Deferred outflows of resources		
Deferred amounts related to net pension liability	8,974,501	4,002,292
Deferred losses on advance refunding	4,781,566	14,260,427
Total deferred outflows of resources	13,756,067	18,262,719
Total assets and deferred outflows of resources	$ 1,971,276,394	$ 1,854,869,990

(Continued)

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)
Statements of Net Position
December 31, 2018 and 2017

		2018		Restated 2017
Liabilities, Deferred Inflows of Resources, and Net Position				
Current liabilities:				
Payable from unrestricted assets:				
Accounts payable and accrued expenses	$	33,430,097	$	22,760,640
Due to City of New Orleans		3,619,954		3,757,524
Accrued salaries and other compensation		3,768,148		2,050,451
Total OPEB liability, due within one year		383,000		-
Total unrestricted current liabilities		41,201,199		28,568,615
Payable from restricted assets:				
Capital projects payable		36,520,657		45,194,069
Bonds payable, current portion (note 7)		14,985,000		12,615,000
Accrued bond interest payable		26,348,286		28,159,114
Total restricted current liabilities		77,853,943		85,968,183
Total current liabilities		119,055,142		114,536,798
Noncurrent liabilities:				
Bonds payable, less current portion and unamortized discount/premium (note 7)		1,213,512,277		1,231,294,665
Loans payable (note 7)		54,822,177		516,010
Total OPEB liability		5,244,011		6,381,710
Net pension liability		21,889,235		14,838,531
Total noncurrent liabilities		1,295,467,700		1,253,030,916
Total liabilities		1,414,522,842		1,367,567,714
Deferred inflows of resources				
Deferred amounts related to net pension liability		1,294,039		1,732,737
Deferred amounts related to total OPEB liability		631,128		-
Total deferred inflows of resources		1,925,167		1,732,737
Total liabilities and deferred inflows of resources		1,416,448,009		1,369,300,451
Net investment in capital assets		294,729,318		166,410,610
Restricted for:				
Debt service		122,975,390		161,393,385
Capital acquisition		119,688,221		89,833,487
Operating reserve		11,558,637		11,929,807
Unrestricted		5,876,819		56,002,250
Total net position		554,828,385		485,569,539
Total liabilities, deferred inflows of resources, and net position	$	1,971,276,394	$	1,854,869,990

See accompanying notes to financial statements.

(Concluded)

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)
Statements of Revenues, Expenses, and Changes in Net Position
Years ended December 31, 2018 and 2017

	2018	2017
Operating revenues:		
Airfield	$ 5,834,937	$ 12,659,542
Terminal	63,321,415	61,744,206
Ground transportation	4,250,908	4,081,820
Total operating revenues	73,407,260	78,485,568
Operating expenses:		
Direct:		
Airfield	3,688,095	3,637,353
Terminal	14,548,576	14,514,107
Ground Transportation	1,272,718	1,172,774
Depreciation	31,336,453	33,980,565
Administrative	30,982,118	26,855,812
Total operating expenses	81,827,960	80,160,611
Operating income (loss)	(8,420,700)	(1,675,043)
Nonoperating revenues (expenses):		
Investment income	6,982,457	2,316,112
Interest expense	(19,922,753)	(17,864,046)
Passenger facility charges	26,409,515	24,445,693
Customer facility charges	17,268,862	17,038,019
Gain on disposal of assets	3,194	-
Cost of issuance of bonds	(997,998)	(2,363,371)
Other, net	(1,092,903)	74,070
Total nonoperating revenues, net	28,650,374	23,646,477
Revenue before capital contributions	20,229,674	21,971,434
Capital contributions (note 8)	49,029,172	29,780,128
Change in net position	69,258,846	51,751,562
Net position, beginning of year	485,569,539	491,951,249
Cummulative effect of change in accounting principle (Note 1)	-	(6,381,710)
Total net position, end of year, as restated	$ 554,828,385	$ 485,569,539

See accompanying notes to financial statements.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)
Statements of Cash Flows
Years ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Cash received from customers	$ 74,932,391	$ 77,575,297
Cash paid to suppliers for goods and services	(21,654,909)	(24,427,728)
Cash paid to employees and on behalf of employees for services	(15,029,526)	(12,956,805)
Net cash provided by operating activities	38,247,956	40,190,764
Cash flow from noncapital financing activities:		
Sales tax receipts	1,144,863	1,060,249
Operating grants and reimbursements from other governments	695,913	681,112
Advance to related facility management company	-	(53,597)
Other payments	(3,155,332)	(254,071)
Net cash (used in) provided by noncapital financing activities	(1,314,556)	1,433,693
Cash flows from capital and related financing activities:		
Passenger facility charges collected	25,617,185	23,925,335
Customer facility charges collected	16,033,758	17,016,994
(Loss) from disposition of property	3,194	-
Acquisition and construction of capital assets	(329,783,483)	(279,546,300)
Capital grants received	55,919,467	18,560,212
Issuance of revenue bonds	143,758,796	460,965,621
Principal paid on loan and revenue bond maturities	(101,960,000)	(142,441,357)
Interest paid on bonds and loans	(59,272,087)	(55,795,831)
Cost of bond issuance and insurance	(997,998)	(2,363,371)
Net cash (used in) provided by capital and related financing activities	(250,681,168)	40,321,303
Cash flows from investing activities:		
Sales of investments	1,039,069,950	1,617,014,006
Purchases of investments	(828,488,316)	(1,709,302,043)
Interest and dividends on investments	7,763,261	2,667,538
Net cash provided by (used in) provided by investing activities	218,344,895	(89,620,499)
Net increase (decrease) in cash and cash equivalents	4,597,127	(7,674,739)
Cash and cash equivalents at beginning of year	19,369,128	27,043,867
Cash and cash equivalents at end of year (note 2)	$ 23,966,255	$ 19,369,128
Cash, current unrestricted	$ 20,941,896	$ 12,896,253
Cash, current restricted	2,818,127	6,472,875
Cash, noncurrent restricted	206,232	-
Cash and cash equivalents at end of year (note 2)	$ 23,966,255	$ 19,369,128

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)
Statements of Cash Flows
Years ended December 31, 2018 and 2017

	2018	2017
Reconciliation of operating loss to net cash provided by operating activities:		
Operating income (loss)	$ (8,420,700)	$ (1,675,043)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	31,336,453	33,980,565
Change in allowance for doubtful accounts	(206,486)	456,217
Changes in assets and liabilities:		
Accounts receivable	1,731,617	(1,366,488)
Prepaid expenses and deposits	(10,173)	29,058
Due from City of New Orleans	51,435	342,274
Deferred outflows of resources related to net pension liability	(4,972,209)	1,949,857
Accounts payable	10,669,457	8,071,582
Accrued salaries and other compensation	1,717,697	269,310
Total OPEB liability	(754,699)	-
Net pension liability	7,050,704	(2,939,629)
Due to City of New Orleans	(137,570)	(38,949)
Deferred inflows of resources related to net pension and total OPEB liability	192,430	1,112,010
Total adjustments	46,668,656	41,865,807
Net cash provided by operating activities	$ 38,247,956	$ 40,190,764

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

(a) Organization

The Louis Armstrong New Orleans International Airport (the Airport) is a proprietary fund component unit of the City of New Orleans, Louisiana. The New Orleans Aviation Board (the Board) was established in 1943 to provide for the operation and maintenance of the Airport. The Board consists of nine members appointed by the Mayor of the City of New Orleans with approval of the New Orleans City Council. The City of Kenner, Louisiana and the Parish of St. Charles, Louisiana each have input as to the selection of one board member.

The accompanying policies of the Airport conform to accounting principles generally accepted in the United States of America as applicable to proprietary component units of governmental entities.

(b) Basis of Presentation

Proprietary fund accounting is used for the Airport's ongoing operations and activities which are similar to those often found in the private sector. Proprietary funds are accounted for using the economic resources measurement focus. The Airport is a proprietary component unit and accounts for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The principal operating revenues of the Airport are from sources such as airlines, concessions, rental cars, and parking. Investment income, passenger facility charges, customer facility charges, federal and state grants, and other revenues not related to the operations of the Airport are non-operating revenues. Operating expenses include the cost of airport and related facilities maintenance, administrative expenses, and depreciation on capital assets. Interest expense and financing costs are non-operating expenses.

(c) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting under which revenues are recognized when earned and expenses are recognized when incurred. Revenues from landing and airfield fees, terminal building, rental building, and leased areas are reported as operating revenues. Transactions, which are capital, financing, or investing related, are reported as non-operating revenues. Expenses from employee wages and benefits, purchase of services, materials and supplies, and other miscellaneous expenses are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

(d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(e) Allowance for Uncollectible Accounts Receivable

An allowance for estimated uncollectible accounts receivable is established at the time information becomes available, which would indicate the uncollectibility of the particular receivable. The Airport estimates the allowance balance based on specific identification.

(f) Investments

Investments are carried at fair value in the financial statements. Unrealized gains and losses on investments are reflected in the Statements of Revenues, Expenses, and Changes in Net Position. Short-term and money market investments with a maturity of one year or less and investments in an external investment pool are reported at net asset value (NAV).

(g) Capital Assets

Capital assets are carried at cost. An item is classified as an asset if the initial, individual cost is $5,000 or greater. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. In situations involving the construction of certain assets financed with the proceeds of tax-exempt borrowings, interest earned on related interest-bearing investments from such proceeds are offset against the related interest costs in determining the amount of interest to be capitalized. Capitalized interest totaled $44,112,350 in 2018 and $37,724,350 in 2017.

GASB Statement No. 51 *Accounting and Financial Reporting for Intangible Assets* provides that if there are no factors that limit the useful life of an intangible asset, the intangible asset is considered to have an indefinite useful life and should not be amortized. Certain air rights qualify as intangible assets as defined in GASB 51.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method commencing with the date of acquisition or, in the case of assets constructed, the date placed into service.

