OFFICIAL STATEMENT DATED SEPTEMBER 23, 2015

NEW ISSUES
FULL BOOK-ENTRY

Ratings: See "RATINGS" herein.

$520,055,000
WAYNE COUNTY AIRPORT AUTHORITY
Airport Revenue Bonds
(Detroit Metropolitan Wayne County Airport), Series 2015D-G

consisting of:

$213,330,000
Airport Revenue Bonds
Series 2015D (Non-AMT)

$7,755,000
Airport Revenue Bonds
Series 2015E (AMT)

$224,155,000
Airport Revenue Refunding Bonds
Series 2015F (AMT)

$74,815,000
Airport Revenue Refunding Bonds
Series 2015G (Non-AMT)

Dated: Date of Delivery

Due: December 1, as shown on the inside cover page

The Wayne County Airport Authority (the "Authority") is issuing the Series 2015D-G Bonds (as defined herein) pursuant to its Master Bond Ordinance and the Series 2015 Ordinance (each as defined herein) to provide funds, together with other available funds, to (i) with respect to the Series 2015D Bonds and the Series 2015E Bonds (each as defined herein), pay all or portions of the costs of acquiring, constructing and installing the Series 2015 Projects (as defined herein), (ii) with respect to the Series 2015F Refunding Bonds and the Series 2015G Refunding Bonds (each as defined herein), to provide funds to refund all of the Refunded Bonds and all or a portion of the Series 2001A Hotel Bonds (each as defined herein), (iii) make a deposit to the Bond Reserve Account (as defined herein), (iv) pay capitalized interest on a portion of the Series 2015D Bonds and the Series 2015E Bonds, and (v) pay costs of issuance of the Series 2015D-G Bonds. The Series 2015D-G Bonds are revenue obligations of the Authority payable from the Net Revenues derived by the Authority from the operation of the Detroit Metropolitan Wayne County Airport (the "Airport"). U.S. Bank National Association is trustee (the "Trustee") under the Master Bond Ordinance.

The Series 2015D-G Bonds are issuable as fully registered bonds in denominations of $5,000 or any integral multiple thereof. Interest on the Series 2015D-G Bonds is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2016, until maturity or prior redemption. **The Series 2015D-G Bonds will be subject to optional, mandatory and extraordinary optional redemption prior to maturity in the manner and at the times set forth herein.**

For maturities, principal amounts, interest rates, yields and CUSIP numbers, see the inside cover page.

The Series 2015D-G Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"), to which principal, premium and interest payments will be made. DTC will act as securities depository for the Series 2015D-G Bonds. Purchasers of the Series 2015D-G Bonds will not receive certificates representing their purchased interests in the Series 2015D-G Bonds.

The scheduled payment of principal of and interest on the portion of the Series 2015D Bonds maturing on December 1 in the years 2032 (CUSIP No. 944514SS8[+]), 2040 (CUSIP No. 944514SY5[+]) and 2045 (CUSIP No. 944514SZ2[+]) (collectively, the "Insured Bonds"), when due, will be guaranteed under an insurance policy to be issued by **ASSURED GUARANTY MUNICIPAL CORP.** concurrently with the delivery of the Insured Bonds.

This cover page contains information for quick reference only. It is not a summary of this issue. Prospective purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision. See "INVESTMENT CONSIDERATIONS" for a discussion of certain factors that should be considered by prospective purchasers of the Series 2015D-G Bonds.

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C. ("Bond Counsel"), under existing law, and subject to the conditions described under the caption "TAX MATTERS" herein, (i) the interest on the Series 2015D Bonds and the Series 2015G Refunding Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) the interest on the Series 2015E Bonds and the Series 2015F Refunding Bonds is excludable from gross income for federal income tax purposes (except for any period when the Series 2015E Bonds or the Series 2015F Refunding Bonds, respectively, are held by a "substantial user" of the Airport or a person deemed "related" thereto (as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code")), and is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

With respect to corporations (as defined for federal income tax purposes), the interest on the Series 2015D-G Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporation.

Bond Counsel is also of the opinion that, under existing law, the Series 2015D-G Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. See "TAX MATTERS" herein.

The Series 2015D-G Bonds are offered when, as and if issued by the Authority and received by the Underwriters (as defined herein), subject to receipt of the approving legal opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Authority by its General Counsel and by Foley & Lardner LLP, Detroit, Michigan, and for the Underwriters by McGuireWoods LLP, Chicago, Illinois. Public Financial Management, Inc. and D+G Consulting Group, LLC have served as Financial Advisors to the Authority with regard to the issuance of the Series 2015D-G Bonds. It is expected that the Series 2015D-G Bonds, in book-entry form, will be available for delivery through DTC on or about October 15, 2015.

Citigroup **J.P. Morgan**

BofA Merrill Lynch **PNC Capital Markets LLC** **Loop Capital Markets**

Siebert Brandford Shank **Wells Fargo Securities**

September 23, 2015

MATURITIES, CUSIP NUMBERS+, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES

$213,330,000
SERIES 2015D BONDS (NON-AMT)

Maturity (December 1)	CUSIP No.+	Amount	Interest Rate	Price
2018	944514SC3	$ 100,000	3.00%	104.910%
2019	944514SD1	100,000	3.00	105.037
2020	944514SE9	100,000	4.00	109.341
2021	944514SF6	100,000	4.00	109.064
2022	944514SG4	100,000	4.00	108.578
2023	944514SH2	100,000	4.00	108.137
2024	944514SJ8	100,000	4.00	108.096
2025	944514SK5	100,000	4.00	107.859
2026	944514SL3	100,000	4.00	106.603*
2027	944514SM1	100,000	4.00	105.364*
2028	944514SN9	100,000	4.00	104.664*
2029	944514SP4	8,650,000	5.00	112.694*
2030	944514SQ2	9,085,000	5.00	111.969*
2031	944514SR0	9,540,000	5.00	111.250*
2032(1)	944514SS8	10,015,000	5.00	111.340*
2033	944514ST6	10,515,000	5.00	110.005*
2034	944514SU3	11,040,000	5.00	109.741*
2035	944514SV1	11,595,000	5.00	109.389*

$38,390,000 Term Bond Due December 1, 2040; Interest Rate: 5.00%; Price: 108.255%*, CUSIP No.: 944514SW9
$20,000,000 Insured Term Bond Due December 1, 2040; Interest Rate: 5.00%; Price: 109.477%*, CUSIP No.: 944514SY5
$73,400,000 Term Bond Due December 1, 2045; Interest Rate: 5.00%; Price: 107.651%*, CUSIP No.: 944514SX7
$10,000,000 Insured Term Bond Due December 1, 2045; Interest Rate: 5.00%; Price: 108.864%*, CUSIP No.: 944514SZ2

$7,755,000
SERIES 2015E BONDS (AMT)

Maturity (December 1)	CUSIP No.+	Amount	Interest Rate	Price
2038	944514TA6	$7,755,000	5.00%	105.693%*

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(1) Insured Serial Bonds.
* Priced to call on December 1, 2025.

$224,155,000
SERIES 2015F REFUNDING BONDS (AMT)

Maturity (December 1)	CUSIP No.+	Amount	Interest Rate	Price
2025	944514TB4	$19,800,000	5.00%	113.333%
2026	944514TC2	20,820,000	5.00	112.422*
2027	944514TD0	21,860,000	5.00	111.519*
2028	944514TE8	22,990,000	5.00	110.715*
2029	944514TF5	24,165,000	5.00	109.917*
2030	944514TG3	20,720,000	5.00	109.126*
2031	944514TH1	21,750,000	5.00	108.516*
2032	944514TJ7	22,850,000	5.00	107.996*
2033	944514TK4	23,995,000	5.00	107.565*
2034	944514TL2	25,205,000	5.00	107.222*

$74,815,000
SERIES 2015G REFUNDING BONDS (NON-AMT)

Maturity (December 1)	CUSIP No.+	Amount	Interest Rate	Price
2016	944514UE6	$ 500,000	2.00%	101.457%
2017	944514TM0	1,600,000	5.00	108.355
2018	944514TN8	2,000,000	5.00	111.010
2019	944514TP3	2,515,000	5.00	112.971
2020	944514TQ1	2,640,000	5.00	114.182
2021	944514TR9	2,770,000	5.00	114.731
2022	944514TS7	2,910,000	5.00	115.029
2023	944514TT5	3,055,000	5.00	115.340
2024	944514TU2	3,210,000	5.00	116.035
2025	944514TV0	3,370,000	5.00	116.497
2026	944514TW8	3,535,000	5.00	115.182*
2027	944514TX6	3,715,000	5.00	113.884*
2028	944514TY4	3,900,000	5.00	113.150*
2029	944514TZ1	4,095,000	5.00	112.694*
2030	944514UA4	4,300,000	5.00	111.969*
2031	944514UB2	4,515,000	5.00	111.250*
2032	944514UC0	4,740,000	5.00	110.448*
2033	944514UG1	4,975,000	5.00	110.005*
2034	944514UD8	5,225,000	5.00	109.741*
2035	944514UH9	5,485,000	5.00	109.389*
2036	944514UF3	5,760,000	5.00	109.039*

* Priced to call on December 1, 2025.

WAYNE COUNTY AIRPORT AUTHORITY
DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

AUTHORITY BOARD MEMBERS

Michael J. Jackson, Sr., Chairperson
Suzanne K. Hall, Vice Chairperson
Reginald M. Turner, Secretary*
Nabih H. Ayad
Irma Clark-Coleman
Michael Garavaglia
Ronald Hall, Jr.

AUTHORITY STAFF

Thomas J. Naughton	Chief Executive Officer
Terrence P. Teifer	Chief Financial Officer
Mark L. DeBeau	Senior Vice President – Public Safety
Jon Hypnar	Chief Operating Officer
Emily K. Neuberger	Senior Vice President and General Counsel
Margaret M. Basrai	Vice President – Controller
Sean P. Brosnan	Vice President – Airfield Operations and Maintenance
Arun Gulati	Vice President – Technology Services
Gale L. LaRoche	Vice President – Human Resources
Thomas J. McCarthy	Vice President – Capital Projects
Joseph Nardone	Vice President – Business Development and Real Estate
Samuel A. Nouhan	Vice President – Procurement
Istakur Rahman	Vice President – Internal Audit
Dina A. Reed	Vice President – Financial Planning and Analysis
Wayne G. Sieloff	Vice President – Planning and Strategy Management

FINANCIAL ADVISORS
Public Financial Management, Inc.
D+G Consulting Group, LLC

BOND COUNSEL
Miller, Canfield, Paddock and Stone, P.L.C.

AIRPORT CONSULTANT
Ricondo & Associates, Inc.

* On September 28, 2015, Board Member Reginald M. Turner submitted his resignation from the Authority Board. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT — Management of the Airport – *The Board*" herein, with respect to the appointment of Mr. Turner's successor.

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$520,055,000
WAYNE COUNTY AIRPORT AUTHORITY
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Airport Revenue Refunding Bonds
Series 2015G (Non-AMT)

INTRODUCTION

General

This Official Statement is furnished in order to set forth certain information in connection with the offering and sale by the Wayne County Airport Authority (the "Authority") of its $520,055,000 aggregate principal amount of Airport Revenue Bonds (Detroit Metropolitan Wayne County Airport), Series 2015D-G (the "Series 2015D-G Bonds"), consisting of $213,330,000 aggregate principal amount of Airport Revenue Bonds (Detroit Metropolitan Wayne County Airport), Series 2015D (the "Series 2015D Bonds"), $7,755,000 aggregate principal amount of Airport Revenue Bonds (Detroit Metropolitan Wayne County Airport), Series 2015E (the "Series 2015E Bonds"), $224,155,000 aggregate principal amount of Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2015F (the "Series 2015F Refunding Bonds"), and $74,815,000 aggregate principal amount of Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2015G (the "Series 2015G Refunding Bonds"). Unless otherwise indicated, capitalized terms used in this Official Statement have the meanings established in the Ordinance (as defined below). See APPENDIX C — "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE AND THE SERIES 2015 ORDINANCE — MASTER BOND ORDINANCE — Selected Definitions", and " — SERIES 2015 ORDINANCE — Selected Definitions." This Official Statement includes the cover page and Appendices hereto.

The Authority and the Airport

The Authority is a political subdivision and instrumentality of the Charter County of Wayne, Michigan (the "County"), created pursuant to that part of Act 327, Michigan Public Acts of 1945, as amended ("Act 327" or the "State Aeronautics Code"), known as the Public Airport Authority Act, Act 90, Michigan Public Acts of 2002 (the "Authority Act").

Under the Authority Act, the Authority has sole and exclusive operational jurisdiction of Detroit Metropolitan Wayne County Airport (the "Airport") and Willow Run Airport (together with the Airport, the "Airports"), which includes the exclusive right, responsibility and authority to occupy, operate, control and use the Airports and the Airports' facilities.

Pursuant to the Authority Act, the Authority is solely liable for all of the obligations with respect to the Airports, and is obligated to perform all of the duties, and is bound by all of the covenants, with respect to the Airports under any ordinances, agreements or other instruments and under law, with the exception of the County's pledge of its limited tax full faith and credit ("LTGO"), subject to constitutional, statutory and charter tax rate limitations, associated with the Airport Hotel Revenue Bonds (LTGO), Series 2001A (the "Series 2001A Hotel Bonds"), and the Airport Hotel Revenue Bonds (LTGO), Series 2001B (the "Series 2001B Hotel Bonds, and collectively with the Series 2001A Hotel Bonds, the "Hotel Bonds"), issued by the County. The Series 2001B Hotel Bonds were defeased as of August 3, 2015 from revenues of the Airport Hotel (as defined herein), and are no longer outstanding. The $99,630,000 aggregate principal amount of outstanding Series 2001A Hotel Bonds will be defeased from the proceeds of the Series 2015G Refunding Bonds and the Series 2015H Refunding Bonds (as defined below). See "– The Series 2015D-G Bonds" below and "PLAN OF REFUNDING – Refunding of the Series 2001A Hotel Bonds", with respect to the refunding of the outstanding Series 2001A Hotel Bonds.

Under the Authority Act, all airport revenue bonds issued by the Authority may be issued on a parity basis with the Outstanding Senior Lien Bonds (as defined herein) and Additional Bonds issued by the Authority under the Master Bond Ordinance (as defined herein), and secured by Net Revenues (as such term is defined in "— Security for the Series 2015D-G Bonds" below).

The County is the fee simple title holder of the primary real property at the Airports. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT -- Financial Condition of the County" herein for a discussion of the implications for the Authority and the Airports of the current financial challenges faced by the County.

As described in the 2014 Report of the Airport Consultant and Supplemental Letter (as defined herein), the primary air trade area for the Airport consists of the Ann Arbor Metropolitan Statistical Area ("MSA") (which includes Washtenaw County); the Detroit-Warren-Livonia MSA (which includes Lapeer, Livingston, Macomb, Oakland, St. Clair and Wayne Counties); the Flint MSA (which includes Genesee County); the Monroe MSA (which includes Monroe County); and the Adrian Micropolitan Statistical Area (which includes Lenawee County). This 10-county area (the "Air Trade Area") is located within the State of Michigan (the "State").

According to Airports Council International N.A. ("ACI") statistics, in calendar year 2014, the Airport ranked 17th nationwide in total passengers, enplaning and deplaning 32,513,555 passengers, an increase of approximately 0.4 percent over calendar year 2013. Also according to ACI statistics, in calendar year 2014, the Airport ranked 16th nationwide in total aircraft operations, with 392,635 takeoffs and landings, a decrease of approximately 7.8 percent as compared to calendar year 2013. The decrease in the number of aircraft operations is largely attributable to the ongoing retirement by Delta Air Lines, Inc. ("Delta") of the majority of its small (50 seats or less) regional jet fleet at the Airport and the replacement of such fleet with larger regional and mainline aircraft. For a further discussion of Delta's replacement of such aircraft at the Airport, see APPENDIX A – "2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER – SUPPLEMENTAL LETTER - Aircraft Operations and Average Seats per Departure."

For the Authority's Operating Year 2014 (i.e., the twelve months commencing October 1, 2013 and ending on September 30, 2014), enplaned passengers at the Airport totaled 16,216,673, an increase of approximately 0.9 percent as compared to Operating Year 2013. Also, the number of total domestic enplaned passengers at the Airport increased approximately 0.6 percent in Operating Year 2014, while total international enplaned passengers increased approximately 3.7 percent. Based upon nine months of Authority data for Operating Year 2015, total enplanements at the Airport have increased 0.4 percent, as compared to the same period in Operating Year 2014.

The Airport currently provides air service from two terminal buildings: the Edward H. McNamara Terminal (the "McNamara Terminal" or the "South Terminal") which serves Delta, its affiliated regional carriers (the "Delta Connection Carriers") and Delta's other Sky Team partners, and the North Terminal which serves air carriers not affiliated with Delta. The Airport currently operates with four parallel and two crosswind runways.

Delta maintains one of its busiest connecting hubs and an international gateway at the Airport. Delta and the Delta Connection Carriers accounted for approximately 77.8% of the total enplaned passengers at the Airport in Operating Year 2014. See "INVESTMENT CONSIDERATIONS — Delta's Presence at the Airport" below.

The Series 2015D-G Bonds

The Authority is issuing the Series 2015D-G Bonds pursuant to the provisions of the State Aeronautics Code and Act 94, Public Acts of Michigan, 1933, as amended ("Act 94," and together with the State Aeronautics Code, the "Act"), the Master Airport Revenue Bond Ordinance adopted by the Board of the Authority (the "Board" or the "Authority Board") on September 26, 2003, as amended (the "Master Bond Ordinance"), the Series 2015 Ordinance adopted by the Board on July 15, 2015 (the "Series 2015 Ordinance") and the Sale Order of the Chief Executive Officer or Chief Financial Officer of the Authority dated September 23, 2015 relating to the Series 2015D-G Bonds (the "Sale Order," and, collectively with the Master Bond Ordinance and the Series 2015 Ordinance, the "Ordinance").

Prior to the issuance of the Series 2015D-G Bonds, on September 21, 2015, the Authority issued its Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2015A, the Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2015B and the Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2015C (collectively, the "Series 2015ABC Bonds"). The Series 2015ABC Bonds were sold pursuant to three direct placements with financial institutions, in an aggregate principal amount of $185,640,000. On September 21, 2015, a portion of the proceeds of the Series 2015ABC Bonds was used to redeem a portion of the Authority's Outstanding Airport Revenue Bonds (Detroit Metropolitan Wayne County Airport), Series 2005 (the "Series 2005 Bonds"), and the remaining portion of the proceeds of the Series 2015ABC Bonds was used to defease a portion of the Series 2005 Bonds. The Series 2015F Refunding Bonds will refund the callable portion of the Series 2005 Bonds not refunded with the Series 2015ABC Bonds. In addition, the Series 2005 Bonds maturing on December 1, 2015 will be defeased on the delivery date of the Series 2015D-G Bonds from available funds of the Authority. Following the issuance of the Series 2015D-G Bonds, no Series 2005 Bonds will remain Outstanding. See "PLAN OF REFUNDING – Refunding of the Refunded Bonds" and "AIRPORT FINANCIAL INFORMATION – Direct Placements" below.

The Series 2015G Refunding Bonds will refund a portion of the outstanding Series 2001A Hotel Bonds. Simultaneously with the issuance of the Series 2015G Refunding Bonds, the Authority will issue $23,125,000 principal amount of its Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2015H (the "Series 2015H Refunding Bonds") pursuant to a private placement with a financial institution to refund the balance of the outstanding Series 2001A Hotel Bonds. Following the issuance of the Series 2015D-G Bonds and the Series 2015H Refunding Bonds, no Series 2001A Hotel Bonds will remain Outstanding. On September 16, 2015, the Authority Board adopted the Series 2015 Hotel Refunding – Direct Placement Ordinance authorizing the issuance of the Series 2015H Refunding Bonds. See "PLAN OF REFUNDING – Refunding of the Series 2001A Hotel Bonds" and "AIRPORT FINANCIAL INFORMATION – Direct Placements" below. On September 21, 2015, the Authority and Hotel Investors of Michigan, Inc. (the "Hotel Manager"), an affiliate of Starwood Hotels and Resorts Worldwide, Inc. ("Starwood"), executed an amendment of the Hotel Management and Operating Agreement (the "Hotel Management Agreement") between the Authority and the Hotel Manager with respect to the Westin Detroit Metropolitan Airport Hotel (the "Airport Hotel"), which amendment makes certain necessary changes to the flow of funds under such agreement for the Series 2015G Refunding Bonds and the Series 2015H Refunding Bonds and will become effective on the delivery date of the Series 2015D-G Bonds and the Series 2015H Refunding Bonds. On September 21, 2015, the Authority and the Hotel Manager also executed an Amended and Restated Hotel Management Agreement (the "Restated Hotel Management Agreement"), with a term commencing January 1, 2016, which will replace and supersede the Hotel Management Agreement, as amended. The performance and obligations of the Hotel Manager under the Restated Hotel Management Agreement will be guaranteed by Starwood.

All Outstanding Bonds, the Series 2015D-G Bonds, the Series 2015ABC Bonds, the Series 2015H Refunding Bonds and any Additional Bonds issued by the Authority under the Master Bond Ordinance are collectively referred to herein as "Senior Lien Bonds." The Series 2007 Junior Lien Bonds and any Additional Junior Lien Bonds issued by the Authority under the Master Bond Ordinance are collectively referred to herein as "Junior Lien Bonds."

U.S. Bank National Association is Trustee under the Master Bond Ordinance.

Purpose of the Series 2015D-G Bonds

The Authority will use the proceeds from the sale of the Series 2015D-G Bonds, together with other available funds, to (i) with respect to the Series 2015D Bonds and the Series 2015E Bonds, pay all or portions of the costs of acquiring, constructing and installing the Series 2015 Projects (as defined herein), (ii) with respect to the Series 2015F Refunding Bonds, provide funds to refund all or portions of the Outstanding Refunded Bonds (as defined herein), (iii) with respect to the Series 2015G Refunding Bonds, provide funds to refund all or a portion of the Series 2001A Hotel Bonds, (iv) make a deposit to the Bond Reserve Account (as defined herein), (v) pay capitalized interest on a portion of the Series 2015D Bonds and the Series 2015E Bonds, and (vi) pay costs of issuance of the Series 2015D-G Bonds.

Security for the Series 2015D-G Bonds

The Series 2015D-G Bonds are revenue obligations of the Authority. The Series 2015D-G Bonds will be secured by a lien on Net Revenues and will be secured equally and on a parity basis as to Net Revenues with all Outstanding Senior Lien Bonds and any Additional Bonds. Pursuant to the Master Bond Ordinance, the Authority has irrevocably pledged Net Revenues on a senior lien basis for the payment of the Series 2015D-G Bonds, Outstanding Senior Lien Bonds and any Additional Bonds, and on a junior lien basis for the payment of Outstanding Junior Lien Bonds and any Additional Junior Lien Bonds. "Net Revenues" for any period means the excess of Revenues of the Airport remaining after deducting the Operation and Maintenance Expenses of the Airport for such period.

As of September 1, 2015, without taking into account the planned issuance of the Series 2015ABC Bonds, the Series 2015D-G Bonds and the Series 2015H Refunding Bonds, the aggregate principal amount of Outstanding Senior Lien Bonds was \$1,864,345,000, and the aggregate principal amount of Outstanding Junior Lien Bonds was \$166,185,000. Following the issuance of the Series 2015ABC Bonds, the Series 2015D-G Bonds and the Series 2015H Refunding Bonds, the aggregate principal amount of Outstanding Senior Lien Bonds will be \$2,151,485,000. As described under "SECURITY FOR THE SERIES 2015D-G BONDS," the Master Bond Ordinance requires the maintenance of a Bond Reserve Account to secure all of the Outstanding Senior Lien Bonds, including the Series 2015D-G Bonds. The Master Bond Ordinance also includes a rate covenant by the Authority, and permits the issuance of Additional Bonds on a parity basis with the Series 2015D-G Bonds and the other Outstanding Senior Lien Bonds, subject to meeting certain tests under the Master Bond Ordinance.

Bond Insurance for the Insured Bonds

The scheduled payment of principal of and interest on the Series 2015D Bonds maturing on December 1 in the years 2032 (CUSIP No. 944514SS8[+]), 2040 (CUSIP No. 944514SY5[+]) and 2045 (CUSIP No. 944514SZ2[+]) (collectively, the "Insured Bonds"), when due, will be guaranteed under an insurance policy to be issued by the Bond Insurer concurrently with the delivery of the Insured Bonds. See "BOND INSURANCE POLICY FOR CERTAIN SERIES 2015D BONDS" and APPENDIX H – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY." Payments on the Series 2015D-G Bonds not constituting Insured Bonds are not guaranteed by any insurance policy.

Forward-Looking Statements

The statements contained in this Official Statement, and in any other information provided by the Authority, that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. It is important to note that the actual results of the Airport could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various 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, suppliers, 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 many of which are beyond the control of the Authority. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

[+] Copyright 2015, American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. None of the Authority or the Underwriters takes any responsibility for the accuracy of such CUSIP numbers.

Additional Information

Brief descriptions of the Series 2015D-G Bonds, the Master Bond Ordinance, the Series 2015 Ordinance and the Sale Order and certain other documents are included in this Official Statement and the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, report or other instrument.

DESCRIPTION OF THE SERIES 2015D-G BONDS

General Provisions

The following is a summary of certain provisions of the Series 2015D-G Bonds. Reference is made to the Master Bond Ordinance, the Series 2015 Ordinance and the Series 2015D-G Bonds for the complete terms thereof and to APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE AND THE SERIES 2015 ORDINANCE" for a more detailed description of such provisions.

Each of the Series of the Series 2015D-G Bonds will be dated its date of delivery, will be issuable as fully registered bonds in denominations of $5,000 or any integral multiple thereof and will bear interest from its date to its respective maturity in the amounts and at the interest rates set forth on the inside front cover of this Official Statement.

Interest on the Series 2015D-G Bonds shall be payable on June 1 and December 1 of each year, commencing June 1, 2016.

All payments of interest on the Series 2015D-G Bonds shall be paid to the registered owners entitled thereto by check or draft mailed to each registered owner at the address recorded on the registration books maintained by the Trustee as of the 15th day of the month prior to the Bond Payment Date. The principal of, and premium if any, on the Series 2015D-G Bonds are payable to the registered owners thereof, as shown on the registration books of the Authority maintained by the Trustee, upon maturity or prior redemption thereof and upon presentation and surrender thereof to the Trustee. Holders of at least $1,000,000 principal amount of the Series 2015D-G Bonds may request wire transfer of interest payments to a bank within the continental United States as directed by the Holder in writing to the Trustee.

U.S. Bank National Association is Trustee under the Ordinance. The designated corporate trust office for its duties as Trustee is located at 535 Griswold Street, Buhl Building, Suite 550, Detroit, Michigan 48226. Although the Trustee has accepted its duties as Trustee under the Ordinance, the Trustee has not reviewed this Official Statement and makes no representations as to the information contained herein.

The Series 2015D-G Bonds are issuable in fully registered form and are initially to be registered in the name of Cede & Co., as nominee for DTC, as securities depository for the Series 2015D-G Bonds. Purchases by beneficial owners of the Series 2015D-G Bonds ("Beneficial Owners") are to be made in book-entry form. Payments to Beneficial Owners are to be made as described in APPENDIX E – "BOOK-ENTRY SYSTEM."

Redemption Provisions

Series 2015D Bonds

Optional Redemption. The Series 2015D Bonds maturing on and after December 1, 2026 are subject to redemption by the Authority in whole or in part at any time prior to maturity at the option of the Authority and by lot within a maturity in such manner as the Trustee may determine on any date on or after December 1, 2025 at the principal amount thereof and interest accrued thereon to the date fixed for redemption without premium.

Mandatory Sinking Fund Redemption. The Series 2015D Bonds maturing in the years 2040 and 2045 are subject to Mandatory Sinking Fund Redemption prior to maturity, by lot in such manner as the Trustee may determine, at a redemption price of 100% of the principal amount thereof plus interest accrued to the date fixed for redemption, on the dates and in the principal amounts as follows:

$38,390,000 5.00% Term Bond Due December 1, 2040

Year	Principal Amount
2036	$8,000,000
2037	8,405,000
2038	3,535,000
2039	9,000,000
2040†	9,450,000

† Final maturity

$20,000,000 5.00% Insured Term Bond Due December 1, 2040

Year	Principal Amount
2036	$4,175,000
2037	4,380,000
2038	1,830,000
2039	4,690,000
2040†	4,925,000

† Final maturity

$73,400,000 5.00% Term Bond Due December 1, 2045

Year	Principal Amount
2041	$13,285,000
2042	13,950,000
2043	14,645,000
2044	15,375,000
2045†	16,145,000

† Final maturity

$10,000,000 5.00% Insured Term Bond Due December 1, 2045

Year	Principal Amount
2041	$1,810,000
2042	1,900,000
2043	1,995,000
2044	2,095,000
2045†	2,200,000

† Final maturity

The amounts to be so redeemed may be reduced by the principal amounts of the Series 2015D Bonds theretofore redeemed (otherwise than through operation of the Mandatory Sinking Fund Redemption described above), or otherwise acquired and delivered to the Trustee, at least 45 days prior to the payment date for credit against the Mandatory Sinking Fund Redemption described above and shall be applied in direct order of date of redemption.

Series 2015E Bonds

Optional Redemption. The Series 2015E Bonds maturing on December 1, 2038 are subject to redemption by the Authority in whole or in part at any time prior to maturity at the option of the Authority and by lot within a maturity in such manner as the Trustee may determine on any date on or after December 1, 2025 at the principal amount thereof and interest accrued thereon to the date fixed for redemption without premium.

Series 2015F Refunding Bonds

Optional Redemption. The Series 2015F Refunding Bonds maturing on and after December 1, 2026 are subject to redemption by the Authority in whole or in part at any time prior to maturity at the option of the Authority and by lot within a maturity in such manner as the Trustee may determine on any date on or after December 1, 2025 at the principal amount thereof and interest accrued thereon to the date fixed for redemption without premium.

Series 2015G Refunding Bonds

Optional Redemption. The Series 2015G Refunding Bonds maturing on and after December 1, 2026 are subject to redemption by the Authority in whole or in part at any time prior to maturity at the option of the Authority and by lot within a maturity in such manner as the Trustee may determine on any date on or after December 1, 2025 at the principal amount thereof and interest accrued thereon to the date fixed for redemption without premium.

Extraordinary Optional Redemption. Each Series of the Series 2015D-G Bonds are subject to redemption at the option of the Authority, at any time, in whole or in part (by lot in such manner as the Trustee may determine), in the event of destruction or taking of or damage to the Airport; but only if (i) the Airport has been restored to substantially the same condition as prior to such damage, destruction or taking and excess Net Proceeds remain; or (ii) the Authority has determined that the portion of the Airport damaged, destroyed or taken is not necessary to the operation of the Airport and that the failure of the Authority to repair and restore the same will not impair or otherwise adversely affect the revenue-producing capability of the Airport; or (iii) the Airport Consultant cannot provide a statement that Net Proceeds, together with other funds made available or to be made available by the Authority, are projected to be sufficient to pay the costs of the replacement, repair, rebuilding or restoration of the Airport. Such redemption shall be at a price equal to the principal amount of the Series 2015D-G Bonds to be redeemed plus interest accrued to the date fixed for redemption.

Order of Redemption. In the event of an optional redemption or an extraordinary optional redemption, in each case as described above, if less than all of the Outstanding Series 2015D-G Bonds are to be redeemed, the Trustee shall give notice, in the name of the Authority, of the Series 2015D-G Bonds to be redeemed, specifying the maturity thereof and within a maturity, selected by lot in such manner as the Trustee may determine. If any Series 2015D-G Bonds are to be called for redemption prior to maturity, irrevocable instructions to call such Series 2015D-G Bonds for redemption shall be given to the Trustee after the deposit of funds in connection with any such redemption has been made. The Trustee shall redeem the Outstanding Series 2015D-G Bonds (other than the Outstanding Series 2015D-G Bonds being redeemed pursuant to mandatory sinking fund redemption) in such order of maturity as the Authority shall specify.

Notice of Redemption. Notice of redemption will be mailed by the Trustee to each owner of Series 2015D-G Bonds whose Series 2015D-G Bonds are to be redeemed. Notice of redemption shall be given not less than thirty (30) days nor more than sixty (60) days prior to the date set for redemption. Failure to give notice in the manner described with respect to any Series 2015D-G Bond, or any defect in such notice, will not affect the validity of the redemption proceedings for any Series 2015D-G Bond with respect to which notice was properly given. To the extent that Cede & Co. is the registered owner for DTC, the Authority or the Trustee shall send such notice to DTC as registered owner. DTC will be responsible for notifying the Participants who in turn will forward such notice to the Beneficial Owners. See APPENDIX E – "BOOK-ENTRY SYSTEM." Unless the Trustee has funds on hand available to pay the redemption price of the Series 2015D-G Bonds to be redeemed, the effectiveness of the redemption shall be conditioned on the receipt by the Trustee of such funds on or before the redemption date.

In case less than the full amount of an outstanding Bond is called for redemption, the Trustee upon presentation of the Series 2015D-G Bond called in part for redemption shall register, authenticate and deliver to the registered owner a new Series 2015D-G Bond in the principal amount of the portion of the original Series 2015D-G Bond not called for redemption.

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2015D-G Bonds. The Series 2015D-G Bonds will be issued as fully-registered bonds registered in the name Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2015D-G Bond certificate will be issued for each stated maturity of each series of the Series 2015D-G Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See APPENDIX E – "BOOK-ENTRY SYSTEM."

SECURITY FOR THE SERIES 2015D-G BONDS

General Provisions

Each capitalized term used but not defined in this caption shall have the meaning ascribed thereto in the Master Bond Ordinance or the Series 2015 Ordinance, as applicable. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE AND THE SERIES 2015 ORDINANCE – MASTER BOND ORDINANCE – Selected Definitions" and "– SERIES 2015 ORDINANCE – Selected Definitions."

Source of Payment

The Series 2015D-G Bonds will be secured by a lien on the Net Revenues of the Airport and will be secured equally and on parity with all Outstanding Senior Lien Bonds and any Additional Bonds. As of September 1, 2015, without taking into account the impact of the issuance of the Series 2015D-G Bonds, $1,864,345,000 aggregate principal amount of Senior Lien Bonds was Outstanding. Following the issuance of the Series 2015D-G Bonds and the Series 2015H Refunding Bonds, the aggregate principal amount of Outstanding Senior Lien Bonds will be $2,151,485,000. The Series 2015D-G Bonds are being issued pursuant to the provisions of the Act and the Ordinance.

The Series 2015D-G Bonds are revenue obligations of the Authority, payable solely from the Net Revenues derived by the Authority from the operation of the Airport. Pursuant to the Master Bond Ordinance, the Authority has irrevocably pledged Net Revenues for the payment of Senior Lien Bonds.

Net Revenues for any period means the excess of Revenues of the Airport remaining after deducting the Operation and Maintenance Expenses of the Airport for such period. "Revenues" are the general revenues derived from the operation of the Airport, which shall include all moneys deposited in the Revenue Fund, from whatever source, and all income derived from the charges, fees, rentals and rates charged for services, facilities and commodities furnished by the Airport, whether such income shall be derived from its function as an Airport or not, and including, but not by way of limitation, concessions, rentals, auto parking fees, service charges derived from the operation of the terminal complex buildings and facilities, airplane landing fees, non-airline gasoline fees and miscellaneous charges and rentals from other facilities and services and investment earnings or general revenues derived from the operation of the Airport accumulated by the Authority prior to deposit in the Revenue Fund; provided, however, that the term "Revenues" shall not be construed to include (i) rentals or other amounts to be paid in the future by any Person pursuant to a lease or other agreement with the County or the Authority, which rentals or other amounts are pledged for the payment of bonds issued to provide funds to construct Special Facilities, (ii) the proceeds of federal grants or Passenger Facility Charges, or the proceeds of any other grant, charge or tax intended as a replacement therefor or other capital contributions from any source, (iii) the Net Proceeds of insurance or condemnation proceeds resulting from the damage or destruction or taking of any portion of the Airport or (iv) Special Purpose Revenues.

The Authority may establish, by ordinance, a separate category or portion of revenue of a type not previously included in Revenues, relating to or arising from a definable service, program or facility that will be treated as Special Purpose Revenues and may be pledged for the payment of bonds ("Special Purpose Bonds") payable solely from such Special Purpose Revenues. On July 15, 2015, the Board adopted an ordinance (the "CFC Ordinance") providing for the establishment of a car rental customer facility charge (the "CFC") as a Special Purpose Revenue, starting September 1, 2015. The CFC Ordinance authorized the Authority to impose the CFC, at this time $1.00 per vehicle per transaction day, on every vehicle rental by a car rental company that uses Airport facilities or operates under a permit or license with the Authority. The Authority will use the CFCs to pay the costs associated with the planning, design, development, financing, funding, acquisition, construction, operation, maintenance, repair, equipping, and replacement of facilities and related improvements made, used by, in, or connected to, the business of renting or providing cars at the Airport, including but not limited to a consolidated rental car facility and transportation facilities and equipment to and from a consolidated rental car facility. As Special Purpose Revenues, the CFCs are not included as Revenues and are not pledged for payment of Bonds, but may instead be used for the payment of debt service on Special Purpose Bonds issued to finance the facilities.

The land and facilities comprising the Airport have not been pledged or mortgaged pursuant to the Master Bond Ordinance, nor have they been pledged to secure payment of the Series 2015D-G Bonds, any other Senior Lien Bonds or any Junior Lien Bonds or other Authority obligations.

NEITHER THE LAWS OF THE STATE NOR THE MASTER BOND ORDINANCE WILL PERMIT THE AUTHORITY TO CREATE A LIEN UPON THE AIRPORT, OR TO TRANSFER, ASSIGN, OR OTHERWISE DISPOSE OF ALL OR ANY PORTION OF THE PROPERTIES OF THE AIRPORT SUBJECT TO CERTAIN LIMITED EXCEPTIONS. SEE APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE AND THE SERIES 2015 ORDINANCE – MASTER BOND ORDINANCE – SALE OF AIRPORT" AND "– OTHER AUTHORITY COVENANTS." In addition, the Authority Act requires the County to refrain from selling, transferring or otherwise encumbering or disposing of airport facilities owned by the County, and certain federal laws and regulations of the United States prohibit the use of airport revenue, including revenue generated from any land owned by the County underlying the Airports, for any purpose unrelated to the Airports.

The requirements for the issuance of Additional Bonds under the Master Bond Ordinance will have been satisfied with respect to the Series 2015D-G Bonds as of the date of delivery thereof. See "SECURITY FOR THE SERIES 2015D-G BONDS – Additional Senior Lien Bonds."

Bond Reserve Account

Pursuant to the Master Bond Ordinance, a bond reserve account (the "Bond Reserve Account") has been established to secure the Bonds. At any time when Bonds are Outstanding, the Bond Reserve Account shall be maintained in an amount equal to the Reserve Requirement. The Reserve Requirement is defined by the Master Bond Ordinance to mean the maximum annual Debt Service requirements for each Series of Outstanding Bonds (subject to limits imposed by the Internal Revenue Code of 1986, as amended), which amount is required to be on deposit or otherwise provided for (*e.g.*, through provision of a letter of credit, surety bond or insurance policy in the same amount) in the Bond Reserve Account. As of the date of issuance of the Series 2015D-G Bonds, the Reserve Requirement for the Bond Reserve Account is expected to be calculated on the basis of 125% on the average annual Debt Service for the Bonds. A separate subaccount is established for each series of Bonds within the Bond Reserve Account, and is required to be funded at the lesser of (i) the Reserve Requirement for such series or (ii) the amount necessary to assure that the Reserve Requirement for the Bonds of all series is satisfied. The deposit requirement into the Bond Reserve Account may be satisfied by a deposit at the time of issuance of each Series of Bonds or by an accumulation on a scheduled basis of Bond proceeds, investment earnings or other deposits which will result in an amount equal to the Reserve Requirement for such Series of Bonds being on deposit in the Bond Reserve Account no later than the date of the last scheduled application of all capitalized interest, if any, for such Series.

Any deposit requirements to the Bond Reserve Account with respect to the Series 2015D-G Bonds will be satisfied as of the date of delivery thereof by a deposit of cash in the Bond Reserve Account and by a reallocation of certain existing monies on deposit in the Bond Reserve Account previously pertaining to the Refunded Bonds.

As of the date of issuance of the Series 2015D-G Bonds, the amount on deposit in the Bond Reserve Account is expected to be $135,776,144.89. Moneys in the Bond Reserve Account are almost exclusively invested in United States Treasury securities and commercial paper notes rated not less than "A-1" by Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., and "P-1" by Moody's Investors Service, Inc.

Rate Covenant

The Authority covenants in the Master Bond Ordinance to fix, charge and collect rates, fees, rentals and charges for the use and operation of the Airport as may be necessary or appropriate to produce Revenues in each Operating Year which will be at least sufficient to provide for (i) the payment of Operation and Maintenance Expenses for such Operating Year; (ii) together with passenger facility charge ("PFC") proceeds deposited with the Trustee with respect to such Operating Year, the amount needed to make the deposits required under the Master Bond Ordinance for such Operating Year to the Bond Fund; and (iii) together with Other Available Moneys deposited with the Trustee with respect to such Operating Year (to the extent not needed to make deposits required under the Master Bond Ordinance for such Operating Year to the Bond Fund) and any unencumbered cash balance held in the Revenue Fund on the last day of the Operating Year preceding the Operating Year for which the calculation is made and not then required to be deposited in any Fund or Account, (A) the amounts needed to make the deposits required under the Master Bond Ordinance for such Operating Year to the Junior Lien Bond Fund, the Operation and Maintenance Reserve Fund, the Renewal and Replacement Fund, the Discretionary Fund and the Airport Development Fund, and (B) an amount not less than twenty-five percent (25%) of the Debt Service due and payable on Senior Lien Bonds during such Operating Year. "Other Available Moneys" means, for any Operating Year, the amount of money determined by the Chief Executive Officer in concurrence with the Chief Financial Officer to be transferred by the Authority for such Operating Year from PFCs or other sources other than Revenues to the Bond Fund or the Junior Lien Bond Fund.

Budgetary Procedures

The Master Bond Ordinance requires the Authority to adopt, prior to the commencement of each Operating Year, a budget sufficient to cover the Operation and Maintenance Expenses of the Airport for such Operating Year, the principal and interest payable during such Operating Year on Outstanding Senior Lien Bonds and Junior Lien Bonds, and other known financial requirements of the Master Bond Ordinance during such Operating Year.

Flow of Funds

Under the Master Bond Ordinance, the Authority is required to set aside and deposit all Revenues into the Revenue Fund, and to apply all monies on deposit therein at such times and in accordance with the priorities established in the Master Bond Ordinance. Upon the issuance and delivery of the Series 2015G Refunding Bonds and the Series 2015H Refunding Bonds and the refunding of the Series 2001A Hotel Bonds, all revenues and expenses, including the revenues of, and operation and maintenance expenses and debt service (including on the Series 2015G Refunding Bonds and the Series 2015H Refunding Bonds) associated with, the Airport Hotel, will be included as part of the Revenues of the Airport and in the flow of funds under the Master Bond Ordinance as described below.

The Master Bond Ordinance requires that the Revenues credited to the Revenue Fund shall be transferred from the Revenue Fund and credited to the following funds and accounts at the following times and in the following order of priority:

(i) Monthly, by the twenty-fifth day of the month, to the Operation and Maintenance Fund, a sum sufficient to provide for payment of the Operation and Maintenance Expenses of the Airport for the next succeeding month;

(ii) Monthly, on the first day of each month, to the Bond and Interest Redemption Fund (the "Bond Fund"), an amount which is equal to 1/6th of the total amount of interest on the Bonds next coming due or such lesser amount as is necessary to assure that the amount set aside in the Bond Fund as of the first of such month is not less than the product of (a) 1/6th of the amount of interest next due on the Bonds and (b) the number of months elapsed since and including the last interest payment date for Bonds with semiannual interest payments or an amount equal to one month's accrued interest on the Bonds as provided in the applicable series ordinance for such Bonds for Bonds with more frequent interest payments; and an amount which is equal to 1/12th of the amount of principal on the Bonds next coming due by maturity or as a Mandatory Redemption Requirement or such lesser amounts as is necessary to assure that the amount set aside in the Bond Fund as of the first of such month is not less than the product of (x) 1/12th of the amount of principal next due on the Bonds and (y) the number of months elapsed since and including the last principal payment date;

(iii) In the event of a deficiency in the amount required to be on deposit in the Bond Reserve Account, an amount required to restore the amount on deposit to required levels in accordance with the terms of the Ordinance;

(iv) Monthly, on the first day of each month, to the Junior Lien Bond and Interest Redemption Fund (the "Junior Lien Bond Fund"), an amount equal to 1/6th of the total amount of interest on the Junior Lien Bonds next coming due or such lesser amount as is necessary to assure that any amount set aside in the Junior Lien Bond Fund as of the first of such month is not less than the product of (a) 1/6th of the amount of interest next due on the Junior Lien Bonds and (b) the number of months elapsed since and including the last interest payment date for Junior Lien Bonds with semiannual interest payments or an amount equal to one month's accrued interest on the Junior Lien Bonds as provided in the applicable series ordinance for such Junior Lien Bonds for Junior Lien Bonds with more frequent interest payments; and an amount which is equal to 1/12th of the amount of principal on the Junior Lien Bonds next coming due by maturity or as a Mandatory Redemption Requirement or such lesser amounts as necessary to assure that the amount set aside in the Junior Lien Bond Fund as of the first of such month is not less than the product of (x) 1/12th of the amount of principal next due on the Junior Lien Bonds and (y) the number of months elapsed since and including the last principal payment date;

(v) Any amounts due and owing to a Swap Provider by the Authority pursuant to a Swap Agreement shall be payable when due from a Swap Payment Account established in the Junior Lien Bond Fund (including termination payments);

(vi) If at any time there is not on deposit in the Junior Lien Bond Reserve Account the amount required to be on deposit therein, an amount required to restore such deficiency to required levels in accordance with the terms of the Ordinance;

(vii) Quarterly, on the last day of each fiscal quarter, to the Operation and Maintenance Reserve Fund, an amount equal to 1/48th of the estimated annual Operation and Maintenance Expenses of the Airport until the estimated Operation and Maintenance Expenses for the period of one month as projected in the most recent Authority budget for the Airport (the "Operating Reserve Amount") is on deposit in such fund; thereafter, the amount necessary to maintain an amount equal to the Operating Reserve Amount on deposit in such fund;

(viii) Quarterly, on the last day of each fiscal quarter, to the Renewal and Replacement Fund, the sum of $125,000 until the sum of $2,500,000 (the "Replacement Requirement") is on deposit in the Renewal and Replacement Fund; thereafter, the lesser of $125,000 and the amount necessary to maintain an amount equal to the Replacement Requirement on deposit in such fund;

(ix) Quarterly, after satisfying all of the foregoing requirements, to the Airport Discretionary Fund, the sum of $87,500;

(x) Quarterly, on the last day of each quarter of each Operating Year, to the Airport Development Fund, one-quarter of the amount calculated in accordance with the applicable agreements and included in the budgeted rates and charges for the Airport for the Operating Year for deposit to the Airport Development Fund (See APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS"); and

(xi) Quarterly, prior to the Completion Date for the projects funded from each Series of Bonds, to the Rebate Fund, an amount sufficient to make the amount on deposit in the Rebate Fund equal to ninety percent (90%) of the estimated accrued amount subject to the rebate requirements of Section 148(f) of the Code, and annually, prior to the Completion Date, an amount sufficient to make the amount on deposit in the Rebate Fund equal to 100% of the amount required to be rebated to the United States Government pursuant to Section 148(f) of the Code, and annually, after the Completion Date, from the Revenue Fund, an amount sufficient to make the amount on deposit in the Rebate Fund equal to 100% of the amount required to be rebated to the United States Government pursuant to Section 148(f) of the Code. Neither the Trustee nor any owner of any Bond has a claim on any monies on deposit in the Rebate Fund.

The Master Bond Ordinance provides that all interest earned or profit realized on investments or deposits of money for the funds and accounts established under the Master Bond Ordinance shall be credited and charged as follows. Earnings and profits on the Bond Reserve Account shall be (i) retained therein until the Reserve Requirement is on deposit, then (ii) prior to the Completion Date, credited to the Construction Fund in an amount equal to earnings and profits times a fraction, the numerator of which is the amount of capitalized interest payable on the next ensuing Bond Payment Date and the denominator of which is the total amount of interest payable on such Bond Payment Date, and credited to the general account of the Bond Fund in an amount equal to the remainder of such earnings and profits, and then (iii) on and after the Completion Date with proceeds of a series of Bonds, credited to the general account of the Bond Fund. Earnings and profits on the Capitalized Interest Account of the Bond Fund shall be retained in such account until such account is fully funded and, thereafter, shall be credited to the Construction Fund. Earnings and profits on the Operation and Maintenance Reserve Fund shall be retained therein until the Operating Reserve Requirement is on deposit and, thereafter, shall be credited to the Revenue Fund. Earnings and profits on the Renewal and Replacement Fund shall be retained therein until the Replacement Requirement is on deposit, and, thereafter, shall be credited to the Revenue Fund. Interest earned or profit realized on investments or deposits of money in all other funds, accounts and sub-accounts established under the Master Bond Ordinance, and any losses on investments, shall be credited or charged to the fund, account or sub-account from which such investment was made.

For a table setting forth the flow of funds as specified in the Master Bond Ordinance, see APPENDIX A – "2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER – 2014 REPORT OF THE AIRPORT CONSULTANT - THE SERIES 2014B-C BONDS – Master Bond Ordinance – *Flow of Funds.*"

Additional Senior Lien Bonds

The Master Bond Ordinance permits the issuance of one or more additional Series of Senior Lien Bonds on a parity with Outstanding Senior Lien Bonds so long as there exists no Default or Event of Default under the Master Bond Ordinance known to the Authority at the time such Series of Senior Lien Bonds is authorized to be issued by adoption of a Series Ordinance. Prior to issuing any additional Series of Senior Lien Bonds, the Authority must obtain an opinion of Bond Counsel that the issuance of such Series of Senior Lien Bonds will not impair the tax-exempt status of any Outstanding Senior Lien Bonds or Junior Lien Bonds.

In addition, unless the purpose for which a Series of Senior Lien Bonds is to be issued is to finance the cost of completing the acquisition, construction and installation of capital projects with respect to which a Series of Senior Lien Bonds has previously been issued, and provided that such Series of Senior Lien Bonds proposed to be issued for such purpose is proposed to be issued in a principal amount not to exceed ten percent (10%) of the face amount of Bonds originally issued to pay for the costs of the Authority's Capital Improvement Program, the Authority must first provide a report of an Airport Consultant projecting Revenues and Revenue Fund balances plus Other Available Moneys and any amounts estimated to be available to pay capitalized interest for the first three (3) full Operating Years commencing after completion of construction of the capital projects to be funded from the proceeds of the Series of Senior Lien Bonds proposed to be issued sufficient to satisfy the Rate Covenant, taking into account the Series of Bonds proposed to be issued. As an alternative to providing the report of an Airport Consultant described above, the Authority may authorize the issuance of a Series of Senior Lien Bonds if it delivers to the Trustee a certificate of the Chief Financial Officer (accompanied by a report of an independent auditor) certifying that, taking all Outstanding Senior Lien Bonds (other than any Senior Lien Bonds to be refunded by the Series of Senior Lien Bonds proposed to be issued) and the Series of Senior Lien Bonds proposed to be issued into account as if it had been issued at the beginning of the most recent Operating Year for which audited financial statements for the Authority are available, the Net Revenues together with Other Available Moneys actually deposited in the Bond Fund for such Operating Year were not less than 125% of the Debt Service with respect to such Outstanding Senior Lien Bonds and proposed Series of Senior Lien Bonds for such period.

The Master Bond Ordinance permits the issuance of one or more Series of Refunding Bonds for the purpose of (i) refunding any Senior Lien Bonds or Junior Lien Bonds, (ii) paying Issuance Costs therefor, and (iii) making deposits into the Bond Reserve Account; provided that the issuance of Refunding Bonds is subject to the satisfaction of the requirements for the issuance of Additional Bonds if the principal and interest payable on such Refunding Bonds would exceed the principal and interest payable on the Bonds to be refunded by more than twenty percent (20%) in any Operating Year. In addition, the Authority may not deliver any additional Series of Refunding Bonds unless on or prior to the date of delivery thereof, there shall be deposited with the Trustee Sufficient Government Obligations and cash in an amount sufficient to effect payment at maturity or to pay the applicable Redemption Price or purchase price (in the event of tender) of the Bonds to be refunded together with interest on such Bonds to the redemption or payment date, which monies shall be held by the Trustee in a separate irrevocable trust account for the owners of Outstanding Bonds being refunded.

The requirements for the issuance of Senior Lien Bonds under the Ordinance will have been satisfied with respect to the Series 2015D-G Bonds as of the date of delivery thereof, including, with respect to the Series 2015D Bonds, the Series 2015E Bonds and the Series 2015G Refunding Bonds, by the provision of a report of an Airport Consultant projecting satisfaction of the Rate Covenant, after taking into account the Series 2015D Bonds, the Series 2015E Bonds and the Series 2015G Refunding Bonds proposed to be issued.

Special Facilities Revenue Bonds

The Master Bond Ordinance provides that the Authority may finance any special facilities permitted by law; provided, that (i) any bonds issued to finance such special facilities shall not be secured by Revenues of the Airport, and (ii) in the opinion of Bond Counsel, the financing of such special facilities does not conflict with the covenants or provisions of the Master Bond Ordinance.

As of September 1, 2015, the Outstanding special facilities bonds were (i) $14,635,000 Special Airport Facilities Revenue Bonds (Northwest Airlines, Inc. Facilities) Series 1999 and (ii) the Series 2001A Hotel Bonds. The Series 2001B Hotel Bonds were defeased as of August 3, 2015 from revenues of the Airport Hotel, and the proceeds of the Series 2015G Refunding Bonds and the Series 2015H Refunding Bonds will be used to refund all of the outstanding Series 2001A Hotel Bonds.

Junior Lien Bonds

The Master Bond Ordinance permits the issuance of one or more Series of Junior Lien Bonds so long as no Event of Default under the Master Bond Ordinance known to the Authority exists at the time such Junior Lien Bonds are authorized to be issued by adoption of a Series Ordinance. Prior to issuing any additional Series of Junior Lien Bonds, the Authority must obtain an opinion of Bond Counsel that the issuance of such Series of Junior Lien Bonds will not impair the tax-exempt status of any prior Series of Senior Lien Bonds or Junior Lien Bonds.

Prior to issuing a Series of Junior Lien Bonds other than Junior Lien Bonds proposed to be issued to refund Senior Lien Bonds or Junior Lien Bonds, the Chief Financial Officer shall certify to the Trustee that the sum of (i) the Net Revenues for the most recently completed Operating Year; (ii) the amount of Other Available Moneys actually deposited in the Bond Fund for the most recently completed Operating Year; and (iii) the average of (A) the amount of Other Available Moneys actually deposited in the Junior Lien Bond Fund for the most recently completed Operating Year, and (B) each annual amount of Other Available Moneys that the Airport Consultant certifies to the Authority may reasonably be expected to be received by the Authority and deposited in the Junior Lien Bond Fund during the period that the proposed and outstanding Series of Junior Lien Bonds are projected to be Outstanding, is not less than 110% of the Debt Service with respect to such Outstanding Bonds and Outstanding Junior Lien Bonds for the most recently completed Operating Year and of the average annual Debt Service with respect to the proposed Series of Junior Lien Bonds. The Chief Financial Officer will also certify that for each of the four (4) Operating Years following the Operating Year in which proposed Series of Junior Lien Bonds is to be issued, the sum of (i) the Net Revenues that the Airport Consultant certifies to the Authority may reasonably be projected to be received for the immediately preceding Operating Year; (ii) the amount of Other Available Moneys which the Airport Consultant certifies to the Authority may reasonably be expected to be deposited in the Bond Fund for the immediately preceding Operating Year, and (iii) the average of (A) the amount of Other Available Moneys actually deposited in the Junior Lien Bond Fund for the most recently completed Operating Year preceding the Operating Year in which the proposed Series of Junior Lien Bonds is to be issued, and (B) each annual amount of Other Available Moneys that the Airport Consultant certifies to the Authority may reasonably be expected to be received by the Authority and deposited in the Junior Lien Bond Fund over the period that the proposed and outstanding Series of Junior Lien Bonds are projected to be Outstanding, is not less than 110% of the Debt Service with respect to such Outstanding Bonds and Outstanding Junior Lien Bonds for the immediately preceding Operating Year and of the average annual Debt Service with respect to the proposed Series of Junior Lien Bonds.

In calculating Net Revenues and expected Net Revenues, the Chief Financial Officer will take into account the unencumbered fund balance in the Revenue Fund on the last day of the two (2) Operating Years preceding the year of issue, and the expected unencumbered balance in the Revenue Fund on the last day of each of (i) the Operating Year in which the proposed series of Junior Lien Bonds will be issued and (ii) the next two (2) Operating Years, as provided in Section 604 of the Master Bond Ordinance. In making the calculations described herein, the Authority will also take into account Debt Service on (a) all Outstanding Bonds and Outstanding Junior Lien Bonds and (b) the proposed series of Junior Lien Bonds as if they had been issued at the beginning of the preceding Operating Year.

BOND INSURANCE POLICY FOR CERTAIN SERIES 2015D BONDS

Bond Insurance Policy

Concurrently with the issuance of the Series 2015D Bonds, Assured Guaranty Municipal Corp. ("AGM" or the "Bond Insurer") will issue its Municipal Bond Insurance Policy (the "Policy") for the Series 2015D Bonds maturing on December 1 in the years 2032 (CUSIP No. 944514SS8[+]), 2040 (CUSIP No. 944514SY5[+]) and 2045

[+] Copyright 2015, American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. None of the Authority or the Underwriters takes any responsibility for the accuracy of such CUSIP numbers.

(CUSIP No. 944514SZ2[+]) (collectively, "Insured Bonds"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings. On June 29, 2015, S&P issued a credit rating report in which it affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On November 13, 2014, KBRA assigned an insurance financial strength rating of "AA+" (stable outlook) to AGM. AGM can give no assurance as to any further ratings action that KBRA may take.

On July 2, 2014, Moody's issued a rating action report stating that it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). On February 18, 2015, Moody's published a credit opinion under its new financial guarantor ratings methodology maintaining its existing rating and outlook on AGM. AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Capitalization of AGM. At June 30, 2015, AGM's policyholders' surplus and contingency reserve were approximately $3,729 million and its net unearned premium reserve was approximately $1,670 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM's wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM's indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference. Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (filed by AGL with the SEC on February 26, 2015);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 (filed by AGL with the SEC on May 8, 2015); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 (filed by AGL with the SEC on August 6, 2015).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE POLICY FOR CERTAIN SERIES 2015D BONDS – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters. AGM or one of its affiliates may purchase a portion of the Insured Bonds or any uninsured Series 2015D-G Bonds offered under this Official Statement and such purchases may constitute a significant proportion of the bonds offered. AGM or such affiliate may hold such Insured Bonds or uninsured Series 2015D-G Bonds for investment or may sell or otherwise dispose of such Insured Bonds or uninsured Series 2015D-G Bonds at any time or from time to time.

AGM makes no representation regarding the Series 2015D-G Bonds or the advisability of investing in the Series 2015D-G Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE POLICY FOR CERTAIN SERIES 2015D BONDS."

SERIES 2015 PROJECTS

The Authority maintains an ongoing Capital Improvement Program (the "CIP") to address the capital development needs of the Airport. On September 16, 2015, the Authority Board approved the Authority's five-year CIP for Operating Year 2016 - Operating Year 2020 (the "2016 - 2020 CIP"). See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Capital Improvement Program" below. Proceeds of the Series 2015D Bonds and the Series 2015E Bonds will be used to fund a portion of the costs of certain capital projects (collectively, the "Series 2015 Projects") included in the 2016 - 2020 CIP. The total estimated cost of the Series 2015 Projects is $244,509,000.

Airfield improvement, rehabilitation and reconstruction projects comprise approximately 70% percent of the total cost of the Series 2015 Projects. Most of the airfield improvement, rehabilitation and reconstruction projects include costs of planning, environmental processing and design/engineering necessary to prepare construction documents, as well as construction services. For a further description of the Series 2015 Projects, see APPENDIX A – "2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER – SUPPLEMENTAL LETTER – The Series 2015 Projects."

The Series 2015 Projects have received approval of a Weighted Majority (as such term is defined in the Airline Agreements (as defined herein) and more fully described in APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS").

The following table presents estimated total project costs by category and anticipated timing of expenditures for the Series 2015 Projects:

SERIES 2015 PROJECTS
(FIGURES IN THOUSANDS)

PROJECT	ESTIMATED PROJECT COST[(1)]	PRIOR TO OY 2014	OY 2015	OY 2016	OY 2017	OY 2018	OY 2019
			ESTIMATED EXPENDITURES				
Airfield							
Runway 4L/22R and Associated Taxiways Rehabilitation (Construction)	$ 98,000	$ -	$ -	$ 98,000	$ -	$ -	$ -
Taxiway V-3 Extension (from Taxiway U to Taxiway K)	6,900	-	900	6,000	-	-	-
Taxiway F and S-5 Modifications/Reconstruction and New High Speed Taxiway	20,750	-	12,450	8,300	-	-	-
Taxiway Z (Southern Portion) Relocation and AOA Service Road Modification and Extension	15,400	-	-	1,000	1,000	13,400	-
Airfield Pavement Rehabilitation/Reconstruction Plan	14,000	-	1,200	6,300	6,500	-	-
McNamara Terminal Concourse A Apron Rehabilitation	11,650	-	5,900	5,750	-	-	-
McNamara Apron Modifications and New Hardstand Positions	14,800	-	1,008	12,122	1,670	-	-
Power Plant & Electrical Distribution System							
North Power Plant Building Rehabilitation	2,050	-	100	1,950	-	-	-
Fleet & Equipment							
Fleet & Heavy Equipment Acquisitions	8,000	-	2,000	4,000	2,000	-	-
Parking Decks, Lots & GTC's							
Surface Lots LED Lighting Installation	1,600	-	-	1,310	290	-	-
Ground Transportation Center Heating System Reconfiguration	2,120	-	2,120	-	-	-	-
Bridges & Roadways							
Dingell Drive Retaining Wall Reconstruction	4,000	-	-	4,000	-	-	-
Bridges & Roadways Rehabilitation Program	5,000	-	1,712	2,152	1,136	-	-
Roadway LED Lighting Installation	1,275	-	-	1,275	-	-	-
Security & Communications							
Security System & Network Upgrades [(2)]	5,000	-	500	1,500	3,000	-	-
Support Facilities							
Airport Authority Headquarters Building	19,000	836	5,500	11,250	1,414	-	-
Site Redevelopment & Demolition							
LC Smith Terminal & Berry Terminal Demolition	14,964	-	1,000	2,000	2,000	7,964	2,000
TOTAL SERIES 2015 PROJECTS	$ 244,509	$ 836	$ 34,390	$ 166,909	$ 19,010	$ 21,364	$ 2,000

(1) The specific project cost estimates were current as of May 29, 2015, which is the date the Authority received Weighted Majority approval of the Series 2015 Projects. However, presently certain project cost estimates may be greater or less than the amounts provided to the Signatory Airlines (defined herein) in seeking Weighted Majority approval because cost estimates may fluctuate from time to time as bids are received, as project scopes are revised, and other project changes occur. However, the Signatory Airlines provided Weighted Majority approval for the Series 2015 Projects' costs in the aggregate, rather than on a project-by-project basis; therefore, to the extent that the aggregate of the Series 2015 Projects' cost estimates exceeds the Weighted Majority approved amount, the Authority will need to either decrease the cost of certain Series 2015 Projects, use other funds lawfully available to pay the increased costs or obtain additional Weighted Majority approval.

(2) These projects include Phase 2 Installation and Phase 3 Planning, Design, and Engineering.

SOURCE: Wayne County Airport Authority, Financial Planning and Analysis, August 2015.

PREPARED BY: Ricondo & Associates, Inc., September 2015.

The following table presents anticipated funding sources for the Series 2015 Projects:

PROJECT	ESTIMATED PROJECT COST[1]	ANTICIPATED FUNDING SOURCES: AIP GRANTS	PREVIOUS BONDS	SERIES 2015D-E BONDS	FUTURE SENIOR LIEN BONDS
Airfield					
Runway 4L/22R and Associated Taxiways Rehabilitation (Construction)	$ 98,000	$ -	$ -	$ 98,000	$ -
Taxiway V-3 Extension (from Taxiway U to Taxiway K)	6,900	-	-	6,900	-
Taxiway F and S-5 Modifications/Reconstruction and New High Speed Taxiway	20,750	-	-	20,750	-
Taxiway Z (Southern Portion) Relocation and AOA Service Road Modification and Extension	15,400	-	-	2,000	13,400
Airfield Pavement Rehabilitation/Reconstruction Plan	14,000	-	-	14,000	-
McNamara Terminal Concourse A Apron Rehabilitation	11,650	-	-	11,650	-
McNamara Apron Modifications and New Hardstand Positions	14,800	-	-	14,800	-
Power Plant & Electrical Distribution System					
North Power Plant Building Rehabilitation	2,050	-	-	2,050	-
Fleet & Equipment					
Fleet & Heavy Equipment Acquisitions	8,000	-	-	8,000	-
Parking Decks, Lots & GTC's					
Surface Lots LED Lighting Installation	1,600	-	-	1,600	-
Ground Transportation Center Heating System Reconfiguration	2,120	-	-	2,120	-
Bridges & Roadways					
Dingell Drive Retaining Wall Reconstruction	4,000	-	-	4,000	-
Bridges & Roadways Rehabilitation Program	5,000	-	-	5,000	-
Roadway LED Lighting Installation	1,275	-	-	1,275	-
Security & Communications					
Security System & Network Upgrades[2]	5,000	-	-	5,000	-
Support Facilities					
Airport Authority Headquarters Building	19,000	-	6,000	13,000	-
Site Redevelopment & Demolition					
LC Smith Terminal & Berry Terminal Demolition	14,964	-	-	3,000	$ 11,964
TOTAL SERIES 2015 PROJECTS	$ 244,509	$ -	$ 6,000	$ 213,145	$ 25,364

(1) The specific project cost estimates were current as of the May 29, 2015, Weighted Majority approval date, but presently may be greater or less than the amounts provided to the Signatory Airlines in seeking Weighted Majority approval because cost estimates may fluctuate from time to time as bids are received, as project scopes are revised, and other project changes occur. However, the Signatory Airlines provided Weighted Majority approval for the Series 2015 Projects' costs in the aggregate, rather than on a project-by-project basis; therefore, to the extent that the aggregate of the Series 2015 Projects' cost estimates exceeds the Weighted Majority approved amount, the Authority will need to either decrease the cost of certain Series 2015 Projects, use other funds lawfully available to pay the increased costs or obtain additional Weighted Majority approval.

(2) These projects include Phase 2 Installation and Phase 3 Planning, Design, and Engineering.

SOURCE: Wayne County Airport Authority, Financial Planning and Analysis, August 2015.

PREPARED BY: Ricondo & Associates, Inc., September 2015.

The Authority anticipates that the Series 2015 Projects will be funded from a combination of proceeds of the Series 2015D Bonds and the Series 2015E Bonds, prior Bond proceeds and $25.4 million of proceeds future Additional Bonds (the "Series 2015 Projects Future Bonds") that the Authority currently expects to issue by no later than December 2017. See APPENDIX A – "2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER – SUPPLEMENTAL LETTER – The Series 2015 Projects" for further detail regarding the Series 2015 Projects and the anticipated funding sources for the Series 2015 Projects. The estimated debt service on the Series 2015 Projects Future Bonds has been included in the financial projections contained in the Supplemental Letter of the Airport Consultant and summarized in "2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER" below.

In addition to the Series 2015 Projects Future Bonds, the Authority anticipates that it will issue Additional Bonds to fund the costs of the capital projects, other than the Series 2015 Projects, contained in the 2016 - 2020 CIP. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT — Capital Improvement Program — *CIP Funding Sources*" below. The Authority does not yet have a specific plan for the amount and timing of issuance of such Additional Bonds, because the estimated project costs and schedules of such projects are still being developed, and the majority of such projects have not yet received the required approval of the Signatory Airlines (as defined herein) at the Airport. For these reasons, the estimated debt service on such Additional Bonds has not been included in the financial projections contained in the 2014 Report of the Airport Consultant and Supplemental Letter and summarized in "2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER" below.

PLAN OF REFUNDING

General

The Authority reviews its debt portfolio from time to time to seek debt service savings opportunities through refunding and restructuring of its Outstanding Senior Lien Bonds and Junior Lien Bonds. Prior to the issuance of the Series 2015D-G Bonds, on September 21, 2015, the Authority issued the Series 2015ABC Bonds in an aggregate principal amount of $185,640,000, which were sold pursuant to three direct placements with financial institutions. See "AIRPORT FINANCIAL INFORMATION – Direct Placements" below. On September 21, 2015, a portion of the proceeds of the Series 2015ABC Bonds was used to redeem a portion of the Series 2005 Bonds, and the remaining portion of the proceeds of the Series 2015ABC Bonds was used to defease a portion of the Series 2005 Bonds. In addition, the Authority will use certain of the net proceeds of the Series 2015F Refunding Bonds, together with other available funds, to refund the callable portion of the Series 2005 Bonds not refunded with the Series 2015ABC Bonds (the "Refunded Bonds"), and the Authority will use certain of the net proceeds of the Series 2015G Refunding Bonds and the Series 2015H Refunding Bonds, together with other available funds, to refund all of the Series 2001A Hotel Bonds, in each case, as described below. The Series 2005 Bonds maturing on December 1, 2015 will be defeased on the delivery date of the Series 2015D-G Bonds from available funds of the Authority. Following the issuance of the Series 2015D-G Bonds, no Series 2005 Bonds will remain Outstanding and following the issuance of the Series 2015D-G Bonds and the Series 2015H Refunding Bonds, no Series 2001A Hotel Bonds will be remain Outstanding. For further information regarding the issuance of the Series 2015G Refunding Bonds and the Series 2015H Refunding Bonds, see "INTRODUCTION – The Series 2015D-G Bonds" above.

Refunding of the Refunded Bonds

In order to refund all of the Refunded Bonds, certain of the net proceeds of the Series 2015F Refunding Bonds, together with other available funds of the Authority, if any, in the amounts determined in the Sale Order, will be deposited and held in cash in an escrow fund (the "Refunded Bonds Escrow Fund"), in amounts sufficient to pay the principal of and interest on the Refunded Bonds. The Refunded Bonds Escrow Fund will be held by the Trustee pursuant to an escrow agreement (the "Refunded Bonds Escrow Agreement") which irrevocably directs the Trustee, as Escrow Agent, to take all necessary steps to pay the principal of and interest on the Refunded Bonds when due and to call the Refunded Bonds for redemption on the first call date as specified in the Sale Order. The amounts held in the Refunded Bonds Escrow Fund will be such that the cash will be sufficient without reinvestment to pay the principal of and interest on the Refunded Bonds when due at maturity or by call for redemption.

The Refunded Bonds consist of the following Outstanding Senior Lien Bonds of the Authority:

WAYNE COUNTY AIRPORT AUTHORITY
Airport Revenue Bonds
(Detroit Metropolitan Wayne County Airport), Series 2005
Dated Date: April 13, 2005

Maturity Date (December 1)	Amount	Interest Rate	CUSIP+	Redemption Date	Redemption Price
2025	$14,650,000	5.250%	944514RX8	December 1, 2015	100%
2026	22,935,000	5.250	944514CA4	December 1, 2015	100
2029	76,195,000	5.000	944514CB2	December 1, 2015	100
2034	115,290,000	5.000	944514RY6	December 1, 2015	100
2034	15,000,000	4.750	944514CC0	December 1, 2015	100

(1) Amount to be redeemed from funds of the Authority.

Refunding of the Series 2001A Hotel Bonds

In order to refund all of the Series 2001A Hotel Bonds, certain of the net proceeds of the Series 2015G Refunding Bonds and the Series 2015H Refunding Bonds, together with other available funds of the Authority, in the amounts determined in the Sale Order, will be deposited in an escrow fund (the "Hotel Bonds Escrow Fund" and collectively with the Refunded Bonds Escrow Fund, the "Escrow Funds") consisting of cash, in an amount sufficient to pay the principal of and interest on the Series 2001A Hotel Bonds. The Hotel Bonds Escrow Fund will be held by the Trustee (the "Hotel Bonds Trustee") pursuant to an escrow agreement (the "Hotel Bonds Escrow Agreement") which irrevocably directs the Hotel Bonds Trustee, as Escrow Agent, to take all necessary steps to call the Series 2001A Hotel Bonds for redemption on the call date as specified in the Sale Order and to pay the redemption price and accrued interest thereon on the Series 2001A Bonds on the redemption date. The amounts held in the Hotel Bonds Escrow Fund will be such that the cash and investments and income received thereon will be sufficient without reinvestment to pay the principal of and interest on the Series 2001A Hotel Bonds when due at maturity or by call for redemption.

Charter County of Wayne, Airport Hotel Revenue Bonds
(Detroit Metropolitan Wayne County Airport)(Limited Tax General Obligation), Series 2001A

Maturity Date (December 1)	Amount	Interest Rate	CUSIP+	Redemption Date	Redemption Price
2016	$ 1,990,000	5.50%	944313AA3	December 1, 2015	100%
2017	2,290,000	5.50	944313AB1	December 1, 2015	100
2018	3,795,000	5.50	944313AC9	December 1, 2015	100
2019	4,265,000	5.00	944313AD7	December 1, 2015	100
2020	4,770,000	5.00	944313AE5	December 1, 2015	100
2021	5,260,000	5.00	944313AF2	December 1, 2015	100
2025	27,000,000	5.25	944313AK1	December 1, 2015	100
2030	50,260,000	5.00	944313AQ8	December 1, 2015	100

The refunding of the Series 2001A Hotel Bonds, through the issuance of Additional Bonds, has received approval of a Weighted Majority (as such term is more fully described in APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS").

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Series 2015D-G Bonds.

Sources of Funds	Series 2015D Bonds	Series 2015E Bonds	Series 2015F Refunding Bonds	Series 2015G Refunding Bonds	Total
Par Amounts	$213,330,000	$7,755,000	$224,155,000	$74,815,000	$520,055,000
Original Issue Premium	19,254,834	441,492	21,809,819	9,091,825	50,597,970
Bond Fund Accounts for Refunded Bonds	-	-	5,108,318	1,683,073	6,791,391
TOTAL SOURCES OF FUNDS	$232,584,834	$8,196,492	$251,073,137	$85,589,898	$577,444,361
Uses of Funds					
Series 2015 Projects	$205,990,204	$7,044,287	-	-	$213,034,491
Capitalized Interest	12,307,287	340,097	-	-	12,647,384
Deposit to Escrow Fund for Refunded Bonds/Redemption of Refunded Bonds	-	-	$250,199,981	-	250,199,981
Deposit to Escrow Fund for Redemption of Series 2001A Hotel Bonds	-	-	-	$80,649,688	80,649,688
Deposit to Bond Reserve Account	13,047,387	775,500		4,575,729	18,398,616
Costs of Issuance*	1,016,823	28,497	638,700	286,228	1,970,248
Underwriters' Discount	223,133	8,111	234,456	78,253	543,953
TOTAL USES OF FUNDS	$232,584,834	$8,196,492	$251,073,137	$85,589,898	$577,444,361

* Includes legal fees, trustee fees, rating agency fees, bond insurance premium, financial advisory fees, printing costs and other miscellaneous fees and expenses.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

General

The Airport is the primary air carrier airport serving Southeast Michigan, including the City of Detroit (the 18th most populous city in the United States for 2010, based on U.S. Census Bureau data), the 10-county surrounding area located in the State, and the broader area of northern Ohio and northwestern Indiana. The Airport's service area has a total population of over 5.3 million residents.

According to ACI statistics, in calendar year 2014, the Airport ranked 17th nationwide in total passengers, enplaning and deplaning 32,513,555 passengers, an increase of approximately 0.4 percent over calendar year 2013. Also according to ACI statistics, in calendar year 2014, the Airport ranked 16th nationwide in total aircraft operations, with 392,635 takeoffs and landings, a decrease of approximately 7.8 percent as compared to calendar year 2013. The decrease in the number of aircraft operations is largely attributable to the ongoing retirement by Delta of the majority of its small (50 seats or less) regional jet fleet at the Airport and the replacement of such fleet with larger regional and mainline aircraft. For a further discussion of Delta's replacement of such aircraft at the Airport, see "APPENDIX A – "2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER – SUPPLEMENTAL LETTER - Aircraft Operations and Average Seats per Departure."

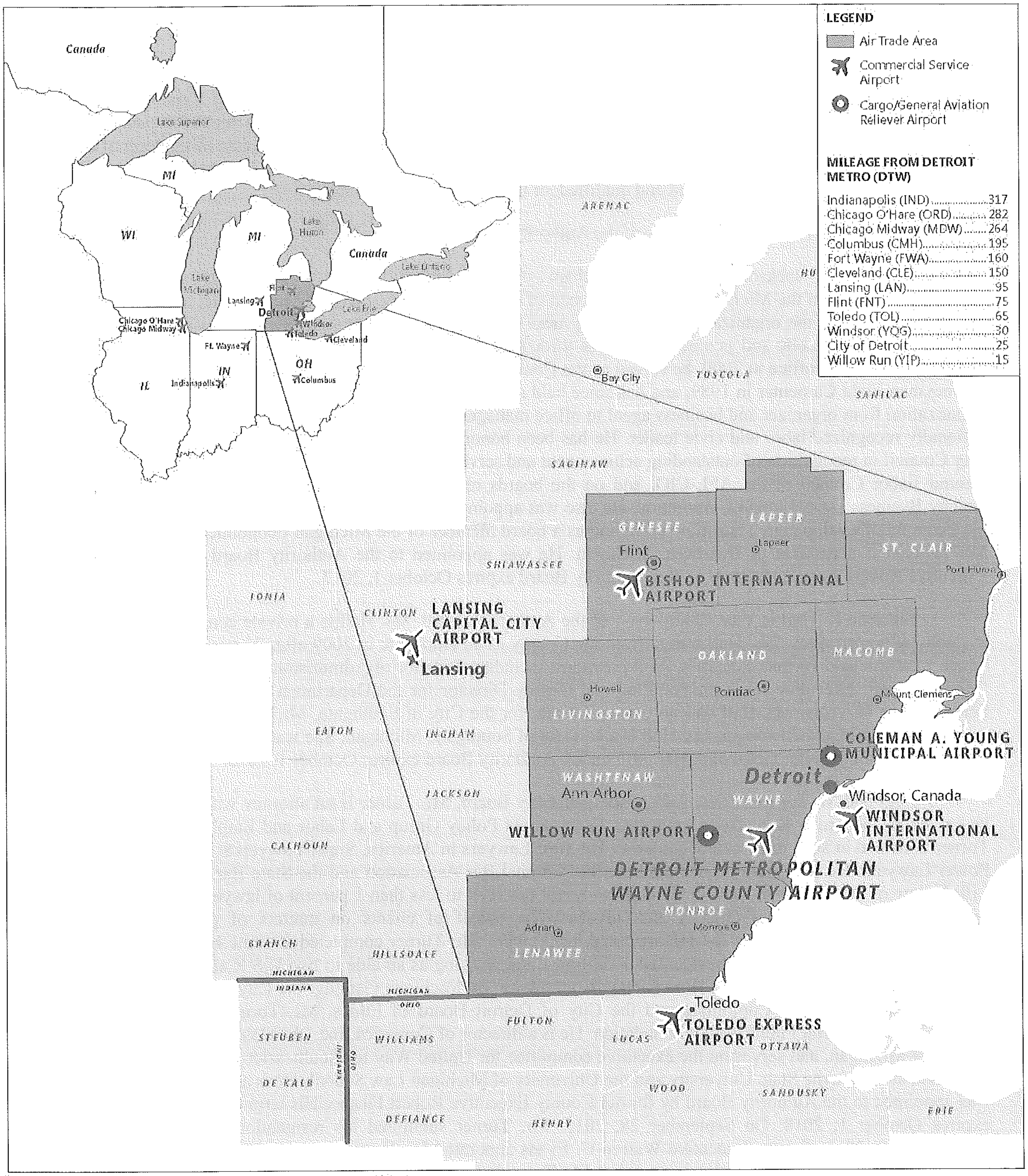
For the Authority's Operating Year 2014 (i.e., the twelve months commencing October 1, 2013 and ending on September 30, 2014), enplaned passengers at the Airport totaled 16,216,673, an increase of approximately 0.9 percent as compared to Operating Year 2013. Also, the number of total domestic enplaned passengers at the Airport increased approximately 0.6 percent in Operating Year 2014, while total international enplaned passengers increased approximately 3.7 percent. Based upon nine months of Authority data for Operating Year 2015, total enplanements at the Airport have increased 0.4 percent, as compared to the same period in Operating Year 2014.

The Airport serves a large origin and destination market, and Delta maintains one of its busiest connecting hubs at the Airport. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Airlines Providing Service at the Airport – *Delta Air Lines*." Delta and the Delta Connection Carriers accounted for approximately 77.8% of the total enplaned passengers at the Airport in Operating Year 2014. The Airport also is an international gateway with significant air service to points in Asia, Europe, Mexico, the Caribbean and Canada.

The Airport's Air Trade Area

The Air Trade Area for the Airport consists of the Ann Arbor MSA that includes Washtenaw County; the Detroit-Warren-Livonia MSA that includes Lapeer, Livingston, Macomb, Oakland, St. Clair and Wayne Counties; the Flint MSA that includes Genesee County; the Monroe MSA that includes Monroe County; and the Adrian Micropolitan Statistical Area that includes Lenawee County. This 10-county area is located within the State. The population of the 10-county Air Trade Area totaled approximately 5.3 million in 2010 based on the U.S. Census Bureau's 2010 Census data. Wayne and Oakland counties are the Air Trade Area's two most populous counties and were ranked as the 15th and 32nd-largest counties, respectively, in the nation for population in 2010. According to the 2014 Report of the Airport Consultant and Supplemental Letter, although the City of Detroit, which filed for federal bankruptcy protection on July 18, 2013 and exited bankruptcy in December 2014, sits within the Air Trade Area, the Air Trade Area continues to exhibit a strong economic recovery and provides a positive environment for new and growing businesses.

The Airport's Air Trade Area is illustrated on the following page.



SOURCE: Map Resources, 2007 (vector map graphics); Ricondo & Associates, Inc, June 2014.
PREPARED BY: Ricondo & Associates, Inc., June 2014.

Air Trade Area and Alternative Facilities

Management of the Airport

The Authority is governed by a seven-member Board. The Authority Act requires that two Board members be appointed by the Governor of the State, four Board members be appointed by the County Executive and one Board member be appointed by the County Commission. Authority Board members serve without compensation for six-year terms, but may not serve for more than two consecutive full terms. The expiration date of the term of office for Board members is October 1 of the year in which the term is to expire, but a Board member holds office until the Board member's successor is appointed and qualified, or until resignation or removal.

The Board. The current members of the Authority Board are:

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

Suzanne K. Hall is Vice Chairperson of the Authority Board. Ms. Hall is a private consultant specializing in public administration. Ms. Hall retired from the County as an employee in 2009 after 23 years of service during which time she held various executive level positions, including Director of Administration for the Sheriff's Office, Deputy County Executive for Administration and Deputy Director for the Department of Health and Community Services. For 18 years, Ms. Hall was an elected official for the City of Southgate, Michigan, four years as Mayor and 14 years as a Councilwoman. Ms. Hall is a resident of Southgate, Michigan. She was appointed to the Board by former Governor Jennifer Granholm. Her term on the Authority Board expires October 1, 2016.

Reginald M. Turner is Secretary of the Authority Board. Mr. Turner is an attorney with Clark Hill, where he serves on the firm's Executive Committee, Government Policy Group and Labor and Employment Group. Mr. Turner is named in such peer review guides as The Best Lawyers in America, Super Lawyers®, and Crain's Detroit Power Lawyers. He is a past president of both the National Bar Association and the State Bar of Michigan, and a Life Fellow of the American Bar Foundation--an honor reserved to less than 1 percent of lawyers in each state. His legal practice also includes counsel and advocacy on behalf of clients on matters of public policy, with governmental experience at the federal, state and local levels. Mr. Turner completed a White House Fellowship in Washington, D.C., managing a Presidential Task Force and working as an aide to two U.S. Cabinet secretaries. He also served on Gov. John Engler's Blue Ribbon Commission on Michigan Gaming, the City of Detroit Brownfield Redevelopment Advisory Committee and the City of Detroit Board of Ethics. Mr. Turner now serves as vice chairman of the Detroit Public Safety Foundation. He is a director of Comerica, Inc., the Community Foundation for Southeast Michigan, and serves on the executive committee for United Way for Southeastern Michigan. Mr. Turner is a graduate of Wayne State University and the University of Michigan Law School. He is a resident of Detroit and was appointed to the Authority Board by former County Executive Robert Ficano. His term on the Authority Board expires October 1, 2018. On September 28, 2015, Mr. Turner submitted his resignation from the Board. On September 30, 2015, County Executive Warren C. Evans appointed Dr. Curtis L. Ivery, Chancellor of the Wayne County Community College District, to complete Mr. Turner's term.

Nabih H. Ayad is a private practice attorney with law offices in Detroit, Michigan. Mr. Ayad is Chairman of the Board for the Arab American Civil Rights League (ACRL). From December of 2008 to December of 2011 Mr. Ayad was a Michigan Civil Rights Commissioner, appointed by former Governor Granholm. He is a member of the Advisory Council on Arab and Chaldean Affairs for the State of Michigan since 2007. Mr. Ayad was Vice President of the Arab-American Political Action Committee (AAPAC); On the Detroit NAACP Legal Redress

Committee; Chairman of the NAACP Western Wayne County Legal Redress Committee for 18 cities in Western Wayne County and on the ACLU Lawyers Committee for the State of Michigan since 2002. Mr. Ayad was on the National Executive Board for the American-Arab Anti-Discrimination Committee (ADC) and also served as former Chairman of the ADC Advisory Board for the State of Michigan for over 7 years. He was also Co-Chair of ALPACT (Advocates and Leaders for Police and Community Trust), an organization made up of 100 law enforcement and civil rights groups, which he co-chaired with the head of the FBI in Detroit. Mr. Ayad received his Juris Doctorate from the Detroit College of Law at MSU and B.S. in Accounting from Wayne State School of Business in Detroit. He is a resident of Northville, Michigan, and was appointed to the Authority Board by former County Executive Robert Ficano in November 2014. His term on the Authority Board expires October 1, 2020.

Irma Clark-Coleman is serving her third two-year term as a Wayne County Commissioner, having served in this role since 2011. Prior to that, she served for eight years in the Michigan Senate and four years in the Michigan House of Representatives. Before serving in the Michigan legislature, she worked for the County for 31 years, starting with the Wayne County Road Commission in 1967. While working for the County, she served for seven years on the Detroit Public Schools Board of Education. In 2004, former Governor Jennifer Granholm appointed Ms. Clark-Coleman to the National Education Commission of the States as well as the Cherry Commission on Higher Education. She is also a former member of the National School Board Association Board of Directors, Michigan Association of School Boards Board of Directors and National Alliance of Black School Educators. Ms. Clark-Coleman graduated from Pershing High School in Detroit and earned bachelor's and master's degrees from Wayne State University. She is a resident of Detroit and was appointed to the Authority Board by the Wayne County Commission in February 2015 to complete the term of former Wayne County Commissioner Kevin McNamara. Her term on the Authority Board expires October 1, 2018.

Michael Garavaglia is president and founder of Capitol Relations, LLC, a Farmington Hills-based lobbying and consulting agency. The firm represents a wide range of clients in the health care and insurance industries as well as county and municipal governments. Prior to establishing his firm, he served as the chief administration officer for the Michigan Department of Attorney General under former Michigan Attorney General Mike Cox. He also was director of legislative affairs for Attorney General Cox. Licensed by the State of Michigan as both a real estate builder and a real estate broker, Mr. Garavaglia was president and CEO of his own real estate development company for more than a decade. He previously worked in key accounting and financial positions for Turner Construction and General Motors. Mr. Garavaglia is a director on the boards of the Detroit Medical Center and Forgotten Harvest. He holds a bachelor's degree in accounting and a master's degree in economics, both from the University of Detroit-Mercy. A resident of Livonia, Michigan, Mr. Garavaglia was appointed to the Authority Board by former County Executive Robert Ficano in November 2014. His term on the Authority Board expires October 1, 2020.

Ronald Hall, Jr. is Vice President & General Counsel at Bridgewater Interiors. He joined the company in 2007. In this role, Mr. Hall advises the company's President and its Chief Operating Officer across a number of areas critical to the business, including the provision of legal services, commercial management, operations launch management, and community relations. Prior to joining Bridgewater Interiors, Hall spent five years at Johnson Controls, Inc., first as an attorney in its Law Department, and later in various positions of increasing responsibility in operations and program management. Before joining Johnson Controls, he practiced corporate law for several years at a prominent Detroit regional law firm. Hall earned his Juris Doctor degree at the University of Michigan Law School, where he was an associate editor on the Michigan Journal of International Law, and a recipient of the Dean's Scholarship Award and other awards. Prior to his career in law, Hall was a professional soldier. A West Point graduate, he was commissioned into the Army's field artillery branch, and decorated for meritorious service with the 1st Cavalry Division in the Persian Gulf. He attained the rank of Captain before resigning from active duty. Mr. Hall sits on one corporate and several nonprofit boards, holding several leadership positions thereon, and is an alumnus of Leadership Detroit. Mr. Hall is a resident of West Bloomfield, Michigan, and was appointed to the Authority Board in October 2014 by Governor Rick Snyder. His term on the Authority Board expires October 1, 2020.

The Board must meet not less than quarterly each year, and all meetings must be held in compliance with the Michigan Open Meetings Act. The Board appoints a Chief Executive Officer ("CEO"), who is responsible for, among other things, the day-to-day operation of the Airports, including the control, supervision, management and oversight of the functions of the Airports.

The Board provides for the annual auditing of the accounts of the Authority to be performed by independent auditors. The Board appoints an audit committee of three Board members to supervise this process. The audit committee is to meet at least four times each year with the Chief Executive Officer, the Chief Financial Officer (who is appointed by the Chief Executive Officer) and the Authority's independent public auditors to review the financial condition, operations, performance and management of the Authority and the Airport. In addition, the Chief Executive Officer appoints an internal auditor to evaluate the Authority's internal accounting and administrative control system and conduct audits relating to the Authority's financial activities.

Authority Staff. Thomas J. Naughton was appointed Chief Executive Officer of the Authority by the Authority Board on September 19, 2012, previously having served as Interim Chief Executive Officer of the Authority commencing October 31, 2011. Prior to his appointment as Interim Chief Executive Officer, Mr. Naughton served as the Chief Financial Officer of the Authority from its formation in 2002. Mr. Naughton was the Chief Financial Officer of the County from 1995 until 2002, and the Deputy Chief Financial Officer of the County from 1988 to 1995. As CEO, he is responsible for the day-to-day operations of the Airports. In Mr. Naughton's previous role as Authority Chief Financial Officer, he was responsible for overseeing all of the financial activities of the Authority, and beginning in May 2010, also was responsible for the oversight of all landside, concession and air service development activities for the Authority. Beginning in September 2009, Mr. Naughton also became responsible for all airfield operations at the Airport. Mr. Naughton is a CPA with more than 30 years of financial experience. Prior to his work for the County, Mr. Naughton was a Senior Manager, Audit for Ernst & Young LLP and a Senior Auditor for Derderian, Kann, Seyferth & Salucci. Mr. Naughton received a B.A. in Business Administration from Michigan State University.

Terrence P. Teifer is the Chief Financial Officer of the Authority. Mr. Teifer assumed the role of Interim Chief Financial Officer on October 31, 2011, upon Thomas Naughton's appointment as Interim CEO, and in June 2012 Mr. Teifer was named Chief Financial Officer. Mr. Teifer previously served as Interim Senior Vice President - Business Development and Treasury from September 1, 2010 to October 31, 2011. From February 2003 to September 2010, Mr. Teifer served as the Authority's Vice President - Treasury Operations, responsible for banking, cash management, surplus fund investments, debt management, risk management, safety, employee benefits, payroll, and oversight of the Authority-owned Westin Hotel. As Chief Financial Officer, in addition to being responsible for oversight of all of the financial activities of the Authority, Mr. Teifer oversees the Human Resources and Technology Services functions for the Authority, and also previously oversaw the Authority's procurement functions. Before joining the Authority, Mr. Teifer served as Deputy County Treasurer, responsible for the County's Treasury management, including the Airport, from 1988 to 2003. Mr. Teifer was a long time active elected local government leader, serving 36 years as Board of Education Trustee, City Treasurer, and Councilmember of the City of Trenton. Prior to his public service, Mr. Teifer held management positions in the defense, steel manufacturing, and banking industries. Mr. Teifer received a B.S. from Michigan State University in 1971.

Mark L. DeBeau is the Senior Vice President of Public Safety for the Authority. Mr. DeBeau is responsible for the Police, Fire, Security, Communications and Emergency Management functions at the Airports. Mr. DeBeau has been with the Airports since 1987, holding numerous public safety positions, starting as Assistant Security Manager. He has worked in the public safety field for over 35 years. He is both a certified Michigan Police Officer and Firefighter. Mr. DeBeau graduated from Central Michigan University in 1973 with a B.S. in Business Administration and in 1993 gained a master's degree from Eastern Michigan University in Liberal Studies. He also is a graduate of the FBI National Academy and Northwestern University Traffic Institute's School of Police Staff and Command. Mr. DeBeau also is a Certified Member of the American Association of Airport Executives.

Jon Hypnar, AIA, is the Chief Operating Officer of the Authority, assuming this role on March 1, 2012. Mr. Hypnar joined the Authority in May 2003 as the Director – North Terminal Redevelopment and served in this capacity through the completion of the terminal in 2008. Mr. Hypnar also served as Senior Vice President – Facilities, Maintenance & Planning for the Authority from April 2, 2007, through February 28, 2012. Mr. Hypnar's current responsibilities for the Authority include the administration, management, and coordination of all airfield operations, infrastructure systems, utilities, roads, bridges and parking facilities at the Airports, oversight of Willow Run Airport and the administration and management of maintenance of all the airfield, landside, infrastructure and other non-building facilities on the Airport. Mr. Hypnar is a registered architect, and has worked in the aviation industry for over 25 years. Prior to joining the Authority, he worked at several aviation consulting firms, held a management position at Sverdrup Corporation (an aviation consultant) and was a Vice President at Barton Malow (a large Midwest construction firm) from 1998 to 2003. Mr. Hypnar received his undergraduate degree from the University of Cincinnati in 1973 and attended Virginia Polytechnic Institute for graduate work.

Emily K. Neuberger has served as Senior Vice President and General Counsel for the Authority since April 2004, and in that capacity she is responsible for the oversight of all legal matters for the Authority, Authority governance matters, and the Authority's federal and state government affairs. Before joining the Authority, Ms. Neuberger was a partner in the law firms of Foley & Lardner LLP from 2001 to 2004, and Hopkins & Sutter from 1988 until its 2001 merger with Foley & Lardner LLP. Ms. Neuberger joined Hopkins & Sutter in 1982 after receiving a J.D. from Northwestern University School of Law. While in private practice, Ms. Neuberger represented the interests of airport operators, including the County and the Authority, in a variety of legal matters, and also represented other aviation industry participants primarily in connection with the issuance of debt for airport capital development. Ms. Neuberger received a B.A. from the University of Rochester in New York, and an M.A. from Western Michigan University. She is also a graduate of Leadership Detroit XXVIII.

Airport Facilities

The Airport is located in the City of Romulus, County of Wayne, Michigan, approximately 20 miles by road southwest of the central business district of the City of Detroit. The Airport currently provides passenger services from two terminal facilities, the 121-gate McNamara Terminal and the 26-gate North Terminal. Delta, the Delta Connection Carriers and Delta's SkyTeam partners, Air France and Virgin Atlantic Airways, operate at the McNamara Terminal. All of the other airlines at the Airport, including all charter airlines, operate at the North Terminal. Both terminals have federal inspection service facilities for international arrivals. The Airport has six total air carrier runways, four north-south runways in the primary wind direction and two east-west crosswind runways. Three of the runways are longer than 10,000 feet and all of the runways are at least 8,500 feet long. Of the twelve current runway approaches, eight are equipped with precision instrument landing systems. Three of the runways are equipped with precision instrument landing systems for both runway approaches.

Aviation Activity

Enplanements. In Operating Year 2014, enplaned passengers at the Airport totaled 16,216,673, an increase of approximately 0.9 percent as compared to Operating Year 2013. The number of total domestic enplaned passengers at the Airport increased approximately 0.6 percent in Operating Year 2014, while total international enplaned passengers increased approximately 3.7 percent. Based upon nine months of Authority data for Operating Year 2015, total enplanements at the Airport have increased 0.4 percent, as compared to the same period in Operating Year 2014.

The following table presents enplaned passenger traffic at the Airport for Operating Years 2010 through 2014:

HISTORICAL ENPLANED PASSENGERS
OPERATING YEAR 2010 – OPERATING YEAR 2014

YEAR	DOMESTIC ENPLANEMENTS	ANNUAL GROWTH	INTERNATIONAL ENPLANEMENTS	ANNUAL GROWTH	TOTAL ENPLANED PASSENGERS	ANNUAL GROWTH	INTERNATIONAL ENPLANEMENT SHARE
2010	14,614,045	(0.1%)	1,262,336	(4.3%)	15,876,381	(0.4%)	8.0%
2011	14,912,532	2.0%	1,313,669	4.1%	16,226,201	2.2%	8.1%
2012	14,802,280	(0.7%)	1,367,304	4.1%	16,169,584	(0.3%)	8.5%
2013	14,665,317	(0.9%)	1,412,335	3.3%	16,077,652	(0.6%)	8.8%
2014	14,751,873	0.6%	1,464,800	3.7%	16,216,673	0.9%	9.0%

SOURCES: Wayne County Airport Authority, June 2015; Bureau of Transportation Statistics (U.S. total enplanements), June 2015.
PREPARED BY: Ricondo & Associates, Inc., August 2015.

Originating and Connecting Passenger Activity. The Airport served 6,951,499 domestic originating passengers in calendar year 2014 and 6,713,171 domestic originating passengers in calendar year 2013. Domestic originating passengers represented 48.1 percent of domestic enplaned passengers in calendar year 2014 and 45.6 percent in calendar year 2013.

The following table presents originating and connecting enplanements at the Airport for Calendar Years 2010 through 2014:

HISTORICAL DOMESTIC ORIGINATING AND CONNECTING ENPLANEMENTS
CALENDAR YEAR 2010 – CALENDAR YEAR 2014

YEAR	DOMESTIC ORIGINATING ENPLANEMENTS	ANNUAL GROWTH	DOMESTIC CONNECTING ENPLANEMENTS	ANNUAL GROWTH	TOTAL DOMESTIC ENPLANED PASSENGERS	ANNUAL GROWTH	ORIGINATING ENPLANEMENT SHARE	CONNECTING ENPLANEMENT SHARE
2010	6,566,987	(1.6%)	8,310,099	7.7%	14,877,086	3.4%	44.1%	55.9%
2011	6,762,033	3.0%	8,138,265	(2.1%)	14,900,298	0.2%	45.4%	54.6%
2012	6,743,905	(0.3%)	7,964,675	(2.1%)	14,708,580	(1.3%)	45.9%	54.1%
2013	6,713,171	(0.5%)	8,020,045	0.7%	14,733,216	0.2%	45.6%	54.4%
2014	6,951,499	3.6%	7,492,051	(6.6%)	14,443,550	(2.0%)	48.1%	51.9%

NOTE: Figures may not add due to rounding
SOURCES: Wayne County Airport Authority, June 2015; US DOT Origin & Destination Survey of Airline Passenger Traffic, 298c Commuter Data, and Airport Activity Statistics of Certificated Route Air Carriers, Schedule T100, June 2015.
PREPARED BY: Ricondo & Associates, Inc., August 2015.

Airlines Providing Service at the Airport

As of September 1, 2015, the Airport was served by 21 U.S. flag scheduled passenger air carriers, including five legacy/mainline carriers, four low-cost carriers, and twelve regional carriers providing service for various legacy/mainline carriers. In addition, as of September 1, 2015, five foreign flag airlines provided scheduled passenger service at the Airport and two all-cargo carriers provided scheduled cargo service at the Airport.

Legacy/Mainline Carriers

Alaska Airlines
American Airlines*(1)
Delta Air Lines*
United Airlines*
US Airways (1)

Foreign Flag Airlines

Air Canada (Jazz/Air Georgian)
Air France*
Lufthansa German Airlines*
Royal Jordanian Airlines
Virgin Atlantic Airways

Cargo Airlines

Federal Express*
United Parcel Service*

Low Cost Carriers

Frontier Airlines
JetBlue Airways
Southwest Airlines*
Spirit Airlines*

Regional Carriers

Air Wisconsin (d/b/a US Airways Express)
Compass (d/b/a Delta Connection)
Endeavor Air (d/b/a Delta Connection)
Envoy Air (d/b/a American Eagle)
ExpressJet (d/b/a Delta Connection and United Express)
GoJet (d/b/a Delta Connection and United Express)
Mesa (d/b/a US Airways Express and United Express)
PSA (d/b/a US Airways Express)
Republic Airlines (d/b/a American Eagle, United Express and US Airways Express)
Shuttle America (d/b/a Delta Connection and United Express)
SkyWest Airlines (d/b/a Delta Connection and United Express)
Trans States (d/b/a United Express)

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* Signatory Airline.
(1) American Airlines and U.S. Airways merged on December 9, 2013, and a single Operating Certificate for the two airlines was issued by the Federal Aviation Administration (the "FAA") on April 8, 2015. American and US Airways continue to operate as two separate airlines. On July 10, 2015, American announced that on October 17, 2015, American and US Airways will transition to a single reservation system, and all US Airways flights will transition to American flights.
Source: Wayne County Airport Authority; Innovata, September 2015.

The historical share of enplaned passengers by airline at the Airport between Operating Year 2010 and Operating Year 2014 is shown in the following table.

HISTORICAL TOTAL ENPLANED PASSENGERS BY AIRLINE[1]
(OPERATING YEARS ENDING SEPTEMBER 30)

	2010		2011		2012		2013		2014	
	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE
Delta/Northwest [2]										
Northwest Airlines	6,989,549	44.0%	-	-	-	-	-	-		
Delta Air Lines	5,804,439	36.6%	12,907,512	79.5%	12,829,785	79.3%	12,754,063	79.3%	12,620,392	77.8%
Subtotal Delta/Northwest	**12,793,988**	**80.6%**	**12,907,512**	**79.5%**	**12,829,785**	**79.3%**	**12,754,063**	**79.3%**	**12,620,392**	**77.8%**
Other Airlines										
Spirit Airlines	570,870	3.6%	718,914	4.4%	734,473	4.5%	777,838	4.8%	898,449	5.5%
Southwest Airlines	553,612	3.5%	611,582	3.8%	645,208	4.0%	657,802	4.1%	840,850	5.2%
US Airways	526,828	3.3%	568,390	3.5%	575,778	3.6%	596,466	3.7%	615,317	3.8%
American Airlines	446,625	2.8%	430,126	2.7%	432,226	2.7%	438,771	2.7%	503,445	3.1%
United Airlines [3]	485,259	3.1%	461,505	2.8%	437,550	2.7%	407,108	2.5%	398,315	2.5%
AirTran	207,513	1.3%	213,598	1.3%	207,819	1.3%	186,090	1.2%	98,958	0.6%
Frontier Airlines	117,173	0.7%	140,291	0.9%	125,186	0.8%	80,496	0.5%	77,650	0.5%
Air France	70,685	0.4%	76,568	0.5%	82,675	0.5%	77,751	0.5%	73,512	0.5%
Lufthansa	65,568	0.4%	67,952	0.4%	64,854	0.4%	66,977	0.4%	46,011	0.3%
Air Canada (Jazz)	6,875	0.0%	12,340	0.1%	14,887	0.1%	17,156	0.1%	21,253	0.1%
Royal Jordanian	15,258	0.1%	14,051	0.1%	15,143	0.1%	14,334	0.1%	14,755	0.1%
Other [4]	16,127	0.1%	3,372	0.0%	4,000	0.0%	2,800	0.0%	7,766	0.0%
Subtotal Other Airlines	**3,082,393**	**19.4%**	**3,318,689**	**20.5%**	**3,339,799**	**20.7%**	**3,323,589**	**20.7%**	**3,596,281**	**22.2%**
Airport Total	**15,876,381**	**100.0%**	**16,226,201**	**100.0%**	**16,169,584**	**100.0%**	**16,077,652**	**100.0%**	**16,216,673**	**100.0%**

NOTE: Figures may not add due to rounding.

[1] Includes regional affiliated carriers, as applicable.
[2] Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.
[3] United Airlines and Continental Airlines merged in October 2010, historical enplanements for these carriers are combined in this table.
[4] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2014.

SOURCE: Wayne County Airport Authority, August 2015.
PREPARED BY: Ricondo & Associates, Inc., August 2015.

Delta Air Lines. Delta maintains one of its busiest connecting hubs and an international gateway at the Airport. Delta and the Delta Connection Carriers accounted for approximately 77.8% of the total enplaned passengers at the Airport in Operating Year 2014. See "INVESTMENT CONSIDERATIONS — Delta's Presence at the Airport" below.

For additional information regarding Delta, see Form 10-K for the fiscal year ended December 31, 2014 filed by Delta with the Securities and Exchange Commission (the "SEC"), and other reports and information filed with the SEC by Delta subsequent to December 31, 2014.

The Authority has no information regarding the financial condition of Delta other than from SEC filings and press releases of Delta. No assurance can be given concerning the present or future viability of Delta.

Airport Use Agreements

Signatory Airlines. A large portion of the Revenues deposited by the Authority into the Revenue Fund in accordance with the Master Bond Ordinance is derived from rentals, fees and charges imposed upon airlines operating at the Airport under agreements relating to their use of the Airport. Pursuant to the terms of the Airline Agreements (defined below), the Authority calculates airline landing fee rates under an Airport-wide residual methodology. As such, the Signatory Airlines (defined below) are obligated to pay the net cost of operating the entire Airport, including operating expenses and all debt service requirements. If the Authority incurs a deficit in any particular Operating Year, it has the ability to increase landing fee rates to the Signatory Airlines in order to recover the amount of the deficit. Conversely, if the Authority realizes a surplus, the Authority must refund the surplus to the Signatory Airlines.

Each of the following airlines is a party to an Airline Agreement: Air France, American Airlines, Delta, Federal Express, KLM Royal Dutch Airlines ("KLM"), Lufthansa German Airlines, Southwest Airlines, Spirit Airlines, United Airlines and United Parcel Service (collectively, the "Signatory Airlines"). KLM is not currently operating at the Airport.

Airline Agreements. Each of the Signatory Airlines is a party to an Airport Use and Lease Agreement with respect to its use of the Airport (each an "Airline Agreement," and collectively referred to as the "Airline Agreements"). The Airline Agreements expire September 30, 2032. Under the Airline Agreements, the Signatory Airlines pay rentals and use fees for the lease and use of airline premises in the terminals at the Airport and Activity Fees (*i.e.*, landing fees) (as defined in APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS") for the common use of other terminal and airfield facilities.

See APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS."

Capital Improvement Program

The Authority maintains an ongoing CIP to address the capital development needs of the Airport. On September 16, 2015, the Authority Board approved the Authority's 2016 - 2020 CIP. The 2016 – 2020 CIP, as defined in "SERIES 2015 PROJECTS" above, includes primarily airfield improvements, as well as improvements to airport support facilities, including the Airport's parking garages and surface lots, electrical distribution system, roads, bridges, storm water system and water distribution system, a fleet replacement plan, a new Authority administrative facility, demolition of multiple empty hangars and support facilities, communication system upgrades and north powerhouse upgrades.

The total estimated project cost for the 2016 - 2020 CIP is $598.9 million, with airfield projects comprising an estimated $321.2 million of this total. The Series 2015 Projects are a subset of the capital projects contained in the 2016 - 2020 CIP, and are to be funded, in part, with the net proceeds of the Series 2015D Bonds and the Series 2015E Bonds. See "SERIES 2015 PROJECTS" above.

The Authority has not yet received Weighted Majority approval for all of the capital projects in the 2016 – 2020 CIP. The Authority currently anticipates that it will undertake the as-yet unapproved projects in the 2016 - 2020 CIP in accordance with the plan set forth in the 2016 –2020 CIP (i.e., over the next 5-6 year period). The Authority anticipates that these future CIP projects will be funded from a combination of existing Bond proceeds, Additional Bond proceeds, federal grants, and Authority discretionary and other funds. See "*—CIP Funding Sources*" below.

As a result of the forward-looking nature of the CIP, some of the anticipated funding sources for the projects may not be approved and are subject to change.

Master Plan. The Authority completed a 20-year Master Plan Update for the Airport in 2008 (the "Airport Master Plan"), which reflects all airfield, terminal, landside/ground access and support facility projects necessary to meet the anticipated demand for air travel over a 2008 – 2027 planning horizon. The Authority is preparing to initiate the Airport's next 20-year Master Plan Update for the Airport in the fall of 2015 with an anticipated completion of the study in late 2017. The FAA requires an airport master plan from any airport that plans to seek federal funding for airport development projects. Master Plan projects are added to the CIP on a phased development basis as demand materializes and funding sources are identified.

The likely funding sources for the Master Plan projects would include future Bond proceeds, federal grants, PFCs, customer facility charges, Airport Development Fund moneys and third party funding.

CIP Funding Sources. The Authority's funding sources for the 2016 - 2020 CIP are the proceeds of Outstanding Senior Lien Bonds, proceeds of the Series 2015D Bonds, proceeds of the Series 2015E Bonds, federal grants, proceeds of Additional Bonds (including the Series 2015 Projects Future Bonds), and Authority discretionary and other funds.

Outstanding Bonds. The Authority has previously issued Senior Lien Bonds to fund a portion of the costs of certain capital projects in the 2016 - 2020 CIP. Approximately $6 million of available remaining proceeds of these Bonds are available to fund a portion of the Series 2015 Projects costs.

Additional Bonds. The Authority is authorized to issue airport revenue bonds to finance the cost of capital projects at the Airports and include the debt service on such bonds in the fees and charges of the Signatory Airlines, subject to receiving the approval of a Weighted Majority for such capital projects. Some of the projects in the 2016 - 2020 CIP already have been approved by a Weighted Majority and are to be funded from the proceeds of the Series 2015D Bonds, the Series 2015E Bonds and the Series 2015 Projects Future Bonds; other projects will require Weighted Majority approval before the Authority may issue Bonds or spend surplus Bond proceeds on hand to fund any portion of the costs of these projects. The Authority currently anticipates that the Series 2015 Projects Future Bonds will be issued no later than December 2017.

Grants. The Airport and Airway Improvement Act of 1982 created a grant program that is administered by the FAA. The FAA allocates federal grants through the Airport Improvement Program (the "AIP"). The AIP grants include entitlement grants, which are allocated among airports by the FAA in accordance with a formula based on enplaned passengers and cargo-landed weight, and discretionary grants, which are allocated by the FAA in accordance with its guidelines. FAA grants are subject to annual Congressional appropriation. The current four-year reauthorization bill for the FAA authorized $3.35 billion per year for the AIP through federal fiscal year 2015.

The Authority expects to use federal grants to pay for a portion of the 2016 - 2020 CIP. No assurance can be made that the FAA will award the additional federal grants that the Authority expects to obtain, or that, if awarded, the federal grant funds will be received in the amount or at the time contemplated by the Authority. The availability of the anticipated grant amounts is subject to future availability of federal discretionary funds that the FAA commits to the projects. In addition, the AIP expires periodically and federal reauthorization is required to continue. FAA's authorization expires on September 30, 2015, and it is not known at this time whether new reauthorization legislation will be passed by Congress by such date. In the absence of new FAA reauthorization legislation, it is expected that Congress would vote to extend the current FAA authorization.

If the grants are not awarded or received, in whole or in part, the Authority would be able to issue Additional Bonds to pay the unfunded costs of the applicable capital projects, subject to obtaining additional Weighted Majority approval, if required.

The following table presents a summary of the 2016 - 2020 CIP, including associated cost estimates and anticipated funding sources.

AIRPORT 2016-2020 CAPITAL IMPROVEMENT PROGRAM FUNDING SOURCES (1)(2)(3)
(Figures in Thousands)

		ANTICIPATED FUNDING SOURCES				
CATEGORY	**ESTIMATED TOTAL COST**	**GRANTS**	**PREVIOUS BONDS (THROUGH SERIES 2014A)**	**2015D AND 2015E BONDS**	**FUTURE BONDS**	**OTHER**
Airfield	$ 321,164	$ 19,500	$ 75,086	$ 168,100	$ 56,555	$ 1,923
Noise Mitigation	800	-	-	-	800	-
Cargo, Hangar & Commercial Development	9,785	-	1,860	-	7,925	-
Power Plant & Electrical Distribution Services	50,622	-	32,317	2,050	15,725	530
Fleet & Equipment	41,421	2,048	17,400	8,000	13,173	800
Parking Decks, Lots & GTC's	36,790	-	13,640	3,720	18,130	1,300
Bridges & Roadways	28,145	-	7,050	10,275	8,920	1,900
Security & Communications	30,896	-	1,900	5,000	22,703	1,293
Support Facilities	34,404	-	6,000	13,000	8,246	7,158
Demolitions	27,811	-	8,872	3,000	13,564	2,375
Terminals	4,325	-	3,625	-	700	-
Water Mains & Storm Water System	6,600	-	6,600	-	-	-
Other Projects	6,200	4,622	-	-	-	1,578
TOTAL	$ 598,963	$ 26,170	$ 174,350	$ 213,145	$ 166,441	$ 18,858

(1) All of the Series 2015 Projects have been approved by a Weighted Majority. Certain other CIP projects that require approval by a Weighted Majority in order to fund such projects with Bond proceeds are not yet approved, expenditure schedules are subject to change, and projects are subject to demand and available funding.
(2) Current cost estimates and construction schedules may vary from the Board-approved CIP.
(3) This table represents the 2016 – 2020 CIP approved by the Authority Board on September 16, 2015.
SOURCE : Wayne County Airport Authority, September 2015.
PREPARED BY: Ricondo & Associates, Inc., September 2015.

The Series 2015 Projects are a subset of the capital projects contained in the 2016 - 2020 CIP and are to be funded, in part, with the net proceeds of the Series 2015D Bonds and the Series 2015E Bonds. For further information regarding the Series 2015 Projects and the estimated costs and funding sources for the Series 2015 Projects, see "SERIES 2015 PROJECTS" above.

Financial Condition of the County

County Financial Emergency. The County has disclosed publicly that it has had significant annual operating deficits since fiscal year 2008-2009 and it expects significant annual operating deficits to continue for the foreseeable future, all of which has put the County in a dire financial situation. On June 17, 2015, the County Executive initiated the process of entering into a consent agreement with the State pursuant to the Michigan Local Financial Stability and Choice Act, Act 436 of 2012 ("Act 436") to facilitate the County's efforts to address its structural deficit by requesting that the State Treasurer conduct a preliminary review of the County's financial condition to determine the existence of probable financial distress within the County. Following an extensive review process, the Governor confirmed the County's financial emergency status under Act 436 on July 30, 2015.

Consent Agreement. Pursuant to Act 436, on August 6, 2015, the County Commission determined to address the financial emergency by negotiating a consent agreement with the State Treasurer providing for remedial measures to address the financial emergency within the County and provide for the financial stability of the County.

On August 13, 2015, the County Commission approved a consent agreement between the County and the State Treasurer (the "Consent Agreement"), which was executed by the County Executive on August 17, 2015, and by the State Treasurer on August 21, 2015. The Consent Agreement grants the County extensive powers to undertake remedial measures to address the County's financial emergency and provide for the financial stability of the County. However, the Consent Agreement also includes certain limits on the exercise of powers under Act 436 by the County, including providing that the County may not sell an asset of the County valued at more than $50,000 without the approval of the State Treasurer and, specifically with respect to the Authority, that "*the County Commission and the County Executive shall not exercise or transfer the powers, duties, functions, or responsibilities of the governing body of a public airport under [the Authority Act], but are not restricted from exercising a power granted to the County Commission, the County Executive or both under the [Authority Act].*" Other than the County Executive's power to appoint four members of the Authority Board and the County Commission's power to appoint one member of the Authority Board, the County holds few powers under the Authority Act.

Under the Consent Agreement, the County Executive and the County Commission are granted the power to remove, replace, appoint or confirm individuals appointed by a county executive and a county commission, respectively, to an office, board, commission, authority, or other entity that is within or is a component unit of the County. Accordingly, the County Executive or County Commission may take the position that they have the authority to replace some or all of the four members of the Authority Board appointed by the County Executive, and the one member of the Authority Board appointed by the County.

The Consent Agreement prohibits the County from initiating a federal bankruptcy action under Chapter 9 of the federal Bankruptcy Code ("Chapter 9").

There can be no assurance that the Consent Agreement will finally and definitively resolve the financial and operational restructuring issues of the County. In addition, the Consent Agreement includes a number of covenants and events of default applicable to the County, the breach of which could lead to the exercise of other powers under Act 436 including the appointment of an Emergency Manager for the County by the Governor or, with the consent of the Governor, the filing of a Chapter 9 petition by the County.

Powers Granted Under Act 436. Among the powers that can be conferred on the County under a consent agreement or on an Emergency Manager under Act 436 are the power to receive and disburse on behalf of the local government all federal, state and local funds earmarked for the local government; to make, approve, or disapprove any appropriation, contract, expenditure, or loan; to reject modify, or terminate one or more terms and conditions of an existing contract; with the prior written approval of the Governor, to sell, lease, convey, assign, or otherwise use or transfer the assets, liabilities, functions, or responsibilities of the local government, provided the use or transfer of assets, liabilities, or responsibilities for this purpose does not endanger the health, safety, or welfare of residents of the local government or unconstitutionally impair a bond, note, security, or uncontested legal obligation of the local government; or to remove, replace, appoint, or confirm the appointment to any office, board, commission, authority, or other entity which is within or is a component unit of the local government.

Although the County retains fee simple title to the primary real property at the Airports, and despite the potentially broad powers that may be conferred on the County or an Emergency Manager under Act 436, the Authority believes that, although the question is not free from doubt, in a case that is properly argued, a court with jurisdiction should hold that the powers granted to the County under Act 436 would be preempted by federal law to the extent that the County attempted to use such powers to monetize Airport assets or divert revenue derived from the Airports' operations for the benefit of the County. Under federal aviation law, Airport revenues and property may only be used for the capital and operating costs of the Airports or other local facilities directly and substantially related to the air transportation of passengers or property. In particular, disposal of Airport land requires FAA approval, and use of the proceeds of such a sale are limited to Airport purposes. Thus, the Authority believes that the County should be prohibited by federal law from monetizing the Airports' assets, including federal AIP grant funds, PFCs, or real or personal property at the Airports, including any fee interests held by the County, and applying such funds to obligations of the County unrelated to the Airports. Furthermore, under federal aviation law, the County may not be reimbursed six (6) or more years after the date of any payment by the County for capital contributions or operating expenses at the Airports. The Authority receives no funding from the County for any purpose, nor has it received any County funds within the last six (6) years.

In addition, because of its retention of fee simple title to Airport property, the County remains contractually obligated and legally responsible to the FAA as a co-sponsor of the Airports for federal grants and must comply with the responsibilities imposed upon airport sponsors under the FAA Airport Grant Assurances in connection with federal grant agreements for the Airports. As described above, under both State law and federal aviation law, regulations and grant agreements, Airport revenues and property, including revenue generated from the sale or use of the land underlying the Airports to which the County retains title, may only be used for aeronautical purposes. The Airline Agreements contain similar restrictions.

The exercise of certain powers under Act 436 could also conflict with certain provisions of the Authority Act. There is no Michigan law that has addressed the potential conflicts between Act 436 and the Authority Act, although the Authority believes that strong arguments can be made for the Authority Act's provisions to control as they are more specific and detailed as to the operation of the Airports.

The Authority operates as a separate legal entity from the County. The Authority Act provides that, as of the date the Authority assumed exclusive operational jurisdiction and control of the Airports (August 9, 2002) (the "Transfer Date"), the Authority acquired, succeeded to, and assumed the "exclusive right, responsibility, and authority to occupy, operate, control and use" the Airports, "including all lands, buildings, improvements, structures, aviation easements, rights of access, and all other privileges and appurtenances pertaining to the airport[s], subject only to those restrictions imposed by" the Authority Act. On the Transfer Date, the County was relieved of all costs and responsibilities associated with the Airports, except for the pledge of the County's credit for the Hotel Bonds (a portion of which have previously been defeased and of which the remaining outstanding amount will be refunded in whole upon the issuance of the Series 2015G Refunding Bonds and the Series 2015H Refunding Bonds).

The Authority Act also requires the County to refrain from all actions impairing the Authority's exercise of its powers under the Authority Act, and from any action to sell, encumber, or dispose of Airport facilities without Authority or FAA consent.

Notwithstanding all of the foregoing, the Authority can make no assurance that a court would find that the Authority Act would not be superseded by some or all of the powers granted to the County under Act 436 (or an Emergency Manager thereunder) if that court were presented with the issue. The Authority also can make no assurance that a court will not use its equitable powers to enjoin or otherwise limit the Authority or the FAA from blocking the ability of the County or Emergency Manager under Act 436 to divert Airport resources to the County. Were a court to exercise such equitable powers in such manner, there could be an adverse effect on the Revenues and assets of the Authority.

County's Ability to Terminate or Modify Contracts. The Authority annually procures certain recurring government, administrative and non-administrative services from the County, on an as-needed, at-will basis. Although the County has the ability to terminate or modify its contracts under Act 436 and the Consent Agreement, the Authority believes that were the County to terminate any or all of its existing arrangements with the Authority for the provision of such services, the result would not be material to the Authority. The Authority believes that it could replace the services provided by the County should these arrangements be terminated. These services include the County's provision to the Authority of certification services for Disadvantaged Business Enterprises, health care benefit administration services, maintenance services for wetlands and roads at Crosswinds Marsh, pump station maintenance and emergency repair services, and maintenance services for airport access road tunnels and traffic signals. The total not to exceed cost of these services purchased by the Authority from the County in Operating Year 2015 was $952,000. Other than payment by the Authority to the County of post-retirement healthcare costs and unfunded pension liabilities for former County employees who retired from the Airport prior to the Transfer Date, the Authority makes no other payments to the County. See "AIRPORT FINANCIAL INFORMATION – Other Post Retirement Benefit Obligations" and "– Authority Retirement Plans".

Chapter 9 Bankruptcy Filing. While Act 436 also contains provisions under which the County, with the consent of the Governor, ultimately could file a petition under Chapter 9, both the County Executive and the Governor have publicly indicated that they have no intent or plan to allow the County to file such a petition.

Moreover, while as of the date hereof, the Authority does not expect the County to file a bankruptcy petition under Chapter 9, in the event such a petition was filed, a number of bankruptcy courts have held that a bankruptcy court may not circumvent the regulatory framework that applies to a local government in the absence of the bankruptcy case, and that the assets of an enterprise, such as the Authority, may not be used, in contravention of state or federal law, to raise funds to operate a county generally or pay other claims against the county. Thus, in the event of a bankruptcy of the County, the restrictions imposed on the County by the Authority Act in connection with its ownership of Airport real property, the restrictions and requirements of federal aviation law and regulations with respect to the ownership and operation of federally assisted airports, and the rights possessed by the Authority with respect to the Airports under both State and federal law are likely to be respected by a bankruptcy court, and a material impact on the Authority and the Airports is unlikely.

AIRPORT FINANCIAL INFORMATION

Airport Indebtedness

General. Capital improvements at the Airport have been financed through the issuance of Senior Lien Bonds, Junior Lien Bonds and Special Facilities Revenue Bonds, and with PFCs, federal grants and other Airport funds. The Authority also executed a Master Lease Purchase Agreement (the "Lease Agreement") with Chase Equipment Leasing Inc. ("Chase Leasing"), a subsidiary of JPMorgan Chase Bank, N.A., pursuant to which Chase Leasing financed certain equipment purchases under the Lease Agreement totaling $1,511,137. In addition, in May 2008, the Authority executed an Efficiency Improvement Agreement for Detroit Metropolitan Wayne County Airport with Siemens Building Technologies, Inc. ("Siemens"), pursuant to which Siemens agreed to finance up to $3,886,162 in certain improvements over a 15 year period. In 2012, the Authority entered into four separate lease purchase agreements with Chase Leasing for major equipment purchases totaling $2,166,104.

Taking into account the issuance of the Series 2015D-G Bonds and the Series 2015H Refunding Bonds, as of October 15, 2015, the aggregate principal amount of Outstanding Senior Lien Bonds will be $2,151,485,000, and the aggregate principal amount of Outstanding Junior Lien Bonds will be $166,185,000. The Series designations and outstanding principal amounts of these bonds are set forth below.

Senior Lien Bonds	Outstanding Principal Amount (as of October 15, 2015)
Series 2007B	$ 109,280,000
Series 2008A	109,355,000
Series 2010A	119,580,000
Series 2010C	117,175,000
Series 2010D	19,575,000
Series 2011A	152,465,000
Series 2011B	14,830,000
Series 2012A	177,565,000
Series 2012B	25,090,000
Series 2012C	1,440,000
Series 2012D	58,055,000
Series 2013A(1)	199,730,000
Series 2013B(1)	74,740,000
Series 2013C(1)	115,345,000
Series 2014A(1)	30,000,000
Series 2014B	66,595,000
Series 2014C	31,845,000
Series 2015A(1)	85,000,000
Series 2015B(1)	75,000,000
Series 2015C(1)	25,640,000
Series 2015D	213,330,000
Series 2015E	7,755,000
Series 2015F	224,155,000
Series 2015G	74,815,000
Series 2015H(1)	23,125,000
Total	$2,151,485,000
Junior Lien Bonds	
Series 2007A	$166,185,000
TOTAL	$2,317,670,000(1)

(1) Such Senior Lien Bonds have been directly placed with a financial institution. For further information, see "AIRPORT FINANCIAL INFORMATION – Direct Placements" below.

Direct Placements

The Authority has directly placed certain series of the Outstanding Senior Lien Bonds referenced under the caption " – Airport Indebtedness – *General*" above, with certain financial institutions. Prior to the issuance of the Series 2015D-G Bonds, on September 21, 2015, the Authority issued its Series 2015ABC Bonds, which were sold pursuant to three direct placements with financial institutions in an aggregate principal amount of $185,640,000. In addition, on the issuance date of the Series 2015G Refunding Bonds, the Authority will issue $23,125,000 principal amount of Series 2015H Refunding Bonds pursuant to a private placement with a financial institution. For further information regarding the anticipated timing of the issuance of the Series 2015H Refunding Bonds, see "INTRODUCTION – The Series 2015D-G Bonds" above. Giving effect to the foregoing, as of the date of issuance of the Series 2015G Refunding Bonds and the Series 2015H Refunding Bonds, the Authority expects to have outstanding $628,580,000 principal amount of Senior Lien Bonds held as direct placements, as summarized in the table below:

Series	Outstanding Principal Amount	Put Date	Maturity Date	Interest Rate Mode	Purchaser
2013A	$199,730,000	11/01/2018	12/01/2033	Variable Rate	JPMorgan Chase Bank, N.A.
2013B	$74,740,000	11/01/2018	12/01/2028	Variable Rate	PNC Bank, National Association
2013C	$115,345,000	11/01/2018	12/01/2028	Variable Rate	Wells Fargo Municipal Capital Strategies, LLC
2014A	$30,000,000	05/01/2019	12/01/2034	Variable Rate	Banc of America Preferred Funding Corporation
2015A	$85,000,000	None	12/01/2020	Fixed Rate	PNC Bank, National Association
2015B	$75,000,000	None	12/01/2024	Fixed Rate	Bank of America, N.A.
2015C	$25,640,000	None	12/01/2034	Fixed Rate	Citibank, N.A.
2015H	$23,125,000[(1)]	10/01/2020[(1)]	12/01/2039[(1)]	Variable Rate	Bank of America, N.A.

[(1)] Purchase contract for such Senior Lien Bonds has been executed and such bonds will be issued on the delivery date of the Series 2015D-G Bonds.
Source: Wayne County Airport Authority, September 2015.

