

SACRAMENTO INTERNATIONAL AIRPORT

Independent Accountant's Report,
Schedule of Forecasted Sources and Costs of the
Consolidated Rental Car Facility and
Notes to the Forecasted Schedule

For the Period from
July 1, 2025 through June 30, 2060

SACRAMENTO INTERNATIONAL AIRPORT
Forecasted Sources and Costs of the
Consolidated Rental Car Facility
July 1, 2025 through June 30, 2060

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Independent Accountant's Report

Sacramento County Department of Airports
Sacramento, California

We have examined the accompanying Schedule of Forecasted Sources and Costs of the Consolidated Rental Car Facility of the County of Sacramento – Sacramento International Airport (International Airport), for the period of July 1, 2025 through June 30, 2060 (Forecasted Schedule), based on the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA). The International Airport's management is responsible for preparing and presenting the Forecasted Schedule in accordance with the guidelines for the presentation of a forecast established by the AICPA. Our responsibility is to express an opinion on the Forecasted Schedule based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Forecasted Schedule is presented in accordance with the guidelines for the presentation of a forecast established by the AICPA, in all material respects. An examination involves performing procedures to obtain evidence about the Forecasted Schedule. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Forecasted Schedule, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the accompanying Forecasted Schedule is presented, in all material respects, in accordance with the guidelines for the presentation of a forecast established by the AICPA, and the underlying assumptions are suitably supported and provide a reasonable basis for management's forecast.

There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.



Sacramento, California
February 23, 2026

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Consolidated Rental Car Facility
For the Period from July 1, 2025 through June 30, 2060

Facility Costs

Design / Construction Costs:	\$	485,000,000
Debt Service Payments During Construction Period:	\$	19,269,626

Total Program Costs (Rounded):	\$	505,000,000
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Fund Sources

CFC Balances (Pay-Go):	\$	185,000,000
CFC-Backed Revenue Bonds at 1.40x Coverage Ratio:	\$	235,000,000

Total CFC Sourced Project Funds:	\$	420,000,000
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Funding Shortfall

Total Program Funding Shortfall:	\$	(85,000,000)
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Non-CFC Backed Airport Debt – Bridge Financing

GARB or Similar Airport Debt:	\$	85,000,000
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Total Program Financing:	\$	505,000,000
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See Notes to Schedule of Forecasted Sources and Costs of the Consolidated Rental Car Facility.

SACRAMENTO INTERNATIONAL AIRPORT
Notes to Schedule of Forecasted Sources and Costs of the
Consolidated Rental Car Facility
For the Period from July 1, 2025 through June 30, 2060

(1) Summary of Significant Forecast Assumptions

The accompanying Schedule of Forecasted Sources and Costs of the Consolidated Rental Car Facility (Schedule) at Sacramento International Airport (International Airport) presents, to the best of the Department of Airports (Department) management's knowledge and belief, the estimated revenues generated for and reasonable costs of the Consolidated Rental Car Facility (ConRAC), for the period from July 1, 2025 through the year of the final payment of debt service on related debt obligations in 2060. Accordingly, the Schedule reflects management's judgment as of February 10, 2026 of the expected conditions and its expected course of action. This presentation is intended for the use by the Department in evaluating the revenue forecast, including the need to collect the Customer Facility Charge (CFC) in accordance with §50474.1 through §50474.3 of the California Government Code (Code), in connection with the financing, design and construction of the ConRAC. The assumptions disclosed herein are those that management believes are significant to the Schedule. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Pursuant to the Code, the Department has determined the need for a ConRAC to provide for the safe, secure and efficient processing of rental car transactions for the traveling public, to enhance the choice afforded to rental car customers, and to mitigate the environmental impacts of the current rental car operations on the International Airport's neighbors.

The Department initially established a Customer Facility Charge (CFC) of \$10.00 per rental contract in accordance with the Code to support the design, planning, and construction of the Consolidated Rental Car Facility (ConRAC). In March 2023, the Airport transitioned to an \$8.00 per transaction day CFC for up to five days, and in May 2025 increased the rate to \$9.00 per transaction day, the maximum allowable cap in California at that time.

Following the enactment of Assembly Bill 1150 (Schultz) (AB 1150), signed by the Governor on October 1, 2025, the statutory cap for CFCs increased to \$12.00 per transaction day in California. The Department now proposes to increase the CFC to \$12.00 per transaction day in 2026, capped at five days per rental contract, to support an expanded project scope and revised financing structure. The expanded scope reflects a decision by Department leadership to size the facility to Planning Activity Level (PAL) 4 rather than the originally planned PAL 3, ensuring the facility will not become capacity-constrained in the near term and represents a prudent long-term investment to avoid costly future expansion within the useful life of the structure. The financing approach has also shifted from a previously contemplated public-private partnership with private equity to traditional airport bond debt. The proposed \$12.00 per day CFC rate represents the maximum allowable under California law and is the necessary foundation for the \$485 million ConRAC program financing. As demonstrated in the financial analysis that follows, CFC revenues at \$12.00 per transaction day support the primary CFC-backed Revenue Bond tranche of the program, while the overall project requires a secondary tranche of non-CFC-backed debt to address a remaining funding gap of approximately \$85 million that cannot be covered by CFC revenues alone at the planned debt service coverage level. The \$12.00 rate is therefore both necessary and essential – no lower CFC rate would be sufficient to support even the primary bond tranche of this financing program.