The estimated useful lives by major classification are as follows:

	Estimated useful lives (years)
Land improvements	10 – 25
Buildings and furnishings	3 – 25
Equipment	3 – 15
Utilities	5 – 25
Heliport	5 – 15

(h) Due from/Due to the City of New Orleans

Amounts recorded as due from and due to the City of New Orleans primarily relate to amounts paid by the City on behalf of the Airport. In addition, the City provides certain administrative services to the Airport. The cost of such services was $1,753,517 for the years ended December 31, 2018 and 2017, and is recorded in administrative expenses in the Statements of Revenues, Expenses, and Changes in Net Position.

(i) Restricted Assets

Restricted assets include investments required to be maintained for debt service, capital additions and contingencies, operations and maintenance, and escrow under the indentures of the revenue and refunding bonds, as well as investments to be used for the construction of capital improvements. Restricted assets also include receivables related to passenger and customer facility charges and grants.

(j) Long-term Debt

Long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as expense in the year of debt issuance. Bonded debt premiums, discounts, and gains (loss) or refunding are deferred and amortized over the life of the bonds using the effective interest method. Bond payable is reported net of the applicable bond premium or discount. Gains (losses) on refunding are reported as deferred outflows/inflows of resources.

In conjunction with bonds issued in 2018, 2015, 2009, and 2007 insurance was purchased which guarantees the payment of bond principal and interest and expires with the final principal and interest payment on the bonds. The insurance costs were capitalized at the dates of issuance and are being amortized over the life of the bonds. During 2017, the Series 2007 and Series 2009 bonds were fully and partially refunded, respectively, by the Series 2017 series bonds described in Note 7. During 2018, the Series 2009 CFC Bonds were fully refunded by the Series 2018 CFC Bonds. Insurance costs related to refunded Series 2007, Series 2009, and CFC Series 2009 bonds became fully amortized upon refunding.

(k) Revenue Recognition

Landing and airfield fees, terminal building, rental building, and leased areas rentals are recorded as revenues during the year in which earned. All signatory airlines pay signatory airline rates and charges according to the 2016 use and lease agreement. The rates for 2018 and 2017 are as follows:

	2018	2017
Terminal building rental rates (per sq. ft.)	$ 64.88	$ 74.62
Landing fee rate (per 1,000 lbs.)	0.17	1.13
Apron use fee rate (per sq. ft.)	0.62	1.20
Loading bridge use fee (per bridge)	10,855	10,265
Enplaned passenger use fee (per passenger)	6.57	6.22

Under the terms of the agreement, these rates are subject to a year-end settlement. The Airport is required to use its best efforts such that within the later of (i) one hundred twenty (120) days following the close of each fiscal year or (ii) within sixty (60) days of receipt of audited financial statements, rates for rentals, fees, and charges for the preceding fiscal year shall be recalculated using available financial data and the methods. For the fiscal years ended December 31, 2018 and 2017, the Airport's final rate structure varied from the rates in effect during the year.

(l) Passenger Facility Charges

On June 1, 1993, the Airport began imposing, upon approval of the Federal Aviation Administration (the FAA), a $3.00 Passenger Facility Charge (PFC) on each passenger enplaned at the Airport. On April 1, 2002, the FAA approved an increase in the amount of this fee to $4.50. As of December 31, 2018, the Airport is authorized to collect up to $965,553,986 of PFC revenue of which $427,464,523 has been collected. PFC revenues are pledged to secure the 2010A PFC Revenue Bonds and 2010B Gulf Opportunity Zone, which funded construction of preapproved capital projects and redeemed a prior Series of PFC Bonds. As of December 31, 2018, the legal expiration date and projected expiration date on PFC revenue collection is September 1, 2043 and June 1, 2035, respectively.

(m) Customer Facility Charges

On November 1, 2008, the Airport began imposing a $5.50 Customer Facility Charge (CFC) on a per transaction day basis to all the On-Airport Rental Car Companies. On May 13, 2009, the Board approved an increase in the CFC charge to $6.20 which became effective June 1, 2009. On May 19, 2016, the Board approved an increase from $6.20 to $7.95 which became effective July 1, 2016. CFC revenues are pledged to secure the Series 2018 Gulf Opportunity Zone CFC Revenue Refunding Bonds, which were issued to refund the Series 2009 Gulf Opportunity Zone CFC Revenue Bonds, which were originally issued to fund constriction of the Consolidated Rental Car Facility (CONRAC) garage.

(n) Federal Financial Assistance

The Airport receives financial assistance for costs of construction and improvements to airport facilities through grants from the FAA. The Airport is on the reimbursement basis for funds received for financial assistance.

(o) Vacation and Sick Leave

All full-time classified employees of the Airport hired prior to January 1, 1979 are permitted to accrue a maximum of 90 days of vacation (annual leave) and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Employees hired after December 31, 1978 can accrue a maximum of 45 days annual leave and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Upon termination of employment, an employee is paid for their accrued annual leave based on their current hourly rate of pay and for their accrued sick leave on a formula basis. If termination is the result of retirement, the employee has the option of converting their accrued annual and sick leave to additional pension credits. Annual leave and sick leave liabilities are accrued when incurred.

(p) Statements of Cash Flows

For purposes of the statements of cash flows, cash and cash equivalents include unrestricted and restricted cash, consisting primarily of cash in banks and on deposit.

(q) Net Position

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and decreased by deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

Restricted net position reflects net position when there are limitations imposed on a net position's use by external parties such as creditors, grantors, laws, or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. The government's policy is to consider restricted net position to have been depleted before unrestricted net position is applied when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Unrestricted net position is the balance of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

(r) Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The deferred charge on refunding reported on the statements of net position results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows and outflows have been recognized for the net difference between the project and actual investment earnings, this amount is deferred and amortized over a period of five years. In addition, deferred inflows and outflows have been recognized for the differences between the actuarial expectation and the actual economic experience and changes in proportion and difference between the employer's contributions and the proportionate share of contributions related to the defined benefit pension plan. These amounts are deferred and amortized over the average of tbe expected service lives of pension plan members. See Note 9 for additional information on deferred inflows and outflows related to the pension plan.

(s) Pension

The Airport funds all or part of the accrued pension cost, depending on the resources that are available at the time of contribution, for its contributory pension plan which covers substantially all employees. Annual costs are actuarially computed using the entry age normal cost method.

(t) Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. This reclassification had no effect on previously reported change in net position.

(u) Current Year Adoption of New Accounting Standard and Restatement of Net Position

The Airport adopted GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* ("GASB 75"). The net effect to the Airport's Statement of Net Position for the year that resulted from the adoption of GASB 75 is as follows:

Previously reported net position as of December 31, 2017	$	491,951,249
Adjustment as a result of the implementation of GASB Statement No. 75		(6,381,710)
Net position as of December 31, 2017, as restated	$	485,569,539

Other post-employment benefits expense for the year ended December 31, 2017 is not restated and the disclosures for other post-employment benefits in Note 10 are not comparative because detailed information for the year ended December 31, 2017 is not available. The actuarial valuation performed under GASB Statement No. 75 is for the most recent fiscal year only.

(2) Cash and Investments

Included in the Airport's cash balances are amounts deposited with commercial banks in interest bearing and noninterest bearing demand accounts. The commercial bank balances of cash and cash equivalents total \$20,893,193 and \$10,198,645 at December 31, 2018 and 2017, respectively. The commercial bank balances are entirely insured by federal depository insurance or by collateral held by the financial institution in the Airport's name.

The Airport is authorized to invest in securities as described in its investment policy, in each bond resolution and state statue. As of December 31, 2018 and 2017, the Airport held the following investments as categorized below:

Investment Maturities at December 31, 2018

Investment type	Less than 1 year	1 to 5 Years	Total
U.S. government obligations	$ 61,950,732	$ 62,232,307	$ 124,183,039
U.S. agency obligations	-	11,641,099	11,641,099
Local government investment pool	52,047,168	-	52,047,168
Money market funds	325,029,982	-	325,029,982
	$ 439,027,882	$ 73,873,406	$ 512,901,288

Investment Maturities at December 31, 2017

Investment type	Less than 1 year	1 to 5 Years	Total
U.S. government obligations	$ 388,483,840	$ 27,034,189	$ 415,518,029
U.S. agency obligations	22,546,186	8,597,230	31,143,416
Local government investment pool	42,864,088	-	42,864,088
Money market funds	233,957,389	-	233,957,389
	$ 687,851,503	$ 35,631,419	$ 723,482,922

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, investments are generally held to maturity. The Airport's investment policy requires the investment portfolio to be structured to provide sufficient liquidity to pay obligations as they come due.

To the extent possible, investment maturities are matched with known cash needs and anticipated cash flow requirements. Additionally, maturity limitations for investments related to the issuance of debt are outlined in the Bond Resolution relating to the specific bond issue.

Credit Risk: The Airport's general investment policy applies the prudent-person rule:

Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. Airport policy limits investments to the highest credit rating category of Standard & Poor's (S&P). Funds can only be invested in money market funds rated AAAm, AAm, or AAAm-G by S&P.

In accordance with the Airport's investment policy and bond resolutions, the assets shall be invested in the following:

- Direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States.
- Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America.
- Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities, which are federally sponsored.

Custodial Credit Risk: For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Airport will not be able to recover the values of its investments or collateral securities that are in the possession of an outside party. All of the Airport's investments are either held in the name of the Airport or held in trust under the Airport's name.

Concentration of Credit Risk: The Airport's investments are not subject to a concentration of credit risk.