Debt Service Requirements. The following table sets forth the annual debt service requirements accruing in each Bond Year on the outstanding Senior Lien Bonds (including the Series 2015ABC Bonds), the outstanding Junior Lien Bonds, the Series 2015D-G Bonds and the Series 2015H Refunding Bonds:

Bond Year Ending December 1	Outstanding Senior Lien Bonds(1)(2)(3)	Series 2015 D-G Bonds(3)	Series 2015H Refunding Bonds(4)	Total Outstanding Senior Lien Bonds (1)(2)(3)(4)	Total Outstanding Junior Lien Bonds	Total Debt Service (1)(2)(3)(4)
2015	$152,283,772	$ -	$ -	$152,283,772	$12,231,483	$164,515,255
2016	146,463,118	19,250,603	325,998	166,039,719	12,277,233	178,316,951
2017	139,471,689	25,448,243	346,875	165,266,807	12,275,733	177,542,539
2018	139,212,780	27,984,750	346,875	167,544,405	12,273,733	179,818,137
2019	140,734,407	28,396,750	346,875	169,478,032	12,275,733	181,753,765
2020	134,982,500	28,393,000	346,875	163,722,375	12,275,983	175,998,358
2021	131,716,638	28,387,000	346,875	160,450,513	12,273,983	172,724,495
2022	123,035,372	28,384,500	346,875	151,766,747	12,274,233	164,040,979
2023	123,797,148	28,380,000	346,875	152,524,023	12,275,983	164,800,005
2024	124,294,843	28,378,250	346,875	153,019,968	12,278,483	165,298,451
2025	104,226,825	48,173,750	346,875	152,747,450	12,235,983	164,983,433
2026	104,763,250	48,196,250	346,875	153,306,375	12,234,983	165,541,358
2027	105,413,875	48,194,500	346,875	153,955,250	12,232,733	166,187,983
2028	103,895,663	48,226,750	346,875	152,469,288	12,283,483	164,752,770
2029	49,387,100	56,798,250	346,875	106,532,225	12,285,125	118,817,350
2030	54,050,081	52,147,750	346,875	106,544,706	12,283,823	118,828,529
2031	54,052,356	52,142,500	346,875	106,541,731	12,283,848	118,825,579
2032	53,979,238	52,152,250	346,875	106,478,363	12,284,230	118,762,593
2033	46,985,150	52,152,000	346,875	99,484,025	12,284,000	111,768,025
2034	33,896,450	52,162,750	346,875	86,406,075	12,282,750	98,688,825
2035	23,157,000	25,699,250	346,875	49,203,125	12,282,500	61,485,625
2036	23,158,000	25,700,250	346,875	49,205,125	12,282,000	61,487,125
2037	23,165,250	19,653,500	7,731,875	50,550,625	12,285,000	62,835,625
2038	21,211,500	19,349,250	7,941,100	48,501,850	-	48,501,850
2039	21,197,750	19,263,250	8,155,525	48,616,525	-	48,616,525
2040	21,214,750	19,263,750	-	40,478,500	-	40,478,500
2041	21,209,000	19,265,000	-	40,474,000	-	40,474,000
2042	21,204,500	19,265,250	-	40,469,750	-	40,469,750
2043	8,864,000	19,262,750	-	28,126,750	-	28,126,750
2044	8,862,000	19,260,750	-	28,122,750	-	28,122,750
2045	-	19,262,250	-	19,262,250	-	19,262,250
Total	$2,259,886,003	$978,595,096	$31,091,998	$3,269,573,097	$282,253,030	$3,551,826,127

(1) Outstanding Senior Lien Bond debt service for 2015 is based on actual interest payments made on June 1, 2015 and estimated deposits for the December 1, 2015 payment, assuming a 1.25 interest rate on variable rate bonds.

(2) Series 2013A Bonds, Series 2013B Bonds, Series 2013C Bonds, and Series 2014A Bonds assume an interest rate of 1.25% in 2016 and 1.50% thereafter.

(3) Net of capitalized interest.

(4) Series 2015H Refunding Bonds assume an interest rate of 1.25% in 2016 and 1.50% thereafter.

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

Many of the PFC-eligible projects in the CIP for the Airport during the 1998 to 2007 time period were funded with the proceeds of Bonds, and the plan of finance for these projects assumed that the Authority would use PFC revenue to pay the Debt Service on the Bonds issued to pay for such PFC-eligible projects to the maximum extent possible. With respect to other PFC-eligible CIP projects, the Authority has funded a portion of the cost of the projects with federal grant funds, and the balance of the cost (the local share) with Bond proceeds, with payment of a portion of the Debt Service on the Bonds to be paid with PFC revenue.

Under its current PFC approvals, the Authority has authority to impose and use $3.135 billion in PFCs, which includes amounts for the payment of principal, interest and other financing costs on Bonds issued to pay the PFC-eligible costs of the approved projects. The current estimated PFC expiration date is February 1, 2034.

The Authority transfers some of its PFC revenues monthly to the Bond Fund and the Junior Lien Bond Fund for the purpose of paying Debt Service, respectively, on Senior Lien Bonds and Junior Lien Bonds issued to finance PFC eligible projects.

The amount of PFC revenue collected for the Airport in past years has varied, and in future years will vary, based upon many factors, including compliance with federal law and regulations, passenger enplanement levels, as well as continuation of the PFC program. No assurance can be given that the forecasted level of enplanements will be realized or that any other factor affecting PFC revenue will not occur that adversely impacts the Authority. A shortfall in projected PFC collections could increase the amounts of Net Debt Service included in the rates and charges of the airlines operating at the Airport. See "INVESTMENT CONSIDERATIONS – Availability of PFC Revenues and Other Sources of Funding" herein.

Other Post Retirement Benefit Obligations

The Authority provides hospitalization and other health insurance for certain Authority retirees pursuant to agreements with various collective bargaining units and benefit plans approved by the CEO for at-will employees of the Authority. Healthcare benefits are provided to Authority retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for Authority retirees over 65 and their eligible dependents, as these costs are incurred by these retirees. The Authority also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay-as-you-go basis. In 2008, the Authority began negotiating with collective bargaining units to eliminate retiree healthcare benefits for new employees. No new Authority employee hired after 2012 is eligible for retiree healthcare benefits.

As of the year ended September 30, 2007, the Authority is subject to the Governmental Accounting Standards Board Statement Numbers 43 ("GASB 43"), Financial Reporting for Postemployment Benefits Plans Other Than Pensions, and 45 ("GASB 45"), Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions. The pronouncements require state and local units of governments to recognize the cost of retiree health care, as well as any "other" postemployment benefits (other than pensions) in their financial statements. Pursuant to GASB 43 and GASB 45, the Authority must recognize the cost of postemployment benefits, including retiree health care coverage, over the working life of an employee, rather than on a pay-as-you-go basis. For the Authority, this has resulted in increased expenses and related liability. In September 2008 the Authority created an Act 149 Health Care Trust ("Act 149 Trust") that provides a funding mechanism for post-2002 retiree health, dental, and life insurance coverage and other postemployment benefits other than pensions.

In accordance with GASB 45, the Authority obtains independent actuarial valuations of the Authority's Health and Welfare Benefit Plan. The most current actuarial valuation indicated that, as of October 1, 2014, the Authority's estimated Actuarial Accrued Liability (AAL) was approximately $108 million. The Authority has funded the Annual Required Contribution (ARC) in each year since Operating Year 2008, and the trust balance, as of September 30, 2014, was approximately $31.4 million.

Additionally, the post-retirement healthcare costs for County employees who retired prior to the Transfer Date with service credit in the County's former Division of Airports (the "Pre-2002 Airport Retirees") are pooled with the post-retirement healthcare costs of all other County retirees who retired prior to September 1, 2002. The Authority's AAL does not include an estimate of the post-retirement healthcare costs for the Pre-2002 Airport Retirees, who are recognized on the books of the County; however, the Authority pays 11.25% of the actual costs of this pool of retirees on a pay-as-you-go basis. For the fiscal year ended September 30, 2014, the Authority reimbursed the County $1.9 million for healthcare costs related to the Pre-2002 Airport Retirees. As this pool is a closed group, and the retirees whose healthcare costs are in the pool are approaching 100% Medicare eligibility, the Authority expects its annual required payments to the County for this closed pool to decrease over time.

Authority Pension Obligations

Since the Transfer Date, the Authority's employees have continued to participate in the Wayne County Employees' Retirement System (WCERS). Prior to September 30, 2007, Authority and County pension assets were combined. As of September 30, 2007, WCERS has (i) separately accounted for the WCERS assets and liabilities associated with the Authority's employees, retirees and beneficiaries (such individuals are collectively referred to as the "Authority Members"), (ii) provided the Authority discretion to modify WCERS benefits provided to the Authority Members, and (iii) provided the Authority control over various aspects of WCERS as it relates to the Authority Members. Authority Members are only eligible to participate in and accrue benefits in the Authority's retirement plans and are not otherwise eligible to participate in or accrue benefits under WCERS.

In 2015, the County Commission and WCERS authorized WCERS to operate as an "agent multiple-employer plan," as defined by the Governmental Accounting Standards Board. The County Commission and WCERS each have confirmed the Authority's status as an independent adopting employer of the agent multiple-employer plans managed by WCERS, and, pursuant to the approval of the Authority Board, effective July 15, 2015, the Authority and WCERS entered into an Agreement to Serve as Investment Fiduciary and Plan Administrator. This agreement memorializes the Authority's status as an independent adopting employer of the agent multiple employer plans operated by WCERS, as well as the agreement between the Authority and WCERS concerning the services to be provided by WCERS and the remuneration to be provided to WCERS by the Authority and the retirement plans of the Authority. As a result, the Authority's retirement plans are administered by WCERS, but are no longer considered part of a cost-sharing plan with WCERS. Pursuant to the WCERS Annual Actuarial Valuation Report, as prepared by Gabriel Roeder Smith & Company, as of the September 30, 2014 valuation date, the Authority's pension plans were 62% funded, with approximately $136,799,000 of accrued liabilities and $84,434,626 of assets (funding value).

The Authority is responsible for a portion of the pension funding for a group of former County employees consisting of the Pre-2002 Airport Retirees and all other County employees who retired prior to September 1, 2002 (collectively, the "Pre-2002 Retirees"). Based upon an actuarial evaluation and County historical payroll data, the Authority has determined that its share of the pension funding requirements for the Pre-2002 Retirees is 10.25% of the actuarial required contribution. Based on the current 26 year amortization schedule, the Authority has budgeted $1.6 million for this obligation in FY 2016. The Authority may accelerate funding for this obligation based on discussions with WCERS and the County regarding a shortened amortization schedule, which more accurately reflects the life expectancy of this group. A shortened amortization schedule would result in a higher annual payment.

Financial Operations

Historical Operating Results. The audited financial statements of the Airport for the Operating Year ended September 30, 2014, together with the report of Plante & Moran, PLLC, independent auditors, relating thereto, are included herein as APPENDIX B.

The following table sets forth audited historical operating results of the Airport for Operating Years 2010 through 2014 under accounting principles generally accepted in the United States.

HISTORICAL OPERATING RESULTS
Detroit Metropolitan Wayne County Airport
For Operating Years Ended September 30 (In Thousands)

	OY 2010	OY 2011	OY 2012	OY 2013	OY 2014
Operating revenues:					
Airport landing and related fees	$ 69,652	$ 68,473	$ 66,719	$ 64,922	$ 75,780
Concession fees	47,975	50,576	51,689	51,697	54,162
Parking fees	48,309	54,145	56,092	57,829	61,187
Rental facilities	89,671	93,866	105,251	101,474	103,737
Utility service fees	4,332	4,879	4,790	5,152	4,904
Other	6,935	5,716	3,027	5,431	4,098
Total operating revenues	266,874	277,655	287,568	286,505	303,868
Operating expenses:					
Salaries, wages, and fringe benefits	68,799	70,218	68,848	71,656	79,026
Parking management	6,505	6,794	6,048	6,280	6,630
Janitorial services	10,972	11,143	11,480	11,383	11,792
Security	2,293	2,401	2,288	2,260	2,511
Utilities	25,789	24,145	25,882	26,274	28,089
Repairs, professional services, and other	72,172	76,770	69,340	73,563	79,782
Depreciation	136,688	134,660	134,891	133,335	134,938
Total operating expenses	323,218	326,131	318,777	324,751	342,768
Operating loss	(56,344)	(48,476)	(31,209)	(38,246)	(38,900)
Nonoperating revenues (expenses):					
Passenger facility charges	60,306	62,197	62,134	61,705	62,016
Federal and state grants	1,231	1,185	1,379	1,353	1,030
Interest income and other	4,948	3,340	1,783	1,622	1,646
Interest expense and other	(99,602)	(85,322)	(81,961)	(82,461)	(79,307)
Amortization of bond issuance costs	(1,837)	(1,583)	(1,722)	(1,663)	(352)
Total nonoperating revenue	(34,954)	(20,183)	(18,387)	(19,444)	(14,967)
Net loss before capital contributions and transfers	(91,298)	(68,659)	(49,596)	(57,690)	(53,867)
Capital contributions	25,869	15,875	25,208	27,395	15,026
Transfers out	(1,490)	(1,252)	(357)	(5,846)	(5,249)
Changes in net position	(66,919)	(54,036)	(24,745)	(36,141)	(44,089)
Net position – beginning of year [1], [2]	580,897	513,978	459,941	435,196	389,061
Net position – end of year	$ 513,978	$ 459,942	$ 435,196	$ 399,055	$ 344,972

[1] In 2010, Detroit Metro Airport restated beginning net position to $580,897 (see Note 2 of 2010 financial statements for additional discussion). This amount less the 2010 decrease in net position is used to arrive at ending net position.

[2] In 2014, Detroit Metro Airport restated beginning net position to $389,061 (see Note 2 of 2014 financial statements for additional discussion). This amount less the 2014 decrease in net position is used to arrive at ending net position.

Source: Audited Financial Statements of the Wayne County Airport Authority.
See accompanying independent auditor's report.

The financial information presented above is prepared in accordance with U.S. generally accepted accounting principles using the full accrual basis of accounting. Depreciation expense is determined in accordance with the Authority's accounting policies, which provide for straight-line depreciation over the estimated useful lives of the assets acquired. Due to the Authority's major capital expansion program, significant additional depreciation expense has been recorded over the past several years as calculated in accordance with accounting principles generally accepted in the United States. The recording of this additional depreciation expense has resulted in significant operating losses. Depreciation expense is considered a non-cash transaction. The Authority generates enough cash to pay all operating bills and debt service, has positive working capital, and has a strong positive cash flow from operations. Depreciation expense is not considered in calculating required Activity Fees using the Authority's residual rate setting methodology.

Similarly, grants, capital contributions and PFCs are not considered Revenues under the Master Bond Ordinance or the Airline Agreements for purposes of the residual methodology for calculating Activity Fees. However, PFCs are included as a credit in the residual Activity Fee calculation as the Authority transfers PFCs, monthly, into the Bond Fund and/or Junior Lien Bond Fund to pay eligible Debt Service. Interest earnings on the Construction Fund, Bond Fund and Junior Lien Bond Fund accounts are applied in accordance with the Master Bond Ordinance.

Airline Revenue Requirement. The Master Bond Ordinance requires the Authority to adopt, prior to the commencement of each Operating Year, a budget covering the Operation and Maintenance Expenses of the Airport, the Debt Service payable on Senior Lien Bonds and Junior Lien Bonds, and other known monetary requirements of the Master Bond Ordinance and the Airport for such Operating Year. The Airline Agreements with the Signatory Airlines require the Authority to provide the Signatory Airlines with a projection of rentals and the Activity Fee rate for each Operating Year at least sixty (60) days prior to the beginning of the Operating Year. As described in APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS," airline rates, fees and charges currently are calculated based on an Airport-wide residual rate setting methodology, with fixed terminal rental rates. Following the end of each Operating Year, the Authority must provide the Signatory Airlines with a report of rentals and Activity Fees actually chargeable for such year based on actual data for the year. The Signatory Airlines are required to pay additional amounts owed, and the Authority is required to refund airline overpayments, if the rates on which Signatory Airline Activity Fee payments had been based during the year were either too low or too high based on actual data. See APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS."

The following table sets forth the Airport's operating revenues, operating expenses and non-operating revenues for Operating Year 2011 through Operating Year 2014 and the Authority's estimated Airport operating revenues, operating expenses and non-operating revenues for Operating Year 2015 (based on the 2015 Mid-Year Projection, as of March 2015), in each case shown on the basis of the residual airline rate-making methodology under the Airline Agreements.

Detroit Metropolitan Wayne County Airport
Operating and Maintenance Fund
For Operating Years Ended September 30

	OY 2011 Actual	OY 2012 Actual	OY 2013 Actual	OY 2014 Actual	OY 2015 Mid-Year	2015 Mid-Year Projection[1] v 2014 Actual $	2015 Mid-Year Projection[1] v 2014 Actual %
Airline revenues:							
Landing and related fees	$ 68,473	$ 66,719	$ 64,922	$ 75,780	$ 74,415	$ (1,365)	-1.8%
Terminal building rentals and fees	73,652	85,810	84,004	84,915	88,847	3,932	4.6%
Facility use fees	6,638	7,092	7,262	8,362	8,750	388	4.6%
Total airline revenues	148,764	159,621	156,187	169,057	172,012	2,955	1.7%
Non-airline revenues:							
Parking fees	54,145	56,091	57,829	61,187	66,161	4,974	8.1%
Car rental	18,984	19,626	20,160	21,909	22,020	111	0.5%
Concession fees	31,261	31,714	31,187	31,874	31,568	(306)	-1.0%
Ground transportation	4,944	4,883	5,095	5,453	5,316	(136)	-2.5%
Shuttle bus	5,869	5,211	2,502	2,032	2,050	18	0.9%
Other	11,930	10,053	12,810	11,722	11,053	(669)	-5.7%
Total non-airline revenues	127,133	127,578	129,583	134,177	138,168	3,991	3.0%
Total operating revenues	275,897	287,199	285,770	303,234	310,180	6,947	2.3%
Operating expenses:							
Salaries, wages and fringe benefits	70,065	68,426	67,487	73,688	72,949	(739)	-1.0%
Materials and supplies	6,457	6,047	7,288	8,769	9,243	474	5.4%
Parking management expense	6,794	6,048	6,280	6,630	7,119	489	7.4%
Shuttle bus services	8,750	8,099	6,501	6,123	6,498	374	6.1%
Janitorial services	11,143	11,480	11,383	11,792	12,037	245	2.1%
Security	2,401	2,288	2,260	2,511	2,638	127	5.1%
Professional & other contractual services	19,358	16,613	18,525	24,490	21,490	(3,000)	-12.3%
Utilities	24,524	26,280	26,628	28,441	27,083	(1,358)	-4.8%
Buildings and grounds maintenance	18,141	16,519	14,085	15,092	18,820	3,728	24.7%
Equipment repair and maintenance	17,193	15,142	15,210	16,051	17,402	1,351	8.4%
Insurance	2,294	2,370	2,298	2,200	2,172	(29)	-1.3%
Other operating expenses	1,757	4,039	3,915	4,460	4,202	(258)	-5.8%
Operations and maintenance capital	7,444	3,645	3,647	3,371	3,797	426	12.6%
Total operating expenses	196,321	186,996	185,508	203,619	205,449	1,831	0.9%
Operating income (loss)	79,576	100,204	100,262	99,615	104,731	5,116	5.1%
Non-operating revenues (expenses):							
Interest income and other	151	260	209	358	100	(258)	-72.0%
Federal and state grants	1,185	1,367	1,353	1,030	865	(165)	-16.0%
Net debt service	(70,944)	(88,330)	(87,481)	(86,037)	(89,481)	(3,444)	4.0%
Funding requirements	(9,968)	(13,500)	(14,342)	(14,965)	(16,215)	(1,250)	8.4%
Total non-operating revenues (expenses)	(79,576)	(100,204)	(100,262)	(99,615)	(104,731)	(5,116)	5.1%
Net income (loss) before capital contributions & transfers	$ -	$ -	$ -	$ -	$ -		

(1) 2015 Mid-Year Projection is based on actual results through February 28, 2015 and is illustrative of the FY2015 Mid-Year Projection as published by the Authority on April 1, 2015. Source: Wayne County Airport Authority.

Management Discussion of Airport Financial Operations

During Operating Year 2012, the Authority experienced a significant increase in non-operating expenses attributable to an increase in net debt service costs of $20.6 million (25.9%) that were unable to be paid from PFCs as a result of the depletion of the Authority's PFC reserve. The reduction in the PFC reserve was attributable in large part to the 2008-2009 economic recession, and was specifically driven by the decline in enplaned passengers at the Airport, which is the largest single driver for PFC revenue to the Authority. Airport funding requirements also increased due to a change in accounting for the Authority's Other Post Employment Benefit (OPEB) requirement moving into the funding requirement line from benefits operating expenses. In response to the downturn in the economy, during 2011 the Authority undertook $20 million of expense reduction initiatives, targeting specific expenses for Operating Years 2012 and 2013. The expense reductions implemented over this period included global wage and benefit changes (including those resulting from 2012 and 2013 voluntary work force reductions), service level adjustments on contractual services, capital program changes and debt restructuring. The expense reduction initiatives reduced the full impact of non-operating expense growth. As a result, the increase in the airline revenue requirement (i.e. terminal rentals and Activity Fees imposed on airlines imposed on Airlines operating at the Airport) was contained to $10.9 million (7.3%) for Operating Year 2012. The full impact of the work force reductions and service level changes occurred in Operating Year 2013, resulting in a reduction to airline revenues of $3.4 million (2.2%).

During Operating Year 2013, the Authority permanently ceased operating the Air Operations Area ("AOA") employee shuttle service at the Airport, reducing shuttle bus expenses and the offsetting revenue (a $2.7 million decrease), which had been a cost recovery item for a portion of the shuttle bus operation's expenses. Offsetting the non-airline revenue decrease was a $1.8 million increase in the other revenue category largely attributable to a one-time utility credit of $1.6 million due to a contractual change. While operating expenses continued to decrease by $1.5 million overall, driven by the second year of the cost reduction initiatives, there were offsetting increases in professional and contractual services driven by heavier than average snowfall and a $1.2 million increase in the cost of the materials and supplies for hardware purchases needed to complete a system wide Microsoft Windows and Office upgrade.

In Operating Year 2014, the Authority experienced record-breaking snowfall and extraordinary winter weather conditions, which drove increases in contractual snow removal services, bulk chemicals, utility expenses, staff overtime, and roadway and airfield pavement repairs. There were additional expenses attributable to a number of strategic Authority initiatives including expanded Wi-Fi coverage for passengers in both terminals, an airport sustainability study, FAA transponders for airfield vehicles and airfield signage replacements. Operating Year 2014's total operating revenue increased by $17.5 million (6.1%) compared to Operating Year 2013, driven by a mid-year adjustment in airline rates and charges which was needed to offset increased expenses related to winter operations ($18.1 million). Even with the increase in airline revenue, airline cost per enplanement remained moderate at $10.42.

For Operating Year 2015, the Authority has been focusing on implementing various capital asset maintenance improvement plans to address aging infrastructure, including airside pavement, roads and bridges. In addition to the added expense of these plans, harsh winter weather conditions in Operating Year 2015 again resulted in an increase of operating expenses for snow and ice removal which includes additional overtime costs. Offsetting the full impact of these expenses is projected growth in parking revenue due to an increase in parking rates. Total operating revenues for Operating Year 2015 are expected to increase by $6.9 million (2.3%), however, Operating Year 2015 airline cost per enplanement projected at mid-year continues to be moderate at $10.58.

On September 16, 2015, the Authority Board approved the Authority's Operating Year 2016 budget, which increased revenues and expenses by $6.7 million (2.1%) over the Authority's Operating Year 2015 Mid-Year Projection. Increased parking revenues primarily are driven by the full year impact of rate increases implemented in Operating Year 2015. A budgeted increase in enplaned passengers for Operating Year 2016 of 3.1% also results in increased budgeted parking and concessions revenues. The Operating Year 2016 budget also includes increased levels of service for winter operations, resulting in an overall 2.7% increase in operating expenses over the Operating Year 2015 Mid-Year Projection. Budgeted airline cost per enplanement for Operating Year 2016 is decreasing by 3.4% to $10.32 as compared to the Operating Year 2015 Mid-Year Projection.

Historical Debt Service Coverage

The following table presents the historical debt service coverage for Senior Lien Bonds for Operating Years 2010 through 2014.

HISTORICAL DEBT SERVICE COVERAGE
Detroit Metropolitan Wayne County Airport
For Operating Years Ended September 30
(Amounts in thousands of dollars, except as noted)
(Unaudited)

	OY 2010	OY 2011	OY 2012	OY 2013	OY 2014
Revenues:					
Revenues	$ 264,510	$ 279,189	$ 288,623	$ 287,332	$ 304,621
Revenue Fund Balance at Beginning of Year	48,931	70,764	74,143	66,864	59,456
Other Available Monies:					
PFC Contributions	99,207	87,576	65,538	62,838	62,443
Other	1,064	1,943	1,894	4,201	1,933
Interest Income Generated in Bond Funds and Reserves	2,192	3,496	2,502	5,404	7,056
Total Revenues	$ 415,904	$ 442,968	$ 432,700	$ 426,639	$ 435,509
Operation and Maintenance Expenses:	$ 194,014	$ 202,456	$ 192,475	$ 191,715	$ 210,219
Net Revenues Available for Senior Lien Debt Service	$ 221,890	$ 240,512	$ 240,225	$ 234,924	$ 225,290
Bond Debt Service - Senior Lien	$ 157,858	$ 150,360	$ 145,820	$ 160,307	$ 157,187
Debt Service Coverage for Senior Lien Bonds	1.41	1.60	1.65	1.47	1.43

Source: Wayne County Airport Authority.

For a discussion of forecasted debt service coverage for Operating Years 2016 through 2023 on Outstanding Senior Lien Bonds (including debt service requirements on the Series 2015D-G Bonds), see "2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER" herein and APPENDIX A – "2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER."

2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER

The firm of Ricondo & Associates, Inc. ("R&A") prepared a Report of the Airport Consultant dated as of July 23, 2014 (the "2014 Report of the Airport Consultant"), a copy of which is included in this Official Statement as APPENDIX A, in connection with the issuance by the Authority of certain Senior Lien Bonds. R&A has further supplemented and updated certain information contained in the 2014 Report of the Airport Consultant pursuant to its letter dated as of September 10, 2015 (the "Supplemental Letter" and, together with the 2014 Report of the Airport Consultant, referred to herein as the "2014 Report of the Airport Consultant and Supplemental Letter").

The 2014 Report of the Airport Consultant and Supplemental Letter forecasts Net Revenues, Revenue Fund balances and Other Available Moneys sufficient to meet the requirements of the Rate Covenant with respect to Senior Lien Bonds. The Supplemental Letter incorporates an estimate of debt service requirements of the Series 2015D-G Bonds that has been prepared by Public Financial Management, Inc., Financial Advisor to the Authority.

As described in the 2014 Report of the Airport Consultant and Supplemental Letter, the Authority currently projects that approximately $175 million will be required from the proceeds of Additional Bonds to complete the funding of the 2016 - 2020 CIP capital projects. Other than the Series 2015 Projects Future Bonds, the Authority does not yet have a specific plan for the amount and timing of such Additional Bonds, because the estimated project costs and schedules of such capital projects still are being developed and the majority of such projects have not yet received the required approval of the Signatory Airlines. For these reasons, the estimated debt service on such Additional Bonds (other than the Series 2015 Projects Future Bonds) has not been included in the financial projections contained in the 2014 Report of the Airport Consultant and Supplemental Letter. In addition, as neither the Series 2015ABC Bonds nor the Series 2015F Refunding Bonds have been issued, the financial projections contained in the Report of the Airport Consultant do not reflect the financial impact of refunding the Series 2005 Bonds. Finally, as the Series 2015H Refunding Bonds have not yet been approved by the Board nor issued, the financial projections contained in the Report of the Airport Consultant and Supplemental Letter do not incorporate the debt service requirements of the Series 2015H Refunding Bonds, and the Supplemental Letter assumes that the outstanding Series 2001A Hotel Bonds have been refunded in full from the proceeds of the Series 2015G Refunding Bonds.

On the basis of the assumptions and analyses described in the 2014 Report of the Airport Consultant and Supplemental Letter, R&A is of the opinion that (i) sufficient revenues will be generated to pay the Authority's requirements for its Operation and Maintenance (O&M) Fund, Bond Fund, Junior Lien Bond Fund, O&M Reserve Fund, Renewal and Replacement Fund, Authority Discretionary Fund, Airport Development Fund, and other remaining obligations or requirements of the Authority during the projection period from Operating Year 2015 through Operating Year 2023 through a combination of airline rates and charges and nonairline revenue sources, and (ii) projected airline rates and charges are reasonable on an airline cost per enplaned passenger basis compared to other large-hub U.S. airports.

The 2014 Report of the Airport Consultant and Supplemental Letter may include adjustments or other factors that result in debt service coverage, airline cost per enplaned passenger or other information that differs from results presented in the Authority's Comprehensive Annual Financial Report or the Authority's Operating Year budget or projection.

The information in the table below has been extracted from the Supplemental Letter.

The following table shows estimated Operating Year 2015 and forecasted Operating Years 2016 through 2023 Net Revenues, Revenue Fund balances and Other Available Moneys, debt service requirements on Outstanding Senior Lien Bonds (including debt service requirements on the Series 2015D-G Bonds, the Series 2015 Projects Future Bonds), debt service coverage (Senior Lien Bonds) and airline cost per enplaned passenger.

SENIOR LIEN BONDS FORECAST
Estimated Operating Year 2015 and Forecasted Operating Years 2016 through 2023
(In Thousands)

	Net Revenues, Revenue Fund Balances and Other Available Moneys (in thousands)	Total Senior Lien Debt Service Requirements (in thousands) (1)	Senior Lien Debt Service Coverage (1)	Airline Cost Per Enplaned Passenger
2015*	$230,965	$155,504	1.49	$10.24
2016	246,326	165,837	1.49	10.39
2017	250,760	170,615	1.47	10.98
2018	253,668	172,913	1.47	11.12
2019	257,599	175,842	1.46	10.96
2020	253,304	172,062	1.47	11.04
2021	249,025	168,430	1.48	10.67
2022	239,568	160,640	1.49	10.19

*Estimated.

(1) Includes the forecasted debt service requirements on all Outstanding Senior Lien Bonds. For purposes of this table, the interest rate on variable rate direct placement financings is assumed to be 1.25% in 2016 and 1.50% for the remainder of the projection period, the interest rate on the Series 2015D Bonds and Series 2015E Bonds is assumed to be 5.0%, the interest rate on the Series 2015G Refunding Bonds is assumed to be 4.5% and the interest rate on the Series 2015 Projects Future Bonds is assumed to be 5.30%. The debt service requirements on the Series 2015ABC Bonds and the Series 2015F Refunding Bonds, and the debt service savings resulting from the refunding of the Series 2005 Bonds, have not been incorporated into the financial projections included in the Supplemental Letter. In addition, the debt service requirements on the Series 2015H Refunding Bonds have not been incorporated into the financial projections included in the Supplemental Letter and the Supplemental Letter assumes that the outstanding Series 2001A Hotel Bonds have been refunded in full from the proceeds of the Series 2015G Refunding Bonds (fixed rate).

The 2014 Report of the Airport Consultant and Supplemental Letter should be read in its entirety for an understanding of the forecasts and the underlying assumptions. As noted in the 2014 Report of the Airport Consultant and Supplemental Letter, any financial forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. The actual financial results achieved will vary from those forecasts, and the variations may be material. See APPENDIX A – "2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER."

INVESTMENT CONSIDERATIONS

The purchase and ownership of the Series 2015D-G Bonds involve investment risk. Prospective investors are urged to read this Official Statement, including the appendices hereto, in its entirety. The factors set forth herein, among others, may affect the security for and/or trading value of the Series 2015D-G Bonds. The information herein does not purport to be a comprehensive or exhaustive discussion of all risks or other considerations that may be relevant to an investment in the Series 2015D-G Bonds. In addition, the order in which the following information is presented in not intended to reflect the relative importance of any such considerations. There can be no assurance that other risks or considerations not discussed herein are not material or will not become material in the future.

Delta's Presence at the Airport

Delta is the dominant air carrier operating at the Airport and maintains a large connecting hub at the Airport. Delta and the Delta Connection Carriers accounted for approximately 77.8% of the total enplaned passengers at the Airport in Operating Year 2014, 79.3% in Operating Year 2013, and 79.3% in Operating Year 2012.

As a result of the Airport's geographic location, facilities and capabilities and Delta's investment in the Airport, the Authority expects, as supported by the 2014 Report of the Airport Consultant and Supplemental Letter, that the Airport will remain a system hub for Delta; however, no assurance can be given to that effect or with regard to Delta's future level of activity at the Airport, regardless of Delta's financial condition. If, for whatever reason, Delta discontinues or reduces its hubbing operations at the Airport, its current level of activity at the Airport may not be replaced by other carriers. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Airlines Providing Service at the Airport – *Delta Air Lines*" above. Such a change in Delta's activity at the Airport could result in differences to the projections presented in the 2014 Report of the Airport Consultant and Supplemental Letter. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Airlines Providing Service at the Airport" above.

Effect of Airline Industry Consolidation and Affiliation

In response to competitive pressures, the United States airline industry has consolidated. In 2009, Delta and Northwest merged into a single entity now operating under the Delta brand. In 2010, United Airlines and Continental Airlines completed the merger of the two airlines, now operating as United Airlines, and in 2011, Southwest Airlines completed its purchase of AirTran Airways. American Airlines and US Airways completed their merger in 2013, creating the world's largest airline as measured by available seat miles. Further, alliances, joint ventures, and other marketing arrangements may provide airlines with many of the advantages of mergers, and, currently, all of the large U.S. network airlines are members of such alliances with foreign-flag airlines. Alliances typically involve marketing, code-sharing, and scheduling arrangements to facilitate the transfer of passengers between the airlines.

To date, these mergers and alliances have not adversely impacted the Airport, but it is not possible to predict the future impact, if any, on the Airport of these mergers or alliances. Any further airline consolidation could change airline service patterns, particularly at the connecting hub airports of the merging airlines. Furthermore, if Signatory Airlines merge or form other alliances, gate utilization at the Airport could decrease, which could materially adversely affect Airport operations, and ultimately the cost to the airlines of operating at the Airport. At this time, it is not possible to predict the effect of any future airline consolidation on connecting activity or gate utilization at the Airport.

Financial Condition of Airlines Serving the Airport

The number of passengers using the Airport will depend partly on the profitability of the U.S. airline industry and the associated ability of the industry and individual airlines, particularly Delta, to make the necessary investments to continue providing service. 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. Historically, the airline industry's results have correlated with the performance of the economy. According to Airlines for America ("AFA"), U.S. airlines in 2009 saw operating revenues decrease 17 percent, extending industry losses to $58 billion over a nine-year period beginning in 2001. Although AFA reported in May 2014 that, based upon a sample survey of carriers, airlines as a whole are experiencing a period of profitability, the industry, at times, has accumulated substantial losses.

The aviation industry is sensitive to a variety of factors, including (a) the cost and availability of labor, fuel, aircraft and insurance, (b) general economic conditions, (c) international trade, (d) currency values, (e) competitive considerations, including the effects of airline ticket pricing, (f) traffic and airport capacity constraints, (g) governmental regulation, including security regulations and taxes imposed on airlines and passengers, and maintenance and environmental requirements, (h) passenger demand for air travel, and (i) disruption caused by airline accidents, criminal incidents and acts of war or terrorism. Such factors are not subject to the control of the Authority.

It is reasonable to assume that any significant financial or operational difficulties incurred by Delta, the predominant airline servicing the Airport, could have a material adverse effect on the Airport, although financial or operational difficulties by any of the other Signatory Airlines also may, whether directly or indirectly, have an adverse impact on Revenues or Airport operations, the effect of which may be material. See " – Delta's Presence at the Airport" above. At this time, it is not possible to predict the effect that any financial or operational difficulties incurred by Delta or any other airline serving the Airport could have on the Airport.

Impact of Regional and National Economic Conditions on the Airport

The demographic and economic characteristics of the Airport's Air Trade Area comprise the underlying components of air transportation demand for passengers and commercial goods. This relationship is particularly true for origination and destination passenger traffic, which is an important component of demand at the Airport. Although the economic base of the Air Trade Area is considered capable of supporting increased demand for air travel at the Airport, employment and other economic indices of the Air Trade Area were negatively impacted, in part, by the general downturn in the automotive industry which resulted in the bankruptcy filings in 2009 of General Motors Corporation and Chrysler LLC, two of the "Big 3" automakers. Although the City of Detroit, which filed for federal bankruptcy protection on July 18, 2013 and exited bankruptcy in December 2014, sits within the Air Trade Area, such bankruptcy does not appear to have negatively affected the economic rebound of the Air Trade Area or demand for air travel at the Airport. See APPENDIX A – "2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER."

See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT -- Financial Condition of the County" for a discussion of the implications for the Authority and the Airports of the current financial challenges faced by the County.

Factors Affecting Levels of Aviation Activity at the Airport

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities, terrorist attacks, volcanic or meteorological events and world health concerns, may influence passenger travel behavior and air travel demand. Travel behavior may be affected by anxieties about the safety of travel 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 selection of surface travel over air travel. The Authority cannot predict the likelihood of any such events or their effect on the patterns of air travel and air transportation systems.

In addition, there is no assurance that the Airport, despite a demonstrated stable level of demand for airline service and operations, will continue to maintain such levels in the future. The continued presence of the airlines serving the Airport, and the levels at which that service will be provided, are a function of a variety of factors, including: 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 costs and the price of aviation fuel; capacity of the Airport and competition from other airports; and business travel substitutes, including videoconferencing and web-casting. Many of these factors are beyond the control of the Authority. Accordingly, no assurance can be given as to the levels of aviation activity that will be achieved at the Airport.

Effect of Signatory Airline Bankruptcies

In 2001 through 2013, most major airlines restructured their route networks and flight schedules and reached agreement with their employees, lessors, vendors, and creditors to cut costs, under Chapter 11 bankruptcy protection. The following airlines, which are, or at one time were, Signatory Airlines financially reorganized through the bankruptcy process in the last nine years: Delta, Northwest, American Airlines, US Airways, United Airlines, Pinnacle Airlines and Mesaba Aviation. Additional bankruptcies, liquidations or major restructurings of other airlines could occur, and it is not possible to predict the impact on the Airport of any such future bankruptcies, liquidations or major restructurings of other airlines. A bankruptcy of a Signatory Airline with significant operations at the Airport could have a material adverse effect on operations at the Airport, Revenues and the cost to the other airlines of operating at the Airport.

Currently, the domestic gates and related facilities at the Airport are preferentially leased to the Signatory Airlines pursuant to respective Airline Agreements. International gates are operated on a shared basis. In the event of bankruptcy proceedings involving any Signatory Airline, the debtor or its bankruptcy trustee must determine whether to assume or reject its agreements with the Authority (a) within 120 days (or later if ordered by the court) with respect to its Airline Agreement or leases of non-residential real property, but in no event later than 210 days after the commencement of the bankruptcy case unless additional time is agreed to by the Authority, or (b) prior to the confirmation of a plan of reorganization with respect to any other agreement. However, bankruptcy courts are courts of equity and can, and often do, grant exceptions to these statutory limitations. In the event of assumption and/or assignment of any agreement to a third party, the airline would be required to cure any pre- and post-petition monetary defaults and provide adequate assurance of future performance under the applicable Airline Agreement or other agreements.

Rejection of an Airline Agreement or other agreement by any Signatory Airline that is a debtor in a bankruptcy proceeding would give rise to an unsecured claim of the Authority against the debtor's estate for damages, the amount of which may be limited by the Bankruptcy Code. However, the amounts unpaid as a result of a rejection of an Airline Agreement by a Signatory Airline in bankruptcy would be included in the calculation of the fees and charges of the remaining Signatory Airlines under their Airline Agreements. See APPENDIX D – "SUMMARY OF THE AIRLINE AGREEMENTS." There is no assurance that the remaining Signatory Airlines would be financially able to absorb such additional costs resulting from such rejection.

Whether or not an Airline Agreement is assumed or rejected in a bankruptcy proceeding, it is not possible to predict the subsequent level of utilization of the gates leased under such agreement. Decreased utilization of gates could have an adverse effect on the cost to the airlines of operating at the Airport.

With respect to any airline that may seek bankruptcy protection under the laws of a foreign country, the Authority is unable to predict what types of orders or relief could be issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the United States. Typically, foreign airline bankruptcy proceedings obtain an order in the United States to support and complement the foreign proceedings and stay the actions of creditors in the United States.

Regulations and Restrictions Affecting the Airport

The operations of the Airport are affected by various contractual, statutory and regulatory restrictions and limitations, including, without limitation, the provisions of the Airline Agreements, the PFC Act and other extensive federal legislation and regulations applicable to all airports in the United States. In the aftermath of the events of September 11, 2001, the Airport also has been required to implement enhanced security measures mandated by the FAA, the Transportation Security Administration and the Department of Homeland Security.

It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the Authority or whether such restrictions or legislation or regulations would adversely affect Revenues. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Capital Improvement Program" above.

Availability of PFC Revenues and Other Sources of Funding

The Authority's plan of finance for many of the completed CIP projects at the Airport assumed that PFC revenues would be available in certain amounts and at certain times for the payment of a portion of the Debt Service on the Senior Lien Bonds and the Junior Lien Bonds issued to pay the costs of many of the projects. In addition, the Authority's plan of finance for its five-year CIP assumes that federal grants will be received in certain amounts and at certain times to pay certain capital project costs. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Capital Improvement Program" above. No assurance can be given that these sources of funding actually will be available in the amounts or on the schedule assumed.

The amount of PFC revenue collected for the Airport in past years has varied, and in future years will vary, based upon the actual number of passenger enplanements at the Airport. No assurance can be given that any level of enplanements will be realized. This adverse impact of decreased enplanements could be direct or indirect. For example, PFC shortfalls could result in increases in terminal rentals or Activity Fees at the Airport, thereby negatively impacting the airlines' desire to operate at the Airport. Furthermore, under the terms of the PFC Act, the FAA may terminate the Authority's authority to impose a PFC if the Authority's PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Act or the regulations promulgated thereunder, or if the Authority otherwise violates the PFC Act or regulations. The FAA may also terminate the Authority's authority to impose a PFC for a violation by the Authority of the Airport Noise and Capacity Act. The PFC termination provisions contained in the regulations provide both informal and formal procedural safeguards. In addition, although the FAA's PFC regulations require Collecting Carriers (as defined in the PFC Act) to account for PFC collections separately, and indicate that such funds are to be regarded as trust funds held by the Collecting Carriers for the beneficial interest of the public agency imposing the PFC, recent bankruptcy court decisions indicate that in a bankruptcy proceeding involving a Collecting Carrier, it is likely that PFCs will not be treated as trust funds and that airports are not entitled to any priority over other creditors of the Collecting Carrier as to such funds.

Also, as discussed under "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Capital Improvement Program – CIP Funding Sources – *Grants*" above, the assumptions with respect to entitlement and discretionary funding, although considered reasonable by the Authority, are inherently subject to certain uncertainties and contingencies. Actual entitlement and/or discretionary funding levels and timing may vary and such differences may be material.

To the extent that any portion of the funding assumed in the plan of finance for capital projects at the Airport is not available as anticipated, the Authority may be required to issue Additional Bonds or Junior Lien Bonds to pay the costs of such capital projects and to increase airline rates and charges to pay Debt Service on the Senior Lien Bonds and the Junior Lien Bonds and to fund the required coverage thereon. As an alternative to issuing Additional Bonds or Junior Lien Bonds, the Authority may ultimately decide not to proceed with certain capital projects or may proceed with them on a different schedule, producing different results than those included in the projections shown in the 2014 Report of the Airport Consultant and Supplemental Letter.

CIP Costs and Schedule

The estimated costs of, and the projected schedule for, the projects in the CIP for the Airport depend on various sources of funding, and are subject to a number of uncertainties. The Series 2015 Projects are part of the Airport's CIP. The ability of the Authority to complete these projects within the current budgets and on the current schedules may be adversely affected by various factors including: (1) estimating errors, (2) design and engineering errors, (3) changes to the scope of the projects, (4) delays in contract awards, (5) material and/or labor shortages, (6) delays due to airline operational needs, (7) unforeseen site conditions, (8) adverse weather conditions, (9) contractor defaults, (10) labor disputes, (11) unanticipated levels of inflation, (12) litigation and (13) environmental issues. No assurance can be given that the costs of the projects will not exceed the current budget for these projects or that the completion will not be delayed beyond the currently projected completion dates. Any schedule delays or cost increases could result in the need to issue Additional Senior Lien Bonds or Junior Lien Bonds, which would require a new Weighted Majority approval for the projects with increased costs. The issuance of Additional Senior Lien Bonds or Junior Lien Bonds may result in increased costs per enplaned passenger to the airlines. No assurance can be given that the Authority would receive the required airline approvals, or that, absent such approvals, an alternative source of funding would be available. At present, the Authority is unable to estimate the costs associated with each of the risks identified above and the total impact of these risks if such events were to occur. In addition, the Authority may ultimately decide not to proceed with certain capital projects or may proceed with them on a different schedule, resulting in different results than those included in the projections shown in the 2014 Report of the Airport Consultant and Supplemental Letter.

Financial Condition of the County

Although the Authority has sole and exclusive operational jurisdiction of the Airports, which includes the exclusive right, responsibility and authority to occupy, operate, control and use the Airports and the Airports' facilities, the County is the fee simple title holder of the primary real property at the Airports. The County has disclosed publicly that it has had significant annual operating deficits since fiscal year 2008-2009 and it expects significant annual operating deficits to continue for the foreseeable future. See "DETROIT METROPOLITAN WAYNE COUNTY AIRPORT – Financial Condition of the County" for a discussion of certain measures the County is taking to address its financial condition and the implications for the Authority and the Airports of the current financial challenges faced by the County.

Assumptions in the 2014 Report of the Airport Consultant and Supplemental Letter

The 2014 Report of the Airport Consultant and Supplemental Letter should be read in its entirety for an understanding of the forecasts and the underlying assumptions. As noted in the 2014 Report of the Airport Consultant and Supplemental Letter, any financial forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. The actual financial results achieved will vary from those forecasts, and the variations may be material. Further, the 2014 Report of the Airport Consultant and Supplemental Letter does not cover the entire period through maturity of the Series 2015D-G Bonds. See APPENDIX A – "2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER."

TAX MATTERS

General

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, (i) the interest on the Series 2015D Bonds and the Series 2015G Refunding Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) the interest on the Series 2015E Bonds and the Series 2015F Refunding Bonds is excludable from gross income for federal income tax purposes (except for any period when the Series 2015E Bonds and the Series 2015F Refunding Bonds, respectively, are held by a "substantial user" of the Airport or a person deemed "related thereto" (as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code")) and is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted that with respect to corporations (as defined for federal income tax purposes) the interest on the Series 2015D-G Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that, under existing law, the Series 2015D-G Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Series 2015D-G Bonds and the interest thereon.

The opinions on federal and State of Michigan tax matters are based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Authority contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Series 2015D-G Bonds are and will remain obligations the interest on which is excludable from gross income for federal and State of Michigan income tax purposes. The Authority has covenanted to take the actions required of it for the interest on the Series 2015D-G Bonds to be and to remain excludable from gross income for federal and State of Michigan income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's opinions assume the accuracy of the Authority's certifications and representations and the continuing compliance with the Authority's covenants. Noncompliance with these covenants by the Authority may cause the interest on the Series 2015D-G Bonds to be included in gross income for federal and State of Michigan income tax purposes retroactively to the date of issuance of the Series 2015D-G Bonds. After the date of issuance of the Series 2015D-G Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal and State of Michigan income tax purposes of interest on the Series 2015D-G Bonds or the market prices of the Series 2015D-G Bonds.

The opinions of Bond Counsel are based on current legal authority and cover certain matters not directly addressed by such authority. They represent Bond Counsel's legal judgment as to the excludability of interest on the Series 2015D-G Bonds from gross income for federal and State of Michigan income tax purposes but are not a guarantee of that conclusion. The Federal income tax opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Code, the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Series 2015D-G Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2015D-G Bonds. Bond Counsel will express no opinion regarding any such consequences.

Tax Treatment of Accruals on Original Issue Discount Bonds

Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Series 2015D-G Bond is less than the stated redemption price of such Series 2015D-G Bonds at maturity, then such Series 2015D-G Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Series 2015D-G Bonds are referred to as "OID Bonds"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

Amortizable Bond Premium

For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Series 2015D-G Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Series 2015D-G Bonds (collectively, the "Original Premium Bonds") an amortizable bond premium. Series 2015D-G Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

Market Discount

The "market discount rules" of the Code apply to the Series 2015D-G Bonds. Accordingly, holders acquiring their Series 2015D-G Bonds subsequent to the initial issuance of the Series 2015D-G Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid after March 31, 2007 on tax-exempt obligations, including the Series 2015D-G Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing the Series 2015D-G Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2015D-G Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

Future Developments

Bond Counsel's engagement with respect to the Series 2015D-G Bonds ends with the issuance of the Series 2015D-G Bonds and, unless separately engaged, bond counsel is not obligated to defend the Authority in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2015D-G Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Series 2015D-G Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit.

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS WHICH COULD CAUSE THE INTEREST ON THE SERIES 2015D-G BONDS TO BE SUBJECT DIRECTLY OR INDIRECTLY TO FEDERAL OR STATE OF MICHIGAN INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE SERIES 2015D-G BONDS, OR OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON. BOND COUNSEL EXPRESSES NO OPINION REGARDING ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY ACTIONS OF THE INTERNAL REVENUE SERVICE, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE SERIES 2015D-G BONDS FOR AUDIT EXAMINATION, OR THE COURSE OR RESULT OF ANY EXAMINATION OF THE SERIES 2015D-G BONDS, OR OTHER BONDS WHICH PRESENT SIMILAR TAX ISSUES, WILL NOT AFFECT THE MARKET PRICE OF THE SERIES 2015D-G BONDS.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2015D-G BONDS, INCLUDING THE IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

LITIGATION

There is no litigation pending, or to the knowledge of the Authority threatened, against or affecting the Authority or the Airport, or, to the Authority's knowledge, any basis therefor, wherein an unfavorable decision, ruling or outcome would have a material impact on the financial condition of the Airport or would adversely affect the transactions contemplated by this Official Statement, or the validity of the Series 2015D-G Bonds, the Ordinance, or any agreement or instrument to which the Authority is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

RATINGS

Fitch, Inc. ("Fitch"), Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc. ("Standard & Poor's"), have assigned their municipal bond ratings of "A-", "A2" and "A", respectively, to the Series 2015D-G Bonds, based upon the underlying credit of the Authority (and without regard to the Policy with respect to the Insured Bonds). Standard and Poor's is expected to assign its municipal bond rating of "AA" (stable outlook) and Moody's is expected to assign its municipal bond rating of "A2" (stable outlook) to the Insured Bonds with the understanding that upon delivery of such Insured Bonds, the Policy insuring the payment when due of the principal and interest on the Insured Bonds will be issued by the Bond Insurer. See "BOND INSURANCE POLICY FOR CERTAIN SERIES 2015D BONDS" and APPENDIX H – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

A rating reflects only the views of the rating agency assigning such rating. As part of the process of obtaining ratings for the Bonds, the Authority has had discussions with, and submitted certain materials to, the rating agencies, which materials are consistent with the information provided in this Official Statement. There is no assurance that such ratings will remain in effect for any given period of time or that they may not be lowered, suspended or withdrawn entirely by such rating agencies, if in their judgment, circumstances so warrant. Any such downward change in or suspension or withdrawal of such ratings may have an adverse effect on the market price of the Series 2015D-G Bonds. Neither the Authority nor the Underwriters have undertaken any responsibility either to bring to the attention of the registered owners of the Series 2015D-G Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

LEGAL MATTERS

The authorization, issuance and sale by the Authority of the Series 2015D-G Bonds are subject to the approval of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, as Bond Counsel. The proposed forms of the approving opinions of Bond Counsel are included in this Official Statement as APPENDIX G. Certain legal matters will be passed upon for the Authority by its General Counsel and by Foley & Lardner LLP, and for the Underwriters by their counsel, McGuireWoods LLP.

Miller, Canfield, Paddock and Stone, P.L.C. is currently representing Citigroup Global Markets Inc. in certain matters unrelated to the issuance of the Series 2015D-G Bonds. Miller, Canfield, Paddock and Stone, P.L.C. has obtained consents from the Authority and Citigroup Global Markets Inc. with respect to such unrelated matters.

CONTINUING DISCLOSURE

Continuing Disclosure Undertaking

In order to permit the Underwriters to comply with the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (as may be amended from time to time, the "Rule"), the Authority will covenant and agree for the benefit of the Holders or Beneficial Owners of the Series 2015D-G Bonds in a Continuing Disclosure Undertaking to provide certain annual financial information and operating data and notices of certain enumerated events, if material. See APPENDIX F – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" for the detailed provisions of the Continuing Disclosure Undertaking, including the specific nature of the information to be provided on an annual basis and the events as to which notice is to be given, if material. All capitalized terms used but not defined in this section shall have the meanings ascribed to them in the Continuing Disclosure Undertaking.

Breach of the Continuing Disclosure Undertaking will not constitute a default under the Master Bond Ordinance. The sole and exclusive remedy of any Holder or Beneficial Owner of the Series 2015D-G Bonds for enforcement of the provisions of the Continuing Disclosure Undertaking shall be an action for mandamus or specific performance to cause the Authority to comply with its obligations thereunder.

In the Continuing Disclosure Undertaking, the Authority will agree to use its best efforts to require certain "obligated persons" (at this time only Delta) to provide certain annual financial information and operating data, unless the Authority is no longer required to do so under the Rule. The Authority has not undertaken to provide additional information regarding any person that is not obligated under an Airline Agreement, lease or other agreement having a term of more than one year to pay a portion of the debt service on the Series 2015D-G Bonds and providing at least twenty percent (20%) of the revenues of the Airport for the prior two (2) Operating Years.

Delta has agreed in its Airline Agreement to provide to the Authority such information with respect to Delta as the Authority deems reasonably necessary in order for the Authority to comply with the requirements of the Rule.

The Disclosure Dissemination Agent—DAC

In order to provide certain continuing disclosure with respect to the Series 2015D-G Bonds in accordance with the Rule, as the same may be amended from time to time, the Authority has entered into a Disclosure Dissemination Agent Agreement ("Disclosure Dissemination Agreement") for the benefit of the Holders of the Series 2015D-G Bonds with Digital Assurance Certification, L.L.C. ("DAC"), under which the Authority has designated DAC as Disclosure Dissemination Agent.

The Disclosure Dissemination Agent has only the duties specifically set forth in the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described in the Disclosure Dissemination Agreement is limited to the extent the Authority has provided such information to the Disclosure Dissemination Agent as required by the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent has no duty with respect to the content of any disclosures or notice made pursuant to the terms of the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent has no duty or obligation to review or verify any information in the Annual Report, Audited Financial Statements, notice of Notice Event or Voluntary Report, or any other information, disclosures or notices provided to it by the Authority and shall not be deemed to be acting in any fiduciary capacity for the Authority, the Holders of the Series 2015D-G Bonds or any other party. The Disclosure Dissemination Agent has no responsibility for the Authority's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Authority has complied with the Disclosure Dissemination Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Authority at all times.

Corrective Action Relating to Certain Bond Disclosure Requirements

The Authority previously entered into continuing disclosure undertakings with respect to its Outstanding Bonds. In 2014, the Authority obtained a third-party compliance audit by DAC of the Authority's compliance with such undertakings. According to the results of such audit, during the prior five years the Authority did not file material event notices with respect to ratings changes in 2009, 2013 and 2014 that were the result of changes in the insured ratings of certain insured Authority Bonds; however, according to the report provided by DAC and otherwise to the knowledge of the Authority, the Authority complied in all other respects with its existing continuing disclosure undertakings.

Beginning in 2008, the rating agencies began to reduce the insured ratings for certain insured Authority Bonds, and subsequently further reduced or withdrew, or in some cases, as a result of reinsurance or novation transactions involving the bond insurance companies, increased such ratings. Neither the rating agencies nor the bond insurance companies advised the Authority of the insured ratings changes.

In connection with the foregoing, the Authority has taken certain corrective actions relating to its obligation to file certain material event information with respect to its Outstanding Bonds, and has filed notices of the changes in the insured ratings of the applicable currently Outstanding Bonds.

UNDERWRITING

The Series 2015D-G Bonds are being purchased by Citigroup Global Markets Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith, Inc., PNC Capital Markets, LLC, Loop Capital Markets, LLC, Siebert

Brandford Shank & Co. LLC and Wells Fargo Bank, N.A. (collectively, the "Underwriters"). The Underwriters have agreed, subject to certain conditions, to (i) purchase the Series 2015D-G Bonds at an aggregate purchase price of $570,109,016.75 (equal to the par amount of the Series 2015D-G Bonds plus net original issue premium in the aggregate amount of $50,597,970.20 less an underwriting discount of $543,953.45) pursuant to a Bond Purchase Agreement between the Authority and the Underwriters (the "Bond Purchase Agreement"). The Bond Purchase Agreement provides that the Underwriters will purchase all of the Series 2015D-G Bonds, if any are purchased. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2015D-G Bonds to the public. The obligations of the Underwriters to accept delivery of the Series 2015D-G Bonds are subject to various conditions of the Bond Purchase Agreement.

The Underwriters may offer and sell the Series 2015D-G Bonds to certain dealers (including depositing the Series 2015D-G Bonds into investment trusts, which investment trusts may be sponsored by the Underwriters) and others at prices lower than the public offering prices stated on the inside cover page hereof. The initial public offering prices may be changed from time to time by the related Underwriters.

Citigroup Global Markets Inc., an underwriter of the Series 2015D-G Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Series 2015D-G Bonds.

J.P. Morgan Securities LLC ("JPMS"), an underwriter of the Series 2015D-G Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2015D-G Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2015D-G Bonds that such firm sells.

Loop Capital Markets LLC ("LCM"), an underwriter of the Series 2015D-G Bonds, has entered into an agreement (the "Distribution Agreement") with Deutsche Bank Securities Inc. ("DBS") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, DBS will purchase Series 2015D-G Bonds from LCM at the original issue prices less a negotiated portion of the selling concession applicable to any Series 2015D-G Bonds that such firm sells.

Siebert Brandford Shank & Co., L.L.C. ("SBS"), an underwriter of the Series 2015D-G Bonds, has entered into an agreement with Credit Suisse Securities (USA) for the retail distribution of certain securities offerings, at the original issue prices. Pursuant to the distribution agreement, if applicable to the Series 2015D-G Bonds, Credit Suisse Securities (USA) will purchase Series 2015D-G Bonds at the original issue price less the selling concession with respect to any Series 2015D-G Bonds that Credit Suisse Securities (USA) sells. SBS will share a portion of its underwriting compensation with Credit Suisse Securities (USA).

Wells Fargo Bank, National Association ("WFBNA"), an underwriter of the Series 2015D-G Bonds, has entered into an agreement (the "Distribution Agreement") with its affiliate, Wells Fargo Advisors, LLC ("WFA"), for the distribution of certain municipal securities offerings, including the Series 2015D-G Bonds. Pursuant to the Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Series 2015D-G Bonds with WFA. WFBNA also utilizes the distribution capabilities of its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Series 2015D-G Bonds. In connection with utilizing the distribution capabilities of WFSLLC, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company. Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including WFBNA.

FINANCIAL ADVISORS

Public Financial Management, Inc. and D+G Consulting Group, LLC (collectively, the "Financial Advisors") are serving as Financial Advisors to the Authority in connection with the issuance of the Series 2015D-G Bonds. The Financial Advisors are financial advisory and consulting organizations and are not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiated instruments. The Financial Advisors have provided advice as to the plan of financing and the structuring of the Series 2015D-G Bonds and have reviewed and commented on certain legal documentation, including this Official Statement. The advice on the plan of financing and the structuring of the Series 2015D-G Bonds was based upon materials provided by sources of information believed to be reliable, but the Financial Advisors have not audited, authenticated or otherwise verified such information, including material contained in this Official Statement.

INDEPENDENT ACCOUNTANTS

The financial statements of the Authority as of and for the year ended September 30, 2014, included as APPENDIX B, have been audited by Plante & Moran, PLLC, independent accountants, as stated in their report appearing in APPENDIX B.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Robert Thomas CPA, LLC will deliver to the Authority its attestation report verifying the mathematical accuracy of the mathematical computations of the adequacy of the cash deposited in the Escrow Funds under the Master Bond Ordinance and the Series 2015 Ordinance to pay the redemption or purchase price and interest on the Refunded Bonds and the Series 2001A Hotel Bonds, supporting the conclusion of Bond Counsel that interest on the Series 2015D-G Bonds is excludable from gross income for federal income tax purposes as indicated under the caption "TAX MATTERS." Such verification will be based upon information and data provided by the Authority.

MISCELLANEOUS

This Official Statement has been duly authorized by the Board of the Authority, and duly executed and delivered by the Chief Financial Officer of the Authority.

The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

WAYNE COUNTY AIRPORT AUTHORITY

By: /s/ Terrence P. Teifer
Chief Financial Officer

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APPENDIX A

2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER

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2014 REPORT OF THE AIRPORT CONSULTANT

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Report of the Airport Consultant

Wayne County Airport Authority
Airport Revenue Bonds – Series 2014B-C
Detroit Metropolitan Wayne County Airport

PREPARED BY:

RICONDO & ASSOCIATES, INC.
105 East Fourth Street, Suite 1700
Cincinnati, OH 45202
(513) 651-4700 (phone)
(513) 412-3570 (facsimile)

RICONDO & ASSOCIATES

July 23, 2014

RICONDO
& ASSOCIATES

July 23, 2014

Mr. Thomas J. Naughton
Chief Executive Officer
Wayne County Airport Authority
L.C. Smith Terminal, Mezzanine Level
Detroit, Michigan 48242

RE: Report of the Airport Consultant for the Wayne County Airport Authority Airport Revenue Bonds Series 2014B and Airport Revenue Bonds Series 2014C

Dear Mr. Naughton:

Ricondo & Associates, Inc. (R&A) is pleased to present this Report of the Airport Consultant (Report) for inclusion as Appendix A in the Official Statement for the Wayne County Airport Authority's (the Authority) Airport Revenue Bonds Series 2014B and Airport Revenue Bonds Series 2014C, (referred to in this Report as the Series 2014B-C Bonds). The Series 2014B-C Bonds will be issued pursuant to the Authority's Master Airport Revenue Bond Ordinance, adopted September 26, 2003, as amended (Master Bond Ordinance), and the Series 2014 Ordinance, adopted May 21, 2014 (collectively, the Ordinances).

The Series 2014B-C Bonds are payable from the Net Revenues generated from the operation of Detroit Metropolitan Wayne County Airport (the Airport). Proceeds of the Series 2014B-C Bonds, along with other available Airport funds, will (1) fund a portion of the costs of the Airport's 5-Year Capital Improvement Program (as described in Section 1.1 and collectively referred to as the Series 2014 Projects), (2) fund capitalized interest on a portion of the Series 2014B-C Bonds, and (3) fund certain costs of issuing the Series 2014B-C Bonds. Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statement, the Ordinances, or the Airport Use and Lease Agreements (the Airline Agreements).

This Report presents the analysis undertaken by R&A to demonstrate the ability of the Authority to comply with the requirements of the Ordinances on a *pro forma* basis for Operating Years (OY[1]) 2014 through 2022 (the Projection Period) based on the assumptions regarding the planned issuance of the Series 2014B-C Bonds and the timely completion of the Series 2014 Projects established by R&A and the Authority through consultation with its staff, financial advisors, and senior managing underwriter. In developing its analysis R&A has reviewed historical trends and formulated projections, based on the assumptions set forth in this Report which have been reviewed and agreed to by the Authority and its

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1 The Authority's Operating Year is October 1 through September 30.

105 EAST FOURTH STREET, SUITE 1700, CINCINNATI, OH 45202
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staff, regarding the ability of the Air Trade Area (defined herein) to generate demand for air service at the Airport, trends in air service and passenger activity at the Airport, and the financial performance of the Airport, taking into account certain debt service estimates and projections provided by the Authority's financial advisors and senior managing underwriter.

The Report is organized as follows:

- Summary of Findings
- Chapter 1: The Series 2014 Projects and the Series 2014B-C Bonds
- Chapter 2: The Airport
- Chapter 3: The Capital Program and Funding Sources
- Chapter 4: Demographic and Economic Analysis
- Chapter 5: Passenger Demand and Air Service Analysis
- Chapter 6: Financial Analysis

On the basis of the analysis put forth in this Report, R&A is of the opinion that the Net Revenues generated by the Airport in each year of the Projection Period will be sufficient to comply with the Rate Covenant established in the Ordinances. R&A is also of the opinion that the Airport's airline rates and charges will remain reasonable on an airline cost per enplaned passenger (CPE) basis as compared to other large-hub U.S. airports through the Projection Period.

Founded in 1989, R&A is a full-service aviation consulting firm providing airport physical and financial planning services to airport owners and operators, airlines, and federal and state agencies. R&A has prepared Reports of the Independent Airport Consultant in support of over $24.5 billion of airport related revenue bonds from 1996 through 2013. R&A is not registered as a municipal advisor under Section 15B of the Securities Exchange Act of 1934. R&A is not acting as a municipal advisor and has not been engaged by the Authority to provide advice with respect to the structure, timing, terms and other similar matters concerning the issuance of municipal securities. The assumptions regarding such matters included in this report have been provided by the Authority or the Authority's Municipal Advisor or underwriter, or, with the Authority's approval, have been derived from general, publically available data approved by the Authority. R&A owes no fiduciary duty to the Authority. The Authority should discuss the information and analysis contained in this report with such advisors and experts that the Authority deems appropriate before taking any action. Any opinions, assumptions, views or information contained herein are not intended to be, and do not constitute, "advice" within the meaning of Section 15B of the Securities and Exchange Act of 1934.

RICONDO
& ASSOCIATES

The techniques and methodologies used by R&A in the preparation of this Report are consistent with industry practices for similar studies in connection with airport revenue bond sales. While R&A believes that the approach and assumptions used in this Report are reasonable, some assumptions regarding future trends and events detailed in this Report including, but not limited to, the implementation schedule and the projections of passenger activity and financial performance may not materialize. Therefore, actual performance will likely differ from the projections put forth in this Report and the variations may be material.

In developing its analysis, R&A has utilized information from various sources including the Authority, its financial advisors, the senior managing underwriter, federal and local governmental agencies, and independent private providers of economic and aviation industry data which are identified in the notes accompanying the related tables and exhibits in this Report. R&A believes these sources to be reliable, but has not audited this data and does not warrant their accuracy. The analysis presented is based on conditions known as of the date of this letter. R&A has no obligation to update this Report on an ongoing basis.

Sincerely,

Ricondo & Associates, Inc

RICONDO & ASSOCIATES, INC.

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List of Exhibits

Summary of Findings

The Authority commissioned Ricondo & Associates, Inc. (R&A) to prepare this Report to demonstrate, upon issuance of the Series 2014B-C Bonds, the Authority's ability to generate Net Revenues sufficient to meet its obligations under the Ordinances, including but not limited to the Rate Covenant, on a pro forma basis for the Projection Period. In addition, the pro forma financial projections in this Report also may be used to develop a Certificate of the Airport Consultant, as may be required by the Ordinances, demonstrating the Authority's compliance with the Additional Bonds Test regarding the issuance of the Series 2014B-C Bonds. In developing our analysis, R&A reviewed the terms of the Ordinances and related documents that govern the Authority's debt; the estimated terms of the Series 2014B-C Bonds as provided by the Authority's financing team; the Authority's outstanding financial obligations; the capacity of the Airport's existing and planned facilities to accommodate current and anticipated demand; the Airport's Capital Improvement Program (CIP) and proposed funding sources other than the Series 2014B-C Bonds; and the purpose, cost, schedule and expected benefits of the Series 2014 Projects. The impacts of debt service on any future bonds are not included in this analysis.

To develop the pro forma analysis of the Authority's financial performance, R&A reviewed the agreements that establish the business arrangements between the Authority and its various tenants, including but not limited to the commercial airlines serving the Airport. The Authority generates the majority of its operating revenues from commercial airlines and private aircraft operators through airfield usage fees and various rentals for terminal and other spaces; fees and rents assessed to concessionaires providing various goods and services to passengers and other users of airport facilities; fees and rents assessed to rental car operators serving the Airport; and fees for public parking and commercial vehicle access to Airport facilities. These revenues are in large measure driven by passenger demand for air service from the Airport, which is a function of national and local economic conditions, and the ability and willingness of the commercial airlines to supply service at a level commensurate with this demand. Thus, R&A reviewed the historical relationships between economic activity and demand for air service, the airlines' provision of air service, and the financial performance of the Authority. Based on this historical review, R&A developed assumptions regarding these factors and relationships through the Projection Period which provide the basis for the forecasts of passenger activity and financial performance presented in this Report.

The following sections present a summary of R&A's projections and findings that are detailed in the body of the Report, which should be read in its entirety.

The Series 2014 Projects and the Series 2014B-C Bonds

As described in Chapter 1 of the Report, key considerations with respect to the Series 2014B-C Bonds are:

- The Series 2014B-C Bonds are payable from and secured by a lien on Net Revenues of the Authority from the operation of the Airport on parity with all outstanding Senior Lien Bonds and any additional Senior Lien Bonds
- Proceeds of the Series 2014B-C Bonds will fund approximately $96.4 million of the $139.5 million total costs of the Series 2014 Projects
- The Series 2014A Bonds issued on May 1, 2014 funded $29.7 million of costs of the Series 2014 Projects
- The Series 2014 Projects are a subset of the Authority's Modified 2014-2018 Capital Improvement Program (CIP) which has a total estimated project cost of approximately $595.2 million
- Costs associated with airfield improvement and reconstruction projects account for approximately 48 percent of the total estimated costs of the Series 2014 Projects. A variety of other projects account for the remaining 52 percent, including power plant and electrical distribution systems, building demolitions and site redevelopments
- Proceeds of the Series 2014B-C Bonds will also fund capitalized interest on the Series 2014B-C Bonds during construction of the Series 2014 Projects and fund costs of issuing the Series 2014B-C Bonds

Table S-1 presents a summary of the estimated costs of the Series 2014 Projects and anticipated funding sources.

The Airport

The Airport, located 20 miles southwest of downtown Detroit, is the primary airport serving Southeast Michigan, but also attracts passengers from the broader area of Michigan, northern Ohio, and northwestern Indiana as a result of the significant level of air carrier service offered. In addition to serving the local demand for air travel in the Air Trade Area and beyond, the Airport is a key connecting hub and one of the primary international gateways in the Delta Air Lines system. Other considerations with respect to the Airport and its role in Delta's system include the following:

Table S-1: Summary of Series 2014 Projects [1/]

(Figures in Thousands)

		ESTIMATED EXPENDITURES				
Project Type	**ESTIMATED TOTAL COST**	**PRIOR TO OY 2014**	**OY 2014**	**OY 2015**	**OY 2016**	**OY 2017**
Airfield	$ 67,600	$ 4,917	$ 24,098	$ 27,708	$ 10,877	$ -
Cargo and Hangar Development	$ 5,360	$ -	$ 2,974	$ 2,386	$ -	$ -
Power Plant & Electrical Distribution System	$ 26,317	$ -	$ 3,466	$ 15,120	$ 7,731	$ -
Fleet & Equipment	$ 4,000	$ -	$ 670	$ 3,330	$ -	$ -
Parking Decks & Lots	$ -	$ -	$ -	$ -	$ -	$ -
Bridges & Roadways	$ 11,700	$ 1,700	$ 3,750	$ 4,588	$ 1,662	$ -
Security & Communications	$ 1,900	$ -	$ 150	$ 1,750	$ -	$ -
Support Facilities	$ -	$ -	$ -	$ -	$ -	$ -
Site Redevelopment & Demolitions	$ 13,475	$ 375	$ 7,655	$ 5,445	$ -	$ -
Terminals	$ 4,625	$ 477	$ 800	$ 2,348	$ 1,000	$ -
Water Mains & Storm Water System	$ 4,500	$ -	$ 736	$ 2,462	$ 1,303	$ -
Total Series 2014 Projects	**$ 139,477**	**$ 7,469**	**$ 44,299**	**$ 65,137**	**$ 22,572**	**$ -**

		ESTIMATED FUNDING SOURCES				
Project Type	**ESTIMATED TOTAL COST**	**AIP GRANTS**	**PREVIOUS BONDS**	**SERIES 2014A BONDS**	**SERIES 2014B-C BONDS**	**OTHER**
Airfield	$ 67,600	$ -	$ 10,917	$ 5,000	$ 51,683	$ -
Cargo and Hangar Development	$ 5,360	$ -	$ -	$ 5,360	$ -	$ -
Power Plant & Electrical Distribution System	$ 26,317	$ -	$ -	$ 3,226	$ 23,091	$ -
Fleet & Equipment	$ 4,000	$ -	$ -	$ -	$ 4,000	$ -
Parking Decks & Lots	$ -	$ -	$ -	$ -	$ -	$ -
Bridges & Roadways	$ 11,700	$ -	$ 1,700	$ 4,000	$ 6,000	$ -
Security & Communications	$ 1,900	$ -	$ -	$ -	$ 1,900	$ -
Support Facilities	$ -	$ -	$ -	$ -	$ -	$ -
Site Redevelopment & Demolitions	$ 13,475	$ -	$ 375	$ 9,570	$ 3,530	$ -
Terminals	$ 4,625	$ -	$ 477	$ 1,000	$ 3,148	$ -
Water Mains & Storm Water System	$ 4,500	$ -	$ -	$ 1,500	$ 3,000	$ -
Total Series 2014 Projects	**$ 139,477**	**$ -**	**$ 13,469**	**$ 29,656**	**$ 96,352**	**$ -**

NOTE:

1/ Funding sources are subject to change and projects are subject to demand and available funding.

SOURCE : Wayne County Airport Authority, June 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

- Based on preliminary Airports Council International (ACI) traffic data for North American traffic, in CY 2013 the Airport ranked 17th nationwide in total passengers, enplaning and deplaning approximately 32.4 million passengers. In calendar year (CY) 2013, the Airport ranked 12th nationwide in total aircraft operations, with approximately 426,000 takeoffs and landings.
- Based on available information from Innovata[1], accessed through Diio LLC, the airlines serving the Airport are scheduled to average approximately 552 daily domestic and international departures from the Airport during the month of July 2014, with nonstop service to 117 domestic destinations. For the 12-month period ending July 2014, the Airport offered nonstop service to 28 international destinations, including some markets on a seasonal basis.
- While there are several other commercial service airports in and around the geographic area served by the Airport, none offer the breadth and frequency of scheduled air carrier service offered at the Airport. Based on scheduled data as of June 1, 2014, for CY 2014, scheduled departing seat capacity at the Airport totaled approximately 19.6 million seats to domestic and international destinations. The next largest airport in and around the area served by the Airport has fewer than 540,000 scheduled departing seats in the same period. As the scheduled departing seat data indicates, the Airport has a dominant position for providing air travel in its geographical area.
- The Airport is a key connecting hub and one of the primary international gateways in the Delta Air Lines (Delta) system. It attracts passengers from beyond its primary catchment area due to the level of airline service offered at the Airport. The role of the Airport in Delta's system is discussed in greater detail in Chapter 5.
- Airfield facilities at the Airport include six air carrier runways, three of which are longer than 10,000 feet and all of which are longer than 8,500 feet.
- The existing Airport facilities, their orientation, supporting taxiway systems, and associated navigational aids allow the Airport to efficiently accommodate aircraft operations in a range of weather conditions.
- The Airport features two of the most efficient passenger terminals: the McNamara Terminal (also referred to herein as the South Terminal), accommodating Delta and its SkyTeam[2] partners, which opened in February 2002 and the North Terminal, accommodating non-hubbing carriers, which opened in September 2008.

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1 Innovata, part of Flightglobal, is a leading source of airline schedules data covering more than 800 carriers worldwide and is a strategic partner of IATA, the trade association for the word's airlines. Innovata licenses its schedules to clients across the air travel and transportation sectors; builds, hosts and maintains a wide range of electronic timetable and route network mapping solutions; feeds a range of third party aviation schedules analysis tools; and offers an affiliate partnership program through www.quicktrip.com to airports and other travel players.

2 The SkyTeam is a global airline alliance of which Delta is one of 20 current members. Through this alliance, Delta passengers can buy tickets and receive frequent flier benefits for travel on member airlines on approximately 15,700 daily flights to 1,064 destinations in 178 countries, as of March 2014.

- The Airport's existing facilities are anticipated to provide sufficient airfield and passenger terminal capacity to accommodate aviation activity at the Airport through the Projection Period of this Report and beyond.

The Capital Program and Funding Sources

This Report and the financial analyses presented in Chapter 6 incorporate the estimated financial impacts resulting from the implementation of the Series 2014 Projects, which are part of the Authority's Modified 2014-2018 CIP. The Modified 2014-2018 CIP includes the Series 2014 Projects and other projects underway and expected to be undertaken by the Authority over the next five to six years, or as demand warrants. Estimates of total project costs, project phasing, and anticipated funding sources presented in this Report are based on the Authority's current expectations, but are subject to change based on demand, funding availability, and other factors. The Series 2014 Projects have been approved by a Weighted Majority of Signatory Airlines. Other projects included in the Modified 2014-2018 CIP intended to be funded in whole or in part with the proceeds of future bonds will require Weighted Majority approval (see Section 6.1.3) in order to be financed with the proceeds of future bonds.

The Authority's Modified 2014-2018 CIP is summarized below:

- The Modified 2014-2018 CIP has a total estimated project cost of $595.2 million, of which approximately $311.6 million is expected to have been expended as of September 30, 2014. Approximately $273.9 million (46 percent) has been funded by proceeds of previously issued bonds, including the Series 2014A Bonds.
- Based on current expectations, funding sources for the CIP include proceeds from prior bond issues, proceeds from the Series 2014B-C Bonds, future bond proceeds, grants, Authority funds, and other sources to be determined. However, due to the forward-looking nature of the program, some of the anticipated funding sources for the projects may not be approved, are subject to future conditions, or are otherwise subject to change.
- The Authority expects to fund approximately $96.4 million in CIP costs with proceeds of the Series 2014B-C Bonds. See Section 1.2 for a description of the Series 2014 Projects and Section 1.3 for a description of the Series 2014B-C Bonds and the plan of finance.
- A total of approximately $134.0 million in the Modified 2014-2018 CIP project costs are currently anticipated to be funded with the proceeds of future bonds expected to be issued when project costs and schedules are further refined and Weighted Majority approval is received.

Table S-2 presents a summary of the estimated costs and anticipated funding sources for the Modified 2014-2018 CIP, as described in Chapter 3.

Table S-2: Summary of the Modified 2014-2018 CIP [1/ 2/]

(Figures in Thousands)

Project Type	ESTIMATED TOTAL COST	EXPENDED THROUGH 9/30/2013	OY 2014	OY 2015	OY 2016	OY 2017	OY 2018 THROUGH COMPLETION
		ESTIMATED EXPENDITURES					
Airfield	$ 363,400	$ 123,358	$ 61,512	$ 31,030	$ 38,200	$ 58,300	$ 51,000
Cargo and Hangar Development	$ 12,775	$ -	$ 2,313	$ 3,337	$ 7,125	$ -	$ -
Power Plant & Electrical Distribution System	$ 39,092	$ 140	$ 14,227	$ 15,775	$ 4,550	$ 1,600	$ 2,800
Fleet & Equipment	$ 28,335	$ 3,635	$ 6,574	$ 3,567	$ 4,384	$ 6,176	$ 4,000
Parking Decks & Lots	$ 30,110	$ 6,975	$ 14,325	$ 8,810	$ -	$ -	$ -
Bridges & Roadways	$ 12,565	$ 276	$ 3,795	$ 3,464	$ 840	$ 4,189	$ -
Security & Communications	$ 25,590	$ 708	$ 8,432	$ 4,450	$ 6,000	$ 6,000	$ -
Support Facilities	$ 34,650	$ 1,052	$ 28,273	$ 5,325	$ -	$ -	$ -
Site Redevelopment & Demolitions	$ 31,729	$ -	$ 21,758	$ 9,871	$ 100	$ -	$ -
Terminals	$ 8,500	$ 2,100	$ 6,400	$ -	$ -	$ -	$ -
Water Mains & Storm Water System	$ 8,500	$ 450	$ 5,300	$ 1,650	$ 1,100	$ -	$ -
Total Series 2014 Projects	**$ 595,246**	**$ 138,694**	**$ 172,910**	**$ 87,278**	**$ 62,299**	**$ 76,265**	**$ 57,800**

Project Type	ESTIMATED TOTAL COST	AIP GRANTS	PREVIOUS BONDS	SERIES 2014A BONDS	SERIES 2014B-C BONDS	FUTURE BONDS	OTHER
		ESTIMATED FUNDING SOURCES					
Airfield	$ 363,400	$ 76,925	$ 157,331	$ 5,000	$ 51,683	$ 72,461	$ -
Cargo and Hangar Development	$ 12,775	$ -	$ -	$ 5,360	$ -	$ 7,125	$ 290
Power Plant & Electrical Distribution System	$ 39,092	$ -	$ 6,000	$ 3,226	$ 23,091	$ 5,125	$ 1,650
Fleet & Equipment	$ 28,335	$ 1,920	$ 13,400	$ -	$ 4,000	$ 8,000	$ 1,015
Parking Decks & Lots	$ 30,110	$ -	$ 30,110	$ -	$ -	$ -	$ -
Bridges & Roadways	$ 12,565	$ -	$ 2,565	$ 4,000	$ 6,000	$ -	$ -
Security & Communications	$ 25,590	$ -	$ 3,100	$ -	$ 1,900	$ 20,000	$ 590
Support Facilities	$ 34,650	$ -	$ 22,200	$ -	$ -	$ 5,150	$ 7,300
Site Redevelopment & Demolitions	$ 31,729	$ -	$ 3,375	$ 9,570	$ 3,530	$ 15,254	$ -
Terminals	$ 8,500	$ -	$ 477	$ 1,000	$ 3,148	$ 875	$ 3,000
Water Mains & Storm Water System	$ 8,500	$ -	$ 4,000	$ 1,500	$ 3,000	$ -	$ -
Total Series 2014 Projects	**$ 595,246**	**$ 78,845**	**$ 242,558**	**$ 29,656**	**$ 96,352**	**$ 133,990**	**$ 13,845**

NOTE:

1/ Certain CIP projects that require approval by a Weighted Majority of Signatory Airlines in order to fund such projects with Bond proceeds are not yet approved, expenditure schedules are subject to change, and projects are subject to demand and available funding. All Series 2014 Projects have been approved by a Weighted Majority of Signatory Airlines.

2/ This table presents the 2014-2018 CIP as approved by the Authority's Board of Directors. Current cost estimates and construction schedules may vary from the Board-approved CIP.

SOURCE: Wayne County Airport Authority, September 2013.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

Demographic and Economic Analysis

The demand for air transportation is, to a large degree, dependent upon the demographic and economic characteristics of the geographical area served by an airport (i.e., the Air Trade Area), particularly for the origin and destination (O&D) portion of an airport's passenger traffic. Although O&D passengers are less than a majority of the Airport's total traffic, primarily as a result of hubbing activity by Delta, the strength and characteristics of the Airport's underlying economic base remain significant with regard to expectations of continued growth in its O&D demand.[3]

This section presents data that indicates that the Air Trade Area has an economic base capable of supporting increased demand for air travel during the projection period supported by the following key findings:

- While the City of Detroit, which filed for relief under Chapter 9 of the U.S. Bankruptcy Code on July 18, 2013, lies within the Air Trade Area, the Air Trade Area continues to exhibit a strong economic recovery, improving industry conditions, a positive environment for new and growing businesses and a stable demand for air travel to the Detroit area in spite of the City's bankruptcy.
- The Airport serves Southeastern Michigan, the Detroit metropolitan area, and the broader Air Trade Area (as defined in Section 2.3.2) that has a total population of over 5 million residents. Data presented in the following sections indicate that the population of the Air Trade Area is diverse, has a comparatively higher percentage of residents in the age ranges most likely to travel, and has a comparatively high percentage of households in the top income categories, all factors that positively impact the demand for air travel from the Airport.
- A significant rebound from the high unemployment rates experienced in the Air Trade Area between 2009 and 2011 remains underway. Based on data presented by the U.S. Department of Labor's Bureau of Labor Statistics (BLS), the Air Trade Area has experienced an annual decrease in its unemployment rate over each of the past four years.
- Detroit and the surrounding area are well known as "The Automotive Capital of the World," as the region is home to three of the world's largest automakers: Chrysler Group LLC[4], Ford Motor Company, and General Motors Company. Michigan's automotive factories account for over 20 percent of total US vehicle production, more than any other state in the nation, and approximately four-fifths of the state's car and truck production is located within the Air Trade Area. The Air Trade Area produces more vehicles than any other metropolitan area in the United States.
- Since the low point in vehicle production experienced in early 2009, the auto industry has rebounded and experienced an upward trend extending into the first quarter of 2014. Vehicle production in Michigan, the significant majority of which occurs in the Air Trade Area, has steadily grown from

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3 Based on Authority records, domestic O&D passengers accounted for approximately 45.6 percent of total domestic passengers at the Airport in CY 2013.

4 Chrysler Group LLC, a wholly owned subsidiary of Fiat Chrysler Automobiles N.V. (FCA), is headquartered in Auburn Hills, MI.

approximately 1.146 million units in 2009 to approximately 2.474 million units in 2013. Vehicle production in 2013 increased by 9.5 percent from the previous year and was Michigan's highest vehicle production level since 2005.[5] This positive trend continues into 2014 with first quarter vehicle production increasing at 3.0 percent compared to the first quarter of 2013. As sales rates continue to rebound in recent years, each of the Big Three auto companies was profitable in 2013. Ford reported a pre-tax profit of $8.6 billion and a net income of $7.2 billion for 2013[6], while General Motors and Chrysler reported net incomes of $3.8 billion[7] and $2.8 billion[8], respectively, for the same period.

- The Detroit-Warren-Livonia MSA, which accounted for over 80 percent of the Air Trade Area's population in 2012, ranked as the fourth largest export market in the United States, with merchandise shipments totaling approximately $55.4 billion (or 72.9 percent of Michigan's merchandise exports in that year). In addition to the export of transportation equipment, the Detroit metropolitan area ranked among the major exporters of machinery, computer and electronic products, electrical equipment, appliances, and component products, and fabricated metal products, illustrating the diversity of the regional economy. The Detroit-Warren-Livonia MSA experienced growth of 12.1 percent in merchandise exports between 2011 and 2012, compared to an overall increase of 5.0 percent for the top 25 metropolitan exporters. In addition, the Detroit-Warren-Livonia MSA experienced the second highest dollar amount growth in merchandise exports, increasing by $6.0 billion between 2011 and 2012 and was the largest metropolitan area exporter to both Canada and Mexico in 2012.[9]

A summary of demographic and economic data described in Chapter 4 is presented in **Table S-3**.

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5 Source: Michigan Department of Treasury, Office of Revenue and Tax Analysis, Administration Estimates Michigan Economic and Revenue Outlook (FY2013-14, FY 2014-2015, and FY 2015-2016) May 15, 2014.

6 Ford Motor Co., "Ford Posts Full Year 2013 Pre-Tax Profit of $8.6 Billion, One of the Company's Best Years Ever; Net Income of $7.2 Billion +", January 28,2014.

7 General Motors Company, "GM Reports 2013 Net Income of $3.8 Billion", February 6, 2014.

8 Chrysler Group LLC, "Chrysler Group Reports Full-Year 2013 Net Income of $2.8 Billion, Including a $962 Million Non-Cash Tax Benefit", January 29, 2014.

9 Source: International Trade Administration , US Metropolitan Area Exports 2012,Accessed May 19, 2014, http://www.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_003620.pdf

Table S-3: Summary of Demographic and Economic Characteristics

POPULATION	HISTORICAL 2012	PROJECTED 2020	CAGR
Air Trade Area	5,312,985	5,362,369	0.1%
State of Michigan	9,910,328	10,190,230	0.3%
United States	314,659,175	340,554,347	1.0%

GDP/GRP (millions of 2009 dollars)	HISTORICAL 2011	PROJECTED 2020	CAGR
Air Trade Area	$ 223,683	$ 264,820	1.9%
State of Michigan	$ 370,005	$ 434,858	1.8%
United States	$ 14,372,520	$ 17,544,865	2.2%

PER CAPITA PERSONAL INCOME (current dollars for the period shown)	HISTORICAL 2011	PROJECTED 2020	CAGR
Air Trade Area	$ 39,087	$ 54,928	3.9%
State of Michigan	$ 36,264	$ 50,071	3.6%
United States	$ 41,561	$ 56,808	3.5%

NON-SEASONALLY ADJUSTED UNEMPLOYMENT RATES	AIR TRADE AREA	UNITED STATES	VARIANCE
2004	7.0%	5.5%	1.5%
2009 [1/]	14.5%	9.3%	5.2%
April 2014	7.6%	5.9%	1.7%

OTHER DEMOGRAPHIC CHARACTERISTICS	AIR TRADE AREA	MICHIGAN	UNITED STATES
Population between ages 35 - 54 [2/]	28.1%	27.2%	27.1%
Households with income $60,000 or greater	41.1%	37.9%	41.8%

NOTES:
1/ The Air Trade Area's non-seasonally adjusted unemployment rate peaked in 2009.
2/ Data from the Travel Industry Association of America shows that this age group travels more frequently by air than other age groups.

SOURCE: Woods and Poole Economics, Inc., *2014 Complete Economic and Demographic Data Source (CEDDS)*, May 2014 (Population, GDP/GRP, Income); U.S. Department of Labor, Bureau of Labor Statistics, May 2014 (Unemployment); U.S. Department of Commerce, Bureau of the Census, American Community Survey 2012 (Age Ranges).
PREPARED BY: Ricondo & Associates, Inc., June 2014.

Passenger Demand and Air Service Analysis

As presented in Chapter 5 of the Report, the Airport has had the benefit of a large and relatively stable scheduled passenger air carrier base, which has helped promote competitive pricing and scheduling diversity in the Airport's major markets. As of July 2014, the Airport had scheduled passenger service provided by 26 U.S. flag carriers and four foreign flag carriers. The Airport, classified by the FAA as a large hub facility based on its percentage of nationwide enplaned passengers,[10] ranked 17th nationwide in 2013 with approximately 32.4 million total passengers.[11] Other key points regarding historical and projected aviation activities at the Airport are discussed below:

- Delta and the Delta Connection Carriers enplaned an estimated 12.8 million passengers or 79.3 percent of the Airport's enplaned passengers in OY 2013.
- Between OY 2004 and OY 2013, total enplaned passengers at the Airport ranged from a low of 15.9 million in OY 2010 to a high of 18.3 million in OY 2005. International enplaned passengers at the Airport as a percentage of total enplaned passengers have increased between OY 2004 and OY 2013, ranging from a low of 8.0 percent in OY 2010 to a high of 8.8 percent in OY 2013. The Airport is a major connecting hub in Delta's route network, operating as an important Midwest connecting hub. The share of connecting domestic enplaned passengers at the Airport has ranged from a low of 52.8 percent in CY 2007 to a high of 56.9 percent in CY 2005. The connecting percentage for domestic enplaned passengers for CY 2013 was 54.4 percent. Based on analyses provided herein (see Section 5.7.1), the Airport has maintained its role through the Delta and Northwest Airlines merger as an important Midwest hub for Delta, which chiefly flows traffic to the markets in the eastern and western U.S., and as a primary international gateway for its Asian operations.
- As a result of the Airport's competitive assets including (1) its central geographic position in the U.S., (2) substantial airfield and terminal processing capability, (3) the benefits of its local O&D market, (4) limited local airport competition, and (5) its competitive airline cost structure, the Airport has remained and should remain an attractive location for a major airline hub, as well as an important O&D market.
- Based on a discussion with Delta, local socioeconomic and demographic factors, the Airport's historical share of U.S. enplanements, the impacts of the factors described in Section 5.6 herein, and anticipated trends in air carrier usage of the Airport by Delta and other airlines, total enplaned passengers at the Airport are projected to increase from 16.1 million in OY 2013 to 17.2 million in OY 2022. This increase represents a compound annual growth rate of 0.8 percent during this period, compared to a 2.4 percent growth rate projected nationwide by the FAA.

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10 As defined by the FAA, a large hub airport enplanes 1.0 percent or more of nationwide enplanements during a calendar year. One percent of nationwide enplanements equates to 8.2 million passengers in CY 2012, the latest calendar year for determining airport hub size.

11 *ACI Traffic Data 2013 Preliminary*, Airports Council International – North America.

- Despite Delta's preeminent market position, there is competition among airlines serving the most popular routes. Each of the Airport's top 20 domestic O&D markets is served by at least two airlines.

Table S-4 presents a summary of projected enplanements at the Airport through the Projection Period and provides a comparison to the FAA's most recent projections of enplanements for the United States.

Financial Analysis

Chapter 6 of the Report presents the analysis undertaken by R&A to demonstrate the ability of the Authority to comply with the requirements of the Ordinances on a *pro-forma* basis in each year of the Projection Period based on assumptions regarding the planned issuance of the Series 2014B-C Bonds and the completion of the Series 2014 Projects which were established by R&A and the Authority through consultation with its staff, financial advisors, and senior managing underwriter.

Projections of airline rates and charges and resultant airline cost per enplanement (CPE) were developed based on the terms of the Airline Agreements which expire on September 30, 2032. Pursuant to the terms of the Airline Agreements, the Authority calculates airline activity fee rates under an Airport-wide residual methodology. As such, the Signatory Airlines guarantee the net cost of operating the entire Airport, including operating expenses and all debt service and coverage requirements.

Based on the analysis in this Report and the financial projections presented in Chapter 6, R&A is of the opinion that Net Revenues generated in each year of the Projection Period will be sufficient to comply with the Rate Covenant established in the Ordinances. R&A is also of the opinion that the Airport's airline rates and charges will remain reasonable on a CPE basis as compared to other large-hub U.S. airports through the Projection Period.

Results of the financial analysis presented in the following sections can be summarized as follows:

- After the issuance of the Series 2014B-C Bonds, Airport aggregate annual debt service is estimated to increase from approximately $159.9 million in OY 2013 to approximately $172.3 million in OY 2016, before decreasing to approximately $156.1 million in OY 2022.
- O&M expenses were approximately $185.5 million in OY 2013 and are estimated to increase to approximately $240.2 million in OY 2022. The increase in O&M Expenses projected between OY 2013 and OY 2022 represents a compound annual growth rate of 2.9 percent.
- Non-airline revenues were approximately $133.5 million in OY 2013 and are estimated to increase to approximately $163.1 million in OY 2022. The increase in non-airline revenues projected between OY 2013 and OY 2022 represents a compound annual growth rate of 2.2 percent.

Table S-4 Summary of Enplanement Projections

(In Thousands for Operating Years ending September 30)

	AIRPORT			UNITED STATES [1/]		
YEAR	**DOMESTIC**	**INTERNATIONAL**	**TOTAL**	**DOMESTIC**	**INTERNATIONAL**	**TOTAL**
Historical						
2013	14,665	1,412	16,077	654,267	85,059	739,326
Projected						
2022	15,845	1,577	17,422	792,262	121,247	913,509
Compound Annual Growth Rate						
2013 - 2022	0.9%	1.2%	0.9%	2.1%	4.0%	2.4%

NOTE:

1/ Historical and projected enplanements based on FAA Aerospace Forecast FY 2014 - 2034 data. Historical OY 2013 enplanement data is an estimate provided by the FAA.

SOURCES: Wayne County Airport Authority (Historical); Federal Aviation Administration (Historical & Projected) May 2014; Ricondo & Associates, Inc. (Projected), June 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

- Airline revenues calculated based on an Airport-wide residual methodology pursuant to the terms of the Airline Agreements are projected to increase from approximately $151.9 million in OY 2013 (Actual) to approximately $183.9 million in OY 2018 and then decrease to approximately $171.2 million in OY 2022. The Airport's average airline CPE is projected to increase from $9.45 in OY 2013 (Actual) to $10.99 in OY 2018, before decreasing to $9.82 in OY 2022.
- Net Revenues generated in each year of the Projection Period will be sufficient to comply with the Rate Covenant established in the Ordinances.

As summary of the financial analysis is presented in **Table S-5**.

Table S-5: Summary of Financial Analysis

(Dollars in Millions Except Rates and CPE for Operating Years Ending September 30)

	ACTUAL	ESTIMATED	PROJECTED								CAGR
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2015-2022
Operating Revenues and O&M Expenses											
Airline Revenues	$ 151.9	$ 170.2	$ 168.3	$ 174.1	$ 181.6	$ 183.9	$ 181.8	$ 183.6	$ 180.2	$ 171.2	0.2%
Non-Airline Revenues	$ 133.5	$ 134.2	$ 139.9	$ 144.2	$ 147.4	$ 150.4	$ 153.4	$ 156.5	$ 159.8	$ 163.1	2.2%
Total O&M Expenses	$ 185.5	$ 202.2	$ 204.2	$ 209.2	$ 214.4	$ 219.7	$ 223.1	$ 228.6	$ 234.3	$ 240.2	2.3%
Airline Rates and Charges											
South Terminal Rental Rate (per sq. ft.)	$ 57.71	$ 61.71	$ 62.03	$ 63.22	$ 64.35	$ 65.53	$ 66.11	$ 69.33	$ 70.64	$ 70.19	1.8%
North Terminal Rental Rate (per sq. ft.)	$ 118.95	$ 126.79	$ 125.55	$ 122.81	$ 122.42	$ 127.33	$ 120.29	$ 138.73	$ 138.07	$ 120.57	-0.6%
Airport Activity Fee (Signatory)	$ 3.14	$ 3.77	$ 3.64	$ 3.87	$ 4.14	$ 4.11	$ 4.00	$ 3.76	$ 3.51	$ 3.22	-1.8%
Airline Cost Per Enplaned Passenger											
Total Airline Revenues	$ 151.91	$ 170.17	$ 168.32	$ 174.05	$ 181.56	$ 183.89	$ 181.77	$ 183.62	$ 180.16	$ 171.16	0.2%
Enplaned Passengers (millions)	16.1	16.1	16.3	16.4	16.6	16.7	16.9	17.1	17.2	17.4	1.0%
Airline Cost Per Enplaned Passenger	$ 9.45	$ 10.55	$ 10.35	$ 10.60	$ 10.96	$ 10.99	$ 10.76	$ 10.76	$ 10.45	$ 9.82	-0.7%
Debt Service Coverage											
Senior Lien Bonds	1.59	1.55	1.53	1.53	1.53	1.54	1.53	1.54	1.55	1.57	
Senior and Junior Lien Bonds	1.47	1.43	1.42	1.42	1.42	1.42	1.42	1.43	1.44	1.45	

SOURCES: Wayne County Airport Authority (historical), Ricondo & Associates, Inc. (projected), July 2014.

PREPARED BY: Ricondo & Associates, Inc., July 2014.

1. The Series 2014 Projects and the Series 2014B-C Bonds

1.1 Summary of Findings

As described in more detail in the following sections, key considerations with respect to the Series 2014B-C Bonds are:

- The Series 2014B-C Bonds are payable from and secured by a lien on Net Revenues of the Authority from the operation of the Airport on parity with all outstanding Senior Lien Bonds and any additional Senior Lien Bonds
- Proceeds of the Series 2014B-C Bonds will fund approximately $96.4 million of the $139.5 million total costs of the Series 2014 Projects
- The Series 2014A Bonds issued on May 1, 2014 funded $29.7 million of costs of the Series 2014 Projects
- The Series 2014 Projects are a subset of the Authority's Modified 2014-2018 Capital Improvement Program (CIP) which has a total estimated project cost of approximately $595.2 million
- Costs associated with airfield improvement and reconstruction projects account for approximately 48 percent of the total estimated costs of the Series 2014 Projects. A variety of other projects account for the remaining 52 percent, including power plant and electrical distribution systems, building demolitions and site redevelopments
- Proceeds of the Series 2014B-C Bonds will also fund capitalized interest on the Series 2014B-C Bonds during construction of the Series 2014 Projects and fund costs of issuing the Series 2014B-C Bonds

1.2 The Series 2014 Projects

Proceeds of the Series 2014B-C Bonds will be used to fund a portion of the costs of the Series 2014 Projects, which are included in the five-year CIP approved by the Authority Board for OY 2014 - OY 2018, with the subsequent addition of certain projects to, and the modification of the scope of certain projects in, that CIP (the "Modified 2014-2018 CIP"), which is further described in Section 3.2 of this Report. The Series 2014 Projects have an estimated total cost of $139.5 million, including design, engineering, construction, and contingency fees, and the Authority expects that following the issuance of the Series 2014B-C Bonds, 100 percent of such cost will be funded. **Table 1-1** presents estimated total project costs and annual project expenditures. **Table 1-2** presents anticipated funding sources for the Series 2014 Projects (see Section 3.2.2 for a description of these funding sources). The Authority expects that future Airport Revenue Bonds will not be required to complete the Series 2014 Projects.

As shown in Table 1-2, the Series 2014 Projects have estimated total costs of approximately $139.5 million. The costs of these projects currently are anticipated to be funded with the proceeds of the Series 2014A Bonds (approximately $29.7 million), proceeds of the Series 2014B-C Bonds and associated interest earnings on those proceeds during construction (approximately $96.4 million), and proceeds available from previous bonds (approximately $13.5 million).

The Airline Agreements allow the Authority to issue bonds to finance the cost of capital projects and include bond debt service and coverage requirements in Signatory Airline fees only after first receiving approval of a Weighted Majority of the Signatory Airlines (as described in Section 6.1.3 of this Report) for such capital projects. A Weighted Majority of the Signatory Airlines has approved the Series 2014 Projects. Per the terms of the Airline Agreements, any portion of the debt service, coverage requirements, and operating expenses associated with the Series 2014 Projects not funded from other sources will be included in the airline rate base, as shown in the financial projections presented in Chapter 6 of this Report.

Several Series 2014 Projects are comprised of only planning, environmental processing and design/engineering necessary to prepare construction documents. These projects are (i) replacement of the concrete portion of the pavement section; (ii) limited improvements to associated systems of Runway 4L/22R and its associated Taxiways A and Q; (iii) Taxiway H extension/reconstruction; and (iv) Runway 22L Deicing Pad expansion.

A description of the Series 2014 Projects with an estimated cost of $5.0 million or greater, along with estimated total costs, is presented below:

- **Taxiway W Reconstruction ($37.1 million)** – This project is the largest single component of the Series 2014 Projects and consists of the replacement of the full pavement section and associated systems of Taxiway W and its connectors north of Taxiway J. This project is anticipated to be completed in phases during the 2014 and 2015 construction seasons.

Table 1-1: Series 2014 Projects - Estimated Expenditures [1/]

(Figures in Thousands)

PROJECT	ESTIMATED TOTAL COST	PRIOR TO OY 2014	OY 2014	OY 2015	OY 2016	OY 2017
		ESTIMATED EXPENDITURES				
Series 2014 Projects						
Airfield						
Taxiway W Balance of Reconstruction	$ 37,148	$ 4,917	$ 20,283	$ 11,948	$ -	$ -
Taxiway H Pavement Rehabilitation	$ 785	$ -	$ 263	$ 522	$ -	$ -
Runway 4L/22R and Associated Taxiways Rehabilitation (Planning, Environmental & Design only)	$ 6,000	$ -	$ 360	$ 5,400	$ 240	$ -
Runway 9L/27R Pavement Rehabilitation at Intersection of Taxiway M	$ 750	$ -	$ 750	$ -	$ -	$ -
Portions of Taxiway T Rehabilitation	$ 2,477	$ -	$ -	$ 833	$ 1,644	$ -
Taxiway U Extension	$ 6,338	$ -	$ 176	$ 4,219	$ 1,943	$ -
Runway 3L/21R Rehabilitation	$ 6,102	$ -	$ 136	$ 1,916	$ 4,050	$ -
Taxiway H Extension/Reconstruction and 22L Deicing Pad Expansion (Planning, Environmental & Design only)	$ 3,000	$ -	$ -	$ -	$ 3,000	$ -
Airfield Pavement Rehabilitation/Reconstruction	$ 5,000	$ -	$ 2,130	$ 2,870	$ -	$ -
Subtotal Airfield	$ 67,600	$ 4,917	$ 24,099	$ 27,708	$ 10,877	$ -
Cargo and Hangar Development						
Gateway Airport Demolition and Site Improvements -Sites 1 & 2	$ 1,860	$ -	$ 514	$ 1,346	$ -	$ -
Development of Wide-body Aircraft Parking Apron	$ 3,500	$ -	$ 2,460	$ 1,040	$ -	$ -
Subtotal Cargo and Hangar Development	$ 5,360	$ -	$ 2,974	$ 2,386	$ -	$ -
Power Plant & Electrical Distribution System						
East Service Drive Utilities Upgrade & Expansion	$ 7,340	$ -	$ 1,999	$ 1,000	$ 4,341	$ -
High Voltage Transmission Lines for Primary Service to the North Campus and Airfield	$ 5,527	$ -	$ 127	$ 4,050	$ 1,350	$ -
Primary Electrical Cable & Switchgear Replacement	$ 550	$ -	$ 340	$ 210	$ -	$ -
North Power Plant Electrical Gear & Load Centers Replacement	$ 2,250	$ -	$ 150	$ 2,100	$ -	$ -
Planned Electrical Substations Replacements	$ 4,000	$ -	$ 500	$ 1,660	$ 1,840	$ -
North Power Plant Chillers & Support Systems	$ 4,150	$ -	$ 350	$ 3,800	$ -	$ -
North Power Plant HVAC / Air Handler and Miscellaneous Improvements	$ 2,500	$ -	$ -	$ 2,300	$ 200	$ -
Subtotal Power Plant & Electrical Distribution System	$ 26,317	$ -	$ 3,466	$ 15,120	$ 7,731	$ -
Bridges & Roadways						
Northline Road Reconstruction	$ 3,200	$ -	$ 2,200	$ 1,000	$ -	$ -
West Service Drive Reconstruction (Burton Drive to Checkpoint # 1)	$ 3,200	$ 1,700	$ 1,500	$ -	$ -	$ -
Dingell Drive Retaining Wall Reconstruction (Planning & Design only)	$ 300	$ -	$ 50	$ 250	$ -	$ -
Bridges & Roadways Rehabilitation	$ 5,000	$ -	$ -	$ 3,338	$ 1,662	$ -
Subtotal Bridges & Roadways	$ 11,700	$ 1,700	$ 3,750	$ 4,588	$ 1,662	$ -
Site Redevelopment & Demolitions						
Building 534 Demolition (Former Flight Kitchen)	$ 1,310	$ -	$ 393	$ 917	$ -	$ -
Building 278 & 280 Demolition	$ 2,007	$ 375	$ 1,387	$ 245	$ -	$ -
Building 715 Demolition (Former NWA/DL Hangar)	$ 1,562	$ -	$ 1,328	$ 234	$ -	$ -
Building 515 Demolition (Former Post Office)	$ 1,940	$ -	$ 1,649	$ 291	$ -	$ -
Building 513 Demolition (Concession Storage Building)	$ 941	$ -	$ 800	$ 141	$ -	$ -
Equipment and Buildings 355, 466, 507 & 606 Demolition	$ 680	$ -	$ 203	$ 477	$ -	$ -
Building 719 Slab Demolition	$ 420	$ -	$ 357	$ 63	$ -	$ -
Building 538 (Former Spirit Hangar) Demolition	$ 1,615	$ -	$ 1,238	$ 377	$ -	$ -
L.C. Smith Terminal and Berry Terminal Demolition (Planning & Design only)	$ 3,000	$ -	$ 300	$ 2,700	$ -	$ -
Subtotal Site Redevelopment & Demolitions	$ 13,475	$ 375	$ 7,655	$ 5,445	$ -	$ -
Fleet & Equipment						
Fleet & Heavy Equipment Acquisitions	$ 4,000	$ -	$ 670	$ 3,330	$ -	$ -
Security & Communications						
Security System & Network Upgrades - Phase 25 (Planning & Design only)	$ 1,900	$ -	$ 150	$ 1,750	$ -	$ -
Water Mains & Storm Water System						
Outfall Structure Replacement at Pond	$ 1,500	$ -	$ -	$ 1,100	$ 400	$ -
Sluice Gate Installation at Pond 3E/4 Culvert	$ 400	$ -	$ 400	$ -	$ -	$ -
Primary Pump & Switchgear Replacements	$ 1,100	$ -	$ 213	$ 887	$ -	$ -
Storm and Sanitary Sewer Systems Replacements	$ 1,500	$ -	$ 123	$ 475	$ 903	$ -
Subtotal Water Mains & Storm Water System	$ 4,500	$ -	$ 736	$ 2,462	$ 1,303	$ -
Terminals						
North Terminal Restrooms Renovations	$ 1,000	$ -	$ 700	$ 300	$ -	$ -
North Terminal Interior Wall Panel Replacement	$ 1,000	$ 477	$ 100	$ 423	$ -	$ -
Interactive Digital Directories	$ 2,625	$ -	$ -	$ 1,625	$ 1,000	$ -
Subtotal Terminals	$ 4,625	$ 477	$ 800	$ 2,348	$ 1,000	$ -
Total Series 2014 Projects	**$ 139,477**	**$ 7,469**	**$ 44,300**	**$ 65,137**	**$ 22,572**	**$ -**

NOTE:

1/ Funding sources are subject to change and projects are subject to demand and available funding

SOURCE: Wayne County Airport Authority, June 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

Table 1-2: Series 2014 Projects - Anticipated Funding Sources [1/]

(Figures in Thousands)

PROJECT	ESTIMATED TOTAL COST	ANTICIPATED FUNDING SOURCES: PREVIOUS BONDS	SERIES 2014A BONDS	SERIES 2014B-C BONDS
Series 2014 Projects				
Airfield				
Taxiway W Balance of Reconstruction	$ 37,148	$ 4,917	$ -	$ 32,231
Taxiway H Pavement Rehabilitation	$ 785	$ -	$ -	$ 785
Runway 4L/22R and Associated Taxiways Rehabilitation (Planning, Environmental & Design only)	$ 6,000	$ 6,000	$ -	$ -
Runway 9L/27R Pavement Rehabilitation at Intersection of Taxiway M	$ 750	$ -	$ -	$ 750
Portions of Taxiway T Rehabilitation	$ 2,477	$ -	$ -	$ 2,477
Taxiway U Extension	$ 6,338	$ -	$ -	$ 6,338
Runway 3L/21R Rehabilitation	$ 6,102	$ -	$ -	$ 6,102
Taxiway H Extension/Reconstruction and 22L Deicing Pad Expansion (Planning, Environmental & Design onl	$ 3,000	$ -	$ -	$ 3,000
Airfield Pavement Rehabilitation/Reconstruction	$ 5,000	$ -	$ 5,000	$ -
Subtotal Airfield	$ 67,600	$ 10,917	$ 5,000	$ 51,683
Cargo and Hangar Development				
Gateway Airport Demolition and Site Improvements -Sites 1 & 2	$ 1,860	$ -	$ 1,860	$ -
Development of Wide-body Aircraft Parking Apron	$ 3,500	$ -	$ 3,500	$ -
Subtotal Cargo and Hangar Development	$ 5,360	$ -	$ 5,360	$ -
Power Plant & Electrical Distribution System				
East Service Drive Utilities Upgrade & Expansion	$ 7,340	$ -	$ 1,999	$ 5,341
High Voltage Transmission Lines for Primary Service to the North Campus and Airfield	$ 5,527	$ -	$ 127	$ 5,400
Primary Electrical Cable & Switchgear Replacement	$ 550	$ -	$ 340	$ 210
North Power Plant Electrical Gear & Load Centers Replacement	$ 2,250	$ -	$ 150	$ 2,100
Planned Electrical Substations Replacements	$ 4,000	$ -	$ 160	$ 3,840
North Power Plant Chillers & Support Systems	$ 4,150	$ -	$ 350	$ 3,800
North Power Plant HVAC / Air Handler and Miscellaneous Improvements	$ 2,500	$ -	$ 100	$ 2,400
Subtotal Power Plant & Electrical Distribution System	$ 26,317	$ -	$ 3,226	$ 23,091
Bridges & Roadways				
Northline Road Reconstruction	$ 3,200	$ -	$ 2,200	$ 1,000
West Service Drive Reconstruction (Burton Drive to Checkpoint # 1)	$ 3,200	$ 1,700	$ 1,500	$ -
Dingell Drive Retaining Wall Reconstruction (Planning & Design only)	$ 300	$ -	$ 300	$ -
Bridges & Roadways Rehabilitation	$ 5,000	$ -	$ -	$ 5,000
Subtotal Bridges & Roadways	$ 11,700	$ 1,700	$ 4,000	$ 6,000
Site Redevelopment & Demolitions				
Building 534 Demolition (Former Flight Kitchen)	$ 1,310	$ -	$ 1,310	$ -
Building 278 & 280 Demolition	$ 2,007	$ 375	$ 1,632	$ -
Building 715 Demolition (Former NWA/DL Hangar)	$ 1,562	$ -	$ 1,562	$ -
Building 515 Demolition (Former Post Office)	$ 1,940	$ -	$ 1,940	$ -
Building 513 Demolition (Concession Storage Building)	$ 941	$ -	$ 941	$ -
Equipment and Buildings 355, 466, 507 & 606 Demolition	$ 680	$ -	$ 150	$ 530
Building 719 Slab Demolition	$ 420	$ -	$ 420	$ -
Building 538 (Former Spirit Hangar) Demolition	$ 1,615	$ -	$ 1,615	$ -
L.C. Smith Terminal and Berry Terminal Demolition (Planning & Design only)	$ 3,000	$ -	$ -	$ 3,000
Subtotal Site Redevelopment & Demolitions	$ 13,475	$ 375	$ 9,570	$ 3,530
Fleet & Equipment				
Fleet & Heavy Equipment Acquisitions	$ 4,000	$ -	$ -	$ 4,000
Security & Communications				
Security System & Network Upgrades - Phase 25 (Planning & Design only)	$ 1,900	$ -	$ -	$ 1,900
Water Mains & Storm Water System				
Outfall Structure Replacement at Pond	$ 1,500	$ -	$ -	$ 1,500
Sluice Gate Installation at Pond 3E/4 Culvert	$ 400	$ -	$ 400	$ -
Primary Pump & Switchgear Replacements	$ 1,100	$ -	$ 1,100	$ -
Storm and Sanitary Sewer Systems Replacements	$ 1,500	$ -	$ -	$ 1,500
Subtotal Water Mains & Storm Water System	$ 4,500	$ -	$ 1,500	$ 3,000
Terminals				
North Terminal Restrooms Renovations	$ 1,000	$ -	$ 1,000	$ -
North Terminal Interior Wall Panel Replacement	$ 1,000	$ 477	$ -	$ 523
Interactive Digital Directories	$ 2,625	$ -	$ -	$ 2,625
Subtotal Terminals	$ 4,625	$ 477	$ 1,000	$ 3,148
Total Series 2014 Projects	**$ 139,477**	**$ 13,469**	**$ 29,656**	**$ 96,352**

NOTE:
1/ Funding sources are subject to change and projects are subject to demand and available funding.

SOURCE: Wayne County Airport Authority, April 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

- **Runway 4L/22R and Associated Taxiways Rehabilitation ($6.0 million)** – Planning, environmental, and design work only. This project consists of the planning, environmental processing, and design/engineering necessary to prepare construction documents for replacement of concrete pavement and improvement of existing associated systems of Runway 4L/22R, Taxiway A and adjacent connector taxiways, Taxiway A-4, Taxiway Q, and the western portion of Taxiway V.

- **Taxiway U Extension ($6.3 million)** – This project consists of the planning, design/engineering, environmental processing, and construction necessary to extend Taxiway U east of Taxiway W. Construction of approximately 22,500 square yards of full pavement section and associated systems is included in this project. Once complete, this project will provide a route from Taxiway W just south of Runway 9L/27R to the end of Runway 27R and connection to Taxiway V.

- **Runway 3L/21R Rehabilitation ($6.1 million)** – This project consists of the planning, environmental processing, design/engineering, and construction necessary to extend the useful life of Runway 3L/21R, Taxiway M, Taxiway P, connector taxiways, and 21R deicing pad pavement until reconstruction can occur in the 2020 timeframe. Anticipated under this project is the milling of existing pavement and the placement of an asphalt cap of approximately 6 inches. Rehabilitation of pavement located at the intersection of Runway 3L/21R and Runway 9L/27R which was fully reconstructed in 2009 is not included in this project.

- **Airfield Pavement Rehabilitation/Reconstruction ($5.0 million)** - This project consists of the planning, design/engineering, and construction to provide rehabilitation (with 5 to 15 year service life) of deteriorated sections of all airfield pavement (runway, taxiway, taxilane, shoulder, deicing pad, apron, etc.) which are also identified as requiring future work and must be addressed to maintain safe airport operations.

- **East Service Drive Utilities Upgrade & Extension ($7.3 million)** – This project consists of the planning, design/engineering, and construction of several utility and infrastructure systems originating from the utility sources, including from Middlebelt Road and the North Complex Power Plant. This multi-phased project will improve utilities to existing buildings/sites and provide expanded utility components to support future redevelopment of sites along the East Service Drive. A portion of this project will utilize existing infrastructure routes installed as part of the East Service Drive reconstruction project completed in 2013. Additionally, infrastructure will be installed to allow for the utilization of steam and chilled water capacity generated at the Power Plant near the new public safety building currently under construction, and a multi-use cargo building.

- **High Voltage Transmission Lines ($5.5 million)** - This project consists of the planning, design/engineering, and construction required to improve electrical service to north campus buildings and the airfield. The project will provide new 120kV electrical infrastructure from an existing transmission company's high voltage lines through new and existing right-of-ways to a new substation and infrastructure at the North Power Plant. Modifications and additions to the switchgear at the North Power Plant Building is also included in this project.

- **Bridges & Roadways Rehabilitation ($5.0 million)** – This project consists of the planning, design/engineering, and construction efforts to complete the portions of bridge and roadway improvement programs. This project will replace deteriorated portions of roadway pavement, curbs, and associated components/systems on Dingell Drive, McNamara Terminal roadways, Rogell Drive, Burton Drive, and Lucas Drive. Also included is the replacement of expansion joints on bridges and ramps near the McNamara Terminal and bridges on Dingell Drive.

In addition to the $78.5 million of project costs previously described, the Series 2014 Projects include various other projects that have an estimated combined total project cost of $61.0 million. There are nine demolition projects, several electrical and water infrastructure projects, and three terminal projects with an estimated combined total project cost of $4.6 million.

1.3 The Series 2014B-C Bonds

Proceeds of the Series 2014B-C Bonds[1], along with other available Airport funds, will (1) fund a portion of the costs of the Series 2014 Projects, which are a subset of the Authority's 2014-2018 CIP, (2) fund capitalized interest during construction of the Series 2014 Projects, and (3) fund costs of issuing the Series 2014B-C Bonds. As of the date of delivery of the Series 2014B-C Bonds, no deposit to the Debt Service Reserve Account will be required as amounts on deposit in cash in the Debt Service Reserve Account as of such date will satisfy the Reserve Requirement with respect to the Series 2014 B-C Bonds in accordance with the terms of the Master Bond Ordinance.

Under the provisions of the Ordinances, as described in Section 1.3.2, the Series 2014B-C Bonds are payable from and secured by a lien on Net Revenues of the Authority from the operation of the Airport on parity with all Outstanding Senior Lien Bonds and any Additional Bonds. For any period, Net Revenues means the Revenues for such period, less the amount needed for the payment of Operation and Maintenance (O&M) Expenses for such period. As of July 1, 2014 and before the issuance of the Series 2014B-C Bonds, the Authority had approximately $1.8 billion aggregate principal amount of Senior Lien Bonds Outstanding.

1.3.1 FINANCING PLAN

As presented in Table 1-1, a total of approximately $96.4 million of Series 2014B-C Bonds proceeds (including associated interest earnings on those proceeds during construction) are expected to be used to fund a portion of the costs of the Series 2014 Projects. A list of estimated sources and uses of funds for the Series 2014B-C Bonds is presented in **Table 1-3**. The estimated sources and uses of funds and estimated debt service for the Series 2014B-C Bonds were prepared by Public Financial Management, Inc. (PFM).

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[1] On May 1, 2014, the Authority issued the Series 2014A Bonds, which are being used to fund a portion of the costs of the Series 2014 Projects.

Table 1-3: Estimated Sources and Uses of Funds [1/]

(Figures in Thousands)

	SERIES 2014B BONDS (NON-AMT)	SERIES 2014C BONDS (AMT)	TOTAL SERIES 2014B-C BONDS
Sources of Funds			
Par Amount of Bonds	$ 72,515	$ 34,845	$ 107,360
Net Original Issue Discount	$ (964)	$ (1,550)	$ (2,513)
Total Sources	**$ 71,551**	**$ 33,295**	**$ 104,847**
Uses of Funds			
Series 2014 Projects Costs Paid from Bond Proceeds	$ 66,541	$ 29,727	$ 96,268
Capitalized Interest	$ 4,466	$ 3,305	$ 7,771
Costs of Issuance	$ 544	$ 263	$ 807
Total Uses	**$ 71,551**	**$ 33,295**	**$ 104,847**

NOTE:
1/ Estimated sources and uses of funds at closing as of July 8, 2014.

SOURCE : Public Financial Management, Inc., July 8, 2014.
PREPARED BY: Ricondo & Associates, Inc., June 2014.

Debt service estimates for the Series 2014B-C Bonds were prepared by PFM based on the following assumptions:

- Series 2014B Bonds: Approximately $72.5 million of non-AMT Series 2014B Bonds will be issued, the proceeds of which are shown on Table 1-3.
  - For the purposes of estimating debt service requirements, an interest rate of 5.34 percent is assumed
  - The first principal payment is assumed to occur on December 1, 2017 and the final principal payment is assumed to occur on December 1, 2044
  - A portion of bond proceeds will fund interest capitalized during construction
- Series 2014C Bonds: Approximately $34.8 million of AMT Series 2014C Bonds will be issued, the proceeds of which are shown on Table 1-3.
  - For the purposes of estimating debt service requirements, an interest rate of 5.59 percent is assumed
  - The first principal payment is assumed to occur on December 1, 2017 and the final principal payment is assumed to occur on December 1, 2044
  - A portion of bond proceeds will fund interest capitalized during construction

Table 1-4 presents estimated debt service requirements for the Series 2014B Bonds and Series 2014C Bonds.

1.3.2 MASTER BOND ORDINANCE

The financial operation of the Authority is governed primarily by the Master Bond Ordinance and by the Airline Agreements (see Section 6.1.3). The Master Bond Ordinance provides conditions for the issuance of Senior Lien Bonds, such as the Series 2014 Bonds, and the application of Revenues, as defined therein, to the payment of operating expenses and debt service. As of July 1, 2014, and prior to the issuance of the Series 2014 Bonds, the Authority had approximately $1.8 billion in Senior Lien Bonds outstanding. The Master Bond Ordinance also allows for the issuance of Junior Lien Bonds, of which approximately $170.0 million were outstanding as of July 1, 2014.

The Master Bond Ordinance defines "Revenues" to mean the general revenues derived from the operation of the Airport, which includes all amounts deposited in the Revenue Fund, from whatever source, and all income derived from, but not necessarily limited to, the following:

- Charges, fees, rentals, and rates charged for services, facilities, and commodities furnished by the Airport, whether such income is derived from its function as an Airport or not;
- Concessions, rentals, auto parking fees, service charges derived from the operation of the terminal complex buildings and facilities;
- Airplane landing fees;
- Non-airline gasoline fees;
- Miscellaneous charges and rentals from other facilities and services; and
- Investment earnings or general revenues derived from the operation of the Airport accumulated by the Authority prior to deposit to the Revenue Fund.

Table 1-4: Series 2014B-C Bonds Net Debt Service [1/]

(Figures in Thousands)

	SERIES 2014B (NON-AMT)			SERIES 2014C (AMT)			TOTAL SERIES 2014B BONDS AND 2014C BONDS		SERIES
OPERATING YEAR	GROSS DEBT SERVICE	CAPITALIZED INTEREST	NET DEBT SERVICE	GROSS DEBT SERVICE	CAPITALIZED INTEREST	NET DEBT SERVICE	GROSS DEBT SERVICE	CAPITALIZED INTEREST	NET DEBT SERVICE
2014	$ 868	$ (862)	$ 6	$ 416	$ (416)	$ -	$ 1,283	$ (1,278)	$ 6
2015	$ 3,297	$ (2,314)	$ 983	$ 1,581	$ (1,515)	$ 66	$ 4,877	$ (3,829)	$ 1,048
2016	$ 3,748	$ (1,133)	$ 2,614	$ 1,797	$ (1,160)	$ 637	$ 5,545	$ (2,294)	$ 3,251
2017	$ 3,831	$ (158)	$ 3,673	$ 1,880	$ (211)	$ 1,669	$ 5,711	$ (369)	$ 5,343
2018	$ 3,844	$ (3)	$ 3,841	$ 1,893	$ (7)	$ 1,886	$ 5,737	$ (11)	$ 5,727
2019	$ 3,839	$ -	$ 3,839	$ 1,889	$ -	$ 1,889	$ 5,728	$ -	$ 5,728
2020	$ 3,835	$ -	$ 3,835	$ 1,884	$ -	$ 1,884	$ 5,719	$ -	$ 5,719
2021	$ 3,830	$ -	$ 3,830	$ 1,880	$ -	$ 1,880	$ 5,710	$ -	$ 5,710
2022	$ 3,826	$ -	$ 3,826	$ 1,875	$ -	$ 1,875	$ 5,701	$ -	$ 5,701
2023	$ 3,821	$ -	$ 3,821	$ 1,871	$ -	$ 1,871	$ 5,692	$ -	$ 5,692
2024	$ 3,817	$ -	$ 3,817	$ 1,866	$ -	$ 1,866	$ 5,683	$ -	$ 5,683
2025	$ 3,812	$ -	$ 3,812	$ 1,862	$ -	$ 1,862	$ 5,674	$ -	$ 5,674
2026	$ 3,808	$ -	$ 3,808	$ 1,857	$ -	$ 1,857	$ 5,665	$ -	$ 5,665
2027	$ 3,803	$ -	$ 3,803	$ 1,853	$ -	$ 1,853	$ 5,656	$ -	$ 5,656
2028	$ 3,799	$ -	$ 3,799	$ 1,848	$ -	$ 1,848	$ 5,647	$ -	$ 5,647
2029	$ 6,202	$ -	$ 6,202	$ 2,935	$ -	$ 2,935	$ 9,137	$ -	$ 9,137
2030	$ 6,684	$ -	$ 6,684	$ 3,152	$ -	$ 3,152	$ 9,836	$ -	$ 9,836
2031	$ 6,682	$ -	$ 6,682	$ 3,153	$ -	$ 3,153	$ 9,835	$ -	$ 9,835
2032	$ 6,682	$ -	$ 6,682	$ 3,151	$ -	$ 3,151	$ 9,833	$ -	$ 9,833
2033	$ 6,684	$ -	$ 6,684	$ 3,153	$ -	$ 3,153	$ 9,837	$ -	$ 9,837
2034	$ 6,682	$ -	$ 6,682	$ 3,153	$ -	$ 3,153	$ 9,836	$ -	$ 9,836
2035	$ 6,682	$ -	$ 6,682	$ 3,153	$ -	$ 3,153	$ 9,834	$ -	$ 9,834
2036	$ 6,681	$ -	$ 6,681	$ 3,154	$ -	$ 3,154	$ 9,835	$ -	$ 9,835
2037	$ 6,684	$ -	$ 6,684	$ 3,154	$ -	$ 3,154	$ 9,838	$ -	$ 9,838
2038	$ 6,682	$ -	$ 6,682	$ 3,154	$ -	$ 3,154	$ 9,837	$ -	$ 9,837
2039	$ 6,682	$ -	$ 6,682	$ 3,154	$ -	$ 3,154	$ 9,835	$ -	$ 9,835
2040	$ 6,683	$ -	$ 6,683	$ 3,152	$ -	$ 3,152	$ 9,835	$ -	$ 9,835
2041	$ 6,682	$ -	$ 6,682	$ 3,153	$ -	$ 3,153	$ 9,835	$ -	$ 9,835
2042	$ 6,681	$ -	$ 6,681	$ 3,154	$ -	$ 3,154	$ 9,835	$ -	$ 9,835
2043	$ 6,685	$ -	$ 6,685	$ 3,152	$ -	$ 3,152	$ 9,836	$ -	$ 9,836
2044	$ 6,684	$ -	$ 6,684	$ 3,152	$ -	$ 3,152	$ 9,836	$ -	$ 9,836
2045	$ 1,114	$ -	$ 1,114	$ 525	$ -	$ 525	$ 1,639	$ -	$ 1,639
Total	$ 161,335	$ (4,470)	$ 156,864	$ 77,003	$ (3,309)	$ 73,694	$ 238,338	$ (7,780)	$ 230,558

NOTE:
1/ Estimated debt service requirements through maturity of the Series 2014 Bonds as of July 8, 2014 assuming current market conditions plus 50 basis points.

SOURCE: Public Financial Management, Inc., July 8, 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

Specific items identified for exclusion from the calculation of Revenues include (1) rentals or other amounts to be paid in the future by any Person pursuant to a lease or other agreement with Wayne County or the Authority, which rentals or other amounts are pledged for the payment of bonds issued to provide funds to construct Special Facilities, (2) the proceeds of federal grants or Passenger Facility Charges, or the proceeds of any other grant, charge or tax intended as a replacement therefore or other capital contributions from any source, (3) the Net Proceeds of insurance or condemnation proceeds resulting from the damage or destruction or taking of any portion of the Airport, or (4) Special Purpose Revenues.

The term "Net Revenues" is defined to mean, for any OY of the Authority or other period of time, Revenues for such year or period, less the amount needed for the payment of Operation and Maintenance (O&M) Expenses for such year or period, with O&M Expenses defined as the reasonable expenses of administration, operation, and maintenance of the Airport. Under the provisions of the Master Bond Ordinance and the Series 2014 Ordinance, the Series 2014 Bonds are to be payable from and secured by a lien on Net Revenues.

The term "Special Purpose Revenues" is defined to mean specific categories of revenues, income, receipts or money of a type not previously included in Revenues, relating to or arising from a definable service, facility or program of the Authority or at either of the Airports, which (1)(i) are designated as Special Purpose Revenues by the Authority before the first receipt by the Authority of such category or portion of revenues, income, receipts or money or (ii) are statutorily designated for restricted purposes under state law; and (2) are restricted as to use by the Authority.

Rate Covenant

The Authority covenants in Section 604 of the Master Bond Ordinance to fix, charge, and collect rates, fees, rentals, and charges for the use and operation of the Airport as may be necessary or appropriate to produce Revenues in each OY which will be at least sufficient to provide for the following:

- The payment of O&M Expenses for the OY;
- Together with PFC proceeds, including interest thereon, deposited with the Trustee with respect to such OY, the amounts needed to make the deposits required pursuant to Section 501 of the Master Bond Ordinance for the OY to the Bond Fund; and,
- Together with Other Available Moneys deposited with the Trustee with respect to such OY (to the extent not needed to make the deposits required pursuant to Section 501 of the Master Bond Ordinance for such OY to the Bond Fund) and any unencumbered cash balance held in the Revenue Fund on the last day of the OY preceding the OY for which the calculation is made and not then required to be deposited in any Fund or Account, including (1) Junior Lien Bond Fund, Operation and Maintenance Reserve Fund, Renewal and Replacement Fund, Airport Discretionary Fund, the Airport Development Fund, and (2) an amount not less than 25 percent of the Debt Service due and payable on Senior Lien Bonds during such OY.