All significant assumptions related to the forecasted sources and costs are summarized in Note 5.

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Notes to Schedule of Forecasted Sources and Costs of the
Consolidated Rental Car Facility (Continued)
For the Period from July 1, 2025 through June 30, 2060

(2) Organization and Management of the Airport System

The Board of Supervisors (Board) of the County of Sacramento (County) oversees the operation of the Airport System, which includes the International Airport. The County was incorporated in 1850 as one of the original 27 counties of the State of California. The County's largest city, Sacramento, is the seat of government for the State of California and also serves as the County seat. The County has a charter form of government. The Board of Supervisors is composed of five members elected to serve staggered four-year terms. A County Executive, appointed by the Board of Supervisors, manages the day-to-day business of the County.

Department of Airports

Senior management is led by the Director of Airports (Director), who has the authority to administer the affairs of the Department as the chief executive officer thereof. The Director reports to the County Executive and serves at the pleasure of the Board.

Description of the Airport

The International Airport was opened in 1967 and is owned by the County and operated by the Department. It serves residents of, and visitors to, the State's Capitol and is located 12 miles northwest of downtown Sacramento, just off U.S. Interstate 5 in Sacramento County, California.

Existing Facilities

Following is a description of the existing International Airport facilities. The International Airport occupies approximately 6,000 acres of land, which the County owns in fee simple subject only to certain liens or encumbrances which do not interfere with the orderly operation of the International Airport.

Airfield. The airfield consists of two 8,600-foot-long parallel runways, Runway 17L-35R (the east runway) and Runway 17R-35L (the west runway), together with interconnecting taxiways and aircraft parking aprons. The west runway was initially constructed 60 years ago and was subsequently reconstructed in 2019 with concrete. The project included replacement of 8,600 feet of asphalt sections, improvements to airfield drainage systems, as well as replacement of all runway and taxiway light systems. The reconstructed runway surface is expected to meet and/or exceed the requirements of forecasted air traffic for at least the remaining 17 years of design life as of 2022.

Due to a shift in the earth's magnetic field, the magnetic headings for both the east and west runways have shifted more than 3 feet, so re-designation of the runway magnetic headings was required by the FAA to ensure accurate instrument approach procedures. The re-designation of the runways at the International Airport from 16R-34L and 16L-34R to 17R-35L and 17L-35R became effective on May 21, 2020 when the Federal Aviation Administration's (FAA) flight procedures publication was issued. All applicable runway signage and markings have been redesigned in order to facilitate the runway designation change.

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(1) Organization and Management of the Airport System (Continued)

Runway 17R-35L is equipped with a Category III Instrument Landing System (ILS), a ground-based precision instrument approach system which provides properly-equipped aircraft with visual and electronic navigational aids to help a pilot safely land with minimal outside visibility. Runway 17L-35R is equipped with a Special Authorization (SA) Category II ILS.

Passenger Terminals. The International Airport has two terminals with a total of 31 gates. Terminal A, completed in 1998, provides 13 gates and serves operations by Air Canada, American, Delta and United. Terminal B, completed in 2011, provides 19 gates and serves operations by Aeroméxico, Alaska/Horizon, Boutique Air, Contour, Hawaiian, JetBlue, Southwest, Sun Country and Volaris. Approximately 120,955 square feet, or 21.5% of the 561,476 rentable space in the passenger terminals has been developed for concessions. As part of the Airport's SMForward capital improvement program, Terminal B is undergoing significant expansion. The Concourse B Expansion project will add six aircraft gates to the existing 19 gates for a total of 25 gates, with construction beginning in the third quarter of calendar year 2026. This expansion, along with other SMForward projects including an enhanced pedestrian walkway and additional parking facilities, reflects the Airport's comprehensive approach to accommodating projected passenger growth.

Automated People Mover. Access between Terminal B landside and airside is provided via an automated people mover system on an above grade guideway structure.

Parking. The International Airport currently has five public parking facilities, accommodating both short-and long-term parking. The terminal parking garage, constructed in 2004 with six floors and approximately 5,225 parking spaces, is conveniently located between the two terminals and is accessed via sky-bridge or roadside walkways. The County also provides parking at the International Airport in the Hourly B (618 parking spaces), Daily (3,045 parking spaces), East Economy (6,576 parking spaces), West Economy (2,800), and South Economy (2,600) parking lots.

Rental Car Facility. An 848-space, full-service rental car facility for all on-Airport rental car companies is located approximately one mile south of the terminal buildings. Passengers access both on-airport and off-airport rental car agencies from the Rental Car Facility by shuttle bus pickup and drop off service to passengers.

Aviation Support Facilities. Primary aviation support facilities include: equipment and parks maintenance facilities; a fuel farm located north of the terminal complex; FAA air traffic control facilities; aircraft rescue and firefighting; and airfield maintenance and support facilities located throughout the site.