LAMP Investment: Unrestricted and restricted investments of $48,756,525 and $3,290,643, respectively, at December 31, 2018 and $39,123,506 and $3,740,582, respectively, at December 31, 2017 are invested in LAMP. LAMP is considered to be an external investment pool administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local Louisiana government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

The following facts are relevant for LAMP:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable.

For purposes of determining participants' shares, investments are valued at fair value. The fair value of the participant's position is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

(3) Fair Value Measurement

A summary of the Airport's investments along with the Fair value hierarchy levels of each type of investment is as follows:

		Fair Value Hierarchy		
	Total at December 31, 2018	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level:				
U.S. government obligations	$ 124,183,039	$ -	$ 124,183,039	$ -
U.S. agency obligations	11,641,099	-	11,641,099	-
Total investments at Fair Value Level	135,824,138	$ -	$ 135,824,138	$ -
Investment measured at net asset value (NAV):				
Money market funds	325,029,982			
LAMP	52,047,168			
Total investments at NAV	377,077,150			
Total investments	$ 512,901,288			

	Total at December 31, 2017	Fair Value Hierarchy: Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level:				
U.S. government obligations	$ 415,518,029	$ -	$ 415,518,029	$ -
U.S. agency obligations	31,143,416	-	31,143,416	-
Total investments at Fair Value Level	446,661,445	$ -	$ 446,661,445	$ -
Investment measured at net asset value (NAV):				
Money market funds	233,957,389			
LAMP	42,864,088			
Total investments at NAV	276,821,477			
Total investments	$ 723,482,922			

There are no unfunded commitments at December 31, 2018 and 2017.

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investments classified in Level 3 of the fair value hierarchy are valued using unobservable inputs and are not directly corroborated with market data.

(4) Accounts Receivable

Accounts receivable as of December 31 consist of the following:

	2018	2017
Due (to) from tenants	$ 2,869,317	$ 5,183,842
Parking garage	3,676,385	3,099,849
Other	6,372	-
	6,552,074	8,283,691
Less: allowance for doubtful accounts	(311,867)	(518,353)
	$ 6,240,207	$ 7,765,338

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)
Notes to Financial Statements
December 31, 2018 and 2017

(5) Summary of Restricted Assets

Assets restricted for specific purposes in accordance with bond indentures and other legal restrictions are composed of the following at December 31, 2018 and 2017:

2018	Debt service fund	Debt service reserve fund	Capitalized Interest	Coverage account	Ineligible sub-account	Operations and maintenance reserve fund	Capital Improvement fund	GARB Restricted	Receipts fund	Rollover fund	PFC collect	CFC collect	Bond costs	Parking Facility Reserve	Receivables	Total
Assets:																
Cash and certificates of deposits	$ 112,738	516,441	170,148	-	-	-	-	2,018,610	-	-	158	206,264	-	-	-	$ 3,024,359
Dreyfus Treasury Prime Cash Management	21,300,564	18,357,260	26,767,134	1,949,312	938	8,267,994	124,158,291	110,528,537	700,241	3,290,643	-	21,133,249	646,242	-	-	337,100,405
JPM U.S. Treasury and U.S. money market fund	-	82,081,458	-	-	-	-	-	-	-	-	-	-	-	1,123,719	-	83,205,177
Passenger facility charges receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,540,682	3,540,682
Capital grant receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,931,000	10,931,000
ATF grant receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,767,589	4,767,589
Transportation Security Admin grant receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,645,343	2,645,343
Customer facility charges receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,522,686	2,522,686
	$ 21,413,302	100,955,159	26,937,282	1,949,312	938	8,267,994	124,158,291	112,547,147	700,241	3,290,643	158	21,339,513	646,242	1,123,719	24,407,300	$ 447,737,241

2017	Debt service fund	Debt service reserve fund	Capitalized Interest	Coverage account	Ineligible sub-account	Operations and maintenance reserve fund	Capital Improvement fund	GARB Restricted	Receipts fund	Rollover fund	PFC collect	CFC collect	Bond costs	Parking Facility Reserve	Receivables	Total
Cash and certificates of deposits	$ 743	362,328	103,562	-	-	-	108,948	(107)	1,947	-	911,618	4,983,836	-	-	-	$ 6,472,875
Dreyfus Treasury Prime Cash Management	19,376,456	5,128,973	76,467	1,931,268	676,448	8,189,225	103,305,293	79,296,104	1,115,896	3,740,582	-	10,262,272	834,189	-	-	234,333,218
JPM U.S. Treasury and U.S. money market fund	-	93,905,300	70,199,155	-	-	-	-	243,233,622	-	-	-	-	-	1,106,102	-	408,444,179
Passenger facility charges receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,748,352	2,748,352
Capital grant receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,430,709	20,430,709
ATF grant receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,302,428	1,302,428
Transportation Security Admin grant receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,501,090	3,501,090
Customer facility charges receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,287,582	1,287,582
	$ 19,777,239	99,396,606	70,379,184	1,931,268	676,448	8,189,225	103,414,241	322,529,619	1,117,843	3,740,582	911,618	15,246,108	834,189	1,106,102	29,270,161	$ 678,520,433

(6) Capital Assets

Capital assets include assets acquired with the Airport's own funds as well as those acquired through resources externally restricted for capital acquisition. A summary of changes in capital assets for the years ended December 31, 2018 and 2017 is as follows:

	Balance December 31, 2017	Additions during year	Deletions/ transfers during year	Balance December 31, 2018
Capital assets not being depreciated:				
Land	$ 77,979,721	$ -	$ -	$ 77,979,721
Air rights	22,282,449	-	-	22,282,449
Construction in progress	670,634,717	365,222,417	(1,148,223)	1,034,708,911
Total capital assets not being depreciated	770,896,887	365,222,417	(1,148,223)	1,134,971,081
Capital assets being depreciated:				
Land improvements	505,321,935	-	-	505,321,935
Buildings and furnishings	420,819,569	148,789	-	420,968,358
Equipment	9,933,857	830,403	-	10,764,260
Computers	1,190,327	169,035	-	1,359,362
Utilities	53,412,775	-	-	53,412,775
Heliport	3,074,179	-	-	3,074,179
Total capital assets being depreciated	993,752,642	1,148,227	-	994,900,869
Total capital assets	1,764,649,529	366,370,644	(1,148,223)	2,129,871,950
Less accumulated depreciation:				
Land improvements	325,565,648	16,973,512	-	342,539,160
Buildings and furnishings	360,454,665	11,652,659	-	372,107,324
Equipment	8,158,457	428,465	-	8,586,922
Computers	914,927	130,721	-	1,045,648
Utilities	12,432,397	2,150,908	-	14,583,305
Heliport	3,073,991	188	-	3,074,179
Total accumulated depreciation	710,600,085	31,336,453	-	741,936,538
Total capital assets, net	$ 1,054,049,444	$ 335,034,191	$ (1,148,223)	$ 1,387,935,412

	Balance December 31, 2016	Additions during year	transfers during year	Balance December 31, 2017
Capital assets not being depreciated:				
Land	$ 77,979,721	$ -	$ -	$ 77,979,721
Air rights	22,282,449	-	-	22,282,449
Construction in progress	344,286,873	327,509,132	(1,161,288)	670,634,717
Total capital assets not being depreciated	444,549,043	327,509,132	(1,161,288)	770,896,887
Capital assets being depreciated:				
Land improvements	505,321,935	-	-	505,321,935
Buildings and furnishings	420,118,023	701,546	-	420,819,569
Equipment	9,474,115	459,742	-	9,933,857
Computers	1,190,327	-	-	1,190,327
Utilities	53,412,775	-	-	53,412,775
Heliport	3,074,179	-	-	3,074,179
Total capital assets being depreciated	992,591,354	1,161,288	-	993,752,642
Total capital assets	1,437,140,397	328,670,420	(1,161,288)	1,764,649,529
Less accumulated depreciation:				
Land improvements	307,634,702	17,930,946	-	325,565,648
Buildings and furnishings	347,097,663	13,357,002	-	360,454,665
Equipment	7,724,326	434,131	-	8,158,457
Computers	807,621	107,306	-	914,927
Utilities	10,281,496	2,150,901	-	12,432,397
Heliport	3,073,712	279	-	3,073,991
Total accumulated depreciation	676,619,520	33,980,565	-	710,600,085
Total capital assets, net	$ 760,520,877	$ 294,689,855	$ (1,161,288)	$ 1,054,049,444

Depreciation expense is $31,336,453 and $33,980,565 for the year ended December 31, 2018 and 2017, respectively.