Under the Master Bond Ordinance, rates, fees, rentals, and charges must be revised from time to time as may be necessary to produce the necessary amounts, provided that those fixed pursuant to a lease or contract are not revised except as provided for in the lease or contract.

Additional Senior Lien Bonds

Section 208 of the Master Bond Ordinance permits the Authority to issue a Series of Senior Lien Bonds on parity with Outstanding Senior Lien Bonds (Additional Senior Lien Bonds) as long as no Default or Event of Default under the Master Bond Ordinance is known to the Authority at the time they are authorized to be issued by adoption of a Series Ordinance. Prior to issuing any Additional Senior Lien Bonds, the Authority must obtain an opinion of Bond Counsel that the issuance will not impair the tax-exempt status of any prior Series of Senior Lien Bonds or Junior Lien Bonds. For Additional Senior Lien Bonds, either of the following is also required;

(1) the Authority has provided a report of an Airport Consultant projecting (i) Revenues and Revenue Fund balances plus (ii) Other Available Moneys and any amounts estimated to be available to pay capitalized interest sufficient for the first three full OYs commencing after completion of construction of capital projects to be funded from the proceeds of the Additional Senior Lien Bonds satisfying the Rate Covenant and any other applicable covenants contained in any Series Ordinance; or

(2) the Authority has provided to the Trustee a certificate of the Chief Financial Officer (CFO), accompanied by an Accountant's report, certifying that, taking all Outstanding Senior Lien Bonds (other than any Senior Lien Bonds to be refunded by the Series of Senior Lien Bonds proposed to be issued) and the Series of Senior Lien Bonds to be issued into account as if it had been issued at the beginning of the most recent OY for which audited financial statements for the Authority are available, the Net Revenues together with Other Available Moneys actually deposited in the Bond Fund for such OY were not less than 125 percent of the Debt Service with respect to Outstanding Senior Lien Bonds and proposed Series of Senior Lien Bonds for such period. Any unencumbered fund balance in the Revenue Fund on the last day of the OY preceding the OY for which the calculation is made may be added to Net Revenues for this calculation as provided in Section 604 of the Master Bond Ordinance.

Additional Senior Lien Bonds issued to refund Outstanding Senior Lien Bonds which would not increase aggregate Debt Service on the Series of Bonds to be refunded by more than 20 percent are not subject to the Additional Senior Lien Bonds Test. Additional Senior Lien Bonds issued to finance the cost of completing a CIP element with respect to which a Series of Senior Lien Bonds has previously been issued, as long as the principal amount does not exceed 10 percent of the face amount of the Series of Senior Lien Bonds originally issued for such CIP element, are not subject to the Additional Senior Lien Bonds Test.

The Series 2014 Bonds shall be issued as Senior Lien Bonds of the Authority under Section 202A of the Master Bond Ordinance and pursuant to the requirements of Section 208 of the Master Bond Ordinance.

Additional Junior Lien Bonds

Section 208A of the Master Bond Ordinance authorizes the Authority to issue one or more Series of Junior Lien Bonds as long as;

(1) the Authority is not aware of the existence of any Default or Event of Default under the Master Bond Ordinance at the time such Junior Lien Bonds are authorized to be issued by adoption of a Series Ordinance, and

(2) the issuance of the Junior Lien Bonds will not, in the opinion of Bond Counsel, impair the tax exempt status of any prior Series of Senior Lien Bonds or Junior Lien Bonds.

In addition, prior to issuing a Series of Junior Lien Bonds other than those proposed to refund Senior Lien Bonds or Junior Lien Bonds, the CFO must certify to the Trustee that:

(a) the sum of (i) the Net Revenues for the most recently completed OY; (ii) the amount of Other Available Moneys actually deposited in the Bond Fund for the most recently completed OY; and (iii) the average of (A) the amount of Other Available Moneys actually deposited in the Junior Lien Bond Fund for the most recently completed OY, and (B) each annual amount of Other Available Moneys that the Airport Consultant certifies to the Authority may reasonably be expected to be received by the Authority and deposited in the Junior Lien Bond Fund during the period that the proposed and outstanding Series of Junior Lien Bonds are projected to be Outstanding, is not less than 110% of the Debt Service with respect to such Outstanding Senior Lien Bonds and Outstanding Junior Lien Bonds for the most recently completed OY and of the average annual Debt Service with respect to the proposed Series of Junior Lien Bonds; and

(b) for each of the four OYs following the OY in which the proposed Series of Junior Lien Bonds is to be issued, the sum of (i) the Net Revenues that the Airport Consultant certifies to the Authority may reasonably be projected to be received for the immediately preceding OY; (ii) the amount of Other Available Moneys which the Airport Consultant certifies to the Authority may reasonably be expected to be deposited in the Bond Fund for the immediately preceding OY; and (iii) the average of (A) the amount of Other Available Moneys actually deposited in the Junior Lien Bond Fund for the most recently completed OY preceding the OY in which the proposed Series of Junior Lien Bonds is to be issued, and (B) each annual amount of Other Available Moneys that the Airport Consultant certifies to the Authority may reasonably be expected to be received by the Authority and deposited in the Junior Lien Bond Fund over the period that the proposed and outstanding Series of Junior Lien Bonds are projected to be Outstanding, is not less than 110% of the Debt Service with respect to such Outstanding Senior Lien Bonds and Outstanding Junior Lien Bonds for the immediately preceding OY and of the average annual Debt Service with respect to the proposed Series of Junior Lien Bonds.

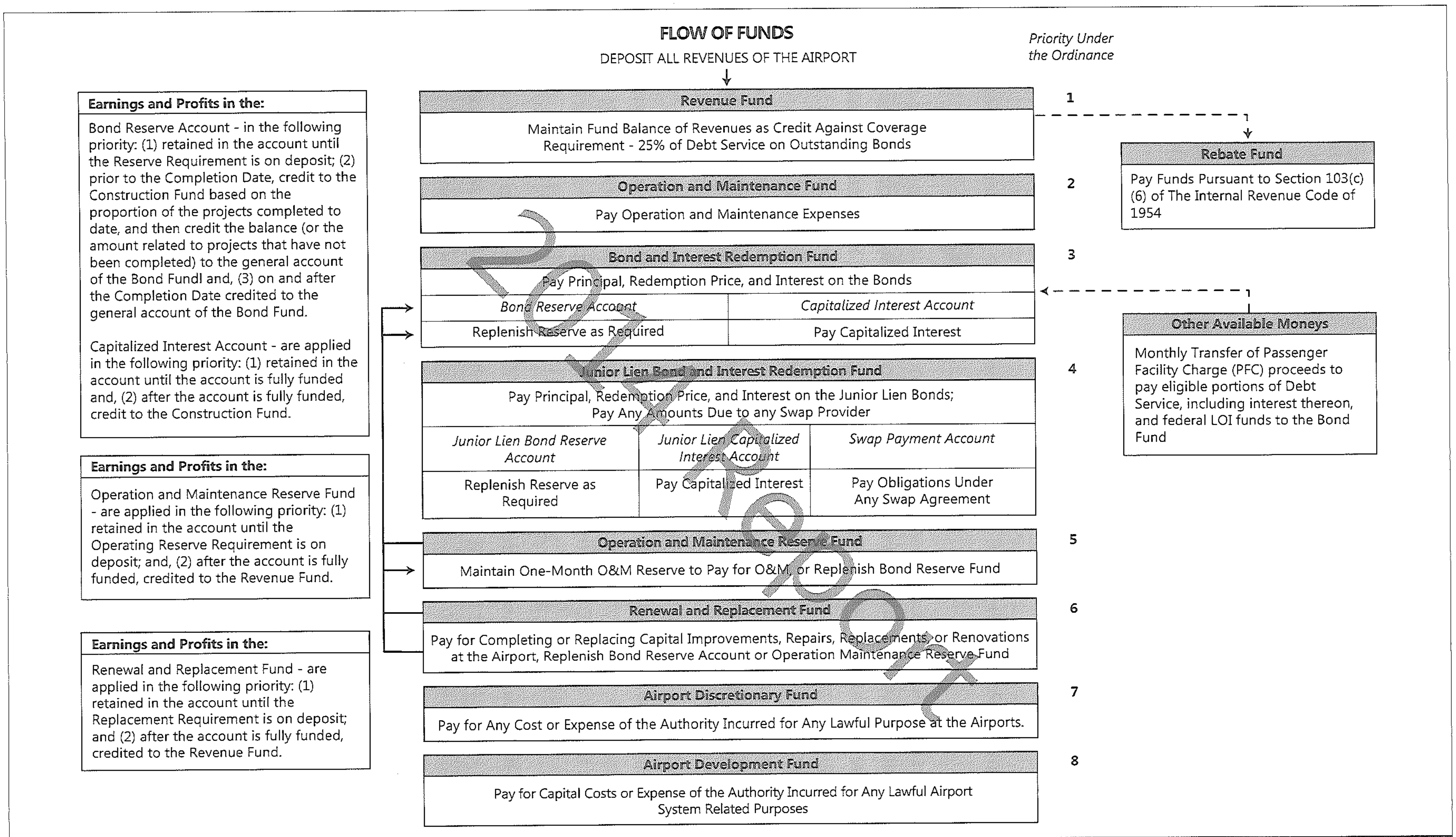
As provided in Section 604 of the Master Bond Ordinance, any unencumbered fund balances in the Revenue Fund on the last day of the OY preceding the OY for which the calculation is made may be added to Net Revenues.

In making the required calculations, the Authority shall also take into account (a) all Outstanding Senior Lien Bonds and Outstanding Junior Lien Bonds (other than Senior Lien Bonds or Junior Lien Bonds proposed to be refunded by the Series of Junior Lien Bonds proposed to be issued) and (b) the Series of Junior Lien Bonds proposed to be issued as if it had been issued at the beginning of the most recent OY for which audited financial statements for the Airport are available. The certificate of the CFO is to be accompanied by an Accountant's report verifying compliance with these requirements.

Flow of Funds

Section 501 of the Master Bond Ordinance creates certain funds and accounts and establishes the principal functions and uses of each fund and account. The requirements of the Master Bond Ordinance and the rate-making methodology adhered to by the Authority were utilized to develop the flow of funds included in these financial analyses. **Exhibit 1-1** presents the flow of funds as specified in the Master Bond Ordinance. The Master Bond Ordinance requires that all Revenues be deposited in the Revenue Fund and applied in the following order of priority in monthly deposits:

- **Operation and Maintenance Fund.** Held by the Trustee and to be used only for monthly O&M Expenses.
- **Bond Interest and Redemption Fund.** Except as otherwise provided in the Master Bond Ordinance, moneys on deposit in the Bond Interest and Redemption Fund (Bond Fund) are used for the purpose of paying the principal, redemption price, or interest on bonds. Separate accounts created in the Bond Fund include the Airport Bond Reserve Account and the Airport Capitalized Interest Account. Out of Revenues and other moneys remaining in the Revenue Fund, after transfers to the Operation and Maintenance Fund, if required, monthly transfers are made to the Bond Fund to provide for the next payment of principal and interest on bonds. Monthly transfers of Other Available Moneys are also made to the Bond Fund representing Passenger Facility Charge (PFC) proceeds to be used to pay eligible portions of Debt Service, including interest thereon. Monthly transfers are less: (1) any amounts in the Bond Fund representing accrued interest on the bonds, (2) amounts in the Capitalized Interest Account for bonds of a particular series to pay capitalized interest during construction on those bonds for the current OY, (3) the sum of any funds, including Other Available Moneys, actually on deposit in the Bond Fund, and (4) payments received from a swap provider.
- **Junior Lien Bond Interest and Redemption Fund.** The Junior Lien Bond Interest and Redemption Fund (Junior Lien Bond Fund) is used, except as otherwise provided in the Master Bond Ordinance, to pay the principal, redemption price, or interest on Junior Lien Bonds. The Airport Junior Lien Bond Reserve Account, Airport Junior Lien Capitalized Interest Account, and Airport Swap Payment Accounts are subaccounts in the Junior Lien Bond Fund. Out of Revenues and other moneys remaining in the Revenue Fund, after transfers to the Operation and Maintenance Fund, if required, monthly transfers are made to the Junior Lien Bond Fund to provide for the next payment of principal and interest on Junior Lien Bonds. Monthly transfers are less: (1) any amounts in the Junior Lien Bond Fund representing accrued interest on Junior Lien Bonds, (2) amounts in the Capitalized Interest Account for Junior Lien Bonds of a particular series to pay capitalized interest during construction on those Junior Lien Bonds for the current OY, (3) the sum of any funds, including Other Available Moneys, actually on deposit in the Junior Lien Bond Fund, and (4) payments received from a swap provider.



SOURCE: Wayne County Airport Authority Master Airport Revenue Bond Ordinance, September 26, 2003.
PREPARED BY: Ricondo & Associates, Inc., June 2014.

EXHIBIT 1-1

Flow of Funds Pursuant to the Master Bond Ordinance

- **Operation and Maintenance Reserve Fund.** Funded to an amount equal to one-twelfth of estimated annual O&M Expenses in the most recent Authority budget for the Airport. Via transfers from the Revenue Fund, the fund is adjusted to reflect changes in O&M Expenses as they are estimated by the Authority in its budget for the Airport. Transfers from the Operation and Maintenance Reserve Fund for the payment of O&M Expenses, or for the restoration of the Senior Lien Bond Reserve Account or Junior Lien Bond Reserve Account as provided for in the Ordinances, are to be replaced from Revenues first received thereafter in the Revenue Fund which are not required for O&M Expenses, current debt service requirements, or to restore the Senior Lien Bond Reserve Account of the Junior Lien Bond Reserve Account. In addition, when required by a swap agreement, a reserve requirement as established by that agreement is held in the Operation and Maintenance Reserve Fund.

- **Renewal and Replacement Fund.** Funded to an amount of $2.5 million through quarterly installments of $125,000, the Renewal and Replacement Fund is intended for paying (1) costs of completing or replacing capital improvements at the Airport, and (2) making repairs, replacements, or renovations at the Airport. Moneys in the Renewal and Replacement Fund can also be used to restore the Senior Lien Bond Reserve Account or Junior Lien Bond Reserve Account to the extent that moneys in the Revenue Fund and Operation and Maintenance Reserve Fund are insufficient to do so. Transfers from the Renewal and Replacement Fund are replaced in quarterly installments of $125,000 from any moneys in the Revenue Fund not required by the Master Bond Ordinance to be used for the Operation and Maintenance Fund, the Bond Fund, the Senior Lien Bond Reserve Account, the Junior Lien Bond Fund, the Junior Lien Bond Reserve Account, or the Operation and Maintenance Reserve Fund.

- **Airport Discretionary Fund.** After satisfying other requirements of the Master Bond Ordinance, a quarterly transfer of $87,500 is made from the Revenue Fund to the Airport Discretionary Fund. In the event of a deficiency in any quarterly transfer, the amount of such deficiency is added to the deposit required to be made by the Authority in the next quarterly transfer. At the discretion of the CEO, and subject to applicable agreements, balances in the Airport Discretionary Fund can be applied to the payment of any cost or expense of the Authority incurred for any lawful purpose at the Airport or Willow Run Airport.

- **Airport Development Fund.** On the last day of each quarter of each OY, in addition to and after satisfying other requirements of the Master Bond Ordinance, one quarter of an amount calculated in accordance with applicable agreements and included in budgeted rates and charges (budgeted at approximately $7.3 million in OY 2014 and annually adjusted based on percentage increases in the Producer Price Index) is transferred from the Revenue Fund to the Airport Development Fund. At the written discretion of the CEO, balances in the Airport Development Fund can be applied to the payment of any capital cost or expense of the Authority incurred for any lawful airport system related purposes. Deficiencies in any quarterly transfer are added to the deposit required to be made in the next quarterly transfer.

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2. The Airport

2.1 Summary of Findings

The Airport, located 20 miles southwest of downtown Detroit, is the primary airport serving Southeast Michigan, but also attracts passengers from the broader area of Michigan, northern Ohio, and northwestern Indiana as a result of the significant level of air carrier service offered. In addition to serving the local demand for air travel in the Air Trade Area and beyond, the Airport is a key connecting hub and one of the primary international gateways in the Delta system. Other considerations with respect to the Airport and its role in Delta's system include the following:

- Based on preliminary Airports Council International (ACI) traffic data for North American traffic, in CY 2013 the Airport ranked 17th nationwide in total passengers, enplaning and deplaning approximately 32.4 million passengers. In CY 2013, the Airport ranked 12th nationwide in total aircraft operations, with approximately 426,000 takeoffs and landings.
- Based on available information from Innovata[1] accessed through Diio LLC, the airlines serving the Airport are scheduled to average approximately 551 daily domestic and international departures from the Airport during the month of July 2014, with nonstop service to 117 domestic destinations. For the 12-month period ending July 2014, the Airport offered nonstop service to 28 international destinations, including some markets on a seasonal basis.
- While there are several other commercial service airports in and around the geographic area served by the Airport, none offer the breadth and frequency of scheduled air carrier service offered at the Airport. Based on scheduled data as of June 1, 2014, for CY 2014, scheduled departing seat capacity at the Airport totaled approximately 19.6 million seats to domestic and international destinations. The next largest airport in and around the area served by the Airport, has fewer than 540,000 scheduled departing seats in the same period. As the scheduled departing seat data indicates, the Airport has a dominant position for providing air travel in its geographical area.

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1 Innovata, part of Flightglobal, is a leading source of airline schedules data covering more than 800 carriers worldwide and is a strategic partner of IATA, the trade association for the word's airlines. Innovata licenses its schedules to clients across the air travel and transportation sectors; builds, hosts and maintains a wide range of electronic timetable and route network mapping solutions; feeds a range of third party aviation schedules analysis tools; and offers an affiliate partnership program through www.quicktrip.com to airports and other travel players.

- The Airport attracts passengers from beyond its primary catchment area due to the level of airline service offered at the Airport. The role of the Airport in Delta's system is discussed in greater detail in Chapter 5.
- Airfield facilities at the Airport include six air carrier runways, three of which are longer than 10,000 feet and all of which are longer than 8,500 feet.
- The existing Airport facilities, their orientation, supporting taxiway systems, and associated navigational aids allow the Airport to efficiently accommodate aircraft operations in a range of weather conditions.
- The Airport features two efficient passenger terminals: the McNamara Terminal, accommodating Delta and its SkyTeam[2] partners, which opened in February 2002 and the North Terminal, accommodating non-hubbing carriers, which opened in September 2008.
- The Airport's existing facilities are anticipated to provide sufficient airfield and passenger terminal capacity to accommodate aviation activity at the Airport through the Projection Period of this Report and beyond.

2.2 Detroit Metropolitan Wayne County Airport

The Airport occupies approximately 6,700 acres of land within Wayne County, Michigan and the City of Romulus, which is approximately 20 miles southwest of downtown Detroit. Access to the Airport from the City of Detroit and Ann Arbor to the west, is primarily from Interstate 94, which generally borders the Airport to the north. Interstate 275, west of the Airport, together with I-75 and the Southfield Freeway to the east generally provide Airport access for communities to the south and north of the Airport. A description of the Airport's major existing facilities is provided in this section.

In addition to the Airport, the Authority also operates Willow Run Airport, a general aviation reliever and cargo airport (together, the Airports). The Authority was created on March 26, 2002, pursuant to an amendment to the Michigan Aeronautics Code. On August 9, 2002, the Authority assumed operational jurisdiction of the Airports from the Charter County of Wayne, Michigan, when the Authority received operating certificates for the Airports from the Federal Aviation Administration (FAA).

2 The SkyTeam is a global airline alliance of which Delta is one of 20 current members. Through this alliance, Delta passengers can buy tickets and receive frequent flier benefits for travel on member airlines on approximately 15,700 daily flights to 1,064 destinations in 178 countries, as of March 2014.

2.3 The Role of the Airport

The Airport is the primary air carrier airport serving Southeast Michigan, including Detroit and the 10-county surrounding area. Furthermore, as a key connecting hub and one of the primary international gateways in the Delta system, the Airport attracts passengers from beyond its primary catchment area due to the level of airline service offered at the Airport.

2.3.1 NATIONAL PERSPECTIVE

Table 2-1 presents the Airport's U.S. ranking in annual passengers and aircraft operations for calendar year (CY) 2013.[3] In that year, the Airport ranked 17th nationwide in total passengers, enplaning and deplaning approximately 32.4 million passengers. In CY 2013, the Airport ranked 12th nationwide in total aircraft operations, with 425,732 takeoffs and landings.

Exhibit 2-1 presents a comparison of international and domestic enplanements at the Airport. As shown, domestic enplanements represented approximately 92 percent of total enplanements at the Airport in Operating Year (OY) 2013; the remaining eight percent of enplaned passengers were traveling to international destinations. For consistency purposes with Authority records, Canadian traffic at the Airport is categorized as domestic traffic in the graphs and tables accompanying this Report, which may differ from the manner in which Canadian traffic is reported at the other airports and Delta hubs referenced in this Report. The percentage of international enplanements at the Airport reflects its role as an international gateway and connection point in the Delta system and, to a certain degree, the demographic and economic characteristics of the Airport's Air Trade Area (as defined in Section 2.3.2).

Reflecting the Airport's role as a major hub airport, it serves both origin and destination (O&D) and connecting passengers. As shown in Exhibit 2-1, for CY 2013, approximately 46 percent of the Airport's total domestic enplanements were O&D passengers and the remaining 54 percent were connecting passengers.[4] Delta is the primary hubbing carrier at the Airport and serves almost all of the connecting passengers at the Airport.

3 Based on preliminary Airports Council International traffic data for North American traffic

4 According to records provided by Wayne County Airport Authority, May 2014

Table 2-1: U.S. Ranking of Activity

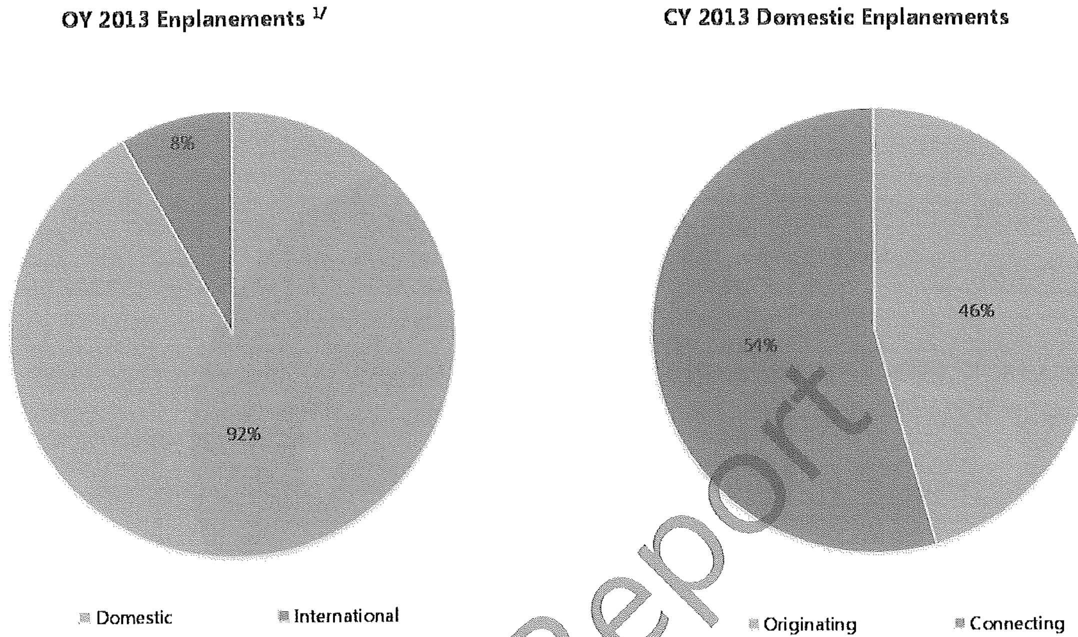
(Calendar Year 2013)

RANK	AIRPORT	TOTAL PASSENGERS	RANK	AIRPORT	TOTAL OPERATIONS
1	Atlanta (ATL)	94,430,785	1	Atlanta (ATL)	911,074
2	Chicago (ORD)	66,883,271	2	Chicago (ORD)	883,287
3	Los Angeles (LAX)	66,702,252	3	Dallas/Fort Worth (DFW)	678,029
4	Dallas/Fort Worth (DFW)	60,436,266	4	Los Angeles (LAX)	614,917
5	Denver (DEN)	52,556,359	5	Denver (DEN)	582,653
6	New York (JFK)	50,413,204	6	Charlotte (CLT)	557,948
7	San Fransisco (SFO)	44,944,201	7	Las Vegas (LAS)	520,992
8	Charlotte (CLT)	43,456,310	8	Houston (IAH)	506,298
9	Las Vegas (LAS)	41,856,787	9	Phoenix (PHX)	435,887
10	Miami (MIA)	40,563,071	10	Philadelphia (PHL)	432,884
11	Phoenix (PHX)	40,318,451	11	Minneapolis (MSP)	432,592
12	Houston (IAH)	39,865,325	**12**	**Detroit (DTW)**	**425,732**
13	Orlando (MCO)	34,973,645	13	San Fransisco (SFO)	421,400
14	Newark (EWR)	34,963,343	14	Newark (EWR)	413,581
15	Seattle (SEA)	34,824,281	15	New York (JFK)	406,419
16	Minneapolis (MSP)	33,870,693	16	Miami (MIA)	399,140
17	**Detroit (DTW)**	**32,389,544**	17	New York (LGA)	374,658
18	Philadelphia (PHL)	30,504,112	18	Boston (BOS)	361,339
19	Boston (BOS)	30,236,088	19	Salt Lake City (SLC)	330,350
20	New York (LGA)	26,729,202	20	Seattle (SEA)	317,183

SOURCE: Airports Council International, *2013 North American Preliminary Traffic Report,* May 2014.

PREPARED BY: Ricondo & Associates, Inc., May 2014.

Exhibit 2-1: Airport Enplanement Characteristics



NOTE:

1/ For consistency purposes with Authority records, Canadian traffic is categorized as domestic.

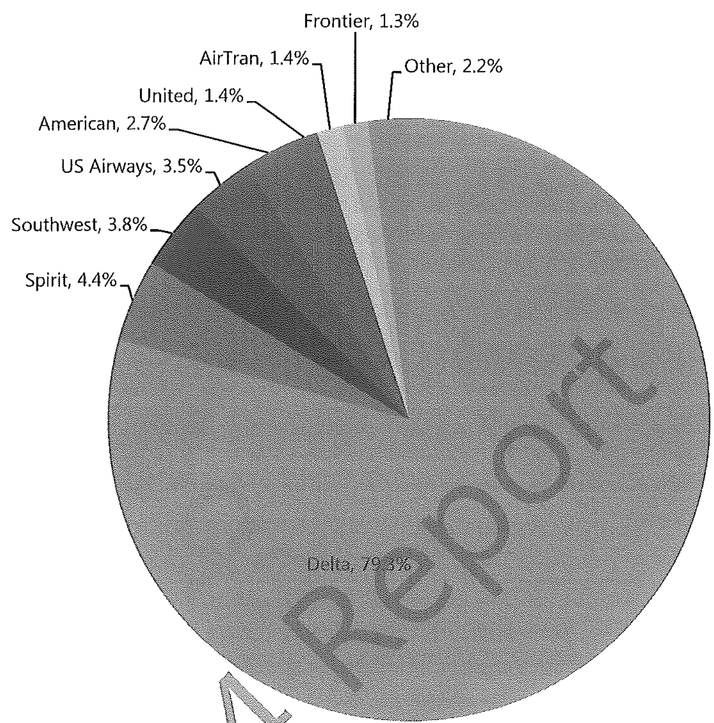
SOURCE: Wayne County Airport Authority, May 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

Exhibit 2-2 illustrates the OY 2013 enplanement market share for passenger air carriers operating at the Airport. As shown, Delta and the Delta Connection Carriers carried approximately 79.3 percent of total Airport enplanements in OY 2013. Spirit Airlines, Southwest Airlines, and US Airways[5] were the only other carriers at the Airport to enplane over 3 percent of the Airport's market share during this period. While Delta is the preeminent carrier, there is competition on all of the most popular routes. Although Delta and the Delta Connection Carriers account for more than three-quarters of the passenger activity at the Airport, other air carriers operating at the Airport (including low cost carriers, foreign flag carriers, one charter carrier, and other legacy and regional carriers) also provide service to all of the Airport's top 20 O&D markets.

Table 2-2 provides a comparison of the Airport and other non-coastal U.S. airline hub airports primarily serving east/west traffic with at least 20 million annual passengers. As shown, the Airport accommodated approximately 32.4 million passengers, including approximately 2.9 million international passengers in CY 2013. Of the thirteen airline hub airports included in the comparison, eight accommodated more passengers than the Airport in CY 2013; four of those eight airports had two or more hubbing carriers.

5 Effective December 9, 2013, US Airways and American Airlines merged into a single carrier. Their merger is discussed in Chapter 5.

Exhibit 2-2: Enplanement Share by Airline – Operating Year 2013



NOTE:

1/ Includes regional affiliates as applicable. Airlines with less than one percent market share are grouped in the Other category.

SOURCE: Wayne County Airport Authority, May 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

Table 2-2: Comparison of Selected U.S. Airline Hub Airports

(CY 2013, Passengers in Millions)

AIRPORT	TOTAL PASSENGERS	HUBBING PASSENGER CARRIER(S) [1/]	DOMESTIC PASSENGERS	INTERNATIONAL PASSENGERS	DOMESTIC SHARE	INTERNATIONAL SHARE
Atlanta (ATL)	94.4	AirTran [2/], Delta	84.2	10.3	89.1%	10.9%
Chicago - O'Hare (ORD)	66.9	American [4/], United	56.7	10.2	84.8%	15.2%
Dallas - Fort Worth (DFW)	60.4	American [4/]	53.7	6.7	88.9%	11.1%
Denver (DEN) [3/]	52.6	Frontier, Southwest [2/], United	50.6	2.0	96.3%	3.7%
Phoenix (PHX) [3/ 5/]	40.3	Southwest [2/], US Airways [4/]	38.1	2.2	94.6%	5.5%
Houston - George Bush (IAH) [5/]	39.9	United	31.2	8.7	78.2%	21.8%
Charlotte (CLT) [5/]	43.5	US Airways [4/]	40.4	3.3	92.9%	7.5%
Minneapolis - St. Paul (MSP)	33.9	Delta	31.6	2.3	93.2%	6.8%
Detroit (DTW)	**32.4**	**Delta**	**29.5**	**2.9**	**91.1%**	**8.9%**
Salt Lake City (SLC)	20.2	Delta	19.8	0.3	98.0%	1.7%
Chicago - Midway (MDW) [3/]	20.5	Southwest [2/]	19.9	0.5	97.3%	2.6%

NOTES:

1/ Includes regional affiliate carriers, where applicable.

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

3/ Southwest does not operate as a traditional hub-and-spoke airline; however, it is included in this comparison due to its high level of activity.

4/ In December 2013, American and US Airways received approval to merge, however this will not be completed prior to the end of 2014. All data has been kept separate in this report

5/ Domestic and International Passenger splits provided through Diio LLC for the 12 months ending December 2013

SOURCES: Wayne County Airport Authority; US DOT; Individual airport websites, May 2014; Diio LLC, June 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

2.3.2 LOCAL PERSPECTIVE

Air Trade Area

The borders of an air trade area are influenced by the location of other metropolitan and micropolitan areas and their associated airport facilities. However, the extent of air carrier service provided at the Airport is a primary factor in determining its air trade area (i.e., the geographical area served by the Airport). The number of non-stop domestic and international destinations served from the Airport, and the frequency with which those destinations are served, tends to attract passengers from a broad geographic region who may prefer to use the Airport instead of an airport located closer to their residence.

For purposes of these analyses, the ***primary air trade area*** for the Airport consists of the Ann Arbor Metropolitan Statistical Area (MSA) which includes Washtenaw County; the Detroit-Warren-Livonia MSA which includes Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne counties; the Flint MSA which includes Genesee County; the Monroe MSA that includes Monroe County; and the Adrian Micropolitan Statistical Area which includes Lenawee County. This 10-county area is located within the State of Michigan (Michigan). The primary air trade area is accessible and within close geographical proximity to Canadian cities (e.g., Windsor, Ontario), which serve as an extended ***secondary air trade area***. It is the economic strength of the ten counties encompassing the primary air trade area, however, that provides the principal base for supporting O&D air travel at the Airport. As a result, demographic and economic data for the primary air trade area (hereinafter referred to as the Air Trade Area) were examined in Section 4 of this Report. Typically, an air trade area for an airport accounts for 80 to 90 percent of its O&D passenger traffic. **Exhibit 2-3** presents the geographical location of the Airport's Air Trade Area and the Airport's proximity to alternative airports.

Based on location, accessibility, and services available at other commercial service airports within nearby service areas, the borders of the Air Trade Area are generally established by Toledo Express Airport (TOL) to the south, Fort Wayne International Airport (FWA) to the southwest, Lansing Capital City Airport (LAN) to the west, and Bishop International Airport (FNT) to the north. The closest large airport to the Air Trade Area is Cleveland-Hopkins International Airport (CLE)[6], which has experienced recent activity reductions, primarily serving its own air trade area approximately 150 miles southeast of the Airport across Lake Erie. For comparative purposes, **Table 2-3** presents the distance from the Airport to these other airports and the number of scheduled departing seats offered at those facilities by air carriers during the CY 2013.

As the data in Table 2-3 illustrates, the level of air carrier service (measured in terms of scheduled departing seats) at commercial service airports within the Air Trade Area and in nearby service areas was significantly lower than at the Airport in CY 2013. The scheduled departing seat capacity at CLE, the closest large airport in the region, totaled approximately 5.8 million seats, representing approximately 29.3 percent of the scheduled departing seat capacity at the Airport in CY 2013. Among the remaining airports in the Air Trade Area or nearby, FNT had the most scheduled departing seats in CY 2013, approximately 540,000 seats, or approximately 2.7 percent of the total scheduled departing seat capacity at the Airport in the same period.

6 As of April 2014, United dismantled it's long term hubbing operation at CLE

Table 2-3: Other Commerical Service Airports

(CY 2013)

AIRPORT	DISTANCE FROM THE AIRPORT (MILES)	CY 2013 SCHEDULED DEPARTING SEATS		
		DOMESTIC	INTERNATIONAL	TOTAL
Detroit (DTW)		17,762,578	1,988,787	19,751,365
Air Trade Area or Nearby Airports				
Toledo (TOL)	65	105,616	0	105,616
Windsor (YQG) 1/	30	192,343	0	192,343
Lansing (LAN)	95	304,012	11,178	315,190
Fort Wayne (FWA)	160	359,327	0	359,327
Flint (FNT)	75	539,546	0	539,546
Nearest Large Airport				
Cleveland (CLE)	150	5,622,045	174,910	5,796,955

NOTE:

1/ Domestic seats totals represent seat capacity to Canadian destinations.

SOURCES: Map Resources, 2012 (distance), Innovata, May 2014 (scheduled departing seats).

PREPARED BY: Ricondo & Associates, Inc., May 2014.

Table 2-3: Other Commerical Service Airports

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Flint (FNT)	75	539,546	0	539,546
Nearest Large Airport				
Cleveland (CLE)	150	5,622,045	174,910	5,796,955

NOTE:

1/ Domestic seats totals represent seat capacity to Canadian destinations.

SOURCES: Map Resources, 2012 (distance), Innovata, May 2014 (scheduled departing seats).

PREPARED BY: Ricondo & Associates, Inc., May 2014.

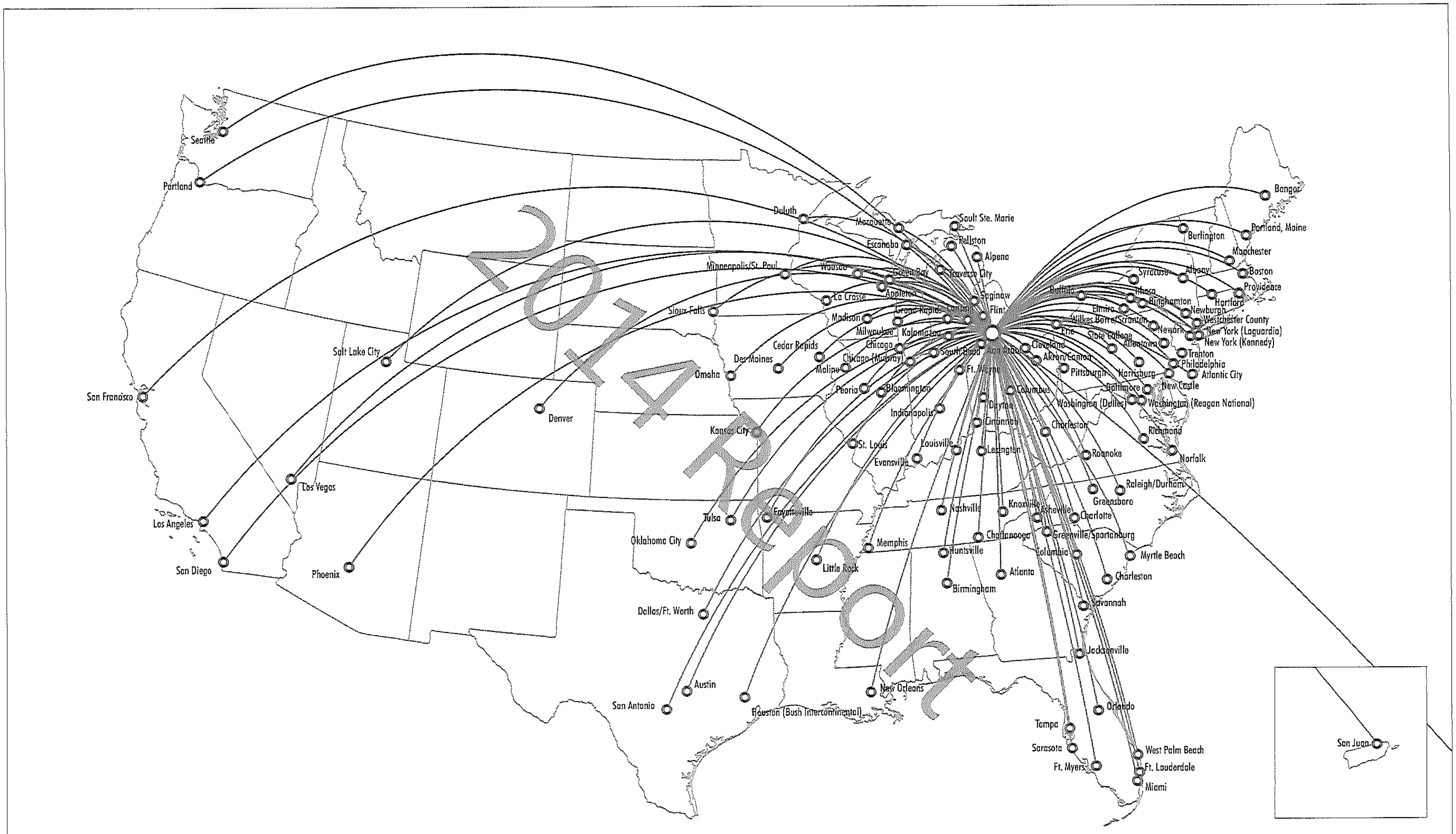
Other nearby airport facilities in close proximity to the Airport include the Coleman A. Young International Airport (formerly Detroit City Airport), Willow Run Airport, and Windsor International Airport across the U.S. border in Ontario, Canada. Coleman A. Young International Airport is approximately eight miles northeast of downtown Detroit; however, it has not had commercial passenger airline service since 2000. Willow Run Airport, also operated by the Authority, is located seven miles west of the Airport and serves cargo, corporate, and general aviation clients. Windsor International Airport (YQG) is located approximately nine miles southeast of downtown Detroit. As of July 2014, airlines offer daily scheduled non-stop service from YQG to Toronto Pearson International Airport (up to 8 daily departures on Air Canada), Toronto City Center Airport (up to 3 daily departures on Porter Airlines) and Calgary International Airport (1 daily departure on WestJet). As shown in Table 2-3, CY 2013 scheduled departing seat capacity at YQG totaled approximately 192,300 departing seats.

Cleveland-Hopkins International Airport processed approximately 9.1 million total passengers in CY 2013 (a 0.7 percent increase from CY 2012); however, far below the 32.4 million passengers for the Airport in the same period. In CY 2013, each of the other airports bordering the Air Trade Area accommodated fewer than 500,000 total enplanements and ranked outside of the top 115 domestic airports based on that metric. Although these other airports may compete to some degree to serve the Air Trade Area's passenger needs, from a regional perspective they operate in a complementary role to the Airport.

Having enplaned approximately 6.7 million domestic O&D passengers in OY 2013 and approximately 1.0 million international O&D passengers in OY 2013, the Airport serves the diverse travel needs of its Air Trade Area including activity associated with business, leisure, and international travelers. Furthermore, some of those travelers utilizing other airports that border the Air Trade Area connect through the Airport to access Delta's route system and to reach their ultimate destination. Based on factors such as the breadth and frequency of air carrier service provided at the Airport, its total passenger and enplanement levels, and the demographic and economic characteristics of its local market, the Airport is considered the primary air carrier airport in the Air Trade Area and one of several major airline connecting hubs in the Midwest region. As the scheduled departing seat data indicates, the Airport has a dominant position for providing air travel in its geographical area.

Non-Stop Service

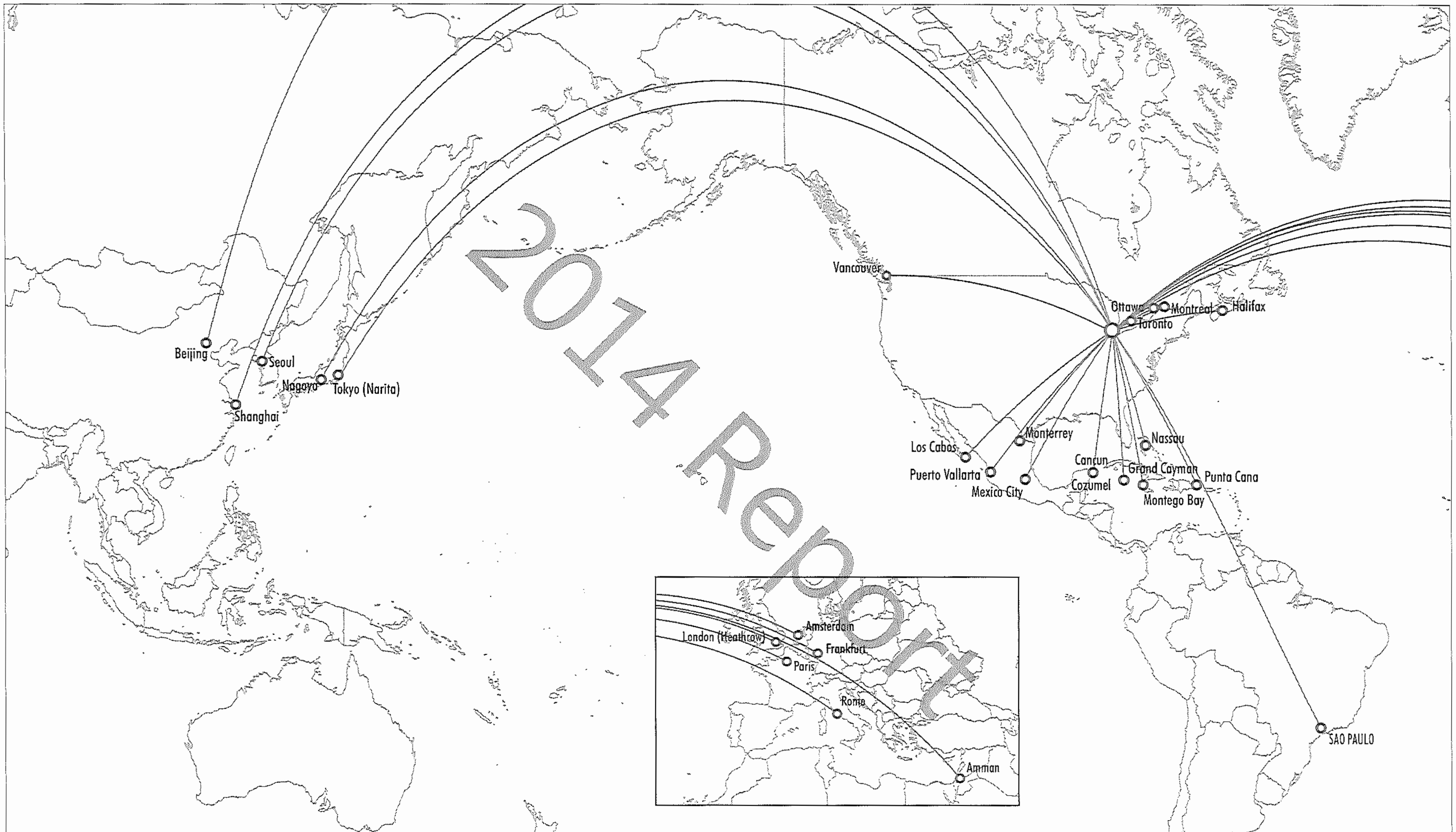
Based on available information from Innovata, the airlines serving the Airport are scheduled to average approximately 551 daily domestic and international departures from the Airport during the month of July 2014, with nonstop service to 117 domestic destinations. For the 12-month period ending July 2014, the Airport will have offered nonstop service to 28 international destinations, including some markets on a seasonal basis. The Airport's nonstop domestic and international destinations are depicted in **Exhibit 2-4** and **Exhibit 2-5**, respectively. In addition to the nonstop domestic destinations shown in Exhibit 2-4, other domestic destinations are served with nonstop service on a seasonal basis.



SOURCE: Innovata, October 2013 - September 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

EXHIBIT 2-4

Scheduled Nonstop Domestic Destinations



SOURCE: Innovata, October 2013 - September 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

EXHIBIT 2-5

Scheduled Nonstop International Destinations

2.3.3 ROLE WITHIN DELTA AIR LINES' SYSTEM

This section provides a brief summary of the Airport's important role in Delta's system network. The Airport's role and comparisons to other Delta domestic hub and key airports are discussed in greater detail in section 5.6. **Exhibit 2-6** provides an overview of OY 2013 scheduled departing seats at key airports in Delta's network.

Overall in OY 2013, when measured based on activity by Delta and Delta Connection Carriers, the Airport was one of Delta's busiest hubs in terms of total enplaned passengers, scheduled departing seats, and scheduled departures. As noted earlier, Delta and the Delta Connection Carriers accounted for 79.3 percent of the Airport's total enplanements in OY 2013.

2.4 Existing Airport Facilities

A description of the Airport's major existing facilities is provided in this section.

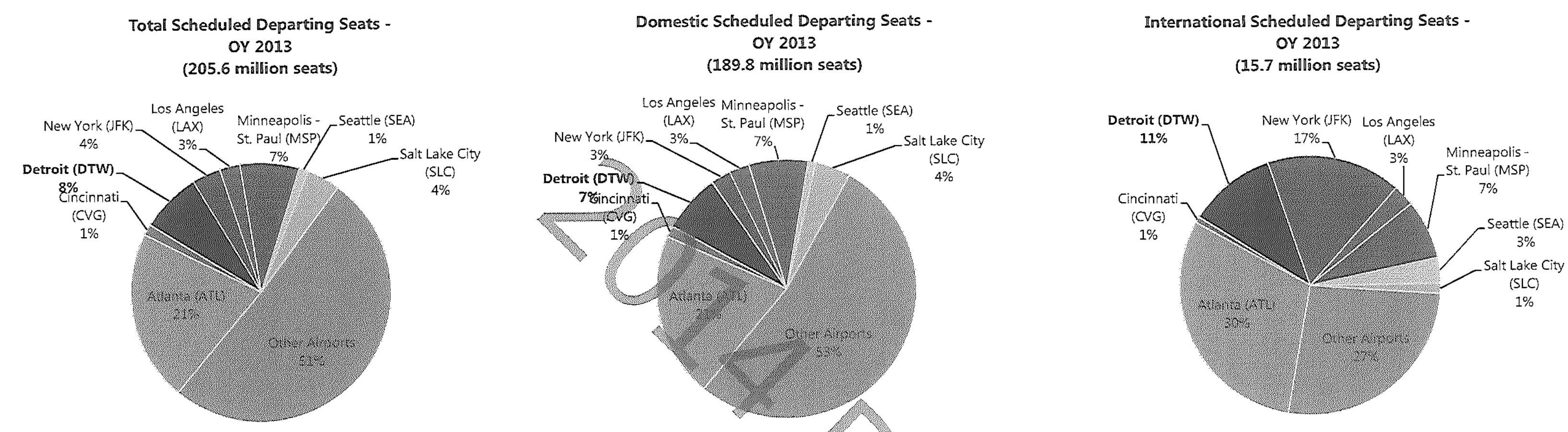
2.4.1 AIRFIELD

The major airfield facilities at the Airport consist of six air carrier runways (four of which are north/south parallels for prevailing wind conditions and two of which are east/west crosswind parallels) and an extensive taxiway system which provides aircraft access to terminal areas, aircraft parking aprons, and other cargo, maintenance, and hangar areas. The 2014-2018 CIP includes approximately $363.4 million in airfield reconstruction/rehabilitation costs at the Airport (see Section 3.3) and airfield reconstruction and improvement projects comprise the plurality of the estimated costs of the Series 2014 Projects.

Primary characteristics of each runway are as follows:

- **Runway 4L/22R.** This runway is 10,000 feet long by 150 feet wide and is equipped with high intensity runway edge lights (HIRL) and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 4L end having Category III instrument landing system (ILS) capability and the Runway 22R end having ILS capability with a medium intensity approach lighting system (MALSR).
- **Runway 4R/22L.** This runway is 12,003 feet long by 200 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 4R end having Category III instrument landing system (ILS) capability and the Runway 22L end having ILS capability with a MALSR. Runway 4R/22L was reconstructed in OY 2012 and 2013.
- **Runway 3L/21R.** This runway is 8,501 feet long by 200 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have non-precision runway markings. The south portion of Runway 3L/21R was rehabilitated in OY 2009.
- **Runway 3R/21L.** This runway is 10,001 feet long by 150 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 3R end having Category III instrument landing system (ILS) capability and the Runway 21L end having ILS capability with a MALSR. Runway 3R/21L was reconstructed in OY 2006 and 2007.

Exhibit 2-6: Delta Air Lines Scheduled Departing Seats at its Domestic Hub Airports



SOURCE: Innovata, May 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

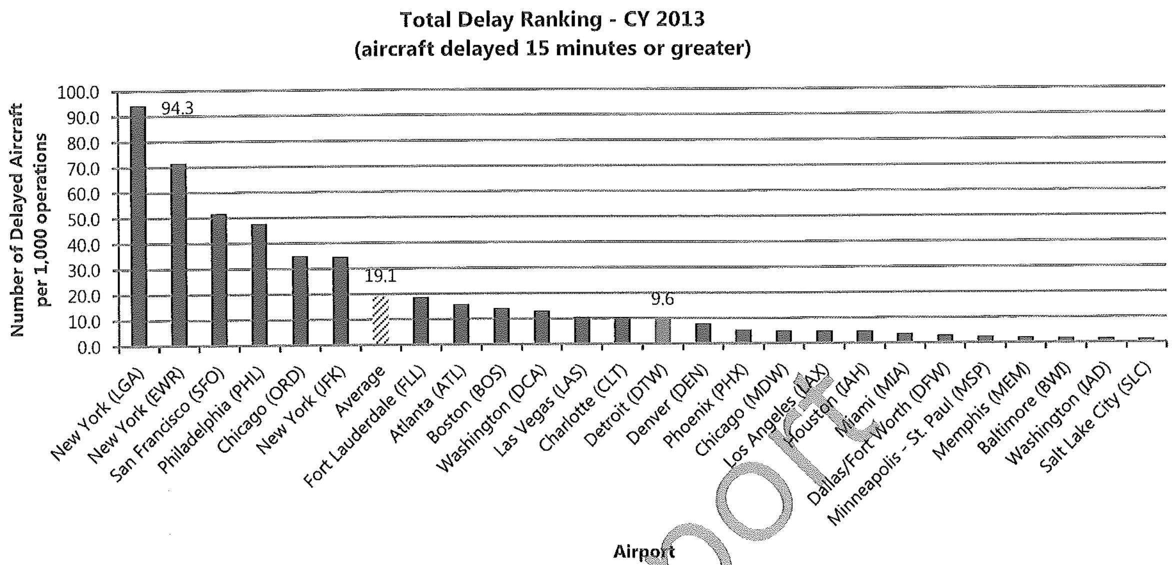
- **Runway 9L/27R.** This crosswind runway is 8,708 feet long by 200 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 27R end having ILS capability with a MALSR. The majority of Runway 9L/27R was reconstructed in OY 2009 and OY 2013.
- **Runway 9R/27L.** This crosswind runway is 8,500 feet long by 150 feet wide and is equipped with HIRL and in-pavement centerline lights. Both runway ends have precision runway markings with the Runway 27L end having ILS capability with a MALSR.

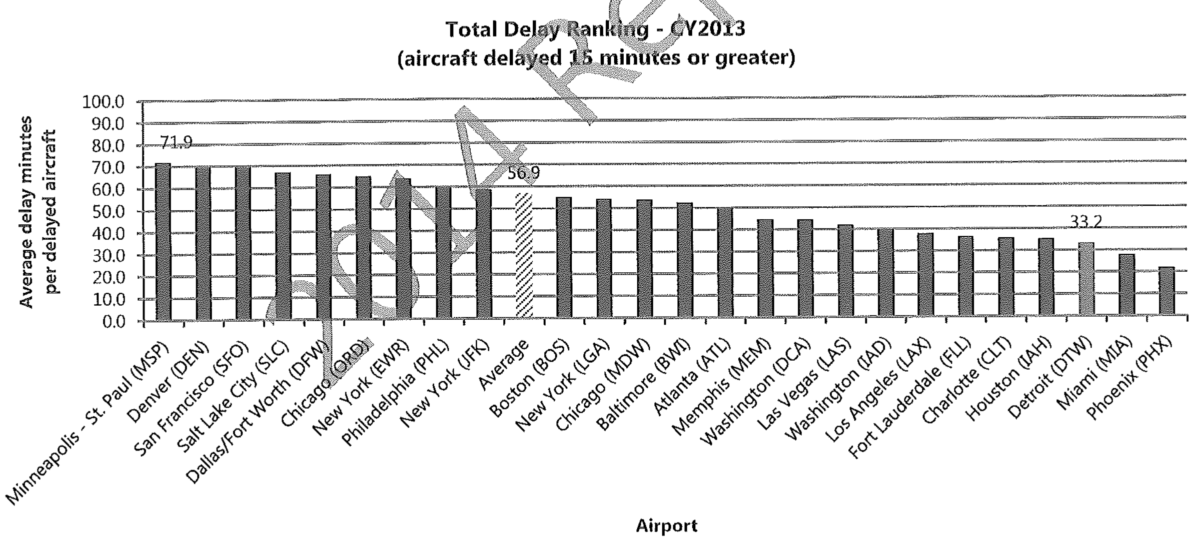
The Airport has an extensive taxiway system providing safe and efficient access to and from runway ends, terminal facilities, apron areas, and cargo and hangar facilities. Each runway has an associated parallel, full length taxiway.

Exhibit 2-7 presents aircraft delay data for the top 25 delayed airports in CY 2013 which includes several east/west airline hub airports and other peer airports taken from the FAA's Operations Network (OPSNET) data source. As shown, the Airport compares favorably and generally experiences fewer aircraft delays, and delays of shorter duration, than most of the other airports shown. As shown, in CY 2013 the Airport experienced approximately 9.6 aircraft delays per 1,000 aircraft operations and average daily minutes of 33.2 per delayed aircraft (the average for all airports shown was 19.1 aircraft delays per 1,000 aircraft operations and 56.9 average delay minutes).

While the number and duration of aircraft delays at an airport is dependent on a variety of factors, airports that experience more frequent and longer delays are typically those that have capacity constraints that limit their ability to efficiently accommodate aircraft operations, especially during times of adverse weather conditions or limited visibility. Conversely, less frequent and/or relatively shorter aircraft delays at an airport are typically indicators that airfield capacity is ample to efficiently accommodate aircraft operations even when weather or visibility conditions dictate more restrictive operating procedures in or around the airport environs. The CY 2013 delay statistics presented in Exhibit 2-7 for the Airport are an indicator of how efficiently the airfield operates given current activity levels and, based on reasonable expectations with respect to operational growth at the Airport into the future, the likelihood that it has sufficient capacity to accommodate future activity levels without significantly increasing the frequency and duration of aircraft delays. While other airports within the Delta system will need to fund additional projects to increase airfield capacity, the Airport has sufficient airfield capacity to satisfy both current and projected activity levels.

Exhibit 2-7: Aircraft Delay Summary (CY2013)





NOTE: Graph depicts Total Operational delays (Arrivals and Departures) at the top 25 airports as ranked by delay in CY2013.

SOURCE: FAA Operations Network (OPS NET), date accessed June 2, 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

2.4.2 TERMINAL FACILITIES

The Airport currently has 147 aircraft gates within its two passenger terminal facilities: the North Terminal and the Edward H. McNamara Terminal (also referred to as the McNamara Terminal or, for the purposes of Authority cost center accounting the South Terminal – See Section 6.3). The McNamara Terminal opened on February 24, 2002 and currently serves Delta, the Delta Connection Carriers, and other SkyTeam partners. The North Terminal opened on September 17, 2008 and replaced the Smith and Berry Terminals, which were retired as passenger facilities on the same date. The North Terminal is used for non-hubbing carrier operations at the Airport.

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

Additionally, the Airport has been awarded several accolades, as summarized below:

- In each year 2009 through 2011, the Physician's Committee for Responsible Medicine awarded the Airport first place in its "Airport Food Review" which examines airport restaurants at 15 major airports and assesses the percentage of restaurants that offer at least one low-fat, high-fiber, low-cholesterol dining option. The Airport is the only airport in the 11-year history of the review to receive a perfect score, having done so twice.
- In 2011, the Airport received the top honor from Airports Council International – North America (ACI-NA) in the "Best 'Green' Concessions Practice or Concept" category of the Richard A. Griesbach Excellence in Airport Concessions Contest for industry-leading recycling programs related to waste cooking oil and used cardboard.
- In 2012, the Airport received the FAA Safety Award.
- In both 2013 and 2014, the Michigan Concrete Association gave the Airport its Award of Excellence, as did the American Council of Engineering Companies of Michigan its Engineering Merit Award. Also in 2013, the Airport also received the Entity of the Year Award from the Michigan Public Purchasing Officers Association.

A further description of the Airport's passenger terminal facilities is presented in the following sections.

McNamara Terminal

The McNamara Terminal currently serves Delta, the Delta Connection Carriers, and other SkyTeam partners and the airline space in the terminal is leased by Delta under an Airline Agreement (see Section 6.1.3) which extends through 2032. The McNamara Terminal was opened in February 2002, and in OY 2004-2005 Concourses B and C of the facility were expanded with an additional 25 gates to accommodate increased mainline and regional aircraft activity. Also included as part of the expansion were luggage handling systems modifications and additional moving walkways, escalators, and hydrant fueling pits. The McNamara Terminal has approximately 2.4 million square feet of gross building space and includes 121 aircraft gates in three concourses (i.e., Concourses A, B, and C), a centralized passenger terminal with over 100 ticket counter positions, an automated train that travels the mile-long Concourse A, over 80 shops and restaurants encompassing over 150,000 square feet of concessions space, four Delta Sky Clubs, an underground tunnel that provides access between the concourses and also serves as a utility and luggage handling system corridor, and an FIS facility of approximately 105,000 square feet, which can process up to 3,200 passengers per hour (however, current government staffing levels limit capacity to lower than this). The passenger terminal is served by a three level roadway system providing access to the "International Arrivals Level", "Domestic Arrivals Level", and "Departures Level" of the terminal building.

Even though the McNamara Terminal is efficient, the Authority and its tenants continue to invest in it to improve customer service. For example, from 2012 to 2014, the Authority conducted a process of restructuring both the Retail and the Food and Beverage concession programs there, featuring new concession agreements, new place-making, and new stores and restaurants. The restructured programs involved substantial investments by the Authority's concessionaires; for example, there will be approximately $31.6 million in new, private capital investment in the McNamara Terminal for Food and Beverage alone.

Also, connected to Concourse A and the ticket lobby of the terminal is a 404-room and 10-suite luxury-class Westin Hotel. The hotel is accessible from the curb front roadway and also offers a security checkpoint for direct access to Concourse A. The Westin Hotel was identified as one of the top three airport hotels in North America in the 2011 Skytrax World Airport Survey.

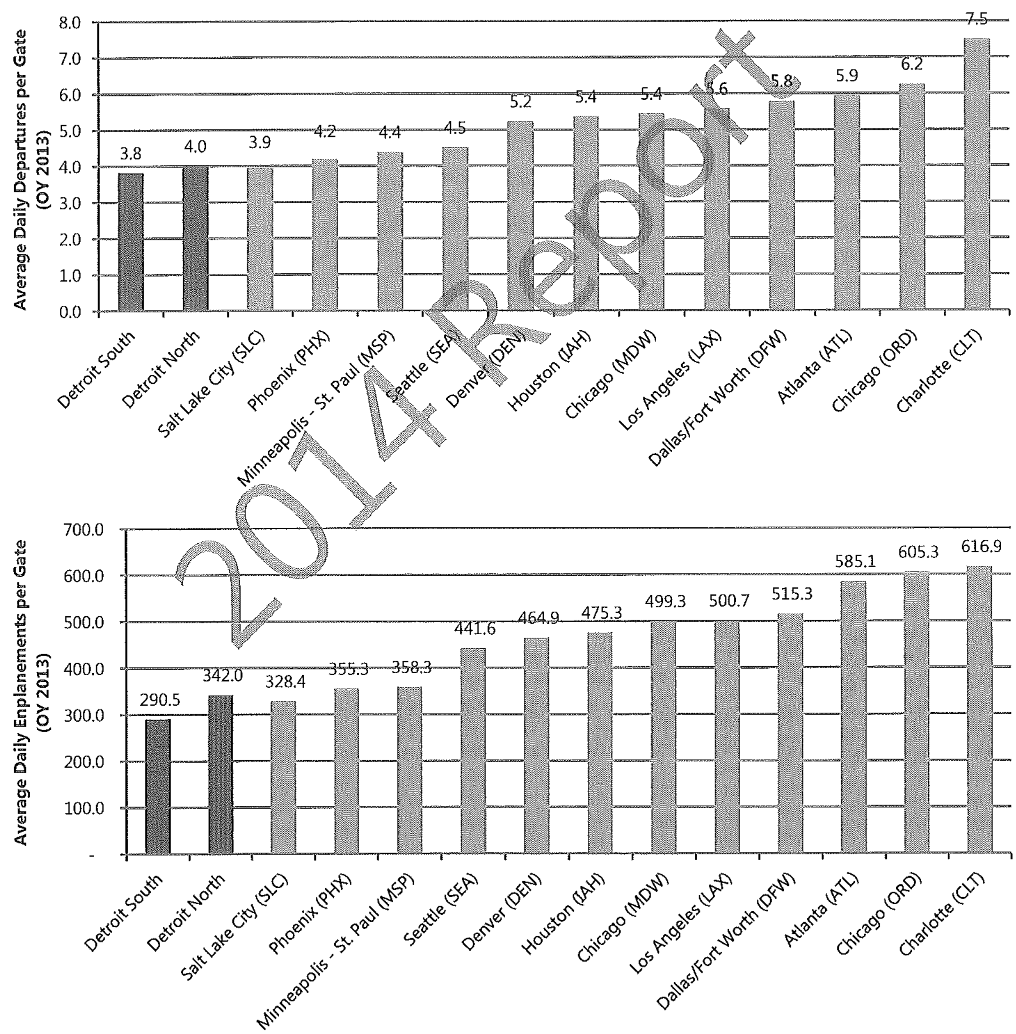
North Terminal

The North Terminal opened on September 17, 2008 and replaced the Smith and Berry Terminal facilities for non-hubbing carrier operations at the Airport, including international operations by non-Sky Team airlines. The North Terminal includes over 850,000 square feet of gross building space including a central terminal facility, a 26-aircraft gate attached airside concourse, approximately 50,200 square feet of concessions space, and a FIS facility of approximately 26,000 square feet with facility capacity to process up to 800 passengers per hour. Five of the gates are common use, and four of the five common use gates can serve both international and domestic flights. The facility is designed to be expandable by another five gates as demand warrants. Other key features of the facility include related airside apron, dual taxilanes, hydrant fueling, ticket counters, airline offices, luggage handling facilities, loading bridges with 400 Hz power and preconditioned air, an airline club for Lufthansa German Airlines, and a pedestrian bridge connecting the terminal to the adjacent parking structure. The facility includes a fully-inline explosive detection system (EDS) for improved luggage security screening operations. Upper and lower level roadways provide access to the "arrivals" and "departures" levels of the facility, and the terminal has a ground transportation facility. The North Terminal serves all domestic and foreign flag passenger airlines at the Airport except Delta, the Delta Connection Carriers, and its SkyTeam partners. In February 2009, the North Terminal Project was awarded the "Outstanding Construction Project of the Year" by the Construction Association of Michigan and in January 2010, the Associated General Contractors of Michigan bestowed its highest honor, a "Build Michigan Award", to the North Terminal.

Gate Utilization

Based on gate utilization data from 2013, it is reasonable to assume that the two terminals at the Airport could accommodate significantly more utilization than is currently being experienced. **Exhibit 2-8** summarizes gate utilization data for selected large hub airports. As shown, gate utilization in both the McNamara Terminal and the North Terminal, when measured based on average daily departures per gate (OY 2013), is lower than at the other large hub airports. Similarly, in an alternative measure of gate utilization, average daily enplanements per gate in both terminals are comparatively lower than at the other large hub airports.

Exhibit 2-8: Airport Gate Utilization Comparison (OY 2013)



NOTE: DTW South is also known as the McNamara Terminal.

SOURCES: Wayne County Airport Authority; US DOT data accessed through Innovata; Individual airport websites, June 2014.
PREPARED BY: Ricondo & Associates, Inc., June 2014.

Among other factors, gate utilization characteristics vary by airport based on the number and type of gates available and the operational and scheduling characteristics of the airlines using those gates. Therefore, to draw specific conclusions from the data presented in Exhibit 2-8, it would likely require detailed analysis on an airport-by-airport basis. The data, however, does demonstrate that Delta operates more average daily departures per gate, and correspondingly more average daily enplanements per gate, at its ATL, SLC, and MSP hubs than at the Airport, in facilities at those other airports that, in some cases, are older and potentially less efficient than the facilities in the McNamara Terminal. Based on these data, it is reasonable to conclude that existing terminal facilities at the Airport provide sufficient excess capacity to accommodate future enplanement growth from both Delta and other carriers.

2.4.3 PUBLIC PARKING

Public parking at the Airport currently consists of 18,174 spaces at both structured facilities and surface lots. The structured parking facilities are located near each of the terminal facilities to allow for convenient pedestrian access. Shuttle bus service is also available for parkers in the longer-term and/or economy areas. Additionally, the Ground Transportation Center, located east of the North Terminal at the end of the pedestrian bridge (in between the North Terminal and the Blue Parking Deck), is a two level facility of approximately 12,000 square feet which allows passengers to access the Blue Parking Deck and all commercial vehicles (car rental and hotel shuttles, on- and off-site parking shuttles, taxis, luxury sedans, etc.) that serve the North Terminal.

The Big Blue Deck parking structure contains approximately 5,788 public parking spaces and is located somewhat adjacent and north of the Smith Building (retired as a passenger facility) and is connected by a pedestrian bridge. This Big Blue Deck facility is primarily intended for long-term and economy parkers at the Airport. However, the garage was expanded to house pre-arranged limousines for the Ground Transportation Center, taxis and commercial luxury sedans, and additional premium parking spaces. The deck expansion directly interfaces with the North Terminal Ground Transportation Center. Additionally, the deck expansion contains a moving walkway running in the north-south direction that "connects" the existing moving walkways in the north and south ends of the Blue Deck.

Adjacent to the McNamara Terminal, a 10-level parking garage consisting of approximately 9,840 public parking spaces offers hourly, daily, and valet parking services. A fully-enclosed pedestrian bridge located on level six connects the facility with the McNamara Terminal. Vehicle access to the parking garage is provided from the terminal roadway on both the "International Arrivals Level" and the "Departures Level". Other surface lots located along Dingell and Rogell Drives also provide additional economy service parking for the Airport. In addition, the Authority's Green Lot is an economy lot offering 2,546 public parking spaces and has the lowest daily parking rate of any parking facility on or off the Airport.

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

2.4.4 OTHER ANCILLARY/SUPPORT FACILITIES

Other ancillary and support facilities are located throughout the Airport property. A general discussion of these facilities is contained below.

- **General Aviation.** General aviation and corporate aviation facilities are generally located on the southern portion of the Airport with one facility on the northern end. The fixed base operators (FBO) at the Airport are ASIG General Aviation Services and Metro Flight Services, which accommodate aircraft parking, fuel, hangars, catering, and other flight support services.
- **Air Cargo/Mail Facilities.** Air cargo facilities at the Airport are located in three general areas of Airport property. The largest air cargo tenants, FedEx and United Parcel Service, are located in different areas of the airfield. FedEx is located in the northwest area of the Airport adjacent to Taxiway Z. United Parcel Service's facility is located on the southern portion of the Airport between the Runway 27R and 27L ends. Several passenger airline and smaller cargo facilities are also located in the northern area of the Airport with access from Merriman Road.
- **Aircraft Maintenance Facilities.** Several aircraft maintenance operation facilities are based at the Airport. These facilities are located in various areas of the Airport; however, several are located north of the North Terminal core area. Some of these include facilities for Delta Air Lines, United Parcel Service, and FedEx. Aircraft serviced at these facilities include large wide-body aircraft (i.e., Boeing 747s) to smaller general aviation type aircraft.
- **Fuel Farm.** The fuel farm at the Airport is located in the northwestern section of the airfield, and consists of four 20,000-barrel fuel storage tanks and two 65,000-barrel fuel storage tanks. The fuel farm has a capacity of over four million gallons, an estimated five days of storage capacity. The fuel facilities at the Airport also include a truck load rack, underground pipelines and underground hydrant systems that serve the McNamara Terminal and North Terminal. Delta is the lessee of the entire fuel system at the Airport, which it operates for its benefit as well as the benefit of the other air carriers at the Airport, under an Operating Agreement with Servisair.
- **Public Safety Building.** This building, currently under construction, will house the consolidated functions related to the Airport Response Center (ARC), Emergency Operations Center (EOC), Badging and Credentials, and the Police Operations Facility (POC) within a "state of the art" single story building. The new public safety building is scheduled for occupancy in the fall of 2014.

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

3. The Capital Program and Funding Sources

3.1 Summary of Findings

This Report and the financial analyses presented in Chapter 6 incorporate the estimated financial impacts resulting from the implementation of the Series 2014 Projects, which are part of the Authority's Modified 2014-2018 CIP (as defined in Section 1.2). The Modified 2014-2018 CIP includes the Series 2014 Projects and other projects underway and expected to be undertaken by the Authority over the next five to six years, or as demand warrants. Estimates of total project costs, project phasing, and anticipated funding sources presented in this Report are based on the Authority's current expectations, but are subject to change based on demand, funding availability, and other factors. The Series 2014 Projects have been approved by a Weighted Majority of Signatory Airlines. Other projects included in the Modified 2014-2018 CIP intended to be funded in whole or in part with the proceeds of future bonds will require Weighted Majority approval (see Section 6.1.3) in order to be financed with the proceeds of future bonds.

The Authority's Modified 2014-2018 CIP is summarized below:

- The Modified 2014-2018 CIP has a total estimated project cost of $595.2 million, of which approximately $311.6 million is expected to have been expended as of September 30, 2014. Approximately $273.9 million (46 percent) has been funded by proceeds of previously issued bonds, including the Series 2014A Bonds.
- Based on current expectations, funding sources for the CIP include proceeds from prior bond issues, proceeds from the Series 2014B-C Bonds, future bond proceeds, grants, Authority funds, and other sources to be determined. However, due to the forward-looking nature of the program, some of the anticipated funding sources for the projects may not be approved, are subject to future conditions, or are otherwise subject to change.
- The Authority expects to fund approximately $96.4 million in CIP costs with proceeds of the Series 2014B-C Bonds (and associated interest earnings on those proceeds during construction). See Section 1.2 for a description of the Series 2014 Projects and Section 1.3 for a description of the Series 2014B-C Bonds and the plan of finance.

- A total of approximately $134.0 million in the Modified 2014-2018 CIP project costs are currently anticipated to be funded with the proceeds of future bonds expected to be issued when project costs and schedules are further refined and Weighted Majority approval is received.

3.2 The Airport Master Plan

The Authority completed a 20-year Master Plan for the Airport in 2008 and the FAA accepted the Master Plan on June 18, 2009. The Master Plan's Preferred Development Plan reflects all airfield, terminal, landside/ground access, and support facility projects necessary to meet the anticipated demand for air travel over the planning horizon, identified as 2008-2027 in the Master Plan. Master Plan projects not already in the current CIP will be added to the CIP on a phased development basis as demand materializes and funding sources are identified. However, certain projects included in the Master Plan's Preferred Development Plan could be deferred or not otherwise undertaken by the Authority if they are not required or economically justified.

The financial analysis presented in this Report and the accompanying financial tables incorporate the estimated financial impacts of the Modified 2014-2018 CIP, which includes the Series 2014 Projects and others expected to be undertaken by the Authority over the next five to six years, or as demand warrants. The impacts of debt service on any future bonds are not included in this analysis. To the extent that Master Plan projects are not currently included as part of the Modified 2014-2018 CIP, their potential financial impacts are not included in this analysis.

3.3 The 2014 – 2018 Capital Improvement Program

The Modified 2014-2018 CIP for the Airport for the period OY 2014 through OY 2018 has an estimated total cost of $595.2 million. The Modified 2014-2018 CIP was approved by the Authority Board in September 2013 as part of the OY 2014 budget. The Series 2014 Projects, as described in Section 1.2, are a component of the overall CIP and are included in the project costs and funding sources presented in this section. The Authority anticipates that CIP projects will be funded from a combination of existing bond proceeds, Series 2014B-C Bonds proceeds, future bonds proceeds, federal grants, Authority funds, and other sources to be determined. Other than the Series 2014 Projects, CIP projects intended to be funded with future bond proceeds still require Weighted Majority approval. The Authority is currently undertaking or anticipating that it will undertake these projects within the next five to six year period, or when demand warrants. The impacts of debt service on any future bonds are not included in this analysis.

3.3.1 ESTIMATED PROJECT COST AND TIMING

Table 3-1 presents a summary of CIP projects including total estimated project costs by category and anticipated project timing. As shown, approximately $311.6 million of the estimated total cost of the CIP is expected to have been expended as of September 30, 2014, including approximately $184.9 million in Airfield project costs. Approximately $57.8 million in CIP expenditures are anticipated to occur in OY 2018 or beyond.

3.3.2 ANTICIPATED FUNDING SOURCES

Table 3-2 summarizes anticipated funding sources of the CIP. As a result of the forward-looking nature of the program, some of the anticipated funding sources for the projects may not be approved, are subject to future conditions, or are otherwise subject to change. Based on current expectations, funding sources for the CIP include prior bond proceeds, proceeds from the Series 2014B-C Bonds, future bond proceeds, grants, Authority funds, and other sources to be determined, each of which is summarized below.

Prior Bonds

The Authority has previously issued bonds to fund the cost of projects at the Airport. The Authority expects to use available remaining proceeds totaling approximately $242.6 million from these previous bond sales to fund certain costs of the CIP.

Series 2014A Bonds

On May 1, 2014 the Authority issued $30.0 million of Series 2014A Bonds, $29.7 million of which is funding portions of the cost of the Series 2014 Projects at the Airport.

Series 2014B-C Bonds

As shown in Table 3-2 and described in greater detail in Section 1.2, the Authority expects to fund approximately $96.4 million in CIP costs with proceeds from the Series 2014B-C Bonds (and associated interest earnings on those proceeds during construction). See Section 1.2 for description of the Series 2014 Projects and Section 1.3 for a description of the Series 2014B-C Bonds and the plan on finance.

Future Bonds

The Authority currently projects that approximately $134.0 million will be required from the proceeds of future bonds to complete the funding of the Modified 2014-2018 CIP. The Authority does not yet have a specific plan for the amount and timing of such bonds, because the estimated project costs and schedules are still being developed and the majority of such projects have not yet received a Weighted Majority approval from the Signatory Airlines.

Table 3-1: Airport Capital Improvement Program Summary [1/ 2/]

(Figures in Thousands)

CATEGORY	ESTIMATED TOTAL COST	EXPENDED THROUGH 9/30/2013	OY 2014	OY 2015	OY 2016	OY 2017	OY 2018 THROUGH COMPLETION
		ESTIMATED EXPENDITURES					
Airfield	$ 363,400	$ 123,358	$ 61,512	$ 31,030	$ 38,200	$ 58,300	$ 51,000
Cargo and Hangar Development	$ 12,775	$ -	$ 2,313	$ 3,337	$ 7,125	$ -	$ -
Power Plant & Electrical Distribution System	$ 39,092	$ 140	$ 14,227	$ 15,775	$ 4,550	$ 1,600	$ 2,800
Fleet & Equipment	$ 28,335	$ 3,635	$ 6,574	$ 3,567	$ 4,384	$ 6,176	$ 4,000
Parking Decks & Lots	$ 30,110	$ 6,975	$ 14,325	$ 8,810	$ -	$ -	$ -
Bridges & Roadways	$ 12,565	$ 276	$ 3,795	$ 3,464	$ 840	$ 4,189	$ -
Security & Communications	$ 25,590	$ 708	$ 8,432	$ 4,450	$ 6,000	$ 6,000	$ -
Support Facilities	$ 34,650	$ 1,052	$ 28,273	$ 5,325	$ -	$ -	$ -
Site Redevelopment & Demolitions	$ 31,729	$ -	$ 21,758	$ 9,871	$ 100	$ -	$ -
Terminals	$ 8,500	$ 2,100	$ 6,400	$ -	$ -	$ -	$ -
Water Mains & Storm Water System	$ 8,500	$ 450	$ 5,300	$ 1,650	$ 1,100	$ -	$ -
Total	**$ 595,246**	**$ 138,694**	**$ 172,910**	**$ 87,278**	**$ 62,299**	**$ 76,265**	**$ 57,800**

NOTES:

1/ All Series 2014 Projects have been approved by a Weighted Majority of Signatory Airlines. Certain other CIP projects that require approval by a Weighted Majority of Signatory Airlines in order to fund such projects with Bond proceeds are not yet approved, expenditure schedules are subject to change, and projects are subject to demand and available funding.

2/ This table presents the 2014-2018 CIP as approved by the Authority's Board of Directors. Current cost estimates and construction schedules may vary from the Board-approved CIP.

SOURCE : Wayne County Airport Authority, September 2013.

PREPARED BY: Ricondo & Associates, Inc., May 2014.

Table 3-2: Airport Capital Improvement Program Funding Sources [1/ 2/]

(Figures in Thousands)

		ANTICIPATED FUNDING SOURCES					
CATEGORY	ESTIMATED TOTAL COST	GRANTS	PREVIOUS BONDS	SERIES 2014A BONDS	SERIES 2014B-C BONDS	FUTURE BONDS	OTHER
Airfield	$ 363,400	$ 76,925	$ 157,331	$ 5,000	$ 51,683	$ 72,461	$ -
Cargo and Hangar Development	$ 12,775	$ -	$ -	$ 5,360	$ -	$ 7,125	$ 290
Power Plant & Electrical Distribution System	$ 39,092	$ -	$ 6,000	$ 3,226	$ 23,091	$ 5,125	$ 1,650
Fleet & Equipment	$ 28,335	$ 1,920	$ 13,400	$ -	$ 4,000	$ 8,000	$ 1,015
Parking Decks & Lots	$ 30,110	$ -	$ 30,110	$ -	$ -	$ -	$ -
Bridges & Roadways	$ 12,565	$ -	$ 2,565	$ 4,000	$ 6,000	$ -	$ -
Security & Communications	$ 25,590	$ -	$ 3,100	$ -	$ 1,900	$ 20,000	$ 590
Support Facilities	$ 34,650	$ -	$ 22,200	$ -	$ -	$ 5,150	$ 7,300
Site Redevelopment & Demolitions	$ 31,729	$ -	$ 3,375	$ 9,570	$ 3,530	$ 15,254	$ -
Terminals	$ 8,500	$ -	$ 477	$ 1,000	$ 3,148	$ 875	$ 3,000
Water Mains & Storm Water System	$ 8,500	$ -	$ 4,000	$ 1,500	$ 3,000	$ -	$ -
Total	**$ 595,246**	**$ 78,845**	**$ 242,558**	**$ 29,656**	**$ 96,352**	**$ 133,990**	**$ 13,845**

NOTES:

1/ All Series 2014 Projects have been approved by a Weighted Majority of Signatory Airlines. Certain other CIP projects that require approval by a Weighted Majority of Signatory Airlines in order to fund such projects with Bond proceeds are not yet approved,expenditure schedules are subject to change, and projects are subject to demand and available funding.

2/ This table presents the 2014-2018 CIP as approved by the Authority's Board of Directors. Current cost estimates and construction schedules may vary from the Board-approved CIP.

SOURCE : Wayne County Airport Authority, September 2013.

PREPARED BY: Ricondo & Associates, Inc., May 2014.

Grants

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

From time to time the Authority also receives grants from other federal, state, and other sources. The Authority expects to apply approximately $78.8 million in federal, state, and other grants towards CIP project costs. The Authority has currently received approximately $62.2 million in grants for projects part of the Modified 2014-2018 CIP.

Other Authority Funds

Per the Master Bond Ordinance and in accordance with provisions in the Airline Agreements, amounts from the Airport Development Fund, Airport Renewal and Replacement Fund, and the Airport Discretionary Fund, and to a lesser degree certain other sources, can be used to fund the costs of capital improvement projects at the Airport. The Authority currently expects to fund approximately $13.8 million in CIP project costs from these sources, with approximately $5.4 million coming from the Airport Development Fund. The remainder of funding from these sources, approximately $8.4 million, is associated with project costs expected to be included in Authority operating budgets and funded through airline rates and charges.

4. Demographic and Economic Analysis

4.1 Summary of Findings

The demand for air transportation is, to a large degree, dependent upon the demographic and economic characteristics of the geographical area served by an airport (i.e., the Air Trade Area), particularly for the origin and destination (O&D) portion of an airport's passenger traffic. Although O&D passengers are less than a majority of the Airport's total traffic, primarily as a result of hubbing activity by Delta, the strength and characteristics of the Airport's underlying economic base remain significant with regard to expectations of continued growth in its O&D demand.[1]

This section presents data that indicates that the Air Trade Area has an economic base capable of supporting increased demand for air travel during the projection period supported by the following key findings:

- While the City of Detroit, which filed for relief under Chapter 9 of the U.S. Bankruptcy Code on July 18, 2013, lies within the Air Trade Area, the Air Trade Area continues to exhibit a strong economic recovery, improving industry conditions, a positive environment for new and growing businesses and a stable demand for air travel to the Detroit area in spite of the City's bankruptcy.
- The Airport serves Southeastern Michigan, the Detroit metropolitan area, and the broader Air Trade Area (as defined in Section 2.3.2) that has a total population of over 5 million residents. Data presented in the following sections indicate that the population of the Air Trade Area is diverse, has a comparatively higher percentage of residents in the age ranges most likely to travel, and has a comparatively high percentage of households in the top income categories, all factors that positively impact the demand for air travel from the Airport.
- A significant rebound from the high unemployment rates experienced in the Air Trade Area between 2009 and 2011 remains underway. Based on data presented by the U.S. Department of Labor's Bureau of Labor Statistics (BLS), the Air Trade Area has experienced an annual decrease in its unemployment rate over each of the past four years.

1 Based on Authority records, domestic O&D passengers accounted for approximately 45.6 percent of total domestic passengers at the Airport in CY 2013.

- Detroit and the surrounding area are well known as "The Automotive Capital of the World," as the region is home to three of the world's largest automakers: Chrysler Group LLC[2], Ford Motor Company, and General Motors Company. Michigan's automotive factories account for over 20 percent of total US vehicle production, more than any other state in the nation, and approximately four-fifths of the state's car and truck production is located within the Air Trade Area. The Air Trade Area produces more vehicles than any other metropolitan area in the United States.
- Since the low point in vehicle production experienced in early 2009, the auto industry has rebounded and experienced an upward trend extending into the first quarter of 2014. Vehicle production in Michigan, the significant majority of which occurs in the Air Trade Area, has steadily grown from approximately 1.146 million units in 2009 to approximately 2.474 million units in 2013. Vehicle production in 2013 increased by 9.5 percent from the previous year and was Michigan's highest vehicle production level since 2005.[3] This positive trend continues into 2014 with first quarter vehicle production increasing at 3.0 percent compared to the first quarter of 2013. As sales rates continue to rebound in recent years, each of the Big Three auto companies was profitable in 2013. Ford reported a pre-tax profit of $8.6 billion and a net income of $7.2 billion for 2013[4], while General Motors and Chrysler reported net incomes of $3.8 billion[5] and $2.8 billion[6], respectively, for the same period.
- The Detroit-Warren-Livonia MSA, which accounted for over 80 percent of the Air Trade Area's population in 2012, ranked as the fourth largest export market in the United States, with merchandise shipments totaling approximately $55.4 billion (or 72.9 percent of Michigan's merchandise exports in that year). In addition to the export of transportation equipment, the Detroit metropolitan area ranked among the major exporters of machinery, computer and electronic products, electrical equipment, appliances, and component products, and fabricated metal products, illustrating the diversity of the regional economy. The Detroit-Warren-Livonia MSA experienced growth of 12.1 percent in merchandise exports between 2011 and 2012, compared to an overall increase of 5.0 percent for the top 25 metropolitan exporters. In addition, the Detroit-Warren-Livonia MSA experienced the second highest dollar amount growth in merchandise exports, increasing by $6.0 billion between 2011 and 2012, and was the largest metropolitan area exporter to both Canada and Mexico in 2012.[7]

2 Chrysler Group LLC, a wholly owned subsidiary of Fiat Chrysler Automobiles N.V. (FCA), is headquartered in Auburn Hills, MI.

3 Source: Michigan Department of Treasury, Office of Revenue and Tax Analysis, Administration Estimates Michigan Economic and Revenue Outlook (FY2013-14, FY 2014-2015, and FY 2015-2016) May 15, 2014.

4 Ford Motor Co., "Ford Posts Full Year 2013 Pre-Tax Profit of $8.6 Billion, One of the Company's Best Years Ever; Net Income of $7.2 Billion +", January 28,2014.

5 General Motors Company, "GM Reports 2013 Net Income of $3.8 Billion", February 6, 2014.

6 Chrysler Group LLC, "Chrysler Group Reports Full-Year 2013 Net Income of $2.8 Billion, Including a $962 Million Non-Cash Tax Benefit", January 29, 2014.

7 Source: International Trade Administration , US Metropolitan Area Exports 2012,Accessed May 19, 2014, http://www.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_003620.pdf

4.2 Business Climate

4.2.1 AIR TRADE AREA

On July 18, 2013, the City of Detroit filed for relief under Chapter 9 of the U.S. Bankruptcy Code in a case which is pending in Federal Bankruptcy Court. The City filed a proposed Plan of Adjustment on May 5, 2014 to provide for, among other things, the restructuring of certain City debt and other modifications to the City's obligations. As contemplated by the Plan of Adjustment, in June 2014 the Governor of the State of Michigan signed into law a package of bills that provides a State contribution to City pension funds that would also protect the Detroit Institute of Arts collection and create additional State oversight for City finances (the "Grand Bargain"). The State of Michigan, labor unions and corporations have each agreed to contribute funds toward the Grand Bargain; however implementation of the Grand Bargain is subject to a favorable vote of City retirees and confirmation of the Plan of Adjustment by the Bankruptcy Court. The Bankruptcy Court has set August 14, 2014 as the date on which the hearing on confirmation of the Plan of Adjustment will begin. The Bankruptcy Court may modify the hearing date and may modify or decline to confirm the Plan of Adjustment in its current form. While the City lies within the Air Trade Area, the Air Trade Area continues to exhibit a strong economic recovery, improving industry conditions, a positive environment for new and growing businesses and a stable demand for air travel to the Detroit area in spite of the City's bankruptcy. [8]

According to the Detroit Regional Chamber, the Air Trade Area has over 300,000 existing businesses. With its high concentration of Fortune 500 companies, high-capacity transportation infrastructure, skilled workforce, and research and development (R&D) facilities, the Air Trade Area has been recognized as one of the best places in the nation for new and expanded business according to the Detroit Regional Chamber. Major employers in the Air Trade Area include automobile manufacturers (Ford Motor, Chrysler Group, and General Motors), automotive suppliers (Johnson Controls-Automotive Experience and Faurecia North America), health care systems (Henry Ford Health System, CHE Trinity Health, Detroit Medical Center, Beaumont Health System, St. John Providence Health System, and Oakwood Healthcare), health care insurer (Blue Cross Blue Shield of Michigan), financial services providers (Quicken Loans and Comerica Bank), energy-technology provider (DTE Energy), public universities (University of Michigan and Wayne State University), and numerous governmental agencies.

The Brookings Institution included Detroit in its April 2014 list of the top 20 metropolitan areas with the strongest economic recoveries.[9] In addition to growth in manufacturing activity, including the production of automobiles, automobile parts, and related durable goods, the technology sector is a growing contributor to the Air Trade Area's recovery. This growth in the technology sector has occurred as automobile makers and their suppliers are recruiting, often in competition with Silicon Valley, computer programmers and other

8 Moody's Investors Service, *"Detroit Metropolitan Airport Insulated From Detroit Bankruptcy Proceedings"*, August 14, 2013

9 Metropolitan Policy Program at Brookings, "MetroMonitor: Tracking Economic Recession and Recovery in America's 100 Largest Metropolitan Areas," April 2014.

workers with the technological skills necessary in the modern automobile making environment. The relocation of major high-tech operations of Quicken Loans and Compuware, among others, to downtown Detroit has also attracted high-tech workers to the Air Trade Area. Illustrating this growth in the Air Trade Area's technology sector, a March 2013 report by Dice.com[10], a career website serving information technology and engineering professions, identified Detroit as the fastest growing metropolitan area for technology jobs in 2011 and 2013, which makes Detroit the only city to appear on this list twice. In that report, the Detroit metropolitan area was cited as having more than 800 available technology positions on any given day in 2011, which has increased to more than 1,100 available technology positions in 2013. In addition, Automation Alley, Michigan's largest technology association, ranked the Greater Detroit region among the best for its strong record of students completing Science, Technology, Engineering, and Math (STEM) degrees.

With over 50 programs supporting small business development in metropolitan Detroit and numerous government incentive programs state-wide, the Air Trade Area has a strong support network for new businesses. Goldman Sachs and the City of Detroit announced in 2013 a $20 million partnership that will provide loans and other assistance to small businesses in Detroit.[11] Venture capital activity in the area is also significant with the New Economy Initiative for Southeast Michigan (NEI) investing $100 million to transform the region into an entrepreneurial hotspot. In June 2014, NEI partnered with the Brookings Institution to launch the Detroit Innovation District Initiative, which will become the city's first "innovation district" to support neighborhood business incubators and promote business and job growth throughout the city. Corporate tax reform, effective January 1, 2012, has also made the state of Michigan more business-friendly. As a result of the reform, Michigan's rank increased from 49th in 2012 to 7th in 2013 in the Corporate Tax component of the Tax Foundation's State Business Tax Climate Index, and Michigan's overall rank in the index increased from 18th to 12th during this same time period.

4.2.2 AUTOMOBILE INDUSTRY

Detroit and the surrounding area is well known as "The Automotive Capital of the World," as it is home to three of the world's largest automakers: Chrysler Group LLC, Ford Motor Company, and General Motors Company.

In addition to the "Big Three" U.S. automakers, the Air Trade Area is home to important facilities of foreign manufacturers including R&D centers of Toyota Motor North America Inc., Hyundai Motor Company, Nissan North America Inc., and Kia Motors America Inc. Furthermore, three of the 20 largest global automotive suppliers are headquartered in the Air Trade Area, and eleven more have an office presence in the region. Michigan's share of U.S. vehicle production was 22.3 percent in 2013, an increase of 0.6 percentage points from 2012, which was the State's highest U.S. vehicle production share since 2003.[12] Responsible for

10 Dice.com, "March 2013: Tech Hubs Redefined," March 2013.

11 http://www.crainsdetroit.com/article/20131126/NEWS01/131129906/detroit-small-businesses-to-get-part-of-20m-for-growth-job-creation

12 Source: Michigan Department of Treasury, Office of Revenue and Tax Analysis, Administration Estimates Michigan Economic and Revenue Outlook (FY2013-14, FY 2014-2015, and FY 2015-2016) May 15, 2014.

approximately four-fifths of the state's total car and truck production, the Air Trade Area produces more vehicles than any other metropolitan area in the United States.

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

Impacts of the Recession (2006 through 2009)

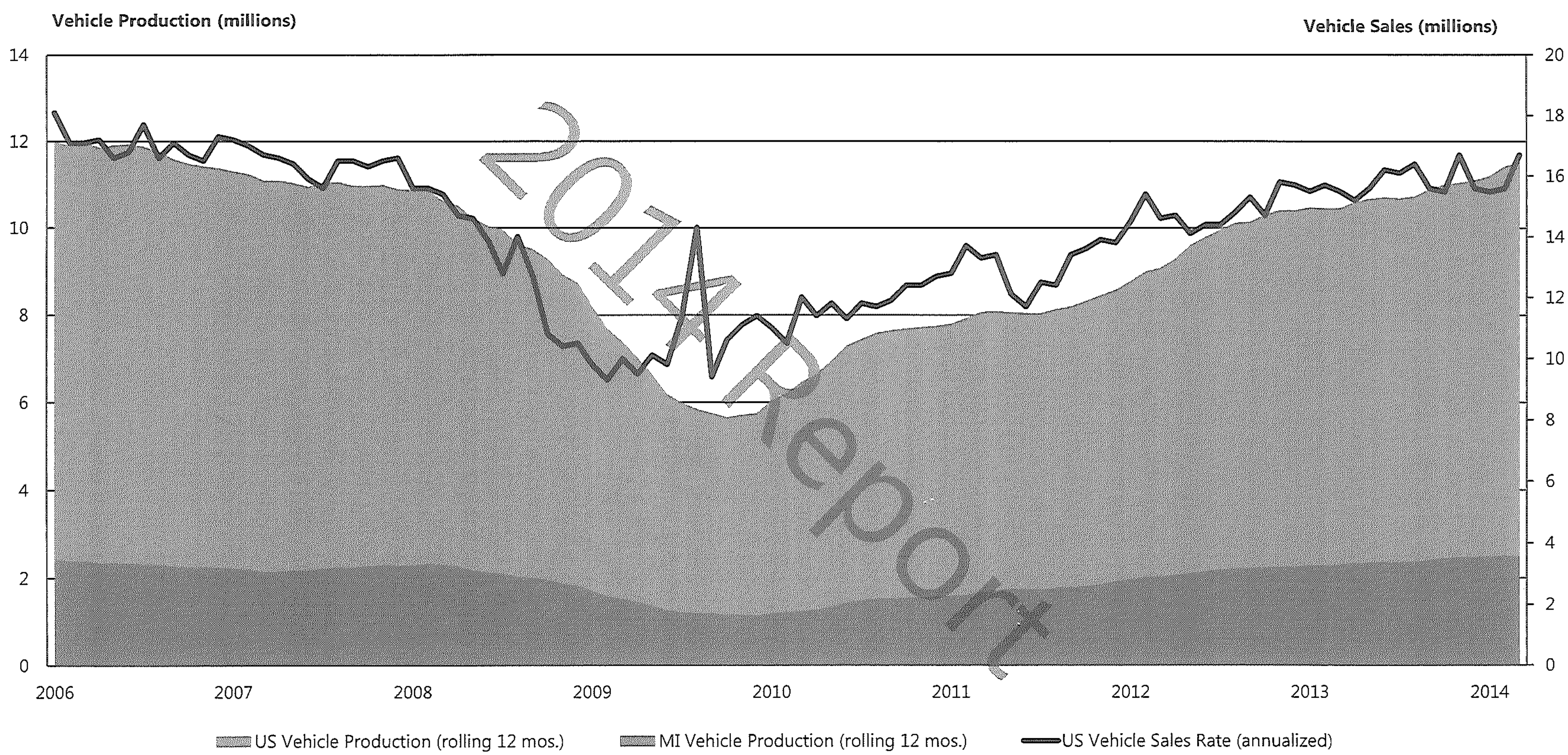
The significant presence of the auto industry in southeastern Michigan exposes the Air Trade Area economy to fluctuations depending on how economic conditions impact vehicle sales across the nation and the world. U.S. vehicle sales had peaked (for the period shown) in 2006 at an annualized rate of 18.1 million units, and remained relatively strong through the first half of 2007. As illustrated in **Exhibit 4-1**, U.S. vehicle sales began to wane in the last half of 2007 and continued to weaken into 2009, when sales reached a low point of 9.3 million annualized in February as the national economy experienced a significant recession. Vehicle sales experienced a sharp increase in July and August of 2009, when sales reached an annualized rate of 14.3 million due to the federal government's "Cash for Clunkers" program, but quickly retreated to a 9.4 million annualized rate in September as the program expired. With the downturn in sales, production rates also declined from a peak of approximately 12.0 million annually in early 2006 to a low of approximately 5.7 million annual in October 2009. Production in Michigan showed a similar trend, declining from approximately 2.4 million vehicles annually in early 2006 to 1.15 million vehicles annually at the end of 2009.

The financial ramifications of the national economic recession in the 2007 through 2009 period for the Big Three automakers were profound. On April 30, 2009, Chrysler LLC filed for protection from creditors under Chapter 11 of the U.S. Bankruptcy Code (Chapter 11). The corporation was reorganized as a new entity, Chrysler Group LLC, which acquired the most valuable assets of the original corporation, and emerged from the bankruptcy process on June 10, 2009. Chrysler emerged from bankruptcy with ownership comprised of a United Auto Workers' retiree trust owning 55 percent, Italy's Fiat S.p.A. owning 20 percent, and the United States and Canadian governments holding minority stakes. Fiat was given management control over Chrysler as part of an agreement that called for Fiat to provide technical expertise and build at least one vehicle line in a Chrysler plant. In October 2011, Fiat had increased its share of Chrysler's ownership to 53.5 percent.[13] As part of the reorganization process, Chrysler closed approximately one quarter of its U.S. dealerships[14] and closed five plants throughout the country affecting approximately 4,800 workers.[15]

13 Fitch Ratings, Fiat S.p.A. credit report dated October 20, 2011.

14 Vlasic, Bill and Nick Bunkley, "Chrysler Plans to Shut 1 in 4 of its U.S. Dealers", *The New York Times*, May 15, 2009

15 Fowler, Bree and Vinnee Tong, "Chrysler to close 5 more plants; will file to sell most assets to Fiat", *USA Today*, May 1, 2009.



SOURCE: Michigan Department of Treasury, Office of Revenue and Tax Analysis, "Michigan Economic Update", January 2005 - March 2014.
PREPARED BY: Ricondo & Associates, Inc., June 2014.

EXHIBIT 4-1

Trends in US Vehicle Sales and Production
2006 - 2014

C:\Users\egranata\Desktop\Exhibit 4-1 Auto Trends 2014.indd

On June 1, 2009, General Motors Corporation followed Chrysler by filing for protection from creditors under Chapter 11. With federal assistance, General Motors emerged from bankruptcy on July 10, 2009 having been reorganized as a new entity, General Motors Company, which acquired the most valuable assets of the original corporation. The U.S. Department of the Treasury retained a 61 percent stake in the "new" General Motors, having invested approximately $50 billion to ensure the viability of the company during the bankruptcy process. Through its restructuring General Motors eliminated approximately 3,600 of its 6,000 dealerships, closed 14 plants, and shed approximately 20,000 employees in the United States during 2009. Furthermore, General Motors sold the Saab brand to Netherlands' Spyker Cars (which located Saab's North American headquarters in the Air Trade Area in April 2010), and phased out the Hummer, Pontiac, and Saturn brands. On November 18, 2010, General Motors successfully completed an initial public offering (IPO) of its stock, allowing the U.S. Department of the Treasury to reduce its ownership stake in the company.

While Ford managed to avoid the Chapter 11 process, its finances were severely strained with the company losing $12.7 billion in 2006.[16] The company borrowed more than $23 billion, for which it pledged nearly all of its U.S. assets including its blue oval logo. Ford instituted a restructuring program dubbed the "Way Forward" through which it offered its 30,000 hourly workforce buyouts or early retirement packages, which approximately 40 percent accepted, shed approximately 14,000 salaried positions, and closed approximately nine plants.[17] Ford also divested several assets, including the sale of the Jaguar and Land Rover brands to India's Tata Motors, the sale of the Volvo brand to China's Geely Automobile, and the phase out of the Mercury brand.

Recent Automaker Trends

As the national economy began to improve in late 2009 and 2010, nationwide vehicle sales increased as well to reach a rate of 12.7 million annually in 2011 and 14.4 million annually in 2012. In 2013, vehicle sales nationwide reached 15.5 million annually, marking the first time since 2007 that sales surpassed 15.0 million. As shown in Exhibit 4-1, the upward trend in sales has continued through 2014, with the March annualized rate reaching 16.7 million, which represents a 7.7 percent increase compared to the annualized rate for March 2013. Production rates, both in Michigan and the nation as a whole, have trended upward during this period as well. Vehicle production in the United States has increased each year since 2009. In 2013, vehicle production nationwide was 93.0 percent higher than the 2009 national vehicle production level.[18]

While sales rates have yet to reach the peaks experienced in 2005, the restructurings undertaken by the Big Three auto companies allowed them to return to profitability even at these lower sales levels. For example, Moody's Investors Service estimates that as a result of the restructuring since 2009 Ford's North American breakeven level declined by 45 percent to 1.8 million units of production from 3.4 million units.[19] Ford

16 Bunkley, Nick, "Ford Loses Record $12.7 Billion in '06", *The New York Times*, January 25, 2007.

17 Ibid

18 Source: Michigan Department of Treasury, Office of Revenue and Tax Analysis, Administration Estimates Michigan Economic and Revenue Outlook (FY2013-14, FY 2014-2015, and FY 2015-2016) May 15, 2014

19 Moody's Investors Service, "*Rating Action: Moody's raises Ford and Ford Credit unsecured ratings to Baa3; outlook is stable*", May 22, 2012

reported one of its highest pre-tax profits of $8.6 billion in 2013, with a net income of $7.2 billion, while General Motors and Chrysler reported net incomes of $3.8 billion and $2.8 billion, respectively, for the same period. Chrysler, a wholly owned subsidiary of Fiat as of January 21, 2014, reported an adjusted net income of $486 million during the first quarter of 2014.[20] Based on first quarter 2014 financial results, General Motors and Ford reported net income of $108 million and $989 million, respectively.[21] The improved financial performance of the automakers has resulted in an upward trend in their credit ratings. In 2012, both Fitch Ratings and Moody's Investors Service restored Ford to investment grade. With the upgrade to investment grade by the two firms, Ford regained control of the assets it had pledged as collateral in 2006, including its iconic corporate logo.[22] In 2013, Standard & Poor's also upgraded Ford's debt to investment grade.[23] In addition, General Motors' credit rating was upgraded in 2013 by Moody's Investors Service, marking the first time since May 2005 that the automaker's debt has been rated investment grade. Also significant, General Motor's returned to the Standard & Poor's 500 Index in June 2013 and by year end, the U.S. government sold all remaining shares it held in the company. In addition to the improved financial performance, the strong demand for new vehicles has led the automakers to hire new workers. *The IBTimes* reports that employment at the nation's automakers and suppliers increased hiring by 34,300 workers between April 2013 and March 2014.[24]

In recent months, General Motors has issued a record-breaking number of safety recalls, mostly related to defective ignition switches. As of June 2014, 44 recalls have been issued covering 17.73 million vehicles throughout North America[25]. GM anticipates spending $2 billion to cover the costs of the recalls issued in 2014[26]. Although GM's May 2014 sales were up 13.0 percent over May 2013 sales, it is uncertain whether the safety recalls will have significant long-term effects on the company's profitability.[27] The company plans to provide an estimate of the financial impact of the ignition switch recalls in July.[28]

20 Chrysler Group LLC, "Chrysler Group Reports First-Quarter 2014 Net Loss of $690 Million Including $1.2 Billion of Unfavorable Infrequent Items; Excluding Infrequent Items, Adjust Net Income Was $486 Million", May 12, 2014.

21 Klayman, Ben, and Bernie Woodall, "GM Posts Lower Profit After Recall; Outlook for Rest of Year Trimmed," *Reuters.com*, April 24, 2014; Ford Motor Co. "Ford Posts First Quarter 2014 Pre-Tax Profit of $1.4 Billion, Net Income of $989 Million; Global New Product Launches on Track", April 24, 2014.

22 Vlasic, Bill, "Prized Logo Is Returned to Ford", *The New York Times*, May 22, 2012

23 Schaefer, Steve "Ford's Better Credit: S&P Ups Automaker to Investment Grade", Forbes.com, September 6, 2013. http://www.forbes.com/sites/steveschaefer/2013/09/06/fords-better-credit-sp-ups-automaker-to-investment-grade/

24 Young, Angelo "Here Are The April 2014 'Big 8' US Auto Sales Numbers: GM, Ford, Chrysler, Toyota, Honda, Nissan, Kia/Hyundai, Volkswagen", IBTimes.com, May 1, 2014. http://www.ibtimes.com/here-are-april-2014-big-8-us-auto-sales-numbers-gm-ford-chrysler-toyota-honda-nissan-1578881

25 CBS/AP, *"GM recalls 3.4 million more cars for ignition defect"*, June 16, 2014. http://www.cbsnews.com/news/gm-recalls-3-16-million-cars-for-ignition-problems/

26 Bennett, Jeff *"GM Recalls More Cars Over Ignition Switch Issues"*, The Wall Street Journal, June 16, 2014

27 General Motors Company *"GM Reports Best Monthly Sales Since August 2008"*, June 3, 2014

28 Bennett, Jeff "*GM Recalls Nearly 600,000 More Vehicles*", The Wall Street Journal, June 13, 2014

4.3 Demographic Analysis

The demographic analysis presents data and summarizes trends with respect to population, population diversity, and age distribution in the Air Trade Area. In addition to providing a general overview of the Air Trade Area, these factors, to varying degrees, also impact the demand for air travel in the Air Trade Area. As described further in Section 5.8, the methodologies employed in analyzing and developing projections of enplaning passengers at the Airport considered certain demographic and economic data presented below.

4.3.1 POPULATION

Wayne and Oakland counties are the Air Trade Area's two most populous counties. According to the U.S. Census Bureau, the state of Michigan is ranked 9th most populous state in the nation for 2013. Wayne and Oakland counties are ranked as the 19th and 31st-largest counties, respectively, in the nation for population in 2013. Historical population for the Air Trade Area, Michigan, and the United States is presented in **Table 4-1**. As shown, population in the Air Trade Area increased from 5,191,556 people in 1990 to 5,462,273 people in 2000, and then decreased to 5,312,985 people in 2012. [29] Expansion in the Air Trade Area between 1990 and 2012 resulted in eight of the ten counties in the Air Trade Area experiencing positive population growth. The highest growth rates in population between 1990 and 2012 occurred in Livingston County, with a compound annual growth rate of 2.1 percent, and Washtenaw County, with a compound annual growth rate of 1.0 percent. Population in Genesee and Wayne counties has decreased since 1990, at compound annual rates of -0.1 and -0.7 percent, respectively. As also shown, overall population in the Air Trade Area stabilized between 1990 and 2012 at a compound annual growth rate of 0.1 percent, slightly below Michigan's compound annual growth rate of 0.3 percent, and below the United States' compound annual growth rate of 1.1 percent, during this same period.

Table 4-1 also presents population projections for the Air Trade Area, Michigan, and the United States for 2020. As shown, population in the Air Trade Area is expected to remain stable between 2012 and 2020, from 5,312,985 people in 2012 to 5,362,369 in 2020, which represents a compound annual growth rate of 0.1 percent. Projected population for Michigan is expected to increase at a compound annual growth rate of 0.3 percent between 2012 and 2020, greater than the Air Trade Area, yet lower than the 1.0 percent compound annual growth rate projected for the United States during this same period.

[29] According to the U.S. Department of Commerce, Bureau of the Census, the City of Detroit accounted for only 13.1 percent of the Air Trade Area's total population in 2012 with 698,582 people.

Table 4-1: Historical & Projected Population

AREA	HISTORICAL			PROJECTED	COMPOUND ANNUAL GROWTH RATE			
	1990	2000	2012	2020	1990-2000	2000-2012	1990-2012	2012-2020
Genesee County	430,938	436,965	422,612	426,442	0.1%	(0.3%)	(0.1%)	0.1%
Lapeer County	75,118	88,271	88,914	95,757	1.6%	0.1%	0.8%	0.9%
Lenawee County	91,753	99,069	99,637	101,120	0.8%	0.0%	0.4%	0.2%
Livingston County	116,655	158,345	184,093	203,994	3.1%	1.3%	2.1%	1.3%
Macomb County	718,280	790,846	844,421	861,938	1.0%	0.5%	0.7%	0.3%
Monroe County	133,892	146,364	152,762	162,557	0.9%	0.4%	0.6%	0.8%
Oakland County	1,086,685	1,196,165	1,214,195	1,245,758	1.0%	0.1%	0.5%	0.3%
St. Clair County	146,333	164,621	162,811	172,288	1.2%	(0.1%)	0.5%	0.7%
Washtenaw County	283,987	324,372	351,524	380,959	1.3%	0.7%	1.0%	1.0%
Wayne County	2,107,915	2,057,255	1,792,016	1,711,556	(0.2%)	(1.1%)	(0.7%)	(0.6%)
Air Trade Area	5,191,556	5,462,273	5,312,985	5,362,369	0.5%	(0.2%)	0.1%	0.1%
State of Michigan	9,311,319	9,952,450	9,910,328	10,190,230	0.7%	(0.0%)	0.3%	0.3%
United States	249,622,814	282,162,411	314,659,175	340,554,347	1.2%	0.9%	1.1%	1.0%

SOURCE: Woods and Poole Economics, Inc., *2014 Complete Economic and Demographic Data* Source (CEDDS), May 2014.

PREPARED BY: Ricondo & Associates, Inc., May 2014.

4.3.2 POPULATION DIVERSITY

The Air Trade Area has an ethnically diverse population, a characteristic that contributes to demand for air travel. In a global economy, ethnic diversity within a region's labor force is a distinct economic advantage because employees with cultural and linguistic ties to international markets give companies an edge in establishing trade and investment opportunities. This immigrant influx from various parts of the world has been, and continues to be, a significant component of the economy of the Air Trade Area. Key sectors in the Air Trade Area's regional economy – manufacturing, technology, and R&D - are impacted by the contribution of labor and investment from immigrant communities and entrepreneurs. An ethnically diverse population also retains family ties that create demand for air travel services to and from homeland countries.[30]

As shown in **Table 4-2**, according to U.S. Census Bureau data, approximately half of the foreign-born population residing in the Air Trade Area comes from Asia, while a quarter were born in Europe. India is the most represented country of birth of the Air Trade Area's foreign-born residents, followed by Iraq and Mexico.

The presence of major educational institutions in and around the Air Trade Area (see Section 4.4.5) also contributes to population diversity and air travel demand. For example, the University of Michigan, located in the Air Trade Area, and Michigan State University, located nearby the Air Trade Area, have the eighth and ninth largest amount of international students, respectively, among all U.S. universities.[31] International enrollment for fall 2013 at three of the largest universities in or near the Air Trade Area is summarized as follows[32]:

- The University of Michigan had 5,524 international students enrolled from 122 countries
- Eastern Michigan University had 1,203 international students enrolled from 80 countries
- Michigan State University had international students enrolled from 130 countries that comprised 14.5 percent of total enrollment

The faculty and visitors to these and the other institutions of higher learning in and around the Air Trade Area generate additional travel demand, which is likely accommodated in many cases by the Airport due to the breadth and frequency of service provided by air carriers.

4.3.3 AGE DISTRIBUTION

Table 4-3 shows that the median age in the Air Trade Area in 2012 (39.4 years) was similar to Michigan (39.5 years) and higher than the United States (37.4 years).

30 The Brattle Group, "The Impact on the U.S. Economy of Lifting Restrictions on Travel to Cuba," July 2002.

31 MLive Media Group, "Exploding number of international students at Michigan universities causes both tension and cultural exchange benefits" November 16, 2012.

32 Individual university websites, accessed May 2014.

Table 4-2: World Region of Birth of Foreign-Born Population In Air Trade Area (2012) 1/

REGION	POPULATION	PERCENT
Asia	220,159	50.6%
India	*48,662*	*11.2%*
Iraq	*41,789*	*9.6%*
China 2/	*23,160*	*5.3%*
Lebanon	*18,429*	*4.2%*
Yemen	*13,155*	*3.0%*
Philippines	*11,775*	*2.7%*
Korea	*10,139*	*2.3%*
Europe	110,032	25.3%
Germany	*12,263*	*2.8%*
Albania	*10,989*	*2.5%*
Poland	*10,583*	*2.4%*
United Kingdom	*10,452*	*2.4%*
Americas 3/	89,045	20.5%
Mexico	*37,870*	*8.7%*
Canada	*31,106*	*7.1%*
Africa	15,308	3.5%
Oceania	831	0.2%
Total	435,375	100.0%

NOTES:

1/ Data not available for Lenawee County.

2/ Includes Hong Kong and Taiwan.

3/ Includes Latin America and Northern America regions.

SOURCE: U.S. Department of Commerce, Bureau of the Census, *American Community Survey 2012*.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

Table 4-3: Age Distribution (2012)

	AIR TRADE AREA	STATE OF MICHIGAN	UNITED STATES
Total Population	5,312,985	9,910,328	314,659,175
By Age Group			
17 and Under	23.2%	22.9%	23.5%
18 - 34	21.6%	21.9%	23.4%
35 - 54[1/]	28.1%	27.2%	27.1%
55+	27.1%	28.0%	26.0%
Total	100.0%	100.0%	100.0%
Median Age	39.4 years	39.5 years	37.4 years

NOTES:

1/ Data from the Travel Industry Association of America shows that this age group travels more frequently by air than other age groups.

SOURCE: U.S. Department of Commerce, Bureau of the Census, *American Community Survey 2012*.

PREPARED BY: Ricondo & Associates, Inc., May 2014.

According to the U.S. Travel Association, air travel frequency in the United States varies by age group, and persons between the ages of 35 and 54 tend to travel the most by air. Persons between the ages of 35 and 54 account for 28.1 percent of air trips, while persons between the ages of 18 and 34 account for 23.5 percent of air trips, and persons 55 years and older account for 24.1 percent of air trips.[33]

Data in Table 4-3 shows that in 2012, Air Trade Area residents between the ages of 35 and 54 made up approximately 28.1 percent of the population, compared with 27.2 percent of the population of Michigan and 27.1 percent of the population of the United States. The Air Trade Area's greater percentage of the population in the age category that travels most frequently nationwide represents an important source of demand for air service at the Airport.

4.4 Economic Analysis

Data presented in the economic analysis section provide a general description of the Air Trade Area economy and its characteristics. As shown in the following sections, the Air Trade Area is home to a number of Fortune 500 companies, has seen significant recent improvement in employment rates, and has a high percentage of households in the highest income categories when compared to Michigan and the nation.

4.4.1 GROSS DOMESTIC PRODUCT

Gross domestic product, for the U.S. as a whole, and its state and MSA equivalent, gross regional product, are a measure of the market value of all final goods and services produced within a particular area for a particular period of time. These indicators are one of the broadest measures of the economic health of a particular area, and, consequently, the area's potential inbound air travel demand. However, gross regional product, particularly at the MSA level, is somewhat more difficult to accurately estimate than gross domestic product and is a relatively new concept. The BEA did not introduce this concept on a MSA level of detail until 2007.

Table 4-4 presents historical gross regional/domestic product for the Air Trade Area, Michigan, and the nation between 2002 and 2011, presented in real 2009 dollars. As shown, Air Trade Area gross regional product decreased from $259,163 million in 2002 to $223,683 million in 2011. As also shown, gross regional product for the Air Trade Area decreased at a compound annual rate of 1.6 percent between 2002 and 2011, compared to a 1.1 percent decrease for Michigan and an increase of 1.7 percent for the nation for its equivalent measure during this same period.

33 Travel Industry Association of America, "2006 Domestic Travel Market Report."

Table 4-4: Gross Regional Product
(In 2009 Dollars, Amounts in Millions)

YEAR	GROSS REGIONAL PRODUCT: AIR TRADE AREA	STATE OF MICHIGAN	UNITED STATES
Historical			
2002	$259,163	$409,717	$12,311,799
2003	$262,835	$414,114	$12,638,401
2004	$256,138	$407,577	$13,125,991
2005	$255,501	$407,276	$13,591,064
2006	$246,932	$397,146	$14,028,843
2007	$247,295	$398,141	$14,352,564
2008	$226,458	$368,731	$14,184,185
2009	$210,716	$349,195	$13,869,679
2010	$216,768	$361,134	$14,154,695
2011	$223,683	$370,005	$14,372,520
Projected			
2020	$264,820	$434,858	$17,544,865
Compound Annual Growth Rate			
2002-2011	(1.6%)	(1.1%)	1.7%
2009-2011	3.0%	2.9%	1.8%
2011-2020	1.9%	1.8%	2.2%

SOURCE: Woods and Poole Economics, Inc., *2014 Complete Economic and Demographic Data Source (CEDDS)*, May 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

Although gross regional product for the Air Trade Area and Michigan decreased during the ten year time period presented on Table 4-4, positive growth is depicted in recent years. As shown, gross regional product for the Air Trade Area increased from $210,716 million in 2009 to $223,683 million in 2011. This increase in gross regional product for the Air Trade Area represents a compound annual rate of 3.0 percent between 2009 and 2011, which is comparable to an increase of 2.9 percent for Michigan and greater than a 1.8 percent increase for the nation for its equivalent measure during this same period.

Table 4-4 also presents projections of gross regional/domestic product for 2020. According to data from Woods and Poole Economics, Inc.[34] (Woods and Poole) gross regional product for the Air Trade Area is projected to increase from $223,683 million in 2011 to $264,820 million in 2020. This increase represents a compound annual growth rate of 1.9 percent during this period, compared to a 1.8 percent compound annual growth rate for Michigan and 2.2 percent for the nation for its equivalent measure.

4.4.2 PER CAPITA PERSONAL INCOME

Another key indicator regarding demand for air travel is air trade area wealth, which can be measured by assessing levels of personal income. Personal income is the sum of wages and salaries, other labor income, proprietors' income, rental income of persons, dividend income, personal interest income, and transfer payments less personal contributions for government social insurance. Personal income is a composite measurement of market potential; and indicates the general level of affluence of local residents, which corresponds to an area's ability to afford air travel, as well as an area's attractiveness to business and leisure travelers (lower income areas often have weaker business ties to the rest of the nation and a less developed tourism infrastructure).

Table 4-5 presents historical per capita personal income between 2002 and 2011 for the Air Trade Area, Michigan, and the United States. As shown, between 2002 and 2011, per capita personal income for the Air Trade Area was higher than equivalent measures for Michigan but, for the most recent years, slightly lower than equivalent measures for the United States. Per capita personal income for the Air Trade Area increased at a compound annual growth rate of 1.7 percent between 2002 and 2011, compared with compound annual growth rates of 2.0 percent and 3.1 percent for Michigan and the United States, respectively, during this same period. In recent years, per capita personal income for the Air Trade Area continued to depict strong growth rates. Between 2009 and 2011, per capita personal income for the Air Trade Area increased at a compound annual growth rate of 4.6 percent, compared with compound annual growth rates of 4.5 percent and 3.7 percent for Michigan and the United States, respectively, during this same period.

[34] Woods & Poole is a data vendor located in Washington, D.C. that specializes in current year economic and demographic estimates and long-term estimates for the U.S., 50 states, 3,091 counties and the District of Columbia.

Table 4-5: Per Capita Personal Income

(In Current Dollars)

YEAR	PER CAPITA PERSONAL INCOME AIR TRADE AREA	STATE OF MICHIGAN	UNITED STATES
Historical			
2002	$33,732	$30,262	$31,481
2003	$35,012	$31,300	$32,295
2004	$35,204	$31,768	$33,909
2005	$35,930	$32,409	$35,452
2006	$36,838	$33,365	$37,726
2007	$38,007	$34,419	$39,507
2008	$38,471	$35,288	$40,947
2009	$35,728	$33,221	$38,637
2010	$36,818	$34,326	$39,791
2011	$39,087	$36,264	$41,561
Projected			
2020	$54,928	$50,071	$56,808
Compound Annual Growth Rate			
2002-2011	1.7%	2.0%	3.1%
2009-2011	4.6%	4.5%	3.7%
2011-2020	3.9%	3.6%	3.5%

PERCENTAGE OF HOUSEHOLDS IN INCOME CATEGORIES (2009)

INCOME CATEGORY	AIR TRADE AREA	STATE OF MICHIGAN	UNITED STATES
Less than $29,999	31.4%	33.0%	30.5%
$30,000 to $59,999	27.5%	29.2%	27.7%
$60,000 to $74,999	10.0%	10.3%	10.3%
$75,000 to $99,999	11.9%	11.5%	11.8%
$100,000 or More	19.1%	16.1%	19.7%

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

SOURCE: Woods and Poole Economics, Inc., *2014 Complete Economic and Demographic Data* Source (CEDDS), May 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

Table 4-5 also presents projections of per capita personal income for 2020. According to data from Woods and Poole per capita personal income for the Air Trade Area is projected to increase at a compound annual growth rate of 3.9 percent, from $39,087 in 2011 to $54,928 in 2020. Projected growth for the Air Trade Area is slightly higher than projections for Michigan and the United States, which are expected to grow at compound annual growth rates of 3.6 percent and 3.5 percent, respectively, between 2011 and 2020. The projected growth of the Air Trade Area compared to Michigan and the United States as a whole is partly due to the resurgence of activity in the automobile manufacturing industry, the increase of higher income individuals, the relative stability of the higher-wage health and education sectors, and the lower historical incomes in the Air Trade Area.

An additional indicator of wealth, and thus a market's potential to generate demand for air transportation, is the percentage of households in the higher income categories. An examination of this indicator is important in that as household income increases, air transportation becomes more affordable and, therefore, is used more frequently. Table 4-5 also presents percentages of households in selected household income categories for 2009. As shown, 41.1 percent of households in the Air Trade Area had household incomes of $60,000 or more in 2009, which was higher than the 37.9 percent of households in this income category for Michigan and comparable to the 41.8 percent of households in this income category nationwide.

4.4.3 LABOR FORCE TRENDS AND UNEMPLOYMENT RATES

A significant recovery from the high unemployment rates experienced in the Air Trade Area between 2009 and 2011 is underway. Based on data presented by the U.S. Department of Labor's Bureau of Labor Statistics, the Air Trade Area has experienced an annual decrease in its unemployment rate over each of the past four years.

Employment trends since 2004 for the Air Trade Area, Michigan, and the United States are presented in **Table 4-6**. As shown, the Air Trade Area's civilian labor force decreased from approximately 2,724,000 workers in 2004 to approximately 2,520,000 workers in 2013. During this period, the civilian labor forces for the Air Trade Area and Michigan decreased at compound annual growth rates of 0.9 percent and 0.8 percent, respectively, whereas the civilian labor force of the United States experienced positive growth during this same period with a compound annual growth rate of 0.6 percent.

As also shown in Table 4-6, annual non-seasonally adjusted unemployment rates for the Air Trade Area between 2004 and 2013 were slightly greater than those for Michigan for all years except 2004. Annual non-seasonally adjusted unemployment rates for the Air Trade Area were above those for the United States throughout the period since 2004. The Air Trade Area's non-seasonally adjusted unemployment rate was 7.6 percent in April 2014, having improved by 6.9 percentage points since its 2009 peak. The improvement in the Air Trade's Area's unemployment rate is greater than the improvement experienced by Michigan (6.2 percentage point improvement) and significantly better than the United States (3.7 percentage point improvement) since their peaks in 2009 and 2010, respectively. Similar to Michigan and the nation, the Air Trade Area is rebounding from high unemployment rates and has experienced an annual decrease in its unemployment rates over each of the past four years.

Table 4-6 Civilian Labor Force & Unemployment Rates

	CIVILLIAN LABOR FORCE (000's)		
YEAR	AIR TRADE AREA	STATE OF MICHIGAN	UNITED STATES
2004	2,724	5,043	147,401
2005	2,721	5,063	149,320
2006	2,709	5,072	151,428
2007	2,682	5,034	153,124
2008	2,636	4,961	154,287
2009	2,605	4,858	154,142
2010	2,539	4,754	153,889
2011	2,496	4,680	153,617
2012	2,497	4,670	154,975
2013	2,520	4,707	155,389
Compound Annual Growth Rate			
2004-2013	(0.9%)	(0.8%)	0.6%
2011-2013	0.5%	0.3%	0.6%

	UNEMPLOYMENT RATES		
YEAR	AIR TRADE AREA	STATE OF MICHIGAN	UNITED STATES
2004	7.0%	7.1%	5.5%
2005	7.1%	6.8%	5.1%
2006	7.1%	6.9%	4.6%
2007	7.4%	7.1%	4.6%
2008	8.6%	8.3%	5.8%
2009	14.5%	13.5%	9.3%
2010	13.4%	12.7%	9.6%
2011	11.1%	10.4%	8.9%
2012	9.8%	9.1%	8.1%
2013	9.1%	8.8%	7.4%
April 2014	7.6%	7.3%	5.9%
Change from Peak	(6.9%)	(6.2%)	(3.7%)

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, May 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

4.4.4 MAJOR CORPORATE HEADQUARTERS / EMPLOYERS IN THE AIR TRADE AREA

Major employers in the Air Trade Area, as measured by the number of employees, are presented in **Table 4-7**.[35] As shown, each of these organizations in the Air Trade Area had 3,000 or more employees as of July, 2013. The largest employer in the Air Trade Area is the automobile manufacturer, Ford Motor, with 43,977 employees; followed by the automobile manufacturer, Chrysler Group (29,006 employees); University of Michigan (28,777 employees); automobile manufacturer General Motors (26,809 employees); and the Henry Ford Health System (17,806 employees).

Table 4-8 presents the 14 Fortune 500 companies headquartered in the Air Trade Area.[36] Eight of the Air Trade Area's Fortune 500 companies are part of the automotive industry. Consistently appearing near the top of the rankings, General Motors is ranked seventh and Ford Motor is ranked eighth with approximately $155.4 billion and $146.9 billion in revenues, respectively, in 2013.

4.4.5 EMPLOYMENT BY MAJOR INDUSTRIAL SECTOR

An analysis of nonagricultural employment trends by major industry sector is presented in **Table 4-9**, which compares the Air Trade Area's employment trends to those for the nation for 2004 and 2013. As shown, nonagricultural employment in the Air Trade Area decreased from approximately 2.45 million workers in 2004 to approximately 2.25 million workers in 2013. This trend represents a compound annual decrease of 1.0 percent during this period, compared to an increase of 0.4 percent nationwide.

The Air Trade Area experienced a decrease in employment in seven of the eight industry sectors between 2004 and 2013, with the greatest decreases occurring in the construction and manufacturing sectors at compound annual decreases of 4.4 percent and 3.3 percent, respectively. The services sector experienced a positive increase of 0.3 percent between 2004 and 2013. The nation's employment experienced growth in four of the eight industry sectors between 2004 and 2013, with the greatest increase occurring in the services sector at a compound annual growth rate of 1.6 percent. The nation experienced the greatest decreases in employment in the manufacturing and information sectors at compound annual decreases of 1.9 percent and 1.6 percent, respectively, between 2004 and 2013. As also shown in Table 4-9, the Air Trade Area's percentages of nonagricultural employment in the service and manufacturing sectors in 2013 exceeds the national percentages by approximately 3.8 and 2.8 percentage points, respectively.

35 Includes the most current (July 2013) and comprehensive list of largest employers in Livingston, Macomb, Oakland, Washtenaw, and Wayne counties. These five counties represent more than 83 percent of the Air Trade Area's population.

36 Ranking is based on the 2013 revenues listed in *Fortune* magazine's 2014 annual ranking of America's largest corporations (June 16, 2014 issue).

Table 4-7: Major Employers [1/]

EMPLOYER	NUMBER OF EMPLOYEES	PRODUCT OR SERVICE
Ford Motor Co.	43,977	Automobile Manufacturer
Chrysler Group L.L.C.	29,006	Automobile Manufacturer
University of Michigan	28,777	Public University and Health System
General Motors Co.	26,809	Automobile Manufacturer
Henry Ford Health System	17,806	Health Care System
U.S. Government	17,560	Federal Government
CHE Trinity Health	13,673	Health Care System
Detroit Medical Center	13,310	Health Care System
Beaumont Health System [2/]	12,978	Health Care System
St. John Providence Health System	11,534	Health Care System
State of Michigan	9,693	State Government
U.S. Postal Service	9,666	Postal Service
City of Detroit	9,591	City Government
Quicken Loans Inc.	9,192	Financial Services Provider
Detroit Public Schools	6,586	Public School System
Oakwood Healthcare Inc. [2/]	6,172	Health Care System
Wayne State University	6,023	Public University
DTE Energy Co.	5,691	Energy and Energy-Technology Company
Blue Cross Blue Shield of Michigan/Blue Care Network	5,415	Health Care Insurer
Comerica Bank	4,432	Financial Services Provider
Johnson Controls - Automotive Experience	4,285	Automotive Supplier, Building Control Systems and Facilities Management
Faurecia North America	4,125	Automotive Supplier
Oakland County	3,211	Government

NOTES:

1/ Includes the most current (July 2013) and comprehensive list of largest employers in Livingston, Macomb, Oakland, Washtenaw, and Wayne counties. These five counties represent approximately 83 percent of the Air Trade Area's population.

