



April 28, 2023

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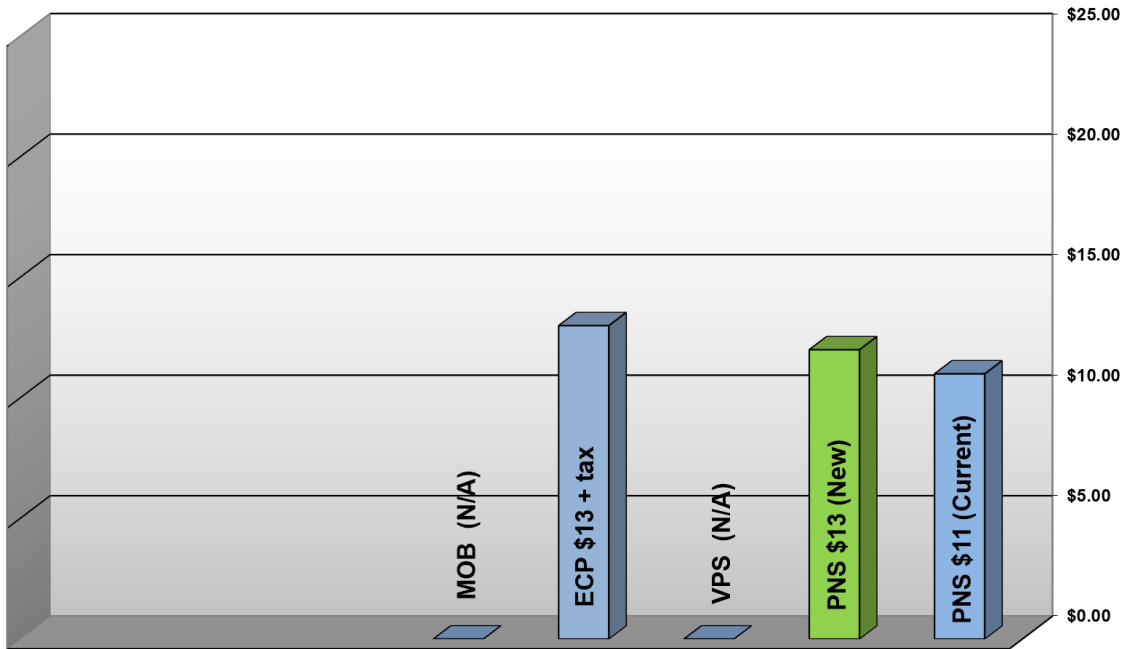
Dear Michael,

I hope you are doing well, per your request we ran another analysis based on the requested rates. Our estimate of that rate is below. We are also including the additional explanation of the process for you that was provided in the February letter.

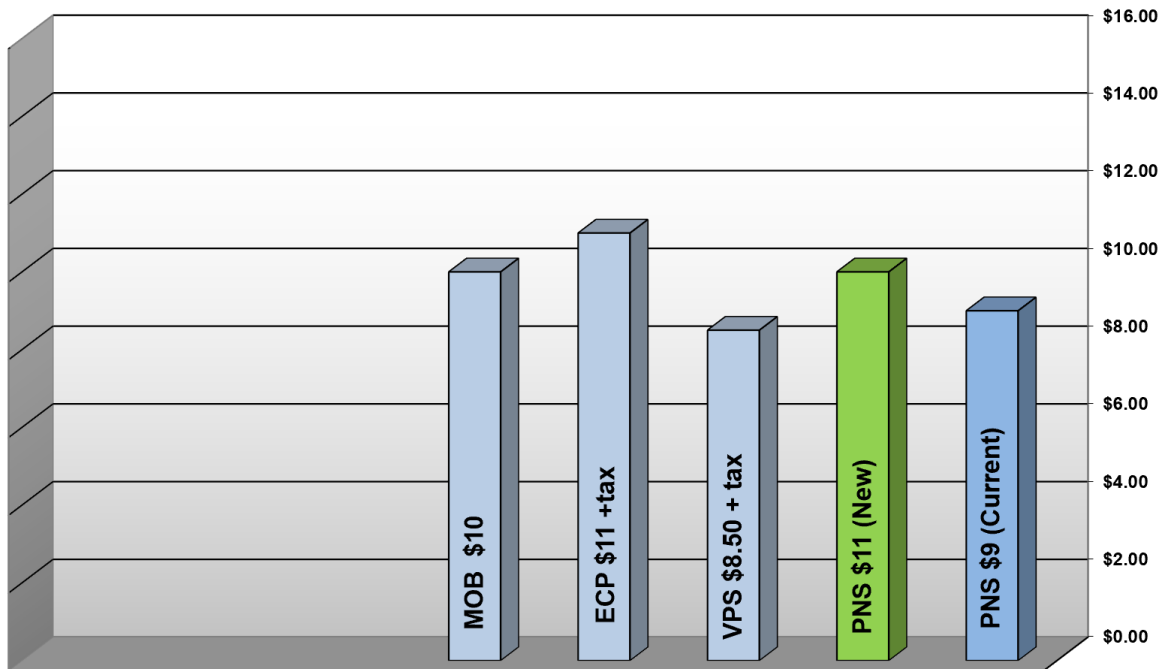
One of the services that we provide to our clients is a review of their current parking rates. We look at where your rates are in comparison to those in your region. The purpose of this review is twofold. First, we want to ensure that your rates are in line with the other Airport's in your region. Secondly, if based on our experience and the regional review, we believe that the Airport could modify the rates we prepare an analysis of the financial impact of changing the parking rates.