Construction in progress is composed of the following at December 31, 2018:

Description	December 31, 2018	Remaining commitments at 2018
Airfield Lighting Vault	$ 134,084,314	$ 27,406,504
Airside Development	4,662,482	16,804,783
Southside Development	-	-
Landside Development	7,918,150	119,653,401
New Terminal Development	631,991,153	104,247,005
Expansion Taxiway Gulf Phase 1	1,707,966	830,231
NAVAIDS Project	27,687,043	-
Cargo Road Repairs	-	-
Fuel Consortium	2,449,681	-
Jetblue Gate Relocation	31,904	-
Loading Bridges	1,971,906	412,203
LTDP-Hotel Development	8,017	2,178
Stormwater Pump Station	31,856,647	-
Miscellaneous Projects	3,905,451	4,716,940
Roadways Development	125,967,973	4,716,202
Parking - Structures	43,127,046	-
Parking - Surface	9,632,893	1,397,568
Parking - Circulation Bridge	1,570,999	-
Roadways Aberdeen	3,478,518	289,561
Southside Redevelopment	715,306	4,939,473
Workforce Development	1,941,462	133,567
Total	$ 1,034,708,911	$ 285,549,616

(7) Long-term Debt

Long-term debt activity for the years ended December 31, 2018 and 2017 was as follows:

Long-Term Debt	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018	Principal due within one year
Bonds Payable:					
Series 2009A-1 Revenue Refunding bonds, fixed interest rate January 1, 2023 at 4.25% final maturity	16,705,000	-	(8,150,000)	8,555,000	8,555,000

Long-Term Debt	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018	Principal due within one year
Bonds Payable, (continued):					
Series 2009A-2 Revenue Refunding bonds, fixed interest rate January 1, 2023 at 4.25% final maturity	$ 5,210,000	$ -	$ (2,540,000)	$ 2,670,000	$ 2,670,000
Series 2009A GO ZONE CFC Revenue bonds, fixed interest rate; January 1, 2040 at 4.625% final maturity; Refunded in 2018	91,270,000	-	(91,270,000)	-	-
Series 2010A GO ZONE PFC Revenue Bonds, fixed interest rate, January 1, 2041 at 4.25% final maturity	52,355,000	-	-	52,355,000	-
Series 2010B GO ZONE PFC Revenue Bonds, fixed interest rate, January 1, 2038 at 5.125% final maturity	1,285,000	-	-	1,285,000	-
Series 2015A Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	54,590,000	-	-	54,590,000	-
Series 2015B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	510,735,000	-	-	510,735,000	-
Series 2017A Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	100,010,000	-	-	100,010,000	-
Series 2017B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	219,390,000	-	-	219,390,000	-
Series 2017C Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2023 at 2.949% final maturity	46,995,000	-	-	46,995,000	-
Series 2017D-1 Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2020 at 5.0% final maturity	4,150,000	-	-	4,150,000	1,615,000
Series 2017D-2 Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	50,145,000	-	-	50,145,000	2,145,000
Series 2018 Go Zone CFC Bonds Revenue Refunding Bonds, fixed interest rate ranging from 4% - 5% ; January 1, 2040	-	82,565,000	-	82,565,000	-

Long-Term Debt	Balance December 31, 2017	Additions	Deductions	Balance December 31, 2018	Principal due within one year
	$ 1,152,840,000	$ 82,565,000	$ (101,960,000)	$ 1,133,445,000	$ 14,985,000
Unamortized discount on bonds	(2,250,898)	(339,421)	1,839,335	(750,984)	-
Unamortized premium on bonds	93,320,563	7,227,050	(4,744,352)	95,803,261	-
	1,243,909,665	89,452,629	(104,865,017)	1,228,497,277	14,985,000
Loans Payable:					
2017 Revenue Interim Drawdown Note; variable interest rate of 65.001% of one-month ICE LIBOR plus 0.79% final maturity of October 1, 2022	516,010	54,306,167	-	54,822,177	-
	516,010	54,306,167	-	54,822,177	
	$ 1,244,425,675	$ 143,758,796	$ (104,865,017)	$ 1,283,319,454	$ 14,985,000

Long-term debt activity for the years ended December 31, 2017 and 2016 was as follows:

Long-Term Debt	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017	Principal due within one year
Bonds Payable:					
Series 2007A Revenue Bonds, fixed interest rate January 1, 2038 at 4.25% final maturity	$ 56,715,000	$ -	$ (56,715,000)	$ -	$ -
Series 2007B-1 Revenue Refunding Bonds, fixed interest rate January 1, 2020 at 4.25% final maturity	4,295,000	-	(4,295,000)	-	-
Series 2007B-2 Revenue Refunding Bonds, fixed interest rate January 1, 2019 at 4.25% final maturity	4,970,000	-	(4,970,000)	-	-
Series 2009A-1 Revenue Refunding bonds, fixed interest rate January 1, 2023 at 4.25% final maturity	63,810,000	-	(47,105,000)	16,705,000	7,800,000

Long-Term Debt	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017	Principal due within one year
Bonds Payable, (continued):					
Series 2009A-2 Revenue Refunding bonds, fixed interest rate January 1, 2023 at 4.25% final maturity	$ 19,890,000	$ -	$ (14,680,000)	$ 5,210,000	$ 2,890,000
Series 2009A GO ZONE CFC Revenue bonds, fixed interest rate; January 1, 2040 at 4.625% final maturity	93,100,000	-	(1,830,000)	91,270,000	1,925,000
Series 2010A GO ZONE PFC Revenue Bonds, fixed interest rate, January 1, 2041 at 4.25% final maturity	52,355,000	-	-	52,355,000	-
Series 2010B GO ZONE PFC Revenue Bonds, fixed interest rate, January 1, 2038 at 5.125% final maturity	1,285,000	-	-	1,285,000	-
Series 2015A Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	54,590,000	-	-	54,590,000	-
Series 2015B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	510,735,000	-	-	510,735,000	-
Series 2017A Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	-	100,010,000	-	100,010,000	-
Series 2017B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	-	219,390,000	-	219,390,000	-
Series 2017C Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2023 at 2.949% final maturity	-	46,995,000	-	46,995,000	-
Series 2017D-1 Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2020 at 5.0% final maturity	-	4,150,000	-	4,150,000	-
Series 2017D-2 Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	-	50,145,000	-	50,145,000	-

Long-Term Debt	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017	Principal due within one year
	$ 861,745,000	$ 420,690,000	$ (129,595,000)	$ 1,152,840,000	$ 12,615,000
Unamortized discount on bonds	(2,670,986)	-	420,088	(2,250,898)	-
Unamortized premium on bonds	57,908,521	39,759,613	(4,347,571)	93,320,563	-
	916,982,535	460,449,613	(133,522,483)	1,243,909,665	12,615,000
Loans Payable:					
2017 Revenue Interim Drawdown Note; variable interest rate of 65.001% of one-month ICE LIBOR plus 0.79% final maturity of October 1, 2022	-	516,010	-	516,010	-
Go Zone fixed interest rate, August 1, 2025 at 4.64% final maturity	13,362,367	-	(13,362,367)	-	-
	13,362,367	516,010	(13,362,367)	516,010	
	$ 930,344,902	$ 460,965,623	$ (146,884,850)	$ 1,244,425,675	$ 12,615,000

Debt service requirements to maturity for all outstanding bonds and loans are as follows:

	Interest	Principal	Total
Bonds Payable:			
December 31:			
2019	$ 54,908,138	$ 14,985,000	$ 81,228,139
2020	55,442,134	20,220,000	75,922,134
2021	54,701,844	18,575,000	73,556,844
2022	53,720,728	74,017,177	128,052,905
2023	51,759,375	31,110,000	70,679,375
2024-2028	242,736,325	121,350,000	364,086,325
2029-2033	207,096,191	161,830,000	368,926,191
2034-2038	160,816,097	217,830,000	378,646,097
2039-2043	98,647,963	266,420,000	365,067,963
2044-2048	36,172,477	261,930,000	298,102,477
	$ 1,016,001,272	$ 1,188,267,177	$ 2,204,268,449

In 2018, the Airport issued $82,565,000 of New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Refunding Bonds, Series 2018 with an original issue premium and discount of $7,227,050 and $339,421, respectively. The purpose of the issue was to advance refund the outstanding balance of the Gulf Opportunity Zone CFC Revenue Bonds, Series 2009A in the amount of $89,345,000. The refunding was entered into for the reason of future interest savings. As a result of the advance refunding, gross debt service payments through January 1, 2040 were reduced by $21,452,793 with an estimated economic gain of $18,508,000. The deferred loss on defeasance in the amount of $2,287,192 will be amortized over the shorter of the life of the refunded or refunding bonds. The unamortized loss is included in deferred loss on advance refunding on the statements of net position.

In 2017, the Airport issued $46,995,000, $4,150,000, and $50,145,000 of New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017C, 2017D-1, and 2017D-2, respectively. The purpose of the issue was to provide sufficient funds to refund $62,450,000 of the Airport's Revenue and Revenue Refunding Bonds, Series 2007 and $51,555,000 of Airport's Revenue Refunding Bonds, Series 2009. The refunding left an outstanding amount of $21,915,000 in the Series 2009 bonds at the date of refunding. The refunding was entered into for the reason of future interest savings. The Airport advance refunded the bonds to reduce total gross debt service payments through January 1, 2038 by $21,534,272 with a total estimated economic gain of $7,541,456. The deferred loss on defeasance in the amount of $17,366,394 will be amortized over the shorter of the life of the refunded or refunding bonds. The unamortized loss is included in deferred loss on advance refunding on the statements of net position.

Issued Bond Series	**Series 2017C**	**Series 2017D1**	**Series 2017D2**
Refunded Bond Series	Series 2009 Refunding	Series 2007 PFC	Series 2007 PFC
Prior Net Cash Flow	$ 64,462,380	$ 4,712,005	$ 89,771,027
Refunding Debt Service	52,150,085	4,534,386	80,726,669
Difference in Cash Flow	12,312,295	177,619	9,044,358
Net Present Value Savings	2,600,417	190,347	4,750,692

At December 31, 2018 the amount of defeased debt still outstanding for Series 2009A-1 and Series 2009A-2 is $39,305,000 and $12,250,000, respectively, with $53,101,650 held in escrow. At December 31, 2018 the amount of defeased debt still outstanding for Series 2009A CFC bonds is $89,345,000, with $91,826,999 held in escrow.

The Board received approval for participation in the Gulf Tax Credit Bonds Program (Go Zone Tax Credit Bonds) sponsored by the State of Louisiana in an amount not exceeding $36,000,000. The Airport was approved for $35,371,990 for an interest free period of 60 months. On August 1, 2006, Hancock Bank as escrow trustee for the State of Louisiana with respect to its GO Zone Tax Credit Bonds Program transferred to the Trustee the amount of $10,242,550 to be used to pay the August 2, 2006 debt service on the bonds and related interest rate swap payments. Hancock Bank transferred an additional $25,129,440 in debt service between August 2006 and July 2008 which brought the loan to the approval amount of $35,371,990. The Go Zone Tax Credit Bonds were retired during the year ended December 31, 2017.