2/ In March 2014, a letter of intent was signed by hospital officials from Beaumont Health System, Oakwood Healthcare Inc., and Botsford Health Care to begin discussions of merging into a single new $3.8 billion health system.

SOURCE: Crain's Detroit Business, *2014 Book of Lists.*
PREPARED BY: Ricondo & Associates, Inc., May 2014.

Table 4-8: Fortune 500 Companies Headquartered in the Air Trade Area [1/]

(Amounts in Millions)

COMPANY	RANK	2013 REVENUES	INDUSTRY
General Motors	7	$155,427	Motor Vehicles & Parts
Ford Motor	8	$146,917	Motor Vehicles & Parts
TRW Automotive Holdings	165	$17,435	Motor Vehicles & Parts
Lear	177	$16,234	Motor Vehicles & Parts
Penske Automotive Group	194	$14,969	Motor Vehicles & Parts
Ally Financial	273	$10,339	Financial Services
DTE Energy	290	$9,661	Utilities: Gas & Electric
Autoliv	310	$8,803	Motor Vehicles & Parts
Masco	323	$8,438	Home Equipment, Furnishings
Visteon	351	$7,439	Motor Vehicles & Parts
BorgWarner	352	$7,437	Motor Vehicles & Parts
PulteGroup	446	$5,680	Homebuilders
Con-way	464	$5,473	Transportation and Logistics
Kelly Services	468	$5,413	Workforce Solutions

NOTES:

1/ Based on 2013 revenues.

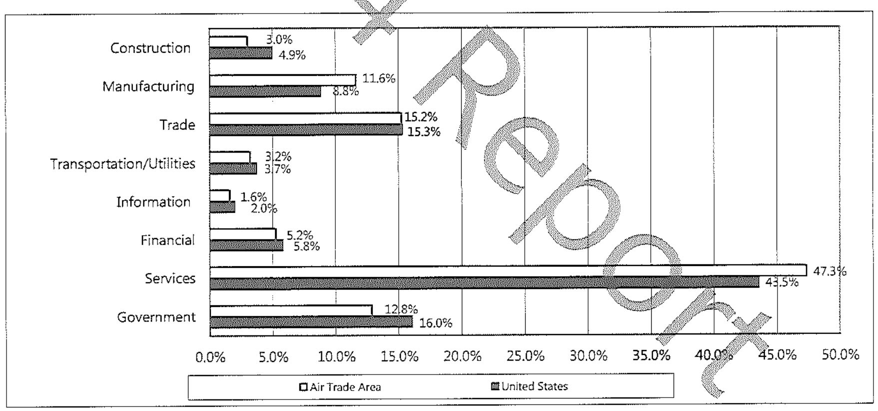
SOURCE: 2014 Fortune 500 (published June 16, 2014).

PREPARED BY: Ricondo & Associates, Inc., June 2014.

Table 4-9: Employment Trends by Major Industry Sector

	AIR TRADE AREA 1/ NONAGRICULTURAL EMPLOYMENT (000's)			UNITED STATES NONAGRICULTURAL EMPLOYMENT (000's)		
INDUSTRY	2004	2013	COMPOUND ANNUAL GROWTH RATE	2004	2013	COMPOUND ANNUAL GROWTH RATE
Construction 2/	101	67	(4.4%)	7,567	6,695	(1.4%)
Manufacturing	354	261	(3.3%)	14,315	12,006	(1.9%)
Trade	377	342	(1.1%)	20,721	20,823	0.1%
Transportation/Utilities	75	72	(0.5%)	4,812	5,047	0.5%
Information 3/	39	36	(1.1%)	3,118	2,685	(1.6%)
Financial	131	118	(1.2%)	8,105	7,880	(0.3%)
Services 4/	1,040	1,065	0.3%	51,488	59,368	1.6%
Government	335	289	(1.6%)	21,621	21,864	0.1%
Total	2,452	2,249	(1.0%)	131,748	136,368	0.4%

Percent of 2013 Nonagricultural Employment



NOTES:

1/ Nonagricultural employment by industry is not currently available for Lenawee County for 2013.

2/ Includes mining employment.

3/ The information sector includes communications, publishing, motion picture and sound recording, and on-line services.

4/ The nonagricultural employment for the services sector includes outsourcing from the manufacturing sector.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, May 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

A shifting of the Air Trade Area's industrial mix occurred between 2004 and 2013, as manufacturing employment decreased from 14.4 percent of total employment in 2004 to 11.6 percent in 2013; and services employment increased from 42.4 percent of total employment in 2004 to 47.3 percent in 2013. This increase in the percentage of services employment in the Air Trade Area can be partially attributed to the outsourcing of manufacturing jobs. The trends in the Air Trade Area's industrial mix were consistent with, but more pronounced than, changes in the industrial mix nationwide, as manufacturing decreased from 10.9 percent to 8.8 percent and services increased from 39.1 percent to 43.5 percent during this same period for the nation as a whole.

Services

Services employment in the Air Trade Area increased at a compound annual rate of 0.3 percent between 2004 and 2013, compared to a compound annual growth rate of 1.6 percent for the nation. In 2013, the services sector accounted for approximately 1.1 million employees in the Air Trade Area, which accounted for 47.3 percent of total nonagricultural employment, the highest employment level among all sectors. Key components of the services sector within the Air Trade Area include travel and tourism, health services, and higher education.

Travel and Tourism

According to the Detroit Metro Convention and Visitors Bureau, approximately 20 million people visit the metropolitan Detroit area annually, which includes Wayne, Oakland, and Macomb counties, spending roughly $5 billion in the process. Of the total visitors to the metropolitan Detroit area, approximately 16 percent are for business travel, conventions, and events.

There are more than 40,000 hotel rooms in the metropolitan Detroit area and the business district of Detroit offers approximately 4,000 luxury hotel rooms. According to STR, a hotel research information company, hotel occupancy rates in the metropolitan Detroit area have increased from 47.5 percent in 2009 to 61.3 percent in 2013, which is in line with the national average. Significant travel and tourism developments in the Air Trade Area include:

- **Cobo Convention Center.** More than half of the $279 million, five year expansion and renovation is complete, which includes a new 30,000 square foot atrium and 40,000 square foot ballroom that opened in September 2013. The final renovation phase will be complete in 2015.
- **Aloft Detroit Hotel.** This boutique hotel is scheduled to open in December 2014 and will offer more than 136 rooms, banquet and meeting space, residential apartments, and will connect to the Detroit People Mover, an automated light rail system operating in downtown Detroit's business district.
- **Crowne Plaza Detroit Downtown Riverfront Hotel.** Previously operated as the historical Pontchartrain Hotel, this newly renovated high-rise hotel reopened in July 2013 offering 367 rooms with more than 10,000 square feet of meeting space, located directly across from the Cobo Convention Center.

- **Hyatt Place Detroit/Novi Hotel.** Completed in September 2013, this 124-room hotel is attached to the Suburban Collection Showplace, a 215,000 square foot exposition center that features 25,000 square feet of function space and 19 meeting rooms.

Health Services

The Air Trade Area offers 64 hospitals with over 11,000 physicians working in more than 80 specialty and sub-specialty areas. Four Air Trade Area hospitals earned a "Best Hospitals" ranking in 2013-2014 by *U.S. News and World Report* and 25 hospitals earning top rankings in multiple specialty categories, which recognizes Detroit as one of the top 5 cities that are home to the greatest number of top hospitals in the United States. The Air Trade Area offers a wide range of advanced healthcare facilities and is recognized internationally for its expertise in such areas as heart disease, stroke, cancer, trauma, and pediatrics. Major medical facilities and systems in the Air Trade Area include:

- **Henry Ford Health System.** This health system is comprised of the Henry Ford Hospital, Henry Ford Wyandotte Hospital, Henry Ford Macomb Hospitals, the Henry Ford Kingswood Hospital, and the Henry Ford West Bloomfield Hospital. In total, the Henry Ford Health System employs 17,806 employees in the Air Trade Area (the fifth-largest employer in the Air Trade Area) and has approximately 2,000 licensed beds. Henry Ford Hospital, the health system's flagship facility, has been recognized by U.S. News and World Report as one of the top hospitals in the nation.
- **CHE Trinity Health.** Formed in May 2013 by the merger of Catholic Health East and Trinity, CHE Trinity Health is one of the largest multi-institutional Catholic health care delivery systems in the United States. CHE Trinity Health serves communities in 20 states with 86 hospitals and 109 continuing care facilities and home health and hospice programs. In total, CHE Trinity Heath employs 13,673 employees in the Air Trade Area (the seventh-largest employer in the Air Trade Area).
- **The Detroit Medical Center.** This medical center is affiliated with Wayne State and Michigan State Universities and is comprised of the Children's Hospital of Michigan, Detroit Receiving Hospital, Harper University Hospital, Huron Valley-Sinai Hospital, Hutzel Women's Hospital, Rehabilitation Institute of Michigan, Sinai-Grace Hospital, Surgery Hospital, and Cardiovascular Institute. The Medical Center is also affiliated with the Kresge Eye Institute. In total, the Medical Center employs 13,310 employees in the Air Trade Area (the eighth-largest employer in the Air Trade Area), has more than 2,000 licensed beds, and has more than 3,000 affiliated physicians with hundreds of who are regularly included in the list of "America's Best Doctors."
- **Beaumont Health System.** [37] This health system is comprised of three hospitals in Royal Oak, Troy and Grosse Pointe. The Royal Oak facility is a major, 1,070-bed academic, referral center with Level 1 trauma status and has been recognized by U.S. News and World Report as one of the top hospitals in the nation. In total, Beaumont Health System employs 12,978 employees in the Air Trade Area (the ninth-largest employer in the Air Trade Area). In 2010, Oakland University and Beaumont Hospital

[37] In March 2014, a letter of intent was signed by hospital officials from Beaumont Health System, Oakwood Healthcare Inc., and Botsford Health Care to begin discussions of merging into a single new $3.8 billion health system.

received accreditation to open an allopathic medical school called the Oakland University William Beaumont School of Medicine.

- **St. John Providence Health System.** This health system is affiliated with Wayne State, Michigan State, and Oakland Universities and is comprised of five hospitals plus more than 125 medical facilities in southeast Michigan. In total, St. John Providence Health System employs 11,534 employees in the Air Trade Area (the tenth-largest employer in the Air Trade Area) and has more than 2,300 licensed beds. Providence Hospital has been ranked as one of the nation's top 15 major teaching hospitals by one of the country's leading sources of health care information and research.
- **Oakwood Healthcare.** [37] This health system is comprised of four hospitals in Dearborn, Southshore, Taylor, and Wayne and has more than 60 outpatient facilities. *U.S. News and World Report* have ranked three of the four Oakwood hospitals as among the top in the region and state in 15 specialty areas. In total, Oakwood Healthcare employs 6,172 employees in the Air Trade Area (the 16th largest employer in the Air Trade Area) and has approximately 2,250 licensed beds.

Higher Education

Higher education in the Air Trade Area is provided by numerous universities, colleges, and community colleges. The largest universities, based on the number of enrolled students, include:

- **University of Michigan.** Founded in 1817, this university was the nation's first state university. With three campuses that include approximately 61,000 enrolled students, the University of Michigan is listed as the top U.S. public university in the QS World Rankings for 2012, and is ranked 17th among all institutions worldwide. U.S. News and World Report's list of best graduate schools, released in March 2014, ranked the university's law school 10th in the nation and the medical school 12th in the nation based on research. The university's main campus is located in Ann Arbor, less than 30 miles from the Airport, and offers 19 different schools and colleges and more than 250 degree programs. In addition, the University of Michigan is the third-largest employer in the Air Trade Area with 28,777 employees.
- **Wayne State University.** Established in 1868, this university has approximately 29,000 enrolled students. The University offers more than 370 undergraduate, post-bachelor's, master's, doctoral, professional, specialist and certificate programs in 13 schools and colleges. Wayne State University is a major employer in the Air Trade Area with 6,023 employees.
- **Eastern Michigan University.** This public institution was established in 1849 and offers programs in arts and sciences, business, education, health and human services, and technology. The University is located on a 400-acre campus east of Ann Arbor and has approximately 28,000 enrolled students.
- **Oakland University.** Founded in 1957, this public university consists of six schools and a new School of Medicine whose inaugural class matriculated in 2011. With approximately 20,000 enrolled students, this liberal arts and professional institution primarily serves commuter students. The campus is approximately 1,400 acres and is located north of Detroit.

The Air Trade Area continues to be recognized for its excellence in the field of engineering. *U.S. News and World Report* has consistently ranked Kettering University's mechanical engineering department as one of the best in the nation. Formally the GMI Engineering and Management Institute, Kettering University offers specialized undergraduate and graduate programs to approximately 2,000 enrolled students studying to become innovators in STEM. Due to the vast number of higher education opportunities and the manufacturing driven economy in the Air Trade Area, Michigan is ranked as one of the top ten states in the nation for number of bachelor's, master's, and doctorate degrees awarded in science and engineering.[38]

Located within the Air Trade Area, Macomb and Oakland community colleges are among the largest community colleges in the nation. Macomb Community College has approximately 48,000 enrolled students annually and offers more than 200 degree and certificate programs in general education, liberal arts, business, public service, health and human services, technologies, and apprenticeship training. With approximately 82,000 enrolled students annually, Oakland Community College provides academic, technical-vocational, general, and continuing education opportunities to youth and adults. Also located in the Air Trade Area is the Wayne County Community College District. Headquartered in downtown Detroit, this community college has six campuses and a total enrollment of approximately 21,000 students. All three colleges have an open admission process therefore numbers are estimates. The Air Trade Area and the demand for air carrier activity at the Airport are also impacted by major universities located outside the Air Trade Area. Michigan State University, located approximately 90 miles from the Airport in East Lansing, has a total enrollment of approximately 49,000 students and ranks in the top ten nationally in terms of total undergraduate enrollment. The University of Toledo is located approximately 60 miles from the Airport and has a total enrollment of approximately 23,000 students. Although these universities are located outside the Air Trade Area, it is likely that because of the breadth and frequency of air service offered at the Airport that their students, faculty, and visitors often use the Airport when travelling to the area.

Trade

Trade employment in the Air Trade Area decreased at a compounded annual rate of 1.1 percent between 2004 and 2013, compared to an increase of 0.1 percent for the nation during this same period. In 2013, the trade sector accounted for approximately 342,000 employees in the Air Trade Area, which accounted for 15.2 percent of total nonagricultural employment. Of the Air Trade Area employees in the trade sector, approximately 71.3 percent were engaged in retail trade.

[38] U.S. Department of Commerce, Bureau of the Census, Statistical Abstract of the United States: 2012, "Science and Engineering (S&E) Degrees as Share of Higher Education Degrees Conferred by State: 2007"

One indicator of growth in the trade sector is retail sales, defined as all net sales (gross sales minus refunds and allowances for returns) for establishments engaged primarily in retail trade. **Table 4-10** presents total retail sales for the Air Trade Area, Michigan and the United States between 2002 and 2011. As shown in Table 4-10, between 2002 and 2011 total retail sales in the Air Trade Area decreased at a compound annual rate of 2.5 percent, similar to the decrease of 2.1 percent for Michigan, and less than the increase of 1.1 percent experienced for the United States during this period. As also shown in Table 4-10, total retail sales for the Air Trade Area, Michigan, and the United States have started to recover in recent years. Between 2009 and 2011, total retail sales for the Air Trade Area has increased at a compound annual growth rate of 3.3 percent, which is comparable to the increase of 3.4 percent for Michigan, and less than the 4.4 percent increase experienced nationwide during this same period.

Table 4-10 also presents projections of total retail sales for 2020. According to data from Woods and Poole, total retail sales for the Air Trade Area are projected to increase from approximately $64.4 billion in 2011 to approximately $70.9 billion in 2020. This increase represents a compound annual growth rate of 1.1 percent, compared to compound annual growth rates of 1.3 percent for Michigan and 2.0 percent for the United States between 2011 and 2020.

International trade is a vital component of the Michigan and the Air Trade Area economies, with approximately one-third (30.7 percent) of Michigan manufacturing workers dependent upon international trade for their jobs in 2011. Export-supported jobs linked to manufacturing account for approximately 8.3 percent of Michigan's total private-sector employment in the same year[39]. Michigan's export shipments of merchandise totaled $75.3 billion[40] in 2013, the fifth most of any state in the nation.

39 Source: Office of Trade and Industry Information, Manufacturing and Services, International Trade Administration, U.S. Department of Commerce Accessed May 19, 2014 http://tse.export.gov/JOBS/SelectReports.aspx?DATA=Jobs

40 As calculated by the Origin of Movement zip-code based series, available at http://www.census.gov/foreign-trade/stastistics/zip/index.html.

Table 4-10: Total Retail Sales

(In 2009 Dollars, Amounts in Millions)

YEAR	AIR TRADE AREA	STATE OF MICHIGAN	UNITED STATES
Historical			
2002	$80,659	$139,369	$3,933,556
2003	$78,624	$136,625	$4,030,505
2004	$77,753	$135,875	$4,194,503
2005	$76,176	$133,915	$4,334,115
2006	$73,718	$130,480	$4,438,856
2007	$69,807	$124,600	$4,481,064
2008	$65,946	$118,032	$4,309,153
2009	$60,275	$108,015	$3,996,761
2010	$61,804	$110,919	$4,149,070
2011	$64,351	$115,589	$4,356,203
Projected			
2020	$70,947	$129,806	$5,187,469
Compound Annual Growth Rate			
2002 - 2011	(2.5%)	(2.1%)	1.1%
2009 - 2011	3.3%	3.4%	4.4%
2011 - 2020	1.1%	1.3%	2.0%

SOURCE: Woods and Poole Economics, Inc., *2014 Complete Economic and Demographic Data Source (CEDDS), May 2014.*
PREPARED BY: Ricondo & Associates, Inc., May 2014.

Based on the most recent MSA-level trade data available from the International Trade Administration, the Detroit-Warren-Livonia MSA, ranked as the fourth largest metropolitan export market in the United States, with merchandise shipments totaling approximately $55.4[41] billion (or 72.9 percent of Michigan's merchandise exports) in 2012. While transportation equipment[42] accounted for approximately $36.7 billion, or approximately two-thirds, of the MSA's 2012 merchandise exports, the remaining one-third came from a range of categories, including electrical ($4.8 billion), computer and electronic products ($3.0 billion), electrical equipment, appliances, and component products ($2.5 billion), and fabricated metal products ($2.0 billion). The Detroit-Warren-Livonia MSA experienced growth of 12.1 percent in merchandise exports between 2011 and 2012, compared to an overall increase of 5.0 percent for the top 25 metropolitan exporters during this same period. In addition, the Detroit-Warren-Livonia MSA was the largest metropolitan area exporter to both Canada and Mexico in 2012.[43]

Similarly, businesses in the Air Trade Area have taken advantage of overseas markets and expanded their operations internationally. Many of the Air Trade Area's top companies (e.g., Ford Motor) depend on offshore plants and suppliers for manufacturing and assembly as well as raw materials. This expanding international business activity generates demand for both international air travel and air freight services. In recent years, the restructuring and resurgence of the General Motors plants and headquarters in Michigan has resulted in GM surpassing Ford in the Fortune 500 companies located in the Air Trade Area, with a ranking of seventh compared to Ford Motor's ranking of eighth, based on 2013 revenues. The decision to restructure GM resulted in an increase in job levels, ranked third in the state in 2013, as well as an increased demand for international business importing and exporting as production of vehicles ramps up.

Government

Government employment in the Air Trade Area decreased at a compounded annual rate of 1.6 percent between 2004 and 2013, compared to a compound annual growth rate of 0.1 percent for the nation. In 2013, this sector accounted for approximately 289,000 employees in the Air Trade Area, which accounted for 12.8 percent of total nonagricultural employment.

As shown in Table 4-7, five governmental agencies are among the major employers in the Air Trade Area, including: the United States Government (17,560 employees); the State of Michigan (9,693 employees); the United States Postal Service (9,666 employees); the City of Detroit (9,591 employees); and the Oakland County Government (3,211 employees)[44].

41 Ibid.

42 As defined by the World Customs Organization in the Harmonized Commodity Description and Coding System, this category includes motor vehicles, rail cars, aircraft, and ships, boats, and other floating structures.

43 Source: International Trade Administration , US Metropolitan Area Exports2012,Accessed May 19, 2014, http://www.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_003620.pdf

44 Public education employers are presented separately on the list of major employers compiled by Crain's Detroit Business, 2014 Book of Lists.

Selfridge Air National Guard Base is an Air National Guard installation located in the Air Trade Area. The host organization is the 127th Wing of the Michigan Air National Guard and hosts more than 40 tenant units, which represent every branch of the U.S. Armed Forces: Army, Navy, Air Force, Marine Corps, and Coast Guard.

Both Macomb and Washtenaw counties have significant defense industry clusters. In Macomb County there are nearly 500 companies performing defense contract business including General Dynamics, BAE Systems, and Burtek Incorporated. The U.S. Army Tank Automotive Research, Development and Engineering Center (TARDEC) is also located in Macomb County.

Manufacturing

Although manufacturing employment in the Air Trade Area decreased significantly between 2004 and 2013, which also occurred nationwide to a far lesser extent during the same period, manufacturing continues to be an important component of the Air Trade Area's economy. In 2013, the manufacturing sector accounted for approximately 261,000 employees in the Air Trade Area, which accounted for 11.6 percent of total nonagricultural employment.

The Air Trade Area continues to be known as "The Automotive Capital of the World" due to the significant amount of automobile manufacturing that occurs. Three of the top 20 global automotive suppliers are headquartered in the Air Trade Area, and eleven more have an office presence in the region. As shown in Table 4-7, three of the top four major employers in the Air Trade Area are automobile manufacturers: Ford Motor with 43,977 employees; Chrysler Group with 29,006 employees; and General Motors with 26,809 employees. The automotive suppliers Johnson Controls and Faurecia North America also appear on this list of major employers in the Air Trade Area with 4,285 and 4,125 employees, respectively. Automotive-related companies that have announced and/or completed manufacturing-related expansions in the Air Trade Area in recent years include the following:

- **General Motors.** In December 2013, GM announced plans to invest $1.2 billion in three manufacturing sites in the Air Trade Area: $600 million at Flint Assembly to fund assembly plant upgrades, including a new paint shop, that will retain or create approximately 150 jobs when it is completed in 2016; $121 million at Detroit-Hamtramck Assembly for a new logistics optimization center that will create approximately 50 new jobs when it opens in fall 2014; and $493.4 million at Romulus Powertrain Operations to support production of a new 10-speed transmission and existing 6-speed transmission that will retain or create approximately 650 jobs upon its completion.[45]
- **Eberspaecher North America Inc.** The automotive exhaust and HVAC supplier will begin a five-year expansion plan in late 2014, investing $122 million and creating approximately 550 jobs by 2019. Eberspaecher plans to triple the size of its current plant in Brighton to support commercial contracts for exhaust systems and catalytic converters, and to acquire additional land to expand production.

[45] General Motors, "GM Invests Nearly $1.3 Billion for Five U.S. Plant Upgrades," December 16, 2013.

- **Inergy Automotive Systems.** In October 2013, Inergy Automotive Systems, a French plastic fuel tank manufacturer, opened a new extrusion blow molding facility in New Boston. This $100 million investment created approximately 400 skilled manufacturing and administrative positions in order to produce nearly 1.5 million tanks a year. One in every five light vehicles are equipped with an Inergy fuel tank, which are a third the weight of the average steel tank, improving fuel economy and lowering CO2 emissions. [46]

In recent years, the Air Trade Area has experienced a shift in emphasis from automobile manufacturing to testing facilities and R&D. Michigan ranks second in the nation, behind California, for private sector R&D spending and ranks first for automotive-related R&D activity, spending nearly $12 billion in 2012. According to the Detroit Regional Chamber, each of the Global Six automotive manufacturers have major research and development facilities in the Detroit Region, namely General Motors Technical Center (located in Warren), Ford Motor Company (Dearborn), Chrysler Group LLC (Auburn Hills), Toyota Technical Center (Ann Arbor), Honda Technical Center (Southfield), and Nissan USA (Farmington Hills). Manufacturers that do not produce or sell in the U.S. market have also chosen to locate R&D facilities in Michigan in order to keep up with global trends.[47]

In total, there are more than 375 automotive-related R&D, technology, or engineering facilities in the Air Trade Area, which is evolving into a global "think tank" for new technology in the automotive industry. Based on an analysis of 2013 R&D spending conducted by Booz & Company, five of the Global Top 20 R&D spenders were automotive manufacturers. Of those five automotive manufacturers, Toyota (ranked 6th globally), General Motors (ranked 11th globally), and Honda (ranked 13th globally) had major R&D facilities in the Detroit region.

Based on the most recent available data from the U.S. National Science Foundation, which covers the federal fiscal year 2012 period, the University of Michigan in Ann Arbor ranked first in R&D spending among the nation's public universities and colleges[48], the fourth straight year in which it had achieved that ranking. R&D spending at the University of Michigan (excluding Dearborn and Flint campuses) totaled approximately $1.32 billion in 2012. The primary sources of funds for R&D spending at the university included the U.S. Department of Health and Human Services ($545.9 million), the National Science Foundation ($79.4 million), the Department of Defense ($67.1 million), and the Department of Energy ($38.0 million). The University Research

46 Kavanaugh, Catherine "Inergy invests $110 million in Michigan plastic fuel tank plant" Plastics News, October 14, 2013. http://www.plasticsnews.com/article/20131014/NEWS/131019969/inergy-invests-110-million-in-michigan-plastic-fuel-tank-plant#

47 Coffin, David. Passenger Vehicles. Industry and Trade Summary. Publication ITS-09. Washington, DC: U.S. International Trade Commission, May 2013. http://www.usitc.gov/publications/332/working_papers/pub_ITS_09_PassengerVehiclesSummary5211.pdf

48 Johns Hopkins University, a private institution, was the only university with total R&D expenditures greater than the University of Michigan.

Corridor, which is composed of The University of Michigan, Michigan State University, and Wayne State University, spent $300 million on 1,400 automotive-related products between 2008 and 2012.[49]

The importance of R&D and innovation in the Air Trade Area is also highlighted by the U.S. Patent and Trademark Office (USPTO) selecting Detroit as the location for its first satellite office, which opened in July 2012. The USPTO noted that the selection of Detroit, as well as Dallas, Denver and the Silicon Valley, for satellite offices was based on "a comprehensive analysis of criteria including geographical diversity, regional economic impact, potential ability to recruit and retain employees, ability to engage the intellectual property community, and extensive public comment."[50]

Financial

The financial sector comprises financial, insurance, and real estate services. Financial employment in the Air Trade Area decreased at a compounded annual rate of 1.2 percent between 2004 and 2013, compared to a decrease of 0.3 percent for the nation. In 2013, the financial sector accounted for approximately 118,000 employees in the Air Trade Area, which accounted for 5.2 percent of total nonagricultural employment.

As shown in Table 4-7, three financial sector companies are among the major employers in the Air Trade Area: the financial services provided Quicken Loans (9,192 employees); the insurance provider Blue Cross Blue Shield of Michigan/Blue Care Network (5,415 employees); and the banking institution Comerica (4,432 employees).

Based on Federal Deposit Insurance Corporation data, JPMorganChase is the largest banking institution in the Air Trade Area with approximately $28.3 billion in deposits and 25.1 percent of the deposits in the Air Trade Area as of June 30, 2013. Other institutions with a significant portion of the Air Trade Area bank deposit market share include: Comerica (20.1 percent), Bank of America (10.8 percent), and PNC Bank (9.8 percent).

[49] CBS Detroit, "The Fruits of Michigan University Research are on the Auto Show Floor," January 17, 2013. http://detroit.cbslocal.com/2013/01/17/the-fruits-of-michigan-university-research-are-on-the-auto-show-floor/

[50] U.S. Department of Commerce, Office of Public Affairs, "U.S. Patent and Trademark Office Opens First-Ever Satellite Office in Detroit, Michigan," July 13, 2012.

Table 4-11 presents total bank deposits for the Air Trade Area, Michigan, and the nation between 2004 and 2013. Total bank deposits are an indicator of the economic activity of the financial sector. As shown, total bank deposits in the Air Trade Area increased from approximately $87.0 billion in 2004 to approximately $112.8 billion in 2013.[51] This increase represents a compound annual growth rate of 2.9 percent during this period, which was higher than that for Michigan yet lower than that for the nation (compound annual growth rates of 2.4 and 6.3 percent, respectively) during this same period. As also shown in Table 4-11, total bank deposits for the Air Trade Area have recovered from the dramatic decline experienced in 2010. Between 2010 and 2013, total bank deposits for the Air Trade Area has increased at a compound annual growth rate of 4.3 percent, which is greater than the increase of 2.8 percent for Michigan, yet less than the 7.1 percent increase experienced nationwide during this same period. In 2013, total bank deposits for the Air Trade Area, Michigan, and the nation increased to their highest levels during the ten years of historical data presented in Table 4-11.

Construction

Construction employment in the Air Trade Area decreased at a compound annual rate of 4.4 percent between 2004 and 2013, compared to a decrease of 1.4 percent for the nation. In 2013, the construction sector accounted for approximately 67,000 employees in the Air Trade Area, which accounted for 3.0 percent of total nonagricultural employment.

Both building permits and housing prices are indirect indicators of employment in the construction sector. **Table 4-12** presents residential building permit units and valuation for the Air Trade Area, Michigan, and the United States between 2004 and 2013. As shown, between 2004 and 2013 building permit units in the Air Trade Area decreased at a compound annual rate of 13.6 percent, compared to the decreases of 12.9 percent for Michigan and 7.9 percent for the United States experienced during this same period. Building permit valuation for the Air Trade Area, Michigan, and United States followed the same trend between 2004 and 2013 with decreases of 9.5 percent for the Air Trade Area, 9.0 percent for Michigan, and 5.4 percent nationwide.

As also shown in Table 4-12, residential building permit units and valuation for the Air Trade Area, Michigan, and the United States have started to recover in recent years. Between 2009 and 2013, residential building permit units and valuation for the Air Trade Area have increased at compound annual growth rates of 41.3 percent and 45.6 percent, respectively. These recent growth rates experienced in the Air Trade Area are significantly greater than the residential building permit units and valuation increases experienced by Michigan (23.0 percent and 29.3 percent, respectively) and the United States (14.2 percent and 16.8 percent, respectively) during this same period.

51 Twelve months ending June 30th for the years depicted in Table 4-11.

Table 4-11: Total Bank Deposits

(Fiscal Year Ending June 30th, Amounts in Millions)

	TOTAL BANK DEPOSITS		
FISCAL YEAR	**AIR TRADE AREA**	**STATE OF MICHIGAN**	**UNITED STATES**
Historical			
2004	$87,043	$136,073	$5,464,782
2005	$88,444	$139,351	$5,933,763
2006	$99,176	$152,588	$6,449,864
2007	$101,151	$154,684	$6,702,053
2008	$103,925	$157,214	$7,025,791
2009	$108,762	$163,767	$7,559,590
2010	$99,416	$155,698	$7,676,878
2011	$102,755	$157,684	$8,249,403
2012	$110,256	$166,627	$8,947,244
2013	$112,753	$168,913	$9,433,525
Compound Annual Growth Rate			
2004-2013	2.9%	2.4%	6.3%
2010-2013	4.3%	2.8%	7.1%

SOURCE: Federal Deposit Insurance Corporation (FDIC), *Summary of Deposits Report*, May 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

Table 4-12: Residential Building Permits and Valuation

(Dollar Amounts in Thousands)

	AIR TRADE AREA		STATE OF MICHIGAN		UNITED STATES	
YEAR	**UNITS**	**VALUATION**	**UNITS**	**VALUATION**	**UNITS**	**VALUATION**
2004	28,633	$4,272,219	54,721	$7,624,595	2,070,077	$292,413,691
2005	21,388	$3,434,211	45,328	$6,642,418	2,155,316	$329,254,468
2006	11,749	$1,977,125	29,191	$4,492,911	1,838,903	$291,314,492
2007	6,016	$1,080,276	17,767	$2,908,219	1,398,415	$225,236,551
2008	3,424	$619,601	10,911	$1,792,236	905,359	$141,623,457
2009	1,918	$385,688	6,884	$1,172,901	582,963	$95,410,298
2010	3,875	$697,772	9,075	$1,553,300	604,610	$101,943,061
2011	4,113	$816,946	9,341	$1,688,198	624,061	$105,268,541
2012	5,190	$1,130,923	11,692	$2,280,311	829,658	$140,425,307
2013	7,654	$1,733,797	15,757	$3,277,553	990,822	$177,655,914
Compound Annual Growth Rate						
2004-2013	(13.6%)	(9.5%)	(12.9%)	(9.0%)	(7.9%)	(5.4%)
2009-2013	41.3%	45.6%	23.0%	29.3%	14.2%	16.8%

SOURCE: U.S. Department of Commerce, Bureau of the Census, May 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

According to a March 2014 S&P/Case-Shiller Home Price Index report, Detroit metropolitan area home prices are down 26.0 percent since the local market peak in December 2005 (versus a 19.4 percent decrease from peak nationally). Overall, this is an improvement compared to the March 2012 report that presented Detroit metropolitan area home prices down 47.8 percent since the local market peak in December 2005 (versus a 34.6 percent decrease from peak nationally). In addition, the Freddie Mac House Price Index is up between 7.6 percent and 15.5 percent across the four MSAs in the Air Trade Area, from December 2012 to December 2013.

In June 2012, Michigan and Canada entered into an agreement to build the New International Trade Crossing (NITC), a $2 billion bridge spanning the Detroit River and connecting Detroit and Windsor, Ontario. This project, if constructed, would be one of the largest construction projects in the region and would be expected to have significant economic benefits to the Detroit and the Southeastern Michigan. The Center for Automotive Research (CAR) released a study in June 2012 that used an economic model to estimate the economic benefits that would accrue to the region as a result of building the NITC, which will provide a second crossing between Michigan and Canada[52]. The CAR analysis estimates that the construction of the NITC would have the following impacts:

- Create approximately 6,000 jobs in each of the first two years of construction, and 5,100 jobs for each of the final two years of construction in Michigan
- Increase Michigan gross state product by $1.5 billion over four years
- Increase Michigan personal income by $1.5 billion over four years
- Michigan state revenues increase by $150 million over four years

In addition, the CAR study estimates that the operation of the NITC will create approximately 1,400 permanent jobs and that new private investment spurred by the project will create an additional 6,800 permanent jobs. In May 2014, the U.S. Coast Guard granted a permit to build the NITC. However, the construction phase is on hold until the remaining permits assessing water impact issues are obtained from the State of Michigan. In addition, $250 million in funding for the U.S. Customs plaza on the U.S. side of the bridge still needs to be secured. [53]Transportation / Utilities

Transportation/utilities employment in the Air Trade Area decreased at a compound annual rate of 0.5 percent between 2004 and 2013, compared to an increase of 0.5 percent for the nation. In 2013, the transportation/utilities sector accounted for approximately 72,000 employees in the Air Trade Area, which accounted for 3.2 percent of total nonagricultural employment.

The well-developed transportation infrastructure in the Air Trade Area is diversified and is a significant catalyst for attracting new and expanded businesses to the region. The Air Trade Area is home to one of the largest foreign trade zones in North America and offers seven international border crossings. These border crossings

52 "Analysis of the Economic Contribution of Constructing the New International Trade Crossing: A New Bridge Linking Detroit and Windsor," Center for Automotive Research, June 2012.

53 Source: http://buildthedricnow.com/ Last accessed June 13, 2014.

include the Ambassador Bridge in Detroit and the Blue Water Bridge in Port Huron, the first and fourth busiest border crossings, respectively, in North America. According to the Foreign Trade Division of the U.S. Department of Commerce's Bureau of the Census, the Detroit Customs District is ranked fifth when compared with all freight gateways (land, air, and sea) in the United States for the value of its exports and imports with approximately $239.6 billion in 2013.

Air transportation demand in the Air Trade Area is primarily serviced by the Airport. Freight rail service is also a significant component of the Air Trade Area's infrastructure as the Area is served by four of the seven national Class I railroads in the United States. According to the United States Department of Transportation's Bureau of Transportation Statistics, the Port of Port Huron ranked third and the Port of Detroit ranked fifth nationally in total loaded rail container border crossings 2013 with approximately 244,000 and 147,000 loaded rail containers, respectively. Limited passenger rail service is provided by Amtrak. In addition, the Air Trade Area maintains a vast integrated highway and freeway infrastructure that consists of six interstates, 24 highways, four United States routes, and 21 state routes. Michigan's highway infrastructure was built and maintained for industrial use and is toll-free. According to the Michigan Department of Transportation's 2014-2017 Transportation Program, approximately $5.8 billion will be invested into the highway infrastructure for improvements over the next four years.

The Air Trade Area's utilities infrastructure is also well-developed and capable of supporting the demanding needs of the region's economy, particularly in the automotive industry. In order to keep utility rates affordable, the Air Trade Area's utilities market is open to alternative providers for electricity, natural gas, and telephone. As shown earlier in Table 4-7, DTE Energy, a diversified energy company headquartered in the Air Trade Area, is the largest employer in the transportation/utilities sector of the Air Trade Area with 5,691 employees.

The Air Trade Area is also a leader in alternative energy research. There are more than 100 corporations in the Air Trade Area focused on alternative energy and power generation. One prominent organization, NextEnergy, was founded in 2002 to serve as a research and federal grant catalyst, business incubator and accelerator for clean-energy technologies. Since its founding, NextEnergy has been awarded more than $50 million in grants (which flow through NextEnergy to tenants and subcontractors) and has helped local alternative-energy companies find more than $90 million in funding, and partners with the University of Michigan to train entrepreneurs in the energy and transportation sectors.[54]

Information

The information sector combines traditional publishing, motion picture and sound recording, broadcasting, software, online services and data processing. Information sector employment in the Air Trade Area decreased at a compound annual rate of 1.1 percent between 2004 and 2013, compared to a decrease of 1.6

54 Crain's Detroit Business, "Green Businesses Find Homes at NextEnergy," October 3, 2010, and "UM, NextEnergy kick off entrepreneur training program in Detroit," May 22, 2014.

percent for the nation. In 2013, the information sector accounted for approximately 36,000 employees in the Air Trade Area, which accounted for 1.6 percent of total nonagricultural employment.

In order to promote the growth of information and technology based companies and jobs, Michigan created "SmartZones," which is a designated cluster of new and emerging businesses primarily focused on commercializing ideas, patents, and other opportunities. This collaboration consists of universities, industry, research organizations, government, and other community institutions. The Air Trade Area offers six SmartZones. The Air Trade Area's most prominent research and technology park, TechTown, is located within the Woodward Technology Corridor SmartZone. This 12-square-block entrepreneurial village was created in partnership with Wayne State University, a major research institution, and is an incubator that provides support and access to the capital needed to build high-technology based companies and also serves as a developer that facilitates commercial and residential projects.

In 2010, the New Economy Initiative for Southeast Michigan, an innovative philanthropic effort to accelerate the transition of metro Detroit to an innovative-based economy, provided a $3 million grant over three years to reposition the local economy around new information and technology-related businesses with the formation of the Business Accelerator Network for Southeast Michigan. Comprised of the region's four key business accelerators - Ann Arbor SPARK, Automation Alley, Macomb-OU INCubator, and the TechTown initiative discussed above - these business accelerators have invested in 339 start-up companies, having investing more than $18 million to-date, created more than 1,000 jobs, and secured more than $101.2 million in additional capital for the companies. In the continuing effort to promote small business growth and create jobs throughout Detroit, the NEI for Southeast Michigan and the Brookings Institution partnered to launch the Detroit Innovation District Initiative in June 2014. The city's first "innovation district", a 4.3 square mile area that holds 55 percent of the city's jobs and includes Midtown and downtown Detroit, is intended to serve as an anchor to support neighborhood business incubators and entrepreneurial programs across the city.One aspect of the Air Trade Area's information sector that has received particular attention in recent years is the film industry. According to the Michigan Film Office, producers have spent more than $1 billion in the state since the tax rebates began in 2008. Tax rebates paid out to date, as of December 2013, is approximately $225 million, with a further $94 million eligible for payout. About 80% of these shoots take place in and around the Air Trade Area. For 2014, nine projects for film production in Michigan have been awarded $43 million of incentives on $162 million of approved production expenditures for the year. These nine projects are projected to create more than 1,000 hires in Michigan with a full-time equivalent of 825 jobs.

As mentioned in Section 4.2.1, Quicken Loans relocated its headquarters to downtown Detroit in 2010. Construction is currently underway to build a new 66,000 square foot data center and office complex, which will include two 10,000 square foot state-of-the-art server rooms. With an expected completion date of January 2015, half of the new technology center will be occupied by 1,100 technology staff at Quicken Loans while the other half will be available for lease by other technology companies.

4.4.6 OTHER REGIONAL CONSIDERATIONS

The Air Trade Area's travel and tourism industry is served by a variety of cultural centers, museums, theaters, historical sites, attractions, and annual events. In addition, numerous sports and recreational activities are available throughout the Air Trade Area. These regional attractions and activities not only complement the quality of life of Air Trade Area residents but also attract visitors to the region generating economic activity and additional travel demand.

Travel and Tourism

The Air Trade Area offers more than 30 cultural centers and museums, including: the recently renovated Detroit Institute of Arts, which is the sixth-largest fine arts museum in the nation; the Charles H. Wright Museum of African American History, which houses the largest collection of African American art and artifacts in the world; the Holocaust Memorial Center, which was the first of its kind; The Henry Ford Museum and Greenfield Village, an American history museum; and the Motown Historical Museum that includes displays of album covers, gold records, and other Motown music memorabilia.

With 18 professional, 21 community, and eight student/university theaters, music and theater are an important component of the Air Trade Area. Some of the most popular venues for theater and entertainment in the Air Trade Area include: the Fox Theater, a venue that stages Broadway plays, movies, and entertainers; the Fisher Theatre, which also presents Broadway plays; the Masonic Temple that serves the area Masons and features concerts; the Detroit Opera House, the venue of the Michigan Opera Theater; and the Max M. Fisher Music Center where the highly acclaimed Detroit Symphony Orchestra usually performs.

The history of the Air Trade Area can be experienced at the Crossroads Village and Huckleberry Railroad, a 51-acre village featuring 34 historical structures, the Genesee Belle (a replica of the paddle wheel boats from the Mark Twain era), and other time period aspects of the 1800's. The Air Trade Area also offers tours of the automobile baron's homes, including the Edsel and Eleanor Ford House, a Cotswold-style home on 87-acres that preserves architecture from the 16th, 17th, and 18th centuries; the Henry Ford Estate, the final home of the pioneer of the Ford Motor Company; and the Meadow Brook Hall estate, an 88,000 square foot Tudor-style mansion that is the fourth-largest historic house museum in the United States.

The North American International Auto Show (NAIAS) is an annual event held in the Air Trade Area that attracted more than 800,000 visitors in 2014. The NAIAS includes world-class vehicle unveilings, media coverage, and unique exhibits from leading manufacturers in the automotive industry. Generating an economic impact in the Air Trade Area of approximately $365 million, the 2014 NAIAS featured more than 50 vehicle unveilings before approximately 5,200 members of the media from more than 60 countries.

Sports and Recreational Activities

Detroit is one of twelve U.S. cities to have teams from all four of the North American major professional sports leagues: Major League Baseball's (MLB) Detroit Tigers, runner-up in the 2006 and 2012 World Series and in 2011 and 2013 finished two games shy of participating in another World Series; the National Basketball Association's (NBA) Detroit Pistons, winner of three NBA titles, most recently the 2004 NBA championship; the National Football League's (NFL) Detroit Lions; and the National Hockey League's (NHL) Detroit Red Wings, 1997, 1998, 2002 and 2008 Stanley Cup champions. Plans are underway to construct a new $450 million Detroit Red Wings arena with projected completion during the 2016-17 NHL season. This new 650,000 square foot, 18,000 seat arena is part of a larger $650 million project to develop an entertainment district with mixed-use developments in a 45-block area that would create approximately 8,300 new jobs and have a $1.8 million economic impact.

Collegiate sports in the Air Trade Area are represented by the University of Michigan Wolverines, whose National Collegiate Athletic Association's (NCAA) football games generate crowds of more than 100,000 for home games. University of Detroit-Mercy, Oakland University, Eastern Michigan University and Wayne State University also offer competitive NCAA sports in the Air Trade Area.

In addition to sports teams based in the area, the Air Trade Area also hosts national and international sporting events generating travel demand and regional economic benefits. The Chevrolet Detroit Belle Isle Grand Prix professional auto racing event is held annually on Belle Island Park. In 2013, the Grand Prix generated over $46 million in total spending for the Metro Detroit region and had a record-high attendance of approximately 110,000 fans for the three-day event. In August 2014, Ann Arbor will host the 2014 Guinness International Champions Cup, an annual club association football (American soccer) exhibition competition featuring eight club teams from Europe. The sold-out match between Manchester United and Real Madrid will be held at the University of Michigan's 100,000-plus capacity stadium. In recent years, the Air Trade Area hosted the 2004 Ryder Cup golf tournament, MLB's All-Star Game in 2005, the NFL's Super Bowl XL in 2006, World Wrestling Entertainment's WrestleMania XXIII in 2007, the 2008 Professional Golfers' Association's PGA Championship, the NCAA Division I Men's Basketball 2009 Final Four Tournament, and the 2010 NCAA Division I Men's Hockey Frozen Four Tournament. An analysis conducted by *Crain's Detroit Business* estimated that these events combined to generate a cumulative economic impact in the Air Trade Area of approximately $221 million.

Outdoor recreation opportunities in the Air Trade Area include golfing, boating, skiing and snowmobiling, and a variety of parks. Michigan has more public golf courses than any other state in the nation. In the Air Trade Area, there are approximately 170 public golf courses, 75 private golf courses, and 35 driving ranges. With the close proximity to water throughout the state, boating is a popular source of recreation in the Air Trade Area. Michigan ranks among the top states in the nation in the number of registered boats. The annual hydroplane boat races, held on the Detroit River, attract approximately half a million spectators. With the location of the Great Lakes, lake-effect snow makes skiing and snowmobiling a significant recreational activity in the Air Trade Area. Approximately 450,000 cross-country skiers and 400,000 snowmobilers visit Michigan each year. For other outdoor recreation, including swimming, biking, hiking, fishing, and skating, the Air Trade Area provides 13 metro parks, four state parks, nine state recreation areas, three state game area, and hundreds of municipal and county parks. Previously the largest city-owned island park in the nation, Belle Isle officially became Michigan's 102nd state park in February 2014. This 1,000-acre state park features a variety of facilities including the Anna Scripps Whitcomb Conservatory, the Belle Isle Nature Zoo, and The Dossin Great Lakes Museum.

The gaming industry has been a significant source of entertainment and employment in the Air Trade Area since casinos began operating in the Air Trade Area in 1999. In total, there are 25 casinos in Michigan, with three major casinos located in the Detroit metropolitan area. For 2013, the Michigan Gaming Control Board reported that the three Detroit commercial casinos recorded revenue of $1.3 billion distributed as follows: MGM Grand Detroit ($566.8 million with 42 percent of the local market by revenue); MotorCity Casino ($454.3 million and 34 percent of the local market by revenue) and Greektown Casino ($328.3 million and 24 percent of the local market by revenue).

4.5 Economic Outlook

As described in more detail in Section 5.8 of this report, the methodologies employed in analyzing and developing projections of enplaning passengers at the Airport included (among other methodologies) statistical linear regression modeling that utilized local socioeconomic factors as the independent variable and enplanements as the dependent variable. Socioeconomic factors utilized in these analyses included gross regional product, population, employment, and per capita income. For each of the socioeconomic factors, the regression modeling produced a coefficient that was applied to the projection of the corresponding socioeconomic factor to provide an estimate of future enplanements. The preferred projection of Airport enplanements is presented in Section 5.8.2 of this report.

Projections of Air Trade Area socioeconomic factors as developed by Woods and Poole were utilized by R&A to analyze and develop passenger enplanement projections for the Airport for the period OY 2014 through OY 2022. Woods and Poole's projections for the 10 counties in the Air Trade Area are summarized below.

Compound annual growth rates in Woods and Poole's projections of gross regional/domestic product, population, employment, and per capita personal income for the Air Trade Area and the nation are summarized in **Exhibit 4-2**.

Gross Regional/Domestic Product

As shown in Exhibit 4-2, gross regional product in the Air Trade Area is projected to experience a compound annual growth rate of 1.9 percent, increasing from $236,579 million in 2014 to $264,820 million in 2020. Gross domestic product in the nation is projected to increase from $15,356,265 million in 2014 to $17,544,865 in 2020, which represents a compound annual growth rate of 2.2 percent during this same period.

Population

Population growth in the Air Trade Area is projected to be relatively flat at approximately 5.3 million people between 2014 and 2020, which represents a compound annual growth rate of 0.1 percent. U.S. population is projected to experience a compound annual growth rate of 1.0 percent during this same period, increasing from approximately 321 million people in 2014 to approximately 340.6 million people in 2020.

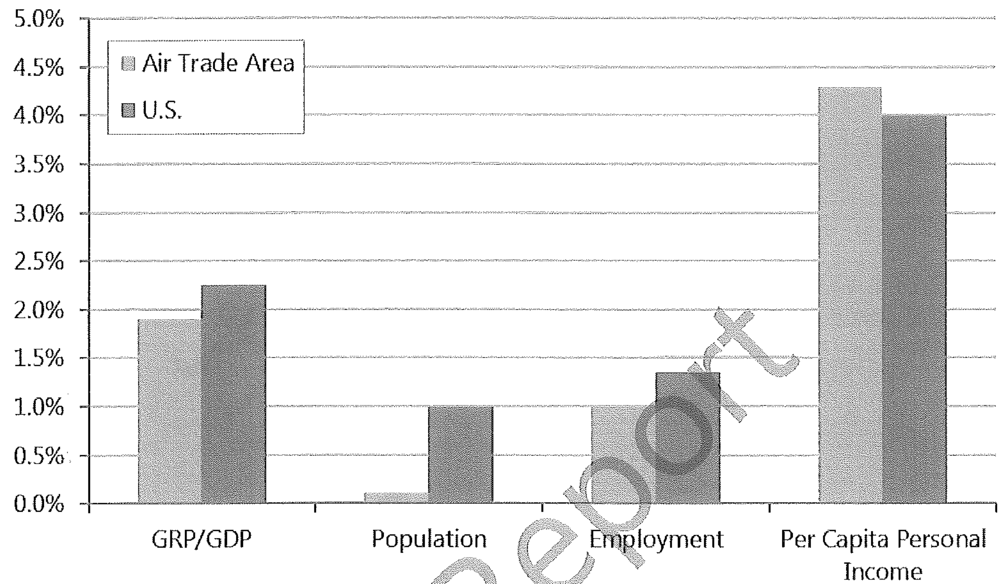
Employment

As shown, Woods and Poole projects total employment in the Air Trade Area to increase from approximately 2.9 million workers in 2014 to approximately 3.1 million workers in 2020, representing a compound annual growth rate of 1.0 percent during this period. Over the same period, U.S. employment is projected to experience a compound annual growth rate of 1.3 percent, increasing from approximately 183 million workers in 2014 to approximately 198.3 million workers in 2020.

Per Capital Personal Income

Woods and Poole projects that per capita personal income (in current dollars) in the Air Trade Area will experience a compound annual growth rate of 4.3 percent, increasing from $42,683 in 2014 to $54,928 in 2020. Over the same period, per capita income in the U.S. is projected to experience a compound annual growth rate of 4.0 percent, increasing from $44,927 in 2014 to $56,808 in 2020.

Exhibit 4-2: Compound Annual Growth Rates of Key Economic Forecasts (2014 – 2020)



SOURCE: Woods and Poole Economics, Inc., 2014 Complete Economic and Demographic Data Source (CEDDS).
PREPARED BY: Ricondo & Associates, Inc., June 2014.

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5. Air Traffic

This chapter describes historical and projected aviation activities at the Airport and discusses key factors affecting these activities.

5.1 Summary of Findings

The Airport has had the benefit of a large and relatively stable scheduled passenger air carrier base, which has helped promote competitive pricing and scheduling diversity in the Airport's major markets. As of July 2014, the Airport had scheduled passenger service provided by 26 U.S. flag carriers and four foreign flag carriers. The Airport, classified by the FAA as a large hub facility based on its percentage of nationwide enplaned passengers,[1] ranked 17th nationwide in 2013 with approximately 32.4 million total passengers.[2] Other key points regarding historical and projected aviation activities at the Airport are discussed below:

- Delta and the Delta Connection Carriers enplaned an estimated 12.8 million passengers or 79.3 percent of the Airport's enplaned passengers in OY 2013. Between OY 2004 and OY 2013, total enplaned passengers at the Airport ranged from a low of 15.9 million in OY 2010 to a high of 18.3 million in OY 2005. International enplaned passengers at the Airport as a percentage of total enplaned passengers have increased between OY 2004 and OY 2013, ranging from a low of 8.0 percent in OY 2010 to a high of 8.8 percent in OY 2013. The Airport is a major connecting hub in Delta's route network, operating as an important Midwest connecting hub. The share of connecting domestic enplaned passengers at the Airport has ranged from a low of 52.8 percent in CY 2007 to a high of 56.9 percent in CY 2005. The connecting percentage for domestic enplaned passengers for CY 2013 was 54.4 percent. Based on analyses provided herein (see Section 5.7.1), the Airport has maintained its role through the Delta and Northwest Airlines merger as an important Midwest hub for Delta, which chiefly flows traffic to the markets in the eastern and western U.S., and as a primary international gateway for its Asian operations.

1 As defined by the FAA, a large hub airport enplanes 1.0 percent or more of nationwide enplanements during a calendar year. One percent of nationwide enplanements equates to 8.2 million passengers in CY 2012, the latest calendar year for determining airport hub size.

2 *ACI Traffic Data 2013 Preliminary*, Airports Council International – North America.

- As a result of the Airport's competitive assets including (1) its central geographic position in the U.S., (2) substantial airfield and terminal processing capability, (3) the benefits of its local O&D market, (4) limited local airport competition, and (5) its competitive airline cost structure, the Airport has remained and should remain an attractive location for a major airline hub, as well as an important O&D market.
- Based on discussions with Delta, local socioeconomic and demographic factors, the Airport's historical share of U.S. enplanements, the impacts of the factors described in Section 5.6 herein, and anticipated trends in air carrier usage of the Airport by Delta and other airlines, total enplaned passengers at the Airport are projected to increase from 16.1 million in OY 2013 to 17.2 million in OY 2022. This increase represents a compound annual growth rate of 0.8 percent during this period, compared to 2.4 percent projected nationwide by the FAA.
- Despite Delta's preeminent market position, there is competition among airlines serving the most popular routes. Each of the Airport's top 20 domestic O&D markets is served by at least two airlines.

5.2 Airlines Serving the Airport

As of July 2014, the Airport had scheduled passenger service provided by 22 U.S. flag scheduled passenger air carriers, including four legacy/mainline carriers,[3] five low-cost carriers,[4] and 13 regional carriers providing service for various legacy/mainline carriers. In addition, as of July 2014, four foreign flag carriers provided scheduled passenger service at the Airport. Two all-cargo carriers provide scheduled cargo service at the Airport. **Table 5-1** lists the airlines serving the Airport as of July 2014.

Table 5-2 presents the scheduled passenger air carrier base at the Airport since OY 2004. Specific points concerning the scheduled passenger air carrier base at the Airport are provided below:

- Delta and the Delta Connection Carriers operate at the Airport as a single carrier. The Airport is a major hub in its route network (see Chapter 2, "Role of the Airport" for further details).
- Delta acquired Northwest as a wholly-owned subsidiary on October 29, 2008. On December 31, 2009, Delta and Northwest merged and the FAA granted a single operating certificate to the merged Delta entity. Delta and the Delta Connection Carriers enplaned an estimated 12.8 million passengers or 79.3 percent of the Airport's enplaned passengers in OY 2013.

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[3] Counts American and US Airways as separate carriers. American and U.S. Airways merged, effective December 9, 2013, and a Single Operating Certificate is expected to be issued 18 to 24 months after the merger completion date.

[4] Counts Southwest and AirTran as separate carriers. On March 1, 2012, the FAA issued a single operating certificate listing both Southwest and AirTran. It will take several years before the integration of the two airlines is complete.

Table 5-1: Airlines Serving the Airport [1/]

LEGACY/MAINLINE CARRIERS (4)	LOW COST CARRIERS (5)	REGIONAL CARRIERS (13)	ALL-CARGO CARRIERS (2)
American Airlines [2/] *	AirTran Airways [3/]	Air Wisconsin (d/b/a US Airways Express)	Federal Express *
Delta Air Lines *	Frontier Airlines	Chautauqua (d/b/a Delta Connection)	United Parcel Service *
United Airlines *	JetBlue	Compass (d/b/a Delta Connection)	
US Airways [2/] *	Southwest Airlines *	Endeavor Air (d/b/a Delta Connection)	
	Spirit Airlines *	Envoy Air (d/b/a American Eagle)	
		ExpressJet (d/b/a Delta Connection and United Express)	
		GoJet (d/b/a Delta Connection and United Express)	
		Mesa (d/b/a US Airways Express and United Express)	
		PSA (d/b/a US Airways Express)	
		Republic Airlines (d/b/a American Eagle and US Airways Express)	
		Shuttle America (d/b/a Delta Connection and United Express)	
		SkyWest (d/b/a Delta Connection and United Express)	
		Trans States (d/b/a United Express)	

FOREIGN FLAG CARRIERS (4)
Air Canada
Air France *
Lufthansa German Airlines
Royal Jordanian

NOTES:

* Signatory Airline.

1/ As of July 2014.

2/ American and U.S. Airways announced plans to merge on February 14, 2013. The merger was completed on December 9, 2013 and a Single Operating Certificate is expected to be issued 18 to 24 months after the merger completion date.

3/ Southwest and AirTran merged on May 1, 2011. The FAA issued a Single Operating Certificate for the merged airlines on March 1, 2012, naming both airlines on the certificate with full integaration planned for completion by December 2014.

SOURCES: Wayne County Airport Authority; Innovata, May 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

Table 5-2: Historical Scheduled Passenger Air Carrier Base [1/]

AIR CARRIER [2/]	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 [3/]
American [4/]	●	●	●	●	●	●	●	●	●	●	●
Delta	●	●	●	●	●	●	●	●	●	●	●
Lufthansa	●	●	●	●	●	●	●	●	●	●	●
Royal Jordanian	●	●	●	●	●	●	●	●	●	●	●
Southwest [5/]	●	●	●	●	●	●	●	●	●	●	●
Spirit	●	●	●	●	●	●	●	●	●	●	●
United	●	●	●	●	●	●	●	●	●	●	●
US Airways [4/]	●	●	●	●	●	●	●	●	●	●	●
Air Canada	●	●	●	●	●	●	●	●	●	●	●
Air France		●	●	●	●	●	●	●	●	●	●
Frontier		●		●	●	●	●	●	●	●	●
AirTran [5/]			●	●	●	●	●	●	●	●	●
Alaska											●
JetBlue											●
Airlines No Longer Serving the Airport											
Ryan International	●	●	●	●	●	●					
KLM					●	●					
Aeromexico					●	●					
British Airways	●	●	●	●							
Independence Air	●	●	●								
Trans Meridian	●	●									
American Trans Air	●										

NOTES:

1/ For the Airport's full Operating Year, a twelve-month period ending September 30.

2/ Where applicable, includes affiliated carriers.

3/ Scheduled for the Airport's full Oeprating Year, a twelve-month period ending September 30.

4/ American and U.S. Airways announced plans to merge on February 14, 2013. The merger was completed on December 9, 2013 and a Single Operating Certificate is expected to be issued 18 to 24 months after the merger completion date.

5/ Southwest and AirTran merged on May 1, 2011. The FAA issued a Single Operating Certificate for the merged airlines on March 1, 2012, naming both airlines on the certificate with full integaration planned for completion by December 2014.

SOURCES: Wayne County Airport Authority; Innovata, May 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

- The Airport has had the benefit of a large and relatively stable scheduled passenger air carrier base. All of the four primary legacy airlines and several of the low-cost carriers have operated at the Airport throughout this period.
- Spirit Airlines (Spirit), a low-cost carrier, has the second highest market share of Airport enplanements behind Delta and the Delta Connection Carriers. In OY 2013, Spirit enplaned approximately 778,000 passengers at the Airport or 4.8 percent of total Airport enplanements. Southwest Airlines (Southwest), another low-cost carrier, enplaned 4.1 percent of the Airport's enplanements in OY 2013. Other low-cost carriers providing scheduled passenger service at the Airport include AirTran Airways (AirTran), JetBlue Airways (JetBlue) and Frontier Airlines (Frontier). Independence Air operated at the Airport from OY 2004 to OY 2006; however, this carrier has since ceased operations. Alaska is scheduled to begin service at the Airport in September 2014.
- Nine scheduled passenger carriers shown in Table 5-2 provided service at the Airport over the entire period OY 2004 through OY 2014. Since OY 2005, five additional scheduled passenger carriers have initiated service and continue to serve the Airport.

5.3 Historical Passenger Activity

This section identifies historical trends in enplaned passengers at the Airport and the major factors influencing these trends, as well as historical market shares of enplanements by airline.

5.3.1 ENPLANED PASSENGERS

Table 5-3 presents historical data for enplaned passengers at the Airport and for the nation. As shown, passenger activity at the Airport has experienced patterns below those of the nation. Both the Airport and the nation experienced an average annual increase in enplaned passengers from OY 2004 to OY 2007. From OY 2007 to OY 2010, the Airport's enplaned passengers decreased at an average annual rate of 4.3 percent compared to a 2.4 percent average annual decrease for the nation. From OY 2010 to OY 2013, enplaned passengers at the Airport increased at a CAGR of 0.4 while enplaned passengers for the nation increased at a CAGR of 1.2 percent over the comparable period. For the entire period presented, OY 2004 to OY 2013, enplaned passengers for the Airport decreased at a compound annual growth rate (CAGR) of 0.8 percent, while enplaned passengers for the nation increased at a CAGR of 0.7 percent.

Further details concerning enplaned passengers at the Airport and comparisons with national trends between OY 2004 and Operating Year-to-Date (OYTD) 2014 are discussed below:

- OY 2004 - OY 2005. Passenger activity at the Airport increased from approximately 17.3 million enplanements in OY 2004 to approximately 18.3 million enplanements in OY 2005. This increase represents a CAGR of 5.6 percent, compared to 6.5 percent nationwide. During this period, domestic enplanements increased from 16.0 million in OY 2004 to 16.8 million in OY 2005. Over the same period, international enplanements increased from 1.4 million to 1.5 million.

Table 5-3: Historical Enplanements

(Operating Years Ending September 30)

OPERATING YEAR	AIRPORT ENPLANEMENTS	AIRPORT GROWTH	U.S. TOTAL ENPLANEMENTS	U.S. GROWTH	MARKET SHARE
2004	17,316,780	6.4%	700,553,000	7.5%	2.5%
2005	18,286,282	5.6%	745,970,000	6.5%	2.5%
2006	17,799,932	(2.7%)	746,458,000	0.1%	2.4%
2007	18,108,090	1.7%	771,546,000	3.4%	2.3%
2008	17,831,231	(1.5%)	765,188,000	(0.8%)	2.3%
2009	15,941,132	(10.6%)	709,820,000	(7.2%)	2.2%
2010	15,876,381	(0.4%)	718,158,000	1.2%	2.2%
2011	16,226,201	2.2%	737,568,000	2.7%	2.2%
2012	16,169,584	(0.3%)	743,044,000	0.7%	2.2%
2013	16,077,652	(0.6%)	744,884,000	0.2%	2.2%
Compound Annual Growth Rate					
2004 - 2007	1.5%		3.3%		
2007 - 2010	(4.3%)		(2.4%)		
2010 - 2013	0.4%		1.2%		
2004 - 2013	(0.8%)		0.7%		

SOURCES: Wayne County Airport Authority, May 2014; Bureau of Transportation Statistics (U.S. total enplanements), May 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014

- OY 2006 – OY 2007. Northwest and Delta both filed for bankruptcy on September 14, 2005 (immediately prior to the beginning of OY 2006), and Mesaba filed for bankruptcy on October 13, 2005. In OY 2006, the capacity reductions associated with the bankruptcies impacted the Airport more than the nation, because, at that time, the Airport served as a major connecting hub for Northwest's system network. In OY 2006, the Airport experienced a decrease in enplanements of 2.7 percent compared to the nation's slow growth of 0.4 percent. Northwest and Delta emerged from bankruptcy protection in the second half of OY 2007 (May 2007) and enplanements at the Airport and for the nation increased from their OY 2006 levels by 1.7 percent and 3.4 percent, respectively.

- OY 2008 - OY 2009. The global economic slowdown, higher fuel prices, and capacity cuts by airlines in OY 2008 and OY 2009 resulted in decreases in enplanements for the Airport and the nation. Airport enplanements decreased by approximately 1.5 percent in OY 2008 as compared to OY 2007 (U.S. total enplanements decreased by 0.8 percent over the same period) and decreased by approximately 10.6 percent in OY 2009 as compared to OY 2008 (by comparison, U.S. total enplanements decreased by 7.2 percent over the same period). On a percentage basis, the enplanement decreases experienced by Delta and Northwest between OY 2008 and OY 2009, when combined (a decrease of 9.2 percent), was lower than the enplanement decreases experienced by all other airlines operating at the Airport, when combined (a decrease of 15.7 percent).

- OY 2010. Total Airport enplanements decreased 0.4 percent in OY 2010 as compared to OY 2009. For this same period, Delta enplanements at the Airport increased by approximately 0.6 percent while the other airlines serving the Airport, when combined, experienced a 4.5 percent decrease in enplanements.

- OY 2011. Recovering from the global economic slowdown, total enplanements at the Airport increased from 15.9 million in OY 2010 to 16.2 million in OY 2011, an increase of 2.2 percent during this period, compared to 2.5 percent nationwide. Delta increased by approximately 100,000 enplaned passengers in OY 2011 from OY 2010 levels, while Spirit and Southwest increased by a combined 200,000 enplaned passengers during this same period.

- OY 2012 – OY 2013. Total Airport enplanements decreased 0.3 percent in OY 2012 as compared to OY 2011 followed by an additional decrease of 0.6 percent in OY 2013. For these same periods, Delta enplanements at the Airport decreased at approximately the same rates of 0.4 percent and 0.5, respectively. From OY 2011 to OY 2012, Spirit and Southwest, the second and third largest carriers, combined enplaned passengers increased 3.7 percent followed by a 4.1 percent increase in OY 2013.

- OYTD 2014 (October – March). In the first half of OY 2014, total enplaned passengers increased by approximately 73,500 or 1.0 percent. For Delta, total enplaned passengers decreased slightly by 0.2 percent. This decline is attributed to a 6.0 percent enplaned passenger decrease by Delta Connection while Delta Mainline enplaned passengers increased 3.5 percent. Spirit's enplaned passengers increased by over 70,000 or 18.7 percent while Southwest's enplaned passengers decreased by approximately 16,400 or 4.0 percent. The increase in Spirit's enplaned passengers is primarily attributed to a full 12 months of service in OYTD 2014 to Denver and Houston compared to OYTD 2013. Denver service was initiated in February 2013 and Houston in June 2013. In the second half of OY 2014, Spirit began service to Minneapolis (May 2014) and is scheduled to begin Kansas City (August 2014).

As previously described, the Airport is a major connecting hub in Delta's system network. As such, millions of passengers each year use the Airport as an intermediate transfer stop on their way to their final destination, while local traffic uses the Airport to originate or end their travel. **Table 5-4** presents historical domestic enplanement data identifying originating passenger and connecting passenger components for the Airport. As shown, connecting passenger enplanements outnumbered originating enplanements in each year between CY 2004 and CY 2013. The share of connecting enplaned passengers at the Airport has ranged between 52.8 percent and 56.9 percent for the period described. The connecting percentage for CY 2013, the most recent calendar year available, was 54.4 percent.

Data presented in Table 5-4 illustrates that originating and connecting passenger trends at the Airport do not necessarily move in tandem and have a low correlation. For example, domestic connecting passenger enplanements at the Airport increased annually by 13.8 percent in CY 2005, as compared to the annual increase of 4.1 percent for domestic originating passengers. Conversely, annual domestic connecting enplaned passengers decreased year-over-year in CY 2006 and CY 2007 by 2.6 percent and 6.4 percent, respectively, while domestic originating enplaned passengers at the Airport increased by 1.8 percent in CY 2006 and 5.8 percent in CY 2007. As such, traffic fluctuations at the Airport are not only locally driven, but are also influenced by the overall trends nationwide and the specific hubbing decisions made by Delta given the significant share of connecting traffic at the Airport.

Table 5-5 presents historical trends related to the domestic and international passenger activity split at the Airport. Generally, international passenger activity has been more volatile than domestic passenger activity at the Airport. International enplanements changed to a greater extent than domestic enplanements changed for OY 2004 to OY 2010, and OY 2010 and OY 2013 by negative 1.7 percent and positive 3.8 percent, respectively. Also, the highest international share of total Airport enplanements for the presented period occurred in OY 2013 at 8.8 percent and the lowest share occurred in OY 2010 at 8.0 percent. As noted earlier, from OY 2010 to OY 2013, international enplanements increased at a CAGR of 3.8 percent while domestic enplanements increased at a CAGR of 0.1 reflective of the increase in international enplanement share.

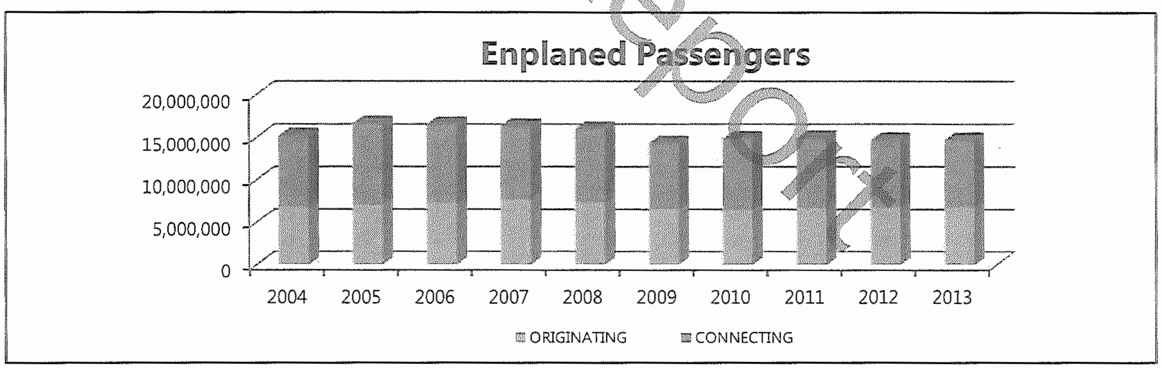
5.3.2 ENPLANED PASSENGERS BY AIRLINE

Table 5-6 presents the historical share of enplanements by airline at the Airport between OY 2009 and OY 2013. In each year, Delta and Northwest combined maintained a market share of at least 79.3 percent. In each of these years, Spirit had the second highest market share; Spirit's market share steadily increased from 3.8 percent in OY 2009 to 4.8 percent in OY 2013. Other carriers (including their regional affiliates, as applicable) enplaning more than one percent of total Airport enplanements in each year of the period, presented in a descending order based on OY 2013 market share, include Southwest, US Airways, American, United, and AirTran.

Table 5-4: Historical Domestic Originating and Connecting Enplanements

(Calendar Years)

YEAR	DOMESTIC ORIGINATING ENPLANEMENTS	ANNUAL GROWTH	DOMESTIC CONNECTING ENPLANEMENTS	ANNUAL GROWTH	TOTAL DOMESTIC ENPLANED PASSENGERS	ANNUAL GROWTH	ORIGINATING ENPLANEMENT SHARE	CONNECTING ENPLANEMENT SHARE
2004	6,884,460	9.9%	8,316,272	5.2%	15,200,732	7.2%	45.3%	54.7%
2005	7,165,770	4.1%	9,464,995	13.8%	16,630,765	9.4%	43.1%	56.9%
2006	7,297,730	1.8%	9,216,455	(2.6%)	16,514,185	(0.7%)	44.2%	55.8%
2007	7,721,720	5.8%	8,629,815	(6.4%)	16,351,535	(1.0%)	47.2%	52.8%
2008	7,386,420	(4.3%)	8,591,640	(0.4%)	15,978,060	(2.3%)	46.2%	53.8%
2009	6,671,730	(9.7%)	7,718,609	(10.2%)	14,390,339	(9.9%)	46.4%	53.6%
2010	6,566,987	(1.6%)	8,310,099	7.7%	14,877,086	3.4%	44.1%	55.9%
2011	6,761,125	3.0%	8,139,173	(2.1%)	14,900,298	0.2%	45.4%	54.6%
2012	6,743,905	(0.3%)	7,964,675	(2.1%)	14,708,580	(1.3%)	45.9%	54.1%
2013	6,711,168	(0.5%)	8,022,048	0.7%	14,733,216	0.2%	45.6%	54.4%
Compound Annual Growth Rate								
2004 - 2007	3.9%		1.2%		2.5%			
2007 - 2010	(5.3%)		(1.3%)		(3.1%)			
2010 - 2013	0.7%		(1.2%)		(0.3%)			
2004 - 2013	(0.3%)		(0.4%)		(0.3%)			



NOTE: Figures may not add due to rounding.

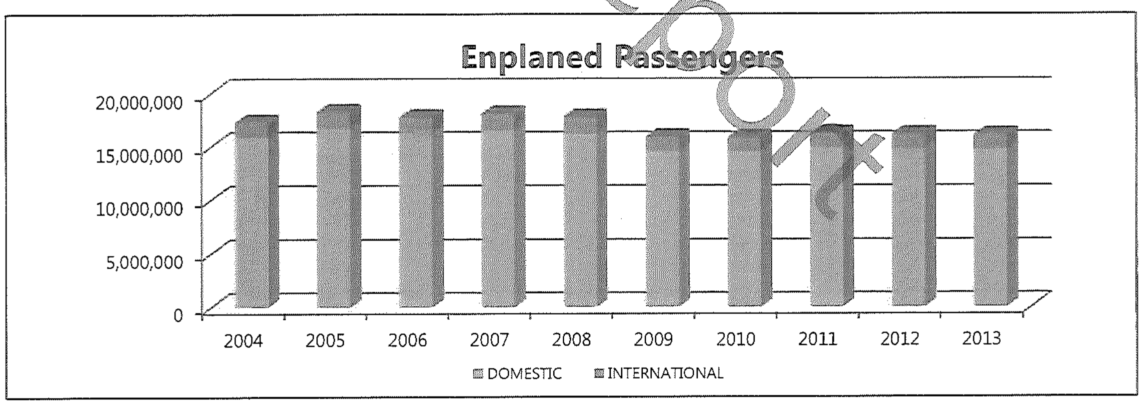
SOURCES: Wayne County Airport Authority, May 2014; US DOT Origin & Destination Survey of Airline Passenger Traffic, 298c Commuter Data, and Airport Activity Statistics of Certificated Route Air Carriers, Schedule T100, May 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

Table 5-5: Historical Domestic and International Enplanements

(Operating Years Ending September 30)

YEAR	DOMESTIC ENPLANEMENTS	ANNUAL GROWTH	INTERNATIONAL ENPLANEMENTS	ANNUAL GROWTH	TOTAL ENPLANED PASSENGERS	ANNUAL GROWTH	INTERNATIONAL ENPLANEMENT SHARE
2004	15,914,882	6.7%	1,401,898	3.0%	17,316,780	6.4%	8.1%
2005	16,758,421	5.3%	1,527,861	9.0%	18,286,282	5.6%	8.4%
2006	16,321,812	(2.6%)	1,478,120	(3.3%)	17,799,932	(2.7%)	8.3%
2007	16,581,322	1.6%	1,526,768	3.3%	18,108,090	1.7%	8.4%
2008	16,271,128	(1.9%)	1,560,103	2.2%	17,831,231	(1.5%)	8.7%
2009	14,622,391	(10.1%)	1,318,741	(15.5%)	15,941,132	(10.6%)	8.3%
2010	14,614,045	(0.1%)	1,262,336	(4.3%)	15,876,381	(0.4%)	8.0%
2011	14,912,532	2.0%	1,313,669	4.1%	16,226,201	2.2%	8.1%
2012	14,802,280	(0.7%)	1,367,304	4.1%	16,169,584	(0.3%)	8.5%
2013	14,665,317	(0.9%)	1,412,335	3.3%	16,077,652	(0.6%)	8.8%
Compound	-1.9%		-1.7%				
Annual Growth Rate							
2004 - 2007	1.4%		2.9%		1.5%		
2007 - 2010	(4.1%)		(6.1%)		(4.3%)		
2010 - 2013	0.1%		3.8%		0.4%		
2004 - 2013	(0.9%)		0.1%		(0.8%)		



SOURCE: Wayne County Airport Authority, May 2014.
PREPARED BY: Ricondo & Associates, Inc., June 2014.

Table 5-6: Historical Total Enplaned Passengers by Airline [1/]

(Operating Years Ending September 30)

	2009		2010		2011		2012		2013	
	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE
Delta/Northwest [2/]										
Northwest Airlines	12,047,782	75.6%	6,989,549	44.0%	-	-	-	-	-	-
Delta Air Lines	664,705	4.2%	5,804,439	36.6%	12,907,512	79.5%	12,829,785	79.3%	12,754,063	79.3%
Subtotal Delta/Northwest	**12,712,487**	**79.7%**	**12,793,988**	**80.6%**	**12,907,512**	**79.5%**	**12,829,785**	**79.3%**	**12,754,063**	**79.3%**
Other Airlines										
Spirit Airlines	608,078	3.8%	570,870	3.6%	718,914	4.4%	734,473	4.5%	777,838	4.8%
Southwest Airlines	523,304	3.3%	553,612	3.5%	611,582	3.8%	645,208	4.0%	657,802	4.1%
US Airways	524,457	3.3%	526,828	3.3%	568,390	3.5%	575,778	3.6%	596,466	3.7%
American Airlines	472,541	3.0%	446,625	2.8%	430,126	2.7%	432,226	2.7%	438,771	2.7%
United Airlines [3/]	519,625	3.3%	485,259	3.1%	461,505	2.8%	437,550	2.7%	407,108	2.5%
AirTran	219,356	1.4%	207,513	1.3%	213,598	1.3%	207,819	1.3%	186,090	1.2%
Frontier Airlines	117,396	0.7%	117,173	0.7%	140,291	0.9%	125,186	0.8%	80,496	0.5%
Air France	55,233	0.3%	70,685	0.4%	76,568	0.5%	82,675	0.5%	77,751	0.5%
Lufthansa	72,884	0.5%	65,568	0.4%	67,952	0.4%	64,854	0.4%	66,977	0.4%
Air Canada (Jazz)	5,965	0.0%	6,875	0.0%	12,340	0.1%	14,887	0.1%	17,156	0.1%
Royal Jordanian	14,822	0.1%	15,258	0.1%	14,051	0.1%	15,143	0.1%	14,334	0.1%
Other [4/]	94,984	0.6%	16,127	0.1%	3,372	0.0%	4,000	0.0%	2,800	0.0%
Subtotal Other Airlines	**3,228,645**	**20.3%**	**3,082,393**	**19.4%**	**3,318,689**	**20.5%**	**3,339,799**	**20.7%**	**3,323,589**	**20.7%**
Airport Total	**15,941,132**	**100.0%**	**15,876,381**	**100.0%**	**16,226,201**	**100.0%**	**16,169,584**	**100.0%**	**16,077,652**	**100.0%**

NOTES: Figures may not add due to rounding.

1/ Includes regional affiliated carriers, as applicable.

2/ Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.

3/ United Airlines and Continental Airlines merged in October 2010, historical enplanements for these carriers are combined in this table.

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

SOURCE: Wayne County Airport Authority, May 2014

PREPARED BY: Ricondo & Associates, Inc., June 2014.

On May 2, 2011, Southwest announced the closing of its acquisition of AirTran Holdings, Inc., the former parent company of AirTran. The FAA granted the airline a single operating certificate on March 1, 2012, allowing Southwest to work toward full integration planned for the end of 2014. For purposes of this Report, they are shown separately on Table 5-6; however, if their respective enplaned passengers are combined over the years presented, they would have the second-highest share of Airport enplanements.

5.4 Historical Air Service

The following discussion of historical air service at the Airport incorporates data related to top domestic and international O&D markets, average airfares, the share of low-cost carrier activity occurring at the Airport, and shifts in the air carrier fleet operating at the Airport. Future activity at the Airport will likely be impacted by these factors and historical trends therein, as well as assumptions regarding future changes impacting air service at the Airport.

5.4.1 O&D MARKETS

An important airport characteristic is the distribution of its O&D markets, which is a function of air travel demands and available services and facilities. **Table 5-7** presents historical data on the Airport's top 20 domestic O&D markets for CY 2013, as measured by the number of passengers. As shown, the top 20 markets accounted for approximately 46 percent of total domestic O&D passengers at the Airport. As of July 2014, each of the top 20 markets had nonstop service from the Airport. As discussed in Chapter 2 of this Report, all of the Airport's top 20 O&D markets are served by a carrier other than Delta and Delta Connection carriers. Although Delta is the primary carrier in all of the 20 top markets, the secondary airlines have 20 percent or greater market share in thirteen markets. There are 15 markets in which Delta accounted for 50 percent or greater of the total O&D passengers.

Table 5-8 presents data on the Airport's top 25 international markets for O&D passengers. Based on this data, Cancun, Mexico is the most popular international destination for the Airport's O&D passengers, serving approximately 155,000 passengers in CY 2012 (the most recent year of available data). Nonstop—including seasonal service—is provided to 21 of these markets. The data presented in Table 5-8 captures only those passengers beginning and ending their trips at the Airport, it does not include data for passengers connecting through the Airport to reach or return from international destinations. In contrast, **Table 5-9** presents a summary of top international markets based on scheduled departing seats (non-stop) for CY 2013. For that period, Amsterdam was the top international market in terms of capacity, with a total of approximately 372,000 scheduled departing seats. As shown in Table 5-9, other European markets (Frankfurt, London, and Paris) and Asian markets (Tokyo, Seoul, and Nagoya) were included in the top 10 markets, with each of these markets having more than 100,000 scheduled departing seats during CY 2013. The large number of departing seats to European and Asian markets reinforces the Airport's important role in connecting passengers to international destinations.

Table 5-7: Top 20 Domestic O&D Markets

(Passengers in thousands for Calendar Year 2013)

RANK	MARKET	TOTAL O&D PASSENGERS	PERCENTAGE OF O&D PASSENGERS	PRIMARY CARRIER	MARKET SHARE	SECONDARY CARRIER	MARKET SHARE	NON-STOP SERVICE
1	New York [1/]	973	7.2%	Delta	54.2%	Spirit	19.5%	●
2	Orlando	744	5.5%	Delta	59.0%	Spirit	23.7%	●
3	Florida South [2/]	743	5.5%	Delta	61.3%	Spirit	25.6%	●
4	Las Vegas	716	5.3%	Delta	49.6%	Spirit	36.0%	●
5	Washington D.C. [4/]	678	5.0%	Delta	67.6%	Southwest	21.7%	●
6	Los Angeles [3/]	677	5.0%	Delta	59.1%	Southwest	12.6%	●
7	Chicago [5/]	510	3.8%	Delta	50.4%	Southwest	21.1%	●
8	Atlanta	465	3.5%	Delta	71.3%	AirTran	22.3%	●
9	Tampa	458	3.4%	Delta	64.3%	Spirit	21.7%	●
10	Dallas [7/]	418	3.1%	Delta	37.1%	American	33.1%	●
11	Denver	417	3.1%	Delta	37.7%	Spirit	20.7%	●
12	San Francisco [6/]	416	3.1%	Delta	67.7%	Southwest	11.7%	●
13	Fort Myers	415	3.1%	Delta	64.9%	Spirit	26.0%	●
14	Phoenix	389	2.9%	Delta	49.4%	US Airways	23.1%	●
15	Houston [8/]	258	1.9%	Delta	37.5%	United	24.9%	●
16	Boston	250	1.9%	Delta	72.8%	US Airways	19.1%	●
17	Nashville	232	1.7%	Delta	65.8%	Southwest	31.5%	●
18	Seattle	209	1.6%	Delta	75.6%	Southwest	8.7%	●
19	San Diego	198	1.5%	Delta	62.0%	Southwest	17.8%	●
20	Minneapolis	198	1.5%	Delta	83.9%	Southwest	7.9%	●
Other O&D Markets		**4,068**	**30.3%**					
Domestic O&D Passengers		**13,432**						
O&D % of Domestic Passengers		**45.6%**						

NOTES: Figures may not add due to rounding.

1/ Includes John F. Kennedy (JFK), LaGuardia (LGA), and Newark, NJ (EWR).

2/ Includes Fort Lauderdale International Airport (FLL) and Miami International Airport (MIA).

3/ Includes Los Angeles International (LAX), Burbank (BUR), Ontario International (ONT), Santa Ana/Orange County (SNA), and Long Beach Municipal (LGB).

4/ Includes Baltimore/Washington International Airport (BWI), Washington Dulles International Airport (IAD), and Washington Reagan National Airport (DCA).

5/ Includes Chicago/O'Hare (ORD) and Chicago/Midway (MDW).

6/ Includes San Francisco International (SFO), Oakland International (OAK) and San Jose International (SJC).

7/ Includes Dallas-Ft. Worth Airport (DFW) and Dallas Love Field (DAL).

8/ Includes Houston Intercontinental (IAH) and Houston Hobby (HOU).

SOURCE: US DOT Origin & Destination Survey of Airline Passenger Traffic, Domestic, May 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

Table 5-8: Top 25 International O&D Markets

(Calendar Year 2012)

RANK	MARKET	CODE	TOTAL INTERNATIONAL O&D PASSENGERS	NON-STOP SERVICE
1	Cancun, Mexico	CUN	155,199	●
2	London (Heathrow), England	LHR	73,343	●
3	Shanghai, China	PVG	63,121	●
4	Frankfurt, Germany	FRA	60,416	●
5	Punta Cana, Dominican Republic	PUJ	54,102	●
6	Mexico City, Mexico	MEX	53,652	●
7	Montego Bay, Jamaica	MBJ	46,904	●
8	Nagoya, Japan	NGO	46,579	●
9	Seoul, South Korea	ICN	45,000	●
10	Tokyo (Narita), Japan	NRT	40,156	●
11	Sao Paulo, Brazil	GRU	36,077	●
12	Paris, France	CDG	34,495	●
13	Rome, Italy	FCO	33,759	●
14	Amsterdam, Netherlands	AMS	31,118	●
15	Nassau, Bahamas	NAS	27,866	●
16	Beijing, China	PEK	27,773	●
17	Monterrey, Mexico	MTY	27,008	●
18	Vancouver, Canada	YVR	25,912	●
19	Los Cabos, Mexico	SJD	24,348	●
20	Puerto Vallarta, Mexico	PVR	24,108	●
21	Montreal, Canada	YUL	22,745	●
22	Aruba, Aruba	AUA	21,444	
23	San Jose, Costa Rica	SJO	21,040	
24	Mumbai, India	BOM	20,112	
25	Hong Kong, China	HKG	19,479	

SOURCES: US DOT Origin & Destination Survey of Airline Passenger Traffic,
Adjusted for Foreign Flag Carriers, May 2014; Wayne County Airport Authority, May 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

Table 5-9: Top 25 International Markets - Scheduled Departing Seats

(Calendar Year 2013)

RANK	MARKET	CODE	REGION/ CONTINENT	TOTAL INTERNATIONAL SCHEDULED SEATS
1	Amsterdam, Netherlands	AMS	Europe	371,509
2	Paris, France	CDG	Europe	191,372
3	Frankfurt, Germany	FRA	Europe	177,330
4	Toronto, Canada	YYZ	Canada	158,064
5	Tokyo (Narita), Japan	NRT	Asia	130,746
6	Nagoya, Japan	NGO	Asia	121,319
7	Seoul, Korea	ICN	Asia	111,077
8	Shanghai, China	PVG	Asia	95,495
9	Beijing, China	PEK	Asia	94,957
10	London (Heathrow), England	LHR	Europe	88,314
11	Cancun, Mexico	CUN	Mexico	80,962
12	Montreal, Canada	YUL	Canada	80,876
13	Sao Paulo, Brazil	GRU	South America	77,105
14	Mexico City, Mexico	MEX	Mexico	65,526
15	Ottawa, Canada	YOW	Canada	41,850
16	Monterrey, Mexico	MTY	Mexico	29,850
17	Rome, Italy	FCO	Europe	27,714
18	Puerto Vallarta, Mexico	PVR	Mexico	8,497
19	Amman, Jordan	AMM	Middle East	8,306
20	Halifax, Canada	YHZ	Canada	5,471
21	Montego Bay, Jamaica	MBJ	Caribbean	5,294
22	Quebec City, Canada	YQB	Canada	4,350
23	Los Cabos, Mexico	SJD	Mexico	3,362
24	Punta Cana, Dominican Republic	PUJ	Caribbean	2,880
25	Grand Cayman Islands, West Indies	GCM	Caribbean	2,448

Totals By Region/Continent	
Europe	856,239
Asia	553,594
Canada	290,611
Mexico	188,197
South America	77,105
Caribbean	10,622
Middle East	8,306

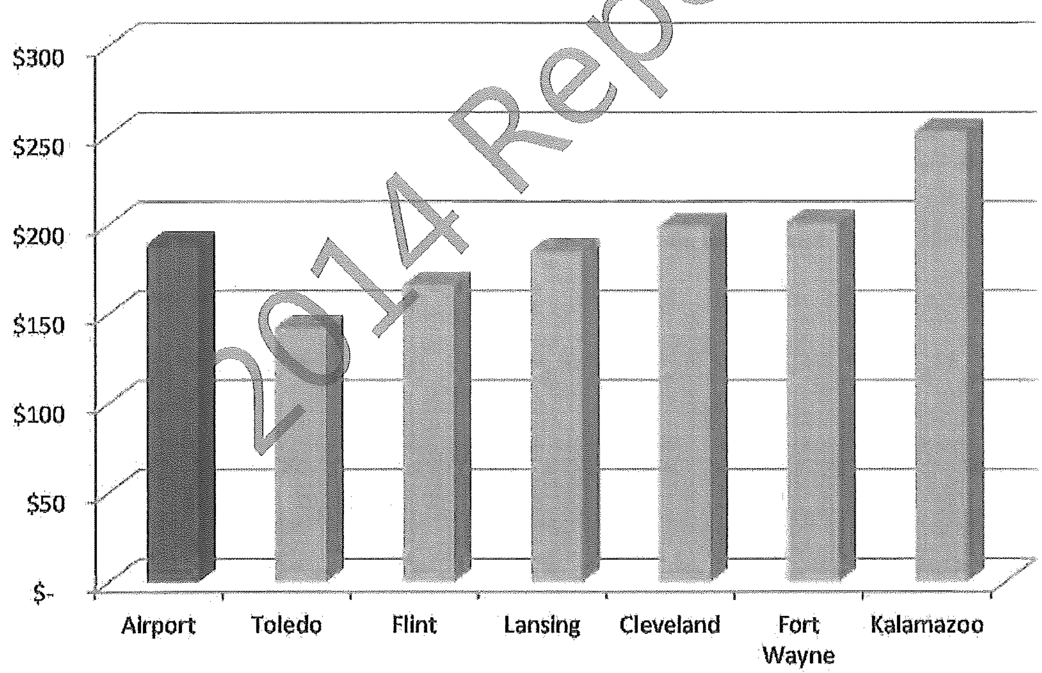
SOURCE: Innovata, May 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

5.4.2 AIRFARE AND AIRLINE YIELDS

In addition to the availability of service to meet the domestic and international O&D demand of the market area, air service at an airport can also be characterized by the availability of competitive air fares and airline yields. At airports where hubbing carriers maintain a significant market share of activity, such as at the Airport, service provided by low-cost carriers can complement overall air service and also stimulate demand. **Exhibit 5-1** below provides a comparison of average domestic one-way airfares at the Airport and other airports located within or near its Air Trade Area, as previously defined in Chapter 2. As presented, the Airport compares relatively favorably with these airports, as it is the fourth lowest average domestic fare, while Toledo Express Airport (Toledo) has the lowest domestic fare of the comparison group. (See Section 2.2 for a discussion of these airports, their location, and the relative level of scheduled air carrier service provided at each). Contributing to the relatively competitive airfares at the Airport, as compared to the other airports presented in the chart, is the growth in low-cost carrier activity and airline competition on several of the major O&D routes.

Exhibit 5-1: Average Outbound Domestic Fares - CY 2013



SOURCE: US DOT Origin & Destination Survey of Airline Passenger Traffic, May 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

Table 5-10 provides a comparison of average outbound domestic fares and yields for CY 2013 for U.S. East/West airline hub airports identified as peer airports in Chapter 2. As shown, the Airport has the fifth highest average outbound domestic fare. Based on these comparisons, competitive airfares are offered at the Airport as compared to airports both in the local region and peer connecting hub airports throughout the U.S. Being the largest airport in the region with a high degree of nonstop air service and competitive fares, the Airport appears to be price competitive for both local and connecting passengers. The Airport also compares similarly in terms of domestic yield per coupon mile which considers trip length. In this comparison, the Airport is the sixth lowest among the airports in Table 5-10.

As shown in **Table 5-11**, when comparing the first half of CY 2008 and the first half of CY 2013 periods, Delta's average yield per coupon mile for outbound domestic O&D travelers at the Airport has increased by approximately 18.1 percent, significantly more than at any of the other Delta hubs. Based on this metric, Delta appears to be operating domestic flights more profitably out of the Airport as compared to the pre-merger period. Given that international flights tend to be more profitable than domestic flights, it is also reasonable to assume that Delta's international yields from the Airport have increased at a similar or greater rate.

5.4.3 LOW-COST CARRIERS

Table 5-12 presents historical data on enplanements by low-cost carriers at the Airport between OY 2004 and OY 2013. As shown, from OY 2004 to OY 2007, low-cost carrier enplanements increased by a CAGR of 13.3 percent, while total Airport enplanements increased by a CAGR of 1.5 percent. As a result of the higher low-cost carrier enplanement growth rates compared to the growth rates of total Airport enplanements experienced from OY 2004 to OY 2007, the share of low-cost carrier enplanements at the Airport increased from 7.6 percent in OY 2004 to 10.6 percent in OY 2007. Growth in low-cost carrier enplanements at the Airport for this period was primarily attributable to growth in Spirit and Southwest enplanements, and the initiation of service by Frontier and AirTran. From OY 2008 to OY 2010, the low-cost carrier market share retrenched from the peak in OY 2007, but increased to 10.4 percent in OY 2011. In OY 2012 and OY 2013, low-cost carrier enplanements have recovered to the OY 2007 level of 10.6 percent, well above the OY 2004 level of 7.6 percent. Overall, from OY 2004 to OY 2013, low-cost carrier enplanements increased at a CAGR of 2.9 percent, while total Airport enplanements decreased at a CAGR of 0.8 percent.

The Air Trade Area's relatively large O&D passenger base and its geographical position are two major factors in the Airport's appeal to low-cost carriers. In general, low-cost carriers are more prone to operate on a point-to-point basis (as opposed to a hub-and-spoke network); therefore, local passenger demand is key to determining route decisions, as low-cost carriers generally do not have the added support of connecting traffic. Additionally, the Airport's generally central geographic position within the U.S. contributes to it being able to support several medium-to-short haul routes to other large O&D areas domestically, which is relatively compatible for typical low-cost carrier fleet types.

Table 5-10: Comparison of U.S. East/West Airline Hub Airports

(CY 2013)

AIRPORT	AVERAGE OUTBOUND DOMESTIC FARE 1/	OUTBOUND DOMESTIC YIELD PER COUPON MILE
Denver (DEN)	$150.60	$0.1476
Phoenix (PHX)	$165.00	$0.1407
Atlanta (ATL)	$168.24	$0.1822
Charlotte (CLT)	$184.84	$0.1964
Chicago - O'Hare (ORD)	$185.72	$0.1707
Dallas - Fort Worth (DFW)	$185.87	$0.1692
Salt Lake City (SLC)	$187.47	$0.1660
Detroit (DTW)	**$189.98**	**$0.1734**
Minneapolis - St. Paul (MSP)	$190.81	$0.1783
Cleveland (CLE)	$200.12	$0.1892
Houston - George Bush (IAH)	$218.26	$0.1945
Cincinnati (CVG)	$222.41	$0.2156

NOTE:

1/ Includes zero-fares, but excludes non-revenue passengers.

SOURCE: US DOT Origin & Destination Survey of Airline Passenger Traffic, May 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

Table 5-11: Delta Yield Comparison

AIRPORT	FIRST HALF CY 2008	FIRST HALF CY 2013	CHANGE 1/
Delta Average Yield per Coupon Mile for Outbound Domestic O&D Travelers at Delta Hubs			
Atlanta (ATL)	$0.185	$0.180	-3.0%
Detroit (DTW)	**$0.146**	**$0.172**	**18.1%**
Minneapolis - St. Paul (MSP)	$0.206	$0.175	-14.9%
Salt Lake City (SLC)	$0.143	$0.163	13.9%
New York (JFK)	$0.113	$0.125	10.9%
Cincinnati (CVG)	$0.261	$0.216	-17.3%

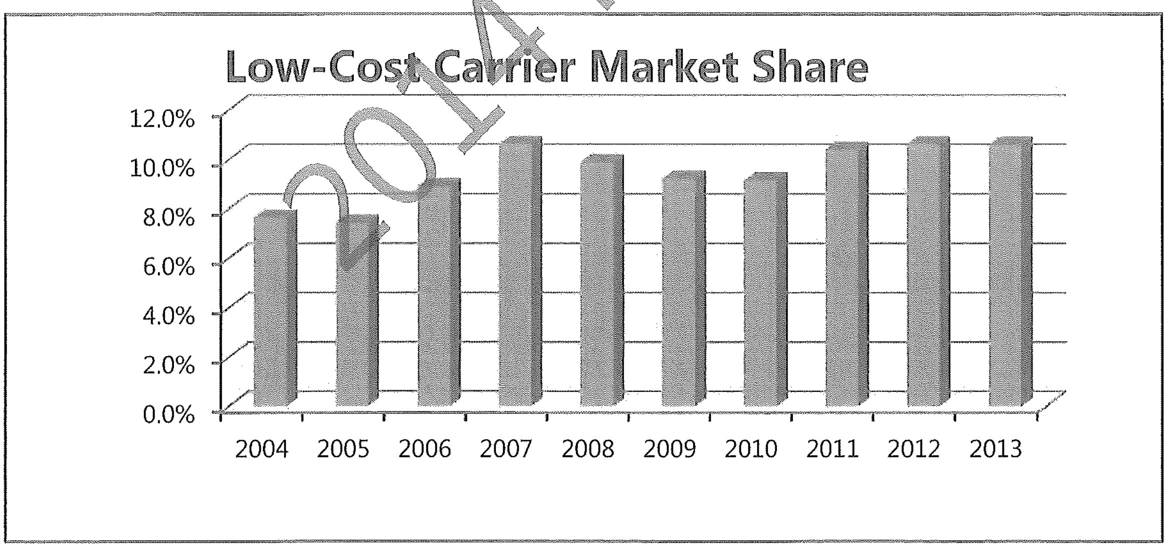
NOTE:
1/ Percentage change in average yield per coupon mile.

SOURCE: US DOT Origin & Destination Survey of Airline Passenger Traffic, May 2014.
PREPARED BY: Ricondo & Associates, Inc., June 2014.

Table 5-12: Historical Low-Cost Carrier Market Share [1/]

(In Thousands for Operating Years ending September 30)

YEAR	LOW COST CARRIER ENPLANEMENTS	ANNUAL GROWTH	TOTAL AIRPORT ENPLANEMENTS	TOTAL AIRPORT GROWTH	LCC MARKET SHARE
2004	1,320	(2.1%)	17,317	6.4%	7.6%
2005	1,358	2.8%	18,286	5.6%	7.4%
2006	1,583	16.6%	17,800	(2.7%)	8.9%
2007	1,920	21.3%	18,108	1.7%	10.6%
2008	1,761	(8.3%)	17,831	(1.5%)	9.9%
2009	1,468	(16.6%)	15,941	(10.6%)	9.2%
2010	1,449	(1.3%)	15,876	(0.4%)	9.1%
2011	1,684	16.2%	16,226	2.2%	10.4%
2012	1,713	1.7%	16,170	(0.3%)	10.6%
2013	1,702	(0.6%)	16,078	(0.6%)	10.6%
Compound Annual Growth Rate					
2004 - 2007	13.3%		1.5%		
2007 - 2010	(9.0%)		(4.3%)		
2010 - 2013	5.5%		0.4%		
2004 - 2013	2.9%		(0.8%)		



NOTE: Figures may not add due to rounding.

1/ Low-Cost Carriers Include AirTran, American Trans Air, Frontier, Independence Air, Southwest, and Spirit Airlines.

SOURCE: Wayne County Airport Authority, May 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

5.4.4 MAINLINE AND REGIONAL TRAFFIC

In addition to the recent growth in low-cost carrier enplanements at the Airport, historical data illustrates a shift in the makeup of the air carrier fleet operating at the Airport. **Table 5-13** presents air carrier enplanements by mainline aircraft, those aircraft having greater than 90 seats, and regional aircraft for the period of OY 2004 through OY 2013. As shown, regional enplanements increased at a CAGR of 10.0 percent over the period, while mainline enplanements decreased at a compound annual rate of 4.0 percent. With the exception of OY 2013, regional enplanements at the Airport increased in every year of the period, experiencing year-over-year increases ranging from 0.9 percent in OY 2007 as compared to OY 2006 to 29.9 percent in OY 2005 as compared to OY 2004. Higher regional enplanement growth rates over the period resulted in the share of regional enplanements at the Airport increasing from 14.0 percent in OY 2004 to 37.5 percent in OY 2012. In OY 2013, regional enplanements decreased 5.4 percent along with the share of regional enplanements to 35.7 percent. With the exception of OY 2013, regional enplanement growth at the Airport reflects a similar nationwide trend in which legacy mainline carriers are increasing the amount of service provided by affiliated regional carriers operating regional aircraft, such as 50- to 70-seat regional jet aircraft. In OY 2013, Delta initiated a five year plan in which the carrier plans to transition away from smaller regional aircraft (50 seats and fewer) to increased mainline operations and, to a lesser extent, larger regional jet aircraft.

5.5 Historical Aircraft Operations and Landed Weight

Table 5-14 presents historical aircraft operations at the Airport between OY 2004 and OY 2013. The categories of aircraft operations shown conform to categories compiled by the FAA. Overall, total aircraft operations have decreased at the Airport at a compound annual rate of 2.1 percent over the period presented. More specifically, air carrier operations peaked at 327,682 operations in OY 2004 and have since decreased each year, equaling 191,893 operations in OY 2011. The decreases in air carrier operations during this period are mainly attributed to legacy mainline carriers shifting service to smaller 50-seat regional jets (defined as Air Taxi[5]) and consolidation of overlapping routes during the Delta and Northwest merger. From OY 2011 to OY 2013, air carrier operations reversed the historical downward trend and increased from 191,893 operations to 228,398 operations, or at a CAGR of 9.1 percent. As noted earlier, Delta's plan to increase aircraft gauge from smaller less economical regional jets to larger air carrier regional jets (60+ seating capacity) and mainline aircraft is the primary reason for the recent increased air carrier operations.[6]

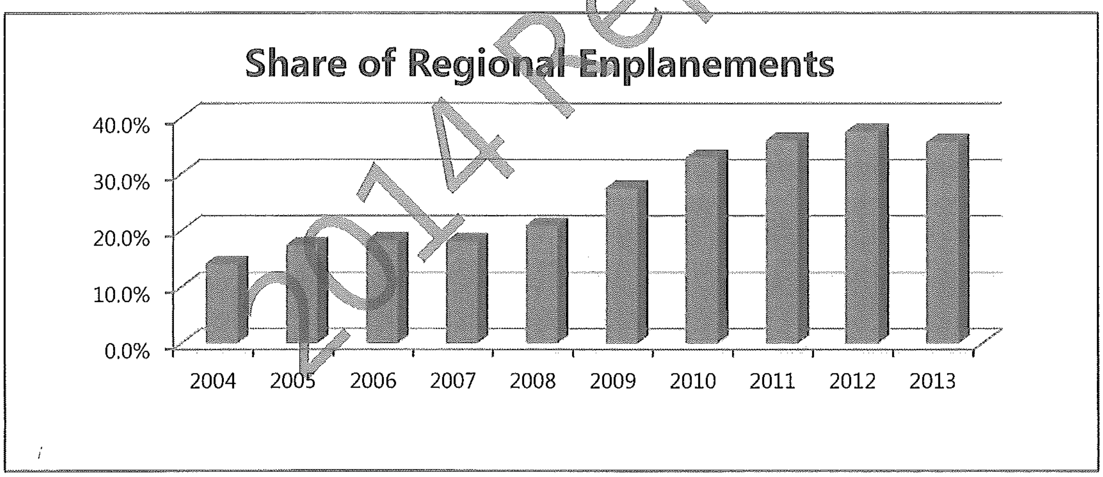
5 Air taxi operations are defined by the FAA as an aircraft with seating capacity of less than 60 seats or a maximum payload capacity of less than 18,000 pounds carrying passengers or cargo for hire or compensation. This includes US and foreign flagged carriers.

6 Air carrier operations are defined as an aircraft with seating capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds carrying passengers or cargo for hire or compensation. This includes US and foreign flagged carriers.

Table 5-13: Historical Air Carrier Enplanements - Mainline vs. Regional

(In Thousands for Operating Years ending September 30)

YEAR	MAINLINE ENPLANEMENTS	ANNUAL GROWTH	REGIONAL ENPLANEMENTS	ANNUAL GROWTH	TOTAL ENPLANEMENTS	ANNUAL GROWTH	REGIONAL SHARE
2004	14,884	4.8%	2,432	17.0%	17,317	6.4%	14.0%
2005	15,126	1.6%	3,161	29.9%	18,286	5.6%	17.3%
2006	14,570	(3.7%)	3,230	2.2%	17,800	(2.7%)	18.1%
2007	14,848	1.9%	3,260	0.9%	18,108	1.7%	18.0%
2008	14,127	(4.9%)	3,705	13.6%	17,831	(1.5%)	20.8%
2009	11,567	(18.1%)	4,375	18.1%	15,941	(10.6%)	27.4%
2010	10,651	(7.9%)	5,225	19.4%	15,876	(0.4%)	32.9%
2011	10,390	(2.5%)	5,836	11.7%	16,226	2.2%	36.0%
2012	10,111	(2.7%)	6,059	3.8%	16,170	(0.3%)	37.5%
2013	10,345	2.3%	5,733	(5.4%)	16,078	(0.6%)	35.7%
Compounded Annual Growth Rate							
2004 - 2007	(0.1%)		10.3%		1.5%		
2007 - 2010	(10.5%)		17.0%		(4.3%)		
2010 - 2013	(1.0%)		3.1%		0.4%		
2004 - 2013	(4.0%)		10.0%		(0.8%)		



NOTE: Figures may not add due to rounding.

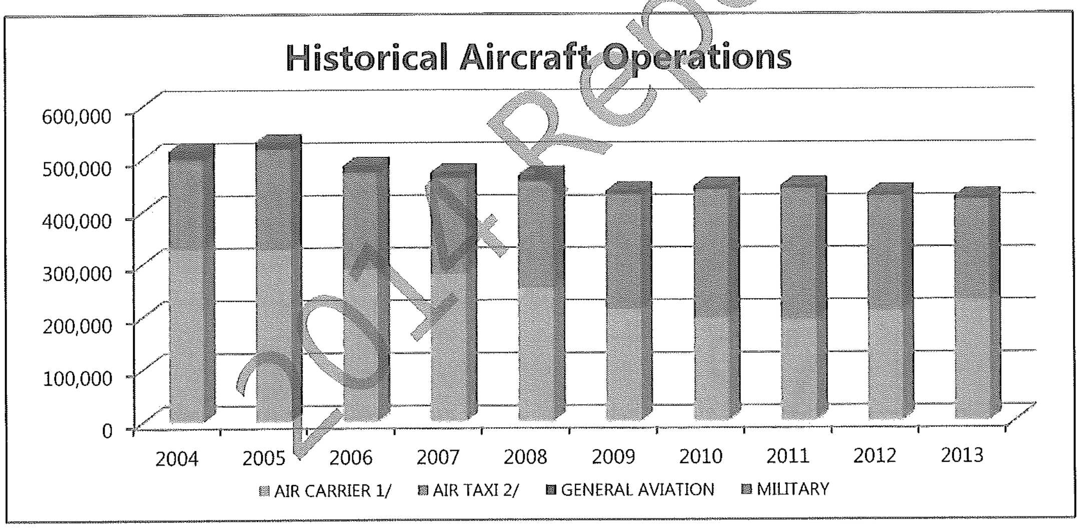
SOURCE: Wayne County Airport Authority, June 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

Table 5-14: Historical Aircraft Operations

(Operating Years ending September 30)

YEAR	AIR CARRIER 1/	AIR TAXI 2/	GENERAL AVIATION	MILITARY	TOTAL	GROWTH
2004	327,682	171,268	15,526	184	514,660	5.5%
2005	325,415	191,394	13,599	229	530,637	3.1%
2006	287,793	185,109	12,280	91	485,273	(8.5%)
2007	280,062	181,025	11,335	100	472,522	(2.6%)
2008	253,024	203,629	10,580	153	467,386	(1.1%)
2009	211,998	218,172	7,006	140	437,316	(6.4%)
2010	195,916	242,697	6,777	110	445,500	1.9%
2011	191,893	248,390	6,662	100	447,045	0.3%
2012	208,358	217,951	6,127	247	432,683	(3.2%)
2013	228,398	191,274	5,855	96	425,623	(1.6%)
Compound Annual Growth Rate						
2004 - 2007	(5.1%)	1.9%	(10.0%)	(18.4%)	(2.8%)	
2007 - 2010	(11.2%)	10.3%	(15.8%)	3.2%	(1.9%)	
2010 - 2013	5.2%	(7.6%)	(4.8%)	(4.4%)	(1.5%)	
2004 - 2013	(3.9%)	1.2%	(10.3%)	(7.0%)	(2.1%)	



NOTES:

1/ Aircraft with seating capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds carrying passengers or cargo for hire or compensation.

2/ Aircraft designed to have a seating capacity of 60 seats or less or a maximum payload capacity of 18,000 pounds or less carrying passengers or cargo for hire or compensation.

SOURCE: Wayne Couny Airport Authority (FAA ATADS), May 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

Two all-cargo carriers operate at the Airport: FedEx and United Parcel Service. DHL, an all-cargo carrier previously operated at the Airport, but ceased operations in June 2009. Additionally, passenger airlines also carry "belly cargo" to and from the Airport. **Table 5-15** presents the historical airline cargo tonnage at the Airport for the period OY 2004 through OY 2013. As shown, total airline cargo over this period has increased at a compound annual rate of 0.1 percent. In addition, total airline cargo at the Airport decreased 30.4 percent in OY 2009 from OY 2008 levels, primarily due to Delta's corporate decision to decrease Northwest Cargo activity systemwide following their merger. As economic growth returned, total airline cargo increased year-over-year from a low of 72.3 tons in OY 2009 to 94.0 tons in OY 2013, or at a CAGR of 6.8 percent.

Table 5-16 presents the historical share of landed weight by commercial airlines at the Airport between OY 2009 and OY 2013. As shown, total landed weight for the commercial airlines has decreased over this period from 20.4 million thousand-pound units to 19.9 million thousand-pound units, reflecting the decrease in operations. Similar to the enplanement share, Delta and Northwest along with their regional affiliates consistently accounted for over 78 to 79 percent of the Airport's total landed weight over the period presented. The all-cargo carriers accounted for approximately 3 percent of the Airport's total landed weight between OY 2009 and OY 2013.

5.6 Delta Air Lines

Given that the Airport is a key connecting hub and one of the primary international gateways in the Delta Air Lines system, and that Delta along with Delta Connection Carriers enplanes approximately 80 percent of the Airport's enplaned passengers, Delta's business decisions regarding its system network are likely to impact activity at the Airport. While it is impossible to accurately predict all changes that may occur in Delta's route network, an examination of the recent decisions may be indicators of Delta's plans for the future.

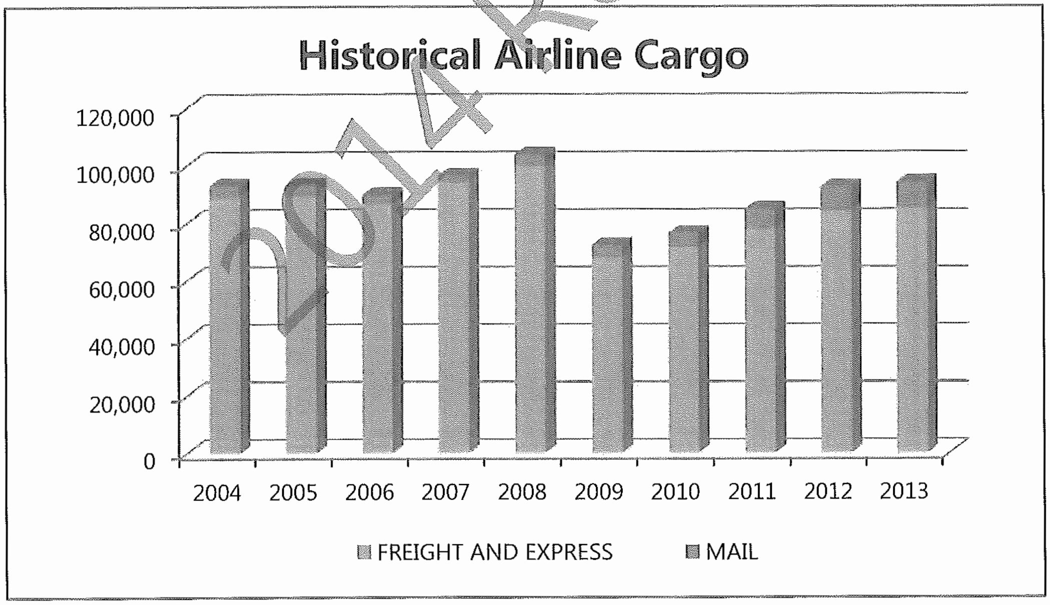
5.6.1 DELTA OVERVIEW

In the 1930s, Delta began service on a single air mail route and since then has grown to one of the largest airlines in the world handling approximately 165 million passengers annually and over 15,000 daily flights on a fleet of more than 700 aircraft. Delta's global route network provides a presence in every major domestic and international market. Delta's route network is centered on a system of hub and international gateway airports that they operate in Amsterdam, Atlanta, Cincinnati, Detroit, Minneapolis-St. Paul, New York-JFK, Paris-Charles de Gaulle, Salt Lake City, Seattle and Tokyo-Narita. Each of these hub operations includes flights that gather and distribute traffic from markets in the geographic region surrounding the hub or gateway to domestic and international cities and to other hubs or gateways. The network is supported by a fleet of aircraft that is varied in terms of size and capabilities, giving flexibility to adjust aircraft to the network.

Table 5-15: Historical Airline Cargo

(Tons of Cargo for Operating Years ending September 30)

YEAR	FREIGHT AND EXPRESS	MAIL	TOTAL	GROWTH
2004	88,994	3,949	92,943	(6.4%)
2005	89,223	3,866	93,089	0.2%
2006	86,515	3,186	89,701	(3.6%)
2007 1/	94,226	2,253	96,479	7.6%
2008	99,578	4,225	103,803	7.6%
2009	68,021	4,264	72,285	(30.4%)
2010	71,409	4,950	76,359	5.6%
2011	77,756	6,973	84,729	11.0%
2012	84,072	8,267	92,339	9.0%
2013	85,072	8,965	94,037	1.8%
Compound Annual Growth Rate				
2004 - 2007	1.9%	(17.1%)	1.3%	
2007 - 2010	(8.8%)	30.0%	(7.5%)	
2010 - 2013	6.0%	21.9%	7.2%	
2004 - 2013	(0.5%)	9.5%	0.1%	



NOTE:

1/ Lufthansa Airlines' cargo was reported for the first time in October 2007 covering the period from February 2007 to September 2007. Prior year data is unavailable for comparison.

SOURCE: Wayne Couny Airport Authority, May 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014

Table 5-16: Historical Landed Weight by Airline [1/]

(Weight in 1,000-Pound Units for Operating Years ending September 30)

	2009		2010		2011		2012		2013	
	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE
Delta/Northwest [2/]										
Northwest	15,482,220	73.7%	8,742,400	43.3%	-	-	-	-	-	-
Delta	786,203	3.7%	7,155,870	35.5%	16,322,310	78.0%	16,000,145	77.6%	16,025,705	77.7%
Subtotal Delta/Northwest	**16,268,423**	**77.5%**	**15,898,270**	**78.8%**	**16,322,310**	**78.0%**	**16,000,145**	**77.6%**	**16,025,705**	**77.7%**
Other Airlines										
Spirit Airlines	690,048	3.3%	637,083	3.2%	752,623	3.6%	749,026	3.6%	765,188	3.7%
Southwest Airlines	706,040	3.4%	668,576	3.3%	732,074	3.5%	718,796	3.5%	757,434	3.7%
US Airways	606,233	2.9%	616,576	3.1%	668,751	3.2%	694,341	3.4%	704,005	3.4%
American	554,695	2.6%	505,541	2.5%	499,700	2.4%	495,528	2.4%	518,056	2.5%
United [3/]	664,531	3.2%	576,334	2.9%	571,845	2.7%	534,261	2.6%	484,321	2.3%
Federal Express	374,202	1.8%	361,807	1.8%	409,567	2.0%	461,450	2.2%	446,450	2.2%
AirTran	240,496	1.1%	225,504	1.1%	241,608	1.2%	223,800	1.1%	211,760	1.0%
Lufthansa	174,062	0.8%	142,243	0.7%	147,477	0.7%	178,180	0.9%	205,586	1.0%
United Parcel Service	171,687	0.8%	171,234	0.8%	171,832	0.8%	168,483	0.8%	167,762	0.8%
Air France	122,641	0.6%	138,582	0.7%	146,476	0.7%	146,639	0.7%	142,397	0.7%
Frontier Airlines	140,742	0.7%	126,776	0.6%	143,844	0.7%	124,080	0.6%	84,124	0.4%
Royal Jordanian	42,294	0.2%	41,097	0.2%	40,698	0.2%	40,244	0.2%	42,452	0.2%
Air Canada	21,049	0.1%	14,506	0.1%	20,334	0.1%	25,137	0.1%	30,193	0.1%
Other [4/]	227,503	1.1%	43,134	0.2%	54,574	0.3%	48,241	0.2%	41,958	0.2%
Subtotal Other Airlines	**4,736,223**	**22.5%**	**4,268,995**	**21.2%**	**4,601,403**	**22.0%**	**4,608,206**	**22.4%**	**4,601,686**	**22.3%**
Total Airlines	**21,004,646**	**100.0%**	**20,167,265**	**100.0%**	**20,923,713**	**100.0%**	**20,608,351**	**100.0%**	**20,627,391**	**100.0%**

NOTES:

1/ Includes regional affiliated carriers, as applicable.

2/ Northwest merged with Delta and the FAA granted a single operating certificate to Delta on December 31, 2009.

3/ United Airlines and Continental Airlines merged in October 2010, historical enplanements for these carriers are combined in this table.

4/ Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2013.

SOURCE: Wayne County Airport Authority, May 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

5.6.2 DELTA'S FLEET MIX

Regarding both seat capacity and customer service, recent and scheduled changes in Delta's fleet mix represent a significant investment in its hub at the Airport. Delta and Delta Connection carriers have taken steps to increase average capacity per departure, increase customer comfort, and improve operating efficiencies through a combination of aircraft orders, renovations, and retirements. Delta's larger and more efficient aircraft will likely lead to minimal (if any) operational growth, yet will give the carrier the ability to meet increases in passenger demand. According to Delta, this upgauging to two-class service will provide more capacity at the Airport; moreover, the newer or larger aircraft will offer a material improvement in customer service to passengers flying in and out of the Airport.

In 2013, Delta began to accept deliveries on 100 Boeing 737-900ER aircraft. Final delivery of these aircraft is scheduled for 2018. In 2013, Delta also negotiated with Southwest to lease Air Tran's fleet of Boeing 717 which consisted of 88 aircraft. Delivery began in September 2013 and the final aircraft is scheduled to be delivered in 2015. Further, on June 2, 2014, Delta announced that it will purchase 15 additional Airbus 321 aircraft with delivery scheduled to begin in 2016. These new aircraft will be configured with 192 seats. The primary purpose of the Airbus 321 and Boeing 737-900ER purchases is to replace the older Boeing 757-200 aircraft. Overall, Delta has 174 new aircraft commitments among the Airbus 321, Airbus 330, Boeing 787, Boeing 737, and Canadair Regional Jet series and holds an additional 93 options. The scheduled upgauging of aircraft at the Airport, as well as this investment in new aircraft, represents a modernization of the fleet at the Detroit hub and Delta's overall network.

5.6.3 DELTA'S HUB SYSTEM

As discussed earlier, Delta and the Delta Connection Carriers accounted for nearly 80 percent of the Airport's total enplanements in CY 2013. This section provides a general overview of how Delta utilizes the Airport in its system network and provides comparisons of the Airport to Delta's other domestic airport hubs.

Delta's current system network consists of the following domestic hub airports: the Airport (DTW), Cincinnati/Northern Kentucky International Airport (CVG), Hartsfield-Jackson Atlanta International Airport (ATL), New York John F Kennedy (JFK), Minneapolis-St. Paul (MSP), and Salt Lake City International Airport (SLC). Delta officially closed its Memphis hub operations in June 2013. As a result, Memphis experienced a significant reduction in seating and departure capacity. In addition, Delta has continued to reduce seating capacity at CVG for the past ten years from approximately 16.1 million in CY 2004 to 2.7 million in CY 2013. **Table 5-17** lists the top 15 domestic airports within Delta's route network for OY 2013. As shown in Table 5-17, the Airport enplaned 8.2 percent of Delta's total enplaned passengers.[7]

7 Total enplaned passengers are revenue passengers only and may differ from actual passenger totals reported at individual airports.

Table 5-17: OY 2013 Ranking of Delta Activity at U.S. Domestic Airports within Delta's Route Network [1/]

		DELTA												
			DOMESTIC				INTERNATIONAL							
AIRPORT	TOTAL AIRPORT ENPLANED PASSENGERS	TOTAL ENPLANED PASSENGERS	PASSENGER RANK	SHARE PERCENT	ENPLANED PASSENGERS	PASSENGER RANK	ENPLANED PASSENGERS	INTERNATIONAL PASSENGER RANK	SHARE PERCENT	SCHEDULED DEPARTING SEATS	SEAT RANK	SCHEDULED DEPARTURES	DEPARTURE RANK
Atlanta (ATL)	45,515,094	36,218,034	1	23.8%	32,183,930	1	4,034,104	1	36.3%	43,847,657	1	340,098	1
Detroit (DTW)	**15,691,594**	**12,431,568**	**2**	**8.2%**	**11,024,620**	**2**	**1,406,948**	**3**	**12.7%**	**15,620,678**	**2**	**168,556**	**2**
Minneapolis - St. Paul (MSP)	16,214,424	12,233,613	3	8.0%	11,257,056	3	976,557	4	8.8%	15,135,647	3	147,419	3
Salt Lake City (SLC)	9,708,004	7,138,349	4	4.7%	6,976,652	4	161,697	10	1.5%	8,508,705	4	88,706	4
New York (JFK)	24,787,416	5,790,223	5	3.8%	3,644,731	5	2,145,492	2	19.3%	7,341,467	6	56,312	6
New York (LGA)	13,228,673	5,309,970	6	3.5%	5,185,614	6	124,356	11	1.1%	7,797,388	5	86,839	5
Los Angeles (LAX)	32,593,424	4,489,331	7	3.0%	4,135,373	7	353,958	7	3.2%	5,255,920	7	36,532	7
Orlando (MCO)	16,965,911	2,659,619	8	1.7%	2,654,209	8	5,410	20	0.0%	3,062,251	8	17,662	13
Cincinnati (CVG)	2,780,732	2,100,114	9	1.4%	2,022,316	9	77,798	15	0.7%	2,792,622	9	35,089	8
Boston (BOS)	14,558,373	2,087,780	10	1.4%	1,827,385	10	260,395	9	2.3%	2,705,580	10	23,371	10
Seattle (SEA)	16,631,238	2,005,842	11	1.3%	1,601,119	11	404,723	6	3.6%	2,309,821	12	12,092	19
Las Vegas (LAS)	20,283,466	1,988,247	12	1.3%	1,988,078	12	169	33	0.0%	2,303,173	13	14,500	15
Memphis (MEM)	2,506,955	1,837,267	13	1.2%	1,835,339	13	1,928	26	0.0%	2,390,409	11	29,120	9
San Francisco (SFO)	21,585,785	1,681,211	14	1.1%	1,626,584	14	54,627	16	0.5%	1,979,807	15	13,658	17
Fort Lauderdale (FLL)	11,512,297	1,445,819	15	1.0%	1,445,819	15	-	-	0.0%	1,762,580	16	10,643	28
Delta Total		152,086,358			140,969,556		11,116,802			189,839,417		1,804,215	

NOTE:
1/ Inclusive of Delta Air Lines and Delta Connections domestic and international activity. Revenue passengers only and sorted by Delta total passengers.

SOURCE: US DOT T100, accessed through Innovata, June 2014
PREPARED BY: Ricondo & Associates, Inc., June 2014.

Overall in CY 2013, when measured based on activity by Delta and Delta Connection Carriers, the Airport was one of Delta's busiest airport in terms of total enplaned passengers, scheduled departing seats, and scheduled departures. For the first half of CY 2014, based on scheduled departures the Airport has the third highest domestic departing seat capacity in the Delta system. The Airport is also in the top three in Delta international departing seat capacity. **Table 5-18** and **Exhibit 5-2** compare the first half of CY 2013 and CY 2014 departing seat capacity at Delta's domestic hub airports as well as Los Angeles (LAX) and Seattle-Tacoma International (SEA) where Delta has recently increased capacity.

As shown, on a system-wide basis, Delta's first half of CY 2014 scheduled departing seat capacity is 0.7 percent higher than the first half of CY 2013. Other key data presented in Table 2-5 can be summarized as follows:

- ATL remains the largest Delta hub in terms of departing seat capacity and departures. Departing seat capacity was scheduled to increase 1.8 percent in the first half of CY 2014 compared to the first half of CY 2013.
- In the first half of CY 2014, MSP was scheduled to increase 0.4 percent compared to the first half of CY 2013 aligning MSP with the Airport in departing seat capacity for the first half of CY 2014.
- The Airport's departing seat capacity was scheduled to decrease from 7.7 million seats in the first half of CY 2013 to 7.4 million seats in the first half of CY 2014, a decrease of 3.5 percent. The decrease is in part the result of Delta's decisions to right-size aircraft to routes, but an increase is expected following completion of the upgauging discussed in Section 5.6.2.
- SLC's departing seat capacity was scheduled to increase to 4.2 million departing seats in the first half of CY 2014, or 1.0 percent over the comparable period in 2013.
- A significant increase (greater than 10.0 percent) in departing seat capacity was scheduled for JFK (11.1 percent), LAX (21.0 percent), and SEA (28.7 percent) in the first half of CY 2014 compared to the first half of CY 2013. The primary reason for increased capacity at these three airports was Delta's increased international expansion in these markets. CVG departing seat capacity was scheduled to decrease 10.0 percent in the first half of CY 2014 from the first half of CY 2013.

5.6.4 DELTA OUTLOOK AND GUIDANCE

According to Delta's 2013 Investor Presentation, Delta noted discipline in capacity growth of 0 to 2 percent in 2014. Domestic, Atlantic, and Pacific capacity is projected to be below regional GDP forecasts with growth focused in Latin America. The following is a summary of points made by Delta in its presentation:

- Domestic (59% of Total Capacity) – Capacity changes will be focused on right-sizing aircraft to the route with a goal of increasing load factors.
- Atlantic (20% of Total Capacity) – Delta is expecting stable capacity trends in 2014 with additions in London and Virgin Atlantic joint venture.
- Pacific (12% of Total Capacity) – Delta is expecting stable capacity trends with the exception of building SEA as an additional Asian gateway.
- Latin America (9% of Total Capacity) – Delta is planning increased capacity with market additions aimed at enhancing partnerships.

Table 5-18: Delta Scheduled Departing Seat Comparison

	FIRST HALF CY 2013	FIRST HALF CY 2014	CHANGE 1/
Delta and Delta Connection's Scheduled Departing Seats			
Domestic	86,771,066	87,375,015	0.7%
International	6,652,810	7,137,359	7.3%
Total	93,423,876	94,512,374	1.2%
Delta and Delta Connection's Scheduled Departing Seats at select Airports (sorted based on CY 2014)			
Atlanta (ATL)	21,779,760	22,179,316	1.8%
Minneapolis - St. Paul (MSP)	7,400,755	7,432,867	0.4%
Detroit (DTW)	**7,693,812**	**7,426,038**	**-3.5%**
Salt Lake City (SLC)	4,172,539	4,213,139	1.0%
New York (JFK)	3,480,793	3,867,747	11.1%
Los Angeles (LAX)	2,517,995	3,047,476	21.0%
Seattle (SEA)	1,024,310	1,318,049	28.7%
Cincinnati (CVG)	1,394,230	1,254,186	-10.0%
Total at Delta Hubs	49,464,194	50,738,818	2.6%
Share of Delta and Delta Connection's Scheduled Departing Seats at select Airports			
Atlanta (ATL)	44.0%	43.7%	-0.2
Minneapolis - St. Paul (MSP)	15.0%	14.6%	-0.4
Detroit (DTW)	**15.6%**	**14.6%**	**-0.9**
Salt Lake City (SLC)	8.4%	8.3%	-0.1
New York (JFK)	7.0%	7.6%	0.7
Los Angeles (LAX)	5.1%	6.0%	0.7
Seattle (SEA)	2.1%	2.6%	0.8
Cincinnati (CVG)	2.8%	2.5%	-0.3
Total at Delta Hubs	100.0%	100.0%	

NOTE:

1/ Percentage change in seats, change in share percentage.