Other Airports

Mather Airport. Mather Airport was originally a United States Air Force base. In March 1995, the County executed a 55-year lease with the U.S. Air Force authorizing the use of 2,875 acres of the former Air Force Base as a civilian airport. Mather Airport reopened to aviation uses on May 5, 1995 and is now operated as part of the Airport System, serving general aviation and cargo users. In November 2012, Mather Airport's ownership was transferred from the United States Air Force to the Department. Mather Airport is a reliever airport for the International Airport. Mather Airport has two

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(2) Organization and Management of the Airport System (Continued)

runways (Runway 4R-22L, at 11,300 feet, and Runway 4L-22R, at 6,040 feet), a contract air traffic control tower, an aircraft parking apron, and various cargo and other buildings. Runway 4R-22L was equipped with an SA CAT II ILS to improve safety, provide precision instrument approach capabilities, and enhance airfield availability during reduced visibility conditions. The FAA published system SA CAT II procedures on December 5, 2019 that allow SA CAT II approaches onto Runway 4R-22L.

Mather Airport has regularly scheduled service by one all-cargo carrier – United Parcel Service (UPS). In fiscal year 2023-2024, 72,257 general aviation, military and cargo operations were performed at Mather Airport. During the same time period, approximately 31.6% of all cargo handled at the Airport System was handled at Mather Airport. Mather Airport offers cargo carriers a longer runway, while freeing up aircraft ramp space at the International Airport to accommodate passenger airlines. The County does not intend Mather Airport to be used for scheduled passenger airline service.

Executive Airport. Executive Airport is a designated reliever airport for the International Airport and has two runways (Runway 2/20, at 5,503 feet and Runway 12/20, at 3,837 feet), and a contract air traffic control tower. Executive Airport also provides tie down and hangar facilities to accommodate 500 general aviation aircrafts. In fiscal year 2023-24, 114,294 general aviation and military flight operations were performed at the Executive Airport. Executive Airport is leased by the County from the City of Sacramento. The term of the lease commenced in 1965 for a period of 25 years. The lease contains an “evergreen” clause, whereby the 25-year term is automatically extended each year by an additional year (subject to the right of either party to avoid such extension).

Franklin Field. Franklin Field is a general aviation airport that has two runways (Runway 9/27, at 3,031 feet, and Runway 18/36, at 3,123 feet) and leases land to tenants for portable hangar facilities. As of February 10, 2026, Franklin Field accommodated 21 based general aviation aircraft.

(3) Consolidated Rental Car Facility Program

Currently, the rental car facility is within the International Airport property and accessible to passengers via a shuttle bus from either Terminal A or Terminal B. The existing facility was built in the mid-1990s as a single-level passenger service terminal surrounded by various ground lots for ready return, Quick Turn Around (QTA) service sites, and overflow parking. There are ten different rental car brands currently being served from this facility.

The new consolidated rental car facility will be multi-level and within walking distance from both Terminal A and Terminal B. It will include customer-facing services, ready return, and quick turn-around (QTA) operations, with a footprint and layout similar to an airport parking garage. The facility was originally planned to accommodate airport growth to Planning Activity Level (PAL) 3; however, Department leadership determined that PAL 3 did not provide sufficient capacity headroom to accommodate projected long-term growth without near-term constraints. The facility is therefore being sized to PAL 4, which is projected to accommodate continued growth well into the 2040s and represents a prudent long-term investment to avoid costly expansion or replacement within the useful life of the facility.

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(3) Consolidated Rental Car Facility Program (Continued)

In addition to the ten brands that currently operate out of the legacy rental car facility, the new consolidated facility will have space for additional brands to operate at International Airport and better serve passengers' rental car needs.

As currently proposed, design of the new rental car facility would begin in fiscal year 2026-27, with construction scheduled to begin in fiscal year 2027-28. Estimated completion would be Q3 calendar year 2030, or fiscal year 2030-31. The \$485 million facility will be funded through a combination of accumulated CFC balances applied on a pay-as-you-go (PAYGO) basis and long-term debt. CFC funds collected since the initial institution of the charge have been and will continue to be transferred to a segregated project fund to pay costs directly to the extent available. The primary long-term financing will be a series of CFC Revenue Bonds backed by the pledge of CFC collections, sized at approximately \$235 million at the 1.40x debt service coverage ratio planned for that bond series. As demonstrated in the financial analysis in Note 5, CFC revenues at \$12.00 per transaction day are not sufficient to support the full program cost through CFC-backed bonds alone; an additional \$85 million in General Airport Revenue Bond (GARB) or similar non-CFC-backed airport debt is required to bridge the remaining funding gap. That secondary debt, while anticipated to be serviced from subordinate excess CFC revenues to the extent available, is an airport-level obligation and is not directly secured by the CFC pledge.