In October 2017, the Airport closed on a $75 million drawdown credit facility. The facility is designed to cover approximately $61 million in North Terminal program costs intended to be reimbursed from funding sources that are not expected to be available until after the construction costs are incurred. The estimated future reimbursement sources include: (a) approximately $36.6 million in PFCs previously approved for projects in the existing terminal that are expected to be approved by the FAA for the North Terminal through an amendment to the original PFC application and (b) approximately $25 million in state highway grants to be received by the City of New Orleans for airport roadway costs.

(8) Capital Contributions and Transfers

Capital contributions recorded by the Airport represent amounts received from the federal government to finance the cost of construction of airport facilities. During the year ended December 31, 2018, the FAA contributed $25,961,708, the ATF contributed $17,999,950, and the TSA contributed $5,064,514. During the year ended December 31, 2017, the FAA contributed $23,865,874, the ATF contributed $779,867, and the TSA contributed $5,134,387.

(9) Pension Plan

Plan Descriptions

Employees and officers of the Airport are eligible for membership in the Employees' Retirement System of the City of New Orleans (the Plan), a defined benefit retirement plan. A separate financial report on the plan for the year ended December 31, 2018 and 2017 are available from the City of New Orleans Director of Finance, 1300 Perdido Street, Room 1E12, New Orleans, Louisiana 70112, (504) 658-1850.

The Plan is a Defined Benefit Pension Plan established under the laws of the State of Louisiana. The City Charter provided that the Retirement Ordinance (Chapter 114 of the Code) continues to govern and control the Retirement System under the management of the Board of Trustees (the Board), and also for changes in the Retirement System by council action, subject to certain limitations for the purpose of providing retirement allowances, death, and disability benefits to all officers and employees of the parish, except those officers and employees who are already or may hereafter be included in the benefits of any other pension or retirement system of the city, the state or any political subdivision of the state.

The Plan became operative on July 1, 1947. It is supported by joint contributions of the City and employee members and income from investments. The City makes contributions for members during active service as well as for periods of service of members employed prior to July 1, 1947. In this way, reserves are accumulated from the city and employee contributions.

The general administration and the responsibility for the proper operation of the Retirement System and for making effective the provisions of the Retirement Ordinance are vested in the Board of Trustees of the Retirement System.

Funding Policy

Employee Contributions

4% of earnable compensation over $1,200 per year. Effective June 1, 2002, $1,200 removed. Effective January 1, 2012, the rate is 5% and effective January 1, 2013, the rate is 6%.

Employer Contributions

Certain percentage of earnable compensation of each member, known as "normal contributions," determined on the basis of regular interest and mortality tables adopted by the Board, and additional percentage of earnable compensation, known as "Accrued Liability contributions," determined by actuary on basis of the amortization period adopted by the Board of Trustee from time to time. Actual contributions by the Airport were approximate 23.4% and 23.0% of covered payroll for the years ended December 31, 2018 and 2017, respectively.

Benefits Provided

Retirement

Under the System, employees with 30 years of service, or who attain age 60 with 10 years of service, or age 65 and 5 years of service are entitled to a retirement allowance. Effective January 1, 2002, any member whose age and service total 80 may retire with no age reduction. The benefits to retirees consist of the following:

1. An annuity, which is the actuarial equivalent of the employee's accumulated contribution; plus

2. Effective for members retiring on or after January 1, 2002, an annual pension, which, together with above annuity, provides total retirement allowance equal to 2.5% of average compensation times first 25 years, plus 4% of average compensation times creditable service over 25 years.

3. Effective for members retiring before 2002, but on or after January 1, 1983, an annual pension, which, together with above annuity, provides total retirement allowance equal to 2% of average compensation times first 10 years, plus 2 1/2% of average compensation times next 10 years, plus 3% of average compensation times next 10 years, plus 4% of average compensation times creditable service over 30 years.

4. Effective January 1, 1983, additional pension equal to 2% of $1,200 times first 10 years, plus 2 1/2% of $1,200 times next 10 years, plus 3% of $1,200 times next 10 years, plus 4% of $1,200 times service over 30 years. Ceases at 62 or at eligibility for Social Security, whichever comes first. Effective January 1, 2002, the $1,200 exclusion will not apply.

5. Additional pension for member who reaches age 65 with 20 or more years and the retirement allowance under (1) and (2) above is less than $1,200 per year; to produce total retirement allowance of $1,200 per year.

6. Effective January 1, 1982, for service retirement prior to age 62 with less than 30 years of Service, (3) and (4) above are reduced by 3% for each year below 62. However, effective January 1, 1996, this reduction is not made if employee has at least 30 years of service. Effective January 1, 2002, no reduction if age and service total at least 8 0.

7. Maximum Benefit: Benefit not to be greater than 100% of average compensation, unless member has already accrued a larger benefit as of April 1978.
8. Minimum Benefit: Effective June 1, 1999, benefit of $300 per month for retirees with 10 years of service at retirement.

9. Form of Benefit: Modified cash refund annuity - If a member dies after retirement and before receiving the amount of his accumulated contributions in annuity payments, then the lump sum balance of his contributions is paid to beneficiary.

10. Cost-of-Living: Board of Trustees retains excess over average 3 1/2% interest earnings to provide Cost-of-Living increases in benefits to retirees (past or future) not to exceed 3% of original benefit per each year of retirement. Effective January 1, 2001, additional one-time increase of 1 % times member's or beneficiary's current monthly benefit times whole calendar years from date benefit commenced.

Deferred Retirement Option Program (DROP)

Effective January 1, 1994, any member who is eligible for a service retirement under Section 114-201(a) may participate in the DROP program. A member can participate for up to five years. When a member joins the DROP, he stops contributing to and earning benefits in the system. Employer contributions also stop. His retirement benefit begins being paid into his DROP account.

1. Interest is earned on the DROP account at an annual rate set by the Board. Members of the DROP receive cost-of-living increases, as if they would have received such raises as a retiree.

2. Upon termination of employment at the end of the specified period of DROP participation, the DROP account is paid out. After his DROP period ends and upon continued or re-employment, the member may resume contributions and earn a supplemental benefit based on current covered compensation.

3. If at the end of a members' period of DROP participation he does not terminate employment, payments into DROP shall cease and no further interest shall be earned or credited to the account. Payments shall not be made until employment is terminated

Net Pension Liability

The Airport's Net Pension Liability of $21,889,235 and $14,838,531 were measured as of December 31, 2018 and 2017. The Total Pension Liability used to calculate the Net Pension Liability was also determined as of that date.

The following schedule lists the Airport's proportionate share of the Net Pension Liability allocated by the pension plan for based on the December 31, 2018 measurement date. The Airport uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2018 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at December 31, 2018 along with the change compared to December 31, 2017 rate. The Airport's proportion of the Net Pension Liability was based on a projection of the City of New Orleans' long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at December 31, 2018	Rate at December 31, 2018	Increase (Decrease) to December 31, 2017 Rate
Employees' Retirement System of the City of New Orleans	$ 21,889,235	7.4806%	1.1627%

	Net Pension Liability at December 31, 2017	Rate at December 31, 2017	Increase (Decrease) to December 31, 2016 Rate
Employees' Retirement System of the City of New Orleans	$ 14,838,531	6.3179%	(0.6411%)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended December 31, 2018 and 2017, the Airport will recognize a Pension Expense of $5,613,253 and $2,096,679, respectively, in payroll related expense on the statements of revenues, expenses, and changes in net position.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Notes to Financial Statements

December 31, 2018 and 2017

On December 31, 2018 and 2017, the Airport reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	December 31, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,930,786	$ 285,149
Net difference between projected and actual earnings on pension plan investments	2,010,907	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,032,808	1,008,890
Total	$ 8,974,501	$ 1,294,039

	December 31, 2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,637,363	$ 295,123
Net difference between projected and actual earnings on pension plan investments	-	255,143
Changes in proportion and differences between employer contributions and proportionate share of contributions	364,929	1,182,471
Total	$ 4,002,292	$ 1,732,737

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

2019	$ 2,380,597
2020	1,779,344
2021	1,834,819
2022	1,274,553
2023	419,562
2024	(8,413)
2025	-
	$ 7,680,462

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2018 and 2017, using the following actuarial assumptions:

	Employees' Retirement System
Valuation date	December 31, 2017 and 2016
Actuary cost method	Entry age normal
Actuarial assumption:	
Expected remaining service live	8 years
Investment rate of return	7.50%, net of investment expense
Inflation rate	2.50%
Mortality	RP 2000 Group Annuity Mortality Table
Salary increases	5.00%
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the pension trust funds and includes previously granted cost of living increases. The present values do not include previsions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are development for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Trust Fund's current and expected asset allocation as of December 31, 2018 are summarized in the following table:

	Employees' Retirement System		
Asset Class	Target Asset Allocation	Long-term expected portfolio real rate of return	Weighted Rate of Return
Cash equivalents	2.00%	1.41%	0.03%
Equity securities	58.00%	6.79%	3.94%
Fixed income	25.00%	2.65%	0.66%
Real Estate	5.00%	4.08%	0.20%
Other alternative investments	10.00%	7.37%	0.74%
Inflation			2.50%
Expected arithmetic nominal rate			5.57%

Discount Rate

The discount rate used to measure the total pension liability was 7.5% for the Employees' Retirement System for 2018. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that the plan's contributions will be made at rates equal to the difference between actuarially determined contribution rate sand the member rate. Based on those assumptions, the Employees' Retirement System pension trust funds' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2018 and 2017, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expenses, was 5.57 % and 8.52%, respectively for the Employees' Retirement System.