SOURCE: Innovata, June 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

Exhibit 5-2: Delta Scheduled Departing Seats by Airport Share

SOURCE: Innovata, June 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

In addition to capacity guidance, the investor presentation outlined a pipeline of initiatives to achieve long-term goals. A few initiatives are presented below.

- Domestic fleet modernization – As noted earlier, Delta is in the process of increasing the size of aircraft to more efficiently serve the expanded network. The fleet will have between 100 and 125 50-seat regional jets by 2015, down from nearly 500 in December 2009 which translates to average seat increases from 119 in 2008 to 138 by 2015. There may be modest capacity growth in 2014 as Delta transitions to larger more efficient aircraft while reducing overall departures.
- International partnerships – Delta's goal is to enhance current and possible future partnerships in an effort to provide an expanded global network.

5.6.5 THE AIRPORT'S ROLE AND OUTLOOK IN DELTA'S SYSTEM

As noted earlier, Delta provides nonstop service to 117 domestic destinations from the Airport. Also, Delta provides nonstop service to the Asian destinations of Beijing, Nagoya, Seoul, Shanghai, and Tokyo (Narita) from the Airport. In the Trans-Atlantic market, Delta provides nonstop service from the Airport to SkyTeam hubs in Amsterdam, Paris, and Rome. As a result, these markets not only feed traffic from beyond Detroit but also feed traffic from SkyTeam members' flights beyond their respective hubs in Europe. Delta also serves London–Heathrow (the number one European market for the Airport's O&D passengers) and Frankfurt from the Airport.

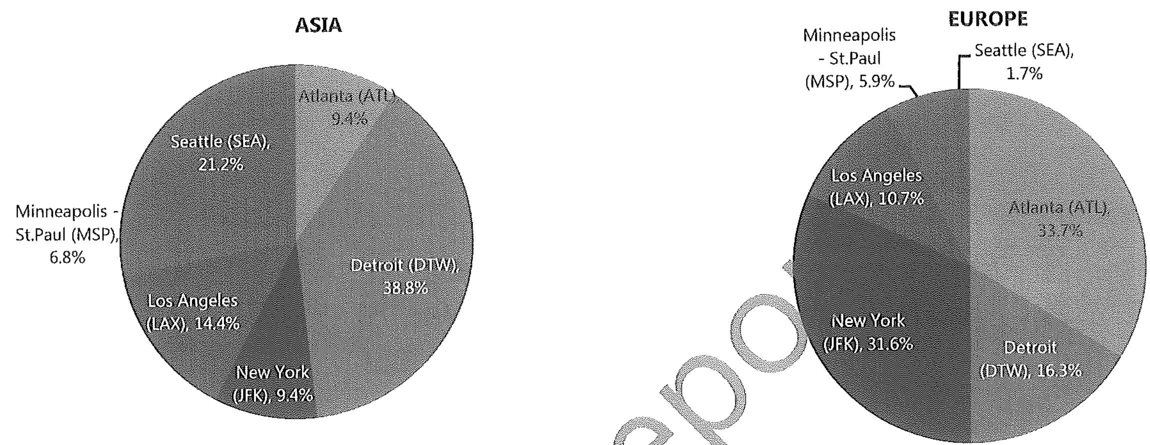
As shown in Exhibit 5-2, the Airport represents 14.7 percent of Delta's domestic departing seat capacity and 13.9 percent of international departing seat capacity among key Delta network airports in the first half of CY 2014. The high percentage of departing seat capacity reinforces the critical role the Airport serves in Delta's network by allocating a high percentage of network capacity to accommodate O&D and connecting passenger demand. Overall, in the first half of CY 2014, the Airport represents 14.6 percent of total departing seat capacity among key Delta network airports.

Due to the Airport's large O&D base and ideal geographical location, Delta is able to move passengers from the U.S. Midwest to anywhere in the world as well as move passengers traveling from the U.S. east coast to the U.S. west coast or vice versa. Not only does the Airport play a critical role in serving Delta's domestic network, the Airport is an important component in Delta's international network by providing a key network connecting point for its international operations to Asia, Europe, and Latin America.

The Airport is one of Delta's largest gateways for Asian operations, currently serving five Asian destinations with daily non-stop service from the Airport. In the first half of CY 2014, the Airport served five Asian destinations similar to Delta's service at Seattle-Tacoma (SEA). In June 2014, Delta added its fourth (Hong Kong) and fifth (Seoul) Asian destinations from Seattle. The recent capacity additions to SEA complement, rather than compete with, the Asia service provided at the Airport, as SEA's development as a prominent connection airport to Asia for the west coast for Delta in order to compete with other carriers west coast Asian hubs and capture western U.S. passenger demand for Asian service.

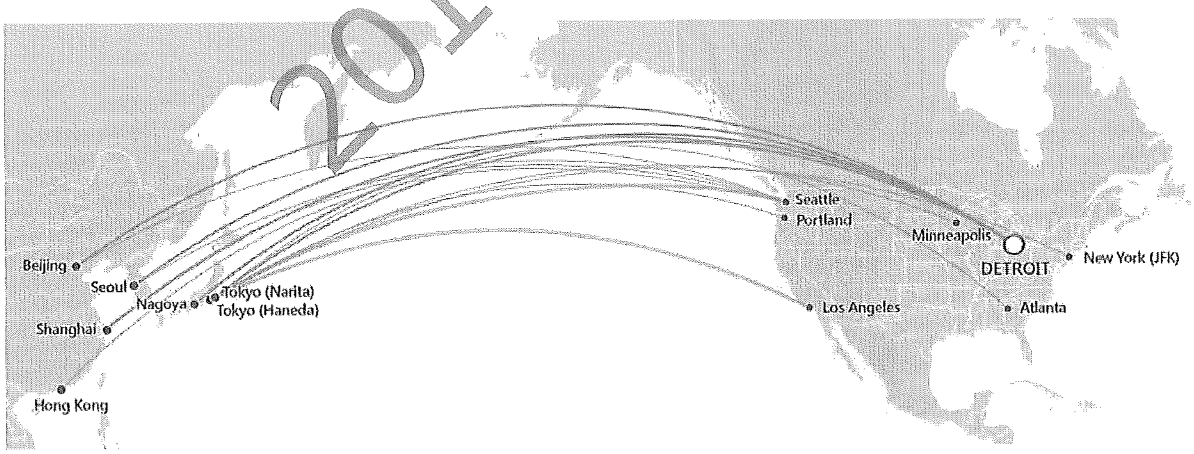
Exhibit 5-3 compares the departing seat capacity among key Delta network airports to Asia and Europe. **Exhibit 5-4** shows Delta's nonstop routes between Asia and the U.S. during CY 2014. **Exhibit 5-5** shows the Delta nonstop routes from SEA and the Airport, leaving little opportunity for completion between airports.

Exhibit 5-3: Delta Departing Seat Capacity Comparison the First Half of CY 2014



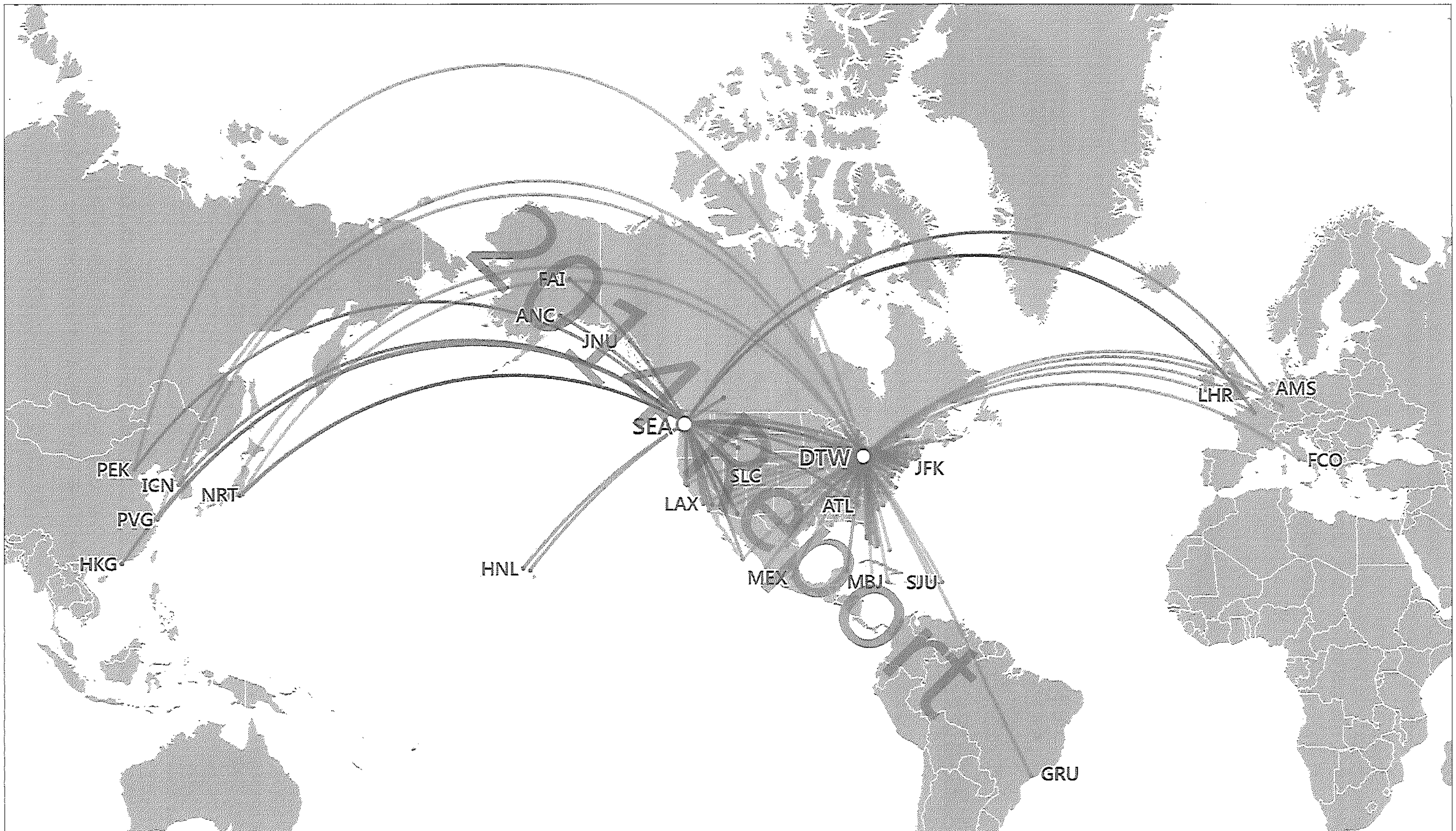
SOURCE: Innovata, June 2014.
PREPARED BY: Ricondo & Associates, Inc., June 2014.

Exhibit 5-4: Delta Routes between Asia and the U.S. - CY 2014



SOURCE: Innovata, June 2014.
PREPARED BY: Ricondo & Associates, Inc., June 2014.

The only East Coast destinations served nonstop by Delta from SEA are the Delta hubs of JFK, ATL, CVG, MSP and the Airport. By comparison, the Airport has the route system of an East-West connecting hub.



SOURCE: DIIO, July 2014.
PREPARED BY: Ricondo & Associates, Inc., July 2014.

EXHIBIT 5-5

Delta Detroit and Seattle Route Systems

To gain a better understanding of Delta's current operations at the Airport, and its future plans for the Airport, and to substantiate the assumptions underlying the forecast of short and long-term air service provided by Delta at the Airport, R&A conducted a telephone interview with Delta.[8]

- Delta considers the Airport as a key connecting hub and one of the primary international gateways in the Delta Air Lines system, with flights to Asia, Europe, and Latin America. Because of the Airport's large O&D base and mid-continent geographic location, Delta is able to is able to effectively route passengers (local and connecting) to various international destinations, as well as move passengers traveling from the U.S. East Coast to U.S. West Coast or vice versa. Because of Delta's long-term terminal and Airport investments, the Airport has significant amounts of growth potential.
- Delta currently serves top Asian destinations from the Airport and provides more seats to Asia from the Airport than from any other of its hubs, demonstrating the airline's commitment to utilize the Airport as a key Asian gateway. Delta has expanded Shanghai service at the Airport from less than daily to daily year-round service. Delta also offers daily year-round service to Seoul (Incheon) and Beijing. As noted earlier, in the Trans-Atlantic market, Delta provides nonstop service from the Airport to SkyTeam hubs in Amsterdam, Paris, and Rome. Delta also serves London–Heathrow and Frankfurt from the Airport. In Latin America Delta offers nonstop flights from the Airport to Sao Paulo, South America's largest business market. Delta remains committed to these international routes and identifies the Airport as a key network gateway to these destinations.
- Delta's current composition of traffic at the Airport is approximately 46 percent local (O&D) and approximately 54 percent connecting traffic. This is on par with other U.S. major connecting hubs. Delta expects its ratio of O&D to connecting passengers at the Airport in the future to remain consistent with present levels.
- Regarding its competitive position in the Detroit market, Delta views Southwest and Spirit Airlines as smaller yet relevant competitors. These carriers operate 17 and 16 flights per day from the Airport, respectively, whereas Delta operates approximately 425 daily departures.
- Delta expects the company to continue modest growth in overall service at the Airport in the future, at least partly attributable to system-wide changes that it is making to its fleet. Over time, Delta expects to retire many of its less fuel-efficient 50-seat aircraft and replace them with larger, more fuel-efficient aircraft, such as dual class 76-seat and 117-seat aircraft. This is likely to result in fewer flights to some destinations currently served by these smaller aircraft and increased load factors. While the specific routes that will experience fleet changes haven't been identified, it is reasonable to assume that scheduled seat capacity at the Airport will experience a slight increase as these changes take place over the projection period, despite the reduction in seating capacity in from OY 2013 to OY 2014.

8 Telephone interview conducted on June 4, 2014.

5.7 Factors Affecting Aviation Demand

This section discusses qualitative factors that could influence future aviation activity at the Airport. While data and/or information related to these factors have not directly been incorporated into the projections of Airport activity discussed in Section 5.7 (e.g., jet fuel prices), these factors were indirectly considered and analyzed in developing the projections.

5.7.1 NATIONAL ECONOMY

Historically, trends in demand for air travel have been closely correlated with national economic trends, most notably changes in GDP. Chapter 4 presents an analysis of general economic trends, both national and local, which may influence demand for air service over time. As noted at the conclusion of Chapter 4, national GDP is expected to increase at a 1.3 percent annual growth rate through the Projection Period, which should support generally increasing demand for air service. Actual economic activity is likely to differ from this projection, especially on a year-to-year basis, with demand for air service likely reacting in kind.

5.7.2 STATE OF THE AIRLINE INDUSTRY

In the aftermath of September 11, 2001, the U.S. airline industry saw a material adverse shift in the demand for air travel, which exacerbated problems for a U.S. airline industry already weakened by a slowing economy and rising labor and fuel costs. The result was four years of reported industry operating losses between 2001 and 2004, totaling more than $22 billion (excluding extraordinary charges and gains). Following these restructuring years, the airline industry finally gained ground through 2007 with U.S. airlines posting combined operating profits in all three years[9]. In 2008 and through the first half of 2009, the combination of record-high fuel prices, weakening economic conditions, and a weak dollar resulted in the worst financial environment for U.S. network and low-cost carriers since the September 11 terrorist attacks. In 2008, many of the domestic network competitors announced significant capacity reductions; increases in fuel surcharges, fares and fees; and other measures to address the challenges. These capacity cuts have improved conditions for the airlines, even if the recovery has been uneven across the regions. After a nearly $13 billion net profit for the global airline industry in 2013, the International Air Transport Association (IATA) is predicting an $18.7 billion profit in 2014. Globally, passenger traffic increased 5.2 percent from 2012 to 2013. North American airline profits are projected to be $8.6 billion in 2014, compared to $6.8 billion in 2013[10]. This increase is due in part to North American carriers' strict control on capacity in addition to consolidation and international joint ventures on major markets driving efficiency gains.

9 Source: A4A (Airlines for America) *2009 Economic Report.*

10 Source: International Air Transport Association (IATA), *Financial Forecast, March 2014.*

5.7.3 FACTORS DIRECTLY AFFECTING THE AIRLINE INDUSTRY

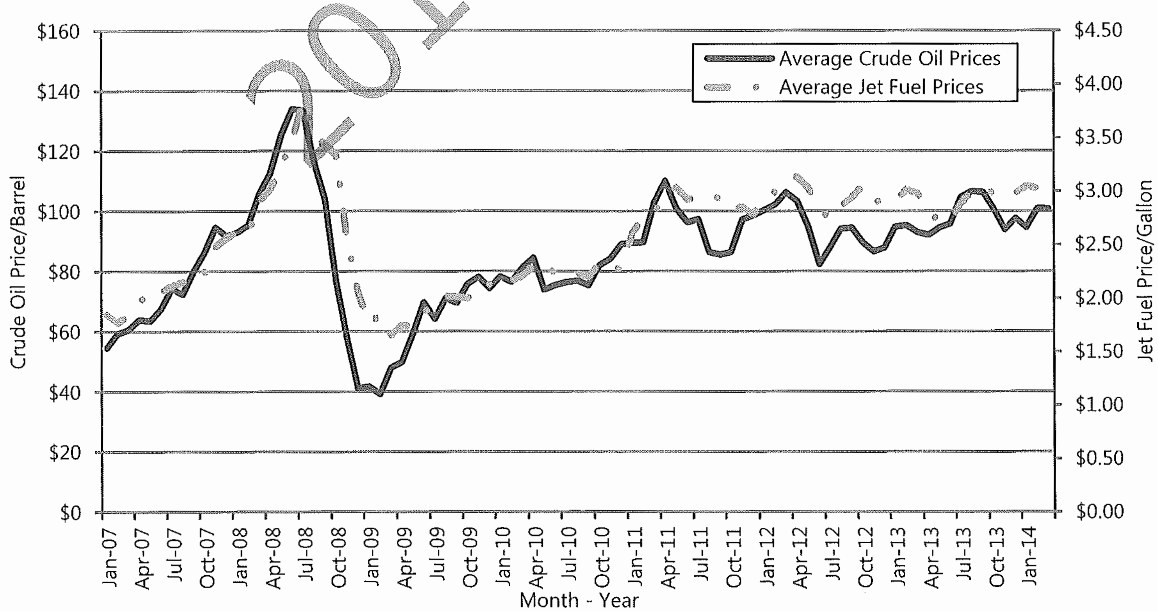
5.7.3.1 Cost of Aviation Fuel

The price of fuel is one of the most significant forces affecting the airline industry today. In 2000, jet fuel accounted for nearly 14 percent of airline industry operating expenses and, historically, fuel expense was the second highest operating expense for the airline industry behind labor. In 2008, jet fuel surpassed labor as an airline's largest operating expense and, according to the A4A (formerly the Air Transport Association), fuel comprised approximately 30.6 percent of an airline's total operating costs while labor represented approximately 20.3 percent of the total. As oil prices fell in the first quarter of 2009, fuel expenses retreated and labor once again became the airline industry's largest operating expense, representing 25.8 percent of total operating expenses while fuel was at 21.3 percent. However, fuel prices have again risen, and as of the fourth quarter of 2013, fuel was the largest operating expense for the airline industry, representing 26.8 percent of operating expenses.

In March 2014, the average price of jet fuel was $3.02 per gallon. If jet fuel prices approach or surpass their mid-2008 peak (July's average price was $3.84), aviation activity nationwide may be negatively impacted due to route reductions the airlines might make or higher ticket prices the airlines might impose in an attempt to remain profitable.

Exhibit 5-6 shows the monthly averages of jet fuel and crude oil prices from January 2007 through March 2014.

Exhibit 5-6: Historical Monthly Averages of Jet Fuel and Crude Oil Prices



SOURCE: Air Transport Association, May 2014.
PREPARED BY: Ricondo & Associates, Inc., May 2014.

5.7.3.2 Threat of Terrorism

As has been the case since September 11, the recurrence of terrorism incidents against either domestic or world aviation during the Projection Period remains a risk to achieving the activity projections contained herein. Tighter security measures have restored the public's confidence in the integrity of U.S. and world aviation security systems. Any terrorist incident aimed at aviation could have an immediate and significant impact on the demand for aviation services.

5.7.3.3 Airline Mergers and Acquisitions

In recent years, airlines have experienced increased costs and industry competition both domestically and internationally. As a result, airlines have merged and acquired competitors in an attempt to increase operational synergies and become more competitive and cost-efficient. In 2009, Delta completed its merger with Northwest, initiating a wave of U.S. airline mergers and acquisitions. That same year, Republic Airways Holdings, a regional airline, bought Frontier Airlines of Denver and Midwest Airlines of Milwaukee. In October 2010, United and Continental merged, creating the world's largest airline in terms of operating revenue and revenue passenger miles. As discussed earlier, in 2011, Southwest Airlines acquired AirTran Holdings, Inc., the former parent company of low-cost competitor AirTran. Southwest and AirTran are scheduled to be fully integrated by the end of 2014.

AMR Corporation (AMR), the parent company of American Airlines, filed for bankruptcy protection on November 28, 2011. Effective December 9, 2013, American and US Airways merged, which created the largest airline in terms of operating revenue and revenue passenger miles (surpassing United). In CY 2013, American (including US Airways), Delta, Southwest (including AirTran), and United controlled 84.8 percent of total scheduled domestic seat capacity in the U.S. market.

5.8 Projections of Aviation Demand

Projections of aviation demand were analyzed on the basis of local socioeconomic and demographic factors; the Airport's historical shares of U.S. enplanements; the impacts of the factors described previously; and anticipated trends in air carrier usage of the Airport by Delta and other airlines. As such, a market share methodology and socioeconomic regression analyses were used to project Airport enplanements.

The following provides a general overview of the market share and socioeconomic regression methodologies used to project enplanements at the Airport:

- Market Share Approach. In this methodology, judgments are made as to how and to what extent the Airport's rate of growth in enplanements will differ from that projected for the nation by the FAA. The FAA's activity projections contained in FAA Aerospace Forecasts, Fiscal Years 2014-2034, were used as a basis for the market share analysis. On a macro scale, the FAA's U.S. projection provides a growth base reflecting how industry traffic in general is anticipated to grow in the future. The FAA's U.S. forecast considers factors such as the nation's economic health, aviation industry trends, and airline fuel and fare pricing trends. In the absence of significant local influences, activity at an airport would be expected to increase at a rate comparable to the national rate. The growth rate used for the

Airport can be reflected as an increase or decrease in its future share of the market.

- Socioeconomic Regression Approach. A regression analysis compares proven relationships between various socioeconomic variables for the Airport's market area to O&D aviation activity. Regression models were developed to correlate the past relationship of these variables to the Airport's enplanements and then to project this relationship using the independent forecasts of these economic/demographic variables. Independent variable inputs were tested, and a simple trend line was also determined to test the resulting projections. Of interest in the analyses, among other factors, was how well each socioeconomic variable and trend analysis explained the annual variations in enplaned passengers at the Airport (i.e., the model's coefficient of determination R^2).

  The Airport's demand for O&D air service is generally driven by factors directly related to the Air Trade Area's demographic and economic characteristics. As such, five socioeconomic variables were analyzed separately as the independent variable for the regression analysis: population, income, per capita income (PCPI), employment, and gross regional product. Historical and projected data for these independent variables were provided by Woods & Poole.

5.8.1 ACTIVITY PROJECTION ASSUMPTIONS

The projections are based on a number of underlying assumptions, including:

- The underlying economic conditions of the Air Trade Area are anticipated to drive future demand for O&D air travel at the Airport. The restructuring of the "Big 3" U.S. automakers inside and outside of the bankruptcy process has not diminished the Air Trade Area's status as the "Automotive Capital of the World". The Air Trade Area produces more vehicles than any other metropolitan area in the United States and continues to be a global leader in the automotive industry due to the large number of R&D facilities located throughout the region. The rapid globalization of the automobile industry will continue to drive demand for air transportation in the Air Trade Area.
- The City of Detroit's bankruptcy will not negatively impact the Airport. The City of Detroit does not have any oversight or input into the governance of Wayne County Airport Authority.
- The Airport will continue its role of serving both O&D passengers and as a major connecting hub for Delta. The Airport will continue to serve as a connecting point for Delta to primarily short- to medium-haul markets in the eastern half of the U.S., and will continue to be one of Delta's major international gateways for both European and Asian traffic. The Airport will also continue to serve all major O&D markets in the U.S.
- Regional competition with other airports in or near the Air Trade Area is currently and is expected to remain relatively limited, given the Airport's major advantage of air service as compared to other regional airports.
- Airline consolidation/mergers that may occur during the Projection Period are not likely to negatively impact passenger activity levels at the Airport. New airline alliances, should they develop, will be restricted to code sharing and joint frequent flyer programs, and will not reduce airline competition at the Airport.
- The Airport's competitive assets including (1) its central geographical position, (2) substantial airfield and terminal processing capability, (3) the benefits of its local market, (4) limited local airport

competition, and (5) its competitive airline cost structure will maintain the Airport as an attractive location for a major airline hub and an important O&D market.

- For these analyses, and similar to the FAA's nationwide projections, it is assumed that there will not be terrorist incidents during the Projection Period that have significant, negative, and prolonged impacts on aviation demand.
- Economic disturbances will occur during the Projection Period causing year-to-year traffic variations; however, long-term increases in nationwide and Airport traffic are expected to occur.
- It is assumed no major "Acts of God" which may disrupt the national and/or global airspace system, such as the 2010 volcanic eruption in Iceland, will occur during the Projection Period that negatively impact aviation demand.

Many of the factors influencing aviation demand cannot necessarily or readily be quantified; and any projection is subject to uncertainties. As a result, the projection process should not be viewed as precise. Actual future traffic levels at the Airport may differ from projections presented herein because events and circumstances do not occur as expected, and these differences may be material.

5.8.2 ENPLANEMENT PROJECTIONS

Table 5-19 presents historical and projected enplaned passengers at the Airport. Specific assumptions and points regarding projected enplanements for the near-term (OY 2014) and the longer-term (OY 2015 to OY 2022) are discussed below.

5.8.2.1 Near-Term Projected Enplaned Passengers (OY 2014)

Based on six months of OY 2014 data (October 2013 through March 2014), total domestic enplaned passengers were 1.0 percent higher in OYTD 2014 than for a similar period in OY 2013. A portion of this increase can be attributed to increased service by Spirit and increasing load factors. Spirit's enplaned passengers have increased 18.7 percent in the first half of OY 2014 compared to the same period in 2013. Nevertheless, for purposes of this report, it was assumed that total domestic enplaned passengers at the Airport would increase only slightly from 14.665 million in OY 2013 to 14.669 million in OY 2014, based on scheduled seat data from Innovata and the assumption of a continued increase in load factors for the remainder of OY 2014. Regional/commuter carriers are expected to account for 36 percent of total domestic enplaned passengers at the Airport, a decrease from its 39 percent share in OY 2013. The decrease is primarily driven by a scheduled reduction in departing seat capacity by Delta Connection carriers from 6.1 million seats in OY 2013 to 5.4 million seats in OY 2014. International enplaned passengers at the Airport were 3.4 percent higher for the first six months of OY 2014 compared to a similar period in OY 2013. The combination of this OYTD increase, scheduled seat data from Innovata and load factor assumptions for April 2014 through September 2014 resulted in international enplaned passengers at the Airport increasing from 1.412 million in OY 2013 to 1.457 million in OY 2014, an increase of 3.1 percent. Combining these projections, total enplaned passengers at the Airport are projected to increase from 16.077 million in OY 2013 to 16.126 million in OY 2014, an increase of 0.3 percent.

Table 5-19: Enplanement Projections

(In Thousands for Operating Years ending September 30)

OPERATING YEAR	DOMESTIC MAINLINE	DOMESTIC REGIONALS/ COMMUTERS	DOMESTIC TOTAL	INTERNATIONAL	AIRPORT TOTAL	ANNUAL GROWTH
Historical						
2004	13,485	2,430	15,915	1,402	17,317	6.4%
2005	13,779	2,980	16,758	1,528	18,286	5.6%
2006	13,191	3,131	16,322	1,478	17,800	(2.7%)
2007	13,346	3,236	16,581	1,527	18,108	1.7%
2008	12,591	3,680	16,271	1,560	17,831	(1.5%)
2009	10,314	4,309	14,622	1,319	15,941	(10.6%)
2010	9,533	5,081	14,614	1,262	15,876	(0.4%)
2011	9,111	5,801	14,913	1,314	16,226	2.2%
2012	8,796	6,007	14,803	1,366	16,169	(0.4%)
2013	8,973	5,692	14,665	1,412	16,077	(0.6%)
Projected						
2014	9,381	5,289	14,669	1,457	16,126	0.3%
2015	9,484	5,308	14,792	1,471	16,264	0.9%
2016	9,594	5,334	14,928	1,486	16,414	0.9%
2017	9,701	5,364	15,065	1,501	16,566	0.9%
2018	9,813	5,405	15,219	1,516	16,734	1.0%
2019	9,914	5,453	15,367	1,531	16,898	1.0%
2020	10,011	5,507	15,519	1,546	17,065	1.0%
2021	10,115	5,562	15,677	1,562	17,238	1.0%
2022	10,226	5,618	15,845	1,577	17,422	1.1%
Compound Annual Growth Rate						
2004 - 2013	(4.4%)	9.9%	(0.9%)	0.1%	(0.8%)	
2014 - 2022	1.1%	0.8%	1.0%	1.0%	1.0%	

NOTE: Figures may not add due to rounding.

SOURCES: Wayne County Airport Authority (Historical), May 2014; Ricondo & Associates, Inc. (Projected), June 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

5.8.2.2 Longer-Term Projected Enplaned Passengers (OY 2015 to OY 2022)

To develop longer-term projections of domestic enplaned passengers at the Airport, socioeconomic regression and trend analyses were conducted on domestic originating passengers to determine their usefulness in predicting future passenger trends. As discussed earlier, five socioeconomic regression models and a trend model were used in the analyses. Based on these analyses, the Income and PCPI regression models provided the highest coefficient of determination (R^2) - approximately 75 percent – and once their respective originating passengers were converted to enplaned passengers, would provide a reasonable target for longer-term projected domestic enplaned passengers. To convert these models' projected domestic originating passengers to domestic enplaned passengers, it was assumed that the OY 2013 connecting passenger percentage of 54.4 percent would remain constant through the Projection Period. Although year-to-year variations in this connecting percentage would be expected to occur during the Projection Period, this percentage has remained relatively stable over time and tested through the Delta/Northwest merger (see Table 5-4). Discussions with Delta indicated that increases to enplaned passengers at the Airport during the Projection Period would be more the result of up-gauging of equipment rather than increases in aircraft operations with similar aircraft fleet in place (e.g., introduction of B-717 aircraft expected to be purchased from Southwest, eventual replacement of 50-seat regional jets with 67-seat and 76-seat regional jets, etc.).

Based on these analyses and assumptions, it is expected that domestic enplaned passengers at the Airport will increase from 14.665 million in OY 2013 to 15.845 million in OY 2022. This increase represents a CAGR of 0.9 percent during this period, compared to 2.1 percent projected nationwide by the FAA. Based on conversations with Delta, their regional/commuter mix is fully developed at the Airport and, therefore, no additional affiliates are expected during the Projection Period. In addition, Delta stated plans to increase aircraft gauge over the next five years at the Airport resulting in increased mainline and larger two-class regional operations. As a result, regional/commuter enplaned passengers are forecast to increase at a rate less than mainline enplaned passengers over the projection period. It is projected, following the decrease in the regional/commuter's share of total domestic enplaned passengers at the Airport in OY 2014; its share would continue to slowly decrease to approximately 35 percent in 2022.

As discussed earlier, it is assumed that the Airport will continue to be one of Delta's major international gateways for both European and Asian traffic. In the last five years, Delta has signaled its commitment to building and maintaining its presence at the Airport with several service enhancements, including (1) expanded service to Shanghai, (2) new nonstop Seoul, South Korea, (3) returned its seasonal service to Rome with daily flights, (4) commenced daily service to Sao Paulo and (5) initiated weekly nonstop Detroit-Beijing service. These enhancements to Asian and European markets, the integration of Latin American presence to the Detroit market, and the continued focus on the more profitable international markets will provide stable growth in international activity at the Airport during the Projection Period. Discussions with Delta, however, indicated that while growth is expected in this sector, it will be steady but slow with no significant increases in service by Delta and/or SkyTeam members. As a result, international enplaned passengers at the Airport are expected to increase from 1.412 million in OY 2013 to 1.577 million in OY 2022. This increase represents a CAGR of 1.0 percent during this period, compared to 4.0 percent projected nationwide by the FAA.

5.8.3 AIRCRAFT OPERATIONS AND LANDED WEIGHT PROJECTIONS

Projections of annual aircraft operations activity at the Airport are presented on **Table 5-20** for OY 2014 through 2022. Passenger airline operations projections are essentially based on assumptions regarding future decisions on how airlines will accommodate demand. For these projections, the overall industry shift from mainline aircraft equipment to regional affiliates was assessed. Additionally, the projections assume further increases in regional aircraft fleet mix as mainline legacy carriers retire older less-fuel efficient aircraft with larger regional jet aircraft. Compound annual growth in domestic passenger aircraft operations is projected remain flat for this period, with international passenger aircraft operations increasing at a higher rate than domestic activity. Specific points regarding projections of passenger airline operations are discussed below:

- As discussed earlier, discussions with Delta indicate increases to enplaned passengers at the Airport during the Projection Period would be accommodated more from the result of up-gauging of equipment rather than increases in aircraft operations with similar aircraft fleet in place. As a result, increases in aircraft scheduled seats at the Airport during the Projection Period are assumed to be more aggressive than that projected nationwide by the FAA.
  - Average seats per departure for domestic mainline carriers at the Airport are expected to increase from 154.1 seats in OY 2014 to 157.0 seats in OY 2022, an increase of approximately 0.35 seats per year during this period, compared to approximately 0.20 to 0.25 seats per year projected nationwide by the FAA.
  - Average seats per departure for domestic regionals/commuters at the Airport are expected to increase from 58.1 seats in OY 2014 to 68.0 seats in OY 2022, an increase of approximately 1.2 seats per year during this period, compared to approximately 0.45 to 0.50 seats per year projected nationwide by the FAA.
  - Average seats per departure for international activity at the Airport are expected to increase from 155.0 seats in OY 2014 to 157.0 seats in OY 2022, an increase of approximately 0.25 seats per year during this period, lower than the 0.45 to 0.50 seats per year projected nationwide by the FAA.
- Despite the relatively high increases in projected average seats per departure during the Projection Period, it is expected that the airlines at the Airport will continue to better match supply (seats) with demand (passengers) and, as such, load factors will continue to be maintained at or increased slightly from current levels.

Increased all-cargo activity at the Airport, typical of the industry overall, will also be more the result of up-gauging equipment rather than increasing aircraft operations with similar aircraft fleet in place. As shown, all-cargo activity at the Airport is projected to increase from 3,490 operations in OY 2014 to 4,080 operations in OY 2022. This increase represents a CAGR of 1.8 percent during this period, compared to 2.3 percent projected for air carriers nationwide by the FAA.

Table 5-20: Aircraft Operations Projections

(Operating Years ending September 30)

OPERATING YEAR	PASSENGER AIRLINES			ALL-CARGO	OTHER AIR CARRIER & AIR TAXI	GENERAL AVIATION	MILITARY	TOTAL
	DOMESTIC	INTERNATIONAL	TOTAL					
Projected								
2014	369,000	26,380	395,380	3,490	3,450	5,950	90	408,360
2015	369,800	26,420	396,220	3,560	3,480	5,950	90	409,300
2016	369,800	26,460	396,260	3,630	3,510	5,950	90	409,440
2017	369,800	26,500	396,300	3,710	3,550	5,950	90	409,600
2018	370,600	26,540	397,140	3,780	3,590	5,950	90	410,550
2019	371,600	26,580	398,180	3,860	3,630	5,950	90	411,710
2020	372,800	26,620	399,420	3,930	3,670	5,950	90	413,060
2021	374,200	26,660	400,860	4,000	3,710	5,950	90	414,610
2022	375,600	26,700	402,300	4,080	3,750	5,950	90	416,170
Compound Annual Growth Rate								
2014 - 2022	0.2%	0.1%	0.2%	1.8%	0.9%	0.0%	0.0%	0.2%

SOURCE: Ricondo & Associates, Inc. (Projected), June 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

General aviation and military activity represent a minor share of total operations at the Airport (1.4 percent of total aircraft operations at the Airport in OY 2013). For purposes of this Report, their activity was held constant at 5,950 and 90 operations, respectively, each year during the Projection Period. Total aircraft activity at the Airport, therefore, is projected to increase slightly from 408,360 operations in OY 2014 to 416,170 operations in OY 2022. This increase represents a CAGR of 0.2 percent during this period, compared to 1.1 percent projected nationwide by the FAA.

Table 5-21 presents landed weight projections for the Airport. Total landed weight is projected to increase at a CAGR of 0.8 percent for the period of OY 2013 through 2022, from 20.6 million thousand-pound units to 22.1 million thousand-pound units during this period. Similar to aircraft operations, landed weight projections are primarily based on assumptions regarding airline decisions for accommodating passengers.

Table 5-21: Landed Weight Projections

(in Thousand-Pound Units for Operating Years ending September 30)

OPERATING YEAR	PASSENGER AIRLINES	ALL-CARGO CARRIERS	AIRPORT TOTAL
Historical			
2004	24,621,285	686,425	25,307,710
2005	25,212,269	674,986	25,887,255
2006	23,309,518	800,122	24,109,640
2007	23,626,248	730,455	24,356,703
2008	22,686,225	672,685	23,358,910
2009	20,458,757	545,889	21,004,646
2010	19,634,224	533,041	20,167,265
2011	20,342,314	581,399	20,923,713
2012	19,903,370	704,981	20,608,351
2013	19,923,306	704,085	20,627,391
Projected			
2014	19,621,253	727,191	20,348,444
2015	19,843,221	730,386	20,573,607
2016	20,043,912	733,132	20,777,044
2017	20,233,493	737,418	20,970,911
2018	20,454,429	739,236	21,193,666
2019	20,673,999	742,531	21,416,530
2020	20,889,321	743,421	21,632,742
2021	21,129,738	743,864	21,873,602
2022	21,362,989	745,686	22,108,675
Compound Annual Growth Rate			
2004 - 2013	(2.3%)	0.3%	(2.2%)
2013 - 2022	0.8%	0.6%	0.8%

SOURCES: Wayne County Airport Authority (Historical), May 2014; Ricondo & Associates, Inc. (Projected), June 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

6. Financial Analysis

6.1 Summary of Findings

This section of the Report presents the analysis undertaken by R&A to demonstrate the ability of the Authority to comply with the requirements of the Ordinances, including those pertaining to the issuance of Additional Senior Lien Bonds, on a *pro forma* basis in each year of the Projection Period based on assumptions regarding the planned issuance of the Series 2014B-C Bonds and the completion of the Series 2014 Projects, which were established by R&A and the Authority through consultation with its staff, financial advisors, and senior managing underwriter.

Projections of airline rates and charges and resultant airline CPE were developed based on the terms of the Airline Agreements which expire on September 30, 2032. Pursuant to the terms of the Airline Agreements, the Authority calculates airline activity fee rates under an Airport-wide residual methodology. As such, the Signatory Airlines guarantee the net cost of operating the entire Airport, including operating expenses and all debt service and coverage requirements.

Based on the analysis in this Report and the financial projections presented in the following sections, R&A is of the opinion that Net Revenues generated in each year of the Projection Period will be sufficient to comply with the Rate Covenant established in the Ordinances. R&A is also of the opinion that the Airport's airline rates and charges will remain reasonable on a CPE basis as compared to other large-hub U.S. airports through the Projection Period.

Results of the financial analysis presented in the following sections can be summarized as follows:

- After the issuance of the Series 2014B-C Bonds, Airport aggregate annual debt service is estimated to increase from approximately $159.9 million in OY 2013 to approximately $172.3 million in OY 2016, before decreasing to approximately $156.1 million in OY 2022.
- O&M expenses were approximately $185.5 million in OY 2013 and are estimated to increase to approximately $240.2 million in OY 2022. The increase in O&M Expenses projected between OY 2013 and OY 2022 represents a compound annual growth rate of 2.9 percent.
- Non-airline revenues were approximately $133.5 million in OY 2013 and are estimated to increase to approximately $163.1 million in OY 2022. The increase in non-airline revenues projected between OY 2013 and OY 2022 represents a compound annual growth rate of 2.2 percent.

- Airline revenues calculated based on an Airport-wide residual methodology pursuant to the terms of the Airline Agreements are projected to increase from approximately $151.9 million in OY 2013 (Actual) to approximately $183.9 million in OY 2018 and then decrease to approximately $171.2 million in OY 2022. The Airport's average airline CPE is projected to increase from $9.45 in OY 2013 (Actual) to $10.99 in OY 2018, before decreasing to $9.82 in OY 2022.
- Net Revenues generated in each year of the Projection Period will be sufficient to comply with the Rate Covenant established in the Ordinances.

6.2 Financial Framework

This section discusses the Authority and its governance, the cost centers that the Authority uses for the purpose of accounting for operating expenses, amortization, and debt service, and the Airline Agreements.

6.2.1 GOVERNING BODY

The Authority operates the Airport and Willow Run Airport (Willow Run), a general aviation reliever and cargo airport (the Airports). The Authority was created on March 26, 2002, pursuant to an amendment to the Michigan Aeronautics Code. On August 9, 2002, the Authority assumed operational jurisdiction of the Airports from the Charter County of Wayne, Michigan, when the Authority received operating certificates for the Airports from the Federal Aviation Administration (FAA).

The Authority is governed by a seven-member Board (the Board). Four members of the Board are appointed by the Wayne County Executive; two members are appointed by the Governor of Michigan; and one member is appointed by the Wayne County Commission. Board members serve for six-year terms, but may not serve for more than two full terms. The Board appoints a Chief Executive Officer (CEO), an audit committee, an ethics committee, and an independent public accountant to prepare an annual audit and review the financial condition, operation, and performance of the Authority. The CEO appoints the Chief Financial Officer (CFO) and other members of senior management of the Authority.

The Authority funds operations and capital improvements of the Airport and Willow Run with revenues generated from rentals, fees and charges; PFC Revenues; and federal grants-in-aid. The Authority maintains its financial records in accordance with generally accepted accounting principles as they apply to government entities.

6.2.2 AUTHORITY ACCOUNTING

The Authority accounts for its revenue and costs on an Airport-wide residual basis as described below. Pursuant to the Airline Agreements with the Signatory Airlines, beginning in OY 2009, the Authority created two terminal cost centers for the purpose of accounting for and allocating the cost of operating, maintaining, and developing the terminals at the Airport in order to establish airline rates and charges for the use of the terminals. For each Operating Year, terminal related O&M Expenses, Bond Debt Service, Other Available Moneys and certain other revenue items for each OY are allocated between the South Terminal Cost Center (the McNamara Terminal) and the North Terminal Cost Center (the North Terminal), as described below.

Activity Fees are established on an Airport-wide residual basis (as described later in this section). For example, after the allocation of expenses and revenues to the South Terminal Cost Center and North Terminal Cost Center are completed for purposes of calculating the associated terminal rental rates and shared use charges, all expenses and revenues of the Airport, including those allocated to South Terminal and North Terminal Cost Centers, and the terminal rentals and shared use charges are used in the calculation of the Net Revenue Requirement to derive the Airport-wide residual Activity Fee.

6.2.2.1 South Terminal Cost Center

The South Terminal Cost Center includes land identified as the South Terminal (the McNamara Terminal) on Exhibit J of the Airline Agreements and all current or future facilities, equipment, and improvements located thereon. Included in the South Terminal Cost Center, as defined in the Airline Agreements, are all passenger terminal buildings, connecting structures, passenger walkways and tunnels, concourses, hold areas, and federal inspection service facilities associated with the McNamara Terminal and any additions and improvements thereto.

6.2.2.2 North Terminal Cost Center

The North Terminal Cost Center includes land identified as the North Terminal on Exhibit J of the Airline Agreements and all current or future facilities, equipment, and improvements located thereon. Included in the North Terminal Cost Center, as defined in the Airline Agreements, are all passenger terminal buildings, connecting structures, passenger walkways and tunnels, concourses, hold areas, and federal inspection service facilities associated with the North Terminal and any additions and improvements thereto.

6.2.3 AIRPORT USE AND LEASE AGREEMENTS

Funding for Airport operations is governed by the Airline Agreements between the Authority and certain airlines operating at the Airport. The Airline Agreements establish ratemaking procedures for the term of the agreements. The following airlines are parties to Airline Agreements[1]: Air France, American, Delta, Federal Express, KLM, Lufthansa, Southwest, Spirit, United, United Parcel Service, and US Airways (collectively, the Signatory Airlines).

The Airline Agreements with each of the Signatory Airlines at the Airport have terms ending September 30, 2032. The Airline Agreements contain terms addressing the calculation of airline rates and charges, including terminal rentals and shared use fees for the North Terminal and South Terminal (the terminal rate calculation methodology for the North Terminal and South Terminal is substantially the same), as well as the calculation of Activity Fee rates. Pursuant to the terms of the Airline Agreements, the Authority calculates airline Activity Fee rates under an Airport-wide residual methodology. As such, the Signatory Airlines guarantee the net cost of operating the entire Airport, including operating expenses and all debt service and coverage requirements. If the Authority incurs a deficit in any particular OY, it has the ability to increase activity fee rates to the

1 KLM currently does not operate at the Airport.

Signatory Airlines up to the amount of the deficit. Conversely, if the Authority realizes a surplus, the Authority must refund the surplus to the Signatory Airlines.

Calculation of Signatory Airlines rates and charges and other key provisions of the Airline Agreements are described below.

6.2.3.1 Terminal Rentals

Commencing October 1, 2008, South Terminal Rental Rates and North Terminal Rental Rates began being calculated separately, using a similar methodology set forth in the Airline Agreements.

The South Terminal Rental Rate for each OY is determined by dividing the Cost of the South Terminal for such OY by the sum of (i) the total number of square feet of Preferential South Terminal Space leased to all signatory airlines operating in the South Terminal, and (ii) the total number of square feet of Shared Use South Terminal Space. The Cost of the South Terminal for each OY is an amount equal to the sum of the following:

- O&M Expenses allocated to the South Terminal Cost Center
- Bond Debt Service allocated to the South Terminal Cost Center

Minus, for each OY:

- Other Available Moneys allocated to the South Terminal Cost Center used by the Authority in such OY to pay Bond Debt Service allocated to the South Terminal Cost Center
- The total amount of South Terminal International Facilities Use Fees (IFUF) collected by the Authority (the IFUF is charged to each carrier operating at the Airport per each carrier's deplaned international passenger using the FIS facilities at the Airport based on a schedule included in the Airline Agreements), and
- The total amount of South Terminal Authority-Controlled Airline Space Revenue and South Terminal Rental Revenue for such OY

The North Terminal Rental Rate for each OY is calculated using the same methodology used for establishing the South Terminal Rental Rate, in that the North Terminal Rental Rate for each OY is determined by dividing the Cost of the North Terminal for such OY by the total number of square feet of Preferential North Terminal Space leased to the Signatory Airlines in that terminal and the total number of square feet of Shared Use North Terminal Space. The Cost of the North Terminal for each OY also is calculated using a methodology substantially the same as the methodology for calculating the Cost of the South Terminal, using North Terminal O&M Expenses and Bond Debt Service, net of Other Available Moneys allocated to the North Terminal Cost Center to pay Bond Debt Service, North Terminal IFUF collections, North Terminal Authority-controlled Airline Space Revenue, and North Terminal Rental Revenues.

The airlines operating in the South Terminal pay fees for the use of the Shared Use South Terminal Space on a per deplaned passenger basis. The airlines operating in the North Terminal pay fees for the use of the Shared Use North Terminal Space on a per enplaned passenger basis.

6.2.3.2 Activity Fees

In accordance with the provisions of the Airline Agreements, the Activity Fee Rate in each OY is the quotient arrived at by dividing the Net Revenue Requirement, defined below, by the aggregate amount of Approved Maximum Landing Weight of aircraft, in units of one thousand pounds, of all Signatory Airlines for such OY. The Net Revenue Requirement for each OY is equal to the sum of the following:

- O&M Expenses for such OY
- Plus, 125 percent of the amount of principal and interest due (net of capitalized interest) for such OY on all then outstanding bonds, less (i) any unencumbered amounts on deposit in the Revenue Fund on the last day of the OY preceding such OY that are usable to satisfy the rate covenant requirements of any Bond Ordinance under which Senior Lien Bonds have been issued, and less (ii) Other Available Moneys used in such OY to pay Bond Debt Service
- Plus, deposits into the Senior Lien Bond Reserve Account, the Junior Lien Bond Reserve Account, the Operation and Maintenance Reserve Fund, and the Renewal and Replacement Fund required for each OY pursuant to the provisions of all applicable Bond Ordinances
- Plus, an amount equal to the Airport Development Fund requirement for that OY (required under the Airline Agreements to be approximately $7.3 million in OY 2014, as escalated to reflect percentage increases in the Producer Price Index)
- Plus, an amount equal to $350,000, the annual Airport Discretionary Fund transfer
- Minus an amount equal to the sum of:
  - All Terminal Charges (including rentals and shared use fees) collected by the Authority for such OY, including end-of-year payments by the Signatory Airlines or end-of-year refunds by the Authority;
  - All IFUF fees collected by the Authority for the OY;
  - All Authority-Controlled Airline Space Revenue, North Terminal Rental Revenue, and South Terminal Rental Revenue;
  - All concession and parking revenue;
  - And, all other Revenue received during such OY except (i) up to but not exceeding $2.5 million of Revenue attributable to an automated vehicle identification (AVI) program for the entire Airport, and (ii) all proceeds received by the Authority from the sale of certain parcels of Airport property located on the west side of the airfield.

6.2.3.3 Weighted Majority Approval

The Airline Agreements contain Authority covenants with regard to capital expenditures. One such covenant allows the Authority to issue bonds to finance the cost of capital projects (including all reasonable costs incidental to the issuance and sale of the bonds) and include bond debt service and coverage requirements in Signatory Airline fees, only after first receiving a Weight Majority approval for such capital projects. The Airline Agreements define Weighted Majority as either (1) Signatory Airlines which, in the aggregate, landed 85 percent or more of the landed weight of all Signatory Airlines for the preceding 12-month period for which records are available, or (2) all but one of the Signatory Airlines regardless of landed weight. The Authority has received Weighted Majority approval for all of the Series 2014 Projects. Other projects included in the 2014-2018 CIP intended to be funded in whole or in part with the proceeds of future bonds will require Weighted Majority approval in order to be financed with the proceeds of future bonds.

6.3 Debt Service

6.3.1 DEBT SERVICE

Table 6-1 presents the annual estimated debt service requirements resulting from the issuance of the Series 2014B-C Bonds (see Section 1.3 for additional information with respect to the Series 2014B-C Bonds) as well as the existing Airport debt service on each series of outstanding bonds. Preliminary bond sizing and debt service estimates were assumed for these projects, as the timing and expenditure estimates are preliminary at this time.

As described in Section 3.3.2 and Table 3-2 of this Report, the Authority currently projects that approximately $134.0 million will be required from the proceeds of future bonds to complete the funding of the 2014-2018 CIP. The Authority does not yet have a specific plan for the amount and timing of such bonds, because the estimated project costs and schedules are still being developed and the majority of such projects have not yet received a Weighted Majority approval from the Signatory Airlines. For these reasons, the estimated debt service on such future bonds has not been included in the financial projections contained in this section.

As presented in Table 6-1, after assuming the issuance of additional bonds for future projects, Airport aggregate annual debt service is estimated to increase from approximately $159.9 million in OY 2013 to approximately $172.3 million in OY 2016, and then decrease to approximately $156.1 million in OY 2022.

6.3.2 OTHER AVAILABLE MONEYS

The Master Bond Ordinance defines "Other Available Moneys" to mean, for any OY, the amount of money determined by the Chief Financial Officer in concurrence with the Chief Executive Officer to be transferred by the Authority for such OY from PFCs or other sources other than Revenues to the Bond Fund or the Junior Lien Bond Fund. As allowed by the Ordinances, the Authority transfers some of its PFC revenues monthly to the Bond Fund and the Junior Lien Bond Fund for the purposes of paying Debt Service on Senior Lien Bonds and Junior Lien Bonds, respectively. As described in the following sections, and under the terms of its current PFC approvals, the Authority has authority to impose and use approximately $3.1 billion in PFCs, which includes amounts for payment of principal, interest, and other financings costs on Bonds issued to pay the PFC-eligible costs of approved projects.

Table 6-1: Annual Debt Service 1/

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL 2013	ESTIMATED 2014	PROJECTED 2015	2016	2017	2018	2019	2020	2021	2022
Senior Lien by Series:										
2002C	$ 368	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2002D	$ 1,213	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2005A	$ 33,638	$ 33,709	$ 33,537	$ 34,501	$ 35,452	$ 35,442	$ 35,450	$ 35,501	$ 35,543	$ 35,560
2007B	$ 6,343	$ 9,923	$ 10,816	$ 10,827	$ 10,832	$ 10,841	$ 10,838	$ 10,849	$ 10,857	$ 10,868
2008A	$ 11,749	$ 11,549	$ 11,353	$ 11,160	$ 10,958	$ 10,739	$ 10,527	$ 10,310	$ 10,083	$ 9,849
2010A	$ 35,859	$ 33,997	$ 33,650	$ 33,702	$ 33,747	$ 33,774	$ 5,630	$ -	$ -	$ -
2010B	$ 4,240	$ 840	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2010C	$ 25,986	$ 26,693	$ 26,770	$ 27,316	$ 17,108	$ 14,959	$ 15,173	$ 15,325	$ 15,386	$ 11,215
2010D	$ 3,343	$ 3,421	$ 3,397	$ 3,381	$ 3,393	$ 3,382	$ 3,410	$ 3,445	$ 3,458	$ 577
2010E-1	$ 1,110	$ 45	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2010E-2	$ 1,118	$ 49	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2010F	$ 1,633	$ 47	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2010G	$ 1,527	$ 245	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2011A	$ 7,296	$ 7,296	$ 7,296	$ 7,296	$ 7,296	$ 7,296	$ 36,804	$ 42,743	$ 42,793	$ 42,847
2011B	$ 755	$ 2,534	$ 2,891	$ 2,891	$ 2,886	$ 2,884	$ 2,883	$ 2,882	$ 480	$ -
2012A	$ 419	$ 520	$ 8,103	$ 8,960	$ 11,790	$ 12,346	$ 12,338	$ 12,345	$ 12,358	$ 12,342
2012B	$ 17	$ 82	$ 711	$ 1,338	$ 1,850	$ 1,950	$ 1,956	$ 1,950	$ 1,948	$ 1,946
2012C	$ 1,994	$ 622	$ 273	$ 272	$ 274	$ 275	$ 276	$ 271	$ 45	$ -
2012D	$ 9,078	$ 10,197	$ 10,015	$ 7,919	$ 7,536	$ 7,532	$ 7,359	$ 2,460	$ 1,487	$ 1,487
2013A 2/	$ -	$ 1,695	$ 2,762	$ 3,302	$ 5,321	$ 5,315	$ 5,310	$ 5,394	$ 5,322	$ 5,297
2013B 2/	$ -	$ 651	$ 1,105	$ 1,303	$ 2,049	$ 2,050	$ 2,050	$ 2,046	$ 2,049	$ 2,050
2013C 2/	$ -	$ 1,099	$ 1,792	$ 2,095	$ 3,245	$ 3,246	$ 3,246	$ 3,242	$ 3,241	$ 3,236
2014A 2/	$ -	$ 188	$ 275	$ 533	$ 848	$ 845	$ 843	$ 840	$ 838	$ 835
2014B 3/	$ -	$ 6	$ 983	$ 2,614	$ 3,673	$ 3,841	$ 3,839	$ 3,835	$ 3,830	$ 3,826
2014C 3/	$ -	$ -	$ 66	$ 637	$ 1,669	$ 1,886	$ 1,889	$ 1,884	$ 1,880	$ 1,875
TOTAL SENIOR LIEN	**$ 147,686**	**$ 145,407**	**$ 155,794**	**$ 160,045**	**$ 159,929**	**$ 158,602**	**$ 159,822**	**$ 155,322**	**$ 151,598**	**$ 143,810**
Junior Lien by Series:										
2007A	$ 12,238	$ 12,231	$ 12,231	$ 12,270	$ 12,276	$ 12,274	$ 12,275	$ 12,276	$ 12,274	$ 12,274
TOTAL JUNIOR LIEN	**$ 12,238**	**$ 12,231**	**$ 12,231**	**$ 12,270**	**$ 12,276**	**$ 12,274**	**$ 12,275**	**$ 12,276**	**$ 12,274**	**$ 12,274**
TOTAL ANNUAL DEBT SERVICE	**$ 159,925**	**$ 157,638**	**$ 168,025**	**$ 172,314**	**$ 172,205**	**$ 170,876**	**$ 172,098**	**$ 167,598**	**$ 163,873**	**$ 156,084**
Non-Terminal	$ 64,821	$ 65,367	$ 74,588	$ 77,896	$ 77,982	$ 77,430	$ 77,460	$ 72,623	$ 68,941	$ 62,604
South Terminal	$ 58,697	$ 56,055	$ 56,921	$ 57,669	$ 58,720	$ 58,335	$ 59,422	$ 59,659	$ 59,589	$ 58,879
North Terminal	$ 36,407	$ 36,217	$ 36,515	$ 36,749	$ 35,503	$ 35,111	$ 35,216	$ 35,316	$ 35,343	$ 34,601
TOTAL	**$ 159,925**	**$ 157,638**	**$ 168,025**	**$ 172,314**	**$ 172,205**	**$ 170,876**	**$ 172,098**	**$ 167,598**	**$ 163,873**	**$ 156,084**

NOTES:

1/ Net of capitalized interest.

2/ Direct placement with assumed interest rates of 1.25% in 2015, 1.50% in 2016, and 2.50% for the remainder of the Projection Period.

3/ Preliminary debt service, assuming 2044 final maturity and interest rates of 5.34% for the Series 2014B Bonds and 5.59% for the Series 2014C Bonds.

SOURCES: Public Financial Management, Inc., July 2014.

PREPARED BY: Ricondo & Associates, Inc., July 2014.

In accordance with the terms and conditions of 14 CFR § 158, the Authority currently charges a PFC at a $4.50 charge level on all PFC-eligible enplaned passengers at the Airport. Including its initial PFC application filed in 1992, the Authority has previously filed and received FAA approval for six PFC applications (Application 6 was filed and later withdrawn by the Authority) that, in total, authorize the Authority to collect PFCs and associated interest earnings of $3.1 billion to fund certain capital projects at the Airport. Based on estimates of future enplanements at the time PFC Application 7 was approved, the FAA estimated that current collection authority will be reached in 2034 and has estimated the charge expiration date to be February 1, 2034.

Since the inception of the PFC program the Authority has submitted seven PFC applications. The sixth application was withdrawn by the Authority prior to the FAA issuing a decision on the application so that the Authority could update project cost estimates for consideration. The application was resubmitted as the seventh application. In the future, the Authority will amend applications one through five to adjust the initial budgeted project costs and estimated debt service requirements to reflect final completed project costs and updated debt service. The Authority and the FAA view this effort as an administrative process and do not anticipate any material changes to the Authority's total PFC collection authority.

Table 6-2 presents projections of PFC collections for the Projection Period based on the activity projections prepared in Chapter 5 of this Report. For the purposes of this analysis and based on historical ratios, it is assumed that PFC revenue is collected from approximately 89 percent of enplaned passengers at the Airport. No changes to the current PFC rate or administrative expense are assumed. As shown in Table 6-2, total annual PFC collections at the Airport are projected to increase from approximately $62.8 million in OY 2013 to approximately $68.1 million in OY 2022. Exhibit H of the Airline Agreements identifies agreed upon uses of PFCs and the priority with which available PFCs are applied to PFC-eligible debt service.

The amount of PFC revenues collected for the Airport varies 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 and a shortfall in projected PFC collections could have direct or indirect adverse impacts. For example, the availability of fewer PFC revenues could result in significant increases in Activity Fees at the Airport thereby negatively impacting the airlines' desire to operate at the Airport.

While it is anticipated that any projected shortfall in PFC revenues will negatively impact the rental rates for both the South Terminal and the North Terminal, due to provisions in the Airline Agreements with respect to the priority use of PFCs for Debt Service, it is projected that there would be a significantly greater negative impact on the rental rates for the North Terminal. To some extent, the Debt Service savings resulting from potential debt restructurings or the strategic use of unexpended bond proceeds or other Authority funds would mitigate the projected disproportionately negative impact on the North Terminal rental rates.

6.4 Operating and Maintenance Expenses

Table 6-3 below illustrates O&M Expenses from OY 2010 through OY 2014 from the Authority's Comprehensive Annual Financial Report (CAFR) for the Year Ended September 30, 2013, as adjusted, and the Authority's mid-year estimate for OY 2014.

Table 6-2: PFC Revenue

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL	ESTIMATED	PROJECTED							
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Enplaned Passengers (000's)	16,077	16,126	16,264	16,414	16,566	16,734	16,898	17,065	17,238	17,422
PFC Eligibility %	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%	89.0%
PFC Eligible Enplanements (000's)	14,314	14,352	14,475	14,608	14,744	14,894	15,039	15,188	15,342	15,505
PFC Collection Level	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50	$ 4.50
Less: Admin. Expense	$ 0.11	$ 0.11	$ 0.11	$ 0.11	$ 0.11	$ 0.11	$ 0.11	$ 0.11	$ 0.11	$ 0.11
Net PFC Collection	**$ 4.39**	**$ 4.39**	**$ 4.39**	**$ 4.39**	**$ 4.39**	**$ 4.39**	**$ 4.39**	**$ 4.39**	**$ 4.39**	**$ 4.39**
TOTAL PFC REVENUE	**$ 62,838**	**$ 63,006**	**$ 63,543**	**$ 64,131**	**$ 64,724**	**$ 65,383**	**$ 66,021**	**$ 66,675**	**$ 67,352**	**$ 68,069**

SOURCES: Wayne County Airport Authority (historical), Ricondo & Associates, Inc. (projected), July 2014.

PREPARED BY: Ricondo & Associates, Inc., July 2014.

Table 6-3: Historical Operation and Maintenance (O&M) Expenses

(Amounts in Millions, except Per Passenger Amounts)

OPERATING YEAR ENDED	ACTUAL 2010	ACTUAL 2011	ACTUAL 2012	ACTUAL 2013	ESTIMATED 2014	COMPOUND ANNUAL GROWTH RATE
Total O&M Expenses [1/]	$189.6	$198.1	$186.8	$185.5	$202.2	1.6%
Annual Change		4.5%	(5.7)%	(0.7)%	9.0%	
Enplaned Passengers	15.9	16.2	16.2	16.1	16.1	0.4%
O&M Expenses per Passenger	$11.94	$12.21	$11.55	$11.54	$12.54	1.2%

NOTE:

1/ Actual 2010 through Actual 2013 as presented in the Authority's Comprehensive Annual Financial Report for the Year Ended September 30, 2013, less interest expense and paying agents fees. Amounts in Table 6-3 may vary from amounts shown in Table 6-4 due to certain reclassifications consistent with financial reporting standards.

SOURCE: Wayne County Airport Authority, Ricondo & Associates, Inc., July 2014.
PREPARED BY: Ricondo & Associates, Inc., July 2014.

Total historical O&M Expenses, as presented in Table 6-3, from OY 2010 to OY 2014 (estimated) increased at a compound annual growth rate of 1.6 percent. As a result, O&M Expenses per passenger are estimated to increase from $11.94 during actual OY 2010 to $12.54 during estimated OY 2014, which represents a 1.2 percent increase over the five year period. Based on the Authority's OY 2014 mid-year estimates, OY 2014 operating expenses are anticipated to be approximately 9.0 percent greater than actual OY 2013 expenses due to the extreme weather experienced during the winter of 2013-2014. In order to avoid operating expenses being overstated in future years, budget OY 2014 was used as a baseline to project OY 2015 operating expenses.

Table 6-4 presents O&M Expenses[2] for the Airport by expense category and cost center for OY 2013 (actual), OY 2014 (estimated) and projected OY 2015 through OY 2022. As shown, O&M Expenses were approximately $185.5 million in OY 2013 and are estimated to increase to approximately $202.2 million in OY 2014. O&M expenses are projected to further increase to approximately $204.2 million in OY 2015. The increase in O&M Expenses projected between OY 2015 and OY 2022 represents a compound annual growth rate of 2.3 percent, with total O&M Expenses projected to increase to approximately $240.2 million in OY 2022.

Specific points concerning the projections of O&M Expenses by Cost Centers are discussed below.

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2 As used for the purposes of establishing airline rates and charges, which may vary from amounts shown in the Authority CAFR due to reclassifications done for financial reporting purposes

Table 6-4: Operation and Maintenance (O&M) Expenses

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL	ESTIMATED	PROJECTED							
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Non-Terminal:										
Salaries, Wages, and Fringe Benefits	$ 67,487	$ 66,408	$ 71,832	$ 73,508	$ 75,223	$ 76,978	$ 76,774	$ 78,566	$ 80,399	$ 82,275
Materials & Supplies	$ 5,391	$ 6,431	$ 5,752	$ 5,982	$ 6,222	$ 6,470	$ 6,729	$ 6,998	$ 7,278	$ 7,569
Parking Management	$ 6,280	$ 6,560	$ 6,691	$ 6,825	$ 6,961	$ 7,101	$ 7,243	$ 7,387	$ 7,535	$ 7,686
Shuttle Bus	$ 6,501	$ 6,250	$ 6,375	$ 6,503	$ 6,633	$ 6,765	$ 6,901	$ 7,039	$ 7,179	$ 7,323
Janitorial	$ 729	$ 800	$ 815	$ 832	$ 848	$ 865	$ 883	$ 900	$ 918	$ 937
Security	$ 2,260	$ 2,234	$ 2,279	$ 2,325	$ 2,371	$ 2,418	$ 2,467	$ 2,516	$ 2,566	$ 2,618
Professional and Contractual Services	$ 10,877	$ 18,673	$ 13,335	$ 13,601	$ 13,873	$ 14,151	$ 14,434	$ 14,723	$ 15,017	$ 15,317
Buildings & Grounds	$ 7,190	$ 11,837	$ 14,554	$ 14,845	$ 15,142	$ 15,445	$ 15,754	$ 16,069	$ 16,390	$ 16,718
Equipment Repair	$ 3,525	$ 4,688	$ 4,782	$ 4,878	$ 4,975	$ 5,075	$ 5,176	$ 5,280	$ 5,385	$ 5,493
Other Operating Expenses	$ 3,727	$ 3,403	$ 3,471	$ 3,541	$ 3,611	$ 3,684	$ 3,757	$ 3,832	$ 3,909	$ 3,987
Utilities	$ 7,522	$ 8,221	$ 7,256	$ 7,546	$ 7,848	$ 8,162	$ 8,488	$ 8,828	$ 9,181	$ 9,548
Insurance	$ 1,318	$ 1,431	$ 1,460	$ 1,489	$ 1,519	$ 1,549	$ 1,580	$ 1,612	$ 1,644	$ 1,677
O&M Capital	$ 3,078	$ 2,360	$ 2,408	$ 2,456	$ 2,505	$ 2,555	$ 2,606	$ 2,658	$ 2,711	$ 2,766
Subtotal Non-Terminal	**$ 125,887**	**$ 139,296**	**$ 141,009**	**$ 144,329**	**$ 147,731**	**$ 151,218**	**$ 152,791**	**$ 156,407**	**$ 160,114**	**$ 163,913**
North Terminal:										
Materials & Supplies	$ 460	$ 472	$ 491	$ 511	$ 531	$ 552	$ 574	$ 597	$ 621	$ 646
Janitorial	$ 2,664	$ 2,712	$ 2,766	$ 2,822	$ 2,878	$ 2,936	$ 2,994	$ 3,054	$ 3,115	$ 3,178
Contractual Services	$ 3,583	$ 3,802	$ 3,776	$ 3,852	$ 3,929	$ 4,007	$ 4,087	$ 4,169	$ 4,252	$ 4,337
Insurance	$ 316	$ 291	$ 297	$ 303	$ 309	$ 315	$ 321	$ 328	$ 334	$ 341
Utilities	$ 3,852	$ 3,538	$ 3,438	$ 3,576	$ 3,719	$ 3,867	$ 4,022	$ 4,183	$ 4,350	$ 4,524
Buildings & Grounds	$ 1,159	$ 1,060	$ 848	$ 865	$ 882	$ 900	$ 917	$ 936	$ 955	$ 974
Equipment Repair	$ 2,635	$ 2,710	$ 2,764	$ 2,819	$ 2,876	$ 2,933	$ 2,992	$ 3,052	$ 3,113	$ 3,175
Other Operating Expenses	$ 22	$ 46	$ 47	$ 48	$ 49	$ 50	$ 51	$ 52	$ 53	$ 54
O&M Capital	$ 6	$ -	$ 130	$ 133	$ 135	$ 138	$ 141	$ 144	$ 146	$ 149
Subtotal North Terminal	**$ 14,697**	**$ 14,631**	**$ 14,557**	**$ 14,926**	**$ 15,307**	**$ 15,698**	**$ 16,100**	**$ 16,514**	**$ 16,940**	**$ 17,378**
South Terminal:										
Materials & Supplies	$ 1,438	$ 1,316	$ 1,369	$ 1,423	$ 1,480	$ 1,540	$ 1,601	$ 1,665	$ 1,732	$ 1,801
Janitorial	$ 7,991	$ 8,134	$ 8,297	$ 8,463	$ 8,632	$ 8,805	$ 8,981	$ 9,160	$ 9,343	$ 9,530
Contractual Services	$ 4,063	$ 4,221	$ 4,305	$ 4,392	$ 4,479	$ 4,569	$ 4,660	$ 4,754	$ 4,849	$ 4,946
Insurance	$ 664	$ 670	$ 683	$ 697	$ 711	$ 725	$ 740	$ 755	$ 770	$ 785
Utilities	$ 15,253	$ 16,625	$ 16,375	$ 17,030	$ 17,711	$ 18,420	$ 19,156	$ 19,923	$ 20,720	$ 21,548
Buildings & Grounds	$ 5,736	$ 5,453	$ 5,562	$ 5,673	$ 5,787	$ 5,903	$ 6,021	$ 6,141	$ 6,264	$ 6,389
Equipment Repair	$ 9,050	$ 9,741	$ 9,936	$ 10,135	$ 10,337	$ 10,544	$ 10,755	$ 10,970	$ 11,189	$ 11,413
Other Operating Expenses	$ 167	$ 162	$ 165	$ 169	$ 172	$ 175	$ 179	$ 182	$ 186	$ 190
O&M Capital	$ 564	$ 1,931	$ 1,970	$ 2,009	$ 2,049	$ 2,090	$ 2,132	$ 2,175	$ 2,218	$ 2,262
Subtotal South Terminal	**$ 44,926**	**$ 48,253**	**$ 48,662**	**$ 49,990**	**$ 51,359**	**$ 52,770**	**$ 54,224**	**$ 55,724**	**$ 57,270**	**$ 58,865**
TOTAL O&M EXPENSES	**$ 185,510**	**$ 202,180**	**$ 204,228**	**$ 209,245**	**$ 214,397**	**$ 219,685**	**$ 223,116**	**$ 228,646**	**$ 234,324**	**$ 240,156**
Summary By Cost Center:										
Total South Terminal O&M Expenses	$ 44,926	$ 48,253	$ 48,662	$ 49,990	$ 51,359	$ 52,770	$ 54,224	$ 55,724	$ 57,270	$ 58,865
Total North Terminal O&M Expenses	$ 14,697	$ 14,631	$ 14,557	$ 14,926	$ 15,307	$ 15,698	$ 16,100	$ 16,514	$ 16,940	$ 17,378
Total Remaining O&M Expenses	$ 125,887	$ 139,296	$ 141,009	$ 144,329	$ 147,731	$ 151,218	$ 152,791	$ 156,407	$ 160,114	$ 163,913
TOTAL O&M EXPENSES	**$ 185,510**	**$ 202,180**	**$ 204,228**	**$ 209,245**	**$ 214,397**	**$ 219,685**	**$ 223,116**	**$ 228,646**	**$ 234,324**	**$ 240,156**

SOURCES: Wayne County Airport Authority (historical), Ricondo & Associates, Inc. (projected), July 2014.

PREPARED BY: Ricondo & Associates, Inc., July 2014.

6.4.1 NON-TERMINAL

This category of O&M Expenses includes all expenses not included in the South Terminal Cost Center, the North Terminal Cost Center, or directly funded by the airlines (the North Terminal Airline Consortium Services, e.g.). O&M Expenses in this category were $125.9 million in OY 2013 and are estimated at $139.3 million in OY 2014, and are projected to increase from approximately $141.0 million in OY 2015 to approximately $163.9 million in OY 2022. The projected growth in O&M Expenses between OY 2015 and OY 2022 represents a compound annual growth rate of 2.2 percent over the period. The primary component of this expense category is the salaries, wages, and benefits associated with employment of all Authority personnel. It is the largest single Airport expense category, having accounted for approximately 36.4 percent of total O&M Expenses in OY 2013. Over the Projection Period, salaries and wages are projected to increase at a compound annual rate of 2.0 percent and fringe benefits are projected to increase at a compound annual rate of 3.0 percent. The compound annual growth rate for salaries, wages, and fringe benefits, when aggregated, for the period OY 2013 to OY 2022 is 2.2 percent.

6.4.2 NORTH TERMINAL COST CENTER

O&M Expenses in the North Terminal Cost Center, excluding expenses for services provided by the North Terminal Airline Consortium that are directly reimbursed by the airlines, were approximately $14.7 million in OY 2013 and are estimated at $14.6 million in OY 2014. North Terminal O&M Expenses are projected to increase from approximately $14.6 million in OY 2015 to approximately $17.4 million in OY 2022, representing a compound annual growth rate of 2.6 percent between OY 2015 and OY 2022.

6.4.3 SOUTH TERMINAL COST CENTER

O&M Expenses in the South Terminal Cost Center are estimated to increase from $44.9 million in OY 2013 to $48.3 million in OY 2014. During the Projection Period, O&M Expenses are expected to increase from approximately $48.7 million in OY 2015 to approximately $58.9 million in OY 2022. This increase between OY 2015 and OY 2022 represents a compound annual growth rate of 2.8 percent during this period

6.5 Non-Airline Revenues

Table 6-5 below illustrates non-airline operating revenues from OY 2010 through the Authority's current estimate for OY 2014, including amounts presented on a per enplanement basis.

Non-airline operating revenue experienced a compound annual increase of 2.4 percent over the period presented on Table 6-5. Based on the Authority's OY 2014 mid-year estimates, non-airline operating revenues are anticipated to remain relatively flat between actual OY 2013 and estimated OY 2014. Over the five year period, non-airline operating revenues per enplaned passenger have fluctuated between a low of $7.74 in OY 2010 to a high of $8.40 in OY 2013.

Table 6-5: Historical Non-Airline Operating Revenues

(Amounts in Millions, except Per Passenger Amounts)

OPERATING YEAR ENDED	ACTUAL 2010	ACTUAL 2011	ACTUAL 2012	ACTUAL 2013	ESTIMATED 2014	COMPOUND ANNUAL GROWTH RATE
Total Non-Airline Operating Revenues[1/]	$122.8	$134.7	$132.9	$135.0	$135.1	2.4%
Annual Change		9.7%	(1.3)%	1.6%	0.1%	
Enplaned Passengers	15.9	16.2	16.2	16.1	16.1	0.4%
Non-Airline Operating Revenues per Passenger	$7.74	$8.30	$8.22	$8.40	$8.38	2.0%

NOTE:

1/ Includes certain airline non-terminal rentals that are incorporated in the Authority's presentation of airline revenues in the CAFR.

SOURCE: Wayne County Airport Authority, Ricondo & Associates, Inc., July 2014.
PREPARED BY: Ricondo & Associates, Inc., July 2014.

Table 6-6 presents non-airline revenues for the Airport by type of revenue for actual OY 2013, estimated OY 2014, and projected OY 2015 through OY 2022. As shown, non-airline revenues were approximately $133.5 million in OY 2013, $134.2 million in OY 2014 (estimated), and are projected to be approximately $139.9 million in OY 2015. The increase in non-airline revenues projected between OY 2015 and OY 2022 represents a compound annual growth rate of 2.2 percent, with total non-airline revenues projected to increase to approximately $163.1 million in OY 2022. In general, projections of future non-airline revenues were based on a review of historical trends, the anticipated impacts of inflation, expected rate/revenue increases, and projected growth in activity. Specific points concerning these projections are discussed below:

6.5.1 PARKING REVENUE

Parking revenue at the Airport is projected to increase from approximately $57.8 million in OY 2013 to $59.3 million in OY 2014 (estimated). In OY 2015, parking revenue is projected to increase to $63.0 million due to the Authority increasing parking rates. In OY 2022, parking revenue is projected to increase to $67.4 million, which represents a compound annual growth rate of 1.0 percent between OY 2015 and OY 2022. This growth in revenue assumes continued demand for parking facilities and that the Authority will continue to monitor its parking program and adjust parking rates as deemed necessary for demand control purposes.

6.5.2 CONCESSIONS REVENUE

The Authority has multiple concessionaires operating in each of the Airport's terminal facilities for food and beverage services, news and gift services, duty free services in the McNamara Terminal, advertising, pay phones, and other miscellaneous services. In general, the Authority receives revenue from these concessionaires in the form of commission fees that generally include a minimum annual guarantee (MAG) along with other certain commissions depending on performance. As described previously, the Authority and several of its concession operators at the McNamara Terminal and the North Terminal have received industry awards and accolades in recent years for the overall scope and diversity of the concessions program.

Table 6-6 (1 of 2) Non-Airline Revenues

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL	ESTIMATED	PROJECTED							
REVENUES BY CATEGORY	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Parking										
TOTAL PARKING	**$ 57,829**	**$ 59,300**	**$ 63,000**	**$ 63,612**	**$ 64,229**	**$ 64,853**	**$ 65,482**	**$ 66,118**	**$ 66,760**	**$ 67,408**
Concessions										
South Terminal										
Food & Beverage	$ 9,465	$ 8,591	$ 8,717	$ 10,414	$ 11,036	$ 11,309	$ 11,588	$ 11,874	$ 12,168	$ 12,469
News & Gift Shops	$ 6,864	$ 7,956	$ 8,073	$ 8,353	$ 8,560	$ 8,771	$ 8,988	$ 9,210	$ 9,438	$ 9,671
Duty Free	$ 2,607	$ 2,600	$ 2,717	$ 2,771	$ 2,799	$ 2,827	$ 2,855	$ 2,884	$ 2,913	$ 2,942
Other	$ 1,659	$ 1,648	$ 1,689	$ 1,730	$ 1,773	$ 1,817	$ 1,862	$ 1,908	$ 1,955	$ 2,003
Advertising	$ 1,957	$ 1,823	$ 1,877	$ 1,933	$ 1,991	$ 2,051	$ 2,113	$ 2,176	$ 2,241	$ 2,309
Total South Terminal	**$ 22,552**	**$ 22,617**	**$ 23,073**	**$ 25,203**	**$ 26,159**	**$ 26,775**	**$ 27,406**	**$ 28,052**	**$ 28,714**	**$ 29,393**
North Terminal										
Food & Beverage	$ 3,412	$ 3,374	$ 3,457	$ 3,542	$ 3,630	$ 3,720	$ 3,811	$ 3,906	$ 4,002	$ 4,101
News & Gift Shops	$ 2,192	$ 2,202	$ 2,256	$ 2,312	$ 2,369	$ 2,428	$ 2,488	$ 2,549	$ 2,612	$ 2,677
Advertising	$ 646	$ 617	$ 636	$ 655	$ 674	$ 694	$ 715	$ 737	$ 759	$ 782
Other	$ 1,399	$ 1,396	$ 1,431	$ 1,466	$ 1,502	$ 1,539	$ 1,577	$ 1,616	$ 1,656	$ 1,697
Total North Terminal	**$ 7,650**	**$ 7,589**	**$ 7,779**	**$ 7,975**	**$ 8,176**	**$ 8,381**	**$ 8,592**	**$ 8,808**	**$ 9,029**	**$ 9,257**
Airside Services										
In-Flight Catering	$ 721	$ 661	$ 730	$ 807	$ 891	$ 985	$ 1,088	$ 1,202	$ 1,328	$ 1,467
Flight Services	$ 265	$ 248	$ 275	$ 303	$ 335	$ 370	$ 409	$ 452	$ 499	$ 552
Total Airside Services	**$ 986**	**$ 909**	**$ 1,005**	**$ 1,110**	**$ 1,226**	**$ 1,355**	**$ 1,497**	**$ 1,654**	**$ 1,828**	**$ 2,019**
TOTAL CONCESSIONS	**$ 31,187**	**$ 31,115**	**$ 31,857**	**$ 34,288**	**$ 35,561**	**$ 36,511**	**$ 37,495**	**$ 38,514**	**$ 39,571**	**$ 40,669**

Table 6-6 (2 of 2) Non-Airline Revenues

(Dollars in Thousands for Operating Years Ending September 30)

REVENUES BY CATEGORY	ACTUAL 2013	ESTIMATED 2014	PROJECTED 2015	2016	2017	2018	2019	2020	2021	2022
Car Rental										
Concession Fees	$ 20,160	$ 20,600	$ 21,218	$ 21,855	$ 22,510	$ 23,185	$ 23,881	$ 24,597	$ 25,335	$ 26,095
TOTAL CAR RENTAL	**$ 20,160**	**$ 20,600**	**$ 21,218**	**$ 21,855**	**$ 22,510**	**$ 23,185**	**$ 23,881**	**$ 24,597**	**$ 25,335**	**$ 26,095**
Ground Transportation										
Land Lease	$ -	$ 50	$ 52	$ 53	$ 55	$ 56	$ 58	$ 60	$ 61	$ 63
Taxi/Luxury Sedan	$ 2,831	$ 2,825	$ 2,852	$ 2,880	$ 2,908	$ 2,936	$ 2,965	$ 2,994	$ 3,023	$ 3,052
Public Vehicle	$ 20	$ 15	$ 15	$ 15	$ 15	$ 16	$ 16	$ 16	$ 16	$ 16
AVI	$ 2,243	$ 2,275	$ 2,297	$ 2,319	$ 2,342	$ 2,365	$ 2,388	$ 2,411	$ 2,434	$ 2,458
TOTAL GROUND TRANSPORTATION	**$ 5,095**	**$ 5,165**	**$ 5,216**	**$ 5,268**	**$ 5,320**	**$ 5,373**	**$ 5,426**	**$ 5,480**	**$ 5,534**	**$ 5,589**
Facility Rent										
South Terminal	$ 29	$ 28	$ 29	$ 30	$ 31	$ 32	$ 32	$ 33	$ 34	$ 35
North Terminal	$ 354	$ 350	$ 361	$ 371	$ 382	$ 394	$ 406	$ 418	$ 430	$ 443
Cargo/Hangar/Ground Transportation Rent	$ 2,229	$ 2,332	$ 2,402	$ 2,474	$ 2,548	$ 2,625	$ 2,703	$ 2,785	$ 2,868	$ 2,954
Airline Hangar & Other Facilities Rentals	$ 3,865	$ 4,203	$ 4,329	$ 4,459	$ 4,593	$ 4,731	$ 4,872	$ 5,019	$ 5,169	$ 5,324
TOTAL FACILITY RENT	**$ 6,477**	**$ 6,913**	**$ 7,120**	**$ 7,334**	**$ 7,554**	**$ 7,781**	**$ 8,014**	**$ 8,255**	**$ 8,502**	**$ 8,757**
Other Non-Airline Revenue										
Shuttle Bus	$ 2,502	$ 2,050	$ 2,112	$ 2,175	$ 2,240	$ 2,307	$ 2,377	$ 2,448	$ 2,521	$ 2,597
Utility Service Fee Rent - North Terminal	$ 506	$ 513	$ 534	$ 555	$ 577	$ 600	$ 624	$ 649	$ 675	$ 702
Utility Service Fee Rent - South Terminal	$ 1,291	$ 1,296	$ 1,348	$ 1,402	$ 1,458	$ 1,516	$ 1,577	$ 1,640	$ 1,705	$ 1,774
Utility Service Fee Rent - Other	$ 3,355	$ 3,671	$ 3,818	$ 3,971	$ 4,129	$ 4,295	$ 4,466	$ 4,645	$ 4,831	$ 5,024
Charges for Services	$ 2,095	$ 2,023	$ 2,084	$ 2,146	$ 2,211	$ 2,277	$ 2,345	$ 2,416	$ 2,488	$ 2,563
Other Revenue	$ 2,970	$ 1,513	$ 1,554	$ 1,597	$ 1,641	$ 1,685	$ 1,732	$ 1,779	$ 1,828	$ 1,878
TOTAL OTHER	**$ 12,719**	**$ 11,066**	**$ 11,449**	**$ 11,845**	**$ 12,256**	**$ 12,681**	**$ 13,121**	**$ 13,576**	**$ 14,048**	**$ 14,537**
TOTAL NON-AIRLINE REVENUES	**$ 133,467**	**$ 134,159**	**$ 139,860**	**$ 144,201**	**$ 147,430**	**$ 150,384**	**$ 153,419**	**$ 156,541**	**$ 159,752**	**$ 163,056**

SOURCES: Wayne County Airport Authority (historical), Ricondo & Associates, Inc. (projected), July 2014.

PREPARED BY: Ricondo & Associates, Inc., July 2014.

Concession revenue at the Airport totaled approximately $31.2 million in OY 2013 and $31.1 million in OY 2014 (estimated). After a projected increase to approximately $31.9 million in OY 2015, concession revenues are projected to increase to approximately $40.7 million in OY 2022, representing a compound annual growth rate of 3.6 percent. Concession revenue projections are developed based on projected passenger growth, anticipated inflationary impacts, and impacts of the restructured concession programs including construction phases.

From 2012 to 2014, the Authority conducted a process of restructuring both the Retail and the Food and Beverage concession programs in the McNamara Terminal, featuring new concession agreements, new place-making, and new stores and restaurants. Concession program goals are to offer a diverse mix of national and local concepts, outstanding and complementary design, industry-leading customer service, favorable sales and revenues, and Airport Concessions Disadvantaged Business Enterprise (ACDBE) participation in excess of 21 percent. The restructured programs involved substantial investments by the Authority's concessionaires; for example, there will be approximately $31.6 million in new, private capital investment in the McNamara Terminal for Food and Beverage alone.

6.5.3 CAR RENTAL REVENUE

Currently, six rental car agencies operate at the Airport, located in the northern section of Airport property along Lucas Drive. These include Alamo/National, Avis, Budget/Payless, Dollar/Thrifty/Firefly, Enterprise, and Hertz. The Authority also receives revenues from the rental car companies through commissions consisting of a MAG and certain other performance measurements. Current agreements with the rental car agencies operating at the Airport extend through June 30, 2020. Projections of rental car revenue beyond the expiration of the current agreements assume that new agreements with similar business terms will be entered into following the expiration of the current agreements.

Car rental revenue totaled approximately $20.2 million in OY 2013 and is estimated at $20.6 million for OY 2014. Total car rental revenue is projected to increase from approximately $21.2 million in OY 2015 to approximately $26.1 million in OY 2022, representing a compound annual growth rate of 3.0 percent. Factors contributing to growth in car rental revenue include projected O&D passenger growth at the Airport as well as keeping pace with inflationary impacts.

6.5.4 GROUND TRANSPORTATION REVENUE

Ground transportation providers are located adjacent to the curb at both of the terminals. At the McNamara Terminal, ground transportation providers operate within the Ground Transportation Center located within the McNamara parking garage. At the North Terminal, ground transportation providers operate within the Ground Transportation Center constructed adjacent to the Blue Deck at the North Terminal. Ground transportation options available today include taxi service, luxury sedans, on-airport parking shuttles, courtesy vehicles, scheduled van service, and pre-arranged limo or charter bus services.

Revenues for ground transportation services include ground transportation fees charged to taxi services and other surface transportation providers, revenues collected via use of Automatic Vehicle Identification (AVI) equipment, and land lease revenues associated with vehicle storage. Ground transportation revenues totaled approximately $5.1 million in OY 2013 and are estimated at $5.2 million for OY 2014. Based on projected

O&D passenger growth and inflationary impacts, ground transportation revenues are projected to increase from approximately $5.2 million in OY 2015 to approximately $5.6 million in OY 2022, representing a compound annual growth rate of 1.0 percent during this period.

6.5.5 FACILITY RENT

Facility rental revenues totaled approximately $6.5 million in OY 2013 and are estimated to be $6.9 million for OY 2014. Facility rental revenues are projected to increase from approximately $7.1 million in OY 2015 to approximately $8.8 million in OY 2022, representing a compound annual growth rate of 3.0 percent during this period. Revenue items in this category include TSA space rental revenue in the North Terminal and non-terminal airline rentals, projected based on inflationary impacts. These rentals include, but are not limited to, hangar, cargo and/or maintenance and other facility rentals.

6.5.6 OTHER NON-AIRLINE REVENUE

Other revenues, comprised of shuttle bus revenues, utility service fees, charges for services, other revenue, and interest income, totaled approximately $12.7 million in OY 2013 and are estimated at $11.1 million for OY 2014. Other revenues are projected to increase from approximately $11.4 million in OY 2015 to approximately $14.5 million in OY 2022, representing a compound annual growth rate of 3.5 percent. All items with exception of interest income are projected based on anticipated inflationary impacts. Interest income is projected based on projected fund balances and an estimated investment earnings rates applicable fund balances.

6.6 Airline Rates, Revenues, and Cost Per Enplanement

Airline rental and activity fee rates for the period OY 2013 through OY 2022, calculated per the requirements of the Airline Agreement, are presented in the following sections. Terminal rental rates are calculated based on each terminal's respective net requirement divided by its total rented airline premises. The Airport Activity Fee is calculated using an Airport system residual methodology based on projections of total airline landed weight.

6.6.1 SOUTH TERMINAL RENTAL RATE AND RENTAL REVENUE

Table 6-7 presents South Terminal Rental Rates, calculated per the terms of the Airline Agreements (as described in Section 6.2.3.1), for the period OY 2013 through OY 2022. Between OY 2013 and OY 2022, the South Terminal Rental Rate is projected to increase from $57.71 in OY 2013 to $70.19 in OY 2022. Over the same period, total South Terminal Rental Revenue is projected to increase from approximately $52.6 million to approximately $64.0 million, representing a compound annual growth rate of 2.2 percent.

Table 6-7: South Terminal Signatory Airline Rentals

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL 2013	ESTIMATED 2014	PROJECTED 2015	2016	2017	2018	2019	2020	2021	2022
Total South Terminal O&M Expenses	$ 44,926	$ 48,253	$ 48,662	$ 49,990	$ 51,359	$ 52,770	$ 54,224	$ 55,724	$ 57,270	$ 58,865
Bond Net Debt Service 1/	$ 56,298	$ 54,772	$ 56,240	$ 57,036	$ 58,076	$ 56,184	$ 54,585	$ 59,002	$ 58,931	$ 55,970
TOTAL REQUIREMENT	**$ 101,224**	**$ 103,025**	**$ 104,902**	**$ 107,026**	**$ 109,435**	**$ 108,954**	**$ 108,809**	**$ 114,726**	**$ 116,202**	**$ 114,834**
Less: Other Available Moneys 2/	$ 40,115	$ 37,789	$ 39,551	$ 40,472	$ 41,723	$ 40,029	$ 39,222	$ 42,065	$ 42,209	$ 41,180
Less: International Facilities Use Fees	$ 6,701	$ 7,058	$ 7,129	$ 7,200	$ 7,272	$ 7,345	$ 7,418	$ 7,492	$ 7,567	$ 7,643
Less: South Terminal Rental Revenue	$ 1,346	$ 1,329	$ 1,377	$ 1,431	$ 1,488	$ 1,548	$ 1,609	$ 1,673	$ 1,740	$ 1,809
Less: Other Airline Terminal Rents	$ 460	$ 600	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300
NET REQUIREMENT	**$ 52,602**	**$ 56,249**	**$ 56,545**	**$ 57,622**	**$ 58,652**	**$ 59,732**	**$ 60,260**	**$ 63,196**	**$ 64,386**	**$ 63,983**
SOUTH TERMINAL AIRLINE PREMISES 3/	**911,514**	**911,514**	**911,514**	**911,514**	**911,514**	**911,514**	**911,514**	**911,514**	**911,514**	**911,514**
SOUTH TERMINAL RENTAL RATE (per square foot)	**$ 57.71**	**$ 61.71**	**$ 62.03**	**$ 63.22**	**$ 64.35**	**$ 65.53**	**$ 66.11**	**$ 69.33**	**$ 70.64**	**$ 70.19**
SOUTH TERMINAL SIGNATORY AIRLINE RENTALS 4/	**$ 52,602**	**$ 56,249**	**$ 56,545**	**$ 57,622**	**$ 58,652**	**$ 59,732**	**$ 60,260**	**$ 63,196**	**$ 64,386**	**$ 63,983**

NOTES:

1/ Differs from Table 6-1 due to inclusion of bond payment and bond reserve income and transfers in addition to Revenue Bond Debt Service, as defined in the Airline Agreements.

2/ PFC moneys transferred to the Bond Fund or Junior Lien Bond Fund for the payment of PFC-eligible debt service.

3/ Preferential South Terminal Space leased to Signatory Airlines and Shared Use South Terminal Space.

4/ Includes per-deplaned passenger Shared Use Fees.

SOURCES: Wayne County Airport Authority (historical), Ricondo & Associates, Inc. (projected), July 2014.

PREPARED BY: Ricondo & Associates, Inc., July 2014.

6.6.2 NORTH TERMINAL RENTAL RATE AND RENTAL REVENUE

Table 6-8 presents projected North Terminal Rental Rates for the period OY 2013 through OY 2022 based on the rate making methodology identified in the Airline Agreements as described in Section 6.2.3.1. Between OY 2013 and OY 2022, the North Terminal Rental Rate is projected to increase from $118.95 in OY 2013 to $120.57 in OY 2022. During interim years of this period, the North Terminal Rental Rate and Total North Terminal Rental Revenues are projected to fluctuate, reaching $138.73 and approximately $8.9 million, respectively, in OY 2020. These rate and total revenue fluctuations are primarily attributable to the amount of Other Available Moneys projected to be applied to North Terminal Bond Debt Service based on PFC-eligible debt service funding priorities and declining PFC fund balances. The Authority has contractually agreed with the Signatory Airlines to use additional PFC collections that may result from potential increases to per passenger PFC collection levels to fund PFC-eligible debt service which may mitigate the projected rate and total revenue fluctuations.

6.6.3 ACTIVITY FEE

Activity Fee rates for the period OY 2013, OY 2014 (estimated) and projected for the period OY 2015 through OY 2022 are presented in **Table 6-9**. Using the Airport system residual approach defined in the Airline Agreements and projected total airline landed weights from Section 5 of this Report, the Signatory Airline Activity Fee Rate is projected to increase from $3.14 per 1,000 pounds of aircraft landed weight in OY 2013 to $4.14 in OY 2017, and subsequently decrease to $3.22 in OY 2022. In each year, the Non-Signatory Activity Fee Rate is 125 percent of the Signatory Airline Airport Activity Fee Rate. As shown, total Airport Activity Fee Revenue is projected to increase from approximately $65.0 million in OY 2013 to approximately $71.3 million in OY 2022.

6.6.4 AVERAGE AIRLINE COST PER ENPLANEMENT

A general test of reasonableness for Airport user fees is the average airline CPE. **Table 6-10** presents projections of the Airport's average airline CPE over the period OY 2013 through OY 2022. The projected Airport average airline CPE is calculated based on estimated airline Terminal Rental and Use Fees, Activity Fee Revenue, IFUF collections, and debt service recapture associated with a terminal project that is funded by a single carrier, each of which has been projected based on applicable Airline Agreements. Total passenger enplanement projections, as presented in Section 5 of this Report, are used as the divisor in this calculation.

As shown, the Airport's average airline CPE is projected to increase from $9.45 in OY 2013 to $10.99 in OY 2018, before decreasing to $9.82 in OY 2022. While future debt service is not included in this analysis, the projected Airport average airline CPE throughout the Projection Period appears reasonable and affordable for the air carriers.

Exhibit 6-1 presents the Airport's CPE relative to other airports in the U.S. R&A believes that the Airport's CPE is reasonable as compared to other large-hub U.S. airports, especially when noting that the Authority has completed a significant capital program that has modernized its facilities. As such, the Authority has been able to keep its costs to the airlines low while investing significant capital into the facility. The comparatively low CPE combined with the efficient facilities strategically positions the Airport well into the foreseeable future.

Table 6-8: North Terminal Signatory Airline Rentals

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL 2013	ESTIMATED 2014	PROJECTED 2015	2016	2017	2018	2019	2020	2021	2022
Total North Terminal O&M Expenses	$ 14,697	$ 14,631	$ 14,557	$ 14,926	$ 15,307	$ 15,698	$ 16,100	$ 16,514	$ 16,940	$ 17,378
Bond Net Debt Service [1/]	$ 32,312	$ 33,240	$ 36,081	$ 36,349	$ 35,117	$ 34,648	$ 34,609	$ 34,930	$ 34,956	$ 33,452
TOTAL REQUIREMENT	**$ 47,009**	**$ 47,371**	**$ 50,638**	**$ 51,275**	**$ 50,423**	**$ 50,346**	**$ 50,709**	**$ 51,444**	**$ 51,896**	**$ 50,831**
Less: Other Available Moneys [2/]	$ 19,611	$ 18,745	$ 21,986	$ 23,066	$ 22,242	$ 21,260	$ 22,818	$ 20,268	$ 20,790	$ 22,752
Less: International Facilities Use Fees	$ 562	$ 685	$ 692	$ 699	$ 706	$ 713	$ 720	$ 727	$ 734	$ 742
Less: North Terminal Rental Revenue	$ 1,477	$ 1,461	$ 894	$ 926	$ 960	$ 994	$ 1,030	$ 1,067	$ 1,106	$ 1,146
Less: Authority-Controlled Airline Space Revenue [3/]	$ 2,957	$ 3,083	$ 3,148	$ 3,125	$ 3,122	$ 3,164	$ 3,103	$ 3,262	$ 3,256	$ 3,106
Less: North Terminal Shared Use Fees [4/]	$ 14,782	$ 15,773	$ 15,874	$ 15,591	$ 15,551	$ 16,058	$ 15,332	$ 17,232	$ 17,164	$ 15,361
NET REQUIREMENT	**$ 7,621**	**$ 8,123**	**$ 8,044**	**$ 7,868**	**$ 7,843**	**$ 8,158**	**$ 7,707**	**$ 8,888**	**$ 8,846**	**$ 7,725**
PREFERENTIAL NORTH TERMINAL SPACE LEASED TO SIGNATORY AIRLINES	**64,067**	**64,067**	**64,067**	**64,067**	**64,067**	**64,067**	**64,067**	**64,067**	**64,067**	**64,067**
NORTH TERMINAL RENTAL RATE (per square foot)	**$ 118.95**	**$ 126.79**	**$ 125.55**	**$ 122.81**	**$ 122.42**	**$ 127.33**	**$ 120.29**	**$ 138.73**	**$ 138.07**	**$ 120.57**
NORTH TERMINAL SIGNATORY AIRLINE RENTALS	**$ 7,621**	**$ 8,123**	**$ 8,044**	**$ 7,868**	**$ 7,843**	**$ 8,158**	**$ 7,707**	**$ 8,888**	**$ 8,846**	**$ 7,725**

NOTES:

1/ Differs from Table 6-1 due to inclusion of bond payment and bond reserve income and transfers in addition to Revenue Bond Debt Service, as defined in the Airline Agreements.

2/ PFC moneys transferred to the Bond Fund or Junior Lien Bond Fund for the payment of PFC-eligible debt service.

3/ Comprised of revenues received for the use of North Terminal Authority-Controlled Airline Space. Amounts include Common Use Gate Fees, Overnight Common Use Gate Rental, non-signatory airline space rentals, and rental for member-only airline clubs.

4/ Collected on a per-enplaned passenger basis from all airlines for the use of approximately 125,000 square feet of shared use space including baggage claim, baggage make-up, and outbound baggage areas.

SOURCES: Wayne County Airport Authority (historical), Ricondo & Associates, Inc. (projected), July 2014.

PREPARED BY: Ricondo & Associates, Inc., July 2014.

Table 6-9: Airport Activity Fee

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL	ESTIMATED	PROJECTED							
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total O&M Expenses	$ 185,510	$ 202,180	$ 204,228	$ 209,245	$ 214,397	$ 219,685	$ 223,116	$ 228,646	$ 234,324	$ 240,156
Bond Net Debt Service [1/]	$ 97,170	$ 98,872	$ 100,673	$ 106,112	$ 111,679	$ 111,647	$ 109,107	$ 108,525	$ 102,580	$ 91,023
Interest Expense	$ 1,881	$ 1,961	$ 1,933	$ 1,533	$ 1,533	$ 1,533	$ 1,533	$ 1,533	$ 1,533	$ 1,533
TOTAL REVENUE REQUIREMENT	**$ 284,561**	**$ 303,013**	**$ 306,834**	**$ 316,890**	**$ 327,608**	**$ 332,865**	**$ 333,755**	**$ 338,704**	**$ 338,437**	**$ 332,712**
LESS: Non-Airline Revenues	$ 133,467	$ 134,159	$ 139,860	$ 144,201	$ 147,430	$ 150,384	$ 153,419	$ 156,541	$ 159,752	$ 163,056
ADD: AVI Transfer [2/]	$ 2,243	$ 2,275	$ 2,297	$ 2,319	$ 2,342	$ 2,365	$ 2,388	$ 2,411	$ 2,434	$ 2,458
LESS: International Facility Use Fees	$ 7,263	$ 7,743	$ 7,820	$ 7,899	$ 7,978	$ 8,057	$ 8,138	$ 8,219	$ 8,302	$ 8,385
LESS: Non-Signatory Activity Fee Revenue	$ 781	$ 929	$ 901	$ 966	$ 1,044	$ 1,047	$ 1,030	$ 977	$ 921	$ 854
LESS: Total Airline Terminal Space Revenue [3/]	$ 77,962	$ 83,228	$ 83,611	$ 84,206	$ 85,168	$ 87,111	$ 86,402	$ 92,578	$ 93,652	$ 90,174
LESS: Supplemental Capital Cost Payments [4/]	$ 1,718	$ 1,718	$ 1,718	$ 1,318	$ 1,318	$ 1,318	$ 1,318	$ 1,318	$ 1,318	$ 1,318
LESS: Other Grants and Transfers	$ 1,423	$ 955	$ 955	$ 955	$ 955	$ 955	$ 955	$ 955	$ 955	$ 955
NET REVENUE REQUIREMENT	**$ 64,192**	**$ 76,556**	**$ 74,266**	**$ 79,664**	**$ 86,057**	**$ 86,357**	**$ 84,881**	**$ 80,527**	**$ 75,972**	**$ 70,428**
Total Signatory Airline Landed Weight (million pound units)	20,429	20,303	20,376	20,577	20,769	20,990	21,211	21,425	21,663	21,896
Airport Activity Fee Rate	$ 3.14	$ 3.77	$ 3.64	$ 3.87	$ 4.14	$ 4.11	$ 4.00	$ 3.76	$ 3.51	$ 3.22
AIRPORT ACTIVITY FEE RATE CHARGED										
Signatory Airlines	$ 3.14	$ 3.77	$ 3.64	$ 3.87	$ 4.14	$ 4.11	$ 4.00	$ 3.76	$ 3.51	$ 3.22
Non-Signatory Airlines (25% Premium)	$ 3.93	$ 4.71	$ 4.56	$ 4.84	$ 5.18	$ 5.14	$ 5.00	$ 4.70	$ 4.38	$ 4.02
Airport Activity Fee Revenue										
Total Signatory Airline Landed Weight	20,429	20,303	20,376	20,577	20,769	20,990	21,211	21,425	21,663	21,896
Total Non-Signatory Airline Landed Weight	199	197	198	200	202	204	206	208	210	212
TOTAL AIRLINE LANDED WEIGHT	**20,627**	**20,500**	**20,574**	**20,777**	**20,971**	**21,194**	**21,417**	**21,633**	**21,874**	**22,109**
Signatory Airline Activity Fee Revenue	$ 64,192	$ 76,556	$ 74,266	$ 79,664	$ 86,057	$ 86,357	$ 84,881	$ 80,527	$ 75,972	$ 70,428
Non-Signatory Airline Activity Fee Revenue	$ 781	$ 929	$ 901	$ 966	$ 1,044	$ 1,047	$ 1,030	$ 977	$ 921	$ 854
AIRPORT ACTIVITY FEE REVENUE	**$ 64,972**	**$ 77,485**	**$ 75,167**	**$ 80,630**	**$ 87,101**	**$ 87,405**	**$ 85,911**	**$ 81,504**	**$ 76,894**	**$ 71,282**

NOTES:

1/ Differs from Table 6-1 due to inclusion of bond payment and bond reserve income, transfers, and certain fund deposit requirements in addition to Revenue Bond Debt Service, as defined in the Airline Agreements.

2/ Up to but not exceeding $2.5 million of Revenue attributable to the automated vehicle identification program and any proceeds from the sale of certain West side airfield properties.

3/ Includes all Signatory Airline terminal rentals, terminal use charges, shared use fees, Authority-controlled airline space revenues, and other terminal rental revenue.

4/ Annual Bond Debt Service Charges in respect of certain projects that were constructed for the sole benefit of Northwest Airlines in its terminal facility prior to February 26, 2002.

SOURCES: Wayne County Airport Authority (historical), Ricondo & Associates, Inc. (projected), July 2014.

PREPARED BY: Ricondo & Associates, Inc., July 2014.

Table 6-10: Airline Cost Per Enplaned Passenger

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL 2013	ESTIMATED 2014	PROJECTED 2015	2016	2017	2018	2019	2020	2021	2022
Airline Revenues										
Airline Rental[1/] and Shared Use Fees:										
South Terminal	$ 52,602	$ 56,249	$ 56,545	$ 57,622	$ 58,652	$ 59,732	$ 60,260	$ 63,196	$ 64,386	$ 63,983
North Terminal [2/]	$ 25,359	$ 26,979	$ 27,066	$ 26,584	$ 26,516	$ 27,379	$ 26,142	$ 29,382	$ 29,266	$ 26,191
Activity Fee Revenue	$ 64,972	$ 77,485	$ 75,167	$ 80,630	$ 87,101	$ 87,405	$ 85,911	$ 81,504	$ 76,894	$ 71,282
International Facility Use Fees	$ 7,263	$ 7,743	$ 7,820	$ 7,899	$ 7,978	$ 8,057	$ 8,138	$ 8,219	$ 8,302	$ 8,385
Supplemental Capital Cost Payments [3/]	$ 1,718	$ 1,718	$ 1,718	$ 1,318	$ 1,318	$ 1,318	$ 1,318	$ 1,318	$ 1,318	$ 1,318
TOTAL AIRLINE REVENUES	**$ 151,915**	**$ 170,174**	**$ 168,316**	**$ 174,053**	**$ 181,565**	**$ 183,891**	**$ 181,769**	**$ 183,619**	**$ 180,165**	**$ 171,159**
Enplaned Passengers	16,077	16,126	16,264	16,414	16,566	16,734	16,898	17,065	17,238	17,422
Airline Cost Per Enplaned Passenger	$ 9.45	$ 10.55	$ 10.35	$ 10.60	$ 10.96	$ 10.99	$ 10.76	$ 10.76	$ 10.45	$ 9.82
Airline Cost Per Enplaned Passenger - 2014 Dollars			$ 10.05	$ 10.00	$ 10.03	$ 9.76	$ 9.28	$ 9.01	$ 8.50	$ 7.76

NOTES:

1/ Excluding rent for airline hangar & other facilities rentals.

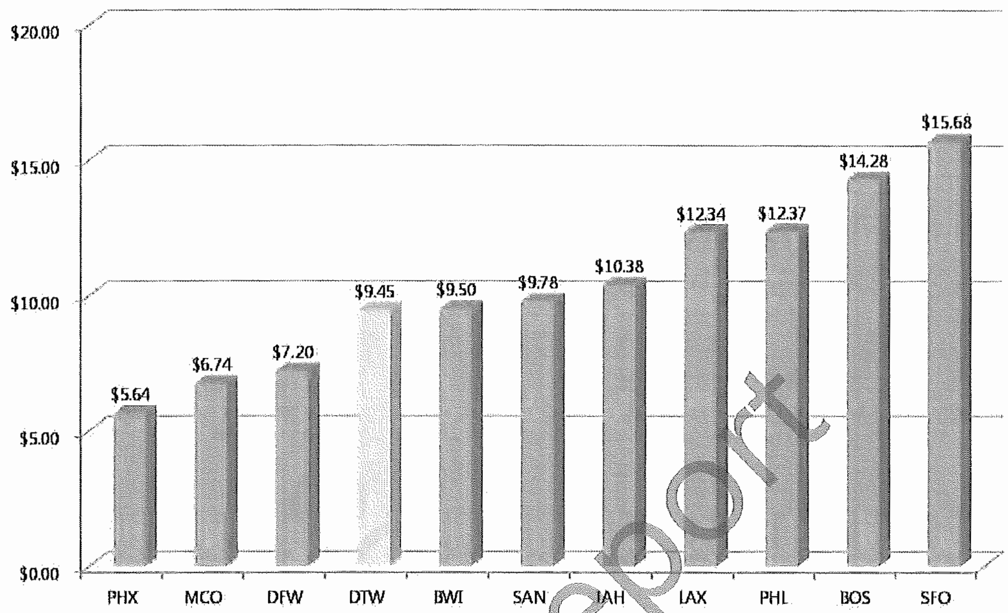
2/ Includes North Terminal Rentals, North Terminal Authority-Controlled Airline Space Revenue, and North Terminal Shared Use Fees.

3/ Annual Bond Debt Service Charges in respect of certain projects that were constructed for the sole benefit of Northwest Airlines in its terminal facility prior to February 26, 2002.

SOURCES: Wayne County Airport Authority (historical), Ricondo & Associates, Inc. (projected), July 2014.

PREPARED BY: Ricondo & Associates, Inc., July 2014.

Exhibit 6-1: FY 2013 Airline Cost Per Enplanement Comparison



NOTES: FAA CATS Passenger Airline Aeronautical Revenue for CPE calculation includes passenger airline landing fees, terminal arrival fees, rents, utilities, terminal area apron charges/tiedowns, Federal Inspection fees, and other passenger aeronautical fees.

SOURCE: FAA CATS FY 2013 (other large-hub U.S. airports), Ricondo & Associates, Inc. (DTW), June 2014.

PREPARED BY: Ricondo & Associates, Inc., June 2014.

6.7 Rate Covenant and Pro-Forma Projection of Debt Service Coverage

Table 6-11 presents the application of revenues for OY 2013, estimated OY 2014, and projected for OY 2015 through OY 2022 and reflects the disposition of cash flow into the appropriate funds as described in the Master Bond Ordinance.

As shown in **Table 6-12,** Net Revenues generated in each year of the Projection Period will be sufficient to comply with the Rate Covenant established in the Ordinances.

Table 6-11: Application of Revenues

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL	ESTIMATED	PROJECTED							
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Airline Revenues	$ 151,915	$ 170,174	$ 168,316	$ 174,053	$ 181,565	$ 183,891	$ 181,769	$ 183,619	$ 180,165	$ 171,159
Non-Airline Revenues	$ 133,467	$ 134,159	$ 139,860	$ 144,201	$ 147,430	$ 150,384	$ 153,419	$ 156,541	$ 159,752	$ 163,056
Other Available Moneys [1/]	$ 70,266	$ 65,815	$ 65,545	$ 67,629	$ 68,226	$ 65,385	$ 66,021	$ 66,675	$ 67,351	$ 68,067
Bond Fund and Bond Reserve Fund Income	$ 2,581	$ 2,180	$ 2,224	$ 2,051	$ 2,015	$ 1,998	$ 2,016	$ 1,970	$ 1,932	$ 1,690
Debt Service Reserve Transfer	$ -	$ -	$ 8,600	$ 6,000	$ -	$ 1,806	$ 5,000	$ 896	$ 2,746	$ 6,317
Other Grants and Transfers	$ 1,423	$ 955	$ 955	$ 955	$ 955	$ 955	$ 955	$ 955	$ 955	$ 955
Total Revenues and Other Available Moneys	**$ 359,652**	**$ 373,283**	**$ 385,500**	**$ 394,890**	**$ 400,191**	**$ 404,419**	**$ 409,180**	**$ 410,656**	**$ 412,901**	**$ 411,244**
Application of Revenues										
Operation and Maintenance Fund	$ 191,191	$ 206,641	$ 208,661	$ 213,278	$ 218,430	$ 223,718	$ 227,149	$ 232,679	$ 238,357	$ 244,189
Bond Fund	$ 147,686	$ 145,407	$ 155,794	$ 160,045	$ 159,929	$ 158,602	$ 159,822	$ 155,322	$ 151,598	$ 143,810
Junior Lien Bond Fund	$ 12,238	$ 12,231	$ 12,231	$ 12,270	$ 12,276	$ 12,274	$ 12,275	$ 12,276	$ 12,274	$ 12,274
Operation and Maintenance Reserve Fund	$ -	$ 424	$ 171	$ 418	$ 429	$ 441	$ 286	$ 461	$ 473	$ 486
Renewal and Replacement Fund	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500
Airport Discretionary Fund	$ 350	$ 350	$ 350	$ 350	$ 350	$ 350	$ 350	$ 350	$ 350	$ 350
Airport Development Fund [2/]	$ 5,443	$ 5,454	$ 5,497	$ 5,710	$ 5,935	$ 6,169	$ 6,410	$ 6,658	$ 6,913	$ 7,177
Other Transfer to the Airport Development Fund	$ 2,243	$ 2,275	$ 2,297	$ 2,319	$ 2,342	$ 2,365	$ 2,388	$ 2,411	$ 2,434	$ 2,458
Total Application of Revenues	**$ 359,652**	**$ 373,283**	**$ 385,500**	**$ 394,890**	**$ 400,191**	**$ 404,419**	**$ 409,180**	**$ 410,656**	**$ 412,901**	**$ 411,244**

NOTES:

1/ In addition to PFCs available to pay debt service, includes additional amounts that the Authority anticipates applying to offset airfield debt service in OY 2013 and OY 2014.

2/ Net of Series 2007 debt service payable from the Airport Development Fund.

SOURCES: Wayne County Airport Authority (historical), Ricondo & Associates, Inc. (projected), July 2014.

PREPARED BY: Ricondo & Associates, Inc., July 2014.

Table 6-12: Net Revenues, Debt Service Coverage and Rate Covenant

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL 2013	ESTIMATED 2014	PROJECTED 2015	2016	2017	2018	2019	2020	2021	2022
Debt Service Coverage:										
Revenues and Other Available Moneys	$ 359,652	$ 373,283	$ 385,500	$ 394,890	$ 400,191	$ 404,419	$ 409,180	$ 410,656	$ 412,901	$ 411,244
ADD: Revenue Fund Balance 1/	$ 66,864	$ 59,456	$ 62,053	$ 63,115	$ 63,086	$ 62,754	$ 63,060	$ 61,935	$ 61,004	$ 59,056
LESS: Operation and Maintenance Fund 2/	$ 191,191	$ 206,641	$ 208,661	$ 213,278	$ 218,430	$ 223,718	$ 227,149	$ 232,679	$ 238,357	$ 244,189
Net Revenues Available for Senior Lien Debt Service	**$ 235,325**	**$ 226,098**	**$ 238,892**	**$ 244,727**	**$ 244,848**	**$ 243,455**	**$ 245,091**	**$ 239,912**	**$ 235,547**	**$ 226,111**
Senior Lien Bond Debt Service	$ 147,686	$ 145,407	$ 155,794	$ 160,045	$ 159,929	$ 158,602	$ 159,822	$ 155,322	$ 151,598	$ 143,810
Senior Lien Bond Debt Service Coverage	1.59	1.55	1.53	1.53	1.53	1.54	1.53	1.54	1.55	1.57
Rate Covenant:										
Net Revenues Available for Senior Lien Debt Service	$ 235,325	$ 226,098	$ 238,892	$ 244,727	$ 244,848	$ 243,455	$ 245,091	$ 239,912	$ 235,547	$ 226,111
LESS: Senior Lien Bond Debt Service	$ 147,686	$ 145,407	$ 155,794	$ 160,045	$ 159,929	$ 158,602	$ 159,822	$ 155,322	$ 151,598	$ 143,810
Net Revenues Available for Junior Lien Debt Service	**$ 87,638**	**$ 80,691**	**$ 83,098**	**$ 84,682**	**$ 84,919**	**$ 84,853**	**$ 85,268**	**$ 84,590**	**$ 83,949**	**$ 82,301**
Less: Junior Lien Bond Debt Service	$ 12,238	$ 12,231	$ 12,231	$ 12,270	$ 12,276	$ 12,274	$ 12,275	$ 12,276	$ 12,274	$ 12,274
Less: Operation and Maintenance Reserve Fund	$ -	$ 424	$ 171	$ 418	$ 429	$ 441	$ 286	$ 461	$ 473	$ 486
Less: Renewal and Replacement Fund	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500	$ 500
Less: Airport Development Fund	$ 5,443	$ 5,454	$ 5,497	$ 5,710	$ 5,935	$ 6,169	$ 6,410	$ 6,658	$ 6,913	$ 7,177
Less: Authority Discretionary Fund	$ 350	$ 350	$ 350	$ 350	$ 350	$ 350	$ 350	$ 350	$ 350	$ 350
Less: 25% Senior Lien Bond Debt Service	$ 36,922	$ 36,352	$ 38,948	$ 40,011	$ 39,982	$ 39,651	$ 39,956	$ 38,831	$ 37,900	$ 35,952
Subtotal	**$ 55,453**	**$ 55,312**	**$ 57,697**	**$ 59,258**	**$ 59,473**	**$ 59,385**	**$ 59,777**	**$ 59,075**	**$ 58,411**	**$ 56,739**
Net Revenues Remaining in Revenue Fund	**$ 32,185**	**$ 25,379**	**$ 25,401**	**$ 25,423**	**$ 25,446**	**$ 25,469**	**$ 25,492**	**$ 25,515**	**$ 25,538**	**$ 25,562**

NOTES:

1/ Includes certain amounts that the Authority has accumulated for other reserves not specified in the table above, but which are legally available for debt service until used for such other purposes.

2/ Includes Capital Acquisition and Interest Expense.

SOURCES: Wayne County Airport Authority (historical), Ricondo & Associates, Inc. (projected), July 2014.

PREPARED BY: Ricondo & Associates, Inc., July 2014.

6.8 Sensitivity Scenario

As a result of a request made by a credit rating agency during the credit review process, and solely for that purpose, a sensitivity scenario was conducted to quantify the potential impacts that a lower activity scenario would have on the baseline financial projections. Based on the specific requests from the credit rating agency, in the sensitivity scenario projections of enplaned passengers were adjusted to reflect the following:

- No growth in O&D traffic throughout the Projection Period
- 50 percent reduction in connecting traffic (on all carriers) in OY 2015, with no recovery
- 20 percent reduction in O&M expenses in OY 2015, with 2.4 percent growth thereafter

In addition, landed weight was also adjusted proportionally to total enplaned passengers throughout the Projection Period.

As discussed in Section 2 and Section 5 of this Report, the Airport is a key connecting hub and one of the primary international gateways in the Delta Air Lines system. Neither the Authority nor R&A considers such a reduction in connecting traffic incorporated in the sensitivity analysis as a likely event at any time during the Projection Period.

In addition to incorporating the requested changes to projections of enplaned passengers, projections of certain O&M Expenses and non-airline revenues were revised to reflect the anticipated impacts of reduced passenger levels. Similarly, as a result of the reduction in enplaned passengers, projected PFC collections (and consequently Other Available Moneys used to offset PFC-eligible debt service) also were reduced as compared with the baseline projections.

Table 6-13 presents projections of key financial metric in the sensitivity scenario. Given the residual nature of the Airline Agreements, Senior Lien coverage remains substantially the same as in the baseline scenario; therefore, it exceeds minimum coverage requirements throughout the Projection Period and does not fall below 1.50x. As would be expected given the residual nature of the Airline Agreements, airline revenues and the resultant CPE are comparatively higher in the sensitivity scenario due to the lower levels of enplaned passengers and the greater airline net requirement that results from reduced non-airline revenues and Other Available Moneys available to pay PFC-eligible debt service. It is also important to note that if such an operating scenario did occur, the Authority would study its impacts in a much more comprehensive manner and would likely consider operational changes, such as the closure of a passenger terminal or portions thereof, to reduce further operating costs.

Table 6-13 Summary of Sensitivity Scenario

(Dollars in Thousands Except Rates and CPE for Operating Years Ending September 30)

	ACTUAL 2013	ESTIMATED 2014	PROJECTED 2015	2016	2017	2018	2019	2020	2021	2022
Sensitivity Scenario										
Total Enplaned Passengers	16,077	16,126	11,772	11,772	11,772	11,772	11,772	11,772	11,772	11,772
- Annual Change		0.3%	-27.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total PFC Revenues	$ 62,838	$ 63,006	$ 45,994	$ 45,994	$ 45,994	$ 45,994	$ 45,994	$ 45,994	$ 45,994	$ 45,994
Total O&M Expenses	$ 185,510	$ 202,180	$ 163,487	$ 167,618	$ 171,863	$ 176,223	$ 178,702	$ 183,254	$ 187,931	$ 192,738
Total Non-Airline Revenues	$ 133,467	$ 134,159	$ 132,512	$ 133,941	$ 135,392	$ 136,893	$ 138,447	$ 140,054	$ 141,718	$ 143,440
Total Airline Revenues	$ 151,915	$ 170,174	$ 152,282	$ 160,703	$ 169,658	$ 173,143	$ 172,163	$ 175,178	$ 172,921	$ 165,161
Airport Activity Fee (Signatory Airlines)	$ 3.14	$ 3.77	$ 3.66	$ 4.19	$ 4.71	$ 4.78	$ 4.74	$ 4.51	$ 4.26	$ 3.95
Airline Cost Per Enplaned Passenger	$ 9.45	$ 10.55	$ 12.94	$ 13.65	$ 14.41	$ 14.71	$ 14.62	$ 14.88	$ 14.69	$ 14.03
Senior Lien Bond Debt Service	$ 147,686	$ 145,407	$ 155,794	$ 160,045	$ 159,929	$ 158,602	$ 159,822	$ 155,322	$ 151,598	$ 143,810
Senior Lien Bond Debt Service Coverage	1.59	1.55	1.53	1.53	1.53	1.53	1.53	1.54	1.55	1.57

SOURCES: Wayne County Airport Authority (historical), Ricondo & Associates, Inc. (projected), July 2014.

PREPARED BY: Ricondo & Associates, Inc., July 2014.

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SUPPLEMENTAL LETTER

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RICONDO®
& ASSOCIATES

September 10, 2015

Mr. Thomas J. Naughton
Chief Executive Officer
Wayne County Airport Authority
L.C. Smith Terminal, Mezzanine Level
Detroit, Michigan 48242

RE: Letter of the Airport Consultant, Wayne County Airport Authority
Airport Revenue Bonds, Series 2015D (Non-AMT)
Airport Revenue Bonds, Series 2015E (AMT)
Airport Revenue Refunding Bonds, Series 2015G (Non-AMT)

Dear Mr. Naughton:

This Letter of the Airport Consultant (Letter) sets forth the findings, assumptions, and projections related to the air traffic and financial analyses prepared by Ricondo & Associates, Inc. (R&A) in conjunction with the planned issuance of the Airport Revenue Bonds, Series 2015D (Non-AMT), Airport Revenue Bonds, Series 2015E (AMT), and Airport Revenue Refunding Bonds, Series 2015G (Non-AMT) (the Series 2015 Bonds) by the Wayne County Airport Authority (the Authority), which has sole and exclusive operational jurisdiction of the Detroit Metropolitan Wayne County Airport (the Airport). This Letter and the financial analysis exclude the effect of the Authority's refunding of a portion of the Airport Revenue Bonds, Series 2005 (the Series 2015F Bonds).

The plan of finance for the Authority's issuance of the Series 2015 Bonds used by R&A in preparing this Letter and the financial analysis is provided below in **Table 1**.

Table 1: Plan of Finance for the Authority's Series 2015 Bonds

SERIES	PURPOSE
D	Provide new money funding for the Series 2015 Projects (Non-AMT)
E	Provide new money funding for the Series 2015 Projects (AMT)
G[1/]	Refund all or a portion of the Airport Hotel Revenue Bonds, Series 2001A (Hotel Bonds) (Non-AMT, Fixed Rate)

NOTE:

1/ The financial projections included in this analysis assume that the Series 2015G Bonds will be issued as fixed rate bonds in the full amount shown on the cover of this Preliminary Official Statement.

SOURCE: Public Financial Management, Inc., September 2015.
PREPARED BY: Ricondo & Associates, Inc., September 2015.

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The Authority also plans to refund its Series 2005 Bonds with the proceeds of direct placements with three separate banks and the proceeds of the Series 2015F Bonds. The direct placements are expected to total approximately $185 million. Purchase agreements have been executed and closing is scheduled to occur prior to the sale of the Series 2015D, 2015E, 2015F, and 2015G Bonds. When issued, the direct placements will be identified as the Series 2015A, 2015B, and 2015C Bonds. The Authority plans to issue the Series 2015F Bonds to refund the portion of the Series 2005 Bonds not refunded from the direct placements. The Authority expects to realize debt service savings from refunding its Series 2005 Bonds. However, because the refunding bonds have not yet been issued, the financial projections contained in this Letter do not reflect the financial impact of refunding the Series 2005 Bonds.

It will be necessary for the Authority and Starwood Hotels and Resorts Worldwide, Inc. (Starwood) to make certain changes to the existing hotel management agreement (Hotel Management Agreement) between the Authority and Starwood with respect to the Westin Detroit Metropolitan Airport Hotel (the Airport Hotel) prior to, or simultaneously with, the issuance of the Series 2015G Bonds. Parameters for such changes to the Hotel Management Agreement have been submitted to the Authority's Board for approval at its September meeting and are subject to internal approval at Starwood. If the Board and Starwood do not approve such changes or establish the parameters therefor, the Authority will delay the sale of the Series 2015G Bonds until after such approvals are received. If that occurs, the Authority still expects to sell the Series 2015G Bonds later in 2015. For that reason, the financial projections in this Letter, which reflect the refunding of the Hotel Bonds from the proceeds of the Series 2015G Bonds, remain an accurate depiction of the Authority's expected 2015 financings.

The Authority is also considering issuing approximately $25 million of the Hotel Bond refunding bonds on a variable rate basis. Board approval for this action will also be requested at the Board's September meeting. If such approval is not received, the Series 2015G Bonds will be sold on a fixed rate basis in approximately the amount shown on the cover of this Preliminary Official Statement. If such approval is received, the principal amount of the Series 2015G Bonds will be reduced by approximately $25 million, and the Authority will issue the remaining amount of bonds required to refund the Hotel Bonds as a variable rate direct placement (which will be designated the Series 2015H Bonds). The annual debt service projections included in this Letter assume that the Series 2015G Bonds will be issued as fixed rate bonds in the full amount shown on the cover of this Preliminary Official Statement. If the principal amount of the Series 2015G Bonds is reduced by approximately $25 million and the remaining amount of bonds is issued on a variable rate basis, the amount of the Authority's projected annual debt service would likely be reduced by approximately $600,000 per year.

Purpose of This Letter of the Airport Consultant

In connection with the issuance of the Authority's Airport Revenue Bonds Series 2014B and Airport Revenue Bonds Series 2014C (the Series 2014B-C Bonds), R&A prepared the Report of the Airport Consultant dated July 23, 2014 (the 2014 Report), which was included as Appendix A in the Official Statement for the Series 2014B-C Bonds. The 2014 Report incorporated projections of debt service associated with the Series 2014B-C Bonds and the completion of the Series 2014 Projects during Operating Years (OYs) 2013 through 2022 (the Projection Period)[1]. A copy of the 2014 Report is attached to this Letter for reference.

This Letter validates the R&A analyses described in the 2014 Report and provides updated financial projections. In addition, this Letter provides updated information and data regarding the economic base for air transportation at the Airport, air traffic at the Airport, ongoing and future Airport capital improvement projects, and existing and estimated future debt service requirements. **Table 2** summarizes key changes that have occurred since the date of the 2014 Report and their estimated effects on the resulting financial projections.

This Letter and the 2014 Report are intended for inclusion as Appendix A in the Official Statement for the issuance of the Authority's Series 2015D, 2015E, and 2015G Bonds. The techniques and methodologies used by R&A in preparing this Letter and the financial analysis are consistent with industry practices for similar studies in connection with the issuance of airport revenue bonds. While R&A believes that the approach and assumptions used in this Letter and the financial analysis are reasonable, some assumptions regarding future trends and events set forth in this Letter and the 2014 Report, including, but not limited to, the implementation schedule and the projections of passenger activity and financial performance, may not materialize. Therefore, actual performance will likely differ from the projections set forth in this Letter and the 2014 Report and the variations may be material.

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1 The Authority's OY is October 1 through September 30.