(4) Background and Overview - California Government Code

Section 50474.21 of The Code permits an airport sponsor to require rental car companies to collect from a renter a CFC to finance, design and construct a consolidated airport rental car facility; to finance, design, construct, and operate common-use transportation systems that move passengers between airport terminals and those consolidated car rental facilities, acquire vehicles for use in that system; and to finance, design, and construct terminal modifications solely to accommodate and provide customer access to common-use transportation systems. The Department currently imposes a CFC rate of \$9.00 per transaction day on vehicles rented at the airport. The Department has determined a CFC rate of \$12.00 per day up to a maximum of five days per rental car contract will be necessary to pay for the ConRAC design and construction costs until its planned operation in 2030 and debt service incurred to finance the design and construction costs.

The Department will evaluate whether the \$12.00 CFC rate remains appropriate for ongoing operations through multiple review points. The initial assessment will occur upon finalizing the operating model and agreements during the construction phase (fiscal years 2026-2028), when operating cost allocations will be contractually defined. A comprehensive operational review will follow in the first full fiscal year after the ConRAC opens in 2030, comparing actual operating costs against CFC collections. Reviews thereafter will determine whether the rate should be reduced based on actual program costs - including debt service, capital reserves, and operational expenses - ensuring compliance with the Code's requirement that CFC collections not exceed reasonable costs.

Changing the rate from \$9.00 per transaction day to \$12.00 per transaction day requires an examination by an independent auditor under the Code (§50474.21(b)), which includes the following:

“The aggregate amount to be collected shall not exceed the reasonable costs, as determined by an audit by an independent auditor paid for by the airport, to finance, design, construct, operate,

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(4) Background and Overview - California Government Code (Continued)

maintain, or otherwise improve, as applicable, those facilities, systems, and modifications. The auditor shall independently examine and substantiate the necessity for, and the amount of, the customer facility charge, including whether the airport's actual or projected costs are supported and justified, any steps the airport may take to limit costs, potential alternatives for meeting the airport's revenue needs other than the collection of the fee, and whether and to what extent rental companies or other businesses or individuals using the facility or common-use transportation system may pay for the costs associated with these facilities and systems apart from the fee from rental customers, or whether the airport did not comply with any provision of this section."

(5) Note on the Financing Plan

The total cost estimate for the design and construction of the ConRAC is \$485 million, with total program costs including debt service incurred during the construction period estimated at approximately \$505 million. The Department's accumulated CFC reserve balance of approximately \$55 million, together with ongoing CFC collections and interest earnings through the full construction period (FY2026–FY2030), will provide approximately \$185 million in direct CFC cash funding toward the program on a pay-as-you-go basis. This figure represents the complete contribution of CFC cash resources through the construction period – inclusive of the pre-existing reserve, collections at both the current \$9.00 rate and the proposed \$12.00 rate, and interest earnings – net of the first debt service payment falling due in FY2030 during the final year of construction. The remaining \$320 million will be financed through long-term debt in two tranches. At a 1.40x debt service coverage ratio applied to projected CFC revenues at \$12.00 per transaction day, CFC revenues support a primary series of CFC Revenue Bonds of approximately \$235 million. This leaves an unfunded balance of approximately \$85 million that cannot be serviced by CFC revenues alone even at the maximum \$12.00 rate. This shortfall persists under the reduced industry-standard minimum coverage ratio of 1.25x as well. Accordingly, the Department's financing plan for the ConRAC contemplates a secondary tranche of approximately \$85 million in General Airport Revenue Bonds (GARBs) or other non-CFC-backed airport debt to bridge the gap. The necessity for both tranches - and the insufficiency of any CFC rate below \$12.00 to support even the primary tranche - is central to the justification for increasing the CFC to its statutory maximum of \$12.00 per transaction day.

The primary CFC Revenue Bonds issued by the County for the purposes of financing the construction of the ConRAC will be directly secured by a pledge of CFC revenues for the term of the bonds issued. The secondary tranche of GARB or other non-CFC-backed debt, while not directly secured by the CFC pledge, is anticipated to be serviced from excess CFC revenues on a subordinate basis to the extent available. Because this secondary debt is not directly backed by CFC revenues, it represents an airport-level credit obligation and carries commensurate risks; the Department bears full responsibility for debt service on the secondary tranche regardless of CFC collections. For purposes of the financial modeling used in this Schedule, the illustrative two-tranche scenario assumes a long-term bond structure with a weighted average coupon in the range of approximately 6.00%–6.50%, with debt issuance anticipated in the fiscal year 2028-29 timeframe, subject to market conditions. Actual bond structure, coupon rates, and issuance timing will be determined by the Department and its financial advisors based on market conditions and the Department's financial objectives at the time of issuance. The Department is also evaluating the use of capitalized interest, which would fund

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(5) Note on the Financing Plan (Continued)

debt service payments from bond proceeds during the construction period rather than from CFC reserves, potentially reducing the near-term draw on debt and modestly increasing total program financing costs; this option remains under evaluation and is not reflected in the current financial model. The financial model applies a 1.40x (140%) debt service coverage ratio to CFC-backed debt, which is a conservative standard. Even at the reduced industry-standard minimum coverage ratio of 1.25x (125%), the CFC revenue stream at \$12.00 per transaction day is insufficient to support the full \$485 million program through CFC-backed bonds alone, confirming the need for additional non-CFC-backed debt or other supplemental financing regardless of the debt structure ultimately selected.