Sensitivity of the Net Pension Liability to Change in the Discount Rate

The following presents the net pension liability of the Airport as of December 31, 2018 and 2017, calculated using the discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate.

Net pension liability		1% Decrease 6.50%		Current Discount Rate 7.50%		1% Increase 8.50%
December 31, 2018	$	28,045,695	$	21,889,235	$	17,773,823
December 31, 2017		19,053,368		14,838,531		11,667,841

Payables to the Plan

The Airport recorded accrued liabilities of $292,396 and $292,212 to the Plan for the year ended December 31, 2018 and 2017, respectively, mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables.

Schedule of Louis Armstrong New Orleans International Airport's Proportionate Share of the Net Pension Liability

	For the Year Ended December 31		
	2018	2017	2016
Employer's Proportion of the Net Pension Liability (Asset)	7.4806%	6.3179%	6.9590%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 21,889,235	$ 14,838,531	$ 17,778,160
Employer's Covered Payroll	$ 9,614,757	$ 7,632,578	$ 8,037,960
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	227.66%	194.41%	221.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.55%	64.66%	58.06%

(10) Other Post-Employment Benefits

Plan description – The Airport provides certain continuing health care and life insurance benefits for its retired employees through the City of New Orleans. The City of New Orleans's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust.

The City-Parish OPEB Plan is a single-employer defined benefit plan. The OPEB plan does not issue a stand-alone financial report.

Benefits Provided – Medical benefits are provided through a self-insured comprehensive health benefit program. Full details are contained in the official plan documents. Medical benefits are provided to employees upon actual retirement (that is, at the end of the DROP period, if applicable) according to the retirement eligibility provisions of the System by which the employee is covered. Most Airport employees are covered by The Employees' Retirement System of the City of New Orleans (NOMERS). The maximum DROP period is five years. Retirement (DROP entry) eligibility is as follows: the earliest of 30 years of service at any age; age 60 and 10 years of service; age 65 and 20 years of service; or, satisfaction of the "Rule of 80" (age plus service equals or exceeds 80).

Employees covered by benefit terms – At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	*(1)*	-
Inactive employees entitled to but not yet receiving benefit payments		-
Active employees		166
		166

(1) There is a total of 1,553 inactive employees or beneficiaries currently receiving benefit payments under the OPEB plan. These inactive employees are not specifically identified as the Airport's inactive employees.

The Airport's portion of the annual premium base is paid by the City on behalf of the Airport. The contributions by the City for the year ended December 31, 2018 is estimated to be approximately $383,000.

Total OPEB Liability

The Airport's proportional share (3.89%) of the total OPEB liability of $5,627,011 was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2018. The proportion of the total OPEB liability was based on a percentage of payroll of active employees of the Airport in proportion to total payroll of active employees for all participating employers. There was no change to the Airport's proportionate share since the prior measurement period.

Actuarial Assumptions and other inputs -- The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.44% annually (Beginning of Year to Determine ADC)
	4.10%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of December 31, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 to December 31, 2018.

Changes in the Total OPEB Liability

Balance at December 31, 2017	$ 6,381,710
Changes for the year:	
Service cost	91,236
Interest	212,949
Differences between expected and actual experience	(209,788)
Changes in assumptions	(466,422)
Benefit payments and net transfers	(382,674)
Net changes	(754,699)
Balance at December 31, 2018	$ 5,627,011

Sensitivity of the total OPEB liability to changes in the discount rate -- The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current discount rate:

	1.0% Decrease (3.10%)	**Current Discount Rate (4.10%)**	**1.0% Increase (5.10%)**
Total OPEB liability	$ 6,343,048	$ 5,627,011	$ 5,029,285

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	$ 5,011,729	$ 5,627,011	$ 6,358,596

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Airport recognized its proportionate share (3.89%) of OPEB expense of $259,103. At December 31, 2018, the Airport reported proportionate share (3.89%) of deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (195,802)
Changes in assumptions		(435,326)
Total	$ -	$ (631,128)

(11) Rentals under Operating Leases

The Airport leases space in its terminal to various airlines, concessionaires, and others. These leases are for varying periods ranging from one to ten years and require the payment of minimum annual rentals. On January 1, 2009, an Airline Lease and Use Agreement went into effect with all Signatory airlines paying signatory airlines rates and charges in accordance with the lease agreement.

The Airport parking garage facility (the "Facility") was constructed on land leased by a 501(c) 3 nonprofit corporation (the Corporation) from the Airport pursuant to a parking garage ground lease (the "ground lease") dated January 1, 2001. The commencement date as defined in the ground lease went into effect January 1, 2002, and the ground rental term began. In accordance with the ground lease, the Corporation was required to design, finance, construct, and operate the Facility. The Facility was financed by the Corporation with $39.4 million of tax-exempt bonds which was refinanced in 2012. The bonds are not an obligation of the Airport. The initial term of the ground lease is ten years with three renewal periods of ten years at the option of the Corporation. During the term of the ground lease, the Corporation will pay the Airport $10,624 a month plus percentage rent of 6.0% of gross revenues generated from the Facility in excess of $7.0 million per year plus net cash flow rent, as defined in the ground lease.

The payment of rent is subject to a minimum annual guarantee payment, as defined in the ground lease. The fixed rent shall increase by 3.0% per annum, effective on the first day of each lease year during the term. The 2018 monthly ground rent was $17,049 and 2017 monthly ground rent was $16,552.

The following is a schedule by year of aggregate future minimum rentals receivable on noncancelable operating leases as of December 31, 2018:

2019	$	52,836,196
2020		55,095,381
2021		54,988,638
2022		45,814,130
2023		45,132,819
2024 and thereafter		49,646,209
	$	303,513,373

These amounts do not include contingent rentals which may be received under most of the leases; such contingent rentals, including month-to-month concession agreements, amounted to $4,912,345 in 2018 and $3,914,635 in 2017.

(12) Commitments and Contingencies

(a) Self-Insurance

The Airport is insured for hospitalization and unemployment losses and claims under the City of New Orleans' self-insurance program. The Airport pays premiums to the City of New Orleans' unemployment self-insurance program, and the Airport and its employees pay premiums to the City of New Orleans' hospitalization self-insurance program. Amounts paid to the City by the Airport totaled $1,649,519 and $1,514,750 for the years ended December 31, 2018 and 2017.

(b) Commitments

In the normal course of business, the Airport enters into various commitments and contingent liabilities, such as construction contracts and service agreements, which are not reflected in the accompanying financial statements.

(c) Claims and Judgments

There are several pending lawsuits in which the Airport is involved. Based upon review and evaluation of such lawsuits and the advice of legal counsel, management does not believe that the ultimate outcome of such litigation will be material to the Airport's financial position.

(d) Federal Financial Assistance

The Airport participates in a number of federal financial assistance programs. Although the grant programs have been audited through December 31, 2018 in accordance with the Single Audit Act of 1996, these programs are still subject to financial and compliance audits by governmental agencies.

(13) Recent Accounting Pronouncements

GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. This is a significant change in accounting principles and may impact the net position of the Airport. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Therefore, as applicable, the Airport will implement this guidance in 2020.

(14) Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 28, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability
Last 10 Years*

	2018	2017	2016	2015	2014
Employer's proportion of the net pension liability	7.4806%	6.3179%	6.9590%	6.7349%	6.7349%
Employer's proportionate share of the net pension liability	$ 21,889,235	$ 14,838,531	$ 17,778,160	$ 15,058,503	$ 11,410,715
Employer's covered payroll	$ 9,614,821	$ 7,632,578	$ 8,037,960	$ 7,118,288	$ 6,549,317
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	227.66%	194.41%	221.18%	211.55%	174.23%
Plan fiduciary net position as a percentage of the total pension liability	55.55%	62.22%	58.06%	60.26%	68.64%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Required Supplementary Information

Schedule of Contributions to Defined Benefit Plan
Last 10 Years*

	2018	2017	2016	2015	2014
Contractually required contribution	$ 2,095,713	$ 1,716,570	$ 1,900,122	$ 1,511,811	$ 1,784,790
Contributions in related to the contractually required contributions	(2,249,395)	(1,761,937)	(1,666,973)	(1,603,282)	(1,533,954)
Contribution deficiency (excess)	$ (153,682)	$ (45,367)	$ 233,149	$ (91,471)	$ 250,836
Employers' covered payroll	$ 9,614,821	$ 7,632,578	$ 8,037,960	$ 7,118,288	$ 6,549,317
Contributions a a percentage of covered payroll	23.40%	23.08%	20.74%	22.52%	23.42%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Required Supplementary Information

Schedule of Proportionate Share of the Total OPEB Liability
Last 10 Years*

	2018
Airport's proportion of the total OPEB liability	3.89%
Airport's porportionate share of the total OPEB liability	5,627,011
Covered payroll	$ 9,982,277
Airport's proportionate share of total OPEB liability	56.37%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Years*

		2018
Total OPEB liability		
Service cost	$	91,236
Interest		212,949
Change in benefit terms		
Differences between expected and actual experience		(209,788)
Change s of assumptions or other inputs		(466,422)
Benefit payments		(382,674)
Net change in total OPEB liability		(754,699)
Total OPEB liability - beginning		6,381,710
Total OPEB liability - ending	$	5,627,011
Covered payroll	$	9,982,277
Total OPEB liability as a percentage of covered payroll		56.37%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule:
- Information is presented using measurement date which is the same as the fiscal year end.
- No assets are accumulated in a trust to pay related benefits.
- Benefit Changes: There were no changes of benefit terms for the year ended December 31, 2018.
- Changes of Assumptions or other inputs: Changes of assumptions and other inputs reflect the changes in the discount rate each period. The following are the discount rates used in each period:

End of FY2018: 4.10%

Beginning of FY2018: 3.44%

Schedule 1

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Supplemental Schedule of Investments