Table 2 (1 of 2): Summary of Key Changes since the 2014 Report Was Prepared

	CHANGE(S) SINCE 2014 REPORT	ESTIMATED EFFECTS OF CHANGE(S) ON OVERALL/KEY FINANCIAL RESULTS
Financial Analysis Variables		
Economic Base for Air Transportation	National and local unemployment rates have continued to decline. Current projections of 2020 gross regional product and gross domestic product are higher than such projections at the time the 2014 Report was prepared.	No material effect.
Air Traffic Projections	Number of enplaned passengers in OY 2014 was 0.6 percent higher than projected in the 2014 Report. The Airport remains a key hub in Delta Air Lines' route network. Number of aircraft operations in OY 2014 was 2.1 percent lower than projected in the 2014 Report, reflecting greater up-gauging of aircraft size than projected earlier.	Based on the higher than projected growth in enplanements in OY 2014 (approximately 200,000 enplanements), projections for OY 2015 have been increased by a similar amount as a revised base and the projected growth rate remains the same as in the 2014 Report, resulting in no material change in projections.
Airport Capital Improvement Program (CIP)	The Airport's CIP continues to address similar projects as included in the 2014 Report.	CIP was adjusted to reflect projects completed and added, which resulted in no material effect on the projected financial results.
Debt Service	Actual Series 2014B-C Bonds, estimated Series 2015D-E Bonds, estimated Series 2015G Hotel Bonds, and projected future debt service on Weighted Majority approved projects are included.	Debt service in OY 2015 is expected to remain relatively level at approximately $168 million. Projected annual debt service is anticipated to increase due to the inclusion of the Series 2015 Bonds and future bonds relative to the projections in the 2014 Report.
Hotel Bonds	As part of the Series 2015 Bonds, the Authority is refunding the Hotel Bonds and converting the debt to General Airport Revenue Bonds (GARBS) along with incorporating the Airport Hotel's operating expenses and revenues into the calculation of airline rates and charges.	Based on historical and projected Airport Hotel operating expenses and revenues, the addition of debt for the Hotel Bonds is initially offset by Airport Hotel net revenues resulting in no effect on airline rates and charges or coverage, but is expected to generate revenue, which will serve to slightly reduce the airline activity fee in future years.

Table 2 (2 of 2): Summary of Key Changes since the 2014 Report Was Prepared

	CHANGE(S) SINCE 2014 REPORT	ESTIMATED EFFECTS OF CHANGE(S) ON OVERALL/KEY FINANCIAL RESULTS
Operation and Maintenance (O&M) Expenses	Adjusted to reflect an increase in mid-year OY 2015 O&M Expenses. Other than the impact of the previously discussed Airport Hotel, the projection methodology is unchanged.	Mid-year estimate of OY 2015 O&M Expenses increased approximately 0.6 percent compared with projected OY 2015 O&M Expenses from the 2014 Report.
Non-Airline Revenues	Adjusted to reflect a slight increase in mid-year 2015 Non-Airline revenues. Other than the impact of the previously discussed Airport Hotel, the projection methodology is unchanged.	Mid-year estimate of OY 2015 Non-Airline revenues increased approximately 1.6 percent compared with projected OY 2015 Non-Airline revenues from the 2014 Report.
Financial Analysis Results		
Projected Cost per Enplaned Passenger (CPE)	Projected CPE was revised to reflect refinements noted above.	Mid-year estimate of OY 2015 CPE is \$10.24, compared to \$10.35 projected in the 2014 Report. CPE through the updated Projection Period is lower for OY 2016 and higher for OY 2017 – OY 2022 than that presented in the 2014 Report primarily due to increased debt service, the addition of operating expenses and revenues for the Airport Hotel, and revised enplaned passenger projections, but is still considered reasonable.
Projected Debt Service Coverage Ratio	Projected Debt Service coverage ratio calculations were revised to reflect refinements noted above.	No material change in Debt Service coverage ratios. Coverage under residual airline agreement continues to exceed the required 1.25x coverage

SOURCE: Ricondo & Associates, Inc., September 2015.
PREPARED BY: Ricondo & Associates, Inc., September 2015.

Updated Information Regarding the Economic Base for Air Transportation

It was concluded in the Series 2014 Report that the area served by the Airport (referred to as the Air Trade Area, i.e., the Ann Arbor Metropolitan Statistical Area [MSA], the Detroit-Warren-Livonia MSA, the Flint MSA, the Monroe MSA, and the Adrian Micropolitan Statistical Area) has an economic base capable of supporting increased demand for air travel throughout the Projection Period. A review of certain socioeconomic information available since the date of the 2014 Report suggests that these findings remain valid. A brief discussion of the most recent unemployment data, as well as a discussion of developments that could affect the local economy, is provided below.

In the 2014 Report, the Air Trade Area's gross regional product was projected to increase at a compound annual growth rate (CAGR) of 1.9 percent, from $236.6 billion in 2014 to $264.8 billion in 2020. During the same period, the national gross domestic product was projected to increase at a CAGR of 2.2 percent, from $15.4 trillion in 2014 to $17.5 trillion in 2020. The updated Woods & Poole Economics, Inc., (Woods & Poole) projections indicate a CAGR of 1.7 percent for the Air Trade Area's gross regional product, increasing from $249.3 billion in 2015 to $271.8 billion in 2020. U.S. gross domestic product is projected to increase at a CAGR of 2.2 percent, from $16.3 trillion to $18.2 trillion, over the same period. While the updated 1.7 percent CAGR projected in this Letter for gross regional product in the Air Trade Area is lower than the 1.9 percent CAGR projected in the 2014 Report, the gross regional product in 2015 through 2020 is projected to be higher in every year than the gross regional product projected in the 2014 Report for the same time period. The increases in the Air Trade Area's projected gross regional product and the U.S. projected gross domestic product in 2020 compared with that projected in the 2014 Report, notwithstanding the unchanged growth rate for the nation and the slightly lower rate for the Air Trade Area, are the result of Woods & Poole's upward adjustments to gross domestic and regional products in both regions for the years prior to 2015.

In June 2015 (the latest data available when this Letter was prepared), the unemployment rate in the Air Trade Area was 6.3 percent (non-seasonally adjusted).[2] This rate is higher than the unemployment rate in the state of Michigan (5.8 percent) and in the United States (5.5 percent). The Air Trade Area's unemployment rate is lower than it was a year ago (8.5 percent in June 2014), and this 2.2 percent improvement exceeds the employment recovery in both Michigan and the United States. The unemployment rate in Michigan improved 1.9 percentage points, from 7.7 percent in June 2014 to 5.8 percent in June 2015. The national unemployment rate has improved by 0.8 percentage point, from 6.3 percent in June 2014 to 5.5 percent in June 2015. Employment data updated from the 2014 Report show annual growth both nationally (2.0 percent) and in the Air Trade Area (1.7 percent) between 2013 and 2014. Construction and manufacturing employment grew at higher rates in the Air Trade Area than in the nation, but the Air Trade Area's slower growth in the services sector caused the region to trail the nation in total employment growth.

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2 Monthly unemployment data published by the U. S. Department of Labor's Bureau of Labor Statistics for the Air Trade Area are non-seasonally adjusted; therefore, all unemployment rates shown in this Letter are non-seasonally adjusted.

At the time of the 2014 Report, the City of Detroit (the City) had filed for relief under Chapter 9 of the U.S. Bankruptcy Code. The City exited bankruptcy in December 2014. The City has no oversight or input into the governance of the Authority, and the City's bankruptcy did not affect the Authority's operations or debt.

The state of the automobile industry, a vital part of the Air Trade Area's economy, was considered in the 2014 Report. All of the Big Three automobile manufacturers remained profitable in 2014 and in the first two quarters of 2015.[3] Michigan vehicle production in 2014 was the highest since 2005; however, production slowed in the first two quarters of 2015, both in Michigan (decreasing 5.0 percent in the first two quarters of 2015 compared with the first two quarters of 2014) and in the nation (decreasing 1.5 percent over the same period). Decreasing production volumes are not necessarily indicative of earnings weakness in the industry, as higher profit margins, rather than higher sales volumes, contributed to the earnings acceleration experienced by GM and Ford in the first two quarters of 2015.[4] Record-breaking safety recalls at General Motors that occurred by June 2014 were mentioned in the 2014 Report. This recall trend continued through 2014 and extended into 2015.[5] Notably, airbag maker Takata Holdings, whose North American headquarters is located in the Air Trade Area, has issued the largest automobile recall in U.S. history, with about 34 million automobiles being recalled to date because of defective airbags. However, this recent recall activity does not seem to have affected sales, as automobile industry sales have continued on an upward trend, with national vehicle sales up 6.3 percent for the 12 months ended June 2015 (latest data available) compared with the previous 12-month period.

Based on the analysis discussed in the Demographic and Economic Analysis section in Chapter 4 of the 2014 Report, as well as our review of the most recent unemployment data and projected economic information discussed above, our opinion is unchanged: the Air Trade Area's economic base remains broad and diversified, and will continue to support long-term growth in demand for air transportation services at the Airport. Our review of the most recent economic data and information suggests that the economic projections used to develop the forecasted traffic presented in the 2014 Report remain valid.

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3 Ford, General Motors, and FCA US (formerly Chrysler Group) reported net incomes of $3.2 billion, $2.8 billion, and $1.2 billion, respectively, for 2014, and $2.8 billion, $2.1 billion, and $3.2 billion, respectively, for the first two quarters of 2015.

4 Rogers, Christina, "GM, Ford, Flourish Out of the Limelight: As Rivals Battle for Sales Crown, U.S. Car Makers Reap Benefit of Focusing on Bottom Line," The Wall Street Journal, July 28, 2015, http://www.wsj.com/articles/gm-ford-flourish-out-of-the-limelight-1438126715?tesla=y].

5 The National Highway Traffic Safety Administration's *Annual Recalls Report* shows that approximately 64 million vehicles, under 803 separate recalls, were recalled in 2014.

Updated Information Regarding Air Traffic

Recent Airport activity data were reviewed to assess the reasonableness of the activity projections included in the 2014 Report and their continued validity for use in conjunction with the proposed issuance of the Series 2015 Bonds. This Letter incorporates actual enplaned passenger and aircraft operations data through OY 2014 and projections for OY 2015 through OY 2022. Air traffic activity projections contained in this Letter were based, in part, on published schedules of airline service and projected national and regional economic indicators.

Enplaned Passengers and Seat Capacity

Recent enplaned passenger and aircraft operations activity at the Airport is shown in **Table 3**. As shown, the actual growth of 2014 domestic and international enplaned passengers was greater than projected in the 2014 Report. Enplaned passengers in OY 2014 increased 0.9 percent compared to OY 2013. Domestic enplaned passengers increased 0.6 percent and international enplaned passengers increased 3.7 percent over the same period.

Also shown in Table 3 are mainline airline enplaned passengers, which increased 6.0 percent compared with the 4.6 percent increase projected and regional/commuter airline enplaned passengers, which decreased 8.0 percent compared with the 7.1 percent decrease projected. These changes, in part, resulted from Delta's transition from regional aircraft service to mainline service. In OY 2014, 63.0 percent of Delta scheduled seat capacity at the Airport was operated using mainline aircraft, an increase from 59.5 percent in OY 2013. In addition to Delta's use of larger aircraft, Alaska Airlines and JetBlue Airways, which operate only mainline aircraft at the Airport, initiated service at the Airport in OY 2014 while Spirit Airlines[6] increased its scheduled seat capacity 16.3 percent in OY 2014. OYTD 2015 (October to June) enplaned passengers increased 0.4 percent to approximately 11.96 million from 11.92 million when compared to the same period in OY 2014. Total aircraft operations decreased 5.5 percent from 297,350 aircraft operations in OYTD 2014 to 281,086 aircraft operations in OYTD 2015.

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[6] In June 2015, Spirit and the Authority announced the intention to build a new $31.7 million maintenance repair and overhaul facility (MRO) at the Airport. This 126,000 square foot facility is anticipated to be complete by late 2016.

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Table 3: Enplaned Passengers and Aircraft Operations at the Airport

	ENPLANED PASSENGERS (thousands)					
	DOMESTIC					
	MAINLINE	REGIONAL/ COMMUTER	TOTAL	INTERNATIONAL	TOTAL ENPLANED PASSENGERS (THOUSANDS)	TOTAL AIRCRAFT OPERATIONS
2013 Actual	8,973	5,692	14,665	1,412	16,077	425,623
2014 Actual	9,513	5,238	14,752	1,465	16,217	399,896
2014 Projected 1/	9,381	5,289	14,669	1,457	16,126	408,360
2014 Projected Growth 1/	4.6%	-7.1%	0.0%	3.1%	0.3%	-4.1%
2014 Actual Growth	6.0%	-8.0%	0.6%	3.7%	0.9%	-6.0%
2014 Actual Growth Variance from 2014 Projected Growth	1.4%	-0.9%	0.6%	0.6%	0.6%	-2.1%
OYTD 2014 (Oct – Jun)	6,963	3,868	10,832	1,083	11,915	297,350
OYTD 2015 (Oct-Jun)	7,393	3,515	10,908	1,050	11,958	281,086
OYTD Change (%)	6.2%	-9.1%	0.7%	-3.1%	0.4%	-5.5%

NOTES:

Percentages may vary due to rounding.

Years shown are Operating Years ending September 30th.

OYTD = Operating Year To Date

1/ Projections based on the 2014 Report, dated July 23, 2014.

SOURCES: Wayne County Airport Authority, June 2015; Federal Aviation Administration Air Traffic Activity Data System (Historical), Ricondo & Associates, Inc., (2014 Report); September 2015.
PREPARED BY: Ricondo & Associates, Inc., September 2015.

Growth of Alaska Airlines, JetBlue and Spirit, all of which operate out of the North Terminal at the Airport, is expected to continue in OY 2015. In OY 2015, Alaska Airlines, JetBlue Airways, and Spirit Airlines total combined departing seats are scheduled to increase by approximately 280,000 seats and total combined departures are scheduled to increase by approximately 1,700 departures. OYTD 2015 (October to June), the total combined number of enplaned passengers for these airlines (Alaska, JetBlue, and Spirit) increased 36.6 percent compared to OYTD 2014. JetBlue Airways initiated service at the Airport in March 2014 and Alaska Airlines in September 2014. Average daily departures for Spirit Airlines are scheduled to increase from an average of 17 daily departures in OY 2014 to an average of 22 daily departures in OY 2015. In addition, Frontier initiates new one daily nonstop service to Orlando on November 18, 2015. Orlando is Frontier's fourth destination served from the Airport. Future growth of the airlines at the North Terminal is not anticipated to be constrained by terminal facilities during the Projection Period.

International enplaned passengers increased 3.7 percent, in OY 2014, or 0.6 percent higher than projected. **Table 4** presents scheduled international seat capacity in OY 2013 through OY 2015. Scheduled international seat capacity increased 5.6 percent from OY 2013 to OY 2014, and increased 2.8 percent between 2013 and 2015. The largest growth occurred in the Caribbean, Latin America, and South America, where seat capacity increased 11.3 percent from OY 2013 to OY 2014, and Europe, where seat capacity increased 5.9 percent during the same period.

Table 4: International Seat Capacity Offered at the Airport

	SEAT CAPACITY			COMPOUND ANNUAL GROWTH RATE	
REGION 1/	2013	2014	2015 2/	2013 - 2014	2013 - 2015
Asia	549,757	563,517	538,687	2.5%	-1.0%
Caribbean, Latin America, and South America	269,251	299,639	300,314	11.3%	5.6%
Europe	843,828	893,256	919,147	5.9%	4.4%
Middle East	8,297	8,327	8,910	0.4%	3.6%
Total International Seat Capacity	1,671,133	1,764,739	1,767,058	5.6%	2.8%

NOTES:

Years shown are Operating Years ending September 30th.

1/ Canada is reported with domestic traffic.

2/ Published scheduled seat capacity provided by Innovata.

SOURCE: Innovata, June 2015.
PREPARED BY: Ricondo & Associates, Inc., August 2015.

Growth in seat capacity to Europe has been primarily driven by Delta and its SkyTeam alliance members. Delta added seasonal summer service to Rome in OY 2014 (May 2014) and as a result of its revenue-sharing joint venture with Virgin Atlantic Airways, Virgin Atlantic initiated daily service to London-Heathrow on June 1, 2015. Foreign-flag airline service has otherwise remained stable during recent years.

As shown in **Table 5**, the Airport provides the largest departing seat capacity to Asia in Delta's network. Scheduled seat capacity to Asia increased 2.5 percent from OY 2013 to OY 2014, but is scheduled to decrease 4.4 percent in OY 2015, representing a compound annual decrease of 1.0 percent from OY 2013 to OY 2015. In OY 2015, the Airport has approximately 67,000 more annual departing seats to Asia than Seattle-Tacoma International Airport, Delta's second largest Asia connecting airport. Delta's Seattle hub has grown significantly over the past three years, nearly doubling seat capacity to Asia. The Seattle hub was developed in part as a replacement for Delta's so-called 'Fifth Freedom' hub at Tokyo-Narita, and currently connects Seattle to six Asian destinations. Service is provided from Detroit to four of the six Asian destinations also served from Seattle.[7] While Delta has increased domestic service at the Seattle airport to help feed its international service, the growth has been almost exclusively to and from destinations in the western portion of the United States. The only destinations east of the Mississippi River served from Seattle are other Delta hubs. In addition, departing seat capacity to Asia at Delta's largest system wide hub (Hartsfield-Jackson Atlanta International Airport) and at New York's John F. Kennedy International Airport decreased 13.0 percent and 12.2 percent, respectively, between OY 2013 – OY 2015.

According to Delta's 2014 Annual Report, the airline is making a significant investment in developing the Seattle airport as a hub and international gateway. Delta expects to leverage its domestic network to feed traffic into Seattle and increase the number of peak daily departures to approximately 120 in calendar year (CY) 2015. In comparison, Delta's scheduled daily departures at the Airport peak at 454 in CY 2015.

Based on discussions with Delta representatives in conjunction with the Series 2014 Report, the Seattle airport and other West Coast airports may experience increases in Asia seat capacity. However, the Airport is expected to continue to be a primary Asia connecting hub for the eastern half of the nation and Delta's total international seat capacity is projected to remain stable over the Projection Period.

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7 Service is provided from the Airport to Beijing, Shanghai, Seoul, and Tokyo-Narita. Service from the Seattle airport is also provided to Hong Kong and Tokyo-Haneda.

Table 5: Delta's Departing Seat Capacity to Asia

	SCHEDULED DEPARTING SEATS TO ASIA			
AIRPORT	2013	2014	2015 1/	CAGR 2013-2015
Detroit	549,757	563,517	538,687	-1.0%
Seattle-Tacoma	275,181	349,537	471,458	30.9%
Los Angeles	179,536	199,690	206,371	7.2%
New York Kennedy	140,561	137,240	108,425	-12.2%
Minneapolis-St. Paul	97,544	104,897	107,382	4.9%
Atlanta	140,561	136,963	106,506	-13.0%
Portland	67,524	67,890	67,505	0.0%
San Francisco	67,094	29,171	--	-100.0%
Delta Total	1,517,758	1,588,905	1,606,334	2.9%
West Coast Airports 2/	589,335	646,288	745,334	12.5%

NOTES:

Years shown are Operating Years ending September 30th.

CAGR = Compound Annual Growth Rate

1/ Published scheduled seat capacity provided by Innovata.

2/ West Coast Airports include: Seattle-Tacoma, Los Angeles, Portland, and San Francisco International Airports

SOURCE: Innovata, June 2015.
PREPARED BY: Ricondo & Associates, Inc., June 2015.

Table 6 presents the number of Delta's connecting passengers between North America and Asia at its largest hubs in OY 2014. Table 6 further demonstrates that Detroit is the largest connecting hub for Asia in Delta's system. A similar result is anticipated for OY 2015 based on the departing seat capacity to Asia shown in Table 5. During OY 2014, the most Delta passengers traveling between North America and Asia connected at the Airport. The large number of domestic destinations served from Detroit allows Delta to supplement local origin and destination (O&D) traffic with connections from multiple up-line markets.

Table 6: 2014 Delta Passengers Connecting to Asia

AIRPORT	2014 CONNECTING PASSENGERS 1/
Detroit	338,199
Seattle-Tacoma	111,820
Atlanta	110,411
Los Angeles	75,013
Minneapolis-St. Paul	64,017
New York-Kennedy	30,930

NOTE:

1/ Delta passengers departing from points in North America, connecting in the United States to an Asian destination during OY 2014.

SOURCES: U.S. Department of Transportation DB1B O&D Survey, August 2015.
PREPARED BY: Ricondo & Associates, Inc., August 2015.

Aircraft Operations and Average Seats per Departure

Total aircraft operations at the Airport decreased 6.0 percent from 425,623 in OY 2013 to 399,896 in OY 2014. In the 2014 Report, 408,360 operations were projected for the Airport in OY 2014, a variance of 2.1 percent from actual. Delta operations decreased 8.0 percent at the Airport in OY 2014 while all other airlines increased operations by 1.5 percent.

Since OY 2012, the Airport has experienced the largest increase in seats per departure of any Delta hub. The greater decrease in operations in OY 2014 relative to the projected activity in the 2014 Report is largely the result of Delta up-gauging aircraft at a faster rate than projected. Delta is currently in the process of retiring the majority of its small (50 seats or less) regional jet fleet. In OY 2014, the Airport had the highest total number of small regional jet aircraft operations among Delta's hubs and the second highest as a share of total operations after the Cincinnati/Northern Kentucky International Airport. As these aircraft are retired and replaced by larger regional jets and mainline aircraft, flight frequencies will decrease to maintain a similar total seat capacity. **Table 7** presents the annual departures of small regional jet aircraft and average seats per departure at selected Delta hubs between OY 2012 and OY 2015. As shown, the number of small regional jet aircraft departures from the Airport has decreased while the average seats per departure increased from OY 2012 to OY 2015.

Table 7: Delta's Departures – Small Regional Jets

AIRPORT	2012	2013	2014	2015 1/	CHANGE 2012-2015 2/
		SCHEDULED DEPARTURES – SMALL REGIONAL JETS			
Detroit	87,749	84,364	68,281	45,884	-19.4%
Atlanta	82,657	76,725	60,452	44,228	-18.8%
Minneapolis-St. Paul	50,708	47,433	44,530	33,141	-13.2%
Salt Lake City	30,523	28,169	25,881	21,701	-10.8%
Cincinnati	20,276	18,318	15,798	10,426	-19.9%
New York Kennedy	14,642	13,012	10,946	7,961	-18.3%
New York LaGuardia	9,322	12,468	6,663	7,130	-8.6%
Delta's Total	677,076	594,359	479,256	346,653	-20.0%
		AVERAGE SEATS PER DEPARTURE			
Detroit	90.1	92.7	97.3	103.9	13.8
Atlanta	124.7	128.9	133.3	135.8	11.1
Minneapolis/St. Paul	100.1	102.7	105.3	109.5	9.4
Salt Lake City	93.5	95.9	99.0	105.7	12.2
Cincinnati	80.0	79.6	80.7	85.5	5.5
New York Kennedy	125.9	130.4	133.3	134.6	8.7
New York LaGuardia	98.1	89.8	88.4	89.6	-8.5
Delta's Total	105.1	108.6	112.5	116.6	11.5

NOTES:
Years shown are Operating Years ending September 30th.
Sorted by total OY 2015 departures.
Aircraft include: Embraer 120 (30 seats), Saab 340 (34 seats), Embraer 135, 140, 145 (37 – 50 seats), and Canadair Regional Jet 200 (50 seats).
1/ Published scheduled seat capacity and departures provided by Innovata.
2/ For scheduled departures, change 2012 – 2015 represents the CAGR percentage. For average seats per departure, change 2012 -2015 represents the number of seats.

SOURCE: Innovata, August 2015.
PREPARED BY: Ricondo & Associates, Inc., August 2015.

The Airport's important role as a connecting hub may be further enhanced by Delta's closure of its Memphis hub and the continued downsizing of its Cincinnati hub. Delta passengers that previously connected at those hubs now have the potential to connect at the Airport. However, competing airline hubs also have the potential to accommodate connecting passengers that might otherwise use the Airport. American Airlines and United Airlines both undertook re-banking[8] efforts at their hubs, including

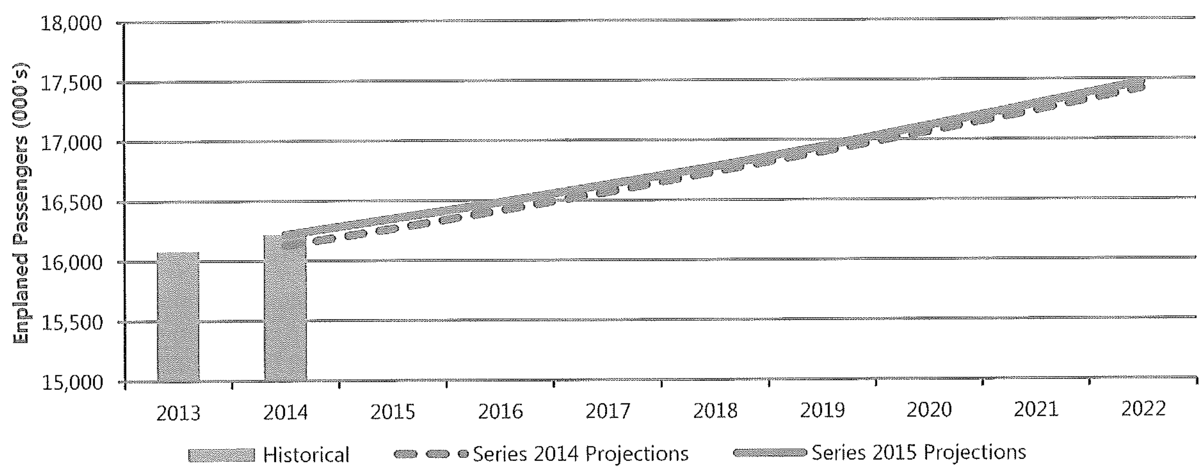
8 Re-banking is an airline's plan to improve operational reliability and profitability by decreasing connection times as well as improving directional flows at a hub. Operationally, airlines increase the number of arrivals and departures within a bank of flights (a narrowly defined time period) in an effort to reduce passenger connection times and providing more connecting options for the passengers.

their Midwest hub at Chicago O'Hare International Airport in March 2015. By re-banking a hub, an airline schedules arrivals and departures closely together to facilitate higher yielding connections.

Summary

Although the Airport's actual number of enplaned passengers increased 0.9 percent in 2014 compared with a 0.3 percent projected increase in the 2014 Report, the long-term (2015-2022) projection of enplaned passengers remains the same for this Letter and the financial analysis. The long-term growth rate projection for enplaned passengers remains unchanged at a CAGR of 1.0 percent through 2022. The enplaned passengers' projections and recent actual activity is illustrated in **Exhibit 1**.

Exhibit 1: Enplaned Passengers Projections Comparison



SOURCES: Wayne County Airport Authority, (Historical); Ricondo & Associates, Inc., (Projections); June 2015.
PREPARED BY: Ricondo & Associates, Inc., August 2015.

Updated Airport Capital Improvement Program

The financial analysis presented in the 2014 Report included funding of the Modified Capital Improvement Program (CIP) for the Airport for OY 2014 through OY 2018 (the Modified 2014-2018 CIP), which had an estimated total cost of approximately $595.2 million. The financial analysis in the 2014 Report included the debt service requirements associated with the Series 2014 Projects, which were included in the Modified 2014-2018 CIP.

The Airport's current CIP for OY 2016 through OY 2020 (the 2016-2020 CIP) is expected to be approved by the Authority's Board in September 2015. The 2016-2020 CIP has a current estimated total cost of approximately $599.0 million and reflects the removal of CIP projects completed since the 2014 Report and updated cost estimates and timing for other projects. The 2016-2020 CIP has a net cost similar in magnitude to the Modified 2014-2018 CIP and, therefore, there is no significant impact on the overall key financial results. The debt service requirements included in this financial analysis reflect the required bond financing for a subset of the 2016-2020 CIP and are discussed in the following section.

Table 8 presents a summary of the 2016-2020 CIP, including total current estimated costs by category and anticipated project timing. The 2016-2020 CIP includes significant projects in the airfield currently totaling approximately $321.2 million and costs that range from approximately $1.0 million to approximately $50.6 million in the other major categories. The distribution of CIP costs is similar to the Modified 2014-2018 CIP.

Updated Financial Analysis

R&A revised the financial projections for OY 2015 through OY 2022 (the updated Projection Period) for the Airport based on financial data generated after the 2014 Report was finalized, as well as the Airport's rate schedules for actual OY 2014 and mid-year estimate for OY 2015. The updated financial analysis contains existing and estimated future debt service requirements, O&M Expenses, and revenue projections. In general, updates made for this financial analysis, when netted against each other, resulted in a similar airline requirement, cost per enplaned passenger (CPE), and coverage from the 2014 Report.

The Series 2015 Projects

The Series 2015 Projects include a portion of the 2016-2020 CIP. Proceeds of the Series 2015 Bonds will be used to fund approximately $213.1 million of the Series 2015 Projects. **Table 9** presents estimated total project costs, annual project expenditures, and anticipated funding sources for the Series 2015 Projects.

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Table 8: 2016-2020 Airport Capital Improvement Program Summary 1/ 2/

(Dollars in Thousands for Operating Years Ending September 30)

			ESTIMATED EXPENDITURES				
CATEGORY	ESTIMATED TOTAL COST	EXPENDED THROUGH 9/30/2015	OY 2016	OY 2017	OY 2018	OY 2019	OY 2020
Airfield	$321,164	$63,665	$176,959	$24,054	$25,586	$23,900	$7,000
Noise Mitigation	$800	$-	$-	$-	$400	$400	$-
Cargo, Hangar & Commercial Development	$9,785	$1,085	$2,100	$925	$4,000	$838	$838
Power Plants & Electrical Distribution Systems	$50,622	$5,837	$16,750	$11,435	$5,250	$7,550	$3,800
Fleet & Equipment	$41,421	$11,600	$6,600	$4,000	$5,965	$8,757	$4,500
Parking Decks, Lots & GTC's	$36,790	$5,720	$9,200	$3,740	$750	$14,000	$3,380
Bridges & Roadways	$28,145	$2,410	$10,328	$7,569	$1,724	$3,000	$3,115
Security & Communications	$30,896	$100	$3,693	$4,600	$5,729	$7,638	$9,136
Support Facilities	$34,404	$599	$12,314	$14,085	$4,875	$151	$2,380
Site Redevelopment & Demolitions	$27,811	$1,207	$10,940	$660	$7,650	$5,348	$2,006
Terminals	$4,325	$280	$3,227	$818	$-	$-	$-
Water Mains & Storm Water System	$6,600	$3,650	$1,950	$550	$150	$150	$150
Other Projects	$6,200	$-	$2,000	$3,200	$1,000	$-	$-
Total	$598,963	$96,153	$256,061	$75,636	$63,078	$71,731	$36,304

NOTES:

1/ All of the Series 2015 Projects have been approved by a Weighted Majority of Signatory Airlines. Certain other CIP projects that require approval by a Weighted Majority of Signatory Airlines in order to fund such projects with Bond proceeds are not yet approved. Expenditure schedules are subject to change and projects remain subject to future need and available funding.

2/ This table presents the 2016-2020 CIP pending approval by the Authority's Board, anticipated to occur in September 2015.

SOURCE: Wayne County Airport Authority, September 2015.
PREPARED BY: Ricondo & Associates, Inc., September 2015.

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Table 9 (1 of 2): Series 2015 Projects Plan of Financing

(Dollars in Thousands for Operating Years Ending September 30)

		ESTIMATED EXPENDITURES						ANTICIPATED FUNDING SOURCES				
CATEGORY PROJECT	ESTIMATED PROJECT COST 1/	PRIOR TO 9/30/2014	OY 2015	OY 2016	OY 2017	OY 2018	OY 2019	AIP GRANTS	EXISTING BONDS	OTHER AVAILABLE FUNDS	SERIES 2015D-E BONDS	FUTURE BONDS
Airfield												
Runway 4L/22R and Associated Taxiways Rehabilitation (Construction)	$98,000	$-	$-	$98,000	$-	$-	$-	$-	$-	$-	$98,000	$-
Taxiway V-3 Extension (from Taxiway U to Taxiway K)	$6,900	$-	$ 900	$6,000	$-	$-	$-	$-	$-	$-	$6,900	$-
Taxiway F and S-5 Modifications/Reconstruction and New High Speed Taxiway	$20,750	$-	$12,450	$8,300	$-	$-	$-	$-	$-	$-	$20,750	$-
Taxiway Z (Southern Portion) Relocation and AOA Service Road Modification and Extension	$15,400	$-	$-	$1,000	$1,000	$13,400	$-	$-	$-	$-	$2,000	$13,400
Airfield Pavement Rehabilitation/Reconstruction Plan	$14,000	$-	$1,200	$6,300	$6,500	$-	$-	$-	$-	$-	$14,000	$-
McNamara Terminal Concourse A Apron Rehabilitation	$11,650	$-	$5,900	$5,750	$-	$-	$-	$-	$-	$-	$11,650	$-
McNamara Apron Modifications and New Hardstand Positions	$14,800	$-	$1,008	$12,122	$1,670	$-	$-	$-	$-	$-	$14,800	$-
Power Plants & Electrical Distribution System												
North Power Plant Building Rehabilitation	$2,050	$-	$ 100	$1,950	$-	$-	$-	$-	$-	$-	$2,050	$-
Fleet & Equipment												
Fleet & Heavy Equipment Acquisitions	$8,000	$-	$2,000	$4,000	$2,000	$-	$-	$-	$-	$-	$8,000	$-

Table 9 (2 of 2): Series 2015 Projects Plan of Financing

(Dollars in Thousands for Operating Years Ending September 30)

		ESTIMATED EXPENDITURES						ANTICIPATED FUNDING SOURCES				
CATEGORY PROJECT	ESTIMATED PROJECT COST [1/]	PRIOR TO 9/30/2014	OY 2015	OY 2016	OY 2017	OY 2018	OY 2019	AIP GRANTS	EXISTING BONDS	OTHER AVAILABLE FUNDS	SERIES 2015D-E BONDS	FUTURE BONDS
Parking Decks, Lots & GTC's												
Surface Lots LED Lighting Installation	$1,600	$-	$-	$1,310	$ 290	$-	$-	$-	$-	$-	$1,600	$-
Ground Transportation Center Heating System Reconfiguration	$2,120	$-	$2,120	$-	$-	$-	$-	$-	$-	$-	$2,120	$-
Bridges & Roadways												
Dingell Drive Retaining Wall Reconstruction	$4,000	$-	$-	$4,000	$-	$-	$-	$-	$-	$-	$4,000	$-
Bridges & Roadways Rehabilitation Program	$5,000	$-	$1,712	$2,152	$1,136	$-	$-	$-	$-	$-	$5,000	$-
Roadway LED Lighting Installation	$1,275	$-	$-	$1,275	$-	$-	$-	$-	$-	$-	$1,275	$-
Security & Communications												
Security System & Network Upgrades [2/]	$5,000	$-	$ 500	$1,500	$3,000	$-	$-	$-	$-	$-	$5,000	$-
Support Facilities												
Airport Authority Headquarters Building	$19,000	$ 836	$5,500	$11,250	$1,414	$-	$-	$-	$6,000	$-	$13,000	$-
Site Redevelopment & Demolitions												
LC Smith Terminal & Berry Terminal Demolition	$14,964	$-	$1,000	$2,000	$2,000	$7,964	$2,000	$-	$-	$-	$3,000	$11,964
Total Series 2015 Projects	**$244,509**	**$ 836**	**$34,390**	**$166,909**	**$19,010**	**$21,364**	**$2,000**	**$-**	**$6,000**	**$-**	**$213,145**	**$25,364**

NOTES:

1/ The specific project estimates were current as of the May 29, 2015, Weighted Majority approval date, but may presently be greater or less than the amounts provided to the Signatory Airlines in seeking Weighted Majority approval because cost estimates may fluctuate from time to time as bids are received, as project scopes are revised, and other project changes occur. However, the Signatory Airlines provided Weighted Majority approval for the Series 2015 Project costs in the aggregate, rather than on a project-by-project basis; therefore, to the extent that the aggregate of the Series 2015 Projects' cost estimates exceeds the Weighted Majority approved amount, the Authority will need to either decrease the cost of certain Series 2015 Projects, use other funds lawfully available for such purposes, or obtain additional Weighted Majority approval.

2/ These projects include Phase 2 Installation and Phase 3 Planning, Design, and Engineering.

SOURCE: Wayne County Airport Authority, Financial Planning and Analysis, August 2015.

PREPARED BY: Ricondo & Associates, Inc., September 2015.

As shown in Table 9, the Series 2015 Projects have a total estimated cost of approximately $244.5 million. The cost of these projects are anticipated to be funded with the proceeds available from previous bonds (approximately $6.0 million), proceeds of the Series 2015D-E Bonds (approximately $213.1 million), and proceeds from future bonds (approximately $25.4 million).[9] To the extent that the total estimated Series 2015 Projects costs set forth above exceed the $244.5 million dollars for which the Signatory Airlines have provided Weighted Majority approval, the Authority will need to either decrease the cost of certain Series 2015 Projects or use other funds lawfully available for such purposes.

The Airline Agreements allow the Authority to issue bonds to finance the cost of capital projects and include bond debt service and coverage requirements in Signatory Airline fees only after first receiving approval of a Weighted Majority of the Signatory Airlines (as described in Chapter 6 of the 2014 Report) for such capital projects. A Weighted Majority of the Signatory Airlines has approved the Series 2015 Projects. Per the terms of the Airline Agreements, any portion of the debt service, coverage requirements, and operating expenses associated with the Series 2015 Projects not funded from other sources will be included in the airline rate base.

Descriptions of each of the Series 2015 Projects with a current estimated cost of $5.0 million or greater are presented below:

- **Runway 4L/22R and Associated Taxiways Rehabilitation (Construction)** – This project consists of the construction and related services necessary for replacement of concrete pavement and improvement of associated systems of Runway 4L/22R, Taxiway A, Taxiway R, Taxiway Q, and the western portion of Taxiway V. Also included in the project is the adjustment of the angle of connector taxiways located between Runway 4L/22R and Taxiway A to meet current FAA design standards.
- **Taxiway V-3 Extension** – This project consists of the planning, environmental processing, design/engineering, and construction services necessary to relocate/extend Taxiway V-3 from Taxiway U to Taxiway K and will include associated systems. The project will allow for improved aircraft taxi flow and fuel savings between the McNamara Terminal and Taxiway K and/or Taxiway Y, which are utilized for Runway 22L departures.
- **Taxiway F and S-5 Modifications/Reconstruction and New High Speed Taxiway** – This project consists of the design/engineering and construction related services necessary to remove Taxiway F between Taxiway W and Runway 3R/21L in order to meet current FAA design standards.

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9 Future bonds of approximately $25.4 million are included in the financial analysis.

Included in the project is the reconstruction of Taxiway F located east of Runway 3R/21L and a temporary Taxiway F to be used during the reconstruction effort to maintain access to the tenant facilities located south of Northline Road. Existing Taxiways S-4 and S-5 will be removed and a new taxiway perpendicular to Taxiway S east of Taxiway S will be installed to reduce the number of taxiways serving tenant facilities north of Northline Road. The development of a new high speed taxiway connector between Runway 3R/21L and Taxiway W and near Taxiway F to reduce aircraft runway occupancy time and the installation and/or replacement of associated taxiway systems are also components of this project.

- **Taxiway Z (Southern Portion) Relocation and AOA Service Road Modification and Extension** This project consists of the planning, environmental processing, design/engineering, and construction related services necessary for the relocation of the southern portion of Taxiway Z. The portion of pavement included in the project is bordered on the north by Taxiway Z pavement relocated in 2010/2011 and on the south by Taxiway V. Modifications to existing aircraft apron and installation of taxiway and apron systems as necessary will also be completed. Other project components include the disconnection of the existing AOA service drive from the north end of Taxiway Z, extension of the AOA service drive to the AOA service drive located near ARFF Station 300, and removal and replacement of Airport Maintenance Facilities (salt dome, sand dome, potassium acetate tanks, material storage bins, etc.) to allow for the installation of the AOA Service Road.
- **Airfield Pavement Rehabilitation/Reconstruction/Removal** – This project consists of the planning, design/engineering, and construction to provide pavement rehabilitation, reconstruction, or removal of aged sections of airfield pavement (runway, taxiway, taxilane, shoulder, deicing pad, apron, etc.) which are identified as future work and must be addressed to maintain safe airport operations.
- **McNamara Terminal Concourse A Apron Rehabilitation** – This project consists of the planning, design/engineering, and construction services necessary for the replacement of approximately 74,100 square yards of the concrete pavement and their associated joints and systems located adjacent to Concourse A of the McNamara Terminal.
- **McNamara Apron Modifications and New Hardstand Positions** – This project consists of the planning, design/engineering, environmental processing, and construction services necessary to infill four existing grass islands located between Concourse A and Concourses B/C of the McNamara Terminal with concrete pavement. The project includes the infill of the grass island north of Concourse C of the McNamara Terminal with concrete pavement to provide additional aircraft hardstand positions, as well as necessary modifications to systems associated with the apron, taxilanes/taxiways, and aircraft hardstand positions.

- **Fleet and Heavy Equipment Acquisitions** – This project includes the replacement of equipment and vehicles that are at or beyond their useful life and/or equipment necessary to improve operational efficiencies. The equipment includes snow removal equipment, dump trucks, flatbed trucks and other airport heavy equipment.
- **Bridges and Roadways Rehabilitation** – This project consists of the planning, design/engineering, and construction related efforts to complete portions of Bridge and Roadway Improvement Programs. The replacement of deteriorated portions of roadway pavement, curbs and associated components/systems on Dingell Drive and ramps, McNamara Terminal roadways, Rogell Drive and ramps, and the West Service Drive (west of AOA Checkpoint #1) and the replacement of expansion joints on bridges and ramps near the McNamara Terminal and bridges on Dingell Drive are included in the project.
- **Security System and Network Upgrades (Phase 2 Installation and Phase 3 Planning, Design, and Engineering)** – This project consists of the construction-related efforts necessary to complete the second phase of improvements to fiber and support infrastructure, network switching, and improvements/upgrades of the camera system and other systems associated with the terminals and buildings. Additionally, the project will complete the design/engineering necessary to prepare bid documents for the next phase of improvements of fiber and support infrastructure, network switching, and improvements/upgrades of the camera system and other systems.
- **Airport Authority Headquarters Building** – This project consists of the planning, design/engineering, construction and furniture, fixtures and equipment necessary to develop the Authority's headquarters facility and its site improvements adjacent to the North Terminal.
- **L.C. Smith Terminal and Berry Terminal Demolition** – This project consists of the construction-related efforts to demolish and/or remove the L.C. Smith Terminal building and its abandoned Concourses A and B, adjacent arrival roadway bridge, pedestrian bridge to the Blue Deck, the Berry Terminal, associated structures, site improvements, and all services to address environmental conditions. Required utility rerouting, modifications, and improvements are also included in the project.

Debt Service

The updated financial projections contained in this Letter incorporate the debt service associated with the actual sale of the Series 2014B-C Bonds, the proposed Series 2015D-E Bonds (new money funding for the Series 2015 Projects) and Series 2015G Bonds (refunding of the Hotel Bonds), as well as approximately $25.4 million of projected future debt necessary to fund the Weighted Majority approved projects.[10] However, the financial projections in this analysis do not incorporate estimated debt service savings associated with the refunding of the Series 2005 Bonds from the proceeds of the Series 2015A, 2015B, and 2015C (direct placements) or the Series 2015F Bonds. In addition, the financial projections included in this analysis assume that the Series 2015G Bonds will be issued as fixed rate bonds in the full amount shown on the cover of this Preliminary Official Statement, which excludes the estimated debt service savings associated with the potential variable rate direct placement portion of the refunding of the Hotel Bonds (Series 2015H Bonds).

Table 10 presents the debt service projections assumed in the financial analysis presented in this Letter. The Airport's annual debt service is approximately $157.3 million in OY 2014, increases to approximately $188.1 million in OY 2019, and then decreases to approximately $172.9 million in OY 2022. In the 2014 Report, annual debt service was assumed to increase from approximately $157.6 million in OY 2014 to approximately $172.3 million in OY 2016, and then to decrease to approximately $156.1 million in OY 2022. Projected debt service is shown in Table 6-1 of the 2014 Report.

Operation and Maintenance Expense Projections

The base from which O&M Expenses in the 2014 Report were projected was the Authority's 2014 approved budget. That base was updated to reflect the OY 2015 mid-year estimate. The projection methodology beyond OY 2015 is consistent with that used for the 2014 Report. Projections are based on the type of expense and expectations of future inflation rates (assumed to be 3.0 percent annually through the updated Projection Period). The Authority does not anticipate any incremental O&M Expense effects associated with the CIP projects. In addition, O&M expenses of the Airport Hotel will be incurred starting in OY 2016. Operating expenses associated with the Airport Hotel are included in the projections of O&M Expenses.

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10 Debt service provided by PFM Group.

Table 10 (1 of 2): Annual Debt Service

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL	MID-YEAR ESTIMATE	PROJECTED						
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Senior Lien by Series:									
2005A [2/]	$33,736	$33,537	$34,474	$35,452	$35,442	$35,450	$35,501	$35,543	$35,560
2007B	$9,923	$10,816	$10,827	$10,832	$10,841	$10,838	$10,849	$10,857	$10,868
2008A	$11,549	$11,353	$11,160	$10,958	$10,739	$10,527	$10,310	$10,083	$9,849
2010A	$33,997	$33,650	$33,702	$33,747	$33,774	$5,630	$-	$-	$-
2010B	$840	$-	$-	$-	$-	$-	$-	$-	$-
2010C	$26,693	$26,770	$27,301	$17,108	$14,959	$15,173	$15,325	$15,386	$11,215
2010D	$3,421	$3,397	$3,381	$3,393	$3,382	$3,410	$3,445	$3,458	$577
2010E-1	$45	$-	$-	$-	$-	$-	$-	$-	$-
2010E-2	$49	$-	$-	$-	$-	$-	$-	$-	$-
2010F	$47	$-	$-	$-	$-	$-	$-	$-	$-
2010G	$245	$-	$-	$-	$-	$-	$-	$-	$-
2011A	$7,296	$7,296	$7,296	$7,296	$7,296	$36,804	$42,743	$42,793	$42,847
2011B	$2,534	$2,891	$2,891	$2,886	$2,884	$2,883	$2,882	$480	$-
2012A	$544	$8,103	$8,960	$11,790	$12,346	$12,338	$12,345	$12,358	$12,342
2012B	$82	$711	$1,301	$1,850	$1,950	$1,956	$1,950	$1,948	$1,946
2012C	$622	$273	$272	$274	$275	$276	$271	$45	$-
2012D	$10,197	$10,015	$7,919	$7,536	$7,532	$7,359	$2,460	$1,487	$1,487
2013A [3/]	$1,566	$2,762	$2,801	$3,329	$3,327	$3,326	$3,413	$3,346	$3,324
2013B [3/]	$595	$1,105	$1,117	$1,305	$1,307	$1,310	$1,307	$1,313	$1,315
2013C [3/]	$1,029	$1,792	$1,807	$2,098	$2,103	$2,107	$2,107	$2,110	$2,110
2014A [3/]	$45	$234	$455	$549	$547	$546	$544	$543	$541
2014B	$-	$769	$2,849	$3,398	$3,412	$3,408	$3,403	$3,400	$3,396
2014C	$-	$30	$536	$1,503	$1,670	$1,673	$1,668	$1,665	$1,661
2015D [4/]	$-	$-	$1,294	$8,208	$11,297	$11,607	$11,602	$11,597	$11,592
2015E [5/]	$-	$-	$125	$543	$661	$673	$668	$663	$658
2015G [6/ 7/]	$-	$-	$5,370	$6,558	$7,005	$7,621	$7,735	$7,734	$7,736
Future Bonds [8/]	$-	$-	$-	$-	$164	$926	$1,533	$1,621	$1,616
TOTAL SENIOR LIEN	**$145,055**	**$155,504**	**$165,837**	**$170,615**	**$172,913**	**$175,842**	**$172,062**	**$168,430**	**$160,640**

Table 10 (2 of 2): Annual Debt Service

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL	MID-YEAR ESTIMATE	PROJECTED						
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Junior Lien by Series:									
2007A	$12,231	$12,231	$12,270	$12,276	$12,274	$12,275	$12,276	$12,274	$12,274
TOTAL JUNIOR LIEN	**$12,231**	**$12,231**	**$12,270**	**$12,276**	**$12,274**	**$12,275**	**$12,276**	$12,274	$12,274
TOTAL ANNUAL DEBT SERVICE	**$157,287**	**$167,735**	**$178,107**	**$182,891**	**$185,187**	**$188,117**	**$184,338**	**$180,704**	**$172,914**
Non-Terminal	$65,342	$74,301	$84,443	$91,845	$94,931	$96,663	$92,539	$88,939	$82,593
South Terminal	$55,954	$56,918	$57,044	$56,123	$55,727	$56,820	$57,064	$57,001	$56,298
North Terminal	$35,990	$36,516	$36,621	$34,923	$34,529	$34,634	$34,735	$34,764	$34,023
TOTAL	**$157,287**	**$167,735**	**$178,107**	**$182,891**	**$185,187**	**$188,117**	**$184,338**	**$180,704**	**$172,914**

NOTES:

1/ Net of capitalized interest.

2/ The Authority plans to refund a portion of the Series 2005 Bonds from the proceeds of direct placements with three separate banks. When issued, the direct placements will be identified as the Series 2015A, 2015B, and 2015C Bonds. The direct placements have not yet been closed; however, the final documentation for the direct placements is now being developed. The Authority plans to issue the 2015F Bonds to refund the remaining portion of the Series 2005 Bonds not refunded from the direct placements. Since the refunding bonds have not yet been issued, the financial projections do not reflect the impact of refunding the Series 2005 Bonds from the proceeds of either the direct placements or the Series 2015F Bonds.

3/ Variable rate direct placement with assumed interest rates of 1.25% in 2016 and 1.50% for the remainder of the Projection Period.

4/ Estimated debt service to provide new money funding for the Series 2015 Projects, assuming 2045 final maturity and interest rate (TIC) of 4.86%.

5/ Estimated debt service to provide new money funding for the Series 2015 Projects, assuming 2045 final maturity and interest rate (TIC) of 5.08%.

6/ Estimated debt service to refund the Series 2001 Hotel Bonds, assuming 2039 final maturity and interest rate (TIC) of 4.53%.

7/ The financial projections included in this analysis assume that the Series 2015G Bonds will be issued as fixed rate bonds in the full amount shown on the cover of this Preliminary Official Statement, which excludes the estimated debt service savings associated with the potential variable rate direct placement portion of the refunding of the Hotel Bonds (Series 2015H Bonds).

8/ Estimated debt service for future bonds necessary to complete funding of Weighted Majority approved projects, assuming 2046 final maturity and interest rate (TIC) of 5.28%.

SOURCE: Wayne County Airport Authority (Existing Debt Service), September 2015; Public Financial Management, Inc. (Series 2015 Bonds and future bonds), August 2015.
PREPARED BY: Ricondo & Associates, Inc., September 2015.

Updated projections of O&M Expenses are shown in **Table 11**, which compares to Table 6-4 in the 2014 Report. As shown in Table 11, total O&M Expenses are estimated to be approximately $205.4 million in the mid-year estimate for OY 2015, approximately $1.2 million more than the amount projected for OY 2015 in the 2014 Report (approximately $204.2 million). The areas of the OY 2015 mid-year estimated expenses that experienced the greatest increases from the 2014 Report include Non-Terminal O&M Expenses for Salaries, Wages, and Fringe Benefits (approximately $1.1 million more) and Materials and Supplies (approximately $1.4 million more). The increase in the mid-year estimate of OY 2015 O&M Expenses from the 2014 Report is primarily due to unanticipated expenses associated with ice and snow removal. As also shown in Table 11, total O&M Expenses, including the addition of expenses associated with the Airport Hotel, are projected to increase from approximately $233.5 million in OY 2016 to approximately $267.7 million in OY 2022, reflecting a CAGR of approximately 2.3 percent.

Non-Airline Revenue Projections

Non-Airline revenues include revenues from parking, concessions, rental cars, ground transportation, facility rents, other non-airline revenues, and Airport Hotel revenues based on projections provided by Starwood. Similar to the updated O&M Expenses, the base for Non-Airline revenues was updated to reflect the mid-year estimate for OY 2015.

Updated Non-Airline revenue projections are shown in **Table 12**. The mid-year estimate of OY 2015 Non-Airline revenues is approximately $142.2 million, approximately $2.3 million higher than the amount projected for OY 2015 in the 2014 Report (approximately $139.9 million). The increase in the mid-year estimate of OY 2015 Non-Airline revenues from the 2014 Report is primarily due to an increase in parking revenues. As also shown in Table 12, total Non-Airline revenues, including the addition of revenues associated with the Airport Hotel, are projected to increase from approximately $178.4 million in OY 2016 to approximately $202.0 million in OY 2022, reflecting a CAGR of approximately 2.1 percent. A breakout of the specific Non-Airline revenue categories is also provided in Table 12.

Table 11 (1 of 2): Operation and Maintenance Expenses

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL	MID-YEAR ESTIMATE	PROJECTED						
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Non-Terminal:									
Salaries, Wages, and Fringe Benefits	$73,688	$72,949	$77,000	$78,797	$80,635	$80,517	$82,395	$84,318	$86,285
Materials & Supplies	$6,953	$7,174	$7,461	$7,760	$8,070	$8,393	$8,729	$9,078	$9,441
Parking Management	$6,630	$7,119	$7,261	$7,407	$7,555	$7,706	$7,860	$8,017	$8,177
Shuttle Bus	$6,123	$6,498	$6,627	$6,760	$6,895	$7,033	$7,174	$7,317	$7,464
Janitorial	$599	$752	$767	$782	$798	$814	$830	$847	$864
Security	$2,511	$2,638	$2,691	$2,745	$2,800	$2,856	$2,913	$2,971	$3,031
Professional and Contractual Services	$16,855	$13,638	$13,911	$14,189	$14,473	$14,763	$15,058	$15,359	$15,666
Buildings & Grounds	$7,503	$12,385	$11,600	$11,832	$12,069	$12,310	$12,556	$12,807	$13,063
Equipment Repair	$3,918	$4,693	$4,787	$4,882	$4,980	$5,080	$5,181	$5,285	$5,390
Other Operating Expenses	$4,267	$4,006	$4,086	$4,168	$4,252	$4,337	$4,423	$4,512	$4,602
Utilities	$8,262	$7,218	$7,507	$7,807	$8,119	$8,444	$8,782	$9,133	$9,498
Insurance	$1,367	$1,431	$1,460	$1,489	$1,519	$1,549	$1,580	$1,612	$1,644
O&M Capital	$2,732	$1,677	$1,711	$1,745	$1,780	$1,815	$1,852	$1,889	$1,926
Subtotal Non-Terminal	**$141,409**	**$142,178**	**$146,869**	**$150,363**	**$153,944**	**$155,615**	**$159,333**	**$163,144**	**$167,052**
North Terminal:									
Materials & Supplies	$451	$495	$515	$536	$557	$579	$603	$627	$652
Janitorial	$2,729	$2,786	$2,842	$2,898	$2,956	$3,016	$3,076	$3,137	$3,200
Contractual Services	$3,581	$3,575	$3,647	$3,720	$3,794	$3,870	$3,947	$4,026	$4,107
Insurance	$257	$241	$245	$250	$255	$260	$266	$271	$276
Utilities	$4,105	$3,589	$3,733	$3,882	$4,037	$4,199	$4,367	$4,541	$4,723
Buildings & Grounds	$1,119	$1,415	$1,443	$1,472	$1,501	$1,532	$1,562	$1,593	$1,625
Equipment Repair	$2,764	$2,762	$2,817	$2,873	$2,931	$2,990	$3,049	$3,110	$3,173
Other Operating Expenses	$34	$31	$32	$32	$33	$34	$34	$35	$36
O&M Capital	$9	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal North Terminal	**$15,049**	**$14,894**	**$15,273**	**$15,664**	**$16,065**	**$16,479**	**$16,904**	**$17,341**	**$17,791**

Table 11 (2 of 2): Operation and Maintenance Expenses

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL	MID-YEAR ESTIMATE	PROJECTED						
	2014	2015	2016	2016	2016	2016	2016	2016	2016
South Terminal:									
Materials & Supplies	$1,366	$1,574	$1,637	$1,702	$1,770	$1,841	$1,915	$1,991	$2,071
Janitorial	$8,464	$8,499	$8,669	$8,842	$9,019	$9,200	$9,384	$9,571	$9,763
Contractual Services	$4,053	$4,276	$4,362	$4,449	$4,538	$4,629	$4,721	$4,816	$4,912
Insurance	$576	$500	$510	$520	$531	$541	$552	$563	$574
Utilities	$16,074	$16,276	$15,927	$16,564	$17,227	$17,916	$18,632	$19,378	$20,153
Buildings & Grounds	$6,470	$5,021	$5,121	$5,223	$5,328	$5,434	$5,543	$5,654	$5,767
Equipment Repair	$9,369	$9,947	$10,146	$10,349	$10,556	$10,767	$10,983	$11,202	$11,426
Other Operating Expenses	$159	$165	$168	$171	$175	$178	$182	$185	$189
O&M Capital	$630	$2,120	$2,162	$2,206	$2,250	$2,295	$2,341	$2,387	$2,435
Subtotal South Terminal	**$47,161**	**$48,378**	**$48,702**	**$50,027**	**$51,393**	**$52,801**	**$54,252**	**$55,748**	$57,291
Airport Hotel:									
Expenses 1/	$0	$0	$22,696	$24,060	$22,635	$23,336	$24,108	$24,814	$25,577
Subtotal Airport Hotel	**$0**	**$0**	**$22,696**	**$24,060**	**$22,635**	**$23,336**	**$24,108**	**$24,814**	**$25,577**
TOTAL O&M EXPENSES	**$203,619**	**$205,449**	**$233,541**	**$240,114**	**$244,038**	**$248,231**	**$254,597**	**$261,048**	**$267,711**
Summary By Cost Center:									
Total South Terminal O&M Expenses	$47,161	$48,378	$48,702	$50,027	$51,393	$52,801	$54,252	$55,748	$57,291
Total North Terminal O&M Expenses	$15,049	$14,894	$15,273	$15,664	$16,065	$16,479	$16,904	$17,341	$17,791
Total Remaining O&M Expenses	$141,409	$142,178	$169,565	$174,423	$176,579	$178,951	$183,441	$187,958	$192,629
TOTAL O&M EXPENSES	**$203,619**	**$205,449**	**$233,541**	**$240,114**	**$244,038**	**$248,231**	**$254,597**	**$261,048**	**$267,711**

NOTES: Totals may not add due to rounding.

1/ Includes capital acquisition, interest expense, and certain operations and maintenance costs specific to the Airport Hotel.

SOURCES: Wayne County Airport Authority (Historical), August, 2015, Starwood Hotels & Resorts Worldwide, Inc. (Airport Hotel), February 2013; Ricondo & Associates, Inc. (Projected), September 2015.

PREPARED BY: Ricondo & Associates, Inc., September 2015.

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& ASSOCIATES

Table 12 (1 of 2): Non-Airline Revenues

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL	MID-YEAR ESTIMATE	PROJECTED						
REVENUES BY CATEGORY	2014	2015	2016	2017	2018	2019	2020	2021	2022
Parking									
TOTAL PARKING	**$61,187**	**$66,161**	**$69,000**	**$69,647**	**$70,301**	**$70,960**	**$71,626**	**$72,298**	**$72,976**
Concessions									
South Terminal									
Food & Beverage	$9,344	$8,700	$10,391	$11,008	$11,277	$11,551	$11,833	$12,122	$12,417
News & Gift Shops	$7,795	$8,100	$8,378	$8,583	$8,792	$9,006	$9,226	$9,451	$9,681
Duty Free	$2,602	$2,650	$2,703	$2,730	$2,757	$2,785	$2,813	$2,841	$2,869
Other	$1,723	$1,680	$1,721	$1,763	$1,806	$1,850	$1,895	$1,941	$1,989
Advertising	$1,918	$1,975	$2,034	$2,095	$2,158	$2,223	$2,290	$2,358	$2,429
Total South Terminal	**$23,383**	**$23,105**	**$25,228**	**$26,179**	**$26,790**	**$27,416**	**$28,056**	**$28,713**	**$29,385**
North Terminal									
Food & Beverage	$3,605	$3,545	$3,631	$3,720	$3,811	$3,904	$3,999	$4,096	$4,196
News & Gift Shops	$2,129	$2,146	$2,198	$2,252	$2,307	$2,363	$2,421	$2,480	$2,540
Advertising	$469	$446	$459	$473	$487	$502	$517	$533	$549
Other	$1,404	$1,408	$1,442	$1,477	$1,514	$1,550	$1,588	$1,627	$1,667
Total North Terminal	**$7,607**	**$7,545**	**$7,731**	**$7,923**	**$8,118**	**$8,319**	**$8,525**	**$8,735**	**$8,951**
Airside Services									
In-Flight Catering	$672	$-	$-	$-	$-	$-	$-	$-	$-
Flight Services	$212	$918	$923	$928	$934	$939	$944	$950	$955
Total Airside Services	**$884**	**$918**	**$923**	**$928**	**$934**	**$939**	**$944**	**$950**	**$955**
TOTAL CONCESSIONS	**$31,874**	**$31,568**	**$33,882**	**$35,030**	**$35,842**	**$36,674**	**$37,525**	**$38,398**	**$39,292**

Table 12 (2 of 2): Non-Airline Revenues

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL	MID-YEAR ESTIMATE	PROJECTED						
REVENUES BY CATEGORY	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Car Rental									
Concession Fees	$21,909	$22,020	$22,681	$23,361	$24,062	$24,784	$25,527	$26,293	$27,082
TOTAL CAR RENTAL	**$21,909**	**$22,020**	**$22,681**	**$23,361**	**$24,062**	**$24,784**	**$25,527**	**$26,293**	**$27,082**
Ground Transportation									
Land Lease	$107	$-	$-	$-	$-	$-	$-	$-	$-
Taxi/Luxury Sedan	$2,909	$2,876	$2,903	$2,930	$2,958	$2,985	$3,013	$3,042	$3,070
Public Vehicle	$19	$15	$15	$15	$15	$16	$16	$16	$16
AVI	$2,418	$2,425	$2,448	$2,471	$2,494	$2,517	$2,541	$2,565	$2,589
TOTAL GROUND TRANSPORTATION	**$5,453**	**$5,316**	**$5,366**	**$5,416**	**$5,467**	**$5,518**	**$5,570**	**$5,622**	**$5,675**
Facility Rent									
South Terminal	$27	$22	$23	$23	$24	$25	$26	$26	$27
North Terminal	$542	$367	$378	$389	$401	$413	$425	$438	$451
Cargo/Hangar/Ground Transportation Rent	$2,405	$2,421	$2,494	$2,568	$2,645	$2,725	$2,807	$2,891	$2,978
Airline Hangar & Other Facilities Rentals	$3,906	$4,000	$4,120	$4,244	$4,371	$4,502	$4,637	$4,776	$4,919
TOTAL FACILITY RENT	**$6,880**	**$6,810**	**$7,014**	**$7,224**	**$7,441**	**$7,664**	**$7,894**	**$8,131**	**$8,375**
Other Non-Airline Revenue									
Shuttle Bus	$2,032	$2,050	$2,112	$2,175	$2,240	$2,307	$2,377	$2,448	$2,521
Utility Service Fee Rent - North Terminal	$480	$520	$541	$562	$585	$608	$632	$658	$684
Utility Service Fee Rent - South Terminal	$1,174	$1,319	$1,372	$1,427	$1,484	$1,543	$1,605	$1,669	$1,736
Utility Service Fee Rent - Other	$3,250	$3,448	$3,586	$3,729	$3,878	$4,033	$4,195	$4,362	$4,537
Charges for Services	$2,100	$1,867	$1,923	$1,980	$2,040	$2,101	$2,164	$2,229	$2,296
Other Revenue	$1,742	$1,090	$1,120	$1,150	$1,182	$1,214	$1,247	$1,282	$1,317
TOTAL OTHER	**$10,778**	**$10,293**	**$10,652**	**$11,024**	**$11,409**	**$11,807**	**$12,220**	**$12,648**	**$13,091**
Airport Hotel									
Revenues	$-	$-	$29,848	$30,672	$31,588	$32,514	$33,543	$34,512	$35,472
TOTAL AIRPORT HOTEL	**$-**	**$-**	**$29,848**	**$30,672**	**$31,588**	**$32,514**	**$33,543**	**$34,512**	**$35,472**
TOTAL NON-AIRLINE REVENUES	**$138,081**	**$142,168**	**$178,443**	**$182,375**	**$186,109**	**$189,921**	**$193,906**	**$197,902**	**$201,962**

NOTE: Totals may not add due to rounding.

SOURCES: Wayne County Airport Authority (Historical), August 2015; Starwood Hotels & Resorts Worldwide, Inc. (Airport Hotel), February 2013; Ricondo & Associates, Inc. (Projected), August 2015.

PREPARED BY: Ricondo & Associates, Inc., August 2015.

Airline Rates, Revenues, and Cost per Enplaned Passenger

A general test of reasonableness for Airport user fees is airline cost per enplaned passenger. The airline CPE is calculated by dividing the Total Airline Requirement by the number of enplaned passengers at the Airport for any given year. **Table 13**, which is comparable to Table 6-10 in the 2014 Report, presents the airline CPE for OY 2014 through OY 2022. The updated airline CPE at the Airport was approximately $10.18 in OY 2014. The updated airline CPE for the mid-year estimate for OY 2015 is approximately $10.24, which is approximately $0.11 less than the projected airline CPE for OY 2015 (approximately $10.35) presented in the 2014 Report. Airline CPE is projected to increase to a high of approximately $11.12 in OY 2018 and then decrease to approximately $10.19 in OY 2022, compared with projected airline CPEs in the 2014 Report of a high of approximately $10.99 in OY 2018 and a low of approximately $9.82 in OY 2022. In summary, the airline CPE throughout the updated Projection Period continues to be considered reasonable compared to the historical CPE at the Airport, costs at other large-hub airports, and considering the ongoing role of the Airport as a hub in Delta's network.

Debt Service Coverage

Table 14 presents the updated Debt Service coverage ratios projected for bonds outstanding after the issuance of the 2015 Bonds and future bonds, from OY 2014 through OY 2022. This table is comparable to Table 6-12 in the 2014 Report. As shown, Net Revenues generated in each year of the updated Projection Period are projected to be sufficient to comply with the 1.25x coverage required by the Rate Covenant established in the bond enabling legislation. The updated Debt Service coverage is projected to be between approximately 1.46x and 1.49x each year during the updated Projection Period.

Table 13: Airline Cost per Enplaned Passenger

(Enplaned Passengers and Dollars in Thousands, except CPE, for Operating Years Ending September 30)

	ACTUAL	MID-YEAR ESTIMATE	PROJECTED						
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Airline Revenues 1/									
Airline Rental and Shared Use Fees:									
South Terminal	$54,247	$55,368	$54,935	$55,022	$56,161	$56,431	$59,418	$60,555	$60,715
North Terminal 2/	$24,894	$27,162	$26,082	$24,405	$25,514	$23,873	$27,343	$27,220	$25,856
Activity Fee Revenue	$75,829	$74,479	$80,038	$92,912	$94,525	$94,879	$91,645	$86,161	$80,807
International Facility Use Fees	$8,362	$8,750	$8,838	$8,926	$9,015	$9,105	$9,196	$9,288	$9,381
Supplemental Capital Cost Payments 3/	$1,718	$1,718	$1,318	$1,318	$1,318	$1,318	$1,318	$1,318	$1,318
TOTAL AIRLINE REVENUES	**$165,050**	**$167,477**	**$171,209**	**$182,583**	**$186,533**	**$185,607**	**$188,920**	**$184,542**	**$178,077**
Enplaned Passengers 4/	$16,217	$16,349	$16,483	$16,629	$16,778	$16,940	$17,115	$17,293	$17,475
Airline Cost Per Enplaned Passenger	$10.18	$10.24	$10.39	$10.98	$11.12	$10.96	$11.04	$10.67	$10.19
Airline Cost Per Enplaned Passenger - 2015 Dollars 5/			$10.08	$10.35	$10.17	$9.73	$9.52	$8.94	$8.29

NOTES: Totals may not add due to rounding.

1/ Excludes rentals for airline hangar and other facility rentals for the non-terminal cost center included in the Authority's calcuation of CPE.

2/ Includes North Terminal rentals, North Terminal Authority-controlled airline space revenue, and North Terminal shared use fees.

3/ Annual Bond Debt Service Charges for certain projects that were constructed for the sole benefit of Northwest Airlines in its terminal facility prior to February 26, 2002.

4/ Enplaned passengers based on R&A projections.

5/ Based on interest rate of 3.0 percent.

SOURCES: Wayne County Airport Authority (Historical), Ricondo & Associates, Inc. (Projected), September 2015.
PREPARED BY: Ricondo & Associates, Inc., September 2015.

Table 14: Net Revenues, Debt Service Coverage, and Rate Covenant

(Dollars in Thousands for Operating Years Ending September 30)

	ACTUAL	MID-YEAR ESTIMATE	PROJECTED						
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Service Coverage:									
Revenues and Other Available Moneys	$375,340	$386,559	$427,029	$436,842	$443,098	$450,490	$453,506	$456,586	$455,741
ADD: Revenue Fund Balance 1/	$59,456	$54,288	$56,871	$58,066	$58,640	$59,372	$58,428	$57,520	$55,572
LESS: Operation and Maintenance Fund 2/3/	$207,837	$209,882	$237,574	$244,147	$248,070	$252,264	$258,630	$265,081	$271,744
Net Revenues Available for Senior Lien Debt Service	**$226,959**	**$230,965**	**$246,326**	**$250,760**	**$253,668**	**$257,599**	**$253,304**	**$249,025**	**$239,568**
Senior Lien Bond Debt Service	$145,055	$155,504	$165,837	$170,615	$172,913	$175,842	$172,062	$168,430	$160,640
Senior Lien Bond Debt Service Coverage 4/	1.56	1.49	1.49	1.47	1.47	1.46	1.47	1.48	1.49
Rate Covenant:									
Net Revenues Available for Senior Lien Debt Service	$226,959	$230,965	$246,326	$250,760	$253,668	$257,599	$253,304	$249,025	$239,568
LESS: Senior Lien Bond Debt Service	$145,055	$155,504	$165,837	$170,615	$172,913	$175,842	$172,062	$168,430	$160,640
Net Revenues Available for Junior Lien Debt Service	**$81,904**	**$75,461**	**$80,489**	**$80,146**	**$80,755**	**$81,757**	**$81,242**	**$80,595**	**$78,928**
Less: Junior Lien Bond Debt Service	$12,231	$12,231	$12,270	$12,276	$12,274	$12,275	$12,276	$12,274	$12,274
Less: Operation and Maintenance Reserve Fund	$1,509	$153	$2,341	$548	$327	$349	$530	$538	$555
Less: Renewal and Replacement Fund	$500	$500	$500	$500	$500	$500	$500	$500	$500
Less: Airport Development Fund	$5,439	$5,514	$5,710	$5,935	$6,169	$6,410	$6,658	$6,913	$7,177
Less: Authority Discretionary Fund	$350	$350	$350	$350	$350	$350	$350	$350	$350
Less: 25% Senior Lien Bond Debt Service	$36,264	$38,876	$41,459	$42,654	$43,228	$43,960	$43,016	$42,107	$40,160
Subtotal	**$56,293**	**$57,624**	**$62,629**	**$62,263**	**$62,849**	**$63,845**	**$63,330**	**$62,683**	**$61,016**
Net Revenues Remaining in Revenue Fund	**$25,611**	**$17,837**	**$17,860**	**$17,883**	**$17,906**	**$17,912**	**$17,912**	**$17,912**	**$17,912**

NOTES:

1/ Includes certain amounts that the Authority has accumulated for other reserves not specified in the table above, but which are legally available for the payment of debt service until used for other purposes.

2/ Includes Capital Acquisition and Interest Expense.

3/ Includes capital acquisition, interest expense, and certain operations and maintenance costs specific to the Airport Hotel.

4/ Debt service includes adjustments for capitalized interest resulting in coverage that differs from results presented in the Authority's Comprehensive Annual Financial Report.

SOURCES: Wayne County Airport Authority (Historical), August 2015; Starwood Hotels & Resorts Worldwide, Inc. (Airport Hotel), February 2013; Ricondo & Associates, Inc. (Projected), September 2015.

PREPARED BY: Ricondo & Associates, Inc., September 2015.

Confirmation of 2014 Report Findings

On the basis of the assumptions and analyses described in the 2014 Report and this Letter, and our experience preparing financial projections for airport operators, R&A is of the opinion that, for each Operating Year of the updated Projection Period:

1. The aggregate debt service coverage ratio will exceed the 1.25x minimum requirement pursuant to the Ordinances, and
2. The projected airline CPE is considered to be reasonable.

Sincerely,

Ricondo & Associates, Inc.

RICONDO & ASSOCIATES, INC.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE AIRPORT

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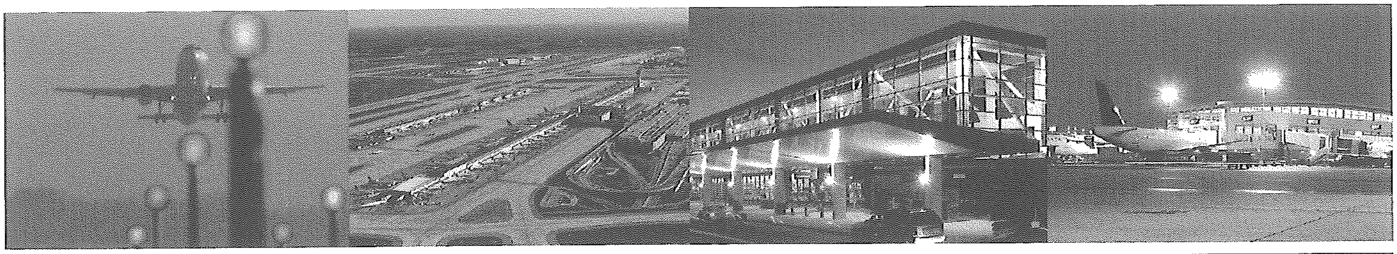

WAYNE COUNTY AIRPORT AUTHORITY

A DISCRETELY PRESENTED COMPONENT UNIT OF THE CHARTER COUNTY OF WAYNE, MICHIGAN

2014

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

DETROIT METRO • WILLOW RUN
WAYNE COUNTY AIRPORT AUTHORITY

WAYNE COUNTY AIRPORT AUTHORITY

(A Discretely Presented Component Unit of
the Charter County of Wayne, Michigan)

Comprehensive Annual Financial Report

Year Ended September 30, 2014

Prepared by:
Controller's Office

WAYNE COUNTY AIRPORT AUTHORITY

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DETROIT METRO • WILLOW RUN
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January 16, 2015

To the Wayne County Airport Authority Board:

The Comprehensive Annual Financial Report (CAFR) of the Wayne County Airport Authority (the Authority) as of and for the year ended September 30, 2014 is submitted herewith. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, results of operations, and cash flows in accordance with generally accepted accounting principles (GAAP). It includes disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities included within the CAFR. The report of the independent auditors on the financial statements is included on pages 1 – 3.

The CAFR was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards Certificates of Achievement to those governments whose annual financial reports are judged to conform substantially to the high standards of public financial reporting, including GAAP promulgated by the Governmental Accounting Standards Board (GASB).

The management of the Authority is responsible for establishing and maintaining an internal control structure that is designed to ensure that the assets of the Authority are safeguarded. In addition, as a recipient of federal financial assistance, the Authority is responsible to make certain that an adequate internal control structure is in place to ensure compliance with general and specific laws and regulations related to the Airport Improvement Program and the Aviation Safety and Capacity Expansion Act.

The objectives of an internal control structure are to provide management with reasonable assurance that the resources are safeguarded against waste, loss, and misuse, and reliable data are recorded, maintained, and fairly disclosed in reports. The current internal controls provide the Authority with a solid base of reliable financial records from which the financial statements are prepared. These accounting controls ensure that accounting data are reliable and available to facilitate the preparation of financial statements on a timely basis. Inherent limitations should be recognized in considering the potential effectiveness of any system of internal control. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived and that the evaluation of those factors requires estimates and judgment by management.

State laws require an annual audit of the financial records and transactions of the Authority by a firm of independent licensed certified public accountants. The Board appoints an audit committee of three Board members to comply with this requirement. The audit committee is to meet at least four times each year with the Chief Executive Officer, the Chief Financial Officer (who is appointed by the Chief Executive Officer), and the Authority's independent public auditors to review the financial condition, operations, performance, and management of the Authority. In addition, the Chief Executive Officer appoints an internal auditor to evaluate the Authority's internal accounting and administrative control system and conduct audits relating to the Authority's financial activities.

The Authority's financial statements have received an "unmodified opinion" from Plante & Moran, PLLC, the Authority's certified public accountants. An unmodified opinion is the best opinion that an organization can receive on its financial statements. It indicates that the auditor's examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material respects.

An independent audit was also performed in accordance with the requirements of the Single Audit Act Amendments of 1996 (P.L. 104-156). The auditor's reports related specifically to the single audit are immediately following the CAFR in the Compliance Section.

A third audit was performed as required under Federal Aviation Regulation, Part 158 (Passenger Facility Charges). The auditor's reports related to the schedule of Passenger Facility Charges are immediately following the CAFR in the Compliance Section.

This CAFR was prepared to meet the needs of a broad spectrum of financial statement readers and is divided into the following major sections:

Introductory Section – In addition to serving as a transmittal letter, this section provides the reader an introduction to the CAFR and the Wayne County Airport Authority. The introductory section includes background information on the reporting entity, its operations and services, accounting systems and budgetary controls, overview of the local economic conditions, its long-term financial planning, and certain other pertinent information. It is complementary to financial and analytical data offered in management's discussion and analysis and the statistical section of the CAFR discussed below.

Financial Section – The independent auditor's report, management's discussion and analysis (see pages 4-12), financial statements, notes to the financial statements, and required supplementary information are included here. These are the Authority's basic financial statements and provide an overview of the Authority's financial position. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Statistical Section – The supplementary information presented in this section is designed to provide additional historical perspective, context, and detail to assist a reader to understand and assess the Authority's economic condition beyond what is provided in the financial statements and notes to the financial statements. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Continuing Disclosure Section – The continuing disclosure schedules reflect information in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission and as set forth in the Continuing Disclosure Undertaking for issued debt. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Compliance Section – This section presents schedules and footnotes prepared to meet the requirements of the U.S. Office of Management & Budget Circular A-133 as well as Federal Aviation Administration requirements applicable to The Passenger Facility Charge Program and in accordance with 14 CFR Part 158.

REPORTING ENTITY BACKGROUND

The Authority is a political subdivision and instrumentality of the Charter County of Wayne, Michigan (the County), which owns the Detroit Metropolitan Wayne County Airport (the Airport) and Willow Run Airport (together, the Airports). Until August 9, 2002, the County operated the Airports. Pursuant to an amendment to the Aeronautics Code of the State of Michigan, known as the Public Airport Authority Act (the Authority Act), Public Act 90, Michigan Public Acts of 2002, effective March 26, 2002, the Authority has operational jurisdiction of the Airports, with the exclusive right, responsibility, and authority to occupy, operate, control, and use the Airports and the Airport Hotel.

Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Airports, with the exception of the County's pledge of its limited tax full faith and credit, subject to constitutional, statutory, and charter tax rate limitations associated with the Airport Hotel Revenue Bonds issued by the County.

The Authority is directed and governed by a Board consisting of seven members. The governor of the state appoints two members of the Board; one member is appointed by the legislative body of the County, and four members of the Board are appointed by the Chief Executive Officer of the County. The Board appoints the Chief Executive Officer of the Authority.

AUTHORITY OPERATIONS AND SERVICES

The Authority is self-supporting, using aircraft landing fees, fees from terminal and other rentals, and revenue from parking, concessions, and various additional sources to fund operating expenses. The Authority is not taxpayer-funded. The Capital Improvement Program (CIP) is funded by bonds issued by the Authority, federal and state grants, passenger facility charges (PFCs), and other discretionary funds.

Airport Use and Lease Agreement (the Agreement)

Leases. Revenues received by the Authority in accordance with the Master Airport Revenue Bond Ordinance (Master Bond Ordinance) are derived from rentals, fees, and charges imposed upon airlines operating at the Airport under agreements relating to their use of the Airport. The following airlines are parties to such agreements: Air France, American Airlines ("American"), Delta, Federal Express, KLM Royal Dutch Airlines ("KLM"), Lufthansa German Airlines, Southwest, Spirit Airlines ("Spirit"), United, United Parcel Service and US Airways (collectively, the "Signatory Airlines"). KLM is not currently operating at the Airport.

Activity Fees. Under the Airline Agreements, the Signatory Airlines also are obligated to pay activity fees which are calculated on an Airport residual basis (the "Activity Fees"). Essentially, the Activity Fee calculation for each Operating Year is based on all airport revenue bond Debt Service (net of Debt Service paid by PFCs and federal grant funds) and all O&M Expenses for such Operating Year, minus all non-airline revenue for such Operating Year, all airline rental payments for such Operating Year, all international facility use fees for such Operating Year and all payments for use of the Authority-controlled airline space, if any, in each terminal for such Operating Year.

Amendment to End of Year True-Up of Fees and Charges. In order to enable the Authority to issue airport revenue bonds for airfield-related capital projects without the bonds being subject to the federal alternative minimum tax, all of the Signatory Airlines agreed in 2012 to an amendment of the Airline Agreements that revised the end of year true-up provision so that the amount to be refunded to the Signatory Airlines would be calculated by taking into account the total amount of overpayment of Activity Fees by all Signatory Airlines and the total amount of Activity Fee overpayments by all non-Signatory Airlines. All airlines, Signatory and non-Signatory, participate in end of year refunds, not just the Signatory Airlines.

The total amount to be refunded to the Signatory Airlines and the total amount to be refunded to the non-Signatory Airlines, in respect of Activity Fee overpayments, are based on a pro-rata allocation between the Signatory Airlines and the non-Signatory Airlines, which reflect the same ratio as the ratio of total Activity Fees paid by the Signatory Airlines and total Activity Fees paid by the non-Signatory Airlines, respectively. The refund to the non-Signatory Airlines may be accomplished directly, or through a reduction in the non-Signatory Airlines' Activity Fees for the following Operating Year. The same provision applies in the event of underpayments, and the Authority would charge the shortfall to non-Signatory Airlines as well as Signatory Airlines.

Weighted Majority Approval. The Airline Agreements provide that a Weighted Majority of the Signatory Airlines can approve additional capital projects for which airport revenue bonds may be issued to pay the costs. A Weighted Majority is defined as either Signatory Airlines which, in the aggregate, landed eighty-five percent (85%) or more of the landed weight of all Signatory Airlines for the preceding 12-month period for which records are available or all but one of the Signatory Airlines regardless of landed weight.

Passenger Facility Charges. The Authority is obligated under the Use and Lease Agreements to use PFCs to pay Debt Service on airport revenue bonds issued to pay the costs of certain PFC-eligible projects at the Airport. These projects include the construction of both the South Terminal and the North Terminal. The Use Airline Agreements also set forth a required priority for the application of PFCs to pay Debt Service in the event there is insufficient PFC revenue available in any Operating Year to pay all PFC-eligible debt service.

The Airline Industry

In the aftermath of the events of September 2001, the industry saw a downturn in demand for air travel. The result was five years of reported industry operating losses, totaling more than $28 billion (excluding extraordinary events). The airline industry finally gained ground in 2007 with virtually every U.S. airline posting profits. However, in 2008 and through the first half of 2009, the combination of record high fuel prices, weakening economic conditions, and a weak dollar resulted in the worst financial environment for U.S. airlines since the September 11 terrorist attacks.

In response, most airlines announced significant capacity reductions, larger fuel surcharges, increased fares and fees, and adopted other measures to address the financial challenges. Whereas the capacity reductions following the events of September 11 were the direct result of terrorist threats targeting the travelling public, the industry reductions starting in late 2008 and continuing through the first half of 2009 were primarily driven by significant increases in fuel costs over a span of two and a half years, a weak dollar exacerbating the impact of stressed fuel costs, global economic slowdown, and the contraction of the U.S. economy.

In addition to capacity reductions, competitive pressures have resulted in the bankruptcy restructuring filings and consolidation of the United States airline industry. Northwest and Delta both filed for bankruptcy on September 14, 2005. One month later, Mesaba followed suit. AMR Corporation (AMR), the parent company of American Airlines, filed for bankruptcy protection on November 29, 2011.

Following the string of bankruptcies, several airlines merged and acquired competitors in an attempt to combine operations in order to increase cost synergies and become more competitive. In 2009, Delta fully completed its merger with Northwest Airlines which initiated a wave of airline mergers and acquisitions. That same year, Republic Airways Holdings, a regional airline, bought Frontier Airlines of Denver and Midwest Airlines of Milwaukee. In October 2010, United Airlines and Continental Airlines merged, at that time creating the world's largest airline in terms of operating revenue and revenue passenger miles. On May 2, 2011, Southwest announced the closing of its acquisition of AirTran Holdings, Inc., the former parent company of AirTran maintaining the Southwest plans to integrate AirTran into the Southwest brand. On December 10, 2013, AMR emerged from bankruptcy and completed a merger with the US Airways Group to become the world's largest airline.

In 2010, global air travel demand rebounded as scheduled passenger totals increased 8.1 percent from the previous year's level. Air passengers have grown every year from 2010 to 2013 with a compounded average growth rate (CAGR) of 6.0 percent. The International Air Travel Association (IATA) estimates passenger traffic will grow by 5.5 and 6.8 percent in 2014 and 2015, respectively.

As a result of greater demand and airline restructuring, the airline industry is returning to profitability. After a loss in calendar year 2008, the global airline industry reported operating profits of $1.9 billion and $27.6 billion in 2009 and 2010, respectively. Operating profits have increased from $1.9 billion in 2009 to $25.3 billion in 2013, a CAGR of 91.0 percent. IATA forecasts operating profits of $38.3 billion and $46.8 billion for 2014 and 2015, respectively. North American airlines are experiencing the greatest operating profit among other world regions earning $7.2 billion in 2013 and projected by IATA to earn $11.9 billion in 2014 and $13.2 billion in 2015.

While airlines have significantly reorganized, reduced capacity and reduced costs to increase profitability, the impact of the price of fuel remains a significant cost factor and top concern for the airline industry. According to Airlines for America (AFA), fuel has overtaken labor as the industry's top cost and, as such, fuel price is an important and uncertain determinant of an air carrier's operating economics. Any increase in fuel prices causes an increase in airline operating costs. Annually, a one-cent increase in a gallon costs U.S. airlines $175 million; a $1 increase in a barrel costs airlines $415 million. Although fuel prices have declined from their most elevated levels, fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world.

Generally, the financial outlook for the airline industry is strong. Passenger demand is improving and the airline industry is benefiting from consolidations. However, fuel price volatility continues to be a concern. The airlines' ability to pass along the increased costs of fuel to its passengers is limited by the competitive nature of the industry. Although the cost of jet fuel has been stable, even a small change in fuel price can significantly influence profitability.

Airport Activity

The Airport ended fiscal year 2014 relatively flat with a 0.9 percent increase in enplaned passengers and a 1.2 decrease in landed weight compared to the prior fiscal year. The Airport's activities for the years ended September 30, 2014 and 2013 were as follows:

	2014	2013	% Change
Enplanements	16,216,673	16,077,652	0.9%
Operations	399,896	425,623	-6.0%
Cargo (in metric tons)	208,839	215,363	-3.0%
Landed Weight (in thousands, lbs.)	20,382,701	20,628,861	-1.2%

The demand for air travel is expected to remain stable throughout the next fiscal year.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Authority's Budget

Prior to the commencement of each fiscal year (currently October 1 to September 30), the Authority is required by the Master Bond Ordinance and Public Act 90 to prepare and adopt a budget. The budget contains an itemized statement of the estimated current operational expenses and the expenses for capital, including funds for the operation and development of the Airports under the jurisdiction of the Authority, and the amount necessary to pay the principal and interest of any outstanding bonds or other obligations of the Authority maturing during the ensuing fiscal year. The budget also contains an estimate of the revenues of the Authority from all sources for the next fiscal year.

Budgeting serves as an important management tool to plan, control, and evaluate the operations of the Authority. The Detroit Metropolitan Airport and Willow Run O&M budgets, and the Westin's budget are the Authority's annual financial plan for operating and maintaining the airports and hotel. These budgets must be sufficient to cover the operation and maintenance expenses of the airports, the debt service payable on bonds and other known financial requirements for the ensuing fiscal year. The Capital Improvement Program budget is the Authority's plan for the design and construction of major improvements and new facilities at the airports with a five-year horizon.

The Authority's basis of budgeting is in accordance to the terms of the Signatory Lease & Use Agreements with the Airlines which differs from generally accepted accounting principles – the Authority's accounting basis. The Authority has additional funds that are audited but only the Operations and Maintenance funds are budgeted.

Budgetary control is required to ensure that expenditures do not exceed appropriations. The Authority maintains this control through the use of an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved by the use of encumbrances to prevent overspending. Amendments to the budget are subject to approval by the Board in accordance with the terms contained in the Board resolution adopted with the budget. The independent monitoring of the budget continues throughout the fiscal year for management control purposes. Each month, Financial Planning & Analysis (FP&A) reviews and analyzes all revenue and expense accounts to compare actual to prior year actual and to budget. The findings are reported to the Board in the monthly management report.

AUTHORITY'S ECONOMIC CONDITION

Population & Air Trade Area

The Airport resides in a region which the United States Office of Management and Budget (OMB) defines as the Detroit-Warren-Livonia Metropolitan Statistical Area (MSA) and is comprised of the six Michigan counties of Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne. Also part of the geographic area served by the Airport are the Flint MSA which includes

Genesee County; the Monroe MSA that includes Monroe County; and the Adrian Micropolitan Statistical Area which includes Lenawee County. These counties represent the primary geographical area served by the Airport and is commonly called the "Air Trade Area." The estimated population of the Air Trade Area was 5.3 million in 2012, according to Woods and Poole Economic Inc., May 2014. Wayne and Oakland counties are the Air Trade Area's two most populous counties and were ranked as the 19th and 31st largest counties, respectively, in the nation for population in 2013.

Based on location, accessibility, and services available at other commercial service airports within nearby service areas, the borders of the Air Trade Area are generally established by Toledo Express Airport (TOL) to the south, Fort Wayne International Airport (FWA) to the southwest, Lansing Capital City Airport (LAN) to the west, and Bishop International Airport (FNT) to the north. The closest large hub airport to the Air Trade Area is Cleveland-Hopkins International Airport (CLE), which primarily serves its own air trade area approximately 150 miles southeast of the Airport across Lake Erie.

Other nearby airport facilities in close proximity to the Airport include the Coleman A. Young International Airport (formerly Detroit City Airport), Willow Run Airport, and Windsor International Airport across the U.S. border in Ontario, Canada. Coleman A. Young International Airport is approximately eight miles northeast of downtown Detroit; however, it has not had commercial passenger airline service since 2000. Willow Run Airport, also operated by the Authority, is located seven miles west of the Airport and serves cargo, corporate, and general aviation clients. Windsor International Airport (YQG) is located approximately nine miles southeast of downtown Detroit.

The Airport is the primary air carrier airport serving the Detroit Metropolitan area. In calendar year 2013, the Airport ranked 12th nationwide in total aircraft operations, with 425,732 takeoffs and landings and 17th nationwide in total passengers, enplaning and deplaning approximately 32.4 million passengers.

Economy

The demand for air transportation is, to a large degree, dependent upon the demographic and economic characteristics of the geographical area served by an airport (i.e., the Air Trade Area). Home to a number of Fortune 500 companies, the Air Trade Area has seen recent improvement in employment rates, and a high percentage of households in the uppermost income categories when compared to Michigan and the nation. The Air Trade area is home to 15 Fortune 500 Company Headquarters. Eight of the Air Trade Area's Fortune 500 companies are part of the automotive industry. Three of the four largest employers in the Air Trade Area as of July 2014 are automobile manufacturers: Ford Motor (43,977 employees), Chrysler Group (32,106 employees) and General Motors (30,570 employees). The University of Michigan (29,855 employees) and the U.S. Government (18,703 employees) complete the top five employers. Consistently appearing near the top of the Fortune 500 Rankings, in 2014 General Motors and Ford Motor were ranked 7th and 8th, respectively.

A significant recovery from the high unemployment rates experienced in the Air Trade Area between 2009 and 2011 is underway. Based on data presented by the U.S. Department of Labor's Bureau of Labor Statistics, the Air Trade Area has experienced an annual decrease in its unemployment rate over each of the past four years. Annual non-seasonally adjusted unemployment rates for the Air Trade Area were above those for the United States throughout the period since 2004. The Air Trade Area's non-seasonally adjusted unemployment rate was 7.6 percent in April 2014, having improved by 6.9 percentage points since its 2009 peak. The improvement in the Air Trade Area's unemployment rate is greater than the improvement experienced by Michigan (6.2 percentage point improvement) and substantially better than the United States (3.7 percentage point improvement).

Personal income is a composite measurement of market potential and indicates the general level of affluence of local residents, which corresponds to an area's ability to afford air travel, as well as an area's attractiveness to business and leisure travelers (lower income areas often have weaker business ties to the rest of the nation and a less developed tourism infrastructure). Per capita personal income for the Air Trade Area increased at a compounded annual growth rate (CAGR) of 1.7 percent from 2002 to 2011, rising from $33,732 to $39,087. In the same time period, the CAGR for Michigan was 2.0 percent and the CAGR for the United States was 3.1 percent. An additional measurement of the market's potential to generate demand for air transportation is the percentage of households in higher income categories. In 2010, 41.3 percent of households in the Air Trade Area had household incomes of $60,000 or more, which was significantly higher than the 37.1 percent of households in this income category for Michigan and the 36.9 percent of households in this income category nationwide.

Despite the severe economic stress experienced by Michigan and the Air Trade Area for most of the past decade, University of Michigan researchers report that job growth will continue at a moderate pace for the next two years, adding 132,600 jobs overall in the state. The report forecasts the state's unemployment rate will drop from 7.2 percent in September 2014 to 6.3 percent by the end of 2016.

LONG-TERM FINANCIAL PLANNING

The Authority's long-term financial planning includes the completion of certain approved capital projects and the accumulation of sufficient resources required to service the debt issued to finance these projects, as well as to operate and maintain the Airports. Under the terms of the Agreement, fees and charges paid by the Airlines are used along with other income from the Airport to service the debt issued to finance the construction program.

The Authority covenants in the Master Bond Ordinance (the Ordinance) state that the Airport's net revenues plus other available monies as defined by the Ordinance are sufficient to provide debt service coverage of 125% of the average annual debt service requirement on senior lien bonds. This coverage ratio for the year ended September 30, 2014 was in excess of the requirements at 143% of senior lien debt service and 133% of total debt service.

Capital Improvement Program

The Authority maintains an ongoing Capital Improvement Program (CIP) for the Airport system to expand, modernize, and maintain the Airports. In addition to renovations and modernization of certain existing facilities, the CIP includes construction of the principal elements of the Master Plan for each Airport. The master plans establish the framework for the CIP that is necessary for the development of the Airports.

The Authority's CIP represents current expectations of future capital needs. The current five-year plan for 2015-2019 includes planned funding of approximately $481.9 million and $109.4 million for Detroit Metropolitan and Willow Run Airports, respectively.

The Authority's funding sources for the CIP are airport revenue bonds, Passenger Facility Charges (PFCs), grants and Authority discretionary funds. Given the multiple funding sources that comprise this plan, board approval of the CIP does not imply that the source of funding has been determined. A detailed review of the CIP is published in the Authority's budget book.

Airport Improvement Program

Since 1986, the Authority has participated in the Airport Improvement Program (AIP), the federal government's airport grant program. The AIP provides funding for airport development, airport planning, and noise compatibility programs from the Airport and Airway Trust Fund. The AIP also provides both entitlement and discretionary grants for eligible projects. The Authority also receives grants from the State of Michigan.

Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act, which authorized domestic airports to impose a PFC on enplaning passengers. In May 1991, the FAA issued the regulations for the use and reporting of PFCs. PFCs may be used for airport projects which meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among carriers.

Since 1992, the FAA has approved six PFC applications and amendments submitted by the Airport. The Authority is currently authorized to impose and use a PFC of $4.50 per enplaned passenger up to $3.2 billion, which includes amounts for the payment of principal, interest, and other financing costs on bonds for which the proceeds are used to pay PFC-eligible costs on approved projects.

As of September 30, 2014, the Airport had received approximately $1.17 billion of PFC revenue and interest earnings of approximately $73.4 million. The Airport had expended approximately $1.22 billion on approved projects. The current PFC expiration date is estimated at February 1, 2034.

OTHER INFORMATION

Awards and Achievement

The GFOA awarded the Authority a Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the year ended September 30, 2013. This was the eleventh consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting this 2014 CAFR to the GFOA for consideration.

The Authority's budget process has also been recognized by the GFOA and received their Award for Distinguished Budget Presentation for fiscal years 2005 to 2014. In order to receive this award, the entity must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. The fiscal year 2015 Approved Budget document was issued to the GFOA for consideration and to Board Members in December 2014.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Controllers' Department. We would like to express our appreciation to all members of this department.

This report also could not have been possible without the leadership and support of the governing body of the Authority's Board.

Respectfully submitted,

Thomas J. Naughton
Chief Executive Officer

Terrence P. Teifer
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Wayne County Airport Authority

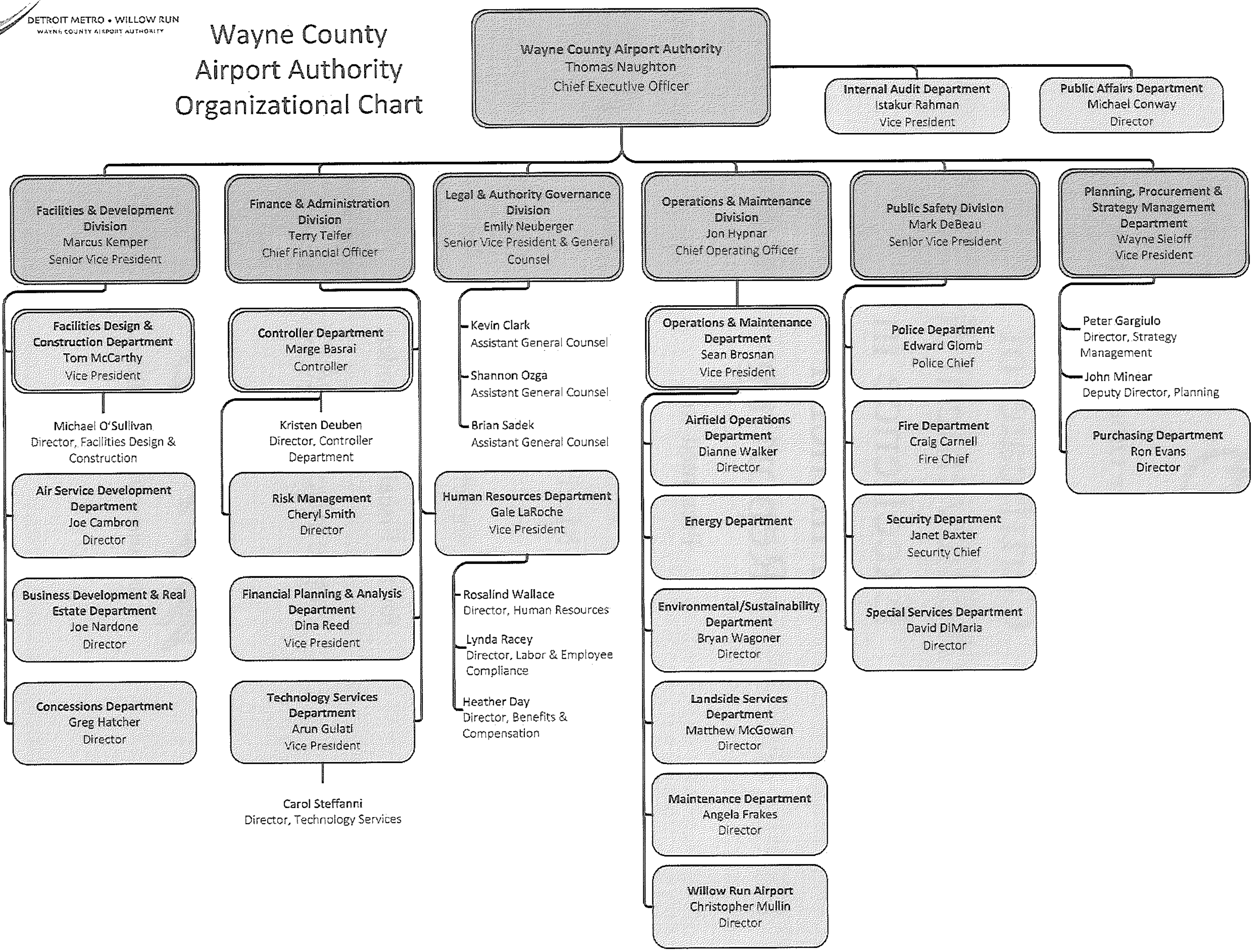
Michigan

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO

Wayne County Airport Authority Organizational Chart



LIST OF PRINCIPAL OFFICIALS

Authority Board	Position	Term Expires
Alfred R. Glancy, III	Chairperson	October 2014
Suzanne K. Hall	Board Member	October 2016
Michael J. Jackson, Sr.	Vice-Chairperson	October 2017
Kevin M. McNamara	Board Member	December 2014
Samuel A. Nouhan	Board Member	October 2014
Reginald M. Turner	Board Member	October 2019
Mary L. Zuckerman	Secretary	October 2014

Airport Management	Position
Thomas J. Naughton	Chief Executive Officer
Terrence P. Teifer	Chief Financial Officer
Jon Hypnar	Chief Operating Officer
Mark L. DeBeau	Sr. Vice President – Public Safety
Marcus S. Kemper	Sr. Vice President – Facilities and Development
Emily K. Neuberger	Sr. Vice President and General Counsel
Margaret M. Basrai	Controller
Sean P. Brosnan	Vice President – Airfield Operations and Maintenance
Arun Gulati	Vice President – Technology Services
Gale L. LaRoche	Vice President – Human Resources
Thomas J. McCarthy	Vice President – Facilities Design and Construction
Istakur Rahman	Vice President – Internal Audit
Dina A. Reed	Vice President – Financial Planning & Analysis
Wayne G. Sieloff	Vice President – Planning, Procurement and Strategy Management

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Independent Auditor's Report

To the Board of Directors
Wayne County Airport Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the fiduciary activities of the Wayne County Airport Authority (the "Authority"), a component unit of the Charter County of Wayne, Michigan, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Wayne County Airport Authority'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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, each major fund, and the fiduciary activities of the Wayne County Airport Authority as of September 30, 2014, and the respective changes in its financial position, and, where applicable, cash flows, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
Wayne County Airport Authority

Emphasis of Matter

As discussed in Note 2 to the basic financial statements, in 2014, the entity adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

As explained in Note 4, the financial statements include investments valued at $9,099,865 (29 percent of net position) at September 30, 2014, whose fair values have been estimated by management in the absence of readily determinable market values. Management's estimates are based on information provided by the Municipal Employers' Retirement System. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified in the table of contents, 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, which 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 opinions on the financial statements that collectively comprise the Wayne County Airport Authority's basic financial statements. The introductory section, statistical section, and continuing disclosure section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The introductory section, statistical section, and continuing disclosure section, as identified in the table of contents, have 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 them.

Plante & Moran, PLLC

January 16, 2015

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WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2014

The following discussion and analysis provides an overview of the financial performance and activities of the Wayne County Airport Authority (the "Authority") as of and for the year ended September 30, 2014, with selected comparative information for the year ended September 30, 2013. This discussion and analysis has been prepared by the Authority's management and should be read in conjunction with the basic financial statements and notes thereto, which follow this section.

The Authority is a business-type entity and, as such, the basic financial statements consist of three statements and notes to the basic financial statements. The three basic statements are: (a) Statement of Net Position, which presents the assets, liabilities, deferred inflows and outflows of resources, and net position of the Authority as of the end of the fiscal year; (b) Statement of Revenues, Expenses, and Changes in Net Position, which reflects revenues and expenses recognized during the fiscal year; and (c) Statement of Cash Flows, which provides information on all the cash inflows and outflows for the Authority by major category during the fiscal year. The Authority includes a Postemployment Health Benefits Trust Fund (Fiduciary Fund) to account for the postemployment healthcare payments to qualified employees.

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S.) as promulgated by Governmental Accounting Standards Board (GASB) principles.

The financial statements include the operations of Detroit Metropolitan Wayne County Airport (the Airport), Willow Run Airport, and the Airport Hotel. The Authority is considered a discretely presented component unit of the Charter County of Wayne, Michigan as defined by the GASB.

THE AIRPORT FUNDING METHODOLOGY

Funding for the Airport operations is predicated upon the stipulations in the Airport Use and Lease Agreements between the Authority and the Airlines. The Airport Use and Lease Agreements set the terms of the business relationship between the Authority and the Airlines. Key terms in the Use and Lease Agreements include rental rates, activity fee methodology, utilities, etc. Once an airline signs a Use and Lease Agreement, they are designated a "Signatory Airline." The Use and Lease Agreements also determine the budget and financing (activity fee) methodology that the Authority and Airlines agree to follow. Airport budget methodologies throughout the United States are usually characterized as either compensatory or residual, although some airports have a hybrid methodology that combines both features.

The Airport operates under a residual methodology. The methodology places additional risk on the Airlines, as these Airlines guarantee the net cost of operating the entire Airport. This obligation includes operating expenses and all debt service requirements of the Airport. If the Airport incurs a deficit in a particular year, it has the ability to increase rates to all Airlines up to the amount of the deficit. Conversely, if the Airport realizes a surplus, the Airport must refund the surplus to all the Airlines. The total amount to be charged or refunded is based on a pro-rata allocation between the Signatory Airlines and the Non-Signatory Airlines, which reflects the same ratio as the ratio of total activity fees paid by each group.

The residual methodology agreed upon by the Signatory Airlines and the Authority creates a funding mechanism that is not congruent with financial statement reporting standards. Although the Airlines are required to fund any deficit of the Airport, this deficit is not equivalent to "Operating Loss" or any other designation on the financial statements. Since the Airport utilizes the residual methodology, all annual operating costs and debt service requirements of the Airport have been funded.

FINANCIAL HIGHLIGHTS

Operating revenues increased $21 million in 2014 as compared to 2013. Authority airline revenues increased by $12.8 million (8.1%) compared to 2013, due to increases in both landing fee and facility use fee revenue. Authority non-airline revenues increased by $8.2 million (5.1%) compared to 2013 and outperformed budgeted non-airline revenues by $12 million (7.7%).

Operating expenses are $20.3 million (or 5.7%) more than fiscal year 2013. The primary categories that increased were salaries, wages, and fringe benefits ($7.4 million), professional and contractual services ($6.3 million), utilities ($1.9 million), hotel management ($2.0 million) and materials and supplies ($1.5 million).

Non-operating revenues in 2014 remained consistent over 2013, with just a minor increase of $700 thousand. Non-operating expenses are $6.5 million (or 7.2%) less than fiscal year 2013. The decrease is primarily due to a reduction in the loss on disposal of assets of $4.5 million and a decrease of $1.6 million due to the elimination of the amortization of bond issuance costs during the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

STATEMENT OF NET POSITION

The statement of net position includes all assets, liabilities, deferred inflows and outflows of resources, and net position resulting from the difference between total assets and total liabilities. Assets and liabilities are generally measured using current values. One exception is capital assets, which are stated at historical cost less an allowance for depreciation. The condensed summary of the Authority's net position as of September 30, 2014 and 2013 is:

	2014 (000's)	2013 (000's)
ASSETS:		
Current unrestricted assets	$ 122,949	$ 120,661
Restricted assets	580,571	502,657
Capital assets (net)	2,061,058	2,088,549
Other assets	10,438	23,726
Total assets	2,775,016	2,735,593
DEFERRED OUTFLOWS OF RESOURCES	33,746	-
LIABILITIES:		
Current liabilities	103,358	72,312
Liabilities payable from restricted assets	126,110	122,880
Long-term liabilities	2,202,711	2,127,832
Total liabilities	2,432,179	2,323,024
NET POSITION:		
Net investment in capital assets	39,761	27,234
Restricted	314,707	323,699
Unrestricted	22,115	61,636
TOTAL NET POSITION	$ 376,583	$ 412,569

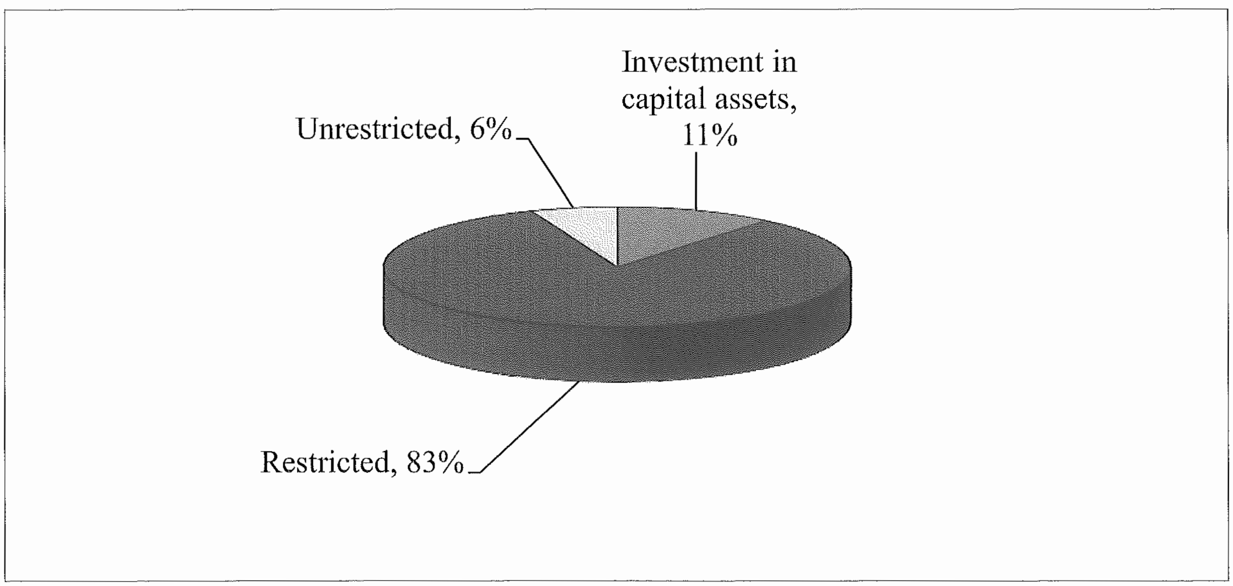
Current assets consist mainly of cash and investments, accounts receivable, and amounts due from other governmental units. Restricted assets consist of cash and investments and accounts receivable. Restricted assets increased approximately $78 million over the prior year due to the issuance of new bonds in fiscal year 2014. All cash and investments of the Authority are invested according to legal requirements established by the legislature of the State of Michigan. In accordance with State law, investments are restricted to various U.S. government securities, certificates of deposit, commercial paper, and repurchase agreements. Other assets consist primarily of prepaid bond insurance premiums, net of related amortization, and net OPEB asset. Other assets decreased $13.3 million in fiscal year 2014 due to the elimination of bond issuance costs during the implementation of GASB 65. Deferred outflows of resources represent the consumption of net position in one period that are applicable to future periods. They are reported separately from assets in accordance with GASB 65 and consist of the deferred amount on debt refunding. This is a new category in 2014. In the prior year, these amounts (approximately $37 million) were reported as part of long-term debt. See Note 2 for further information on the implementation of GASB 65.

In accordance with the terms of applicable ordinances, the Authority is required to restrict assets for various purposes. The components of net position have been reserved related to certain restricted assets. Assets have been restricted for operations and maintenance, replacement and improvements, construction, bond and interest redemption, passenger facility charges, and drug enforcement.

Current liabilities consist mainly of accounts payable, payroll-related liabilities, self-insurance liabilities, accrued vacation and sick time, security, and performance deposits. Current liabilities increased $31 million in 2014 mainly due to additional construction invoices in accounts payable at year end. There were several new construction projects started in 2014 due to the issuance of new Airport Revenue Bonds. Long-term liabilities consists primarily of long-term debt and other accrued liabilities. Long-term liabilities increased approximately $74.9 million in fiscal year 2014 due to the issuance of three new Airport Revenue Bonds.

Net position decreased by $36 million in the fiscal year ended September 30, 2014, which was in excess of the decrease in net position in 2013 of $21.9 million, and in 2012 of $31 million. $13.1 million of the decrease in net position was due to the restatement of beginning net position for GASB 65. Without this restatement, net position would have only decreased $22.9 million, which is comparable to the prior year.

The chart below illustrates a breakdown of total net position as of September 30, 2014:



Approximately 83 percent of the components of the Airport's 2014 net position is restricted for future debt service, capital construction and replacement, bond and interest redemption, and passenger facility charges, subject to federal regulations. Net investments in capital assets account for approximately 11 percent of total net position and represent land, intangible assets, buildings, improvements, and equipment, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The remainder of net position includes an unrestricted amount of $22.1 million, which may be used to meet any of the Authority's ongoing operations.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The Authority is authorized to issue airport revenue bonds to finance the cost of capital projects and include the debt service on such bonds in the fees and charges of the Signatory Airlines only after receiving approval of a Weighted Majority for such capital projects. As of September 30, 2014, the Authority had approximately $2.2 billion in outstanding bonded and other debt, both senior and subordinate, paying fixed and variable rates. The total annual debt service (principal and interest) was approximately $176.9 million in 2014 and long-term debt amounting to $86.4 million was paid off during the year. More detailed information on capital assets and long-term debt activity can be found in Notes 6 and 7 included in the Notes to Basic Financial Statements section of this report.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of the Authority, as well as the nonoperating revenues and expenses. Operating revenues include both airline and non-airline revenues and consist primarily of landing and related fees, terminal building rental and fees, parking fees, concession fees, car rental, and hotel revenues. Non-operating revenues consist primarily of passenger facility charges, federal and state grants, and interest income. Interest expense is the most significant nonoperating expense.

A summarized comparison of the Authority's revenues, expenses, and changes in net position for the years ended September 30, 2014 and 2013 follows:

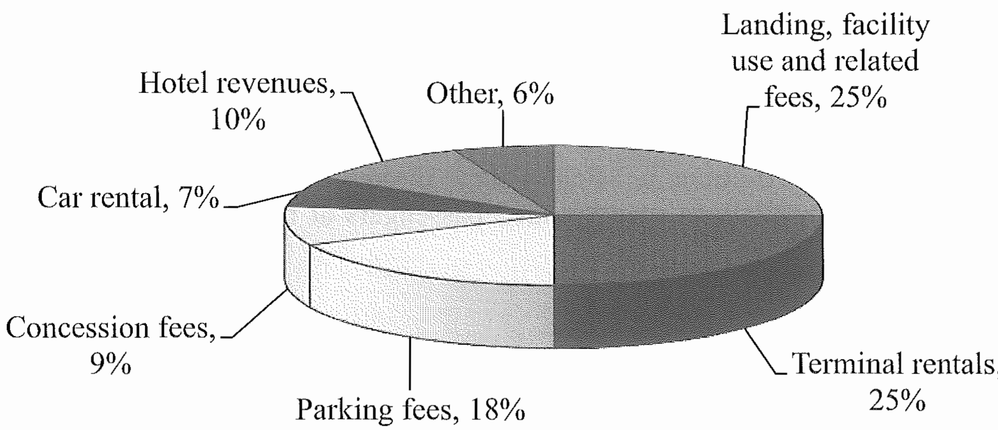
WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2014

	2014 (000's)	2013 (000's)
Operating revenues:		
Airline revenues:		
Airport landing and related fees	$ 76,406	$ 65,493
Terminal building rentals and fees	85,169	84,355
Facility use fees	8,609	7,552
Non-airline revenues:		
Parking fees	61,187	57,829
Concession fees	32,253	31,536
Car rental	21,909	20,160
Hotel	32,923	29,302
Other	21,268	22,539
Total operating revenues	339,724	318,766
Operating expenses:		
Salaries, wages, and fringe benefits	80,340	72,891
Parking management	6,630	6,280
Hotel management	23,064	21,064
Depreciation	141,540	140,527
Professional and contractual services	28,598	22,285
Utilities	28,939	27,036
Building, ground, equipment maintenance	31,729	31,977
Other	36,611	35,058
Total operating expenses	377,451	357,118
Operating loss	(37,727)	(38,352)
Nonoperating revenues (expense):		
Passenger facility charges	62,016	61,705
Other nonoperating revenues	3,839	3,401
Interest expense	(82,352)	(82,825)
Other nonoperating expenses	(1,388)	(7,458)
Net nonoperating expenses	(17,885)	(25,177)
Net loss before capital contribution	(55,612)	(63,529)
Capital Contribution	32,680	41,638
Changes in net position	(22,932)	(21,891)
Net position, beginning of the year, restated	399,515	434,460
Net position, end of the year	$ 376,583	$ 412,569

Operating Revenues:

The chart below illustrates the sources of total operating revenue for the year ended September 30, 2014:



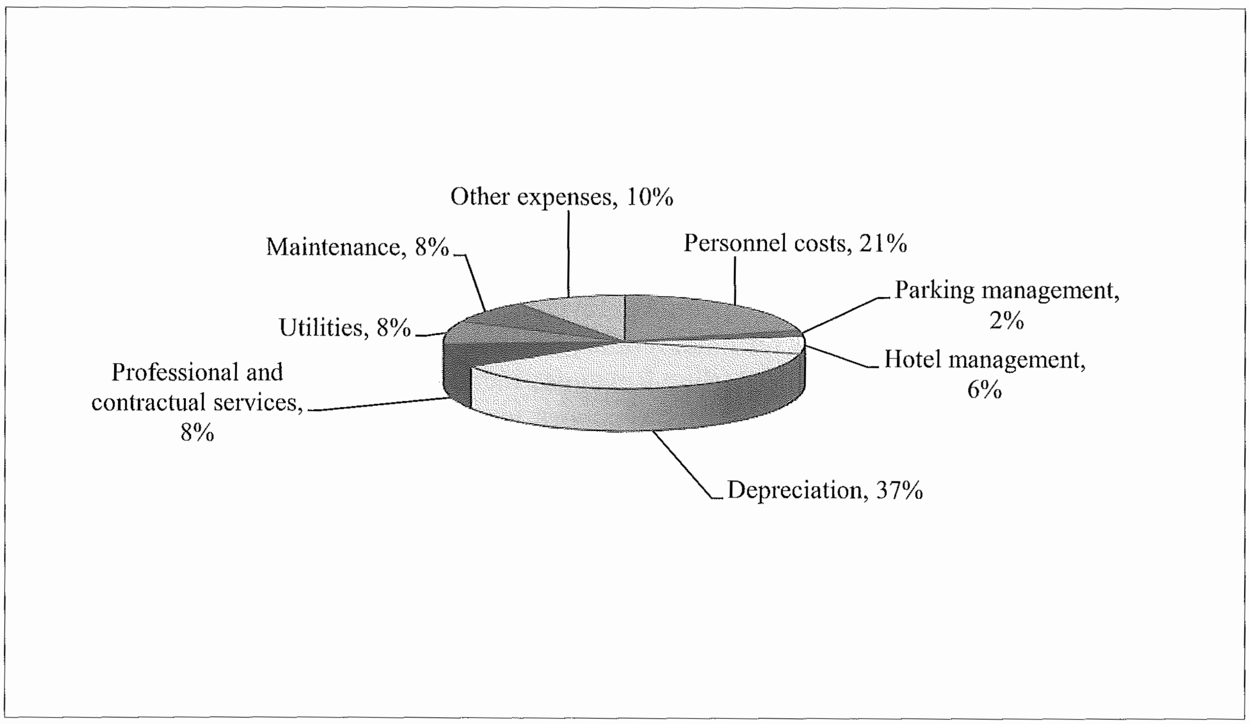
Operating revenues for the Authority increased $21 million in 2014 as compared to 2013.

Airline Revenues, a major category of Operating Revenues, includes revenues collected from the airlines. The chart above references terminal rentals, landing, facility use and related fees, which are all part of Airline Revenues. Total Airline Revenues increased 8.1 percent to $170 million in 2014 from $157 million in 2013. Landing fee revenues increased 16.7 percent in 2014 to $76.4 million from $65.5 million in 2013. The change in landing rate (which drives landing fee revenues) was an 18.2 percent increase from the prior year, with a final Signatory rate of $3.71 per 1,000 pounds landed weight. Another aspect of Airline Revenues is facility use fee revenues, which are driven by international deplaned passengers. Year-over-year, Airport facility use fee revenue increased by $1.1 million due to growth in international passenger deplanements (4.2%) and a fee increase from $5.00 to $5.50 per deplanement effective October 1, 2013.

Non-Airline Revenues, the other major category of Operating Revenues, includes revenue collected for activities unrelated to aviation. In fiscal year 2014, total non-airline operating revenues increased by 5.1 percent to $169.5 million compared to $161.4 million in 2013. The growth was largely due to an increase in parking fees, car rental, and hotel revenue. Parking fees had an increase of $3.4 million over 2013, primarily attributed to an increase in daily rates by $1.00 per day at all parking locations effective May 19, 2014. Car rental revenue increased $1.7 million (8.7 percent) over 2013, attributed to severe winter conditions that increased the number of distressed passengers. Additionally, the car rental agency's marketing efforts to cooperate with local events (e.g., the North American International Auto Show) grew revenues to the Airport. Hotel revenue increased 12.4 percent in 2014 ($3.6 million) over the prior year. Occupancy at the hotel was at 78.6 percent in 2014 as compared to 74.7 percent in 2013. The average daily rate for 2014 was $159.79 as compared to $148.76 in 2013. The hotel's financial performance is partially attributed to an increase in distressed passengers during snow and ice events. Extraordinary winter conditions in Michigan and throughout the United States (in fiscal year 2014) caused flight cancellations that stranded passengers at the Airport, thus increasing occupancy and rates at the hotel.

Operating Expenses:

The chart below illustrates the components of total operating expenses for the year ended September 30, 2014:



Operating expenses for the Authority increased by 5.7 percent to $377 million in 2014 from $357 million in 2013. The main areas of operating expense increases were in the categories of salaries and fringe benefits, hotel management, professional and contractual services, utilities, and materials and supplies. In fiscal year 2014, the Detroit area received 94.8 inches of snow, which was 126% more snow than our 5-year average of 42 inches annually. These extreme winter conditions increased many of the operating expenses of the Authority. Salaries and fringe benefits increased $7.4 million in 2014 primarily due to (1) the addition of 13 full-time employees at the Airport, (2) overtime expenses attributed to snow removal as a consequence of extraordinary winter conditions, and (3) wage increases per the union contracts. Hotel management expenses increased $2 million (9.5 percent) over 2013 due to the incremental costs associated with the increase in occupancy in 2014 (as discussed in "Operating Revenue" section). Professional and contractual services increased $6.3 million over 2013 primarily due to a heavier snow season in 2014 that resulted in an additional $5.5 million in snow removal expense. The record cold that accompanied the harsh winter conditions also impacted total utilities expenses which increased 7 percent ($1.9 million) over the prior year. Materials and supplies increased $1.5 million primarily due to an increase of $1.2 million in bulk chemical expenses for de-icing fluid, hot sand, road salt, and sodium acetate (i.e., NAAC) due to the heavier snow season in 2014 over 2013.

Nonoperating Revenues and Expenses and Contributed Capital:

Total nonoperating activities led to a net Non-operating Expense of $17.9 million in 2014, a decrease of $7.3 million from the $25.2 million Non-operating Expense in 2013. The primary component of Non-operating Expense is interest expense, which remained consistent in 2014 over the prior year. Loss on disposal of assets decreased $4.5 million in 2014 over 2013 due to the removal of three taxiways in 2013 that was not repeated in the current year. Insurance recovery increased $1 million in 2014 due to two settlements being finalized in 2014. One was related to a lawsuit and the other was for hangar damages at Willow Run. Amortization of bond issuance costs ($1.9 million in 2013) was eliminated in 2014 due to the implementation of GASB 65. This was offset by an increase of $371 thousand for the amortization of bond insurance premiums recorded during the implementation of the same GASB pronouncement.

Revenue generated from state and federal operating grants remained fairly consistent in 2014, with a small decrease of $300 thousand. Capital contributions decreased 21.5 percent over the prior year to $32.7 million. The primary reason was that the Metro Airport Runway 4R/22L was substantially completed in 2013 which led to the decrease of grant revenue of $24 million in 2014, offset by a new grant in 2014 of $15 million for completion of the 4R Displace Threshold.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Position

September 30, 2014

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Assets:				
Current assets:				
Cash and investments (note 4)	$ 75,711,786	$ 2,149,663	$ 2,652,335	$ 80,513,784
Accounts receivable, less allowance (note 2)	14,555,551	271,079	1,443,292	16,269,922
Due from other governmental units	15,097,370	8,835,574	—	23,932,944
Due from other funds	1,019,961	—	—	1,019,961
Prepaids and deposits	1,050,563	12,045	150,320	1,212,928
Total current assets	107,435,231	11,268,361	4,245,947	122,949,539
Restricted assets (notes 4 and 5):				
Cash and investments	556,429,280	—	14,243,331	570,672,611
Accounts receivable	9,897,242	—	1,636	9,898,878
Total restricted assets	566,326,522	—	14,244,967	580,571,489
Capital assets (note 6):				
Capital assets not being depreciated:				
Land and nondepreciable assets	227,466,431	17,476,885	—	244,943,316
Construction in progress	71,321,054	36,869,272	—	108,190,326
Capital assets being depreciated:				
Buildings and improvements	1,989,657,690	14,710,105	92,977,188	2,097,344,983
Equipment	78,279,756	6,783,528	966,774	86,030,058
Infrastructure	1,259,112,391	110,966,706	—	1,370,079,097
Total capital assets	3,625,837,322	186,806,496	93,943,962	3,906,587,780
Less accumulated depreciation	1,687,462,789	100,252,563	57,814,553	1,845,529,905
Net capital assets	1,938,374,533	86,553,933	36,129,409	2,061,057,875
Other assets:				
Prepaid bond insurance premiums (note 2)	6,823,319	—	296,583	7,119,902
Net OPEB asset (note 10)	3,317,974	—	—	3,317,974
Total other assets	10,141,293	—	296,583	10,437,876
Total assets	$ 2,622,277,579	$ 97,822,294	$ 54,916,906	$ 2,775,016,779
Deferred Outflows of Resources:				
Deferred amount on refunding (note 2)	$ 33,745,653	$ —	$ —	$ 33,745,653
Total deferred outflows of resources	$ 33,745,653	$ —	$ —	$ 33,745,653

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Position

September 30, 2014

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Liabilities:				
Current liabilities:				
Accounts payable	$ 54,709,049	$ 8,844,927	$ 2,030,500	$ 65,584,476
Accrued wages and benefits	3,145,213	59,709	—	3,204,922
Due to Wayne County	159,318	—	—	159,318
Due to other governmental units	1,330,061	—	—	1,330,061
Due to other funds	—	1,019,961	—	1,019,961
Due to fiduciary fund	1,864,399	—	—	1,864,399
Advance billings and payments received in advance	1,518,498	6,697	—	1,525,195
Bonds payable and other debt (note 7)	—	19,476	—	19,476
Other accrued liabilities	27,628,357	1,022,215	—	28,650,572
Total current liabilities	90,354,895	10,972,985	2,030,500	103,358,380
Payable from restricted assets:				
Accrued interest and other payables	35,996,467	—	1,788,528	37,784,995
Bonds payable and other debt (note 7)	86,389,760	—	1,935,000	88,324,760
Total liabilities payable from restricted assets	122,386,227	—	3,723,528	126,109,755
Long-term liabilities:				
Other accrued liabilities (note 7)	4,158,622	2,400	3,772,472	7,933,494
Bonds payable and other debt, net (note 7)	2,094,151,410	82,770	100,543,749	2,194,777,929
Total long-term liabilities	2,098,310,032	85,170	104,316,221	2,202,711,423
Total liabilities	2,311,051,154	11,058,155	110,070,249	2,432,179,558
Net position (deficit):				
Net investment in capital assets	19,658,077	86,451,687	(66,349,340)	39,760,424
Restricted for:				
Capital assets	4,838,620	—	10,292,913	15,131,533
Debt service	265,637,871	—	2,163,526	267,801,397
Operations	30,457,439	—	—	30,457,439
Drug enforcement	1,317,064	—	—	1,317,064
Unrestricted (deficit)	23,063,007	312,452	(1,260,442)	22,115,017
Total net position (deficit)	$ 344,972,078	$ 86,764,139	$ (55,153,343)	$ 376,582,874

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Revenues, Expenses, and Changes in Net Position

Year ended September 30, 2014

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Operating revenues:				
Airline revenues:				
Airport landing and related fees	$ 75,779,503	$ 626,894	$ —	$ 76,406,397
Terminal building rentals and related fees	84,915,348	253,702	—	85,169,050
Facility use fees	8,361,672	247,065	—	8,608,737
Nonairline revenues:				
Parking fees	61,187,198	—	—	61,187,198
Concession fees	32,253,029	—	—	32,253,029
Car rental	21,908,879	—	—	21,908,879
Hotel	—	—	32,922,844	32,922,844
Employee shuttle bus	2,032,346	—	—	2,032,346
Ground transportation	5,452,612	—	—	5,452,612
Utility service fees	4,904,063	123,011	—	5,027,074
Rental facilities	2,975,046	996,249	—	3,971,295
Other	4,098,202	686,108	—	4,784,310
Total operating revenues	303,867,898	2,933,029	32,922,844	339,723,771
Operating expenses:				
Salaries, wages, and fringe benefits	79,026,256	1,313,669	—	80,339,925
Parking management	6,630,160	—	—	6,630,160
Hotel management	—	—	23,063,942	23,063,942
Shuttle bus services	6,123,095	—	—	6,123,095
Janitorial services	11,791,686	18,230	—	11,809,916
Security	2,511,402	—	—	2,511,402
Professional and other contractual services	26,906,277	1,691,590	—	28,597,867
Utilities	28,088,601	850,866	—	28,939,467
Buildings and grounds maintenance	15,151,487	413,700	—	15,565,187
Equipment repair and maintenance	16,051,278	112,773	—	16,164,051
Materials and supplies	8,864,922	137,034	—	9,001,956
Insurance	2,200,114	36,416	—	2,236,530
Other	4,483,957	443,591	—	4,927,548
Depreciation	134,938,306	2,724,862	3,876,542	141,539,710
Total operating expenses	342,767,541	7,742,731	26,940,484	377,450,756
Operating income (loss)	(38,899,643)	(4,809,702)	5,982,360	(37,726,985)
Nonoperating revenues (expenses):				
Passenger facility charges	62,016,364	—	—	62,016,364
Federal and state grants	1,029,619	—	—	1,029,619
Net insurance recovery	281,126	1,139,586	—	1,420,712
Interest income	1,364,862	3,637	19,747	1,388,246
Interest expense	(76,765,574)	—	(5,586,572)	(82,352,146)
Gain (loss) on disposal of assets	(2,541,495)	1,524,568	—	(1,016,927)
Amortization of bond insurance premiums	(351,513)	—	(19,555)	(371,068)
Net nonoperating revenues (expenses)	(14,966,611)	2,667,791	(5,586,380)	(17,885,200)
Net income (loss) before capital contributions and transfers	(53,866,254)	(2,141,911)	395,980	(55,612,185)
Capital contributions	15,025,966	17,653,855	—	32,679,821
Transfers in (out)	(5,248,680)	3,748,680	1,500,000	—
Changes in net position	(44,088,968)	19,260,624	1,895,980	(22,932,364)
Net position (deficit) – Beginning of year, restated (note 2)	389,061,046	67,503,515	(57,049,323)	399,515,238
Net position (deficit) – End of year	$ 344,972,078	$ 86,764,139	$ (55,153,343)	$ 376,582,874

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2014

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	$ 300,677,804	$ 2,898,021	$ 32,344,178	$ 335,920,003
Payments to suppliers	(129,763,505)	(4,379,439)	(22,255,038)	(156,397,982)
Payments to employees	(77,627,098)	(1,287,917)	—	(78,915,015)
Payments to Wayne County for services provided	(1,509,726)	—	—	(1,509,726)
Payments from Wayne County for services provided	1,775	—	—	1,775
Payments (to) from other funds for services provided	(1,372,084)	1,372,084	—	—
Advances (to) from other funds for services provided	83,248	(83,248)	—	—
Return of customer deposits	(5,926,309)	(4,012)	—	(5,930,321)
Collection of customer deposits	7,783,661	6,863	—	7,790,524
Net cash provided by (used in) operating activities	92,347,766	(1,477,648)	10,089,140	100,959,258
Cash flows from noncapital financing activities:				
Passenger facility charges received	505,414	—	—	505,414
Insurance proceeds received from settlement	273,618	—	—	273,618
Transfers (to) from other funds	(308,740)	308,740	—	—
Grants from federal/state government	1,212,043	—	—	1,212,043
Net cash provided by noncapital financing activities	1,682,335	308,740	—	1,991,075
Cash flows from capital and related financing activities:				
Capital contributions received	13,899,351	20,504,447	—	34,403,798
Passenger facility charges received	61,274,716	—	—	61,274,716
Transfers (to) from other funds	800,333	(2,300,333)	1,500,000	—
Proceeds from capital debt	134,427,113	—	—	134,427,113
Principal paid on capital debt	(83,208,958)	(19,476)	(3,145,000)	(86,373,434)
Issuance costs paid on new bond issuances	(1,241,939)	—	—	(1,241,939)
Insurance proceeds received from damage to capital assets	7,508	1,139,586	—	1,147,094
Acquisition and construction of capital assets	(58,332,295)	(17,232,831)	(208,550)	(75,773,676)
Proceeds from disposal of capital assets	9,661	—	—	9,661
Interest paid on capital debt	(85,372,956)	—	(5,604,870)	(90,977,826)
Net cash provided by (used in) capital and related financing activities	(17,737,466)	2,091,393	(7,458,420)	(23,104,493)
Cash flows from investing activities:				
Interest and dividends received	1,515,534	3,637	18,698	1,537,869
Purchases of investments	(321,923,110)	—	(15,130,000)	(337,053,110)
Maturities of investments	370,361,210	—	10,623,000	380,984,210
Net cash provided by (used in) investing activities	49,953,634	3,637	(4,488,302)	45,468,969
Net increase (decrease) in cash and cash equivalents	126,246,269	926,122	(1,857,582)	125,314,809
Cash and cash equivalents – Beginning of year	338,367,751	1,223,541	11,648,248	351,239,540
Cash and cash equivalents – End of year	$ 464,614,020	$ 2,149,663	$ 9,790,666	$ 476,554,349

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2014

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (38,899,643)	$ (4,809,702)	$ 5,982,360	$ (37,726,985)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	134,938,306	2,724,862	3,876,542	141,539,710
Increase in accounts receivable	(5,201,496)	(17,652)	(578,756)	(5,797,904)
Increase (decrease) in due from/to other funds	(1,288,836)	1,288,836	—	—
Decrease in prepaids/deposits	118,873	4,725	55,297	178,895
Increase (decrease) in accounts payable	(676,706)	(336,986)	292,531	(721,161)
Increase in accrued wages and benefits	814,161	5,767	—	819,928
Decrease in due to primary government	(2,752,846)	—	—	(2,752,846)
Increase in due to fiduciary fund	1,864,399	—	—	1,864,399
Increase (decrease) in unearned revenue	155,237	(15,232)	—	140,005
Increase in due to other governmental units	115,265	—	—	115,265
Increase (decrease) in other accrued liabilities	3,161,052	(322,266)	461,166	3,299,952
Total adjustments	131,247,409	3,332,054	4,106,780	138,686,243
Net cash provided by (used in) operating activities	$ 92,347,766	$ (1,477,648)	$ 10,089,140	$ 100,959,258
Cash and investments at September 30, 2014 consist of:				
Cash and cash equivalents	$ 464,614,020	$ 2,149,663	$ 9,790,666	$ 476,554,349
Investments	167,527,046	—	7,105,000	174,632,046
Total cash and investments	$ 632,141,066	$ 2,149,663	$ 16,895,666	$ 651,186,395

Noncash operating activities:

- Loans due from Willow Run Airport Fund to Detroit Metropolitan Airport Fund of $995,375 were forgiven during fiscal year 2014.