The Charts on the next pages show that the Airport has done an excellent job of keeping the parking rates in line with the other Airports in your region. It also shows a potential increase to the daily maximums in each of the parking rates should the Airport approve the recommended increase. We also looked at the incremental rates and feel that at this time there should be no adjustment to those rates.

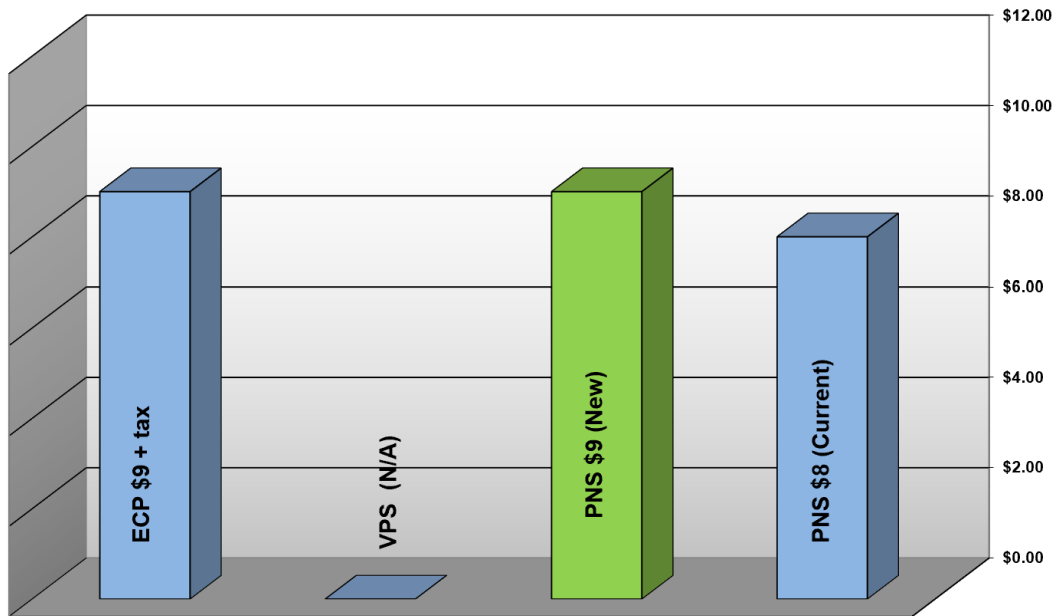
Short Term/Garage Parking Rates



Long Term/Surface Parking Rates



Economy Parking Rates



One of the factors we look at when proposing an increase to the Daily Maximum rates is where that would move you in your chart position. We do not recommend an increase that would change your overall position in the region. The only parking category where PNS does not have the lowest advertised parking rate is the Long Term/Surface lot. VPS has a face value lower parking rate than PNS, but both VPS and ECP do not include the additional 7% sales tax in any of their posted parking rates. So the customer pays the additional tax on top of the posted rate. For example, at VPS the customer is actually paying \$8.50 plus \$0.60 for a total rate of \$9.10 per day. ECP also adds the tax to the daily rate, making their effective daily rates (\$13.91, \$11.77, and \$9.63). While at PNS the posted rate includes tax.

After we determine that a potential increase is a viable recommendation, we then perform a financial projection. We use the historical transaction figures and revenue number from your airport in order to accomplish this task. For the PNS analysis we used January through October 2022 and then extrapolated out the annualized impact.

Pensacola International Airport
Rate Change Survey
April 28, 2023

| Pensacola International Airport | Garage | Surface | Economy | |
|---|------------------------|------------------------|-----------------------|---------------------|
| Gross Revenue (first 10 months of 2022 -January through October) | \$ 3,253,443 | \$ 2,130,920 | \$ 1,693,781 | |
| Revenue producing transactions - same period (divide) | 111,005 | 88,043 | 103,215 | |
| Average Ticket amount | \$ 29.31 | \$ 24.20 | \$ 16.41 | |
| Current Overnight rate (divide) | \$ 11.00 | \$ 9.00 | \$ 8.00 | |
| Average length of stay in days | 2.66 | 2.69 | 2.05 | |
| <i>New Daily Rate (Increase of \$2.00 Garage & Surface \$1.00 in Economy Lots)</i> | <i>\$ 13.00</i> | <i>\$ 11.00</i> | <i>\$ 9.00</i> | |
| Extrapolated New Average Ticket amount | \$ 34.64 | \$ 29.58 | \$ 18.46 | |
| Revenue producing transactions (multiply) | 111,005 | 88,043 | 103,215 | |
| Extrapolated New Net Revenue | \$ 3,844,978 | \$ 2,604,458 | \$ 1,905,504 | Net Change |
| Projected Revenue Increase (10 months) | \$ 591,535 | \$ 473,538 | \$ 211,723 | \$ 1,276,795 |
| Annualized Revenue Increase Projection | \$ 709,842 | \$ 568,245 | \$ 254,067 | \$ 1,532,155 |

Based on our analysis a \$2.00 per day increase in the garage and surface lot and a \$1.00 increase in the economy lots would result in an increase of approximately \$1,532,155 annually. The above analysis does not include any monthly parking revenue impact and also removed the validation amounts from the projections. Now this increase could be impacted by Airline activity as well, any increase or decrease of the enplanement numbers will impact the forecast above.

If you have any questions, please let me know. I would be happy to come and present this information and any other to you and the staff.

Sincerely,



Don Barrett
Vice President, Airport Operations
LAZ Parking, Airport Services