Year ended December 31, 2018

Description	Year Aquired	Maturity date	Book value	Fair value
Unrestricted investments:				
Special Receipts:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2007	N/A	$ 2,518,171	$ 2,518,171
JPM U.S. Treasury Plus				
Investments				
The Bank of New York Mellon	2009	N/A	935,878	935,878
			3,454,049	3,454,049
City of New Orleans:				
LAMP - Sales Tax/General Purpose	2003	N/A	48,756,120	48,756,120
LAMP - Revolving			399	399
LAMP - Use & Lease General Purpose	2011	N/A	9	9
			48,756,528	48,756,528
New Orleans Aviation Board:				
Whitney Custody Account			40,385,129	40,385,129
Total unrestricted investments			92,595,706	92,595,706
Restricted investments:				
City of New Orleans:				
LAMP - Rollover Coverage	2009	N/A	3,290,642	3,290,642
CIF-Parking Facility Loan:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2010	N/A	1,123,719	1,123,719
Debt Service Fund:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2008	N/A	30,950,035	30,950,035
Debt Service Reserve Fund:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	18,357,260	18,357,260
JPM U.S. Treasury Plus				
Investments				
The Bank of New York Mellon	2009	N/A	82,081,458	82,081,458
			100,438,718	100,438,718
Capitalized Interest:				
JPM U.S. Treasury Plus				
Investments				
The Bank of New York Mellon	2015	N/A	17,117,663	17,117,663

Schedule 1

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)
Supplemental Schedule of Investments
Year ended December 31, 2018

Description	Year Acquired	Maturity date	Book value	Fair value
Ineligible Sub-Account:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	938	938
Operations and Maintenance:				
Reserve fund:				
JPM U.S. Treasury Plus				
Cash Management				
The Bank of New York Mellon	2009	N/A	8,267,994	8,267,994
Receipts Fund:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2007	N/A	671,947	671,947
CFC Restricted:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2010	N/A	23,728,803	23,728,803
Time Reimbursement:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	1,167,465	1,167,465
Project Account:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	34,172,905	34,172,905
PFC Restricted:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	88,817,921	88,817,921
GARB Restricted:				
JPM U.S. Treasury Plus				
Investments				
The Bank of New York Mellon	2015	N/A	110,528,538	110,528,538
Vendor Payment:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2015	N/A	28,294	28,294
Total restricted investments			420,305,582	420,305,582
Total all investments			$ 512,901,288	$ 512,901,288

See accompanying independent auditors' report.

(Concluded)

Schedule 2

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Supplemental Schedule of Operating Revenues and Expenses by Area of Activity

Year ended December 31, 2018

	Airfield	Terminal buildings	Ground transportation	Total
Operating revenues	$ 5,834,937	$ 63,321,415	$ 4,250,908	$ 73,407,260
Direct expenses	3,688,095	14,548,576	1,272,718	19,509,389
Operating revenues, less direct expenses	2,146,842	48,772,839	2,978,190	53,897,871
Depreciation of cost center assets	18,867,010	10,037,534	226,023	29,130,567
Operating revenues, less direct expenses and depreciation	$ (16,720,168)	$ 38,735,305	$ 2,752,167	24,767,304
Other operating expenses:				
Depreciation of non-cost center assets				2,205,886
Administrative less transfers to work in progress				30,982,118
Total other operating expenses				33,188,004
Operating loss				$ (8,420,700)

See accompanying independent auditors' report.

Schedule 3

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

(A Proprietary Component Unit of the City of New Orleans)

Supplemental Schedule of Historical Debt Service Coverage Ratio as Required under the General Revenue Bond Trust Indenture Dated February 1, 2009

Year ended December 31, 2018

(Unaudited)

Revenues:		
Airline rentals and landing fees	$	27,406,081
Other operating revenues		46,001,179
Nonoperating revenues		4,638,628
Transferred PFCs		6,474,750
Rollover coverage		3,290,643
Total revenues		87,811,281
Less expenses:		
Operation and maintenance expenses		50,491,507
Net revenues	$	37,319,774
Debt service fund requirement:		
Principal payments	$	14,985,000
Interest expense		4,490,434
Total debt service fund requirement	$	19,475,434
Historical debt service coverage ratio		1.92

See accompanying independent auditors' report.

(1) Basis of Accounting

The accompanying supplemental schedule has been prepared in accordance with the General Revenue Bond Trust Indenture dated February 1, 2009. The supplemental schedule excludes certain revenues and expenses as defined in the trust indenture.

(2) Rollover Coverage

The Airport annually approves Rollover Coverage, in which the funds are transferred monthly, in ratable portions of the total, to the NOAB Rollover Coverage Account held by the City of New Orleans, and then transferred to the airport operating account, held by the City of New Orleans.

Schedule 4

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Schedule of Compensation, Benefits, and Other Payments to the Director of Aviation

Year ended December 31, 2018

Director of Aviation

Purpose	Kevin Dolliole
Salary	$ 285,707
Benefits-insurance contribution	74
Benefits-retirement contribution	66,463
Benefits-Medicare, Social Security, Workman's Compensation	21,270
Travel*	11,361
Conference registration fees*	5,207
Reimbursements*	-

* All Director of Aviation travel, including per diem, lodging, and registration fees associated therewith, are approved at New Orleans Aviation Board public meetings. All reimbursements were for parking charges to attend off-airport meetings. The Director of Aviation charges to the Airport credit card are approved at New Orleans Aviation Board public meetings and the expense report is publically posted on the Airport website at http://flymsy.com/transparentMSY with detail for each expense.

See accompanying independent auditors' report.

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APPENDIX G

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$23,800,000
NEW ORLEANS AVIATION BOARD
GENERAL AIRPORT REVENUE REFUNDING BONDS
(GULF OPPORTUNITY ZONE PROJECTS)
SERIES 2019 (NON-AMT)

This Continuing Disclosure Certificate (the "**Disclosure Certificate**") is executed and delivered by the New Orleans Aviation Board (the "**Issuer**"), in connection with the issuance of the above-captioned bonds (the "**Bonds**"). The Bonds are being issued pursuant to the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the "**General Indenture**"), among the Issuer, The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**") and the City of New Orleans, Louisiana (the "**City**"), as supplemented and amended by a First Supplemental Trust Indenture dated as of February 1, 2009 (the "**First Supplemental Indenture**"), a Second Supplemental Trust Indenture dated as of March 1, 2015 (the "**Second Supplemental Indenture**"), a Third Supplemental Trust Indenture dated as of May 1, 2017 (the "**Third Supplemental Indenture**"), a Fourth Supplemental Trust Indenture dated as of October 1, 2017 (the "**Fourth Supplemental Indenture**"), and a Fifth Supplemental Trust Indenture dated as of December 1, 2019 (the "**Fifth Supplemental Indenture**" and, together with the General Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, Third Supplemental Indenture, and Fourth Supplemental Indenture, the "**Indenture**"), each among the Issuer, the Trustee and the City, and are described in that certain Official Statement dated December 9, 2019 which contains certain information concerning the Issuer, the security for the Bonds and certain financial and other information relating thereto. The Issuer covenants and agrees as follows:

SECTION 1. ***Purpose of the Disclosure Certificate.***

(a) This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriters in complying with subsection (b)(5) of the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Certificate shall be deemed to be and shall constitute a contract between the Issuer and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Issuer shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

SECTION 2. ***Definitions.*** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings.

"**Annual Report**" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"**Audited Financial Report**" shall mean the Issuer's Comprehensive Annual Financial Report (CAFR).

"**Beneficial Owner**" shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"**Bondholders**" when used with reference to a Bond or Bonds, shall mean the registered owner of any Outstanding Bond or Bonds.

"**Dissemination Agent**" shall mean the Deputy Director and Chief Financial Officer of the Issuer, or Dissemination Agent designated by the Issuer.

"**EMMA**" shall mean the Electronic Municipal Market Access system of the MSRB. As of the date of this Disclosure Certificate, the EMMA Internet Web site address is http://www.emma.msrb.org.

"**GAAP**" shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time.

"**Issuer**" shall mean the New Orleans Aviation Board.

"**Listed Events**" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"**MSRB**" shall mean the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the single centralized repository for the collection and availability of continuing disclosure documents for purpose of the Rule. The continuing disclosure documents must be provided to the MSRB in searchable portable document format (PDF) to the following:

Municipal Securities Rulemaking Board

Electronic Municipal Market Access Center

www.emma.msrb.org

"**1934 Act**" shall mean the Securities Exchange Act of 1934, as amended.

"**Official Statement**" shall mean the Official Statement with respect to the Bonds dated December 9, 2019.

"**Participating Underwriter**" shall mean any of the original Underwriters of the Bonds required to comply with the Rule in connection with the primary offering of the Bonds.

"**Rule**" shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

"**SEC**" shall mean the Securities and Exchange Commission.

"**Securities Counsel**" shall mean legal counsel expert in federal securities law.

SECTION 3. ***Provision of Annual Reports.***

(a) Each year, the Issuer shall provide, or shall cause the Dissemination Agent to provide, not later than August 31 of each year, commencing August 31, 2020, to the MSRB an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send a notice, in a timely manner, to the MSRB, in substantially the form attached as Exhibit A.

(c) If the Issuer's fiscal year changes, the Issuer shall send written notice of such change to the MSRB, in substantially the form attached as Exhibit B.

(d) The Dissemination Agent shall, if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

(e) In connection with providing the Annual Report, the Dissemination Agent (if other than the Issuer) is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the Annual Report for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

SECTION 4. ***Content of Annual Reports.*** The Annual Report shall contain or incorporate by reference the following:

(a) The Audited Financial Statements of the Issuer for its fiscal year immediately preceding the due date of the Annual Report. The audited financial statements of the Issuer shall not include any supplemental financial statements of the Issuer. Any supplemental financial statements of the Issuer shall be filed by the Issuer pursuant to Section 10 hereof, upon receipt by the Issuer of such supplemental financial statements, if any.