Noncash capital and related financing activities:

- The issuance of refunding bonds resulted in several noncash activities. The major components are as follows: $390.5 million of principal additions offset by $390.6 million of principal reductions; additional deferred refunding charges of $8.8 million offset by $8.8 million of write-offs.
- Interest expense of approximately $6.6 million was capitalized into Detroit Metropolitan Airport capital assets during 2014.
- As a result of the implementation of GASB 65, the following occurred:
  - Detroit Metropolitan Airport Fund eliminated $17 million of bond issuance costs. $10 million was adjusted against beginning net position and $7 million was reclassified to prepaid bond insurance premiums.
  - Airport Hotel Fund eliminated $3.4 million of bond issuance costs. $3.1 million was adjusted against beginning net position and $300 thousand was reclassified to prepaid bond insurance premiums.
- A land swap at Willow Run Airport Fund was completed in fiscal year 2014 resulting in acquisition of property in the amount of $1,540,000, disposal of land in the amount of $15,432 and a gain on the disposal of $1,524,568.

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Fiduciary Net Position

September 30, 2014

		Postemployment Health Benefits Trust Fund
Assets:		
Cash and investments (note 4):		
Investment pool	$	31,438,200
Due from Metro Airport Fund		1,864,399
	$	33,302,599
Net Position:		
Held in trust for postemployment health benefits	$	33,302,599

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Changes in Fiduciary Net Position

Year Ended September 30, 2014

		Postemployment Health Benefits Trust Fund
Additions:		
Investment income:		
Interest	$	56,736
Net appreciation in fair value		2,393,762
Net investment income		2,450,498
Health benefit contributions:		
Employer		7,523,588
Total additions		9,974,086
Deductions:		
Health insurance payments		1,659,189
Changes in net position		8,314,897
Net position - Beginning of year		24,987,702
Net position - End of year	$	33,302,599

See accompanying notes to basic financial statements.

(1) The Reporting Entity

The Wayne County Airport Authority (the Authority) is an independent public benefit agency and considered an agency of the Charter County of Wayne, Michigan (the County) for the purposes of federal and state laws, but is not subject to any County charter requirements or the direction or control of either the Wayne County Executive or Commission. Pursuant to Public Act 90 (the Authority Act), Michigan Public Acts of 2002 (effective March 26, 2002), the Authority has operational jurisdiction of the Detroit Metropolitan Wayne County Airport (Metro Airport), the Willow Run Airport, and the Airport Hotel, with the exclusive right, responsibility, and authority to occupy, operate, control, and use them. The financial statements of the Authority include the operations of Metro Airport, the Willow Run Airport, and the Airport Hotel, and the Authority is included in the County's Comprehensive Annual Financial Report (CAFR) as a discretely presented component unit, in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus*.

The Authority is directed and governed by a board consisting of seven members. The governor of the state appoints two members of the board; one member is appointed by the legislative body of the County that owns Metro Airport, and four members of the board are appointed by the chief executive officer of the County.

Metro Airport has airport use contracts with 11 airlines. These airlines, along with their affiliates, constitute approximately 99 percent of total landed weight in 2014. Metro Airport has agreements with various concessionaires (parking, food service, rental car agencies, etc.) for which Metro Airport pays a management fee or receives a commission.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The Authority reports the following major funds:

Detroit Metropolitan Airport Fund – This fund is used to account for the operations and maintenance of the Detroit Metropolitan Wayne County Airport.

Willow Run Airport Fund – This fund is used to account for the operations and maintenance of the Willow Run Airport.

Airport Hotel Fund – This fund is used to account for the activity associated with the funding, furnishing, and operations of an airport hotel at the McNamara Terminal at the Detroit Metropolitan Wayne County Airport.

The Authority reports the following fiduciary fund type:

Postemployment Health Benefits Trust Fund – This fund is used to account for the postemployment healthcare payments to qualified employees.

(b) Basis of Accounting and Measurement Focus

The financial statements of the Authority are presented on the accrual basis of accounting and are accounted for on the flow-of-economic-resources measurement focus as applicable to governmental units; revenues are recorded when earned, and expenses are recorded as incurred.

(c) Cash and Investments

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

(d) Cash Flows

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

(e) Passenger Facility Charges

The Authority assesses passenger facility charges of $4.50 per passenger enplanement. The passenger facility charges are recorded as nonoperating revenues and may only be expended on capital and noncapital projects approved by the federal government. Passenger facility charges are recorded from airlines on an accrual basis.

(f) Revenue Recognition

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

(g) Net Position

Equity is displayed in three components, as follows:

Net Investment in Capital Assets – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first and then unrestricted resources when they are needed.

Unrestricted – This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

The Airport Hotel Fund incurred an unrestricted deficit for the year ended September 30, 2014 of $1,260,442. This deficit is expected to be funded by the improvement in future operations of the Hotel.

(h) Classification of Revenues and Expenses

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

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

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

(i) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(j) Capital Assets

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

Buildings and improvements	10 – 50 years
Equipment/Vehicles	3 – 12 years
Infrastructure	10 – 40 years

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

(k) Compensated Absences

The Authority's employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned, and sick pay vests upon completion of two years of service. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding these limitations are forfeited. A liability for accumulated unpaid vacation and sick pay has been recorded in the financial statements as a current "other accrued liability". Activity for the year ended September 30, 2014 was as follows:

Beginning balance	Increases	Decreases	Ending balance
$ 4,353,149	$ 4,788,505	$ (3,678,704)	$ 5,462,950

(l) Retirement Contributions and Other Postemployment Benefit Costs

Employer and employee contributions are recognized by the Wayne County Employees' Retirement System (WCERS), which includes the Authority personnel, in the period in which the contributions are due. Prior service costs resulting from benefit improvements, plan amendments, actuarial gains or losses, and other reasons are generally reflected in contributions based upon a 20-year amortization period.

In addition to the annual required contribution computed by the actuary, the Authority increased the contribution based on a separate calculation performed by the actuary to take into account the impact of accelerated retirement dates on the actuarial accrued liability as a result of early retirement incentives. The amount of this additional contribution was $1,972,837. This contribution has been recorded and paid in the current year.

The Authority offers retiree healthcare benefits to retirees. The Authority receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. The Authority reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any.

(m) Accounts Receivable

Net receivables at September 30, 2014 consist of trade receivables incurred by customers during the normal course of business. Total allowance for uncollectible accounts at September 30, 2014 was $151,000, of which $126,000 was for the Detroit Metropolitan Airport Fund and $25,000 was for the Willow Run Airport Fund.

(n) Accounts Payable

Total payables at September 30, 2014 consist of payables due to vendors used during the normal course of business.

(o) Restricted Assets and Liabilities

Restricted assets consist of cash, investments, and accounts receivable that are legally restricted by third parties to certain uses. Capital program funds are restricted to pay the costs of certain capital projects as defined in various bond agreements. PFC program funds are restricted to pay the cost of FAA approved capital projects and any debt incurred to finance those projects. Debt service funds are restricted to make payments for principal and interest as required by the specific bond agreements. Operation and maintenance funds are restricted to pay for operations at Metro Airport as required by the bond ordinance. Public safety funds obtained from seizures are restricted to specified security or public safety uses.

Liabilities payable from restricted assets are the accrued interest and current portion of long-term debt associated with the purchase and construction of the capital projects funded by the restricted assets.

(p) Interfund Balances, Advances, and Transfers

The interfund balances resulted from (1) the time lag between the dates interfund goods and services are provided or reimbursable expenses occur, (2) the time lag between the dates payment between funds is made, and (3) overdrafts by individual funds of its share of pooled cash. Noncurrent balances arising in connection with interfund loans are reported as advances. *Due from other funds* is an asset account used to record current portions of loans from one fund to another fund within the same reporting entity. Similarly, *due to other funds* is a liability account used to record current portions of debt owed by one fund to another fund within the same reporting entity.

Interfund transfers are used to transfer unrestricted resources from one reporting fund to another to fund operations and capital projects.

(q) Prepaid Bond Insurance Premiums

Prepaid bond insurance premium costs are amortized over the period the bond is outstanding using the straight-line method. Accumulated amortization at September 30, 2014 is $371,068.

(r) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents 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 Authority has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported on the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority does not have any items that qualify for reporting in this category.

(s) *Deferral of Gains and Losses on Refundings*

The Authority defers the difference between the reacquisition price and the net carrying amount of the old debt in refundings in accordance with the provisions of GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. The deferred amount is amortized and recorded as a component of interest expense in accordance with the standard.

(t) *Environmental Matters*

Environmental accruals are calculated and recorded using an expected cash flow technique applied to probabilities, ranges, and assumptions developed in response to a potential remediation liability as based on current law and existing technologies. These accruals are evaluated periodically for changes due to additional assessment and remediation efforts, as well as more detailed legal or technical information. Environmental liabilities are included in the statement of net position as current and long-term "other accrued liabilities."

In certain instances, environmental remediation costs cannot be reasonably estimated; however, the nature of the matters is disclosed in the notes to the basic financial statements as commitments and contingencies. As components of the remediation efforts are able to be projected, they are calculated using an expected cash flow technique and recorded accordingly.

(u) *Self Insurance*

During the year ended September 30, 2004, the Authority became self-insured for disability, unemployment, and liability insurance. The Authority charges its departments a specified percentage of the department's regular biweekly payroll for these liabilities. Claims related to unemployment, disability, claim administration, deductibles, self-insured retentions, and legal bills are paid out of these funds. Until November 30, 2010, the Authority purchased commercial insurance for general liability claims in excess of $50,000. Since September 30, 2004, there have been four losses that have exceeded this $50,000 retention wherein the insurer has been responsible for settlement and legal fees. Beginning December 1, 2010, the maximum amount paid for legal bills and claims paid out of these funds was reduced to $10,000 per claim. The Authority now purchases general liability insurance for liability claims in excess of $10,000. Since December 1, 2010, there have been two losses that have exceeded the $10,000 retention. In December 2010, the Authority purchased Law Enforcement liability insurance with a $50,000 SIR. Since December 2010, there have been two losses that have exceeded this $50,000 retention.

During the year ended September 30, 2005, the Authority became self-insured for health insurance and workers' compensation. The Authority charges its departments a specified percentage of the department's regular biweekly payroll for these liabilities. The funds collected for workers' compensation are used to pay claims (wages and medical), third-party administration services, and loss control services. The Authority purchases workers' compensation excess insurance for claims that exceed $1 million. Since September 30, 2005, there have been two claims that have exceeded the $1 million retention wherein the insurer has been responsible for settlement of all future wages, medical, and legal costs. The funds collected for health insurance are used to pay self-insured claims to Blue Cross, the primary health care provider, and premiums for Health Alliance Plan, dental, and life insurance. The Authority, as part of the County's umbrella, pays Blue Cross an amount quarterly for each participant for additional stop/loss coverage. This aggregate stop/loss coverage would become effective only when a claim would exceed approximately 120 percent of average medical claims experience within the group (which includes the County). This stop/loss threshold has not been met since the Authority became self-insured.

The liability for self-insurance claims has been recorded in the financial statements as a current "other accrued liability". A reconciliation of the Authority's self-insured claims liability at September 30, 2014 follows:

	Health Insurance	Workers' Compensation	Other Claims	Total
Claims liability, September 30, 2012	$ 3,972,210	$ 2,964,316	$ 1,924,914	$ 8,861,440
Claims incurred during fiscal year 2013	13,749,692	243,365	179,419	14,172,476
Payments on claims	(13,341,402)	(702,981)	(1,335,447)	(15,379,830)
Increase (decrease) in the reserve	(586,452)	(364,296)	217,729	(733,019)
Claims liability, September 30, 2013	3,794,048	2,140,404	986,615	6,921,067
Claims incurred during fiscal year 2014	11,134,715	511,942	295,179	11,941,836
Payments on claims	(10,749,408)	(431,276)	(765,295)	(11,945,979)
Increase (decrease) in the reserve	(577,721)	531,860	374,234	328,373
Claims liability, September 30, 2014	$ 3,601,634	$ 2,752,930	$ 890,733	$ 7,245,297

(v) New Accounting Pronouncements

During the current year, the Authority adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this Statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead classify them as deferred inflows of resources, deferred outflows of resources, or as outflows of resources. It also limits the use of the term "deferred" in financial statement presentation. This implementation resulted in bond issuance costs being recognized as expense in the period incurred, except for prepaid bond insurance premiums associated with the issuance of debt. As the Authority has historically recognized bond issuance costs as assets and amortized these costs over the life of the associated debt, the Authority recognized a change in accounting principle upon the implementation of GASB 65 to write off unamortized bond issuance costs, less any costs related to prepaid bond insurance premiums.

Prior to the change in accounting principle, the total amount of unamortized bond issuance costs as of September 30, 2013 was $20.4 million, which included $13 million of bond issuance costs and $7.4 million of bond insurance premiums. The cumulative effect of the write-off of bond issuance costs, net of prepaid bond insurance premiums, reduced unrestricted net position as though these costs had been expensed as financing fees in the year incurred. As a result of this implementation, the Authority has restated its beginning net position as follows:

		Detroit Metropolitan Airport Fund		Airport Hotel Fund
Beginning net position (deficit) - 10/1/13	$	399,055,081	$	(53,989,797)
Bond issuance cost reduction		(9,994,035)		(3,059,526)
Beginning net position (deficit) - as restated	$	389,061,046	$	(57,049,323)

The Authority also separately reported amount deferred on debt refundings as deferred outflows of resources to meet the requirements of GASB 65. Prior to this implementation, these amounts were reported as part of long-term debt on the statement of net position.

(3) Major Customer

Delta Air Lines (Delta) accounts for approximately 30 percent of total Authority operating revenues for the year ended September 30, 2014, including 50 percent of landing and related fees, 69 percent of airline rental and related fees, and 83 percent of facility use fees. Approximately 50 percent of total 2014 enplanements are attributable to Delta's operations. In the event that Delta discontinues its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all Signatory Airlines servicing the Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Authority. The Authority had approximately $4.4 million in receivables from Delta at September 30, 2014.

The airlines serving the Airport have been impacted by global events to varying degrees. Delta Air Lines filed for bankruptcy reorganization in 2005 (it has since emerged), and American Airlines filed for bankruptcy reorganization in November 2011. During 2008, Delta Air Lines completed a merger with Northwest Airlines, which was formerly the primary carrier servicing the Airport. This consolidation has affected Detroit Metropolitan Airport positively as Delta has continued to utilize Detroit as a hub and remains the primary carrier.

It is reasonable to assume that any additional financial or operational difficulties incurred by Delta, the predominant airline servicing the Airport, could have a material adverse effect on the Airport. Any financial or operational difficulties by a Signatory Airline may, whether directly or indirectly, have a material adverse impact on Airport operations.

(4) Deposits and Investments

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

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

The Authority's cash and investments are subject to several types of risk, which are examined in more detail below.

Credit risk - In compliance with state law, the Authority's investment policy limits investments of commercial paper to the two top ratings issued by nationally recognized statistical rating organizations. As of year end, the credit quality ratings of investments (other than the U.S. government and municipal bonds) are as follows:

Investment		Fair value	Rating	Organization
Primary Government:				
Money market funds	$	102,469,403	AAA	S&P
Commercial paper		148,686,430	A1+, P1	S&P, Moody
Commercial paper		75,373,387	A1, P1	S&P, Moody
Commercial paper		9,492,335	F1, P2	Fitch, Moody
Commercial paper		43,958,430	A2, P2	S&P, Moody

The above amounts do not include approximately $31.4 million of investments in the Municipal Employees' Retirement System (MERS) of Michigan Retiree Health Funding Vehicle which are held in a separate reserve but invested on a pooled basis with other governmental units by MERS.

Custodial credit risk of bank deposits - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority's investment policy requires that deposits over the $250,000 insured limit in a commercial bank shall not equal more than 25% of the combined capital and surplus of that bank, and that bank must meet the minimum standards of at least one standard rating service. At year end, the Authority had $51,741,591 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

Custodial credit risk of investments - Custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy requires that all investments not purchased directly from an issuer must be held in the name of the Authority, be purchased using the delivery vs. payment procedure, and be held in third-party safekeeping. At year end, none of the Authority's investments were subject to custodial credit risk due to one of the following:

- Investments were held by a third-party safe-keeper in the Authority's name.
- Investments were held by the Authority's trustee in the Authority's name.
- Investments were part of a mutual fund.

Interest rate risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Authority's investment policy addresses this risk by setting limits by investment fund type as follows:

Investment fund	Maturity maximum
General Pool	1 year
Bond Reserve	5 years
Bond Payment and Capital Interest Funds	1 business day prior to bond payment date
Construction Funds	Must match draw schedule or less

Note: All Commercial Paper is limited by state statute to 270 days maximum.

At year end, the average maturities of investments subject to interest rate risk are as follows:

		Fair value	Average maturity
Primary Government:			
Investments subject to risk:			
Bond reserves:			
U.S. Treasuries	$	22,733,200	10 months
U.S. Agencies		30,992,480	1.5 years
Municipal Bonds		1,492,407	11 months
Long-term repo		3,629,278	7.2 years
Commercial paper		75,089,486	28 days
Bond payment funds:			
U.S. Treasuries		98,000,040	2 months
Construction funds:			
2007 Construction:			
Commercial paper		2,499,925	7 days
2012A Construction:			
U.S. Treasuries		2,024,300	6 months
U.S. Agencies		1,001,050	5.5 months
Municipal Bonds		3,768,026	20 days
Commercial paper		45,981,270	2 months
2012B Construction:			
U.S. Agencies		2,001,230	5 months
Commercial paper		5,999,820	7 days
2014A Construction:			
Commercial paper		11,996,693	3 months
2014B Construction:			
U.S. Treasuries		998,360	2 years
Commercial paper		55,455,955	3 months
2014C Construction:			
U.S. Agencies		2,492,675	2 years
Commercial paper		21,478,055	4 months
Other construction and operating funds:			
Municipal Bonds		3,649,444	3 months
Commercial paper		54,108,145	1.5 months
Hotel:			
U.S. Treasuries		3,099,938	2 months
Commercial paper		4,901,233	3.5 months
Investments subject to risk		453,393,010	

		Fair value	Average maturity
Deposits/investments not subject to risk:			
Deposits		95,323,982	
Money market funds		102,469,403	
Total Primary Government		651,186,395	
Fiduciary Fund:			
Deposits/investments not subject to risk:			
Investment pool		31,438,200	
Total Fiduciary Fund		31,438,200	
Total deposits and investments	$	682,624,595	

Concentration of credit risk - Through its investment policy, the Authority places limits on the amount the Authority may invest in any one issuer, along with the minimal capital strength of those issuers. There are also limits as to use of specific types of instruments, along with limits upon use of a single institution. These limits are as follows:

Limits using capital strength test - Maximum investment is 25% of combined capital and surplus position of that financial institution.

Limits based upon use of specific instruments:

Investment type	Limit	Actual at year end
Bankers' acceptances	50%	- %
Repurchase agreements	25	0.5
Certificates of deposit (bank)	50	6.8
Money market funds	50	19.6
Commercial paper	60	40.7
U.S. Government	100	23.9

Authority limits based upon use of a single issuer:

Investment type	Limit
Bankers' acceptances	25% of total portfolio
Repurchase agreements	10% of total portfolio
Certificates of Deposit (bank)	33% of total portfolio
Certificates of Deposit (S&L)	5% of total portfolio

Actual year-end investments in a single issuer exceeding 5% of total portfolio are as follows:

Issuer	Investment type	Fair value	Percentage of portfolio	Rating
Toyota Credit Puerto Rico	Commercial paper	$ 105,088,586	15.39%	A1+, P1
Abbey National NA LLC	Commercial paper	57,891,712	8.48	A1, P1
Intesa Funding LLC	Commercial paper	43,958,430	6.44	A2, P2
Toyota Motor Credit	Commercial paper	43,597,844	6.39	A1+, P1

(5) Restricted Assets

In accordance with the terms of applicable ordinances, the Authority is required to restrict assets for various purposes. Net position has been restricted related to certain of the restricted assets. A summary of the restricted assets at September 30, 2014 is as follows:

Operations and maintenance:	
Cash and investments	$ 30,382,700
Accounts receivable	74,739
Total	30,457,439
Replacement and improvements:	
Cash and investments	684,514
Construction:	
Cash and investments	250,607,732
Accounts receivable	15,501
Total	250,623,233
Bond and interest redemption:	
Cash and investments	259,060,984
Accounts receivable	192,638
Total	259,253,622
Passenger facility charges:	
Cash and investments	28,619,617
Accounts receivable	9,616,000
Total	38,235,617
Drug enforcement:	
Cash and investments	1,317,064
Total restricted assets	$ 580,571,489

(6) Capital Assets

Capital asset activity for the year ended September 30, 2014 was as follows:

	Beginning balance	Increases	Decreases	Ending balance
Detroit Metropolitan Airport Fund:				
Capital assets not being depreciated:				
Land and nondepreciable assets	$ 227,696,431	$ —	$ (230,000)	$ 227,466,431
Construction in progress	25,028,323	87,077,134	(40,784,403)	71,321,054
Total capital assets not being depreciated	252,724,754	87,077,134	(41,014,403)	298,787,485
Capital assets being depreciated:				
Buildings and improvements	1,986,598,019	3,083,351	(23,680)	1,989,657,690
Equipment	72,376,998	6,259,055	(356,297)	78,279,756
Infrastructure	1,225,922,123	37,981,220	(4,790,952)	1,259,112,391
Total capital assets being depreciated	3,284,897,140	47,323,626	(5,170,929)	3,327,049,837
Less accumulated depreciation for:				
Buildings and improvements	888,737,332	77,055,464	(11,572)	965,781,224
Equipment	47,354,744	4,883,383	(309,945)	51,928,182
Infrastructure	619,081,581	53,087,558	(2,415,756)	669,753,383
Total accumulated depreciation	1,555,173,657	135,026,405 *	(2,737,273)	1,687,462,789
Total capital assets being depreciated, net	1,729,723,483	(87,702,779)	(2,433,656)	1,639,587,048
Total Detroit Metropolitan Airport Fund capital assets, net	1,982,448,237	(625,645)	(43,448,059)	1,938,374,533

* This amount includes a transfer of asset and accumulated depreciation between funds

	Beginning balance	Increases	Decreases	Ending balance
Willow Run Airport Fund:				
Capital assets not being depreciated:				
Land and nondepreciable assets	$ 15,926,984	$ 1,565,333	$ (15,432)	$ 17,476,885
Construction in progress	16,946,748	21,266,029	(1,343,505)	36,869,272
Total capital assets not being depreciated	32,873,732	22,831,362	(1,358,937)	54,346,157
Capital assets being depreciated:				
Buildings and improvements	13,257,050	1,453,055	—	14,710,105
Equipment	6,745,591	152,847	(114,910)	6,783,528
Infrastructure	112,130,363	—	(1,163,657)	110,966,706
Total capital assets being depreciated	132,133,004	1,605,902	(1,278,567)	132,460,339
Less accumulated depreciation for:				
Buildings and improvements	4,699,910	496,773	—	5,196,683
Equipment	5,082,975	367,686	(88,098)	5,362,563
Infrastructure	88,920,571	1,860,403	(1,087,657)	89,693,317
Total accumulated depreciation	98,703,456	2,724,862	(1,175,755)	100,252,563
Total capital assets being depreciated, net	33,429,548	(1,118,960)	(102,812)	32,207,776
Total Willow Run Airport Fund capital assets, net	66,303,280	21,712,402	(1,461,749)	86,553,933
Airport Hotel Fund:				
Capital assets being depreciated:				
Buildings and improvements	92,977,188	—	—	92,977,188
Equipment	758,224	208,550	—	966,774
Total capital assets being depreciated	93,735,412	208,550	—	93,943,962
Less accumulated depreciation for:				
Buildings and improvements	53,306,353	3,824,847	—	57,131,200
Equipment	631,658	51,695	—	683,353
Total accumulated depreciation	53,938,011	3,876,542	—	57,814,553
Total capital assets being depreciated, net	39,797,401	(3,667,992)	—	36,129,409
Total Airport Hotel Fund capital assets, net	39,797,401	(3,667,992)	—	36,129,409
Total Authority capital assets, net	$ 2,088,548,918	$ 17,418,765	$ (44,909,808)	$ 2,061,057,875

(7) Long-term Debt

The detail of long-term debt at September 30, 2014 is as follows:

Detroit Metropolitan Airport Fund:	
Airport Revenue Bonds:	
Series 2005, 3.50% to 5.25%, due 12/1/2034	$ 454,025,000
Series 2007A Jr. Lien, 4.85% to 5.00%, due 12/1/2037	169,980,000
Series 2007B, 4.00% to 5.382%, due 12/1/2028	114,585,000
Series 2008A, 4.00% to 5.75%, due 12/1/2032	114,580,000
Series 2010A, 2.00% to 5.00%, due 12/1/2018	145,890,000
Series 2010C, 1.50% to 5.50%, due 12/1/2022	137,480,000
Series 2010D, 1.50% to 5.50%, due 12/1/2021	21,885,000
Series 2011A, 4.00% to 5.00%, due 12/1/2022	152,465,000
Series 2011B, 3.00% to 5.00%, due 12/1/2020	16,965,000
Series 2012A, 3.00% to 5.00%, due 12/1/2042	177,565,000
Series 2012B, 5.00%, due 12/1/2037	25,090,000
Series 2012C, 3.00% to 4.00%, due 12/1/2020	1,655,000
Series 2012D, 3.00% to 5.00%, due 12/1/2028	65,055,000
Series 2013A, Variable, Current Yield at 9/30/14, 0.803515%, due 12/1/2033	200,010,000
Series 2013B, Variable, Current Yield at 9/30/14, 0.77815%, due 12/1/2028	74,860,000
Series 2013C, Variable, Current Yield at 9/30/14, 0.8199%, due 12/1/2028	115,615,000
Series 2014A, Variable, Current Yield at 9/30/14, 0.81815%, due 12/1/2034	30,000,000
Series 2014B, 3.00% to 5.00%, due 12/1/2044	66,595,000
Series 2014C, 3.00% to 5.00%, due 12/1/2044	31,845,000
Installment purchase contract, 4.33%, due 5/21/2023	2,915,571
Installment purchase contract, 3.70%, due 9/25/2015	47,136
Installment purchase contract, 3.54%, due 11/14/2014	11,335
Installment purchase contract, 4.05%, due 4/8/2018	158,822
Installment purchase contract, 1.77%, due 3/16/2017	173,832
Installment purchase contract, 1.77%, due 5/18/2017	506,992
Installment purchase contract, 1.77%, due 5/18/2017	133,093
Installment purchase contract, 1.64%, due 9/27/2017	507,843
Total Detroit Metropolitan Airport Fund	2,120,599,624
Willow Run Airport Fund:	
Notes payable – Washtenaw County, 0%, due 12/31/2019	102,246

Airport Hotel Fund:		
Airport Hotel Bonds:		
Series 2001A, 5.0% to 5.5%, due 12/1/2030		99,630,000
Series 2001B, 6.0% to 6.6%, due 12/1/2015		4,185,000
Total Airport Hotel Fund		103,815,000
Total Authority bonds payable and other debt		2,224,516,870
Add (less):		
Certain bond discounts		(1,336,251)
Certain bond premiums		59,941,546
Total Authority bonds payable and other debt, net		2,283,122,165
Less current portion		88,344,236
Total Authority bonds payable and other debt, noncurrent	$	2,194,777,929

The annual requirements to pay principal and interest on the Authority's debt outstanding at September 30, 2014 are summarized as follows:

	Principal				
	Airport Revenue Bonds	Installment Purchase Contracts	Willow Run Debt	Airport Hotel Bonds	Total
2015	$ 85,615,000	$ 774,760	$ 19,476	$ 1,935,000	$ 88,344,236
2016	89,570,000	747,394	19,476	2,250,000	92,586,870
2017	92,175,000	779,703	19,476	1,990,000	94,964,179
2018	88,375,000	337,783	19,476	2,290,000	91,022,259
2019	92,480,000	336,439	19,476	3,795,000	96,630,915
2020 to 2024	491,795,000	1,478,545	4,866	26,505,000	519,783,411
2025 to 2029	558,730,000	-	-	42,460,000	601,190,000
2030 to 2034	366,465,000	-	-	22,590,000	389,055,000
2035 to 2039	162,185,000	-	-	-	162,185,000
2040 to 2044	80,315,000	-	-	-	80,315,000
2045	8,440,000	-	-	-	8,440,000
Total	$ 2,116,145,000	$ 4,454,624	$ 102,246	$ 103,815,000	$ 2,224,516,870

	Interest				
	Airport Revenue Bonds	Installment Purchase Contracts	Willow Run Debt	Airport Hotel Bonds	Total
2015	$ 86,033,799	$ 150,942	$ -	$ 5,301,730	$ 91,486,471
2016	82,742,995	129,883	-	5,163,625	88,036,503
2017	78,187,132	108,658	-	5,034,650	83,330,440
2018	73,659,845	86,346	-	4,916,950	78,663,141
2019	69,197,339	72,022	-	4,749,613	74,018,974
2020 to 2024	275,246,419	125,382	-	20,149,100	295,520,901
2025 to 2029	183,892,915	-	-	11,362,538	195,255,453
2030 to 2034	99,783,125	-	-	1,152,000	100,935,125
2035 to 2039	37,697,275	-	-	-	37,697,275
2040 to 2044	11,367,125	-	-	-	11,367,125
2045	211,000	-	-	-	211,000
Total	$ 998,018,969	$ 673,233	$ -	$ 57,830,206	$ 1,056,522,408

Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Authority, with the exception of the County's pledge of its limited tax full faith and credit, subject to constitutional, statutory and charter tax rate limitations, associated with the $110.9 million (original issue amount) Airport Hotel Revenue Bonds, Series 2001A and 2001B issued by the County. This includes all of the County's obligations on Outstanding Senior Lien Bonds and Junior Lien Bonds issued by the County under the County's Amended and Restated Master Airport Revenue Bond Ordinance No. 319 and its predecessor Ordinance 319, as amended and supplemented by various amending and supplemental ordinances adopted by the County, including the Series Ordinance adopted for each Outstanding Series of airport revenue bonds issued thereunder by the County (collectively, "Ordinance 319"). Pursuant to the Authority Act, the Authority is obligated to perform all of the duties, and is bound by all of the covenants, with respect to the Authority under any ordinances (including Ordinance 319), agreements or other instruments and under law. Under the Authority Act, all airport revenue bonds issued by the Authority may be issued on a parity basis with the Outstanding Senior Lien Bonds issued by the County under Ordinance 319 and additional bonds issued by the Authority under the Master Bond Ordinance, and secured by net revenues.

Net revenues (as defined in the various bond ordinances) of Metro Airport have been pledged toward the repayment of the Airport Revenue Bonds and the Installment Purchase Contracts.

The Airport Revenue Bond Ordinances require that Metro Airport restrict assets to provide for the operations, maintenance, and administrative expenses of the subsequent month, the redemption of bond principal and interest, and for other purposes as defined in those ordinances.

In June 1999, the County entered into agreements with Northwest to issue approximately $15.2 million in Airport Special Facility Revenue Bonds to finance the construction of an aircraft maintenance facility. All debt service costs will be paid by the airline through a trustee. The County and the Authority are not obligated in any manner to pay debt service in the event of default by Northwest. As these bonds are payable from special facility lease rentals payable in full by Northwest, the related debt has not been reflected in the financial statements of the Authority. An "Event of Default" occurred as a result of the

Northwest Airlines bankruptcy filing on September 14, 2005. Northwest Airlines has since emerged from bankruptcy and affirmed its obligation for the Series 1999 Special Facility Bonds and is no longer in default. Effective December 31, 2009, the FAA issued a single operating certificate for the integrated airline, and on the same date Northwest legally merged into Delta, resulting in a single surviving corporation known as Delta Air Lines, Inc. As a result of the merger, by operation of law, Delta has succeeded to all of the rights and obligations of Northwest.

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

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

In December 2001, the County entered into a $292,133 note payable with Washtenaw County to allow Washtenaw County to use their Michigan Community Development Block Grant to assist Willow Run Airport in renovating Hangar I. The agreement calls for the principal to be paid in quarterly installments commencing March 31, 2005.

In November 2002, the Authority entered into a debt agreement with Westin Management Company East (the Hotel Operator). The loan was provided for in the Hotel Management and Operating agreement. The Working Capital Loan was for $1.5 million and was used to provide initial working capital to operate the Airport Hotel. The Working Capital Loan was paid in full on June 4, 2014.

The net Airport Hotel revenues are pledged solely for the payment of the Airport Hotel Bonds and these loans, and a statutory first lien has been granted upon all net Airport Hotel revenues for such purpose.

In April 2005, the Authority issued $507.1 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the North Terminal Redevelopment Project and the completion of the McNamara Terminal Phase II Project. The Series 2005A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

In June 2007, the Authority issued $180.4 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the reconstruction and rehabilitation of airfield pavement, the design and construction of a centralized luggage screening facility with an in-line explosive detection system for both the McNamara and North Terminals, and improvements to parking facilities and roadways. The Series 2007A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport and available after net revenues have first been set aside as required to pay the principal and interest and redemption price, if any, of Senior Lien Bonds as provided in the Ordinance. The Series 2007A Bonds are "Junior Lien Bonds" under the Ordinance, and a statutory lien subordinate to the prior lien in respect of Senior Lien Bonds has been established under the Ordinance upon and against the net revenues to secure the payment of the Series 2007A Bonds.

In September 2007, the Authority executed a Master Lease Purchase Agreement to finance up to $8 million in major equipment purchases over a three-year period. The Authority used $5,397,299 of this agreement and entered into five Installment Purchase Contracts to pay for equipment and additional energy conservation improvements at Metro Airport. One of these loans was paid in full in December 2013.

In November 2007, the Authority issued $119.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2007B. The Series 2007B Bonds were issued to refund a portion of the Series 1998B Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2007B Bonds are revenue obligations of the Authority payable solely from the new revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased a portion of the Series 1998B Bonds by placing the proceeds of the Series 2007B Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998B Bonds were subsequently called and paid in full in December 2008. The difference between the cash flows required to service the new debt and complete the refunding was approximately $6.3 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $7 million.

During fiscal year 2008, disruption occurred in the auction rate and variable rate demand obligation markets, largely due to the credit rating downgrades of Bond Insurers, which significantly affected the Authority's variable rate hedged and unhedged debt program representing 25.74% of overall Authority debt.

Beginning in April 2008, the following refunding actions were taken to mitigate the negative financial impact to Metro Airport including the elimination of all auction rate debt and replacing bond insurance with direct pay letters of credit for all variable rate debt.

In April 2008, the Authority issued $142.3 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008A. The Series 2008A Fixed Rate Refunding Bonds were issued to refund the Series 2002A Variable Rate Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2008A Bonds are revenue obligations of the Authority payable solely from the new revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased the Series 2002A Bonds by placing the proceeds of the Series 2008A Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2002A Bonds were subsequently called and paid in full in May 2008.

In December 2010, the Authority issued $722.7 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2010A, 2010B, 2010C, 2010D, 2010E-1, 2010E-2, and 2010F. The Series 2010A, 2010B, 2010C, 2010D, 2010E-1, 2010E-2, and 2010F Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2010A Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2010B Refunding Bonds were issued to refund a portion of the Series 1998B Bonds. The Series 2010C Refunding Bonds were issued to refund a portion of the Series 2008B Bonds, a portion of the Series 2008C Bonds, the Series 2008E Bonds, and the Series 2008F Bonds. The Series 2010D

Refunding Bonds were issued to refund the Series 2008D Bonds. The Series 2010E-1 Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2010E-2 Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2010F Refunding Bonds were issued to refund a portion of the Series 2008B Bonds and a portion of the Series 2008C Bonds. The Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds, Series 2010D Bonds, Series 2010E-1 Bonds, Series 2010E-2 Bonds, and Series 2010F Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds, Series 1998B Bonds, Series 2008B Bonds, Series 2008C Bonds, Series 2008D Bonds, Series 2008E Bonds, and Series 2008F Bonds by placing the proceeds of the Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds, Series 2010D Bonds, Series 2010E-1 Bonds, Series 2010E-2 Bonds, and Series 2010F Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds, Series 1998B Bonds, Series 2008B Bonds, Series 2008C Bonds, Series 2008D Bonds, Series 2008E Bonds, and Series 2008F Bonds were subsequently called and paid in full in January 2011 and February 2011. The difference between the cash flows required to service the new debt and complete the refunding was approximately $52.2 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $25.5 million.

The Series 2010E-1 Bonds, Series 2010E-2 Bonds, and Series 2010F Bonds are variable-rate bonds. The remarketing agent is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of the remarketing agent, would cause the Series 2010E-1 Bonds, Series 2010E-2 Bonds, and Series 2010F Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In December 2010, the Authority issued a $116 million Direct Placement Bond with Wells Fargo Bank, N.A., Series 2010G Bonds. The Series 2010G Bonds were issued to refund a portion of the Series 1998A Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2010G Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds by placing the proceeds of the Series 2010G Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds were subsequently called and paid in full in January 2011. The difference between the cash flows required to service the new debt and complete the refunding was approximately $37.7 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $26.2 million.

The Series 2010G Bonds are variable-rate bonds. Wells Fargo Bank N.A. is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of Wells Fargo Bank N.A., would cause the Series 2010G Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In November 2011, the Authority issued $169.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2011A and 2011B. The Series 2011A and 2011B Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2011A Refunding Bonds were issued to refund a portion of the

Series 1998A Bonds. The Series 2011B Bonds were issued to refund a portion of the Series 2002C Refunding Bonds. The Series 2011A Bonds and Series 2011B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds and the refunded portions of the Series 2002C Bonds by placing the proceeds of the Series 2011A Bonds and Series 2011B Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds and Series 2002C Bonds were subsequently called and paid in full in December 2011 and December 2012. The difference between the cash flows required to service the new debt and complete the refunding was approximately $10.6 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $8.1 million.

In March 2012, the Authority executed a Master Lease Purchase Agreement to finance up to $2.2 million in major equipment purchases over a nine-month period. The Authority used $2,166,104 of this agreement and entered into four Installment Purchase Contracts to pay for equipment at Metro Airport.

In September 2012, the Authority issued $202.7 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the reconstruction and rehabilitation of airfield pavement and parking decks/lots, the replacement and construction of support facilities, acquisition of fleet and heavy equipment, design of a powerhouse control room, watermain replacements, security network upgrades, and roof replacements. The Series 2012A Bonds and Series 2012B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

In September 2012, the Authority issued $75.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2012C and 2012D. The Series 2012C and 2012D Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2012C Refunding Bonds were issued to refund a portion of the Series 2002C Refunding Bonds. The Series 2012D Bonds were issued to refund a portion of the Series 1998A Bonds and the Series 2002D Refunding Bonds. The Series 2012C Bonds and Series 2012D Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds, the refunded portions of the Series 2002C Bonds, and the refunded Series 2002D Bonds by placing the proceeds of the Series 2012C Bonds and Series 2012D Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds, Series 2002C Bonds, and Series 2002D Bonds were subsequently called and paid in full in October 2012 and December 2012. The difference between the cash flows required to service the new debt and complete the refunding was approximately $10.0 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $7.8 million.

In November 2013, the Authority issued a $200 million Direct Placement Bond with JPMorgan Chase Bank, N.A., Series 2013A Bonds. The Series 2013A Bonds were issued to refund the Series 2010E-1 Revenue Refunding Bonds and the Series 2010F Revenue Refunding Bonds. The Series 2013A Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 2010E-1 Bonds and the Series 2010F Bonds by placing the proceeds of the Series 2013A Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2010E-1 Bonds and Series 2010F Bonds were subsequently called and paid in full in November 2013 and December 2013.

The Series 2013A Bonds are variable-rate bonds. JPMorgan Chase Bank N.A. is responsible under an agreement with Metro Airport to establish the interest rate monthly. The interest rate is determined as the rate of interest which, in the judgment of JPMorgan Chase Bank N.A., would cause the Series 2013A Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In November 2013, the Authority issued a $74.9 million Direct Placement Bond with PNC Bank, N.A., Series 2013B Bonds. The Series 2013B Bonds were issued to refund the Series 2010E-2 Revenue Refunding Bonds. The Series 2013B Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 2010E-2 Bonds by placing the proceeds of the Series 2013B Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2010E-2 Bonds were subsequently called and paid in full in December 2013.

The Series 2013B Bonds are variable-rate bonds. PNC Bank N.A. is responsible under an agreement with Metro Airport to establish the interest rate monthly. The interest rate is determined as the rate of interest which, in the judgment of PNC Bank N.A., would cause the Series 2013B Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In November 2013, the Authority issued a $115.6 million Direct Placement Bond with Wells Fargo Bank, N.A., Series 2013C Bonds. The Series 2013C Bonds were issued to refund the Series 2010G Direct Placement Bond. The Series 2013C Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the Series 2010G Direct Placement Bond by paying Wells Fargo Bank, N.A. directly with the proceeds of the Series 2013C Bonds. The Series 2010G Direct Placement Bond was paid in full in November 2013.

The Series 2013C Bonds are variable-rate bonds. Wells Fargo Bank N.A. is responsible under an agreement with Metro Airport to establish the interest rate monthly. The interest rate is determined as the rate of interest which, in the judgment of Wells Fargo Bank N.A., would cause the Series 2013C Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In May 2014, the Authority issued a $30 million Direct Placement Bond with Banc of America Preferred Funding Corporation, Series 2014A Bonds. The Series 2014A Bonds were issued to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include airfield pavement rehabilitation and reconstruction, development of wide-body aircraft parking apron, various electrical upgrades throughout the airport grounds, North power plant chillers, support systems and HVAC/air handler replacements, roadway reconstructions, demolition costs for various buildings, and site improvement costs related to those demolition sites. The Series 2014A Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Series 2014A Bonds are variable-rate bonds. Banc of America Preferred Funding Corporation is responsible under an agreement with Metro Airport to establish the interest rate monthly. The interest rate is determined as the rate of interest which, in the judgment of Banc of America Preferred Funding Corporation, would cause the Series 2014A Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In August 2014, the Authority issued $98.4 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include taxiway rehabilitation and reconstruction, road reconstruction, bridges and roadway rehabilitation, fleet and heavy equipment acquisitions, various electrical projects, power plant equipment replacements, and demolition of various buildings. The Series 2014B Bonds and Series 2014C Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

The Authority capitalizes net financing costs during construction for debt issues specifically related to construction projects. During the year ended September 30, 2014, interest expense incurred on these debt issues totaled $90,495,105. For 2014, net financing costs capitalized were $6,640,967.

In July 2014, the Authority entered into a line of credit agreement with a maximum borrowing amount of $15 million. The borrowing charges interest at a rate equal to 100 basis points over LIBOR. The line of credit agreement expires in June 2015. There were no borrowings on this line during the year ended September 30, 2014.

Long-term debt activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Detroit Metropolitan Airport Fund:					
Airport Revenue Bonds	$ 2,070,180,000	$ 518,925,000	$ (472,960,000)	$2,116,145,000	$ 85,615,000
Installment Purchase Contracts	5,273,582	-	(818,958)	4,454,624	774,760
Add:	-			-	
Certain bond premiums	60,323,458	5,986,842	(6,368,754)	59,941,546	-
Total Detroit Metropolitan Airport Fund	2,135,777,040	524,911,842	(480,147,712)	2,180,541,170	86,389,760
Willow Run Airport Fund:					
Notes payable	121,722	-	(19,476)	102,246	19,476
Total Willow Run Airport Fund	121,722	-	(19,476)	102,246	19,476
Airport Hotel Fund:					
Airport Hotel Bonds	105,460,000	-	(1,645,000)	103,815,000	1,935,000
Other Hotel debt	1,500,000	-	(1,500,000)	-	-
Less:					
Certain bond discounts	(1,459,143)	122,892	-	(1,336,251)	-
Total Airport Hotel Fund	105,500,857	122,892	(3,145,000)	102,478,749	1,935,000
Total Long-Term Debt	$ 2,241,399,619	$ 525,034,734	$ (483,312,188)	$2,283,122,165	$ 88,344,236

Other long-term liability activity for the year ended September 30, 2014 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Detroit Metropolitan Airport Fund - Other accrued liabilities	$ 7,324,196	$ —	$ (1,996,687)	$ 5,327,509	$ 1,168,887
Willow Run Airport Fund - Other accrued liabilities	935,300	88,995	(435,795)	588,500	586,100
Airport Hotel Fund - Other accrued liabilities	3,311,306	461,166	—	3,772,472	—
Total other long-term liabilities	$ 11,570,802	$ 550,161	$ (2,432,482)	$ 9,688,481	$ 1,754,987

(8) Commitments and Contingencies

(a) Litigation

The Authority is a defendant in a number of lawsuits and claims that have resulted from the ordinary course of providing services. The ultimate effect on the Authority's financial statements of the resolution of these matters is, in the opinion of the Authority's counsel, not expected to be material.

(b) Construction

The estimated costs to complete Metro Airport's current capital improvement program totaled $481.9 million at September 30, 2014, which will be funded by previously issued and anticipated debt, federal grants, and passenger facility charges. Unexpended commitments on construction and professional services contracts in connection with Metro Airport's program totaled $42.4 million at September 30, 2014.

The estimated costs to complete Willow Run Airport's current capital improvement program totaled $109.4 million at September 30, 2014, which will be funded with federal and state grants. Unexpended commitments on construction and professional services contracts in connection with Willow Run Airport's program totaled $9.8 million at September 30, 2014.

(c) Environmental Matters

Environmental accruals are calculated and recorded using an expected cash flow technique applied to probabilities, ranges, and assumptions developed in response to a potential remediation liability as based on current law and existing technologies. At September 30, 2014, the Authority had accrued obligations of $4.9 million for environmental remediation and restoration costs. This is management's best estimate of the costs with respect to environmental matters; however, these estimates contain inherent uncertainties primarily due to unknown conditions, changing regulations, and developing technologies. In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the liability has been recorded at the current value estimated using the expected cash flow technique, a probability-weighted approach. Thirty-six percent of the recorded environmental liabilities is related to a Consent Decree and judgment issued during 1994 that identifies the Airport as one of the 14 responsible parties to the improvements to the Wayne County Downriver Sewage Disposal System (the System). The bulk of the remainder is for asbestos remediation estimates. See additional discussion on both below.

Downriver Sewage Disposal System

In 1994, the Environmental Protection Agency (EPA) and Michigan Department of Natural Resources (MDNR) through a federal court ruling, issued a mandate for environmental remediation of the System noting in their Financing Plan and Final Judgment RE: 1994 Court-Ordered Improvements, "Whereas, it is immediately necessary and imperative for the public health and welfare of the present and future residents of Wayne and the Downriver Communities that the improvements for the System required by the Consent Decree be planned, designed, acquired, constructed and financed to service the Downriver Communities."

The "Downriver Communities" listed as responsible parties to this decree included 13 communities as well as Metro Airport, which utilize the plant for water and sewage disposal. Total project costs were initially estimated at $230 million and financed by Wayne County (the County) through the issuance of bonds and additional State Revolving Fund (SRF) financing. Each responsible party is required to pay their allocated portion of principal and interest on the bonds and SRF bonds, as well as their portion of any subsequent debt issued to pay project costs. In August 2007, a series of completion bonds were issued to finance the estimated final costs of the project. Metro Airport has paid $7 million to the City of Romulus for prior year debt service as of September 30, 2014 and an additional $400 thousand to fund a bond reserve. The amounts recorded by the Authority for future debt service payments are believed to materially encompass the remaining obligation.

Asbestos Remediation

It is known that certain Metro Airport and Willow Run Airport buildings hold asbestos-containing materials (ACMs) that will need to be disposed of upon demolition of affected structures. While the pollutant is currently contained due to prior remediation efforts during the late 1980s and early 1990s, the environmental assessments have indicated that remediation will be necessary during the demolition of the affected buildings to ensure containment of the pollutants and proper disposal.

Preliminary assessments of the nature and extent of the material were performed by WCAA Environmental (with assistance from contractors) and have provided information to help develop an estimate of remediation costs expected over time. As of September 30, 2014, the Authority recorded asbestos-related liabilities of $2.5 million and $589 thousand at Detroit Metro and Willow Run Airports, respectively.

Additional Remediation Matters

General Motors Corporation (GM) and the Authority (as successor in interest to the Board of County Road Commissioners and the County of Wayne) are parties to a Lease of Land, dated October 11, 1985 (the Lease). Under the Lease, GM leased certain land at Willow Run Airport (the Airport) upon which GM constructed and operated a water treatment plant to support integral parts of the operations at the GM transmission facility located adjacent to the Willow Run Airport.

On June 1, 2009, GM filed for protection under Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code) in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court), and pursuant to the Bankruptcy Code, GM was granted the right to assume or reject the Lease. On July 5, 2009, the Bankruptcy Court authorized the sale of substantially all of GM's assets to NGMCO, Inc., a U.S. Treasury-sponsored purchaser (the Purchaser), and on July 10, 2009, the transfer of assets to the Purchaser occurred. GM's name was changed to "Motors Liquidation Company" and the Purchaser was General Motors Company.

General Motors Company operated the water treatment facility until the Lease expired on February 28, 2011. On March 5, 2011, Motors Liquidation Company assumed control of the water treatment facility. Motors Liquidation Company operated the facility until March 31, 2011, at which time all assets were transferred to the Revitalizing Auto Communities Environmental Response Trust (Racer), which continues to occupy and operate the water treatment facility. In December 2013, WCAA completed a land swap with Racer. As a result of the land swap, Racer took title to the water treatment facility and assumed all environmental liability related to the water treatment facility. In exchange, WCAA received title to a parcel of land directly adjacent to runway 9R, which WCAA intends to use to extend the existing runway protection zone.

In the mid-1990s, it was discovered that areas at or near the Willow Run airport were contaminated with toxic materials. Various public and private entities (including the County of Wayne, the predecessor entity to WCAA) were tasked by the EPA to remediate the areas. Toxic materials were dredged from Tyler Pond, and then encapsulated in a controlled facility located on a plot of land owned by WCAA. Pursuant to the various documents and orders governing the remediation, title to the real property where the controlled facility is located was required to be transferred to General Motors or Ford Motor Company, as both entities were jointly and severally liable. In June 2009, before taking title to the real property where the controlled facility is located, General Motors filed for bankruptcy protection. While Ford Motor Company has continued to operate the controlled facility, to date, and despite the WCAA's attempts, Ford Motor Company has not taken title to the real property where the controlled facility is located. WCAA is in negotiation to facilitate the transfer of real property where the controlled facility is located to Ford Motor Company.

(9) Employee Benefits

(a) Plan Description

The Authority provides retirement benefits to its employees through the Wayne County Employees' Retirement System (WCERS), a single-employer public employee retirement system that is governed by the Wayne County Retirement Ordinance as amended. WCERS provides five defined benefit retirement options, two of which are contributory and two of which are hybrids between a defined benefit and a defined contribution (together, the Defined Benefit Plan), and two Defined Contribution Plans. WCERS provides retirement, survivor, and disability benefits to substantially all County and Authority employees. The Retirement Board issues separate financial statements annually. Copies of these financial statements for each plan can be obtained at 28 W. Adams, Suite 1900, Detroit, Michigan 48226. The statements are also available on their website at www.wcers.org.

The Defined Benefit Plan consists of Plan Option 1, Plan Option 2, Plan Option 3, Plan Option 5, and Plan Option 5A (collectively, the Plan) and the Defined Contribution Plan, which consists of Plan Option 4, Plan Option 4A, Plan Option 5, and Plan Option 5A.

In 1983, the County closed the Plan 1 option of the WCERS to new hires and added two new options under the Defined Benefit Plan, which resulted in a lower final benefit to the participant.

On October 1, 2001, WCERS established the Wayne County Hybrid Retirement Plan #5 (Plan Option 5), which contains both a defined benefit component and a defined contribution component. Participants in the plan options previously in existence (Plan Option 1, Plan Option 2, and Plan Option 3) could elect to transfer their account balances to Plan Option 5 between October 1, 2001 and June 30, 2002. New employees could elect to participate in Plan Option 4 through September 30, 2001.

Effective October 1, 2012, WCERS established the Wayne County Defined Contribution Plan #4A and Wayne County Hybrid Retirement Plan #5A, which contains both a defined benefit component and a defined contribution component. Participants in the plan options previously in existence (Plan Option 4 and Plan Option 5) could elect to transfer their account balances to Plan Option 5A. Plan Options 1, 2, 3, and 4 were closed to new hires.

(b) Contributions

Participants in Plan Option 1 contribute 2.00 percent to 6.58 percent of annual compensation, depending on years of credited service. Participants in Plan Option 2 do not make plan contributions, but receive a lower final benefit. Plan Option 3 participants make contributions of 3.0 percent of covered compensation and receive a lower final benefit. Participants in Plan Option 5 with 1.25/1.5 percent multiplier contribute 0 percent of covered compensation depending on the collective bargaining agreement. Participants in Plan 5A contribute 2.00 percent of annual compensation, unless the Annual Actuarial Valuation Report of the Wayne County Employees' Retirement System shows the Authority's funding level less than 100 percent, then the participant's contribution level will increase to 3 percent until the funding level is at 100 percent.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the County's and subsequently the Authority's collective bargaining units. Total Authority employer and employee contributions during the year ended September 30, 2014 were $8,475,718 and $1,359,927, respectively.

The following represents the Authority's annual pension costs as of September 30, 2014:

	Three-year trend information	
	Annual pension cost (APC)	**Percentage of APC contributed**
Year ended September 30:		
2012	$ 5,515,944	100%
2013	7,235,055	100
2014	8,475,718	100

(c) *Pension Benefits*

Benefits are paid monthly over the member's or survivor's lifetime, after meeting normal retirement or duty disability retirement requirements, which vary by option, based on the following percentages of average final compensation, for each year of credited service:

Plan Option 1 – 2.65 percent for each year of service. Maximum Authority-financed portion is 75 percent of average final compensation (less workers' compensation payments). Minimum monthly pension is $5 times years of service.

Plan Option 2 – 1 percent for each year up to 20 years and 1.25 percent for each year over 20 years. Maximum Authority-financed portion is 75 percent of average final compensation (less workers' compensation payments).

Plan Option 3 – 1.5 percent for each year up to 20 years, 2 percent for each year between 20 and 25 years, and 2.5 percent for each year over 25 years. Maximum Authority-financed portion is 75 percent of average final compensation (less workers' compensation payments).

Plan Option 5 – 1.25 percent for each year up to 20 years and 1.5 percent for each year over 20 years. Maximum pension is 75 percent of average final compensation (less workers' compensation payments).

Plan Option 5A – 1.50 percent for each year up to 20 years and 1.75 percent for each year over 20 years. Maximum pension is 75 percent of average final compensation (less workers' compensation payments).

Death and disability benefits – The Plan also provides nonduty death and disability benefits to members after 10 years of credited service for Plan Options 1, 5 and 5A, along with nonduty disability for Plan Option 2 and nonduty death benefits for Plan Option 3. The 10-year service provision is waived for duty disability and death benefits for Plan Options 1, 5, and 5A and duty disability for Plan Option 2.

(d) Wayne County Employees' Retirement System Defined Contribution Plan

The Wayne County Employees' Retirement System instituted a Defined Contribution Plan (Plan Option 4, Plan Option 4A, Plan Option 5, and Plan Option 5A) under the County's Enrolled Ordinance No. 86-486 (November 20, 1986), as amended. The Plan was established to provide retirement, survivor, and disability benefits to County and Authority employees. The administration, management, and responsibility for the proper operation of the Plan are vested in the trustees of the Wayne County Retirement Commission.

Under Plan Option 4, the Authority contributes $4.00 for every $1.00 contributed by each member or, for eligible executives, $5.00 for every $1.00 contributed by each member, with the member contributions ranging from 1.0 percent to 2.5 percent (3 percent for employees with 20 or more years of service and 3 percent for eligible executives with 10 or more years of service) of base compensation. Employees hired prior to July 1, 1984 are eligible to transfer from the WCERS Defined Benefit Plan to the Plan through September 30, 2002. Effective September 30, 2012, the Authority has closed Plan Option 4 to new hires.

Classified employees are vested as to employer contributions after three years of service, and executive members are vested after two years of service.

In Plan Option 4, members are able to receive loans from the Defined Contribution Plan. Only active employees with a vested account balance of $2,000 or more are eligible. Interest on the loans is at the rate of five-year Treasury notes plus 300 basis points (3 percent), rounded to the nearest quarter of a percent.

Participants in Plan Option 4A must contribute 4 percent and can elect to contribute an additional 7.5 percent of their compensation. The Authority makes a matching contribution of 8 percent of an employee's compensation and will be vested after three years.

Participants in Plan Option 5 and Plan Option 5A contribute 3 percent of gross pay. The Authority makes matching contributions at a rate equal to the amount contributed by each employee. Employees are vested at 50 percent after one year of service, 75 percent after two years of service, and 100 percent after three years of service.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the Authority's collective bargaining units. Total Authority employer and employee contributions to the Plan during 2014 were $2,737,271 and $1,286,202, respectively.

(10) Other Postemployment Benefits

Wayne County Airport Authority Act 149 Health Care Fund

(a) *Plan Description*

As provided for in the Authority Act, the Authority, through the County, provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Board of Commissioners, the Wayne County Retirement Board, or the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay-as-you-go basis. Currently, the plan has 686 members (including 489 Authority employees in active service and 197 retired Authority employees and beneficiaries currently receiving benefits who retired after September 1, 2002).

This is a single employer defined benefit plan administered by the County. The plan does not issue a separate stand-alone financial statement.

(b) *Funding Policy*

In accordance with GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Authority created in September 2008 an Act 149 Health Care Trust. This trust provides a funding mechanism for post-2002 retiree health, dental, and life insurance coverage and other postemployment benefits other than pensions. The Authority began funding the trust and fully implemented GASB Statements No. 43 and No. 45 in September 2008. In September 2012, the Authority transferred these funds into a Municipal Employees' Retirement System (MERS) of Michigan Retiree Health Funding Vehicle, which is held in a separate reserve, but invested on a pooled basis by MERS with other governmental units. The balance as of September 30, 2014 in this restricted plan is $31,438,200. Non-Medicare retirees are required to contribute either 10 percent of the Blue Cross-Blue Shield illustrative rate or 10 percent of the lesser of HAP active and HAP retiree premium. The Authority has no obligation to make contributions in advance of when the costs are incurred; however, the Authority's financial plan is to fund these obligations annually based upon the actuarial recommended contribution. Administrative costs of the trust are paid with employer contributions to the trust.

(c) *Funding Progress*

For the year ended September 30, 2014, the Authority has estimated the cost of providing retiree health care benefits through an actuarial valuation as of October 1, 2012. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	$	7,588,962
Interest on the prior year's net OPEB obligation		(265,438)
Add adjustment to the annual required contribution		200,064
Annual OPEB cost		7,523,588
Amounts contributed:		
Payments of current premiums		(1,659,189)
Advance funding		(5,864,399)
Change in net OPEB asset		-
OPEB asset - beginning of year		(3,317,974)
OPEB asset - end of year	$	(3,317,974)

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB asset for the current and two preceding years were as follows:

	Fiscal Year Ended September 30					
		2012		2013		2014
Annual OPEB Costs	$	5,514,643	$	7,296,114	$	7,523,588
Percentage contributed		126.8%		101.0%		100.0%
Net OPEB asset	$	(3,245,160)	$	(3,317,974)	$	(3,317,974)

The funding progress of the plan as of the most recent valuation date is as follows:

Valuation as of October 1, 2012		
Actuarial value of assets	$	18,859,729
Actuarial accrued liability (AAL)	$	97,657,838
Unfunded AAL (UAAL)	$	78,798,109
Funded ratio		19.3%
Annual covered payroll		34,171,169
Ratio of UAAL to covered payroll		230.6%

(d) ***Actuarial Methods and Assumptions***

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2012 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included an 8 percent investment rate of return, which is the expected long-term investment return on plan assets, a projected 3.5 percent salary increase, and an annual healthcare cost trend rate of 7.8 percent initially, reduced to an ultimate rate of 5 percent after 10 years. The UAAL is being amortized on an open basis using the straight-line method (level percent of pay amortized annually) over 30 years.

Wayne County Health and Welfare Plan (Pre-2002)

(a) Plan Description

As provided for in the Authority Act, the Authority, through the County, provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Board of Commissioners, the Wayne County Retirement Board, or the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay-as-you-go basis. Currently, the plan has 3,240 members, which includes retirees for the County and the Authority that retired before September 1, 2002. The plan is closed to new members.

This is a cost-sharing, multiple-employer defined benefit plan administered by the County. The plan does not issue a separate stand-alone financial statement.

(b) Funding Policy

The benefits of the plan are established by the various collective bargaining agreements. Employees are not required to contribute to the plan. The Authority is required to contribute 11.25 percent of incurred costs to the plan. The required and actual contributions for the current and two preceding years were as follows:

	Fiscal Year Ended September 30		
	2012	2013	2014
Required contribution	$ 3,149,251	$ 2,879,326	$ 1,937,447
Actual contribution	$ 3,149,251	$ 2,879,326	$ 1,937,447
% of required contribution made	100.0%	100.0%	100.0%

(11) Upcoming Reporting Changes

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions.* Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the year ending September 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

WAYNE COUNTY AIRPORT AUTHORITY

Required Supplementary Information

September 30, 2014

Wayne County Airport Authority Act 149 Health Care Fund

The schedule of funding progress is as follows (in millions):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
10/1/2006	$ -	$ 46.9	$ 46.9	0.0%	*	*
10/1/2007	$ -	$ 54.6	$ 54.6	0.0%	*	*
10/1/2008	$ 3.1	$ 52.9	$ 49.8	5.9%	*	*
10/1/2009	$ 6.6	$ 65.7	$ 59.1	10.1%	*	*
10/1/2010	$ 10.1	$ 68.2	$ 58.1	14.8%	*	*
10/1/2012	$ 18.9	$ 97.7	$ 78.8	19.3%	$ 34.2	230.6%

* Information not available

The schedule of employer contributions is as follows:

Year Ended September 30	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
2009	10/1/2007	$ 5,318,912	128.7%
2010	10/1/2008	$ 4,914,922	116.4%
2011	10/1/2009	$ 5,571,393	95.6%
2012	10/1/2010	$ 5,533,171	126.4%
2013	10/1/2012	$ 7,348,116	100.3%
2014	10/1/2012	$ 7,588,962	99.1%

The information presented about was determined as part of the actuarial valuations at the dates indicated. Additional information as of October 1, 2012, the latest actuarial valuation, follows:

Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay amortized annually
Amortization period (open)	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	3.50%

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION

This section of the Wayne County Airport Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

CONTENTS

Financial Trends – *Exhibits S-1, S-2*

These exhibits contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity – *Exhibits S-3, S-5*

These exhibits contain information to help the reader assess the factors affecting the Authority's ability to generate revenue.

Debt Capacity – *Exhibits S-6 to S-8*

These exhibits present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

Demographic & Economic Information – *Exhibits S-10 series*

These exhibits offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and to help make comparisons over time with other entities. In certain instances, due to the nature of the Authority's operations, 10 years of data may not be necessary for readers to understand the Authority's environment or to make comparisons with other entities. In these instances, less than 10 years of data may be presented.

Operating Information – *Exhibits S-4, S-5, S-9, S-11, S-12*

These exhibits contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs. In the case of *S-11* and *S-12*, due to the nature of the Authority's operations, 10 years of data may not be necessary for readers to understand the Authority's environment or to make comparisons with other entities. In these instances, less than 10 years of data may be presented.

Sources: Unless otherwise noted, the information in these exhibits is derived from the comprehensive annual financial reports of the relevant year.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-1

Annual Revenues, Expenses, and Changes in Net Position

(Unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Operating revenues:										
Airport landing and related fees	$ 76,406,397	65,493,268	67,299,967	69,099,578	70,172,024	60,059,740	84,607,837	59,512,753	60,738,124	73,872,334
Concession fees	54,161,908	51,696,676	51,689,387	50,575,848	47,974,977	48,424,882	51,851,089	50,242,144	47,350,937	44,496,491
Parking fees	61,187,198	57,828,811	56,091,494	54,145,257	48,309,486	49,911,261	58,682,741	58,858,882	53,026,292	46,003,468
Hotel	32,922,844	29,301,463	27,611,922	29,372,498	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232
Rental facilities	105,234,040	103,155,137	107,353,758	96,449,901	91,822,952	90,110,146	53,748,737	53,145,882	48,582,712	46,009,056
Expense recoveries	5,027,074	5,282,902	4,927,372	5,010,457	4,445,747	4,535,773	4,721,175	4,249,853	3,729,632	3,821,869
Other	4,784,310	6,007,508	3,664,924	6,406,295	7,542,765	4,470,468	5,603,796	7,121,369	9,041,090	7,971,371
Total operating revenues	339,723,771	318,765,765	318,638,824	311,059,834	297,096,887	280,759,062	290,711,955	266,513,315	253,003,991	251,387,821
Nonoperating revenues:										
Passenger facility charges	62,016,364	61,705,013	62,134,255	62,197,495	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871
Federal and state grants	1,029,619	1,353,122	1,378,911	1,326,034	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226
Interest income and other	2,808,958	2,048,283	1,834,241	3,390,214	5,021,589	7,310,241	28,603,234	46,903,106	43,339,574	19,695,210
Total nonoperating revenues	65,854,941	65,106,418	65,347,407	66,913,743	66,592,234	68,111,193	98,998,441	123,619,727	123,281,807	106,063,307
Total revenues	405,578,712	383,872,183	383,986,231	377,973,577	363,689,121	348,870,255	389,710,396	390,133,042	376,285,798	357,451,128
Operating expenses:										
Salaries, wages, and fringe benefits	80,339,925	72,891,273	70,105,901	71,489,016	70,060,439	75,098,962	77,942,240	72,396,333	68,648,870	66,623,493
Parking management	6,630,160	6,280,332	6,048,290	6,794,062	6,504,949	7,082,235	8,905,534	10,325,232	9,754,453	10,647,259
Hotel management	23,063,942	21,064,105	20,888,610	22,644,120	20,032,541	18,693,537	23,032,852	24,054,417	22,271,550	21,870,313
Janitorial services	11,809,916	11,400,627	11,498,166	11,164,616	10,988,244	10,599,304	2,422,889	2,433,551	2,047,401	2,010,248
Security	2,511,402	2,260,167	2,288,013	2,401,473	2,293,067	2,657,120	2,757,886	3,433,065	3,501,437	3,462,682
Utilities	28,939,467	27,035,597	26,676,454	24,886,104	26,691,836	27,700,377	30,429,231	26,570,574	23,021,456	21,827,924
Repairs, professional services, and other	82,616,234	75,658,752	71,689,848	79,689,990	74,617,012	69,556,874	84,887,031	75,042,299	78,310,637	83,477,087
Depreciation	141,539,710	140,526,973	142,828,398	142,754,436	146,151,075	146,151,805	129,574,853	121,087,982	115,853,648	103,631,906
Total operating expenses	377,450,756	357,117,826	352,023,680	361,823,817	357,339,163	357,540,214	359,952,516	335,343,453	323,409,452	313,550,912
Nonoperating expenses:										
Interest expense	82,352,146	82,825,198	85,514,177	91,549,044	105,913,828	116,392,802	94,925,971	105,855,656	106,822,360	92,389,419
Loss on disposal of assets	1,016,927	5,488,973	2,555,076	—	—	1,104,513	6,214,429	317,452	42,544	—
Amortization of bond insurance premiums	371,068	—	—	—	—	—	—	—	—	—
Amortization of bond issuance costs	—	1,968,924	2,035,607	1,902,952	2,161,678	1,942,959	2,315,453	2,267,001	2,294,476	2,105,484
Total nonoperating expenses	83,740,141	90,283,095	90,104,860	93,451,996	108,075,506	119,440,274	103,455,853	108,440,109	109,159,380	94,494,903
Total expenses	461,190,897	447,400,921	442,128,540	455,275,813	465,414,669	476,980,488	463,408,369	443,783,562	432,568,832	408,045,815
Capital contributions	32,679,821	41,637,536	27,121,478	17,750,671	29,137,352	36,318,566	54,816,676	66,212,355	39,806,394	39,938,986
	$ (22,932,364)	(21,891,202)	(31,020,831)	(59,551,565)	(72,588,196)	(91,791,667)	(18,881,297)	12,561,835	(16,476,640)	(10,655,701)
Net position at year end composed of:										
Net investment in capital assets	39,760,424	27,234,267	36,778,052	86,906,586	120,302,294	151,759,863	170,385,938	131,815,887	180,192,710	235,042,203
Restricted	314,707,433	323,698,561	338,786,218	322,488,477	358,386,114	405,007,255	430,322,283	471,545,803	384,747,891	386,024,617
Unrestricted	22,115,017	48,582,410	58,895,731	56,085,769	46,343,989	40,853,475	37,745,179	53,973,007	79,832,261	99,185,995
Total net position	$ 376,582,874 [3]	399,515,238	434,460,001	465,480,832	525,032,397 [2]	597,620,593	638,453,400	657,334,697	644,772,862 [1]	720,252,815

[1] In 2006, the Authority restated beginning net position to $661,249,502. This amount less the 2006 decrease in net position is used to arrive at ending net position.

[2] In 2010, the Authority restated beginning net position by $50,958,860. This amount less the increase/decrease in net position is used to arrive at ending net position.

[3] In 2014, the Authority restated beginning net position by $13,053,561. This amount less the increase/decrease in net position is used to arrive at ending net position.

Source: Audited Financial Statements of the Wayne County Airport Authority.

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-2

Principal Revenue Sources and Revenues per Enplaned Passenger

(Unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Airline revenues:										
Airport landing and related fees	$ 76,406,397	$ 65,493,268	$ 67,299,967	$ 69,099,578	$ 70,172,024	$ 60,059,740	$ 84,607,837	$ 59,512,753	$ 60,738,124	$ 73,872,334
Terminal building rentals and fees	85,169,050	84,354,836	86,463,382	74,347,911	71,852,635	67,703,125	28,972,704	28,621,629	26,992,072	25,831,713
Facility use fees	8,608,737	7,552,051	7,489,497	7,143,733	6,302,145	6,468,964	8,159,193	7,962,948	7,073,579	7,568,033
Total airline revenues	170,184,184	157,400,155	161,252,846	150,591,222	148,326,804	134,231,829	121,739,734	96,097,330	94,803,775	107,272,080
Percentage of total revenues	42.0%	41.0%	42.0%	39.8%	40.8%	38.5%	31.2%	24.6%	25.2%	30.0%
Non-Airline revenues:										
Parking fees	61,187,198	57,828,811	56,091,494	54,145,257	48,309,486	49,911,261	58,682,741	58,858,882	53,026,292	46,003,468
Concession fees	32,253,029	31,536,249	32,063,017	31,592,316	30,702,401	30,885,107	30,358,313	29,382,953	28,175,773	26,415,027
Car rental	21,908,879	20,160,427	19,626,370	18,983,532	17,272,576	17,539,775	21,492,776	20,859,191	19,175,164	18,081,464
Hotel	32,922,844	29,301,463	27,611,922	29,372,498	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232
Employee shuttle bus	2,032,346	2,502,311	5,210,640	5,869,315	5,467,240	5,655,355	5,773,430	5,253,731	4,959,535	5,331,254
Ground transportation	5,452,612	5,094,540	4,882,553	4,944,291	4,738,700	6,510,045	7,055,550	7,394,349	5,911,719	4,134,289
Utility service fees	5,027,074	5,282,902	4,927,372	5,010,457	4,445,747	4,535,773	4,721,175	4,249,853	3,729,632	3,821,869
Rental facilities	3,971,295	3,651,399	3,307,686	4,144,651	3,462,232	3,772,657	3,787,860	3,913,225	3,645,807	3,143,767
Other	4,784,310	6,007,508	3,664,924	6,406,295	7,542,765	4,470,468	5,603,796	7,121,369	9,041,090	7,971,371
	169,539,587	161,365,610	157,385,978	160,468,612	148,770,083	146,527,233	168,972,221	170,415,985	158,200,216	144,115,741
Percentage of total revenues	41.8%	42.0%	41.0%	42.5%	40.9%	42.0%	43.4%	43.7%	42.0%	40.3%
Nonoperating revenues:										
Passenger facility charges	62,016,364	61,705,013	62,134,255	62,197,495	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871
Federal and state grants	1,029,619	1,353,122	1,378,911	1,326,034	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226
Interest	1,388,246	1,616,192	1,810,277	3,241,109	4,941,344	7,310,241	28,082,306	45,948,105	43,328,283	19,194,846
Other	1,420,712	432,091	23,964	149,105	80,245	—	520,928	955,001	11,291	500,364
Total nonoperating revenues	65,854,941	65,106,418	65,347,407	66,913,743	66,592,234	68,111,193	98,998,441	123,619,727	123,281,807	106,063,307
Percentage of total revenues	16.2%	17.0%	17.0%	17.7%	18.3%	19.5%	25.4%	31.7%	32.8%	29.7%
Total revenues	$ 405,578,712	$ 383,872,183	$ 383,986,231	$ 377,973,577	$ 363,689,121	$ 348,870,255	$ 389,710,396	$ 390,133,042	$ 376,285,798	$ 357,451,128
Enplaned passengers	16,216,673	16,077,652	16,169,584	16,226,201	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282
Total revenue per enplaned passenger	$ 25.01	23.88	23.75	23.29	22.91	21.88	21.86	21.54	21.14	19.55
Airline revenue per enplaned passenger	$ 10.49	9.79	9.97	9.28	9.34	8.42	6.83	5.31	5.33	5.87

Source: Audited Financial Statements of the Wayne County Airport Authority.
See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-3

Airlines Rates and Charges **

(Unaudited)

		2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Landing Fees:											
Signatory Airlines [1]	$	3.71	3.14	3.23	3.26	3.44	2.83	3.58	2.37	2.49	2.74
Non-Signatory Airlines [2]		4.64	3.93	4.04	4.08	4.30	3.39	3.79	3.01	4.21	3.97
General Aviation [3]		2.00	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.38
Facility Use Fees:											
South Terminal	$	5.50	5.00	5.00	5.00	5.00	5.00	4.50	4.50	4.50	4.50
North Terminal		5.50	5.00	5.00	5.00	5.00	5.00	—	—	—	—
Smith/Berry Terminals		—	—	—	—	—	—	3.50	3.50	3.50	3.50
Terminal Rental Rates (per SF per year):											
Office Space – Airline	$	—	—	—	—	—	—	19.71	19.71	19.71	19.71
South Terminal - Signatory Airlines [1]		60.00	57.71	60.00	57.70	54.51	52.00	—	—	—	—
South Terminal - Non-Signatory Airlines		69.00	66.36	69.00	69.00	68.00	60.00	—	—	—	—
North Terminal - Signatory Airlines [1]		117.00	118.95	118.00	51.20	65.17	61.00	—	—	—	—
North Terminal - Non-Signatory Airlines		134.00	136.79	136.00	78.00	88.00	71.00	—	—	—	—
Cargo Building/Warehouse		8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Aircraft Ramp		0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Unimproved Land		0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31
Electric		4.67	4.67	4.67	4.67	4.67	1.24	1.24	1.24	1.24	1.24

** The revenue bases to which these rates are applied and their principal payers can be found in Schedules S-2 and S-4.

[1] Calculated pursuant to the formulas set forth in the Airport Use and Lease Agreement. The agreement provides the calculation of the annual landing fee and terminal rental rates, with rate adjustments at mid-year, if required.

[2] Average billed rate per 1,000 lbs. MGLW.

[3] General aviation rates are charged at Willow Run Airport only and represent an average of the tiered rates applied per 1,000 lbs. MGLW.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-4

Airline Landed Weights

(in thousands of pounds)

(Unaudited)

Detroit Metropolitan Airport

Airline [1]	2014		2013		2012		2011		2010	
	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share
Delta/Northwest Air Lines [2]	10,273,955	50.4%	10,051,320	48.7%	9,655,644	46.9%	10,153,498	48.5%	10,369,432	51.4%
Delta/Northwest (Endeavor) [2,6]	2,523,978	12.4	3,661,163	17.7	3,237,417	15.7	2,743,336	13.1	2,817,713	14.0
Delta/Northwest (ExpressJet) [2,3]	1,351,443	6.6	1,260,107	6.1	1,110,252	5.4	795,381	3.8	104,058	0.5
Southwest/AirTran Airways [4]	904,127	4.4	969,194	4.7	942,596	4.6	973,682	4.6	894,080	4.4
Spirit Airlines	886,234	4.3	765,188	3.7	749,026	3.6	752,623	3.6	637,083	3.2
Delta/Northwest (Chatauqua) [2]	564,145	2.8	467,713	2.3	217,005	1.1	—	—	—	—
US Airways	519,734	2.5	474,744	2.3	454,827	2.2	422,444	2.0	380,154	1.9
Federal Express	493,528	2.4	446,450	2.2	461,450	2.2	409,567	2.0	361,807	1.8
American Airlines	322,416	1.6	310,887	1.5	300,395	1.5	318,885	1.5	312,306	1.5
Delta/Northwest (Sky West) [2]	294,404	1.4	—	—	—	—	—	—	—	—
Delta/Northwest (Compass) [2]	252,328	1.2	225,942	1.1	288,096	1.4	371,436	1.8	438,616	2.2
American (Envoy) [7]	209,816	1.0	207,170	1.0	195,133	0.9	180,815	0.9	193,235	1.0
Delta/Northwest (GoJet) [2]	190,615	0.9	—	—	—	—	—	—	—	—
Lufthansa	180,296	0.9	153,106	0.7	146,790	0.7	147,477	0.7	142,243	0.7
United Parcel Service	170,445	0.8	167,762	0.8	168,483	0.8	171,832	0.8	171,234	0.8
United/Continental (ExpressJet) [3,5]	147,800	0.7	—	—	—	—	—	—	—	—
Air France	136,291	0.7	142,397	0.7	146,639	0.7	146,476	0.7	138,582	0.7
US Airways (Republic)	107,669	0.5	—	—	—	—	—	—	—	—
Frontier	105,448	0.5	84,124	0.4	124,080	0.6	143,844	0.7	126,776	0.6
United/Continental [5]	100,958	0.5	95,890	0.5	166,107	0.8	242,335	1.2	238,808	1.2
Delta/Northwest (Shuttle America) [2]	97,562	0.5	139,035	0.7	221,668	1.1	—	—	—	—
Lufthansa Cargo	17,657	0.1	52,480	0.3	31,390	0.2	—	—	—	—
Delta/Northwest (Comair) [2]	—	—	—	—	942,080	4.6	1,115,580	5.3	669,929	3.3
Mesaba	—	—	—	—	144,408	0.7	872,731	4.2	1,202,839	6.0
KLM	—	—	—	—	—	—	—	—	—	—
British Airways	—	—	—	—	—	—	—	—	—	—
United (Air Canada)	—	—	—	—	—	—	—	—	—	—
Aeromexico	—	—	—	—	—	—	—	—	—	—
Independence Air	—	—	—	—	—	—	—	—	—	—
Other [8]	531,852	2.9	954,189	4.6	904,865	4.3	961,771	4.6	968,370	4.8
	20,382,701	100.0%	20,628,861	100.0%	20,608,351	100.0%	20,923,713	100.0%	20,167,265	100.0%

[1] Signatory Affiliate Airlines are associated based on 2014 affiliations and shown in parentheses to major carrier name. All historical landed weights for these affiliates are shown on one line regardless of prior affiliations.

[2] Northwest Airlines merged with and into Delta Air Lines on December 31, 2009 and for comparative purposes, are shown as one on this report.

[3] Atlantic Southwest Airlines acquired ExpressJet on November 22, 2011 and began operating as ExpressJet. For comparative purposes, entities are shown as one on this report.

[4] Southwest Airlines acquired AirTran Airways on May 2, 2011 and for comparative purposes, are shown as one on this report.

[5] Continental Airlines merged with and into United Airlines on October 1, 2010, and for comparative purposes, are shown as one on this report.

[6] Effective August 1, 2013, Pinnacle Airlines changed its legal name to Endeavor Air.

[7] Effective April 15, 2014, American Eagle changed its legal name to Envoy Air.

[8] Includes airlines no longer serving Detroit Metro or carriers with insignificant activity. Several airlines reported in the "Other" category in prior years have been reported individually in the current year. Prior year numbers were not reclassified and remain in "Other".

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

Detroit Metropolitan Airport									
2009		2008		2007		2006		2005	
Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share
11,333,666	54.0%	13,604,011	58.2%	14,856,034	61.0%	14,723,198	61.1%	16,766,206	64.8%
2,616,584	12.5	2,516,756	10.8	2,402,170	9.9	2,227,894	9.2	2,186,581	8.4
1,474	—	64,185	0.3	44,137	0.2	40,937	0.2	12,220	—
946,536	4.5	1,073,878	4.6	1,185,694	4.8	893,980	3.7	648,992	2.5
690,048	3.3	925,981	4.0	1,116,697	4.6	952,127	3.9	877,491	3.4
—	—	—	—	—	—	—	—	—	—
377,506	1.8	397,966	1.7	435,733	1.8	393,666	1.6	454,692	1.8
374,202	1.8	477,212	2.0	525,479	2.2	482,405	2.0	479,467	1.9
399,070	1.9	506,633	2.2	538,336	2.2	548,634	2.3	621,399	2.4
—	—	—	—	—	—	—	—	—	—
596,054	2.8	173,768	0.7	—	—	—	—	—	—
155,625	0.7	107,737	0.5	116,715	0.5	93,732	0.4	43,656	0.2
—	—	—	—	—	—	—	—	—	—
174,062	0.8	243,753	1.0	229,272	0.9	150,863	0.6	151,089	0.6
171,687	0.8	195,473	0.8	204,976	0.8	211,295	0.9	195,519	0.8
—	—	—	—	—	—	—	—	—	—
122,641	0.6	114,617	0.5	116,552	0.5	119,720	0.5	44,044	0.2
—	—	—	—	—	—	—	—	—	—
140,742	0.7	147,774	0.6	152,353	0.6	116,166	0.5	36,220	0.1
394,117	1.9	572,105	2.5	599,440	2.5	611,210	2.5	621,278	2.4
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
187,696	0.9	125,020	0.5	137,273	0.6	137,285	0.6	191,421	0.7
1,484,510	7.1	1,118,993	4.8	679,531	2.8	1,371,475	5.7	1,818,552	7.0
74,970	0.4	80,214	0.3	—	—	—	—	—	—
—	—	107,202	0.5	209,479	0.9	118,431	0.5	0.5	0.6
—	—	28,994	0.1	28,960	0.1	29,070	0.1	27,443	0.1
—	—	9,432	0.0	—	—	—	—	—	—
—	—	—	—	—	—	16,262	0.1	105,750	0.4
763,456	3.5	767,206	3.4	777,872	3.1	871,290	3.6	451,950	1.7
21,004,646	100.0%	23,358,910	100.0%	24,356,703	100.0%	24,109,640	100.0%	25,887,255	100.0%

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-5

Enplaned Passengers

(Unaudited)

Detroit Metropolitan Airport

Airline [1]	2014 Passenger enplanements	2014 Share	2013 Passenger enplanements	2013 Share	2012 Passenger enplanements	2012 Share	2011 Passenger enplanements	2011 Share	2010 Passenger enplanements	2010 Share
Domestic:										
America West	—	—	—		—	—	—	—	—	—
American (Envoy) [7]	169,854	1.05	169,407	1.05	162,633	1.01	154,136	0.95	161,692	1.02
American Airlines	295,262	1.82	269,364	1.68	269,593	1.68	275,990	1.70	284,813	1.79
Champion Air	—	—	—	—	—	—	—	—	—	—
Delta/Northwest (ExpressJet) [2, 4]	1,098,157	6.77	978,390	6.09	885,230	5.47	650,836	4.01	83,690	0.53
Delta/Northwest (Chautauqua) [2]	560,376	3.46	448,754	2.79	217,573	1.35	168,194	1.04	95,086	0.60
Delta/Northwest (Comair) [2]	—	—	—	—	811,218	5.02	945,095	5.82	540,781	3.41
Delta/Northwest (Compass) [2]	207,036	1.28	175,829	1.09	241,508	1.49	312,578	1.93	340,262	2.14
Delta/Northwest (GoJet) [2]	160,650	0.99	—	—	—	—	—	—	—	—
Delta/Northwest (Mesaba Aviation) [2]	—	—	—	—	123,066	0.76	721,808	4.45	949,610	5.98
Delta/Northwest (Endeavor) [2, 5]	2,159,842	13.32	3,080,866	19.16	2,698,992	16.69	2,254,208	13.89	2,186,627	13.77
Delta/Northwest (Shuttle America) [2]	86,319	0.53	121,712	0.76	190,663	1.18	85,863	0.53	4,462	0.03
Delta/Northwest (Sky West) [2]	251,177	1.55	—	—	—	—	—	—	—	—
Delta/Northwest Airlines [2]	6,856,076	42.28	6,568,924	40.86	6,349,263	39.27	6,651,576	40.99	7,328,799	46.16
Frontier	98,958	0.61	80,496	0.50	125,186	0.77	140,291	0.86	117,044	0.74
Independence Air	—	—	—	—	—	—	—	—	—	—
Ryan International	—	—	—	—	—	—	—	—	—	—
Southwest/Airtan Airlines [6]	828,595	5.11	832,772	5.18	842,732	5.21	813,744	5.02	755,276	4.76
Spirit Airlines	875,463	5.40	755,169	4.70	711,134	4.40	703,335	4.33	558,596	3.52
Trans Meridian	—	—	—	—	—	—	—	—	—	—
United/Continental (ExpressJet) [3, 4]	143,587	0.89	130,342	0.81	123,199	0.76	112,402	0.69	118,001	0.74
United/Continental (GoJet) [3]	40,249	0.25	44,311	0.28	34,532	0.21	57,089	0.35	66,206	0.42
United/Continental (Mesa) [3]	18,478	0.11	42,346	0.26	43,702	0.27	19,733	0.12	29,999	0.19
United/Continental (Skywest) [3]	31,384	0.19	58,464	0.36	43,592	0.27	29,789	0.18	68,400	0.43
United/Continental Airlines [3]	78,956	0.49	70,789	0.44	128,634	0.80	195,711	1.21	186,520	1.17
US Airways	429,921	2.65	392,991	2.44	366,277	2.27	340,664	2.10	303,451	1.91
US Airways (Air Wisconsin)	57,178	0.35	63,752	0.40	71,394	0.44	81,860	0.50	76,414	0.48
US Airways (Mesa)	29,246	0.18	26,173	0.16	37,154	0.23	19,074	0.12	22,387	0.14
US Airways (PSA)	5,492	0.03	6,519	0.04	10,716	0.07	5,990	0.04	5,860	0.04
US Airways (Republic)	92,224	0.57	96,509	0.60	80,347	0.50	111,361	0.69	112,838	0.71
USA 3000	—	—	—	—	—	—	153	—	2,226	0.01
Other [7]	177,393	1.09	251,438	1.56	233,942	1.45	61,052	0.37	215,005	1.36
Total Domestic	14,751,873	90.97	14,665,317	91.21	14,802,280	91.57	14,912,532	91.89	14,614,045	92.05
International:										
Aeromexico	—	—	—	—	—	—	—	—	—	—
Air Canada	21,253	0.13	17,156	0.11	14,887	0.09	12,340	0.08	6,875	0.04
Air France	73,512	0.45	77,751	0.48	82,675	0.51	76,568	0.47	70,685	0.45
British Airways	—	—	—	—	—	—	—	—	—	—
Delta/Northwest (Comair)	—	—	—	—	—	—	—	—	20,851	0.13
Delta/Northwest (Compass) [2]	8,691	0.05	—	—	—	—	—	—	13,301	0.08
Delta/Northest (Mesaba Aviation)	—	—	—		—	—	67	—	19,583	0.12
Delta/Northwest (Endeavor) [5]	—	—	2,175	0.01	18,094	0.11	44,711	0.28	97,518	0.61
Delta/Northwest Air Lines	1,226,121	7.56	1,180,193	7.34	1,119,589	6.92	1,065,984	6.57	921,973	5.81
KLM-Royal Dutch Airlines	—	—	—	—	—	—	—	—	—	—
Lufthansa	77,650	0.48	66,977	0.42	64,854	0.40	67,952	0.42	65,568	0.41
Royal Jordanian Airlines	14,755	0.09	14,334	0.09	15,143	0.09	14,051	0.09	15,258	0.10
Southwest/Airtan Airlines [6]	12,255	0.08	11,120	0.07	10,295	0.06	11,436	0.07	5,849	0.04
Spirit Airlines	22,986	0.14	22,669	0.14	23,339	0.14	15,579	0.10	12,274	0.08
US Airways	1,256	0.01	1,302	0.01	1,459	0.01	1,493	0.01	1,997	0.01
Other [8]	6,321	0.04	18,658	0.12	16,969	0.10	3,488	0.02	10,604	0.07
Total International	1,464,800	9.03	1,412,335	8.79	1,367,304	8.43	1,313,669	8.11	1,262,336	7.95
Grand Total	16,216,673	100.00%	16,077,652	100.00%	16,169,584	100.00%	16,226,201	100.00%	15,876,381	100.00%

[1] Signatory Affiliate Airlines are associated based on 2013 affiliations and shown in parentheses to major carrier name.

All historical enplanements for these affiliates are shown on one line regardless of prior affiliations.

[2] Northwest Airlines merged with and into Delta Air Lines on December 31, 2009 and for comparative purposes, are shown as one in this report.

[3] Continental Airlines merged with and into United Airlines on October 1, 2010 and for comparative purposes, are shown as one in this report.

[4] Atlantic Southeast Airlines acquired ExpressJet on November 22, 2011 and began operating as ExpressJet. For comparative purposes, entities are shown as one in this report

[5] Effective August 1, 2013, Pinnacle Airlines changed its legal name to Endeavor Air.

[6] Southwest Airlines acquired AirTran Airways on May 2, 2011 and for comparative purposes, are shown as one in this report.

[7] Effective April 15, 2014, American Eagle changed its legal name to Envoy Air.

[8] Includes airlines no longer serving Detroit Metro or carriers with insignificant activity.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

2009		2008		2007		2006		2005	
Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share
—	—	—	—	241,961	1.34	259,600	1.46	267,776	1.46
125,766	0.79	85,637	0.48	91,529	0.51	73,918	0.42	32,203	0.18
346,775	2.18	442,012	2.48	443,530	2.45	440,680	2.48	471,863	2.58
—	—	—	—	34,462	0.19	34,055	0.19	31,283	0.17
1,289	0.01	58,351	0.33	37,242	0.21	32,646	0.18	8,316	0.05
4,798	0.03	9,211	0.05		—	—		—	
145,990	0.92	90,839	0.51	94,044	0.52	91,216	0.51	108,322	0.59
439,785	2.76	144,644	0.81	—	—	—		—	
—	—	—	—	—	—	—	—	—	—
1,042,785	6.54	811,681	4.55	457,948	2.53	900,785	5.06	1,108,615	6.06
2,066,229	12.96	2,043,385	11.46	1,915,685	10.58	1,663,236	9.34	1,477,582	8.08
10,599	0.07	36,813	0.21	—	—	33,902	0.19	4,385	0.02
—		—	—		—			—	—
7,894,790	49.52	9,555,525	53.59	10,324,808	57.02	10,207,929	57.35	10,915,338	59.69
117,396	0.74	126,580	0.71	121,456	0.67	91,097	0.51	28,184	0.15
—	—	—		—	—	13,445	0.08	74,496	0.41
			—			372	—	—	—
742,389	4.65	812,093	4.55	845,523	4.67	679,665	3.82	461,535	2.52
591,150	3.71	802,424	4.50	933,029	5.15	781,652	4.39	793,510	4.34
—		—						25,488	0.14
63,765	0.40	63,856	0.36	70,559	0.39	73,606	0.41	62,265	0.34
56,837	0.36	—	—					—	
47,908	0.30	43,380	0.24	57,546	0.32	55,148	0.31	70,388	0.38
31,407	0.20	24,640	0.14	36,475	0.20	39,041	0.22	11,609	0.06
287,568	1.80	450,079	2.52	482,805	2.66	502,087	2.83	493,085	2.70
313,774	1.97	331,934	1.86	100,860	0.56	56,900	0.32		0.50
95,658	0.60	104,993	0.59	83,203	0.46	89,264	0.50	748	—
22,640	0.14	47,464	0.27	—	—	—	—	—	—
15,747	0.10	38,059	0.21	17,035	0.09	66,631	0.37	53,283	0.29
74,785	0.47	23,992	0.13	—	—	—	—	—	—
19,823	0.12	79,304	0.44	67,516	0.37	66,277	0.37	52,788	0.29
62,738	0.40	44,232	0.26	124,106	0.68	68,660	0.39	113,467	0.64
14,622,391	91.74	16,271,128	91.25	16,581,322	91.57	16,321,812	91.70	16,758,421	91.64
2,053	0.01	5,942	0.03	—	—	—	—	—	—
5,956	0.04	13,678	0.08	13,085	0.07	14,899	0.08	13,921	0.08
55,233	0.35	45,947	0.26	48,355	0.27	50,466	0.28	19,174	0.10
—	—	20,491	0.11	47,472	0.26	55,403	0.31	59,658	0.33
—		—	—		—	—	—		—
26,608	0.17	—	—	—	—	—	—	—	—
45,248	0.28	37,906	0.21	37,538	0.21	32,103	0.18	36,362	0.20
—	—	—	—	—	—	—	—	—	—
1,009,773	6.33	1,204,927	6.76	1,174,843	6.49	1,138,025	6.39	1,199,496	6.56
40,196	0.25	41,753	0.23	—	—	—	—	—	—
72,884	0.46	102,121	0.57	98,008	0.54	67,305	0.38	70,372	0.38
14,822	0.09	16,434	0.09	14,150	0.08	16,028	0.09	14,581	0.08
271		—	—	—	—	—	—		—
16,928	0.11	19,464	0.11	20,146	0.11	16,671	0.09	—	—
1,853	0.01	—	—	—	—	—	—		—
26,916	0.16	51,440	0.30	73,171	0.40	87,220	0.50	114,297	0.63
1,318,741	8.26	1,560,103	8.75	1,526,768	8.43	1,478,120	8.30	1,527,861	8.36
15,941,132	100.00%	17,831,231	100.00%	18,108,090	100.00%	17,799,932	100.00%	18,286,282	100.00%

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-6

Debt Service Detail

(Unaudited)

Detroit Metropolitan and Willow Run Airports

	2014		2013		2012		2011		2010	
	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
Airport Revenue Bonds:										
Series 1994A	$ —	—	—	—	—	—	—	—	—	—
Series 1994B	—	—	—	—	—	—	—	—	—	—
Series 1996A	—	—	—	—	—	—	—	—	—	—
Series 1996B	—	—	—	—	—	—	—	—	—	—
Series 1998A	—	—	—	—	188,455,000	2,369,208	523,050,000	13,903,092	21,400,000	36,492,050
Series 1998B	—	—	—	—	—	—	13,885,000	119,395	4,085,000	752,119
Series 2001 Jr. Lien	—	—	—	—	—	—	—	—	—	—
Series 2002A	—	—	—	—	—	—	—	—	—	—
Series 2002C	—	—	2,105,000	17,542	23,425,000	422,686	130,000	1,357,673	125,000	1,362,839
Series 2002D	—	—	6,920,000	59,508	49,935,000	2,046,127	4,005,000	3,089,613	3,800,000	3,289,738
Series 2003A-1	—	—	—	—	—	—	—	—	—	—
Series 2003A-2	—	—	—	—	—	—	—	—	—	—
Series 2003A-3	—	—	—	—	—	—	—	—	—	—
Series 2003B	—	—	—	—	—	—	—	—	—	—
Series 2003C	—	—	—	—	—	—	—	—	—	—
Series 2004	—	—	—	—	—	—	—	—	—	—
Series 2005	11,720,000	23,153,925	11,130,000	23,759,217	10,590,000	24,310,175	10,080,000	24,835,425	9,590,000	25,332,592
Series 2007A Jr. Lien	3,615,000	8,466,358	3,480,000	8,645,983	3,315,000	8,818,607	—	8,956,733	—	8,956,733
Series 2007B	—	5,502,600	4,805,000	5,542,642	—	5,742,850	—	5,742,850	—	5,742,850
Series 2008A	5,155,000	6,335,469	5,100,000	6,603,500	5,020,000	6,857,833	4,955,000	7,108,292	4,895,000	7,355,542
Series 2008B	—	—	—	—	—	—	196,450,000	105,706	4,800,000	658,931
Series 2008C	—	—	—	—	—	—	81,250,000	453,996	4,715,000	2,336,011
Series 2008D	—	—	—	—	—	—	33,375,000	222,333	3,800,000	1,154,563
Series 2008E	—	—	—	—	—	—	33,340,000	267,251	3,725,000	1,736,496
Series 2008F	—	—	—	—	—	—	33,375,000	266,992	3,730,000	1,705,727
Series 2009A	—	—	—	—	—	—	—	—	9,000,000	36,125
Series 2010A	27,560,000	7,478,233	26,185,000	8,527,825	22,855,000	9,258,634	—	7,631,310	—	—
Series 2010B	4,800,000	40,000	—	240,000	3,995,000	266,633	—	316,509	—	—
Series 2010C	18,675,000	7,096,650	16,990,000	8,016,358	15,270,000	8,762,450	—	7,088,049	—	—
Series 2010D	2,165,000	1,135,250	2,055,000	1,196,225	1,940,000	1,235,325	—	997,163	—	—
Series 2010E-1	75,275,000	17,663	85,000	104,432	—	123,572	—	128,462	—	—
Series 2010E-2	74,895,000	21,997	105,000	97,698	—	115,477	—	121,786	—	—
Series 2010F	124,640,000	28,980	—	171,296	—	190,434	—	192,729	—	—
Series 2010G	115,760,000	106,848	240,000	1,279,419	—	1,326,022	—	1,031,784	—	—
Series 2011A	—	7,296,000	—	7,296,000	—	6,100,267	—	—	—	—
Series 2011B	—	754,750	—	754,750	—	631,055	—	—	—	—
Series 2012A	—	8,876,250	—	8,900,906	—	591,750	—	—	—	—
Series 2012B	—	1,254,500	—	1,257,985	—	83,633	—	—	—	—
Series 2012C	2,230,000	70,750	—	126,852	—	8,433	—	—	—	—
Series 2012D	6,470,000	3,285,100	—	3,456,425	—	229,790	—	—	—	—
Series 2013A	—	1,494,922	—	—	—	—	—	—	—	—
Series 2013B	—	541,947	—	—	—	—	—	—	—	—
Series 2013C	—	880,323	—	—	—	—	—	—	—	—
Series 2014A	—	104,169	—	—	—	—	—	—	—	—
Series 2014B	—	619,958	—	—	—	—	—	—	—	—
Series 2014C		295,378	—	—	—	—	—	—	—	—
Installment Purchase Contracts	818,958	173,405	846,437	198,465	400,464	179,411	2,253,902	257,251	2,245,693	378,987
Willow Run Notes Payable:										
Washtenaw County	19,476	—	19,476	—	19,476	—	19,476		19,475	—
University of Michigan	—	—	401,148	24,251	7,543	32,682	3,038	37,186	8,144	32,081
Less: Bond Refundings [2]	(390,570,000)	—	—	—	(255,600,000)	—	(866,085,000)	—	—	—
Totals	$ 83,228,434	85,031,425	80,467,061	86,277,279	69,627,483	79,703,054	70,086,416	84,231,580	75,938,312	97,323,384

Airport Hotel

	2014		2013		2012		2011		2010	
	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
Airport Hotel Bonds:										
Series 2001A	$ —	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375
Series 2001B	1,645,000	294,305	1,480,000	401,060	1,200,000	494,860	980,000	566,905	765,000	624,908
Other Hotel Debt:										
Capital/FF&E Reserve Loan	—	—	2,922,147	93,522	439,308	253,040	405,640	286,708	374,553	317,796
Working Capital Loan	1,500,000	80,000	—	120,000	—	120,000	—	120,000	—	120,000
Totals	$ 3,145,000	5,463,680	4,402,147	5,703,957	1,639,308	5,957,275	1,385,640	6,062,988	1,139,553	6,152,079

[1] Interest does not include adjustments for capitalized interest, amortization of issuance costs, discount, premium, or refunding costs, and arbitrage.

[2] Amount of debt service paid through issuance of refunding bonds.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

Detroit Metropolitan and Willow Run Airports

2009		2008		2007		2006		2005	
Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
2,975,000	29,131	3,020,000	204,352	3,070,000	381,627	3,120,000	558,111	3,165,000	734,288
—	—	—	—	—	—	—	—	11,260,000	58,337
39,710,000	—	3,300,000	3,026,299	3,100,000	2,258,438	3,000,000	2,398,779	2,800,000	2,575,422
39,710,000	—	3,300,000	3,075,232	3,100,000	2,265,728	3,000,000	2,398,963	2,800,000	2,572,463
20,280,000	37,614,200	19,195,000	38,719,655	18,195,000	39,756,688	17,275,000	40,692,075	16,415,000	41,574,274
3,890,000	960,013	124,705,000	1,133,787	3,560,000	7,386,740	3,410,000	7,540,969	3,265,000	7,686,289
—	8,956,732	52,965,000	743,403	18,580,000	2,080,789	17,635,000	2,441,237	18,200,000	1,978,673
—	—	141,720,000	843,758	—	5,285,612	—	4,710,152	—	3,090,894
120,000	1,367,806	115,000	1,372,573	110,000	1,377,139	105,000	1,381,331	100,000	1,384,456
3,630,000	3,487,750	3,435,000	3,676,619	3,270,000	3,855,513	1,035,000	4,007,631	—	4,052,913
—	—	75,000,000	3,048,146	—	2,840,173	—	2,510,843		1,614,219
—	—	75,000,000	2,859,421	—	2,838,896	—	2,533,444	—	1,620,687
—	—	64,975,000	2,314,922		2,467,024	—	2,182,817	—	1,437,901
—		65,000,000	2,440,830	3,450,000	2,354,989	3,125,000	2,472,482	3,475,000	2,600,251
—	—	44,375,000	1,594,832	3,425,000	1,506,226	3,150,000	1,615,689	3,350,000	1,735,027
—	—	10,800,000	465,882	400,000	439,732	375,000	453,099	—	398,552
—	25,718,425	—	25,718,425	—	25,718,425	—	26,861,465	—	10,858,891
—	8,956,733	—	8,920,544	—	2,549,050	—	—	—	—
—	5,742,850	—	5,152,612	—	—	—	—	—	—
2,580,000	7,796,648	—	2,994,129	—	—	—	—	—	—
—	2,884,226		1,323,247	—	—	—	—	—	—
3,470,000	3,629,604	—	980,225	—	—	—	—	—	—
2,500,000	1,708,255	—	495,441	—	—	—	—	—	—
300,000	2,317,172	—	—	—	—	—	—	—	—
300,000	2,280,328	—	—	—	—	—	—	—	—
—	1,559	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
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—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
2,018,534	490,406	1,724,791	452,981	1,540,000	455,531	1,495,000	540,680	1,395,000	621,493
19,475	—	19,475	—	19,476		19,476		14,606	
5,492	34,733	7,162	33,064	5,352	34,872	3,931	36,294	3,460	36,767
(74,770,000)		(590,355,000)		—	—	—	—	(10,980,000)	—
46,738,501	113,976,571	98,301,428	111,590,379	61,824,828	105,853,192	56,748,407	105,336,061	55,263,066	86,631,797

Airport Hotel

2009		2008		2007		2006		2005	
Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
—	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375
590,000	669,745	210,000	701,590	135,000	713,440	100,000	721,190	—	726,190
345,848	346,501	319,342	373,006	223,341	361,738	—	482,131		358,049
	120,000	—	120,000	—	120,467	—	126,067	—	126,333
935,848	6,225,621	529,342	6,283,971	358,341	6,285,020	100,000	6,418,763	—	6,299,947

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-7

Revenue Coverage

(Unaudited)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Detroit Metro and Willow Run Airports										
Net revenues:										
Operating revenues	$ 306,800,927	$ 289,464,302	$ 291,026,902	$ 281,687,336	$ 270,267,951	$ 257,512,270	$ 259,215,375	$ 233,130,883	$ 222,468,787	$ 222,174,589
Interest income and other	2,789,211	2,026,745	1,798,471	3,354,863	4,992,574	7,143,858	28,101,968	46,264,411	42,905,863	19,469,004
Federal and state grants	1,029,619	1,353,122	1,378,911	1,326,034	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226
Passenger facility charges	62,016,364	61,705,013	62,134,255	62,197,495	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871
Total revenues	372,636,121	354,549,182	356,338,539	348,565,728	336,831,170	325,457,080	357,712,550	356,111,915	345,316,883	328,011,690
Less operating expenses, not including depreciation	(212,847,104)	(195,526,748)	(188,306,672)	(196,428,761)	(191,159,047)	(192,698,372)	(207,318,908)	(190,201,421)	(185,283,254)	(187,799,946)
Net revenues	159,789,017	159,022,434	168,031,867	152,136,967	145,672,123	132,758,708	150,393,642	165,910,494	160,033,629	140,211,744
Net debt service:										
Principal [3]	83,228,434	80,467,061	69,627,483	70,086,416	75,938,312	46,738,501	98,301,428	61,824,828	56,748,407	55,263,066
Interest [1]	85,031,425	86,277,279	79,703,054	84,231,580	97,323,384	105,019,840	111,590,379	105,853,192	105,336,061	86,631,797
Net debt service	168,259,859	166,744,340	149,330,537	154,317,996	173,261,696	151,758,341	209,891,807	167,678,020	162,084,468	141,894,863
Debt Service Coverage [2]	0.95	0.95	1.13	0.99	0.84	0.87	0.72	0.99	0.99	0.99
Pledged Revenue Coverage – Airport Hotel										
Net revenues:										
Operating revenues	32,922,844	29,301,463	27,611,922	29,372,498	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232
Interest income and other	19,747	21,538	43,320	35,351	29,015	166,383	501,266	638,695	433,711	226,206
Total revenues	32,942,591	29,323,001	27,655,242	29,407,849	26,857,951	23,413,175	31,997,846	34,021,127	30,968,915	29,439,438
Less operating expenses, not including depreciation	(23,063,942)	(21,064,105)	(20,888,610)	(22,640,620)	(20,029,041)	(18,690,037)	(23,058,755)	(24,054,050)	(22,272,550)	(22,119,060)
Net revenues	9,878,649	8,258,896	6,766,632	6,767,229	6,828,910	4,723,138	8,939,091	9,967,077	8,696,365	7,320,378
Net debt service:										
Principal	3,145,000	4,402,147	1,639,308	1,385,640	1,139,553	935,848	529,342	358,341	100,000	—
Interest [1]	5,463,680	5,703,957	5,957,275	6,062,988	6,152,079	6,225,621	6,283,971	6,285,020	6,418,763	6,299,947
Net debt service	8,608,680	10,106,104	7,596,583	7,448,628	7,291,632	7,161,469	6,813,313	6,643,361	6,518,763	6,299,947
Debt Service Coverage [2]	1.15	0.82	0.89	0.91	0.94	0.66	1.31	1.50	1.33	1.16
Combined net debt service:										
Principal	86,373,434	84,869,208	71,266,791	71,472,056	77,077,865	47,674,349	98,830,770	62,183,169	56,848,407	55,263,066
Interest [1]	90,495,105	91,981,236	85,660,329	90,294,568	103,475,463	111,245,461	117,874,350	112,138,212	111,754,824	92,931,744
Total combined net debt service	$ 176,868,539	$ 176,850,444	$ 156,927,120	$ 161,766,624	$ 180,553,328	$ 158,919,810	$ 216,705,120	$ 174,321,381	$ 168,603,231	$ 148,194,810

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

[1] Interest does not include adjustments for capitalized interest, amortization of issuance costs/ bond insurance premiums, discount, premium, refunding costs, or arbitrage.

[2] Coverage calculations presented in this schedule differ from those required by the Master Bond Ordinance and all series ordinances as shown in the Continuing Disclosures.

[3] Principal payments do not include bond refunding payoffs.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-8

Ratios of Outstanding Debt

(Unaudited)

Outstanding Debt per Enplaned Passenger	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Outstanding debt by type: [1]										
Airport revenue bonds	$ 2,116,145,000	$ 2,070,180,000	$ 2,149,380,000	$ 2,026,685,000	$ 2,121,835,000	$ 2,188,500,000	$ 2,231,195,000	$ 2,326,065,000	$ 2,205,935,000	$ 2,261,165,000
Installment purchase contracts	4,454,624	5,273,582	6,120,019	4,354,379	6,608,280	8,853,973	10,508,525	7,532,539	8,740,000	10,235,000
Willow Run notes payable	102,246	102,246	542,346	569,365	591,879	619,498	644,465	671,102	695,930	719,337
Airport hotel bonds	103,815,000	105,460,000	106,940,000	108,140,000	109,120,000	109,885,000	110,475,000	110,685,000	110,820,000	110,920,000
Other hotel debt	—	1,500,000	4,422,147	4,861,455	5,267,095	5,641,648	5,987,496	6,306,838	6,500,000	6,500,000
Total outstanding debt	$ 2,224,516,870	$ 2,182,515,828	$ 2,267,404,512	$ 2,144,610,199	$ 2,243,422,254	$ 2,313,500,119	$ 2,358,810,486	$ 2,451,260,479	$ 2,332,690,930	$ 2,389,539,337
Enplaned passengers	16,216,673	16,077,652	16,169,584	16,226,201	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282
Outstanding debt per enplaned passenger	$ 137.17	$ 135.75	$ 140.23	$ 132.17	$ 141.31	$ 145.13	$ 132.29	$ 135.37	$ 131.05	$ 130.67
Combined net debt service per enplaned passenger										
Combined net debt service [2]	$ 176,868,539	$ 176,850,444	$ 156,927,120	$ 161,766,624	$ 180,553,328	$ 158,919,810	$ 216,705,120	$ 174,321,381	$ 168,603,231	$ 148,194,810
Enplaned passengers	16,216,673	16,077,652	16,169,584	16,226,201	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282
Net debt service per enplaned passenger	$ 10.91	$ 11.00	$ 9.71	$ 9.97	$ 11.37	$ 9.97	$ 12.15	$ 9.63	$ 9.47	$ 8.10

[1] Outstanding Debt amounts do not include refundings, discounts, or premiums.

[2] Combined Net Debt Service does not include adjustments for capitalized interest, amortization of issuance costs/bond insurance premiums, discount, premium, refunding costs, or arbitrage.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-9

Authority Employees

(Unaudited)

	Authority Full-Time Positions *									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Administration	9	8	8	16	11	15	18	20	20	20
Internal Audit	3	3	3	3	2	2	3	3	3	2
Legal	5	5	5	5	5	5	7	7	7	7
North Terminal Development Team	—	—	—	—	—	—	4	6	6	5
Finance	33	32	31	34	35	31	36	37	37	36
Information Technology/Telecommunications	15	14	12	13	14	14	14	16	13	7
Procurement & Compliance	15	14	14	18	24	20	25	25	24	21
Human Resources	11	11	11	14	12	14	15	15	15	18
Maintenance/Facilities	199	194	192	206	204	203	223	228	228	238
Airfield Operations	40	39	40	44	44	44	47	47	46	49
Public Safety	204	203	204	209	207	207	247	248	241	270
Planning & Development	25	28	24	19	17	16	14	15	15	22
Business Development	37	32	33	34	35	37	52	56	54	44
Willow	11	11	11	11	11	11	27	27	27	23
Central Communications [1]	—	—	—	—	—	—	—	—	8	27
Totals	607	594	588	626	621	619	732	750	744	789

* Represents both filled and budget-approved full-time positions as of each fiscal year end. Headcount actuals are lower due to employee turnover and amount of available positions at different times during the year.

[1] As of 9/30/2007, staff were reallocated to other divisions at the Authority or returned to Wayne County.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

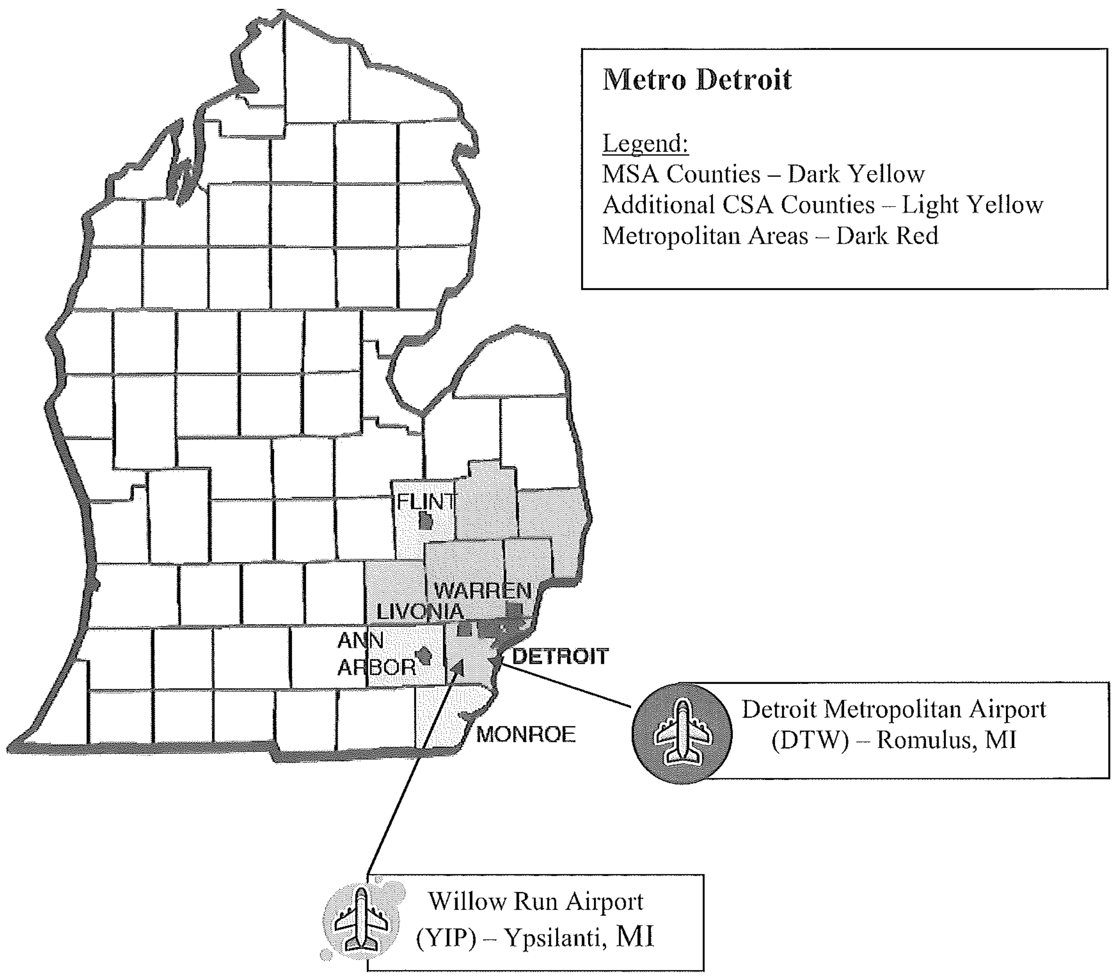
Exhibit S-10: Demographic and Economic Information

Wayne County Airport Authority (the Authority) is a regional entity that spans multiple jurisdictions. The Authority has operational jurisdiction of Detroit Metropolitan Wayne County Airport (DTW) and Willow Run Airport (YIP), as well as an Airport Hotel.

Detroit Metropolitan Wayne County Airport is a major commercial airport located in Romulus, Michigan classified a large hub by the FAA with 1% or more of total U.S. passengers enplaned. As of 2013, Detroit Metro Airport is the twelfth busiest airport in the United States and the eighteenth busiest airport in the world. Nearby to DTW is the smaller non-commercial airport, Willow Run, which serves freight, corporate, and general aviation clients. Together, these airports serve a Primary Air Trade Area commonly referred to as Metropolitan Detroit (Metro Detroit).

The United States Office of Management and Budget (OMB) defines the six counties of Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne the *Detroit-Warren-Livonia Metropolitan Statistical Area (MSA)*. Further, the larger OMB designated *Detroit-Warren-Flint Combined Statistical Area (CSA)* incorporates both the above MSA and the metropolitan areas of Flint, Ann Arbor, and Monroe. This area is defined based on commuting patterns and results in the nine-county labor market region of Metro Detroit with a population of 5.2 million as of the 2010 census.

Detroit Metro Airport also serves the Toledo, Ohio, area, which is located approximately 47 miles south of the airport, and the city of Windsor, Ontario in nearby Canada. The Total Air Trade Area incorporates these regions along with the Primary Air Trade Area of Metro Detroit.



WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 A

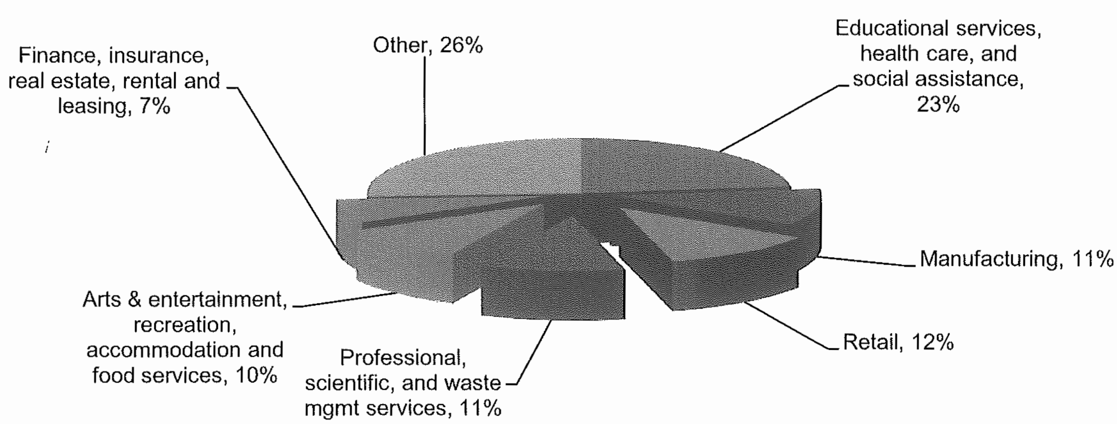
Selected Demographic and Economic Information for the Primary Air Trade Area

(Unaudited)

Population (2012) Est.	5,212,462
Population (2010)	5,218,852
Population (2000)	5,357,538
Population (1990)	5,095,695
Percentage Decrease in Population - 2010 to 2012	-0.1%
Percentage Female	51.5%
Percentage Male	48.5%
Personal Income (millions) (2013)	$219,412
Percent of U.S. Total	1.8%
Per Capita Personal Income (2013)	$42,887
Per Capita Personal Income (2013) - U.S.	$46,177
Unemployment Rate (2014 September)	8.1%
Unemployment Rate (2013 Annual)	9.4%
Unemployment Rate (2012 Annual)	10.3%
Total Households (millions)	2.0
Average Household Size (people)	2.5

Leading Industries

(% of employed population 16 years and older)



Sources: U.S. Census Bureau, U.S. Bureau of Economic Analysis, and Bureau of Labor Statistics

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 B

Principal Employers in Primary Air Trade Area

(Unaudited)

Employer	City	Metro Employees 2014 *		Metro Employees 2013 **	Percentage (%) change	Type of business
Ford Motor Co.	Dearborn	43,977	**	43,977	—%	Automobile Manufacturer
Chrysler L.L.C.	Auburn Hills	32,106		29,006	10.7%	Automobile Manufacturer
General Motors Corp.	Detroit	30,570		26,843	13.9%	Automobile Manufacturer
University of Michigan	Ann Arbor	29,855		29,551	1.0%	Public University & Health Care System
U.S. Government	Detroit	18,703		18,600	0.6%	Federal Government
Henry Ford Health System	Detroit	17,492		17,831	(1.9)%	Health Care System
Trinity Health	Livonia	14,341		14,062	2.0%	Health Care System
Beaumont Hospitals	Royal Oak	13,223		13,134	0.7%	Health Care System
Detroit Medical Center	Detroit	12,268		13,458	(8.8)%	Health Care System
Rock Ventures	Detroit	11,563		9,423	22.7%	Financial Services/Real Estate

* Data as of July 2014

** Data as of July 2013

Source: Crain's Detroit Business, December 29, 2014

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-11

Airport Information

(Unaudited)

Detroit Metropolitan Airport

Location:	20 miles southwest of Detroit in the city of Romulus			
Area:	7,383 acres			
Airport Code:	DTW			
Runways:	3R/21L 3L/21R 9R/27L 9L/27R 4R/22L 4L/22R			
Terminal:	McNamara Terminal Airlines	911,853	sq ft	(b)
	North Terminal Airlines	214,352	sq ft	(b)
	Tenants/Concessionaires	168,605	sq ft	(b)
	TSA/FIS	245,924	sq ft	(b)
	Public/Common	1,611,335	sq ft	(b)
	Number of In-Service Passenger Gates	147		
	Number of Concessionaires	32		(b)
	Number of Rental Car Agencies On-Airport	6		(b)
Airfield:	Runways	15,139,771	sq ft	(a)
	Taxiways	23,167,796	sq ft	(a)
	Aprons	20,921,962	sq ft	(a)
Parking:	Spaces Available:			
	McNamara Parking Structure	10,117		
	Big Blue Deck and Short-Term	5,842		
	Green Lot 1	1,670		
	Green Lot 2	900		
		18,529	spaces	
Cargo:	Cargo/Hangar Buildings	1,114,475	sq ft	(a)
International:	Customs/Immigration F.I.S. Facility			
Tower(s):	AIR TRAFFIC CONTROL TOWER 24/ 7/ 365 Wayne County Operations Control Towers 24/7/365			
FBOs:	ASIG (Aircraft Service International Group) Signature Flight Support			

(a) These totals have changed from the prior year due to physical inventory reconciliation and construction activity.
(b) These numbers changed from the prior year due to changes in agreements.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-12

Airport Information

(Unaudited)

Willow Run Airport

Location:	7 miles west of Detroit Metropolitan Airport bordering on Wayne and Washtenaw Counties			
Area:	2,360 acres			
Airport Code:	YIP			
Runways:	5L/23R 5R/23L 9/27 14/32			
Airfield:	Runways	5,286,425	sq ft	
	Taxiways	4,282,931	sq ft	
	Ramps/Aprons	5,093,764	sq ft	
Corporate/Private Space:	Hangar	354,500	sq ft	
	Tenants Other	100,900	sq ft	(a)
	T-Hangars (qty. 110)	44,800	sq ft	
	Number of Rental Car Agencies On-Airport	1		
Additional Space:	WCAA Admin, Maintenance, Ops, Public Safety	56,200	sq ft	
	Yankee Air Museum	53,400	sq ft	
	FAA	35,000	sq ft	
International:	U.S. Customs (user fee airport)			
Tower:	FAA 24/7			
FBOs:	Active Aero Service Avflight			

(a) These totals have increased from the prior year due to increased number of tenants and increased tenant usage.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

CONTINUING DISCLOSURE SECTION
(UNAUDITED)

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Documents Incorporated By Reference

Operating Years Ended September 30, 2014

Portions of the following documents are incorporated herein by reference into sections of the Comprehensive Annual Financial Report (CAFR) as indicated:

Document	Part of CAFR into which incorporated
Official Statement, $98,440,000 Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2014B-C	Continuing Disclosures

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #1

Debt Service Requirements and Coverage

Operating Year 2014

(Unaudited)

	Net revenues, revenue fund balance, and other available monies (thousands)	Total debt service requirements (thousands)	Debt service coverage	Airline cost per enplaned passenger
Senior Lien	$ 225,290	$ 157,187	1.43	$ 10.42
Total Senior Lien and Junior Lien	$ 225,290	$ 169,418	1.33	$ 10.42

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #2

Operation and Maintenance Expenses

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description		Historical				
		2014	2013	2012	2011	2010
Salaries and wages	$	46,661	41,975	43,159	44,225	43,166
Employee benefits		27,027	25,513	25,268	25,840	27,555
		73,688	67,488	68,427	70,065	70,721
Contractual services:						
Parking management		6,630	6,280	6,048	6,794	6,505
Security expenses		2,511	2,260	2,288	2,401	2,293
Janitorial services		11,792	11,383	11,480	11,143	10,972
Shuttle bus		6,123	6,501	8,098	8,750	8,495
Other services		24,352	18,394	16,456	19,228	14,025
Total contractual services		51,408	44,818	44,370	48,316	42,290
Wayne County administrative services		138	130	157	126	141
Repairs and maintenance		31,144	29,296	31,661	35,334	36,383
Supplies and other operating expenses		12,511	10,499	8,930	9,312	7,896
Insurance		2,200	2,298	2,370	2,294	2,532
Utilities		28,441	26,628	26,280	24,524	26,198
Rentals		718	705	699	665	679
Interest expense and paying agent fees		182	163	173	197	360
Capital expenses		3,371	3,647	3,898	7,444	2,774
		78,705	73,366	74,168	79,896	76,963
Total O&M expenses	$	203,801	185,672	186,965	198,277	189,974

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #3

Operating Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description		Historical 2014	2013	2012	2011	2010
Airline revenues:						
Rental and use fees:						
Terminal building rentals and fees	$	63,523	64,322	62,763	58,393	56,611
Common-use/shared-use area rentals		25,988	23,098	23,419	17,553	18,778
Debt service recapture		1,718	1,718	1,773	1,828	1,828
Facilities use fees		8,361	7,262	7,092	6,638	5,950
Less rental fee adjustment		(6,313)	(5,134)	(2,144)	(4,122)	(7,156)
Total rental and use fees		93,277	91,266	92,903	80,290	76,011
Activity fees:						
Signatory airlines		75,360	64,394	66,993	76,562	68,489
Nonsignatory airlines		1,393	953	1,236	1,688	1,505
Less rental fee adjustment		(973)	(425)	(1,510)	(9,776)	(343)
Total activity fees		75,780	64,922	66,719	68,474	69,651
Total airline revenues		169,057	156,188	159,622	148,764	145,662
Nonairline revenues:						
Concessions:						
Automobile parking		61,187	57,829	56,091	54,145	48,309
Rental car		21,909	20,160	19,626	18,984	17,273
Food and beverage		12,948	12,877	12,878	13,057	13,107
Retail		12,526	11,663	12,489	12,210	11,103
Marketing and communications		2,388	2,603	2,357	2,106	1,977
Other concessions		4,012	4,044	3,990	3,887	4,240
Total concessions		114,970	109,176	107,431	104,389	96,009
Rentals		2,975	2,612	2,255	2,761	3,454
Utility fees		4,904	5,152	4,790	4,879	4,332
Interest income		76	138	205	255	234
Ground transportation		5,453	5,095	4,883	4,944	4,739
Other (a)		7,186	8,971	9,437	13,197	10,080
Total nonairline revenues		135,564	131,144	129,001	130,425	118,848
Total operating revenues	$	304,621	287,332	288,623	279,189	264,510

(a) Includes shuttle bus revenue, badging fees, miscellaneous fees, chargebacks, and state and federal grants

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #4

Application of Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Priority			2014	2013	2012	2011	2010
	Revenues:						
	Airline revenues	$	169,057	156,188	159,622	148,764	145,662
	Nonairline revenues		135,564	131,144	129,001	130,425	118,848
	Interest income generated in bond funds and reserves		7,056	5,404	2,502	3,496	2,192
	Other available monies:						
	PFC contributions		62,443	62,838	65,538	87,576	99,207
	Capitalized interest contribution		12,131	12,621	2,657	438	1,846
	Other		1,933	4,201	1,894	1,943	1,064
	Total revenues	$	388,184	372,396	361,214	372,642	368,819
	Application of revenues:						
1	Operation and Maintenance Fund	$	210,219	191,715	192,475	202,456	194,014
2	Bond Fund		157,187	160,307	148,478	150,798	158,179
3	Junior Lien Bond Fund		12,231	12,239	12,271	11,719	8,957
4	Operation and Maintenance Reserve Fund		412	—	—	—	—
5	Renewal and Replacement Fund		500	500	500	500	500
6	County Discretionary Fund		350	350	350	350	350
7	Airport Development Fund		7,285	7,285	7,140	6,819	6,819
	Total application of revenues	$	388,184	372,396	361,214	372,642	368,819

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #5

Net Revenues and Debt Service Coverage

Operating year ending September 30, 2014

(In thousands of dollars, except as noted)

(Unaudited)

Revenues:			
Revenues		$	304,621
Revenue fund balance at beginning of year			59,456
Other available monies:			
PFC contributions			62,443
Other			1,933
Interest income generated in bond funds and reserves			7,056
Total revenues	[A]		435,509
Operation and maintenance expenses	[B]		210,219
Net revenues available for Sr. Lien debt service	[A - B] = [C]		225,290
Bond debt service - Senior Lien	[D]		157,187
Net revenues available for Jr. Lien debt service	[C - D] = [E]		68,103
Bond debt service - Junior Lien	[F]		12,231
Net revenues remaining in revenue fund			55,872
Debt service coverage:			
Senior Lien bonds	[C]/[D]		1.43
Senior Lien and Junior Lien bonds	[C]/[D + F]		1.33
Rate covenant elements:			
Operation and maintenance expenses		$	210,219
125% debt service – Bonds	[(1.25 x D) + F]		208,715
Other fund requirements			8,547
Total rate covenant elements		$	427,481

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #6

Historical Airline Passenger Enplanements

Operating years ending September 30

(Unaudited)

Operating year	Domestic	International	Total	Percent increase (decrease)
2014	14,751,873	1,464,800	16,216,673	0.9%
2013	14,665,317	1,412,335	16,077,652	(0.6)
2012	14,802,280	1,367,304	16,169,584	(0.3)
2011	14,912,532	1,313,669	16,226,201	2.2
2010	14,614,045	1,262,336	15,876,381	(0.4)

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #7

Historical Comparative Total Enplanements

Calendar years ending December 31

(Unaudited)

	Detroit Metro		United States		
Calendar year	Number of passengers	Percent increase (decrease)	Number of passengers	Percent increase (decrease)	Detroit as a percentage of U.S. total
2014	15,277,380	(1.5)%	699,590,354	0.4%	2.2%
2013	15,507,719	0.5	696,930,821	0.7	2.2
2012	15,424,226	(0.8)	692,369,957	0.7	2.2
2011	15,544,032	0.4	687,843,250	1.5	2.3
2010	15,483,222	(0.7)	677,624,234	(2.9)	2.3

Note: 2014 estimate based on six months of data; 2013 updated with final data

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Airport Activity Statistics of Certificated Route Air Carriers, Form 41, Schedule T3

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #8

Historical Airline Departures

Calendar years ending December 31

(Unaudited)

Calendar year	Departures by carrier type			Total departures	
	Majors	Nationals	Regionals	Total (a)	Percent increase (decrease)
2014	113,208	72,184	354	185,746	(9.2)%
2013	107,804	96,650	70	204,524	(0.6)
2012	76,944	126,245	2,586	205,775	(3.9)
2011	78,479	131,225	4,327	214,031	(1.8)
2010	107,976	101,613	8,455	218,044	4.7

(a) Total does not include departures by commuters or charters.