Alternative Financing Structures Under Evaluation. The financing analysis presented in this Schedule is intended to demonstrate that the proposed \$12.00 CFC rate is necessary to support the ConRAC development and construction under a range of debt structures, and does not represent a commitment by the Department to any particular financing approach. The Department is currently evaluating several alternative structures in consultation with its financial advisors, with a final determination expected prior to first debt issuance anticipated in the fiscal year 2028-29 timeframe. The alternatives under active consideration include but are not limited to: (i) the illustrative two-tranche model presented in this Schedule, combining a primary CFC Revenue Bond series directly secured by CFC revenues with a secondary GARB or non-CFC-backed tranche to bridge the funding gap; (ii) a single GARB-backed debt series covering the development and construction debt financing requirement, which would simplify the debt structure at the cost of placing the full financing risk on the Department's general revenue credit rather than the dedicated CFC stream; (iii) a sculpted debt structure in which annual debt service is scaled to projected CFC revenue growth over the life of the bonds, better capturing the value of long-term CFC growth and potentially reducing reliance on supplemental non-CFC debt, though requiring contingent rent provisions or other credit enhancements to address the risk of rental car activity underperforming projections; and (iv) the incorporation of capitalized interest, which would fund near-term debt service payments from bond proceeds during the construction period, reducing the draw on CFC reserves in the early years of the program. Each of these alternatives, whether considered individually or in combination, requires the \$12.00 CFC rate as its necessary foundation: it is the ConRAC construction and financing costs – not the specific debt structure – that determine the rate requirement. Refinements to the debt structure may affect the allocation of risk between the CFC fund and the Department's general revenues, and may affect total financing costs, but none of the alternatives under consideration would render the \$12.00 rate unnecessary or excessive at this stage of the program.

Development of Financial Model and Assumptions Used

The primary assumptions in the Schedule are as follows:

- a) The Department provided data on actual rental car transactions at the International Airport as reported by the car rental companies. While the primary determinant of passenger rental car transactions is the number of deplaned passengers, the number of deplanements tracks very closely to the number of enplaned passengers, which are forecast on an ongoing basis to determine financial impacts and capacity needs. The consistency in correlation between the number of enplaned passengers and the number of rental car transactions at the International Airport is sufficient to be predictive of the total number of forecasted rental car transactions.

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(5) Note on the Financing Plan (Continued)

- b) Fiscal Year 2023-24 experienced strong rental car activity with approximately 9% of deplaned passengers utilizing rental car services. Recent years have shown the rental car penetration rate ranging between 8.8% and 9.6% of deplaned passengers. The forecast assumes this rate will stabilize at approximately 9.25% in the coming years. The model assumes an average of 3.17 days per rental car transaction, consistent with historical actuals. Transaction days are calculated based on contracts multiplied by average days per contract, reflecting actual billing patterns observed at the Department.
- c) The current CFC is \$9.00 per transaction day (subject to a 5-day maximum charge). As authorized by AB 1150, the Department plans to implement a \$12.00 per transaction day CFC (subject to a 5-day maximum charge) beginning July 1, 2026.
- d) The forecast period extends through fiscal year 2059-60 and is based on the Department's adopted passenger activity forecast for the International Airport, which incorporates data from the FAA Terminal Area Forecast (TAF) and airport-specific market trends. Passenger traffic growth rates decline over time from approximately 3-4% in the near term to approximately 1.8-2.0% in the medium term.

The final step in the financial model is to develop a plan to pay the design and construction costs and annual net debt service requirements. The illustrative financing model presented in this Schedule employs two tranches of debt: a primary series of CFC Revenue Bonds directly backed by CFC revenues, and a secondary tranche of GARB or other non-CFC-backed debt that is expected to be serviced from subordinate excess CFC revenues to the extent available. As shown in the CFC revenue analysis, even at the maximum allowable CFC rate of \$12.00 per transaction day, the CFC-backed revenue bond capacity falls approximately \$85 million short of the total \$505 million program cost when applying the 1.40x debt service coverage ratio used in this model. The \$12.00 CFC rate is therefore not merely sufficient to fund the program – it is necessary. Without the full \$12.00 per transaction day rate, the CFC-supported debt capacity decreases further, increasing the reliance on non-CFC-backed debt and placing greater financial risk on the International Airport's general revenue credit regardless of which debt structure is ultimately employed. The Department expects to pay down all program debt obligations using CFC revenues as the primary source, supplemented by the Department's broader revenue base to the extent required by the selected financing structure. Any remaining surplus following all debt service obligations will be evaluated against the Airport's ongoing CFC rate obligations under the Code, with the Department first considering whether a reduction in the CFC rate below \$12.00 per transaction day is warranted. This determination will account for ongoing operational costs of the facility, which remain to be finalized pending selection of an operating model (consortium, third-party management, or direct County operation) and will be incorporated into the reasonable cost assessment to the extent CFC funding is authorized under the Code. After accounting for debt service, operations, and capital reserves, the Department may consider early debt retirement or facility capital improvements, as permitted by California law and applicable bond documents.