(b) Basis of accounting used by the Issuer in reporting its financial statements. The Issuer follows GAAP principles and mandated Louisiana statutory accounting requirements as in effect from time to time. In the event of any material change in such requirements the impact of such changes will be described in the Annual Report of the year such change occurs.

(c) Updates of the following tables in the Official Statement which are under the following captions (such tables will be presented in the same format presented in the Official Statement):

MSY and U.S. System Enplanements
Historical Enplanements by Carrier
Commercial Aircraft Landed Weight at Airport
Total Aircraft Landed Weight by Fiscal Year
Historic Airport Revenues and Expenses
Summary of Revenues and Expenses
Outstanding Debt
Future Debt

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer which have been submitted to the MSRB. If the document incorporated by reference is a deemed final official statement, it shall be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

The Issuer's financial statements shall be audited and prepared in accordance with GAAP with such changes as may be required from time to time in accordance with the laws of the State of Louisiana.

The Issuer reserves the right to cross-reference any or all such annual financial information and operating data to other documents to be provided to the MSRB.

The Issuer reserves the right to modify, from time to time, the specific types of information provided or the format of the presentations of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided however, that the Issuer agrees that any modifications will be made consistent with Section 9.

SECTION 5. ***Reporting of Significant Events.***

(a) The Issuer covenants to provide, or cause to be provided, to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence of the event. Each notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) modifications to rights of Bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of property securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership, or similar event of the Issuer[1];

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and/or

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation[2] of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation[2] of the Issuer, any of which affect Bondholders; or

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation[2] of the Issuer, any of which reflect financial difficulties.

(b) In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the Issuer), solely in its capacity as such, is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

[1] For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing government body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction or substantially all of the assets or business of the Issuer.

[2] For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the Aviation Board intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

(c) The Issuer acknowledges that the "rating changes" referred to above in Section 5(a)(11) of this Disclosure Certificate may include, without limitation, any change in any rating on the Bonds or other indebtedness issued under the General Indenture.

(d) The Issuer acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Issuer does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

(e) As of the date of this Disclosure Certificate, the Listed Events described in subsections (a)(5) and (a)(10) is not applicable to the Bonds.

SECTION 6. ***Mandatory Electronic Filing with EMMA.*** All filings with the MSRB under this Disclosure Certificate shall be made by electronically transmitting such filings through the EMMA Dataport at http://www.emma.msrb.org as provided by the amendments to the Rule adopted by the SEC in Securities Exchange Release No. 59062 on December 5, 2008.

SECTION 7. ***Termination of Reporting Obligation.***

(a) The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance of the Bonds or the prior redemption or payment in full of all of the Bonds.

(b) This Disclosure Certificate, or any provision hereof, shall be null and void in the event that the Issuer (i) receives an opinion of Securities Counsel, addressed to the Issuer, to the effect that those portions of the Rule, which require such provisions of this Disclosure Certificate, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) files notice to such effect with the MSRB.

SECTION 8. ***Dissemination Agent.*** The Issuer, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Deputy Director and Chief Financial Officer. Except as otherwise provided in this Disclosure Certificate, the Dissemination Agent (if other than the Issuer) shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate.

SECTION 9. ***Amendment; Waiver.***

(a) Notwithstanding any other provision of this Disclosure Certificate, this Disclosure Certificate may be amended, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(1) if the amendment or waiver relates to the provisions of Section 3(a), (b), (c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Issuer or the type of business conducted by the Issuer;

(2) this Disclosure Certificate, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Certificate, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Disclosure Certificate, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 4 of this Disclosure Certificate, the Annual Report for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be filed by the Issuer, or the Dissemination Agent (if other than the Issuer) at the written direction of the Issuer with the MSRB.

SECTION 10. ***Additional Information.*** Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. ***Failure to Comply.*** In the event of a failure of the Issuer or the Dissemination Agent (if other than the Issuer) to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Issuer or the Dissemination Agent (if other than the Issuer) under this Disclosure Certificate, but no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Disclosure Certificate shall not constitute a default with respect to the Bonds or under the Indenture authorizing the issuance of the Bonds.

SECTION 12. ***Duties of Dissemination Agent.*** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 13. ***Beneficiaries.*** This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

SECTION 14. ***Transmission of Information and Notices.*** Unless otherwise required by law or this Disclosure Certificate, and, in the sole determination of the Issuer or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the Issuer or the Dissemination Agent, as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein designated recipients of such information and notices.

SECTION 15. ***Additional Disclosure Obligations.*** The Issuer acknowledges and understands that other state and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the Issuer, and that under some circumstances, compliance with this Disclosure Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the Issuer under such laws.

SECTION 16. ***Governing Law.*** This Disclosure Certificate shall be construed and interpreted in accordance with the laws of the State of Louisiana, and any suits and actions arising out of this Disclosure Certificate shall be instituted in a court of competent jurisdiction in the State of Louisiana. Notwithstanding the foregoing, to the extent this Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Disclosure Certificate shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

IN FAITH WHEREOF, the undersigned has executed this Continuing Disclosure Certificate on this, the 30th day of December, 2019.

NEW ORLEANS AVIATION BOARD

By: ______________________________________
Hon. Michael G. Bagneris, Chairman

EXHIBIT A

NOTICE TO REPOSITORIES OF

FAILURE TO FILE ANNUAL REPORT

$23,800,000
NEW ORLEANS AVIATION BOARD
GENERAL AIRPORT REVENUE REFUNDING BONDS
(GULF OPPORTUNITY ZONE PROJECTS)
SERIES 2019 (NON-AMT)

NOTICE IS HEREBY GIVEN that the New Orleans Aviation Board (the "**Issuer**"), has not provided an Annual Report as required by Section 3 of the Continuing Disclosure Certificate with respect to the above captioned bonds. The Issuer anticipates that its Annual Report will be filed by ______________.

Date: ___________________

NEW ORLEANS AVIATION BOARD

By: ______________________________________
Name: ______________________________________
Title: ______________________________________

EXHIBIT B

NOTICE OF CHANGE IN ISSUER'S FISCAL YEAR

Name of Obligated Person: New Orleans Aviation Board

Name of Bond Issue: $23,800,000 New Orleans Aviation Board General Airport Revenue Refunding Bonds (Gulf Opportunity Zone Projects) Series 2019 (Non-AMT)

Date of Bonds: ____________, 2019

NOTICE IS HEREBY GIVEN that the fiscal year of the New Orleans Aviation Board (the "Issuer") changed. Previously, the Issuer's fiscal year ended on ____________________. It now ends on ____________________.

NEW ORLEANS AVIATION BOARD

By: ____________________________________
Name: ____________________________________
Title: ____________________________________

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APPENDIX H
BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be delivered for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating on DTC of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by the Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns

Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent, on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, nor its nominee, the Paying Agent or the Aviation Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the Paying Agent; disbursement of such payments to Direct Participants shall be the responsibility of DTC; and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Paying Agent. Under such circumstances, in the event that a successor depository is not named, Bonds are required to be printed and delivered.

The Aviation Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry only system has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Paying Agent or the Aviation Board.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement, it should be understood that while the Bonds are in the book-entry only system, references in other sections of this Official Statement to Registered Owners should be read to include the person for which the Direct Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised though DTC and the book-entry only system, and (ii) except as described above, notices that are to be given to Registered Owners under the Indenture will be given only to DTC.

THE AVIATION BOARD, THE TRUSTEE AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN BONDS, OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE BONDS AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE AVIATION BOARD, THE TRUSTEE NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL

REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Provisions Applicable if Book Entry Only System is Terminated

In the event the Bonds are removed from the Book-Entry Only System, the principal of and the interest on the Bonds shall be payable to the person in whose names the Bonds are registered on the Bond Register on the applicable Record Date. Payments of interest on the Bonds shall be made to the Registered Owners of the Bonds (as determined at the close of business on the Record Date next preceding the applicable Interest Payment Date) by check drawn upon the Trustee and mailed by first class as they appear on the Bond Registrar or to such other address as may be furnished in writing by any Registered Owner to the Trustee prior to the applicable Record Date. The principal amount of any Bond and premium, if any, together with interest payable on any bond payment date (other than interest payable on a regularly scheduled Interest Payment Date) will be made by check only upon presentation and surrender of the Bond on or after its maturity date or the date fixed for purchase, redemption or other payment at the office of the Trustee designated by the Trustee for that purpose. Notwithstanding the foregoing, payment of principal of, premium, if any, and interest on any Bond shall be made by wire transfer to any account within the United States of America designated by a Bondholder owning $1,000,000 or more in aggregate principal amount of Bonds (if requested in writing of the Trustee by such Bondholder not less than five (5) days prior to the applicable Interest Payment Date and if such Bondholder otherwise complies with the reasonable requirements of the Trustee). A request for wire transfer may specify that it is effective unless and until rescinded in writing by the Bondholder at least five (5) days prior to the Record Date for the first bond payment date to which such rescission is designated to apply. If interest on the Bonds is in default, the Trustee shall, prior to payment of interest, establish a special record date ("Special Record Date") for such payment, which Special Record Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment. Payment of such defaulted interest shall then be made by check or wire transfer, as described above, mailed or remitted to the person in whose names the Bonds are registered on the Special Record Date at the addresses or accounts of such persons shown on the Bond Register.

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NEW ORLEANS AVIATION BOARD • GENERAL AIRPORT REVENUE REFUNDING BONDS (GULF OPPORTUNITY ZONE PROJECTS) SERIES 2019 (NON-AMT)

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