Note: 2014 estimate based on six months of data; 2013 updated with final data

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Airport Activity Statistics of Certificated Route Air Carriers, Form 41, Schedule T3

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #9

Historical Domestic Originations and Connections

Calendar years ending December 31

(Unaudited)

Calendar year	Domestic originations Number	Domestic originations Percent of total	Domestic connections Number	Domestic connections Percent of total
2014	6,809,532	47.1%	7,634,018	52.9%
2013	6,713,171	45.6	8,020,045	54.4
2012	6,743,905	45.9	7,964,675	54.1
2011	6,762,033	45.4	8,138,265	54.6
2010	6,566,987	44.1	8,310,099	55.9

Note: 2014 estimate based on six months of data; 2013 updated with final data

Source: U.S. Department of Transportation Origin and Destination Passenger Ticket Survey, 298c Commuter Data, Airport Activity Statistics of Certificated Route Air Carriers, and Wayne County Airport Authority records.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ending September 30

(Unaudited)

Airline	OY 2014 Enplaned passengers	OY 2014 Percent of market	OY 2013 Enplaned passengers	OY 2013 Percent of market	OY 2012 Enplaned passengers	OY 2012 Percent of market
Domestic:						
Alaska Airlines	3,927	—%	—	—%	—	—%
American (Envoy) (7)	169,854	1.2%	169,407	1.2%	162,633	1.1%
American (Republic)	38,329	0.3%	—	—%	—	—%
American Airlines	295,262	2.0	269,364	1.8	269,593	1.8
Delta/Northwest (ExpressJet) (1)(4)	1,098,157	7.5	978,390	6.7	885,230	6.0
Delta/Northwest (Chautauqua) (1)	560,376	3.8	448,754	3.1	217,573	1.5
Delta/Northwest (Comair) (1)	—	—	—	—	811,218	5.5
Delta/Northwest (Compass) (1)	207,036	1.4	175,829	1.2	241,508	1.6
Delta/Northwest (Freedom) (1)	—	—	—	—	—	—
Delta/Northwest (Mesaba Aviation) (1)	—	—	—	—	123,066	0.8
Delta/Northwest (Endeavor) (1), (6)	2,159,842	14.6	3,080,866	21.0	2,698,992	18.2
Delta/Northwest (Shuttle America) (1)	86,319	0.6	121,712	0.8	190,663	1.3
Delta/Northwest (SkyWest) (1)	251,177	1.7	91,610	0.6	85,570	0.6
Delta/Northwest (GoJet) (1)	160,650	1.1	87,296	0.6	73,634	0.5
Delta/Northwest Air Lines (1)	6,856,076	46.5	6,568,924	44.8	6,349,263	42.9
Frontier	98,958	0.7	80,496	0.5	125,186	0.8
JetBlue Airways	46,011	0.3	—	—	—	—
Southwest/AirTran Airlines (3)	828,595	5.6	832,772	5.7	842,732	5.7
Spirit Airlines	875,463	5.9	755,169	5.1	711,134	4.8
United/Continental (ExpressJet) (2) (4)	143,587	1.0	130,342	0.9	123,199	0.9
United/Continental (GoJet) (2)	40,249	0.3	44,311	0.3	34,532	0.2
United/Continental (Mesa) (2)	18,478	0.1	42,346	0.3	43,702	0.3
United/Continental (Shuttle America) (2)	70,345	0.5	60,856	0.4	63,163	0.4
United/Continental (SkyWest) (2)	31,384	0.2	58,464	0.4	43,592	0.3
United/Continental (TransStates) (2)	15,316	0.1	—	—	728	—
United/Continental (2)	78,956	0.5	70,789	0.5	128,634	0.9
US Airways	429,921	2.9	392,991	2.7	366,277	2.5
US Airways (Air Wisconsin)	57,178	0.4	63,752	0.4	71,394	0.5
US Airways (Chautauqua)	—	—	9,220	0.1	8,431	0.1
US Airways (Mesa)	29,246	0.2	26,173	0.2	37,154	0.2
US Airways (PSA)	5,492	—	6,519	—	10,716	0.1
US Airways (Republic)	92,224	0.6	96,509	0.7	80,347	0.5
USA 3000	—	—	—	—	—	—
Other (5)	3,465	—	2,456	—	2,416	—
Subtotal – Domestic	14,751,873	100.0%	14,665,317	100.0%	14,802,280	100.0%
International:						
Air Canada (Jazz)	7,976	0.6	9,706	0.7	6,423	0.5
Air Canada (Air Georgian)	13,277	0.9	7,450	0.5	8,464	0.6
Air France	73,512	5.0	77,751	5.5	82,675	6.0
Delta/Northwest (ExpressJet) (1)(4)	5,947	0.4	14,706	1.0	15,244	1.1
Delta/Northwest (Chautauqua) (1)	—	—	3,608	0.3	141	—
Delta/Northwest (Comair) (1)	—	—	—	—	—	—
Delta/Northwest (Compass) (1)	8,691	0.6	—	—	—	—
Delta/Northwest (Mesaba Aviation) (1)	—	—	—	—	—	—
Delta/Northwest (Endeavor) (1), (6)	—	—	2,175	0.2	18,094	1.3
Delta/Northwest Air Lines (1)	1,226,121	83.7	1,180,193	83.6	1,119,589	81.9
Lufthansa	77,650	5.3	66,977	4.7	64,854	4.7
Royal Jordanian Airlines	14,755	1.0	14,334	1.0	15,143	1.1
Southwest/AirTran Airlines (3)	12,255	0.8	11,120	0.8	10,295	0.8
Spirit	22,986	1.6	22,669	1.6	23,339	1.8
US Airways	1,256	0.1	1,302	0.1	1,459	0.1
Other (5)	374	—	344	—	1,584	0.1
Subtotal – International	1,464,800	100.0%	1,412,335	100.0%	1,367,304	100.0%
Total – All Markets	16,216,673		16,077,652		16,169,584	

(1) Northwest Airlines merged with and into Delta Airlines on December 31, 2009 and for comparative purposes, are shown as one in this report.

(2) Continental Airlines merged with and into United Airlines on October 1, 2010 and for comparative purposes, are shown as one in this report.

(3) Southwest Airlines acquired AirTran Airways on May 2, 2011 and for comparative purposes, are shown as one in this report.

(4) Atlantic Southeast Airlines acquired ExpressJet on November 22, 2011 and began operating as ExpressJet. For comparative purposes, entities are shown as one in this report.

(5) Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2014.

(6) Effective August 1, 2013, Pinnacle Airlines changed its legal name to Endeavor Air.

(7) American Eagle Airlines was rebranded as Envoy Air on April 15, 2014, and for comparative purposes all American Eagle data has been combined with Envoy Air in this report.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ending September 30

(Unaudited)

Airline	OY 2011 Enplaned passengers	OY 2011 Percent of market	OY 2010 Enplaned passengers	OY 2010 Percent of market
Domestic:				
Alaska Airlines	—	—%	—	—%
American (Envoy) [7]	154,136	1.1	161,692	1.1
American (Republic)	—	—	—	—
American Airlines	275,990	1.9	284,813	1.9
Delta/Northwest (ExpressJet) [1][4]	650,836	4.4	83,690	0.6
Delta/Northwest (Chautauqua) [1]	168,194	1.1	95,086	0.7
Delta/Northwest (Comair) [1]	945,095	6.3	540,781	3.7
Delta/Northwest (Compass) [1]	312,578	2.1	340,262	2.3
Delta/Northwest (Freedom) [1]	—	—	191,445	1.3
Delta/Northwest (Mesaba Aviation) [1]	721,808	4.9	949,610	6.5
Delta/Northwest (Endeavor) [1], [6]	2,254,208	15.1	2,186,627	15.0
Delta/Northwest (Shuttle America) [1]	85,863	0.6	4,462	—
Delta/Northwest (SkyWest) [1]	4,058	—	—	—
Delta/Northwest (GoJet) [1]	—	—	—	—
Delta/Northwest Air Lines [1]	6,651,576	44.6	7,328,799	50.2
Frontier	140,291	0.9	117,044	0.8
JetBlue Airways	—	—	—	—
Southwest/AirTran Airlines [3]	813,744	5.5	755,276	5.2
Spirit Airlines	703,335	4.7	558,596	3.8
United/Continental (ExpressJet) [2][4]	112,402	0.8	118,001	0.8
United/Continental (GoJet) [2]	57,089	0.4	66,206	0.5
United/Continental (Mesa) [2]	19,733	0.1	29,999	0.2
United/Continental (Shuttle America) [2]	30,401	0.2	—	—
United/Continental (SkyWest) [2]	29,789	0.2	68,400	0.5
United/Continental (TransStates) [2]	16,380	0.1	16,133	0.1
United/Continental [2]	195,711	1.3	186,520	1.2
US Airways	340,664	2.3	303,451	2.1
US Airways (Air Wisconsin)	81,860	0.5	76,414	0.5
US Airways (Chautauqua)	7,948	0.1	3,881	—
US Airways (Mesa)	19,074	0.1	22,387	0.2
US Airways (PSA)	5,990	—	5,860	—
US Airways (Republic)	111,361	0.7	112,838	0.8
USA 3000	153	—	2,226	—
Other [5]	2,265	—	3,546	—
Subtotal – Domestic	14,912,532	100.0%	14,614,045	100.0%
International:				
Air Canada (Jazz)	7,132	0.5	6,875	0.5
Air Canada (Air Georgian)	5,208	0.4	—	—
Air France	76,568	5.8	70,685	5.6
Delta/Northwest (ExpressJet) [1][4]	2,534	0.2	—	—
Delta/Northwest (Chautauqua) [1]	—	—	—	—
Delta/Northwest (Comair) [1]	—	—	20,851	1.7
Delta/Northwest (Compass) [1]	—	—	13,301	1.1
Delta/Northwest (Mesaba Aviation) [1]	67	—	19,583	1.6
Delta/Northwest (Endeavor) [1], [6]	44,711	3.4	97,518	7.7
Delta/Northwest Air Lines [1]	1,065,984	81.1	921,973	73.0
Lufthansa	67,952	5.2	65,568	5.2
Royal Jordanian Airlines	14,051	1.1	15,258	1.2
Southwest/AirTran Airlines [3]	11,436	0.9	5,849	0.5
Spirit	15,579	1.2	12,274	1.0
US Airways	1,493	0.1	1,997	0.1
Other [5]	954	0.1	10,604	0.8
Subtotal – International	1,313,669	100.0%	1,262,336	100.0%
Total – All Markets	16,226,201		15,876,381	

[1] Northwest Airlines merged with and into Delta Airlines on December 31, 2009 and for comparative purposes, are shown as one in this report.

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[3] Southwest Airlines acquired AirTran Airways on May 2, 2011 and for comparative purposes, are shown as one in this report.

[4] Atlantic Southeast Airlines acquired ExpressJet on November 22, 2011 and began operating as ExpressJet. For comparative purposes, entities are shown as one in this report.
as one in this report.

[5] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2014.

[6] Effective August 1, 2013, Pinnacle Airlines changed its legal name to Endeavor Air.

[7] American Eagle Airlines was rebranded as Envoy Air on April 15, 2014, and for comparative purposes all American Eagle data has been combined with Envoy Air in this report.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #11

Historical Airline Cargo

Operating years ending September 30

(Unaudited)

	Cargo by type (metric tons)				Total Cargo	
Operating	Freight and Express (a)		Mail		Total	Percent increase
year	Enplaned	Deplaned	Enplaned	Deplaned	Cargo	(decrease)
2014	85,475	107,634	8,543	7,187	208,839	(3.0)%
2013	85,072	114,892	8,965	6,434	215,363	(1.0)
2012	84,018	120,091	8,267	4,998	217,374	5.3
2011	77,756	117,993	6,973	3,623	206,345	11.6
2010	71,409	105,269	4,950	3,306	184,934	14.6

(a) Includes small packages

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating years ending September 30

(Unaudited)

	OY 2014		OY 2013		OY 2012	
Airline	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**
Air Canada (Jazz)	13,916	0.1%	19,403	0.1%	12,919	0.1%
Air Canada (Air Georgian)	16,600	0.1	10,790	0.1	12,218	0.1
Air France	136,291	0.7	142,397	0.7	146,639	0.7
Alaska Airlines	4,199	—	—	—	—	—
American (Envoy) (7)	209,816	1.0	207,170	1.0	195,133	0.9
American (Republic)	45,799	0.2	—	—	—	—
American Airlines	322,416	1.6	310,887	1.5	300,395	1.5
Delta/Northwest (ExpressJet) (1)(4)	1,351,443	6.6	1,260,108	6.1	1,110,252	5.4
Delta/Northwest (Chautauqua) (1)	564,145	2.8	467,713	2.3	217,005	1.0
Delta/Northwest (Comair) (1)	—	—	—	—	942,080	4.6
Delta/Northwest (Compass) (1)	252,328	1.3	225,942	1.1	288,096	1.4
Delta/Northwest (Freedom) (1)	—	—	—	—	—	—
Delta/Northwest (GoJet) (1)	190,615	0.9	105,190	0.5	89,311	0.4
Delta/Northwest (Mesaba Aviation) (1)	—	—	—	—	144,408	0.7
Delta/Northwest (Endeavor) (1), (6)	2,523,978	12.4	3,661,163	17.7	3,237,417	15.7
Delta/Northwest (Shuttle America) (1)	97,562	0.5	139,035	0.7	221,668	1.1
Delta/Northwest (SkyWest) (1)	294,404	1.5	115,235	0.6	94,263	0.5
Delta/Northwest Air Lines (1)	10,273,955	50.4	10,051,320	48.7	9,655,644	46.9
Federal Express	493,528	2.4	446,450	2.2	461,450	2.2
Frontier	105,448	0.5	84,124	0.4	124,080	0.6
JetBlue Airways	58,298	0.3	—	—	—	—
Lufthansa	180,296	0.9	153,106	0.7	146,790	0.7
Lufthansa Cargo	17,657	0.1	52,480	0.3	31,390	0.2
Royal Jordanian Airlines	40,645	0.2	42,452	0.2	40,244	0.2
Southwest/AirTran Airlines (3)	904,127	4.4	969,194	4.7	942,596	4.6
Spirit Airlines	886,234	4.3	765,188	3.7	749,026	3.6
United/Continental (ExpressJet) (2) (4)	147,800	0.7	139,629	0.7	133,100	0.6
United/Continental (GoJet) (2)	45,091	0.2	51,389	0.2	39,329	0.2
United/Continental (Mesa) (2)	23,919	0.1	51,657	0.2	50,987	0.2
United/Continental (Shuttle America) (2)	86,919	0.4	80,628	0.4	93,208	0.4
United/Continental (SkyWest) (2)	33,738	0.2	65,129	0.3	50,850	0.3
United/Continental (TransStates) (2)	15,871	0.1	—	—	681	—
United/Continental (2)	100,958	0.5	95,890	0.5	166,107	0.8
United Parcel Service	170,445	0.8	167,762	0.8	168,483	0.8
US Airways	519,734	2.6	474,744	2.3	454,827	2.2
US Airways (Air Wisconsin)	69,466	0.3	77,597	0.4	85,634	0.4
US Airways (Chautauqua)	—	—	10,935	0.1	9,233	—
US Airways (Colgan)	—	—	—	—	—	—
US Airways (Mesa)	29,594	0.2	27,342	0.1	38,514	0.2
US Airways (Mesaba)	—	—	—	—	—	—
US Airways (PSA)	6,025	—	7,744	—	12,186	0.1
US Airways (Republic)	107,669	0.5	107,113	0.5	93,946	0.5
USA 3000	—	—	—	—	—	—
Other (5)	41,772	0.2	41,955	0.2	48,242	0.2
Total	20,382,701	100.0%	20,628,861	100.0%	20,608,351	100.0%

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(3) Southwest Airlines acquired AirTran Airways on May 2, 2011 and for comparative purposes, are shown as one in this report.

(4) Atlantic Southeast Airlines acquired ExpressJet on November 22, 2011 and began operating as ExpressJet. For comparative purposes, entities are shown as one in this report.

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(6) Effective August 1, 2013, Pinnacle Airlines changed its legal name to Endeavor Air.

(7) American Eagle Airlines was rebranded as Envoy Air on April 15, 2014, and for comparative purposes all American Eagle data has been combined with Envoy Air in this report.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating years ending September 30

(Unaudited)

	OY 2011		OY 2010	
Airline	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**
Air Canada (Jazz)	13,594	0.1%	14,506	0.1%
Air Canada (Air Georgian)	6,740	—	—	—
Air France	146,476	0.7	138,582	0.7
Alaska Airlines	—	—	—	—
American (Envoy) [7]	180,815	0.9	193,235	1.0
American (Republic)	—	—	—	—
American Airlines	318,885	1.5	312,306	1.5
Delta/Northwest (ExpressJet) [1][4]	795,381	3.8	104,058	0.5
Delta/Northwest (Chautauqua) [1]	169,065	0.8	94,308	0.4
Delta/Northwest (Comair) [1]	1,115,580	5.3	669,929	3.3
Delta/Northwest (Compass) [1]	371,436	1.8	438,616	2.2
Delta/Northwest (Freedom) [1]	—	—	196,138	1.0
Delta/Northwest (GoJet) [1]	—	—	—	—
Delta/Northwest (Mesaba Aviation) [1]	872,731	4.2	1,202,839	6.0
Delta/Northwest (Endeavor) [1, 6]	2,743,336	13.1	2,817,713	14.0
Delta/Northwest (Shuttle America) [1]	97,147	0.5	5,238	—
Delta/Northwest (SkyWest) [1]	4,136	—	—	—
Delta/Northwest Air Lines [1]	10,153,495	48.6	10,369,432	51.4
Federal Express	409,567	2.0	361,807	1.8
Frontier	143,844	0.7	126,776	0.6
JetBlue Airways	—	—	—	—
Lufthansa	147,477	0.7	142,243	0.7
Lufthansa Cargo	—	—	—	—
Royal Jordanian Airlines	40,698	0.2	41,097	0.2
Southwest/AirTran Airlines [3]	973,682	4.7	894,080	4.4
Spirit Airlines	752,623	3.6	637,083	3.2
United/Continental (ExpressJet) [2][4]	126,613	0.5	128,840	0.7
United/Continental (GoJet) [2]	66,531	0.3	79,931	0.4
United/Continental (Mesa) [2]	22,981	0.1	34,400	0.2
United/Continental (Shuttle America) [2]	59,511	0.3	—	—
United/Continental (SkyWest) [2]	35,451	0.1	75,208	0.4
United/Continental (TransStates) [2]	18,424	0.1	19,147	0.1
United/Continental [2]	242,335	1.2	238,808	1.2
United Parcel Service	171,832	0.8	171,234	0.8
US Airways	422,444	2.0	380,154	1.9
US Airways (Air Wisconsin)	97,431	0.5	87,467	0.4
US Airways (Chautauqua)	9,276	—	4,255	—
US Airways (Colgan)	86	—	—	—
US Airways (Mesa)	19,845	0.1	21,536	0.1
US Airways (Mesaba)	285	—	—	—
US Airways (PSA)	7,110	—	6,655	—
US Airways (Republic)	112,275	0.5	116,510	0.6
USA 3000	437	—	13,357	0.1
Other [5]	54,138	0.3	29,777	0.1
Total	20,923,713	100.0%	20,167,265	100.0%

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[3] Southwest Airlines acquired AirTran Airways on May 2, 2011 and for comparative purposes, are shown as one in this report.

[4] Atlantic Southeast Airlines acquired ExpressJet on November 22, 2011 and began operating as ExpressJet. For comparative purposes, entities are shown as one in this report.

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[7] American Eagle Airlines was rebranded as Envoy Air on April 15, 2014, and for comparative purposes all American Eagle data has been combined with Envoy Air in this report.

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #13

Historical Aircraft Operations

Operating years ending September 30

(Unaudited)

Operating year	Operations by class of carrier: Air carrier	Air taxi and commuter	General aviation	Military	Total operations: Total	Percent increase (decrease)
2014	237,863	155,405	6,511	117	399,896	(6.0)%
2013	228,398	191,274	5,855	96	425,623	(1.6)
2012	208,358	217,951	6,127	247	432,683	(3.2)
2011	191,893	248,390	6,662	100	447,045	0.3
2010	195,916	242,697	6,777	110	445,500	1.9

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #14

Historical Aviation Demand Statistics

Operating years ending September 30

(Unaudited)

	Historical				
	2014	2013	2012	2011	2010
Enplaned passengers:					
Domestic:					
Scheduled:					
Originating (a)	6,953,259	6,681,114	6,785,759	6,766,488	6,448,329
Connecting (a)	7,795,149	7,981,747	8,014,105	8,143,626	8,159,944
Subtotal – scheduled	14,748,408	14,662,861	14,799,864	14,910,114	14,608,273
Percentage connecting	52.9%	54.4%	54.1%	54.6%	55.9%
Charter	3,465	2,456	2,416	2,418	5,772
Subtotal – domestic	14,751,873	14,665,317	14,802,280	14,912,532	14,614,045
International:					
Scheduled:					
U.S. airlines	1,277,256	1,235,773	1,188,161	1,141,804	1,093,595
Foreign flag	187,170	176,218	177,559	170,911	158,386
Subtotal – scheduled	1,464,426	1,411,991	1,365,720	1,312,715	1,251,981
Charter	374	344	1,584	954	10,355
Subtotal – international	1,464,800	1,412,335	1,367,304	1,313,669	1,262,336
Total enplaned passengers	16,216,673	16,077,652	16,169,584	16,226,201	15,876,381
Enplaned cargo (tons):					
Freight	85,475	85,072	84,018	77,756	71,409
Mail	8,543	8,965	8,267	6,973	4,950
Total cargo	94,018	94,037	92,285	84,729	76,359
Aircraft departures (b):					
Domestic	180,485	193,214	196,728	203,769	202,934
International	13,225	13,222	13,664	13,481	13,215
Total aircraft departures	193,710	206,436	210,392	217,250	216,149
Aircraft operations:					
Air carrier	237,863	228,398	208,358	191,893	195,916
Air taxi and commuter	155,405	191,274	217,951	248,390	242,697
General aviation	6,511	5,855	6,127	6,662	6,777
Military	117	96	247	100	110
Total aircraft operations	399,896	425,623	432,683	447,045	445,500
Landed weight (1,000-pound units):					
Passenger:					
U.S. carriers:					
Major/national	13,175,369	12,752,997	12,397,260	13,010,737	12,977,875
Commuter/regional	6,102,680	6,803,630	7,147,300	6,925,445	6,296,021
Subtotal – U.S. carriers	19,278,049	19,556,627	19,544,560	19,936,182	19,273,896
Foreign flag	387,749	368,149	358,810	354,984	336,429
Subtotal – passenger	19,665,798	19,924,776	19,903,370	20,291,166	19,610,325
All cargo	716,903	704,085	704,981	632,547	556,940
Total landed weight	20,382,701	20,628,861	20,608,351	20,923,713	20,167,265

(a) 2014 originating and connecting activity statistics are estimated based on calendar-year percentages.

(b) 2014 departures are estimated based on both actual and scheduled data.

Sources: Wayne County Airport Authority records, U.S. Department of Transportation data, and the OAG Aviation Database.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #15

Nonstop International Destinations Added and Dropped

Calendar years ending December 31

(Unaudited)

Year	Cities added	Cities dropped	Net change
2014		Quebec City, Canada	(1)
2013		Hong Kong, China Tokyo (Haneda), Japan	(2)
2012		London, Canada	(1)
2011	Beijing, China Tokyo (Haneda), Japan		2
2010	Sao Paulo, Brazil Hong Kong, China Seoul, Rep of Korea	Osaka, Japan London (Gatwick), England Kitchener/Waterloo, Canada Winnipeg (Manitoba), Canada Charlottetown, Canada	(2)

Notes: Data reflects new and discontinued nonstop international destinations served from DTW during the entire calendar year.

Source: OAG Aviation Database

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #16

Historical Operating Results

Operating Years Ended September 30

(Unaudited)

		OY 2014	OY 2013	OY 2012	OY 2011	OY 2010
Operating revenues:						
Airport landing and related fees	$	75,780	64,922	66,719	68,473	69,652
Concession fees		54,162	51,697	51,689	50,576	47,975
Parking fees		61,187	57,829	56,092	54,145	48,309
Rental facilities		103,737	101,474	105,251	93,866	89,671
Utility service fees		4,904	5,152	4,790	4,879	4,332
Other		4,098	5,431	3,027	5,716	6,935
Total operating revenues		303,868	286,505	287,568	277,655	266,874
Operating expenses:						
Salaries, wages, and fringe benefits		79,026	71,656	68,848	70,218	68,799
Parking management		6,630	6,280	6,048	6,794	6,505
Janitorial services		11,792	11,383	11,480	11,143	10,972
Security		2,511	2,260	2,288	2,402	2,293
Utilities		28,089	26,274	25,882	24,145	25,789
Repairs, professional services, and other		79,781	73,563	69,340	76,770	72,172
Depreciation		134,938	133,335	134,891	134,660	136,688
Total operating expenses		342,767	324,751	318,777	326,132	323,218
Operating loss		(38,899)	(38,246)	(31,209)	(48,477)	(56,344)
Nonoperating revenues (expenses):						
Passenger facility charges		62,016	61,705	62,134	62,197	60,306
Federal and state grants		1,030	1,353	1,379	1,185	1,231
Interest income and other		1,646	1,622	1,783	3,340	4,948
Interest expense and other		(79,307)	(82,461)	(81,961)	(85,322)	(99,602)
Amortization of bond insurance premiums		(352)	—	—	—	—
Amortization of bond issuance costs		—	(1,663)	(1,722)	(1,583)	(1,837)
Total nonoperating expenses		(14,967)	(19,444)	(18,387)	(20,183)	(34,954)
Net loss before capital contributions and transfers		(53,866)	(57,690)	(49,596)	(68,660)	(91,298)
Capital contributions		15,026	27,395	25,208	15,875	25,869
Transfers out		(5,249)	(5,846)	(357)	(1,252)	(1,490)
Changes in net position		(44,089)	(36,141)	(24,745)	(54,037)	(66,919)
Net position – beginning of year		389,061 [1]	435,196	459,941	513,978	580,897 [2]
Net position – end of year	$	344,972	399,055	435,196	459,941	513,978

[1] In 2014, Detroit Metro Airport restated beginning net position to $389,061 (see Note 2 of 2014 financial statements for additional discussion). This amount less the 2014 decrease in net position is used to arrive at ending net position.

[2] In 2010, Detroit Metro Airport restated beginning net position to $580,897 (see Note 2 of 2010 financial statements for additional discussion). This amount less the 2010 decrease in net position is used to arrive at ending net position.

Source: Audited Financial Statements of the Wayne County Airport Authority.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #17

Top 20 Domestic O&D Markets

Calendar year ended December 31, 2013

(Unaudited)

Rank	Market	Total O&D Passengers	Percentage of O&D Passengers	Primary Carrier	Market Share	Secondary Carrier	Market Share	Non-Stop Service
1	New York	975	7.3%	Delta	54.5%	Spirit	19.4%	●
2	Florida South	746	5.6%	Delta	61.3%	Spirit	25.7%	●
3	Orlando	744	5.5%	Delta	59.1%	Spirit	23.7%	●
4	Las Vegas	718	5.3%	Delta	49.4%	Spirit	35.9%	●
5	Los Angeles	678	5.0%	Delta	59.3%	Southwest	13.3%	●
6	Washington D.C.	676	5.0%	Delta	68.0%	Southwest	21.4%	●
7	Chicago	509	3.8%	Delta	50.5%	Southwest	21.0%	●
8	Atlanta	470	3.5%	Delta	71.1%	Southwest	23.4%	●
9	Tampa	459	3.4%	Delta	63.8%	Spirit	22.0%	●
10	Dallas	421	3.1%	Delta	36.8%	American	33.3%	●
11	San Francisco	418	3.1%	Delta	67.7%	Southwest	12.7%	●
12	Denver	415	3.1%	Delta	37.3%	Spirit	21.0%	●
13	Fort Myers	412	3.1%	Delta	64.6%	Spirit	26.5%	●
14	Phoenix	388	2.9%	Delta	49.2%	US Airways	23.2%	●
15	Houston	259	1.9%	Delta	37.8%	United	25.1%	●
16	Boston	253	1.9%	Delta	73.1%	US Airways	19.0%	●
17	Nashville	234	1.7%	Delta	66.2%	Southwest	31.2%	●
18	Seattle	207	1.5%	Delta	75.4%	Southwest	8.7%	●
19	San Diego	198	1.5%	Delta	61.6%	Southwest	18.2%	●
20	Philadelphia	198	1.5%	Delta	52.5%	US Airways	42.9%	●
Other O&D Markets		4,049	30.2%					
Domestic O&D Passengers		13,426						
O&D % of Domestic Passengers		47%						

Note: Figures may not add due to rounding

Source: Wayne County Airport Authority records; U.S. Department of Transportation, Origin & Destination Survey of Airline Passenger Traffic, Domestic

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #18

Top 20 International O&D Markets

Calendar year ended December 31, 2013

(Unaudited)

Rank	Market	Total O&D Passengers	Non-Stop Service
1	Cancun	88,507	●
2	London (Heathrow)	38,907	●
3	Nagoya	35,925	●
4	Shanghai	33,915	●
5	Mexico City	33,302	●
6	Frankfurt	31,423	●
7	Punta Cana	25,941	●
8	Tokyo	25,537	●
9	Montego Bay	24,548	●
10	Seoul	20,879	●
11	Paris	20,581	●
12	Sao Paulo	20,080	●
13	Monterrey	17,923	●
14	Rome	16,761	●
15	Beijing	16,761	●
16	Amsterdam	16,152	●
17	Los Cabos	15,406	●
18	Vancouver	13,858	●
19	Nassau	12,736	●
20	Aruba	11,026	

Source: US DOT Origin & Destination Survey of Airline Passenger Traffic, and the Diio Mi Database

See accompanying independent auditor's report.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE AND THE SERIES 2015 ORDINANCE

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SUMMARY OF CERTAIN PROVISIONS OF THE MASTER BOND ORDINANCE AND THE SERIES 2015 ORDINANCE

The following is a summary of certain provisions of the Master Bond Ordinance and the Series 2015 Ordinance. This summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to and subject to the provisions of the complete Master Bond Ordinance and the Series 2015 Ordinance. Capitalized terms used herein have the meanings established in the Master Bond Ordinance and the Series 2015 Ordinance, as more particularly described herein; see "Selected Definitions" from the "Master Bond Ordinance" and "Selected Definitions" from the "Series 2015 Ordinance" sections below. This summary should be read in conjunction with the description of the Series 2015D-G Bonds and the Master Bond Ordinance in the Official Statement, particularly the sections entitled "SECURITY FOR THE SERIES 2015D-G BONDS," and "DESCRIPTION OF THE SERIES 2015D-G BONDS."

MASTER BOND ORDINANCE

The Wayne County Airport Authority, State of Michigan (the "Authority") has adopted the Master Bond Ordinance to provide for the acquisition and construction of capital improvements (the "Capital Improvement Program") at the Detroit Metropolitan Wayne County Airport (the "Airport").

The Master Bond Ordinance contemplates and authorizes the issuance of several Series of Bonds or Junior Lien Bonds through adoption of a Series Ordinance, authorizing the issuance and sale of each such Series of Bonds or Junior Lien Bonds in accordance with the provisions of the Master Bond Ordinance and amending and supplementing the Master Bond Ordinance. In addition, the Master Bond Ordinance contains certain requirements which must be met prior to the issuance of such additional Series of Bonds. See "SECURITY FOR THE SERIES 2015D-G BONDS — Additional Senior Lien Bonds" and "— Junior Lien Bonds."

Selected Definitions

The following are definitions of certain of the terms used in the Master Bond Ordinance. The words and terms used in the Master Bond Ordinance shall have the following meanings, unless some other meaning is plainly intended and shall be either singular or plural, as the context may require.

"Accountant" means an independent certified public accountant or a firm of independent certified public accountants having a favorable reputation for skill in performing similar duties to the duties imposed on the Accountant under the Master Bond Ordinance selected by the Authority Board from recommendations made by the Audit Committee as provided in Act 90.

"Act 90" means Act 90, Public Acts of Michigan, 2002.

"Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.

"Act 34" means Act 34, Public Acts of Michigan, 2001, as amended.

"Act 327" or *"Aeronautics Code"* means Act 327, Public Acts of Michigan, 1945, as amended.

"Additional Bonds" means airport revenue bonds of equal standing with the Bonds, issued under and in accordance with the Master Bond Ordinance for the purposes set forth in Section 208 of the Master Bond Ordinance.

"Airport" means the entire Detroit Metropolitan Wayne County Airport, including all of its properties, real, personal or mixed, all buildings and all other improvements, additions or extensions thereto located thereon or appurtenant thereto, now existing or hereafter acquired.

"Airport Consultant" means any professionally qualified person, firm or corporation recognized in the air transportation industry and of favorable reputation for skill and experience in performing the duties of providing consulting services to airport operators at airports comparable in size and function to the Airport.

"Airport Development Fund" means the fund created pursuant to Section 501G of the Master Bond Ordinance.

"Airport Discretionary Fund" means the fund created by Section 501F of the Master Bond Ordinance.

"Authority" means the Wayne County Airport Authority created by Act 90.

"Authority Board" means the governing body of the Authority.

"Authorized Officer" means the Chief Executive Officer, the Chief Financial Officer, or officer designated by the Authority Board for the Authority or the designee of any of them.

"Bonds" means any bond or Series of bonds, established and created by the Authority under Section 202A of the Master Bond Ordinance and issued pursuant to a Series Ordinance, and Reimbursement Obligations of equal standing with the Bonds established and created by a Series Ordinance.

"Bond Counsel" means any nationally recognized bond counsel acceptable to the Trustee and the Authority.

"Bond Fund" means the fund created pursuant to Section 501B of the Master Bond Ordinance.

"Bond Payment Date" means any of the dates specified in a Series Ordinance for payment of interest, or interest and principal on the Bonds or Junior Lien Bonds.

"Bond Reserve Account" means the account in the Bond Fund created pursuant to Section 501B of the Master Bond Ordinance.

"Bondholder" or any similar term means any person or party who shall be the registered owner of any Bond or Junior Lien Bond.

"Capital Improvement Program" means the ongoing program of capital improvements at the Airports, as approved by the County prior to August 9, 2002, or since that date by the Authority as the successor to the County, as the same may be modified from time to time by the Authority.

"Chief Executive Officer" means the Chief Executive Officer of the Authority.

"Chief Financial Officer" means the Chief Financial Officer of the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations, rulings and court decisions thereunder, as the context may require.

"Completion Date" means the date on which the acquisition, construction and installation of the portion of the Capital Improvement Program to be financed with the proceeds of a particular Series of Bonds or Junior Lien Bonds is complete, as evidenced by the filing of a Completion Certificate with the Trustee.

"Construction Fund" means the fund created pursuant to Section 401 of the Master Bond Ordinance.

"Consulting Architect or Engineer" means an independent architect or engineer or firm of professional architects or engineers, registered pursuant to the laws of the State of Michigan, from time to time selected by the Authority in accordance with its procurement policy and Act 90 to design or supervise the design and oversee the construction and installation of the Capital Improvement Program or components of the Capital Improvement Program.

"County" means the Charter County of Wayne, State of Michigan.

"Credit Entity" means with respect to a Series of Bonds or Junior Lien Bonds or a maturity of such Series a commercial bank, a bond insurance company, any other financial institution or combination of such financial institutions or governmental entity which issues a Credit Facility for such Series of Bonds or Junior Lien Bonds or

maturities but only while such Credit Facility is outstanding or Reimbursement Obligations or Junior Lien Reimbursement Obligations or other amounts are outstanding under any written agreement with a Credit Entity pursuant to which a Credit Facility is issued.

"Credit Facility" means one or more credit facilities with respect to a Series of Bonds or Junior Lien Bonds or maturity of such Series consisting of an irrevocable and unconditional letter of credit, line of credit, bond purchase agreement, municipal bond insurance policy, surety bond or other credit enhancement facility issued by a Credit Entity as described in Section 213 of the Master Bond Ordinance to provide moneys for the purpose of paying the principal (whether upon tender or upon maturity or redemption) of and the interest on such Series of Bonds or Junior Lien Bonds but only while such Credit Facility is outstanding.

"Debt Service" means the amount scheduled to become due and payable annually on all Outstanding Bonds and Junior Lien Bonds as (i) interest, exclusive of interest capitalized on such Outstanding Bonds and Junior Lien Bonds and paid from the proceeds of a Series of Bonds or Junior Lien Bonds or investment earnings on such capitalized interest, <u>plus</u> (ii) principal, <u>plus</u> (iii) Mandatory Redemption Requirements. For purposes of calculating Debt Service:

(i) All principal payments shall be made as and when the same shall become due or upon mandatory redemption;

(ii) Outstanding Variable Rate Bonds shall be deemed to bear interest during any period after the date of calculation at a fixed annual rate equal to the weighted average of the actual rates on such Variable Rate Bonds for each day during the 365 consecutive days (or any lesser period such Variable Rate Bonds have been Outstanding) ending on the last day of the month next preceding the date of computation, or at the effective fixed annual rate thereon as a result of a Swap Agreement with respect thereto; <u>provided</u>, that such effective fixed annual rate for Variable Rate Bonds subject to a Swap Agreement must be utilized as long as such Swap Agreement is contracted to remain in full force and effect, and <u>provided</u>, <u>further</u>, that for purposes of establishing compliance with the requirements of Section 208 of the Master Bond Ordinance, Outstanding Variable Rate Bonds shall be deemed to bear interest as provided for Variable Rate Bonds proposed to be issued in clause (iii) below;

(iii) Variable Rate Bonds proposed to be issued shall be deemed to bear interest at a fixed annual rate equal to the average of the interest rates published in The Bond Buyer Revenue Bond Index during the twelve (12) months preceding the date of issuance of such Variable Rate Bonds, or at the effective fixed annual rate thereon as a result of a Swap Agreement with respect to such Variable Rate Bonds; and <u>provided</u>, that such effective fixed annual rate must be utilized only so long as such Swap Agreement is contracted to remain in full force and effect;

(iv) Any computation of Debt Service shall recognize and give effect to the alternative, rather than the cumulative, nature of obligations on Bonds or Junior Lien Bonds, including any related Reimbursement Obligations or Junior Lien Reimbursement Obligations to a provider of credit enhancement or a liquidity facility securing payment of such Bonds or Junior Lien Bonds. A termination payment which becomes payable pursuant to the terms of a Swap Agreement entered into after 1996 shall constitute interest as provided in Act 34.

"Default" means a default or event of default as such terms are defined in Section 701 of the Master Bond Ordinance.

"Government Obligations" means any of the following which at the time of investment are legal investments under Michigan law for the moneys proposed to be invested therein: investments described in Section 506(i) or (ii) of the Master Bond Ordinance.

"Insurance Consultant" means an independent person or a firm of persons having skill and experience in dealing with the insurance requirements of enterprises similar to the Airport and in performing the duties to be imposed upon it by the Master Bond Ordinance.

"Issuance Costs" means items of expense payable or reimbursable directly or indirectly by or to the Authority and related to the authorization, sale and issuance of Bonds or Junior Lien Bonds and authorization of the Master Bond Ordinance, which items of expense shall include, but not be limited to, application fees and expenses, publication costs, printing costs, costs of reproducing documents, filing and recording fees, Bond Counsel, financial and other consultants' fees, initial Trustee's fees, underwriters' fees and discount, costs of credit ratings, costs of Credit Facilities and charges for execution, transportation and safekeeping of the Bonds or Junior Lien Bonds and related documents, and other costs, charges and fees in connection with the foregoing.

"Junior Lien Bond Fund" means the fund created pursuant to Section 501C of the Master Bond Ordinance.

"Junior Lien Bonds" means any bonds or Series of bonds issued by the Authority under Section 202B of the Master Bond Ordinance, issued pursuant to a Series Ordinance and payable from Net Revenues deposited in the Junior Lien Bond Fund after satisfaction of requirements for funding the Bond Fund, and Junior Lien Reimbursement Obligations established and created by a Series Ordinance.

"Junior Lien Reimbursement Obligations" means any obligations to repay a Credit Entity for payments of Debt Service made with respect to a Series of Bonds or Junior Lien Bonds, as provided in any written agreement between the Authority and a Credit Entity pursuant to which a Credit Facility is issued, which Junior Lien Reimbursement Obligations may be evidenced by Refunding Bonds or Junior Lien Bonds or contractual undertakings with the Credit Entity.

"Mandatory Redemption Requirement" means as to each Series of Bonds or Junior Lien Bonds for any year, the principal amount of Bonds or Junior Lien Bonds of such series subject to mandatory sinking fund redemption in such year, as provided in the Series Ordinance or Sale Resolution for each Series of Bonds or Junior Lien Bonds.

"Master Bond Ordinance" means the Master Bond Ordinance as from time to time restated, amended or supplemented by supplemental ordinances in accordance with the terms and provisions hereof, and shall include the Series Ordinance and Sale Resolution (if any) or Order (if any) of the Chief Executive Officer, for each Series of Bonds or Junior Lien Bonds.

"Net Proceeds" means the gross proceeds derived by the Authority from insurance or as an award arising from condemnation of all or part of either of the Airports, less payment of attorneys fees and other expenses properly incurred in the collection thereof.

"Net Revenues" means Revenues less Operation and Maintenance Expenses.

"Operating Reserve Amount" means the amount required in Section 501D of the Master Bond Ordinance to be on deposit in the Operation and Maintenance Reserve Fund.

"Operating Year" means the fiscal year of the Authority.

"Operation and Maintenance Expenses" means the reasonable expenses of administration, operation and maintenance of the Airport.

"Operation and Maintenance Fund" means the fund created pursuant to Section 501A of the Master Bond Ordinance.

"Operation and Maintenance Reserve Fund" means the fund created pursuant to Section 501D of the Master Bond Ordinance.

"Other Available Moneys" means, for any Operating Year, the amount of money determined by the Chief Financial Officer in concurrence with the Chief Executive Officer to be transferred by the Authority for such Operating Year from PFCs or other sources other than Revenues to the Bond Fund or the Junior Lien Bond Fund.

"Outstanding" means, as of any date, all Bonds or Junior Lien Bonds which have been authenticated and delivered by the Trustee (including Bonds or Junior Lien Bonds tendered which may be owned by the Authority, from time to time prior to the remarketing thereof), except:

(i) Bonds or Junior Lien Bonds (or portions of Bonds or Junior Lien Bonds) for the payment or redemption of which there shall be held in trust by the Trustee under the Master Bond Ordinance (whether at or prior to maturity or redemption) (a) moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption or (b) Sufficient Government Obligations in such principal amounts, having such maturities and bearing such interest, as together with the moneys described in clause (a), if any, shall be sufficient without reinvestment to pay when due the principal amount or Redemption Price, as the case may be, with interest due to the date of maturity or redemption; provided, that if such Bonds or Junior Lien Bonds are to be redeemed, notice of such redemption shall have been given as provided in Article III of the Master Bond Ordinance or provisions satisfactory to the Trustee shall have been made for giving of such notice, (ii) Bonds or Junior Lien Bonds in lieu of or substitution for which other Bonds or Junior Lien Bonds shall have been delivered pursuant to the Master Bond Ordinance, (iii) Bonds or Junior Lien Bonds deemed to have been paid or defeased as provided under the Master Bond Ordinance and (iv) Bonds or Junior Lien Bonds subject to a mandatory tender which have not been tendered prior to the related tender date which are deemed to have been redeemed.

"Passenger Facility Charge" or *"PFC"* means the passenger facility charge as authorized under 49 U.S.C. § 40117, or any predecessor or successor law, and as approved by the Federal Aviation Administration (or successor agency) from time to time, or such other similar charge imposed by the Authority on passengers enplaned at the Airport.

"Person" means any natural person, firm, partnership, entity or public body.

"Plans and Specifications" means the drawings, plans, blueprints and technical specifications approved by the Authority and relating to the design, installation and construction of various components of the Capital Improvement Program, as amended from time to time.

"Program Costs" shall be deemed to include the costs of design, acquisition, construction, installation, and financing of the Capital Improvement Program, including, but not limited to obligations of the Authority incurred for: (a) machinery, furnishings and equipment and for labor and to contractors, builders and materialmen in connection with the planning, design, acquisition, construction and installation of capital projects which comprise part of the Capital Improvement Program or any portion thereof; (b) the cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of construction of capital projects which comprise part of the Capital Improvement Program or any portion thereof which is not paid by the contractor or contractors or otherwise provided for; (c) architectural and engineering expenses for test borings, surveys, estimates, Plans and Specifications and preliminary investigations therefor, and for supervising construction, as well as for the performance of all other duties required for the proper construction of capital projects which comprise part of the Capital Improvement Program or any portion thereof; (d) Issuance Costs; (e) all other costs which the Authority shall be required to pay, under the terms of any contract or contracts approved by the County or the Authority as the successor of the County, for the planning, design, acquisition, construction and installation of capital projects which comprise part of the Capital Improvement Program or any portion thereof including any legal costs and master planning, environmental and economic impact studies undertaken in connection therewith; (f) any sums required to reimburse the County, the Authority or any air carrier (pursuant to an agreement with the Authority) for advances made by it for any of the above items, or for any other costs incurred and for work done by any of them which are properly chargeable to the Capital Improvement Program; and (g) any other costs properly chargeable to the Construction Fund under Act 94.

"Rating Agency" means any nationally recognized rating service then rating the Bonds or Junior Lien Bonds.

"Rebate Fund" means the fund created pursuant to Section 503 of the Master Bond Ordinance.

"Redemption Price" means the principal of any Bond or Junior Lien Bonds which has been called for redemption, together with any premium thereon.

"Refunding Bonds" means any Bonds or Junior Lien Bonds issued pursuant to Section 209 of the Master Bond Ordinance.

"Reimbursement Obligations" means any obligations to repay a Credit Entity for payments of Debt Service made with respect to a Series of Bonds as provided in any written agreement between the Authority (as successor to the County or otherwise) and a Credit Entity pursuant to which a Credit Facility is issued, which Reimbursement Obligations may be evidenced by the Bonds of such Series, Refunding Bonds or contractual undertakings with the Credit Entity.

"Renewal and Replacement Fund" means the fund created pursuant to Section 501E of the Master Bond Ordinance.

"Replacement Requirement" means the amount required in Section 501E of the Master Bond Ordinance to be on deposit in the Renewal and Replacement Fund.

"Reserve Requirement" means an amount equal to the maximum annual Debt Service requirements for each Series of Outstanding Bonds which amount is required to be on deposit or, if permitted by law, otherwise provided for (including, but not limited to, through provision of a letter of credit, surety bond or insurance policy in the same amount) in the Bond Reserve Account; provided, however, that such requirement may be satisfied by a deposit at the time of issuance of a Series of Bonds or by an accumulation on a scheduled basis of Bond proceeds, investment earnings or other deposits which will result in an amount equal to the Reserve Requirement for such Series of Bonds being on deposit no later than the date of the last scheduled application of all capitalized interest for such Series; provided, further, that with respect to a Series of Bonds which are proposed to be issued as Variable Rate Bonds, the Reserve Requirement shall be calculated utilizing the assumptions set forth under subparagraph (iii) of the definition of Debt Service; and provided that in no event shall the Reserve Requirement exceed the maximum permitted by the Code. Any Reserve Requirement with respect to one or more Series of Junior Lien Bonds shall be established by the related Series Ordinance.

"Revenue Fund" means the fund created pursuant to Section 501 of the Master Bond Ordinance.

"Revenues" means the general revenues derived from the operation of the Airport, which shall include all moneys deposited in the Revenue Fund, from whatever source, and all income derived from the charges, fees, rentals and rates charged for services, facilities and commodities furnished by the Airport, whether such income shall be derived from its function as an Airport or not, and including, but not by way of limitation, concessions, rentals, auto parking fees, service charges derived from the operation of the terminal complex buildings and facilities, airplane landing fees, non-airline gasoline fees and miscellaneous charges and rentals from other facilities and services and investment earnings or general revenues derived from the operation of the Airport accumulated by the Authority prior to deposit in the Revenue Fund; provided, however, that the term "Revenues" shall not be construed to include (i) rentals or other amounts to be paid in the future by any Person pursuant to a lease or other agreement with the County or the Authority, which rentals or other amounts are pledged for the payment of bonds issued to provide funds to construct Special Facilities, (ii) the proceeds of federal grants or Passenger Facility Charges, or the proceeds of any other grant, charge or tax intended as a replacement therefor or other capital contributions from any source, (iii) the Net Proceeds of insurance or condemnation proceeds resulting from the damage or destruction or taking of any portion of the Airport or (iv) Special Purpose Revenues.

"Sale Resolution" or *"Sale Order"* means a resolution or resolutions of the Authority adopted by the Authority Board in accordance with Article II of the Master Bond Ordinance or an Order of the Chief Executive Officer of the Authority authorizing the sale of a Series of Bonds or Junior Lien Bonds in accordance with the terms and provisions of the Master Bond Ordinance and a Series Ordinance.

"Series" means a Series of Bonds or Junior Lien Bonds issued and sold pursuant to a Series Ordinance and the Master Bond Ordinance.

"Series Ordinance" means an ordinance or ordinances, including, if necessary, a Sale Resolution or Order, of the County prior to the Approval Date or the Authority as successor to the County authorizing the issuance and sale of a Series of Bonds or Junior Lien Bonds in accordance with the provisions hereof, adopted by the County (prior to the Approval Date) or the Authority as successor to the County or executed by the County Executive or the

County (prior to the Approval Date) or the Authority's Chief Executive Officer in accordance with Article X of the Master Bond Ordinance.

"Special Facilities" means a building or buildings or facilities constructed at the Airport for the use of any Person including both terminal and non-terminal improvements for the use of such Person, either exclusively or in common with others, or for public use as agreed upon by the Authority and such Person, for which rentals or other amounts are to be paid by such Person pursuant to a lease or other agreement assumed by or with the Authority, which rentals or other amounts are pledged for the payment of bonds issued by the County or the Authority to construct such facilities.

"Special Purpose Revenues" means specific categories of revenues, income, receipts or money of a type not previously included in Revenues, relating to or arising from a definable service, facility or program of the Authority or at either of the Airports, which (1)(i) are designated as Special Purpose Revenues by the Authority before the first receipt by the Authority of such category or portion of revenues, income, receipts or money or (ii) are statutorily designated for restricted purposes under state law; and (2) are restricted as to use by the Authority.

"Sufficient Government Obligations" means (a) direct obligations of the United States of America or (b) obligations the principal of and interest on which are fully guaranteed by the United States of America, and which (i) are not redeemable at the option of the issuer and (ii) without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the principal or Redemption Price and interest, respectively, as each becomes due on the Bonds or Junior Lien Bonds.

"Swap Agreement" means any interest rate exchange or swap, hedge or other similar agreement or agreements entered into in connection with the issuance of obligations or other evidences of indebtedness or in connection with the Authority's then Outstanding Bonds or Junior Lien Bonds within the limitations provided by Act 34 or its predecessor statute.

"Swap Provider" means any party with whom the Authority (as successor to the County or otherwise) has or shall enter into a Swap Agreement.

"Trustee" means an independent bank or trust company qualified and appointed pursuant to Article IX of the Master Bond Ordinance to act as Trustee under the Master Bond Ordinance and any company into which the Trustee may be merged or converted or with which it may be consolidated, or any company resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a trust company or bank which is qualified to be a successor Trustee under Section 907 of the Master Bond Ordinance, or any other bank or trust company at any time substituted in its place pursuant to the Master Bond Ordinance.

"Variable Rate Bonds" means any Bonds or Junior Lien Bonds the interest rate on which is not fixed to maturity as of the date of the calculation being performed.

Defeasance

The statutory lien upon the Net Revenues established by the Master Bond Ordinance shall continue until payment in full of the principal or Redemption Price and interest on the Bonds and Junior Lien Bonds or until sufficient cash or Sufficient Government Obligations shall have been deposited in trust for payment in full of all Bonds and Junior Lien Bonds to be defeased and sufficient funds shall have also been provided for paying all other obligations payable under the Master Bond Ordinance by the Authority with respect to the Bonds and Junior Lien Bonds to be defeased. If any of the Bonds or Junior Lien Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds or Junior Lien Bonds for redemption shall be given to the Trustee after such deposit has been made.

Upon deposit of sufficient cash or Sufficient Government Obligations, as provided above, the statutory lien shall be terminated with respect to the Bonds or Junior Lien Bonds to be paid or defeased, the holders of such Bonds or Junior Lien Bonds shall have no further rights under the Master Bond Ordinance except for payment from the deposited funds and the replacement or transfer of registration of Bonds or Junior Lien Bonds, and such Bonds or Junior Lien Bonds shall no longer be considered to be Outstanding. The Authority shall not defease Variable Rate

Bonds without having first obtained a confirmation of the rating on such Variable Rate Bonds from each nationally-recognized rating agency then rating the Variable Rate Bonds indicating that the rating on such Variable Rate Bonds will not be reduced or withdrawn due to the defeasance.

Proceeds; Construction Fund; Surplus Bond Proceeds

The proceeds of the sale of each Series of Bonds or Junior Lien Bonds shall be immediately deposited with the Trustee in the Funds and Accounts as specified in the Series Ordinance for such Series, provided, that (i) an amount equal to the accrued interest and premiums, if any, received on the delivery of such Series of Bonds or Junior Lien Bonds and an amount equal to any capitalized interest on such Series of Bonds or Junior Lien Bonds to be paid from Bond or Junior Lien Bond proceeds shall be deposited in the Bond Fund or Junior Lien Bond Fund, as appropriate and (ii) any Bond or Junior Lien Bond proceeds required to satisfy a Reserve Requirement shall be deposited in the Bond Reserve Account in the Bond Fund or the Junior Lien Bond Reserve Account in the Junior Lien Bond Fund, as appropriate and (iii) Bond or Junior Lien Bond proceeds to be used to pay Program Costs shall be deposited in a separate account established for such Series in the Construction Fund.

The Issuance Costs for a Series of Bonds or Junior Lien Bonds shall be paid or reimbursed by the Trustee out of the Construction Fund upon presentation of a requisition certificate by the Authority. The Trustee shall make disbursements from the Construction Fund to pay or reimburse other Program Costs in accordance with requisition certificates submitted by the Authority from time to time, executed by an Authorized Officer supported by an itemization of the Program Costs being financed with the proceeds of the particular Series of Bonds or Junior Lien Bonds for which payment or reimbursement is requisitioned thereby in sufficient detail to evidence the purpose for which such costs were incurred.

The Authority shall proceed with reasonable dispatch to acquire, construct, install and complete capital projects or to cause the same to occur substantially in accordance with the Plans and Specifications. Completion of construction and installation of capital improvements shall be signified by the prompt filing with the Trustee of a completion certificate ("Completion Certificate") executed by an Authorized Officer.

All proceeds of a Series of Bonds or Junior Lien Bonds and investment earnings thereon deposited in the related account in the Construction Fund in excess of the amount actually used for construction or required for completion of construction (other than sums for construction for which payment is not yet due) of the capital improvements in anticipation of which such Series of Bonds or Junior Lien Bonds was issued and capitalized interest remaining on deposit in the related subaccount in the Capitalized Interest Account ("Surplus Bond Proceeds") shall, if permitted by law, and subject to the Master Bond Ordinance, be used to satisfy any rebate obligations with respect to such Series of Bonds or Junior Lien Bonds or for such other capital projects (and capitalized interest related thereto) in the Capital Improvement Program or, upon receipt of a Completion Certificate, be immediately transferred by the Trustee to the general account in the Bond Fund or Junior Lien Bond Fund as appropriate, designated the "Surplus Bond Proceeds Account" to be applied as follows. Surplus Bond Proceeds may be applied, in certain instances, to (i) make principal payments next coming due on the Bonds or Junior Lien Bonds and (ii) redeem Bonds or Junior Lien Bonds. In no event shall Surplus Bond Proceeds so transferred to the Bond Fund or Junior Lien Bond Fund or the investment income thereon be used to pay interest on the Bonds or Junior Lien Bonds unless in the opinion of Bond Counsel such use would not impair the tax exempt status of the Bonds or Junior Lien Bonds.

Investments

Except as otherwise provided in the Master Bond Ordinance, or as further limited by agreement with a Credit Entity, moneys in the Funds and Accounts established in the Master Bond Ordinance and moneys derived from the proceeds of sale of the Bonds or Junior Lien Bonds may be invested at the oral direction of the Chief Financial Officer, confirmed in writing, to the extent consistent with Act 94 as then in effect, by the Trustee or by the Chief Financial Officer, as the case may be, in investments permitted by Act 20, Michigan Public Acts of 1943, as amended.

Investment of moneys in the Bond Fund or Junior Lien Bond Fund being accumulated for payment of the next maturing principal or interest payment of the Bonds or Junior Lien Bonds shall be limited to (i) direct obligations of the United States of America or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; and (ii) 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); U.S. Export-Import Bank (Eximbank) direct obligations or fully guaranteed certificates of beneficial ownership; Farmers Housing Administration (FmHA) certificates of beneficial ownership; Federal Financing Bank; Federal Housing Administration Debentures (FHA); General Services Administration Participation Certificates; Government National Mortgage Association (GNMA or "Ginnie Mae") GNMA-guaranteed mortgage-backed bonds; GNMA-guaranteed pass-through obligations; U.S. Maritime Administration Guaranteed Title XI financing; 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 Bond – U.S. government guaranteed public housing notes and bonds; bearing maturity dates not later than one (1) business day prior to the date of the next maturing principal or interest payment on the Bonds or Junior Lien Bonds and any securities representing investment of the same shall be kept on deposit with the Trustee. Investment of moneys in the Bond Reserve Account or the Junior Lien Bond Reserve Account shall be limited to obligations bearing maturity dates or subject to redemption at the option of the owner thereof, not later than five years from the date of the investment or such lesser period of time until final maturity of the related Bonds or Junior Lien Bonds.

The Authority shall cause investments credited to the Bond Reserve Account and the Junior Lien Bond Reserve Account to be valued at least semiannually by the Accountant on the first day of each Operating Year and semiannually thereafter, at the then market value thereof, and, in the event such investments are valued at less than ninety percent (90%) of the related Reserve Requirement, budget such additional deposits at the beginning of the next quarter in an amount necessary to restore the Bond Reserve Account or the Junior Lien Reserve Account, as the case may be, to the full amount of the related Reserve Requirement within 18 months.

Covenants and Representations of the Authority

Management

The operation, maintenance and management of the Airport shall continue to be under the supervision and control of the Authority. The Chief Executive Officer shall establish and enforce reasonable rules and regulations governing the operation and use of the Airport, operate the Airport in an efficient and economical manner, maintain the properties constituting the Airport in good repair and in sound operating condition for so long as the same are necessary to the operation of the Airport on a Revenue-producing basis. Powers conferred on the Authority shall, unless otherwise specifically provided, be exercised or performed by the Chief Executive Officer.

Operating Year

The Airport shall continue to be operated on the basis of an Operating Year which currently begins on October 1 of each year.

No Free Service or Use

No free service or use of the Airport, or service or use of the Airport at less than cost, shall be furnished by the Airport to any person, firm or corporation, public or private, or to any public agency or instrumentality.

Insurance

Generally

While any Bonds or Junior Lien Bonds remain Outstanding under the Master Bond Ordinance the Authority shall maintain or cause to be maintained insurance (which may include self-insurance) on all physical properties belonging to the Airport and/or operations of the Airport, or the kinds and in the amounts normally carried by agencies engaged in the operation of airports and reasonably available to the Authority. The Authority shall retain an Insurance Consultant for the Airport for the purpose of determining compliance with this requirement.

The Authority shall, and the Trustee may, demand, collect and sue for the insurance money that may become due and payable under any policies payable to it. Any appraisal or adjustment of any loss of damages and any settlement or payment of indemnity therefor that may be agreed upon between the Authority and any insurer shall be evidenced to the Trustee by a certificate signed by the Authorized Officer.

The Authority shall require the Insurance Consultant to report to it annually on December 1 on the adequacy of the Authority's insurance coverage under the Master Bond Ordinance. A signed copy of any reports of any Insurance Consultant required hereby shall be filed with the Chief Financial Officer and copies thereof shall be sent to the Trustee.

Notice of Taking; Cooperation of Parties

If any public authority or entity attempts to take or damage all or any part of the Airport through eminent domain proceedings, the Authority shall take prompt and appropriate measures to protect and enforce its rights and interests and those of the Trustee in connection with such proceedings. Upon receiving notice of the institution of eminent domain proceedings by any public instrumentality, body, agency or officer, the Authority shall deliver written notice thereof to the Trustee.

Insurance and Eminent Domain Proceeds

All Net Proceeds of all hazard insurance and all Net Proceeds resulting from eminent domain proceedings (excluding proceeds of insurance or condemnation awards which relate to Special Facilities and which are required under the terms of the related Series Ordinance to be otherwise directed) shall be paid to the Trustee and shall be deposited and applied at the election of the Authority as follows:

(1) deposited in the Construction Fund which shall be reactivated as necessary and used to promptly replace, repair, rebuild or restore the Airport to substantially the same condition as that which existed prior to such damage, destruction or taking, with such alterations and additions as the Authority may determine and as will not impair or otherwise adversely affect the revenue-producing capability of the Airport, <u>provided</u> that prior to the commencement of such replacement, repair, rebuilding or restoration, the Authority shall deliver to the Trustee a report of an Airport Consultant setting forth (A) an estimate of the total cost of the replacement, repair, rebuilding or restoration, (B) the estimated date upon which such replacement, repair, rebuilding or restoration will be substantially complete, and (C) a statement to the effect that Net Proceeds, together with other funds made available or to be made available or caused to be made available by the Authority, are projected to be sufficient to pay the costs of the replacement, repair, rebuilding or restoration of the Airport; or

(2) deposited in the Bond Fund or the Junior Lien Bond Fund, as the case may be and applied to the redemption of first the Bonds and then the Junior Lien Bonds, <u>provided</u> that Bonds or Junior Lien Bonds may be redeemed only if (A) the Airport has been restored to substantially the same condition as prior to such damage, destruction or taking or (B) the Authority has determined that the portion of the Airport damaged, destroyed or taken is not necessary to the operation of the Airport and that the failure of the Authority to repair and restore the same will not impair or otherwise adversely affect the revenue-producing capability of the Airport; or (C) the Airport Consultant has been unable to make the statement required by subparagraph (1)(C) of this paragraph.

If the Authority does not apply Net Proceeds or cause them to be applied, to replace, repair, rebuild, or restore the Airport, the Authority shall first redeem or purchase the Bonds and after redemption or purchase of all of the Bonds the Authority shall redeem or purchase the Junior Lien Bonds, in each case in accordance with Article III of the Master Bond Ordinance and the relevant Series Ordinance and transfer from the Construction Fund to the Bond Fund and the Junior Lien Bond Fund amounts sufficient to pay the Redemption Price or purchase price of the Bonds and the Junior Lien Bonds to be redeemed or purchased.

If the Authority elects to apply Net Proceeds, or cause them to be applied, to replace, repair, rebuild, or restore the Airport, the Authority shall retain such Net Proceeds in the Construction Fund and shall make disbursements therefrom, to the extent practicable, in accordance with the procedures and requirements set forth in Section 402 of the Master Bond Ordinance for requisitions from the Construction Fund.

Payment of Charges and Covenant Against Encumbrances

Except as permitted in the Master Bond Ordinance, the Authority shall not create or suffer to be created any lien or charge upon the Airport or any part thereof, or on the Net Revenues. The Authority shall pay or cause to be discharged, or shall make adequate provision to satisfy and discharge, within sixty (60) days after the same become due and payable, all lawful costs, expenses, liabilities and charges relating to the maintenance, repair, replacement or improvement of the properties constituting the Airport and the operation of the Airport if unpaid. The Authority shall not be required to pay or cause to be discharged, or make provision for the payment, satisfaction and discharge of, any lien, charge, cost, liability, claim or demand so long as the validity thereof is contested in good faith and by appropriate legal proceedings and so long as such contest will not cause an imminent sale or foreclosure of the Airport or any significant part thereof.

Sale of Airport

The Master Bond Ordinance generally prohibits the Authority from selling, transferring, assigning or otherwise disposing of all or any part of the properties constituting the Airport, with the following exceptions:

(i) the right to sell or dispose of any real property or any machinery, fixtures, apparatus or other personal property which is part of the Airport if the Authority determines that such property is not or is no longer needed or useful and that such sale will not impair the operating efficiency of the Airport or reduce the Authority's ability to satisfy the rate covenant as projected by the Airport Consultant;

(ii) the right, without notice to the Trustee, to demolish or remove

(a) all or any part of the passenger terminal facilities, including concourses, existing at the Airport on November 1, 1997, which are to be replaced through the construction of passenger terminal facilities, including concourses, as part of the Capital Improvement Program; or

(b) any other structures now or hereafter existing as part of the Airport, without obligation to make any replacement thereof or substitution therefor, provided that the Airport Director determines that the fair market value of the structures demolished or removed does not exceed $3,000,000.

(iii) notwithstanding the provisions of (ii) (a) above, the right to demolish or remove any structure if the Airport Director determines that such structure has become inadequate, unsuitable or unnecessary, if:

(a) prior to such removal or demolition the Authority gives written notice thereof to the Trustee, and

(b) (1) structures having a utility value at the Airport at least equal to that of the property demolished or removed are constructed, acquired, or substituted, or (2) there shall be filed with the Trustee prior to such demolition or removal a certificate signed by the Authorized Officer and approved by the Airport Consultant stating that Net Revenues for the Operating Year next succeeding that in which such demolition or removal occurs are projected to be sufficient to enable the Authority to meet the rate covenant, and in such case no substitution or replacement shall be required.

Proceeds resulting from any abandonment, sale or disposition of properties constituting the Airport shall be deposited, in the Authority's sole discretion, in the Construction Fund if the amount then on deposit therein is insufficient to pay Program Costs, or otherwise to the Renewal and Replacement Fund unless some other disposition is required by law or by contract.

Other Authority Covenants

So long as any Bond or Junior Lien Bond is Outstanding, the Authority covenants to comply or cause compliance with all applicable laws, orders, rules or regulations of any municipal or other governmental authority relating to the construction, use and operation of the Airport, and further covenants that it shall not create a lien upon the Airport.

Events of Default

Each of the following events is an "Event of Default" under the Master Bond Ordinance:

(a) the Authority shall default in the payment of the principal or Redemption Price of any Bond or Bonds or Junior Lien Bonds when and as the same shall become due, whether at maturity or upon redemption or otherwise;

(b) payment of any installment of interest on any Bond or Bonds or Junior Lien Bonds shall not be made, when and as the same shall become due;

(c) the Authority shall fail or refuse to comply with the provisions of the Master Bond Ordinance or shall default in the performance or observance of any other of the covenants, agreements or conditions contained in the Master Bond Ordinance, any supplemental ordinance, any resolution, or in the Bonds or Junior Lien Bonds and such failure, refusal or default shall continue for a period of 45 days after written notice specifying such default and requesting that it be corrected, to the Authority by the Trustee or to the Authority and the Trustee by the Holders of not less than twenty percent (20%) in principal amount of the outstanding Bonds and Junior Lien Bonds, provided that if prior to the expiration of such 45-day period the Authority institutes action reasonably designed to cure such default, no such "Event of Default" shall be deemed to have occurred upon the expiration of such 45-day period for so long as the Authority pursues such curative action with reasonable diligence;

(d) any proceeding shall be instituted by or against the Authority seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it), either such proceeding shall remain undismissed or unstayed for a period of thirty (30) days or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against it or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property) shall occur; or the Authority shall take any action to authorize any of the actions set forth above in this subsection (d).

No default in the payment of the principal of, interest on or Redemption Price of any Junior Lien Bond shall be considered a default for any Bond.

Remedies

Upon the happening and continuance of any Event of Default specified in the Master Bond Ordinance, the Trustee may, or upon the request of the holders of not less than twenty percent (20%) in principal amount of the Outstanding Bonds and Junior Lien Bonds shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders, by suit, action, or other proceedings, and to protect and enforce the statutory lien on the Net Revenues and enforce and compel the performance of all duties of the officials of the Authority. The Trustee shall on behalf of the Bondholders be entitled as a matter of right, upon application to a court of competent jurisdiction, to have appointed a receiver of the Authority for the business and property of the Airport, or any part thereof, including all Revenues, issues, income, receipts and profits derived, received or had by the Authority thereof or therefrom, with such power as the Authority may have to operate and maintain such business and property, collect, receive and apply all Revenues, income, receipts and profits arising therefrom, and prescribe fees and other charges in the same way and manner as the Authority might do. The Trustee is entitled to indemnification against fees, costs, expenses and liabilities for its enforcing any of the remedies permitted by the Master Bond Ordinance on the terms provided by the Master Bond Ordinance in connection with its exercise of any of the foregoing remedies.

Limitation on Rights of Bondholders

No individual Bondholders may initiate legal proceedings to enforce rights under the Master Bond Ordinance unless such holder shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such proceeding is to be taken, and unless the holders of not less than twenty percent (20%) in principal amount of the Bonds or Junior Lien Bonds then Outstanding have made written request of the Trustee after the right to exercise such right of action has occurred, and have afforded the Trustee a reasonable opportunity either to exercise the powers granted to it under the Master Bond Ordinance or to institute such proceedings in its name and unless, also, there has been offered to the Trustee reasonable security and indemnity against fees, costs, expenses and liabilities, and the Trustee has refused or neglected to comply with such request within a reasonable time. No provision in the Master Bond Ordinance on defaults and remedies shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on his or her Bonds or Junior Lien Bonds, or the obligation of the Authority to pay the same.

Application of Revenues and Other Moneys After Default

During the continuance of an Event of Default, the Trustee, except as otherwise provided in the provisions of the Master Bond Ordinance relating to remedies, shall apply moneys, securities, funds and Revenues and the investment income thereon in the Funds and Accounts as follows and in the following order:

(i) to the payment of the reasonable fees, charges, costs, expenses and liabilities of the Trustee and the Airport Consultant or any Consulting Architect or Engineer selected by the Authority pursuant to the Master Bond Ordinance;

(ii) to the payment of the amounts required for reasonable and necessary Operation and Maintenance Expenses; and for the reasonable renewals, repairs and replacements of the Airport necessary to prevent loss of Revenues, as certified to the Trustee by the Airport Consultant. For this purpose the books of records and accounts of the Authority relating to the Airport shall at all times be subject to the inspection of the Airport Consultant during the continuance of such Event of Default;

(iii) to the payment of the interest and principal or Redemption Price then due on the Bonds or Junior Lien Bonds, as follows:

FIRST: To the payment to the persons entitled thereto of all installments of interest on Bonds then due in order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

SECOND: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference;

THIRD: To the payment to the persons entitled thereto of all installments of interest on Junior Lien Bonds, including payments in the nature of interest payable to a Swap Provider under a Swap Agreement, then due in order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

FOURTH: To the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Junior Lien Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Junior Lien Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

FIFTH: To the payment to any Swap Provider of any termination payment due and payable under a Swap Agreement, and if the amounts available shall not be sufficient to pay in full all termination payments due under the Swap Agreements then to the payment thereof ratably according to the amounts of termination payments due on such date to the persons entitled thereto without any discrimination or preference.

If and whenever all overdue installments of interest on all Bonds and Junior Lien Bonds, together with the reasonable fees, charges, costs, expenses and liabilities of the Trustee, and all other sums payable by the Authority to the Trustee under the Master Bond Ordinance, including the principal and Redemption Price of and accrued unpaid interest on the Bonds and Junior Lien Bonds which shall then be payable, shall either be paid by or for the account of the Authority, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Master Bond Ordinance or the Bonds or Junior Lien Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Authority all moneys, securities, funds and Revenues then remaining unexpended in the hands of the Trustee (except moneys, securities, funds or Revenues deposited or pledged, or required by the terms of the Master Bond Ordinance to be deposited or pledged, with the Trustee), and thereupon the Authority and the Trustee shall be restored, respectively to their former positions and rights under the Master Bond Ordinance, and all Revenues shall thereafter be applied as provided in the provisions of the Master Bond Ordinance governing the establishment and use of Funds and Accounts. No such payment over to the Authority by the Trustee or resumption of the application of Revenues as so provided shall extend to or affect any subsequent default under the Master Bond Ordinance or impair any right consequent thereon.

No Waiver of Default

No delay or omission of the Trustee or of any Holder of the Bonds and Junior Lien Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein; and every power and remedy given by the Master Bond Ordinance to the Trustee and the Holders of the Bonds and Junior Lien Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

Notice of Event of Default

The Trustee shall promptly give to the holders of Bonds and Junior Lien Bonds notice (i) of each Event of Default of which it has actual notice under Section 902(h) of the Master Bond Ordinance, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided that, except in the case of an Event of Default specified in clause (a), (b) or (d) of the definition thereof, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee of the board of directors, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the best interests of the holders of Bonds and Junior Lien Bonds, and (ii) of any failure of the Authority to comply with its covenant under the Master Bond Ordinance to charge sufficient rates and charges of which the Trustee has actual notice as set forth in Section 902(h) of the Master Bond Ordinance. Each such notice required shall be given by the Trustee by mailing written notice thereof to all owners of Bonds and Junior Lien Bonds, at the registered addresses of such Holders shown upon the registration books of the Authority held by the Trustee.

Tax-Exempt Status; Non-Arbitrage Covenant

The Authority covenants not to take or to permit to be taken by its agents or assigns any action which, or fail to take any reasonable action the omission of which, would (i) impair the exemption of interest on the Bonds or Junior Lien Bonds from federal income taxation, or (ii) affect the validity of the Bonds or Junior Lien Bonds.

The Authority shall use the proceeds of all Series of Bonds and Junior Lien Bonds in a manner that will comply with the requirements of Section 103 of the Code. The Authority shall not make any use, and the Trustee is directed to make no use, of the proceeds of the Bonds and Junior Lien Bonds which could cause the Bonds or Junior Lien Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and applicable regulations thereunder. The Authority shall further comply with the requirements and regulations of such section throughout the term of the Bonds and the Junior Lien Bonds, including the rebate requirements of the Master Bond Ordinance.

Supplemental Ordinances

The Authority may, without the consent of the Bondholders, but with the consent of the Trustee and where required by a Credit Entity, the Credit Entity, adopt at any time or from time to time Series Ordinances or Supplemental Ordinances for any one or more of following purposes, and any Supplemental Ordinance shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by the Authorized Officer:

(1) To provide for the issuance of a Series of Bonds or Junior Lien Bonds and to prescribe the terms and conditions pursuant to which such Bonds or Junior Lien Bonds may be issued, paid or redeemed;

(2) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds or Junior Lien Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in the Master Bond Ordinance;

(3) To prescribe further limitations and restrictions upon the issuance of Bonds or Junior Lien Bonds and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(4) To surrender any right, power or privilege reserved to or conferred upon the Authority by terms of the Master Bond Ordinance;

(5) To confirm as further assurance any security created under and subject to any lien or claim created or to be created by the provisions of the Master Bond Ordinance;

(6) To modify the provisions of the Master Bond Ordinance or any previously adopted Series Ordinance to permit compliance with changes in federal tax law which is required to maintain the tax exempt status of the Bonds or Junior Lien Bonds;

(7) With the consent of the Trustee in reliance upon an opinion of Bond Counsel, to cure any ambiguity or defect or inconsistent provision in the Master Bond Ordinance or to insert such provisions clarifying matters or questions arising under the Master Bond Ordinance as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with the Master Bond Ordinance as theretofore in effect; or

(8) To comply with the Trust Indenture Act of 1939.

Notice of the adoption and delivery of any Supplemental Ordinance or resolution and a copy thereof shall be filed by the Trustee with the Rating Agency at the time of such adoption and delivery.

Supplemental Ordinances Requiring Consent of Bondholders

Exclusive of Supplemental Ordinances covered by Section 1002 of the Master Bond Ordinance, the Holders of at least fifty percent (50%) of the principal amount of outstanding Bonds and Junior Lien Bonds affected by the proposed Supplemental Ordinance and when required by the provider of a Credit Facility, the related Credit Entity, shall have the right to consent to and approve the adoption by the Authority of other Supplemental Ordinances; provided, however, that nothing in the Master Bond Ordinance shall permit (i) an extension of the maturity of the principal of or the interest on any Bond or Junior Lien Bond issued under the Master Bond

Ordinance, (ii) a reduction in the principal amount of any Bond or Junior Lien Bond, (iii) modification of the privilege or priority of any Bond or Bonds over any other Bonds, except upon the written consent of the Holders of 100% of the principal amount of Bonds Outstanding or (iv) modification of the privilege or priority of any Junior Lien Bond or Junior Lien Bonds over any other Junior Lien Bonds. For the purposes of consents pursuant to Section 1003 of the Master Bond Ordinance a Credit Entity shall be deemed to be the Holder of Bonds or Junior Lien Bonds pledged by the Authority to the Credit Entity or owned by the Credit Entity or Bonds or Junior Lien Bonds secured by a Credit Facility except to the extent the Credit Entity has not honored a draw on its Credit Facility which draw complies with the requirements of the Credit Facility.

The Trustee shall give written notice of the proposed adoption of a Supplemental Ordinance by mail to the registered addresses of Holders of the Outstanding Bonds and Junior Lien Bonds and to the Credit Entity. Such notice shall briefly set forth the nature of the proposed Supplemental Ordinance and shall state that copies thereof are on file at the designated trust office of the Trustee for inspection by holders of Bonds and Junior Lien Bonds. If, within sixty (60) days or such longer period as shall be prescribed by the Trustee following the mailing of such notice, the Holders of not less than the required percent of the principal amount of the Bonds and Junior Lien Bonds Outstanding by instruments filed with the Trustee shall have consented to the adoption thereof and any other prerequisites such as the approval of any Credit Entity having such right, such Supplemental Ordinance may be adopted and the Master Bond Ordinance shall be deemed to be modified and amended in accordance therewith.

Anything in the Master Bond Ordinance to the contrary notwithstanding, a Supplemental Ordinance under Article X of the Master Bond Ordinance which affects the rights, duties and obligations of the Trustee shall not become effective unless and until the Trustee shall have consented in writing in the case of the Trustee, to the adoption of such Supplemental Ordinance and unless the Authority has first obtained the approval of the Michigan Department of Treasury if such approval is required.

If a Series of Bonds or Junior Lien Bonds will be unaffected by the terms of the Supplemental Ordinance, such Bonds or Junior Lien Bonds shall not be deemed to be Outstanding for purposes of any required consent.

A Series shall be deemed to be affected by a modification or amendment of the Master Bond Ordinance if the same adversely affects or diminishes the rights of the Holders of Bonds or Junior Lien Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing provisions Bonds or Junior Lien Bonds of any particular Series or maturity would be affected by any modification or amendment of the Master Bond Ordinance and any such determination shall be binding and conclusive on the Authority and all Holders of Bonds or Junior Lien Bonds. The Trustee may receive an opinion of Bond Counsel as conclusive evidence as to whether Bonds or Junior Lien Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the Master Bond Ordinance.

Notwithstanding anything in Section 1003 of the Master Bond Ordinance to the contrary, so long as any Bonds or Junior Lien Bonds are Outstanding as Variable Rate Bonds, the payment of principal of and interest upon which Variable Rate Bonds is secured by a Credit Facility, the Holders of such Variable Rate Bonds so secured shall not have any right to consent to any Supplemental Ordinance with respect to which the consent of Holders of such Variable Rate Bonds would otherwise have to be obtained, the automatic and irrevocable consent of such Holders of such Variable Rate Bonds to be conclusively presumed by virtue of such Holder's acceptance thereof; and the Trustee shall not be required to seek such Holders' consent as set forth in Section 1003 of the Master Bond Ordinance, provided that all such Holders shall be entitled to receive notice of the proposed Supplemental Ordinance from the Trustee or from the remarketing agent with respect to such Variable Rate Bonds and shall have the opportunity to tender such Variable Rate Bonds for repurchase prior to the effectiveness of any such Supplemental Ordinance. So long any Bonds or Junior Lien Bonds are Outstanding as Variable Rate Bonds, the payment of principal of and interest upon which Variable Rate Bonds is secured by a Credit Facility, the Credit Entity which issued such Credit Facility shall be deemed the Holder of such Variable Rate Bonds so secured and shall have the right to consent to any Supplemental Ordinance with respect to which the consent of Holders of such Variable Rate Bonds would otherwise have to be obtained; provided, however, that the right of such Credit Entity to provide such consent shall be suspended if such Credit Entity shall have wrongfully dishonored a payment obligation under such Credit Facility or if the Credit Facility is for any reason unavailable to the Trustee for the benefit of the Holders of such Variable Rate Bonds other than by expiration in accordance with its terms.

SERIES 2015 ORDINANCE

The Authority has adopted the Series 2015 Ordinance which together with the Sale Order authorizes the issuance and sale of the Series 2015D-G Bonds, and which amends and supplements the Master Bond Ordinance.

Selected Definitions

"Authorized Denominations" means the denominations of $5,000 or any integral multiple thereof.

"Debt Service Payments" means the payments required to be made by the Authority to amortize the Series 2015D-G Bonds, as provided for the Series 2015 Ordinance, including the payments of principal of, premium, if any, and interest on the Series 2015D-G Bonds when due (whether at stated maturity or upon redemption prior to stated maturity).

"Fixed Rate" means the fixed rate or fixed rates at which the Series 2015D-G Bonds bear interest through the Stated Maturity Date, as established in the Series 2015 Ordinance.

"Interest Payment Date" means, except as otherwise provided in the Sale Order for a Series of the Series 2015D-G Bonds, June 1, 2016 and each June 1 and December 1 thereafter to and including the Stated Maturity Date.

"Record Date" means the 15th day of the month preceding an Interest Payment Date.

"Registered Owner" or "Bondholder" or "owner" means the person or entity in whose name any Series 2015D-G Bond is registered.

"Sale Order" means, with respect to a Series of the Series 2015D-G Bonds, the written order of an Authorized Officer of the Authority approving the sale of such Series of the Series 2015D-G Bonds and making certain determinations regarding the final terms thereof within the parameters of the Series 2015 Ordinances and the Master Bond Ordinance.

"Series 2015D-G Bonds" means the Airport Revenue Bonds (Detroit Metropolitan Wayne County Airport), Series 2015, in one or more Series, authorized by Article II of the Series 2015 Ordinance.

"Stated Maturity Date" means, with respect to any Series of the Series 2015D-G Bonds, the Stated Maturity Date set forth in the Sale Order.

Application of Series 2015D-G Bond Proceeds

The net proceeds of each Series of the Series 2015D-G Bonds shall be applied as follows, as finally determined in the Sale Order:

(a) An amount equal to the accrued interest, if any, on such Series 2015D-G Bonds to the date of delivery thereof shall be deposited in the Airport Debt Service Account of the Bond Fund (the "Debt Service Account").

(b) An amount equal to the amount of interest estimated to be capitalized on such Series 2015D-G Bonds, after giving effect to the estimated schedule on which various components of the related Series 2015 Projects will become available for use at the Airport and net of anticipated investment earnings on the amount of proceeds deposited in the Series 2015 Capitalized Interest Account for such Series established in the Capitalized Interest Account, shall be deposited in such subaccount.

(c) An amount or other provision necessary to satisfy the Series 2015 Reserve Requirement for such Series shall be deposited in or credited to the Series 2015D-G Bond Reserve Subaccount for such Series.

(d) If necessary, certain of the proceeds of each of the Series 2015F Refunding Bonds and the Series 2015G Refunding Bonds, together with other available funds of the Authority, if any, in the amounts determined in the Sale Order relating to such Series, shall be deposited in one or more escrow funds (each an "Escrow Fund") consisting of cash and/or investments in direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing, in amounts sufficient to pay the principal, interest and redemption premiums, if any, on the Refunded Bonds and the Series 2001A Hotel Bonds which are to be refunded by the Series 2015F Refunding Bonds and the Series 2015G Refunding Bonds.

(e) The balance of the proceeds of such Series 2015D-G Bonds shall be deposited into one or more separate accounts within the Series 2015 Airport Capital Improvement Program Construction Account (the "Series 2015 Construction Account") which is hereby established in the Airport Capital Improvement Program Construction Fund (the "Construction Fund") that was created pursuant to Section 401 of the Master Ordinance.

If more than one series of Series 2015D-G Bonds is issued, the costs of the Series 2015 Projects may be allocated among the series as provided in the related Sale Order.

Series 2015 Accounts

The Trustee shall maintain the accounts established under Sections 301 and 302 of the Series 2015 Ordinance as follows:

(a) Moneys in the 2015 Debt Service Account of the Bond Fund shall be deposited in accordance with Section 501B of the Master Bond Ordinance and shall be used for the payment when due of principal of, premium, if any, and interest on the related series of the Series 2015D-G Bonds.

(b) There shall be deposited in the 2015 Bond Reserve Accounts amounts necessary to satisfy the Reserve Requirement in accordance with the terms of the Sale Order.

Tax Covenant

The Authority covenants and represents that, to the extent permitted by law, it shall take all actions, or refrain from taking actions, within its control necessary to maintain the exclusion of the interest on the Series 2015D-G Bonds from gross income for general federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including but not limited to actions relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of Series 2015D-G Bond proceeds and moneys deemed to be Series 2015D-G Bond proceeds.

APPENDIX D

SUMMARY OF THE AIRLINE AGREEMENTS

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SUMMARY OF THE AIRLINE AGREEMENTS

Signatory Airlines

Each of the following airlines (the "Signatory Airlines") currently is a party to an Airport Use and Lease Agreement with the Authority (each an "Airline Agreement," and collectively, the "Airline Agreements"), which are substantially similar agreements relating to the use of the Airport, the lease of terminal facilities and the establishment and payment of terminal rentals, Activity Fees and other airline fees and charges: Air France, American Airlines, Delta Air Lines ("Delta"), Federal Express ("FedEx"), KLM Royal Dutch Airlines ("KLM"), Lufthansa German Airlines, Southwest Airlines, Spirit Airlines, United Airlines, United Parcel Service ("UPS") and US Airways. KLM is not currently operating at the Airport.

Airline Agreements

Term. The Airline Agreements have a scheduled expiration date of September 30, 2032. The Airline Agreements may be terminated, suspended or abated under certain conditions.

Leases. Delta, Air France, Virgin Atlantic Airways and the Delta Connection Carriers, which currently include Compass Airlines, Endeavor Air and other contract regional carriers, all operate at the South Terminal. All of the other Signatory Airlines (except FedEx and UPS) and all other passenger airlines serving the Airport, including all charter carriers, operate at the North Terminal. The Airline Agreements provide to the passenger Signatory Airlines leases on a preferential use basis of domestic gate holdrooms, ticket counters and other airline operational space in the South Terminal and the North Terminal.

Delta preferentially leases all of the airline space in the South Terminal, with the exception that the airline space in the international portion of the South Terminal, as well as space in the domestic bag claim area, is available to all of the airlines using the terminal on a shared use basis. In addition to using the shared use premises in the terminal, Air France, Virgin Atlantic Airways and the Delta Connection Carriers also operate on some of Delta's preferential use space. The Authority has the right to require Delta to make a portion of its preferentially leased premises available to other air carriers, subject to certain rules and priorities.

Each of the Signatory Airlines operating in the North Terminal leases one or more gate holdrooms and related ticket counters and other airline operational space on a preferential use basis. The North Terminal also has five common use gates under the control of the Authority, with related common use ticket counter space. The common use gates in the North Terminal include the international gates in the facility. The domestic and international bag claim areas in the terminal are available on a shared use basis. The Authority has the right to require each Signatory Airline leasing space in the North Terminal to make a portion of its preferentially leased premises available to other air carriers, subject to certain rules and priorities. In addition, the Authority has the right, under certain circumstances when a Signatory Airline operating in the North Terminal does not meet a specified utilization requirement for its preferential use gates, to recapture one or more gates from such Signatory Airline.

Terminal Rentals. Under the terminal rental rate-making methodology contained in the Airline Agreements, there are two terminal cost centers—the South Terminal Cost Center (includes the McNamara Terminal) and the North Terminal Cost Center. To establish the terminal rental rates to be paid by the Signatory Airlines for each Operating Year, the Authority allocates between the two terminal cost centers all annual terminal-related operation and maintenance expenses ("O&M Expenses") and all annual Debt Service on Bonds issued post-1997 to finance the South Terminal and the North Terminal (excluding apron and airfield costs), net of Debt Service to be paid by passenger facility charges ("PFCs"). The O&M Expenses for each terminal cost center include all direct terminal costs and relate to all space (airline, public, concession, etc.) in the facilities.

The annual rental rate for each terminal is calculated on the basis of dividing the costs allocated to the applicable terminal cost center, net of international facility use fees collected at that terminal and revenue collected for the use of the common use gates and ticket counters and other airline and other space controlled by the Authority, by the total square footage of space in the respective terminal leased to the Signatory Airlines operating in that terminal.

The Authority collects shared use fees per deplaned passenger for the use of the shared use premises in the South Terminal. The Authority collects shared use fees per enplaned passenger for the use of the shared use premises in the North Terminal.

International Facility Use Fees. Under the Airline Agreements, the Authority currently charges the Signatory Airlines a $5.50 international facility use fee per deplaned international passenger at both the South Terminal and the North Terminal.

Activity Fees. Under the Airline Agreements, the Signatory Airlines also are obligated to pay activity fees which are calculated on an Airport residual basis (the "Activity Fees"). Essentially, the Activity Fee calculation for each Operating Year is based on all airport revenue bond Debt Service (net of Debt Service paid by PFCs and federal grant funds) and all O&M Expenses for such Operating Year, minus all non-airline revenue for such Operating Year, all airline rental payments for such Operating Year, all international facility use fees for such Operating Year and all payments for use of the Authority-controlled airline space, if any, in each terminal for such Operating Year.

More specifically, each Operating Year each Signatory Airline must pay through Activity Fees its pro rata share for such Operating Year (based on landed weight of aircraft) of the Revenue Requirement, which is the difference between (i) the sum of: (a) direct and indirect operation, maintenance and administration expenses of the Airport for such Operating Year, (b) 125% of the amount of principal and interest due on outstanding airport revenue bonds for such Operating Year, net of PFCS and federal grant funds used in such Operating Year to pay revenue bond Debt Service, (c) required deposits into the Bond Reserve Account, the Operation and Maintenance Reserve Fund and the Renewal and Replacement Fund for such Operating Year, (d) $350,000 for deposit into the Authority Discretionary Fund to be used at the Authority's discretion for airport system purposes, and (e) $5 million (subject to escalation each year, commencing in Operating Year 2002, based on the Producer Price Index), to be deposited in the Authority's Airport Development Fund to be used by the Authority in its discretion for any lawful Airport-system related capital expenditures, and (ii) all Airport revenues for such Operating Year (including Activity Fees paid by non-Signatory Airlines, all terminal rentals, shared use fees and common use fees (including rentals and shared use fees paid by the Signatory Airlines), all international facilities use fees payable with respect to the use of the federal inspection service ("FIS") facilities at the Airport, all concession and parking revenue and all other nonairline revenues); provided that for each Operating Year, item (b) above shall be reduced by amounts on deposit in the Revenue Fund on the last day of the Operating Year preceding such Operating Year.

Payment of Fees and Charges. The Airline Agreements include procedures for charging and payment of airline fees and charges that require the Authority to provide the Signatory Airlines with a projection of rentals and the Activity Fee rate for each Operating Year at least sixty (60) days prior to the beginning of the Operating Year. The Authority also has agreed to revise the projection mid-year, based on actual data available for the Operating Year. Within sixty (60) days after the end of each Operating Year, the Authority is to provide the Signatory Airlines with a preliminary report of rentals and Activity Fees actually chargeable for the prior year. Eighty percent (80%) of any additional amounts owed by the Signatory Airlines to the Authority or any refunds the Authority may owe the Signatory Airlines as a result of an overpayment is to be paid within ninety (90) days after the end of such Operating Year. The Authority has agreed to provide the Signatory Airlines with its annual audit for each Operating Year within 180 days after the end of the year, and the balance of any amounts owed by the Signatory Airlines, or to be refunded by the Authority, is due within thirty (30) days thereafter.

2012 Amendment to End of Year True-Up of Fees and Charges. In order to enable the Authority to issue airport revenue bonds for airfield-related capital projects without the bonds being subject to the federal alternative minimum tax, in 2012 all of the Signatory Airlines agreed to an amendment of the Airline Agreements that revised the end of year true-up provision so that the amount to be refunded to the Signatory Airlines is calculated by taking into account the total amount of overpayment of Activity Fees by all Signatory Airlines and the total amount of Activity Fee overpayments by all non-Signatory Airlines. All airlines, Signatory and non-Signatory, participate in end of year refunds, not just the Signatory Airlines.

The total amount to be refunded to the Signatory Airlines and the total amount to be refunded to the non-Signatory Airlines, in respect of Activity Fee overpayments, is based on a pro-rata allocation between the Signatory Airlines and the non-Signatory Airlines, which reflects the same ratio as the ratio of total Activity Fees paid by the Signatory Airlines and total Activity Fees paid by the non-Signatory Airlines, respectively. The refund to the non-

Signatory Airlines may be accomplished directly, or through a reduction in the non-Signatory Airlines' Activity Fees for the following Operating Year. The same provision applies in the event of underpayments, and the Authority will charge the shortfall to non-Signatory Airlines as well as Signatory Airlines.

Certain Authority Covenants. The Airline Agreements obligate the Authority (i) to comply with the revenue retention requirements of the Airport and Airway Improvement Act of 1982, (ii) to use competitive bidding procedures for the award of all maintenance and operation and construction contracts for the Airport, (iii) to ensure that all senior appointed Airport officials shall have professional qualifications commensurate with their responsibilities, and (iv) to operate Willow Run Airport only as a reliever Airport for the Airport with no scheduled air carrier or public charter passenger service. The recent amendment to the Airline Agreements described above also added a new contractual covenant by the Authority to charge non-Signatory Airlines a reasonable surcharge on the Signatory Airline Activity Fee rate, subject to applicable law and to the Authority Board's "Signatory Airline Policy," which sets forth certain circumstances under which an airline is entitled to pay the basic Signatory Airline Activity Fee rate, without incurring a surcharge, even if the airline does not satisfy the minimum criteria for becoming a Signatory Airline.

Weighted Majority Approval. The Airline Agreements provide that a Weighted Majority of the Signatory Airlines can approve additional capital projects for which airport revenue bonds may be issued to pay the costs. A Weighted Majority is defined as either Signatory Airlines which, in the aggregate, landed eighty-five percent (85%) or more of the landed weight of all Signatory Airlines for the preceding 12-month period for which records are available or all but one of the Signatory Airlines regardless of landed weight.

Passenger Facility Charges. The Authority is obligated under the Use and Lease Agreements to use PFCs to pay Debt Service on airport revenue bonds issued to pay the costs of certain PFC-eligible projects at the Airport. These projects include the construction of both the South Terminal and the North Terminal. The Use Airline Agreements also set forth a required priority for the application of PFCs to pay Debt Service in the event there is insufficient PFC revenue available in any Operating Year to pay all PFC-eligible debt service.

Operation and Maintenance of South Terminal. Delta serves as the Authority's agent for the performance of certain operation and maintenance functions for the South Terminal. In this capacity, Delta has agreed to operate and maintain all of its leased space in the South Terminal, all common use and public use space in the terminal and all building-wide services (*e.g.*, heating, lighting, and electrical) and to maintain and repair the interior and exterior floors, walls, ceilings and the roof. The Authority maintains responsibility for overseeing the gate allocation and utilization of the shared use space, including the FIS facilities in accordance with an agreed upon protocol, the selection of concessionaires and for police and building security functions in the South Terminal.

Operation and Maintenance of North Terminal. Pursuant to an agreement with a consortium of the Signatory Airlines operating in the North Terminal known as the Detroit Airlines North Terminal Consortium Airport ("DANTeC"), DANTeC is responsible for performing certain operation and maintenance activities in the North Terminal, including janitorial services for the terminal as well as the Ground Transportation Center connected to the North Terminal, operation and maintenance of certain systems (baggage handling system, common use passenger processing system, multi-user flight information display system, building management system, paging system) and operation and maintenance of certain airline equipment (passenger boarding bridges, preconditioned air units, ground power units, moving walkways, elevators, escalators, automatic doors, triturator, GSE fuel load rack, potable water cabinets, hydrant fueling carts/trucks). In addition, DANTeC also performs certain ramp services and common use gate scheduling and gate control. The Authority is responsible for performing all other operation and maintenance activities with respect to the North Terminal.

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APPENDIX E

BOOK ENTRY SYSTEM

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BOOK-ENTRY SYSTEM

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Series 2015D-G Bonds; payment of interest and other payments on the Series 2015D-G Bonds to Participants, as defined below, or Beneficial Owners; confirmation and transfer of beneficial ownership interests in the Series 2015D-G Bonds; and other bond-related transactions by and between DTC, Participants and Beneficial Owners, is based solely on information furnished by DTC for use in this Official Statement, and the Authority does not take any responsibility for the accuracy or completeness.

The Series 2015D-G Bonds initially will be issued solely in book-entry form to be held in the book-entry only system maintained by The Depository Trust Company ("DTC"), New York, New York. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of Series 2015D-G Bonds and Beneficial Owners will not be or be considered to be, and will not have any rights as, owners or Owners of the Series 2015D-G Bonds under the Series 2015 Ordinance.

The information in this Appendix E concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2015D-G Bonds. The Series 2015D-G 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 certificate will be issued for each maturity of the Series 2015D-G Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities 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 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 Series 2015D-G Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2015D-G 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 interests in the Series 2015D-G Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2015D-G Bonds, except in the event that use of the book-entry system for the Series 2015D-G Bonds is discontinued.

To facilitate subsequent transfers, all Series 2015D-G Bonds deposited by 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 Series 2015D-G 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 Series 2015D-G Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2015D-G 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. Beneficial Owners of Series 2015D-G Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2015D-G Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2015D-G Bonds may wish to ascertain that the nominee holding the Series 2015D-G Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2015D-G 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 Series 2015D-G Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 Series 2015D-G Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Series 2015D-G 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 Authority or the Trustee on 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, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2015D-G Bonds at any time by giving reasonable notice to the Authority and the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2015D-G BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE SERIES 2015D-G BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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FORM OF CONTINUING DISCLOSURE UNDERTAKING

$520,055,000
WAYNE COUNTY AIRPORT AUTHORITY
Airport Revenue Bonds
(Detroit Metropolitan Wayne County Airport)
Series 2015D-G

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the Wayne County Airport Authority (the "Authority") in connection with the issuance of its Airport Revenue Bonds (Detroit Metropolitan Wayne County Airport), Series 2015D-G in the aggregate principal amount of $520,055,000 (the "Bonds"). The Authority covenants and agrees as follows:

SECTION 1. Purpose of the Undertaking. This Undertaking is being executed and delivered by the Authority for the benefit of the Bondholders and the Beneficial Owners (hereinafter defined) and in order to assist the Participating Underwriters (hereinafter defined) in complying with subsection (b)(5) of the Rule (hereinafter defined).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance, which apply to any capitalized term used in this Undertaking unless otherwise defined herein, the following capitalized terms shall have the following meanings.

"Airport" shall mean the Detroit Metropolitan Wayne County Airport.

"Annual Report" shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Undertaking.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

"EMMA" shall mean the MSRB's Electronic Municipal Market Access System, or such other system, Internet Web site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

"GAAP" shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Governmental Accounting Standards Board and in effect from time to time.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Undertaking.

"MSRB" shall mean the Municipal Securities Rulemaking Board. As of the date of this Undertaking, the address and telephone numbers of the MSRB are as follows:

CDINet
1900 Duke Street, Suite 600
Alexandria, Virginia 22314
Tel: (703) 797-6600
Fax: (703) 683-1930

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

"Obligated Person" shall mean the Authority and each airline or other entity at any time using the Airport (i) that is obligated under an Airport Use and Lease Agreement or Amended and Restated Airport Agreement, lease or other agreement having a term of more than one (1) year to pay a portion of the debt service on the Bonds, and

(ii) that has provided at least twenty percent (20%) of the Revenues of the Airport for each of the two (2) fiscal years of the Airport immediately preceding the due date of any Annual Report.

"Official Statement" shall mean the final Official Statement for the Bonds dated September 23, 2015.

"Ordinance" means, collectively, the Series 2015 Ordinance and the Master Bond Ordinance as such terms are defined in the Official Statement.

"Participating Underwriters" 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.

"SEC Reports" means reports and other information required to be filed pursuant to Sections 13(a), 14 or 15(d) of the 1934 Act.

"Securities Counsel" shall mean legal counsel expert in federal securities law, and may include, but is not limited to Bond Counsel or Disclosure Counsel with respect to the Bonds.

"State" shall mean the State of Michigan.

SECTION 3. Provision of Annual Reports.

(a) Each year, the Authority shall use its best efforts to provide within six (6) months, but in any event, not later than nine (9) months after the first day of the Authority's fiscal year, commencing with the Authority's Annual Report for its fiscal year ended September 30, 2015, to the MSRB through EMMA an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Undertaking. The Authority's current fiscal year commenced on October 1, 2014, and will end September 30, 2015. 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 Undertaking; provided, however, that if the audited financial statements of the Authority are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the audited financial statements then most recently prepared for the Authority shall be included in the Annual Report.

(b) If the Authority is unable to provide to the MSRB, through EMMA, in an electronic format as prescribed by the MSRB, an Annual Report by the date required in subsection (a), the Authority shall send a notice, in a timely manner, to the MSRB, through EMMA, in substantially the form attached as Exhibit A.

(c) If the Authority's fiscal year changes, the Authority shall send written notice of such change to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in substantially the form attached as Exhibit B.

(d) Whenever any Annual Report or portion thereof is filed as described above, it shall be attached to a cover sheet in substantially the form attached as Exhibit C, or such other form as may be prescribed by the SEC from time to time.

SECTION 4. Content of Annual Reports. The Authority's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Authority for its fiscal year immediately preceding the due date of the Annual Report.

(b) An update of the financial information and operating data relating to the Authority of substantially the same nature as that contained in the Authority's Comprehensive Annual Report for the year ended September 30, 2013 (the "CAFR"), included in the Official Statement as Appendix B, under the section in the CAFR entitled "Continuing Disclosure" and otherwise in the Official Statement as follows: (i) in the table under the heading "2014 REPORT OF THE AIRPORT CONSULTANT AND SUPPLEMENTAL LETTER," and (ii) in the following table in APPENDIX A –2014 Report of the Airport Consultant and Supplemental Letter - 2014 Report of the Airport Consultant: Table 5-7 – Top 20 Domestic O&D Markets. If any information described in this paragraph (b) is published or provided by a third party and is no longer publicly available, the Authority shall include a statement to that effect as part of its Annual Report for the year in which such lack of availability arises.

The Authority's financial statements shall be audited and prepared in accordance with GAAP; provided, however, that the Authority may from time to time, in accordance with GAAP and subject to applicable federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification shall be provided to the MSRB, through EMMA, in an electronic format as prescribed by the MSRB.

Any or all of the items listed above may be included by specific reference to other documents that previously have been provided to the MSRB, through EMMA. The Authority shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Authority covenants to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to 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 holders of the Bonds, 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 Authority, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing 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 over substantially all of the assets or business of the Authority;
(13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, 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; or

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Authority covenants that its determination of materiality will be made in conformance with federal securities laws.

(c) If the Authority determines that the occurrence of a Listed Event would be material under applicable federal securities laws, the Authority shall promptly cause a notice of such occurrence to be filed with the MSRB, through EMMA, in an electronic format as prescribed by the MSRB, together with a cover sheet in substantially the form attached as Exhibit C. In connection with providing a notice of the occurrence of a Listed Event described in subsection (a)(9), the Authority shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) The Authority acknowledges that the "rating changes" referred to above in Section (5)(a)(11) of this Undertaking may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Authority is liable.

(e) The Authority 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 Authority does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

SECTION 6. Termination of Reporting Obligation.

(a) The Authority's obligations under this Undertaking shall terminate upon the legal defeasance of the Ordinance or the prior redemption or payment in full of all of the Bonds. If the Authority's obligation to pay the principal of and interest on the Bonds is assumed in full by some other entity, such entity shall be responsible for compliance with this Undertaking in the same manner as if it were the Authority, and the Authority shall have no further responsibility hereunder.

(b) This Undertaking, or any provision hereof, shall be null and void in the event that the Authority (i) receives an opinion of Securities Counsel, addressed to the Authority, to the effect that those portions of the Rule, which require such provisions of this Undertaking, 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) delivers notice to such effect to the MSRB, through EMMA, in an electronic format as prescribed by the MSRB.

SECTION 7. Amendment; Waiver.

(a) Notwithstanding any other provision of this Undertaking, this Undertaking may be amended, and any provision of this Undertaking 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 Authority or type of business conducted by the Authority;

(2) this Undertaking, 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 either (A) is approved by the Bondholders in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of the Bondholders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders.

(b) In the event of any amendment to, or waiver of a provision of, this Undertaking, the Authority 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 Undertaking, 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 Undertaking, 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 sent by the Authority to the MSRB, through EMMA, in an electronic format as prescribed by the MSRB.

SECTION 8. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Undertaking 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 Undertaking. If the Authority 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 Undertaking, the Authority shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 9. Failure to Comply. In the event of a failure of the Authority to comply with any provision of this Undertaking, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Authority under this Undertaking, 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 Undertaking shall not constitute a default with respect to the Bonds or under the Ordinance.

SECTION 10. Beneficiaries. This Undertaking shall inure solely to the benefit of the Authority, the Participating Underwriters, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

SECTION 11. Transmission of Information and Notices; Dissemination Agent. Unless otherwise required by law or this Undertaking, and, in the sole determination of the Authority, subject to technical and economic feasibility, the Authority 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. Any filing with the MSRB under this Undertaking may be made by transmitting such filing to a dissemination agent.

SECTION 12. Other Obligated Persons. Currently, Delta Air Lines ("Delta") is the only Obligated Person other than the Authority, and Delta is required by the 1934 Act to file annual financial information in the form of its SEC Reports with the SEC as described in the Official Statement. The Authority assumes no responsibility for the accuracy or completeness of the SEC Reports or other annual financial information disseminated by Delta or any future Obligated Person. The Authority shall report as part of its Annual Report any change in Obligated Persons and that an Obligated Person's SEC Reports constitute its annual financial information under this Undertaking. Unless no longer required by the Rule, the Authority shall use its best efforts to cause each Obligated Person other than the Authority (to the extent that such party is not required to file SEC Reports) to disseminate annual financial information substantially equivalent to that contained in SEC Reports to the MSRB, through EMMA, in an electronic format as prescribed by the MSRB, not later than nine months after the last day of the Obligated Person's fiscal year. The Authority has no obligation to file or disseminate any SEC Reports relating to another Obligated Person.

WAYNE COUNTY AIRPORT AUTHORITY

By: ____

Name:

Its:

Dated: October 15, 2015

EXHIBIT A TO CONTINUING DISCLOSURE UNDERTAKING

NOTICE TO THE MSRB
OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Person: Wayne County Airport Authority

Name of Bond Issue: Airport Revenue Bonds (Detroit Metropolitan Wayne County Airport), Series 2015D-G

Date of Bonds: October 15, 2015

NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of its Undertaking with respect to the Bonds. The Authority anticipates that the Annual Report will be filed by ________________________.

WAYNE COUNTY AIRPORT AUTHORITY

By: ________________________________

Its: ___________________________

Dated: ______________

EXHIBIT B TO CONTINUING DISCLOSURE UNDERTAKING

NOTICE TO THE MSRB
OF CHANGE IN AUTHORITY'S FISCAL YEAR

Name of Obligated Person: Wayne County Airport Authority

Name of Bond Issue: Airport Revenue Bonds (Detroit Metropolitan Wayne County Airport), Series 2015D-G

Date of Bonds: October 15, 2015

NOTICE IS HEREBY GIVEN that the fiscal year of the ________________ changed. Previously, the Authority's fiscal year ended on ______________________. It now ends on __________________.

WAYNE COUNTY AIRPORT AUTHORITY

By: ________________________________

Its: __________________________

Dated: __________________

EXHIBIT C TO CONTINUING DISCLOSURE UNDERTAKING

MUNICIPAL SECONDARY MARKET DISCLOSURE INFORMATION COVER SHEET

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, pursuant to Securities and Exchange Commission Rule 15c2-12 or any analogous state statute.

***

Authority's and/or Other Obligated Person's name: Wayne County Airport Authority

CUSIP Numbers (attach additional sheet if necessary):
Nine-Digit CUSIP Number(s) to which the information relates:

Information relates to all securities issued by the Authority having the following six-digit number(s):

***

Number of pages of attached information: ______________________________

Description of Material Events Notice/Financial Information (Check One):

1. ______ Principal and interest payment delinquencies
2. ______ Material non-payment related defaults
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. ______ Material modifications to rights of securities holders
8. ______ Bond calls, if material, or tender offers
9. ______ Defeasances
10. ______ Material release, substitution, or sale of property securing repayment of the bonds
11. ______ Rating changes
12. ______ Bankruptcy, insolvency, receivership or similar event of the Authority
13. ______ The consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, 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
14. ______ Appointment of a successor or additional trustee or the material change of name of a trustee
15. ______ Failure to provide annual financial information as required
16. ______ Other material event notice (specify) ______________________________
17.* ______ Financial Information: Please check all appropriate boxes:
    CAFR (a) includes does not include Annual Financial Information
    (b) Audited? Yes No
    Annual Financial Information: Audited? Yes No
    Operating Data
    Fiscal Period Covered: ______________________________

*Financial information **should not** be filed with the MSRB.

I hereby represent that I am authorized by the Authority or its agent to distribute this information publicly:

Signature: ____
Name: ______________________ Title: ______________
Employer: ____
Address: ____
City, State, Zip Code: ______________________________________
Voice Telephone Number: (______) ____________

APPENDIX G

FORMS OF BOND COUNSEL OPINIONS

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Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL (313) 963-6420
FAX (313) 496-7500
www.millercanfield.com

MICHIGAN: Ann Arbor
Detroit • Grand Rapids
Kalamazoo • Lansing • Troy
FLORIDA: Tampa
ILLINOIS: Chicago
NEW YORK: New York
OHIO: Cincinnati
CANADA: Toronto • Windsor
CHINA: Shanghai
MEXICO: Monterrey
POLAND: Gdynia
Warsaw • Wrocław

FORM OF APPROVING OPINION (2015D – NON-AMT)

Wayne County Airport Authority
State of Michigan

We have acted as bond counsel to the Wayne County Airport Authority, State of Michigan (the "Authority"), in connection with the issuance by the Authority of bonds in the aggregate principal sum of $213,330,000, designated Airport Revenue Bonds (Detroit Metropolitan Wayne County Airport), Series 2015D (the "Bonds"), for the purpose of paying a portion of the cost of acquiring and constructing certain capital improvements (defined in the ordinances authorizing the Bonds as the "2015 Projects"), providing for capitalized interest during construction of the 2015 Projects and paying costs of issuance of the Bonds. In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are in fully-registered form in the denomination of $5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of October 15, 2015, payable as to principal and interest as provided in the Bonds, subject to redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds.

The Bonds are issued under the provisions of Act 327, Public Acts of Michigan, 1945, as amended and Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"). The Authority has reserved the right to issue additional bonds of equal standing with the Bonds pursuant to the conditions stated in the ordinances authorizing the Bonds (collectively, the "Ordinance").

As to questions of fact material to our opinion, we have relied on the representations of the Authority contained in the Ordinance, and in the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Ordinance has been duly and lawfully adopted by the Authority and is in full force and effect. The Ordinance by its terms constitutes a contract between the Authority and the holders of the Bonds and is valid and binding upon the Authority and enforceable against the Authority in accordance with its terms.

2. The Authority has sufficient power and authority to operate the Detroit Metropolitan Wayne County Airport (the "Airport") and to issue the Bonds for the above purposes secured by the pledge of Airport revenues as hereinafter described.

3. The Bonds has been duly authorized, executed, and delivered by the Authority and authenticated by the Trustee (as defined in the Ordinance) in accordance with the Ordinance. All conditions precedent to the sale and delivery of the Bonds have been fulfilled.

4. The Bonds are valid and binding obligations of the Authority according to their tenor, payable solely and only from and secured by a statutory lien on the revenues of the Airport, after payment of the expenses of administration, operation and maintenance thereof (the "Net Revenues"), and are entitled to the benefits of the Ordinance and Act 94. The statutory lien on the Net Revenues is of equal standing and on a parity as to the Net Revenues with all outstanding Bonds (as defined in the Ordinance) (the "Outstanding Bonds") and any Additional Bonds (as defined in the Ordinance).

5. The Authority is obligated to charge and collect rates, charges and landing fees from every user of the Airport sufficient, together with all other available funds, to provide adequate revenues for the payment of the expenses of administration, operation and maintenance of the Airport and such other expenditures and funds for the Bonds, the Outstanding Bonds, the Junior Lien Bonds (as defined in the Ordinance) and the Airport as are required by the Ordinance and Act 94; provided, however, that to the extent that rates are fixed by contract, such rates may be revised only in accordance with the terms of such contract.

6. The interest on the Bonds (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Further, with respect to corporations (as defined for federal income tax purposes) such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (i) of this paragraph is subject to the condition that the Authority comply with all requirements of applicable federal income tax law that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with all such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Authority has covenanted to comply with all such requirements.

7. The Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes, taxes on gains realized from the sale, payment or other disposition thereof.

Except as stated in paragraphs 6 and 7 above, we express no opinion regarding other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
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Detroit • Grand Rapids
Kalamazoo • Lansing • Troy
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ILLINOIS: Chicago
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OHIO: Cincinnati
CANADA: Toronto • Windsor
CHINA: Shanghai
MEXICO: Monterrey
POLAND: Gdynia
Warsaw • Wroclaw

FORM OF APPROVING OPINION
(2015E – AMT)

Wayne County Airport Authority
State of Michigan

We have acted as bond counsel to the Wayne County Airport Authority, State of Michigan (the "Authority"), in connection with the issuance by the Authority of bonds in the aggregate principal sum of $7,755,000, designated Airport Revenue Bonds (Detroit Metropolitan Wayne County Airport), Series 2015E (the "Bonds"), for the purpose of paying a portion of the cost of acquiring and constructing certain capital improvements (defined in the ordinances authorizing the Bonds as the "2015 Projects"), providing for capitalized interest during construction of the 2015 Projects and paying costs of issuance of the Bonds. In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are in fully-registered form in the denomination of $5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of October 15, 2015, payable as to principal and interest as provided in the Bonds, subject to redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds.

The Bonds are issued under the provisions of Act 327, Public Acts of Michigan, 1945, as amended and Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"). The Authority has reserved the right to issue additional bonds of equal standing with the Bonds pursuant to the conditions stated in the ordinances authorizing the Bonds (collectively, the "Ordinance").

As to questions of fact material to our opinion, we have relied on the representations of the Authority contained in the Ordinance, and in the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Ordinance has been duly and lawfully adopted by the Authority and is in full force and effect. The Ordinance by its terms constitutes a contract between the Authority and the holders of the Bonds and is valid and binding upon the Authority and enforceable against the Authority in accordance with its terms.

2. The Authority has sufficient power and authority to operate the Detroit Metropolitan Wayne County Airport (the "Airport") and to issue the Bonds for the above purposes secured by the pledge of Airport revenues as hereinafter described.

3. The Bonds has been duly authorized, executed, and delivered by the Authority and authenticated by the Trustee (as defined in the Ordinance) in accordance with the Ordinance. All conditions precedent to the sale and delivery of the Bonds have been fulfilled.

4. The Bonds are valid and binding obligations of the Authority according to their tenor, payable solely and only from and secured by a statutory lien on the revenues of the Airport, after payment of the expenses of administration, operation and maintenance thereof (the "Net Revenues"), and are entitled to the benefits of the Ordinance and Act 94. The statutory lien on the Net Revenues is of equal standing and on a parity as to the Net Revenues with all outstanding Bonds (as defined in the Ordinance) (the "Outstanding Bonds") and any Additional Bonds (as defined in the Ordinance).

5. The Authority is obligated to charge and collect rates, charges and landing fees from every user of the Airport sufficient, together with all other available funds, to provide adequate revenues for the payment of the expenses of administration, operation and maintenance of the Airport and such other expenditures and funds for the Bonds, the Outstanding Bonds, the Junior Lien Bonds (as defined in the Ordinance) and the Airport as are required by the Ordinance and Act 94; provided, however, that to the extent that rates are fixed by contract, such rates may be revised only in accordance with the terms of such contract.

6. The interest on the Bonds (i) is excludable from gross income for federal income tax purposes (except for any period when the Bonds are held by a "substantial user" of the Airport or a person deemed "related" thereto (as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended)) and (ii) is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Further, with respect to corporations (as defined for federal income tax purposes) such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (i) of this paragraph is subject to the condition that the Authority comply with all requirements of applicable federal income tax law that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with all such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Authority has covenanted to comply with all such requirements.

7. The Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes, taxes on gains realized from the sale, payment or other disposition thereof.

Except as stated in paragraphs 6 and 7 above, we express no opinion regarding other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

Miller, Canfield, Paddock and Stone, P.L.C.
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FLORIDA: Tampa
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MEXICO: Monterrey
POLAND: Gdynia
Warsaw • Wroclaw

FORM OF APPROVING OPINION
(2015F REFUNDING – AMT)

Wayne County Airport Authority
State of Michigan

We have acted as bond counsel to the Wayne County Airport Authority, State of Michigan (the "Authority"), in connection with the issuance by the Authority of bonds in the aggregate principal sum of $224,155,000, designated Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2015F (the "Bonds"), for the purpose of refunding a portion of the Authority's previously issued Airport Revenue Refunding Bonds and paying costs of issuance of the Bonds. In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are in fully-registered form in the denomination of $5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of October 15, 2015, payable as to principal and interest as provided in the Bonds, subject to redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds.

The Bonds are issued under the provisions of Act 327, Public Acts of Michigan, 1945, as amended and Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"). The Authority has reserved the right to issue additional bonds of equal standing with the Bonds pursuant to the conditions stated in the ordinances authorizing the Bonds (collectively, the "Ordinance").

As to questions of fact material to our opinion, we have relied on the representations of the Authority contained in the Ordinance, and in the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Ordinance has been duly and lawfully adopted by the Authority and is in full force and effect. The Ordinance by its terms constitutes a contract between the Authority and the holders of the Bonds and is valid and binding upon the Authority and enforceable against the Authority in accordance with its terms.

2. The Authority has sufficient power and authority to operate the Detroit Metropolitan Wayne County Airport (the "Airport") and to issue the Bonds for the above purposes secured by the pledge of Airport revenues as hereinafter described.

3. The Bonds has been duly authorized, executed, and delivered by the Authority and authenticated by the Trustee (as defined in the Ordinance) in accordance with the Ordinance. All conditions precedent to the sale and delivery of the Bonds have been fulfilled.

4. The Bonds are valid and binding obligations of the Authority according to their tenor, payable solely and only from and secured by a statutory lien on the revenues of the Airport, after payment of the expenses of

administration, operation and maintenance thereof (the "Net Revenues"), and are entitled to the benefits of the Ordinance and Act 94. The statutory lien on the Net Revenues is of equal standing and on a parity as to the Net Revenues with all outstanding Bonds (as defined in the Ordinance) (the "Outstanding Bonds") and any Additional Bonds (as defined in the Ordinance).

5. The Authority is obligated to charge and collect rates, charges and landing fees from every user of the Airport sufficient, together with all other available funds, to provide adequate revenues for the payment of the expenses of administration, operation and maintenance of the Airport and such other expenditures and funds for the Bonds, the Outstanding Bonds, the Junior Lien Bonds (as defined in the Ordinance) and the Airport as are required by the Ordinance and Act 94; provided, however, that to the extent that rates are fixed by contract, such rates may be revised only in accordance with the terms of such contract.

6. The interest on the Bonds (i) is excludable from gross income for federal income tax purposes (except for any period when the Bonds are held by a "substantial user" of the Airport or a person deemed "related" thereto (as such terms are used in Section 147(a) of the Internal Revenue Code of 1986, as amended)) and (ii) is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Further, with respect to corporations (as defined for federal income tax purposes) such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (i) of this paragraph is subject to the condition that the Authority comply with all requirements of applicable federal income tax law that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with all such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Authority has covenanted to comply with all such requirements.

7. The Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes, taxes on gains realized from the sale, payment or other disposition thereof.

Except as stated in paragraphs 6 and 7 above, we express no opinion regarding other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

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FORM OF APPROVING OPINION
(2015G REFUNDING –NON-AMT)

Wayne County Airport Authority
State of Michigan

We have acted as bond counsel to the Wayne County Airport Authority, State of Michigan (the "Authority"), in connection with the issuance by the Authority of bonds in the aggregate principal sum of $74,815,000, designated Airport Revenue Refunding Bonds (Detroit Metropolitan Wayne County Airport), Series 2015G (the "Bonds"), for the purpose of refunding a portion of the Authority's previously issued Airport Hotel Revenue Bonds and paying costs of issuance of the Bonds. In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are in fully-registered form in the denomination of $5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of October 15, 2015, payable as to principal and interest as provided in the Bonds, subject to redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds.

The Bonds are issued under the provisions of Act 327, Public Acts of Michigan, 1945, as amended and Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"). The Authority has reserved the right to issue additional bonds of equal standing with the Bonds pursuant to the conditions stated in the ordinances authorizing the Bonds (collectively, the "Ordinance").

As to questions of fact material to our opinion, we have relied on the representations of the Authority contained in the Ordinance, and in the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Ordinance has been duly and lawfully adopted by the Authority and is in full force and effect. The Ordinance by its terms constitutes a contract between the Authority and the holders of the Bonds and is valid and binding upon the Authority and enforceable against the Authority in accordance with its terms.

2. The Authority has sufficient power and authority to operate the Detroit Metropolitan Wayne County Airport (the "Airport") and to issue the Bonds for the above purposes secured by the pledge of Airport revenues as hereinafter described.

3. The Bonds has been duly authorized, executed, and delivered by the Authority and authenticated by the Trustee (as defined in the Ordinance) in accordance with the Ordinance. All conditions precedent to the sale and delivery of the Bonds have been fulfilled.

4. The Bonds are valid and binding obligations of the Authority according to their tenor, payable solely and only from and secured by a statutory lien on the revenues of the Airport, after payment of the expenses of administration, operation and maintenance thereof (the "Net Revenues"), and are entitled to the benefits of the

Ordinance and Act 94. The statutory lien on the Net Revenues is of equal standing and on a parity as to the Net Revenues with all outstanding Bonds (as defined in the Ordinance) (the "Outstanding Bonds") and any Additional Bonds (as defined in the Ordinance).

5. The Authority is obligated to charge and collect rates, charges and landing fees from every user of the Airport sufficient, together with all other available funds, to provide adequate revenues for the payment of the expenses of administration, operation and maintenance of the Airport and such other expenditures and funds for the Bonds, the Outstanding Bonds, the Junior Lien Bonds (as defined in the Ordinance) and the Airport as are required by the Ordinance and Act 94; provided, however, that to the extent that rates are fixed by contract, such rates may be revised only in accordance with the terms of such contract.

6. The interest on the Bonds (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Further, with respect to corporations (as defined for federal income tax purposes) such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (i) of this paragraph is subject to the condition that the Authority comply with all requirements of applicable federal income tax law that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with all such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Authority has covenanted to comply with all such requirements.

7. The Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except inheritance and estate taxes, taxes on gains realized from the sale, payment or other disposition thereof.

Except as stated in paragraphs 6 and 7 above, we express no opinion regarding other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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ASSURED GUARANTY
MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: $ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
31 West 52nd Street, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

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