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(5) Note on the Financing Plan (Continued)

Year Ending	Transaction Days Subject to CFC*	CFC Rate**	CFC Beginning		Interest Earnings	CFC Revenue Bonds	Construction Draws	Debt Service	Ending Running Balance
			Balance	CFC Collections					
Pre-26 Balances			\$ 55,111,930						\$ 55,111,930
6/30/2026	\$ 2,117,603	\$ 9.00	55,111,930	\$ 19,058,428	\$ 1,653,358	\$ -	\$ -	\$ -	75,823,716
6/30/2027	2,111,591	12.00	75,823,716	25,339,093	2,274,711	-	-	-	103,437,521
6/30/2028	2,157,802	12.00	103,437,521	25,893,621	3,103,126	-	(50,000,000)	-	82,434,268
6/30/2029	2,203,203	12.00	82,434,268	26,438,436	2,473,028	235,000,000	(240,000,000)	-	106,345,732
6/30/2030	2,248,123	12.00	106,345,732	26,977,476	3,190,372	-	(195,000,000)	(19,269,626)	(77,756,046)
6/30/2031	2,292,750	12.00	(77,756,046)	27,512,998	-	-	-	(19,269,626)	(69,512,673)
6/30/2032	2,337,445	12.00	(69,512,673)	28,049,341	-	-	-	(19,269,626)	(60,732,957)
6/30/2033	2,382,947	12.00	(60,732,957)	28,595,362	-	-	-	(19,269,626)	(51,407,221)
6/30/2034	2,429,176	12.00	(51,407,221)	29,150,116	-	-	-	(19,269,626)	(41,526,730)
6/30/2035	2,475,672	12.00	(41,526,730)	29,708,065	-	-	-	(19,269,626)	(31,088,290)
6/30/2036	2,524,850	12.00	(31,088,290)	30,298,198	-	-	-	(19,269,626)	(20,059,718)
6/30/2037	2,574,929	12.00	(20,059,718)	30,899,149	-	-	-	(19,269,626)	(8,430,195)
6/30/2038	2,624,021	12.00	(8,430,195)	31,488,248	-	-	-	(19,269,626)	3,788,427
6/30/2039	2,673,316	12.00	3,788,427	32,079,788	113,653	-	-	(19,269,626)	16,712,242
6/30/2040	2,723,937	12.00	16,712,242	32,687,243	501,367	-	-	(19,269,626)	30,631,227
6/30/2041	2,773,431	12.00	30,631,227	33,281,170	918,937	-	-	(19,269,626)	45,561,708
6/30/2042	2,824,559	12.00	45,561,708	33,894,707	1,366,851	-	-	(19,269,626)	61,553,641
6/30/2043	2,877,721	12.00	61,553,641	34,532,651	1,846,609	-	-	(19,269,626)	78,663,276
6/30/2044	2,931,699	12.00	78,663,276	35,180,382	2,359,898	-	-	(19,269,626)	96,933,931
6/30/2045	2,986,174	12.00	96,933,931	35,834,090	2,908,018	-	-	(19,269,626)	116,406,413
6/30/2046	3,041,208	12.00	116,406,413	36,494,498	3,492,192	-	-	(19,269,626)	137,123,478
6/30/2047	3,097,229	12.00	137,123,478	37,166,746	4,113,704	-	-	(19,269,626)	159,134,302
6/30/2048	3,153,545	12.00	159,134,302	37,842,540	4,774,029	-	-	(19,269,626)	182,481,245
6/30/2049	3,210,789	12.00	182,481,245	38,529,467	5,474,437	-	-	(19,269,626)	207,215,524
6/30/2050	3,269,543	12.00	207,215,524	39,234,514	6,216,466	-	-	(19,269,626)	233,396,878
6/30/2051	3,334,934	12.00	233,396,878	40,019,205	7,001,906	-	-	(19,269,626)	261,148,363
6/30/2052	3,401,632	12.00	261,148,363	40,819,589	7,834,451	-	-	(19,269,626)	290,532,777
6/30/2053	3,469,665	12.00	290,532,777	41,635,980	8,715,983	-	-	(19,269,626)	321,615,115
6/30/2054	3,539,058	12.00	321,615,115	42,468,700	9,648,453	-	-	(19,269,626)	354,462,643
6/30/2055	3,609,840	12.00	354,462,643	43,318,074	10,633,879	-	-	(19,269,626)	389,144,971
6/30/2056	3,682,036	12.00	389,144,971	44,184,436	11,674,349	-	-	(19,269,626)	425,734,130
6/30/2057	3,755,677	12.00	425,734,130	45,068,124	12,772,024	-	-	(19,269,626)	464,304,653
6/30/2058	3,830,791	12.00	464,304,653	45,969,487	13,929,140	-	-	(19,269,626)	504,933,653
6/30/2059	3,907,406	12.00	504,933,653	46,888,876	15,148,010	-	-	(19,269,626)	547,700,914
6/30/2060	3,985,555	12.00	547,700,914	47,826,654	16,431,027	-	-	-	611,958,595
Total				\$1,224,365,454			\$ (485,000,000)	\$ (578,088,769)	

* Excludes Days Beyond the Statutory 5-day limit

** \$8 per transaction as of 3/1/2023; \$9 per transaction as of 5/1/2025; \$12 per transaction as of 7/1/2026

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Consolidated Rental Car Facility (Continued)
For the Period from July 1, 2025 through June 30, 2060

(5) Note on the Financing Plan (Continued)

Year Ending	Transaction Days Subject to CFC*	CFC Rate**	CFC Beginning		Interest Earnings	CFC Revenue Bonds	Additional GARB, Non-CFC Backed Debt Required	Construction Draws	CFC Backed Debt Service	Additional GARB Debt	Ending Running Balance
			Balance	CFC Collections							
Pre-26 Balances			\$	\$							\$
6/30/2026	\$ 2,117,603	\$ 9.00	\$ 55,111,930	\$ 19,058,428	\$ 1,653,358	\$ -	\$ -	\$ -	\$ -	\$ -	75,823,716
6/30/2027	2,111,591	12.00	75,823,716	25,339,093	2,274,711	-	-	-	-	-	103,437,521
6/30/2028	2,157,802	12.00	103,437,521	25,893,621	3,103,126	-	-	(50,000,000)	-	-	82,434,268
6/30/2029	2,203,203	12.00	82,434,268	26,438,436	2,473,028	235,000,000	-	(240,000,000)	-	-	106,345,732
6/30/2030	2,248,123	12.00	106,345,732	26,977,476	3,190,372	-	85,000,000	(195,000,000)	(19,269,626)	-	7,243,954
6/30/2031	2,292,750	12.00	7,243,954	27,512,998	217,319	-	-	-	(19,269,626)	(5,216,046)	10,488,599
6/30/2032	2,337,445	12.00	10,488,599	28,049,341	314,658	-	-	-	(19,269,626)	(5,185,788)	14,397,185
6/30/2033	2,382,947	12.00	14,397,185	28,595,362	431,916	-	-	-	(19,269,626)	(5,222,107)	18,932,730
6/30/2034	2,429,176	12.00	18,932,730	29,150,116	567,982	-	-	-	(19,269,626)	(5,288,993)	24,092,210
6/30/2035	2,475,672	12.00	24,092,210	29,708,065	722,766	-	-	-	(19,269,626)	(5,350,132)	29,903,285
6/30/2036	2,524,850	12.00	29,903,285	30,298,198	897,099	-	-	-	(19,269,626)	(5,467,159)	36,361,796
6/30/2037	2,574,929	12.00	36,361,796	30,899,149	1,090,854	-	-	-	(19,269,626)	(5,529,202)	43,552,970
6/30/2038	2,624,021	12.00	43,552,970	31,488,248	1,306,589	-	-	-	(19,269,626)	(5,616,576)	51,461,605
6/30/2039	2,673,316	12.00	51,461,605	32,079,788	1,543,848	-	-	-	(19,269,626)	(5,679,349)	60,136,267
6/30/2040	2,723,937	12.00	60,136,267	32,687,243	1,804,088	-	-	-	(19,269,626)	(5,748,744)	69,609,229
6/30/2041	2,773,431	12.00	69,609,229	33,281,170	2,088,277	-	-	-	(19,269,626)	(5,805,788)	79,903,263
6/30/2042	2,824,559	12.00	79,903,263	33,894,707	2,397,098	-	-	-	(19,269,626)	(5,869,448)	91,055,995
6/30/2043	2,877,721	12.00	91,055,995	34,532,651	2,731,680	-	-	-	(19,269,626)	(5,933,398)	103,117,302
6/30/2044	2,931,699	12.00	103,117,302	35,180,382	3,093,519	-	-	-	(19,269,626)	(5,997,635)	116,123,943
6/30/2045	2,986,174	12.00	116,123,943	35,834,090	3,483,718	-	-	-	(19,269,626)	(6,062,155)	130,109,970
6/30/2046	3,041,208	12.00	130,109,970	36,494,498	3,903,299	-	-	-	(19,269,626)	(6,316,440)	144,921,702
6/30/2047	3,097,229	12.00	144,921,702	37,166,746	4,347,651	-	-	-	(19,269,626)	(6,316,440)	160,850,034
6/30/2048	3,153,545	12.00	160,850,034	37,842,540	4,825,501	-	-	-	(19,269,626)	(6,316,440)	177,932,009
6/30/2049	3,210,789	12.00	177,932,009	38,529,467	5,337,960	-	-	-	(19,269,626)	(6,316,440)	196,213,371
6/30/2050	3,269,543	12.00	196,213,371	39,234,514	5,886,401	-	-	-	(19,269,626)	(6,316,440)	215,748,221
6/30/2051	3,334,934	12.00	215,748,221	40,019,205	6,472,447	-	-	-	(19,269,626)	(6,382,307)	236,587,940
6/30/2052	3,401,632	12.00	236,587,940	40,819,589	7,097,638	-	-	-	(19,269,626)	(6,382,307)	258,853,235
6/30/2053	3,469,665	12.00	258,853,235	41,635,980	7,765,597	-	-	-	(19,269,626)	(6,382,307)	282,602,880
6/30/2054	3,539,058	12.00	282,602,880	42,468,700	8,478,086	-	-	-	(19,269,626)	(6,382,307)	307,897,734
6/30/2055	3,609,840	12.00	307,897,734	43,318,074	9,236,932	-	-	-	(19,269,626)	(6,382,307)	334,800,808
6/30/2056	3,682,036	12.00	334,800,808	44,184,436	10,044,024	-	-	-	(19,269,626)	(6,382,307)	363,377,336
6/30/2057	3,755,677	12.00	363,377,336	45,068,124	10,901,320	-	-	-	(19,269,626)	(6,382,307)	393,694,848
6/30/2058	3,830,791	12.00	393,694,848	45,969,487	11,810,845	-	-	-	(19,269,626)	(6,382,307)	425,823,248
6/30/2059	3,907,406	12.00	425,823,248	46,888,876	12,774,697	-	-	-	(19,269,626)	(2,678,471)	463,538,726
6/30/2060	3,985,555	12.00	463,538,726	47,826,654	13,906,162	-	-	-	-	-	525,271,542
Total				\$1,224,365,454				\$ (485,000,000)	\$ (578,088,769)	\$ (169,291,640)	

* Excludes Days Beyond the Statutory 5-day limit

** \$8 per transaction as of 3/1/2023; \$9 per transaction as of 5/1/2025; \$12 per transaction as of 7/1/2026

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Notes to Schedule of Forecasted Sources and Costs of the
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(6) CFC Rate Oversight and Cost Limitation Measures

Government Code section 50474.21(b) requires the independent auditor to examine, among other matters, any steps the County may take to limit costs and potential alternatives for meeting the Department's revenue needs other than the collection of the CFC. It also requires the auditor to examine whether and to what extent rental car companies or other businesses may pay for the costs of the ConRAC apart from the fee collected from rental customers. This section addresses each of those requirements in the context of the Department's financing plan.

Capital Maintenance Reserve. Section 50474.21 of the Code expressly authorizes the collection of CFCs to finance, design, construct, operate, maintain, and otherwise improve a consolidated rental car facility. Projected CFC collections over the 30-year forecast period exceed the combined cost of construction and debt service on the primary CFC-backed bond tranche. This surplus is not a windfall; rather, it represents the accumulation of a capital maintenance reserve necessary to fund the ongoing operational and long-term capital improvement needs of a multi-level facility of this scale and complexity. Rental car facilities of this type require periodic replacement of mechanical, electrical, and structural systems throughout their useful life. The Department intends to use accumulated CFC reserves, to the extent authorized by California Law, to fund these capital maintenance requirements and thereby avoid the need for additional debt financing for foreseeable facility improvement needs. The existence of this projected surplus does not indicate that CFCs are being collected in excess of reasonable costs; it reflects prudent long-range financial planning for a facility expected to serve the traveling public well into the 2040s and beyond.

The Department is currently in the process of determining the most appropriate operating model for the ConRAC. Options under consideration include a consortium model where rental car companies collectively manage day-to-day operations, a management contract with a third-party operator, or direct County operation with professional facility management. This determination will be made in consultation with rental car companies and informed by best practices at comparable airport rental car facilities nationwide. The selected operating model will directly impact both the allocation of operational costs and the magnitude of those costs over time. The Department has not yet completed detailed estimates of annual facility operations and maintenance costs, as these projections are dependent on the operating model ultimately selected and the specific terms negotiated with rental car operators. Such costs will include, at a minimum, ongoing expenses for utilities, janitorial services, security, elevator and escalator maintenance, HVAC system operations, parking equipment maintenance, information technology systems, and general facility repairs.

In addition to day-to-day operational expenses, rental car facilities of this type require periodic replacement of mechanical, electrical, and structural systems throughout their useful life. Major capital expenditures typically occur on a 10- to 15-year cycle and may include replacement of roofing systems, structural repairs, HVAC equipment, elevators, electrical distribution systems, and paving rehabilitation. The Department intends to use accumulated CFC reserves, to the extent authorized by California law, to fund these capital maintenance requirements and, if appropriate and authorized, to fund operational costs, thereby reducing or avoiding the need for additional debt financing for foreseeable facility improvement needs.

The existence of projected surplus CFC collections in the later years of the forecast period does not indicate that CFCs are being collected in excess of reasonable costs; it reflects the Department's preliminary assessment of long-range financial needs for a facility expected to serve the traveling

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(6) CFC Rate Oversight and Cost Limitation Measures (Continued)

public well into the 2040s and beyond. However, the Department acknowledges that more detailed analysis of both operational costs and capital maintenance requirements is necessary as the operating model is finalized and the facility design is completed. The Department is committed to refining these cost projections and adjusting CFC collections accordingly to ensure compliance with the Code's requirement that aggregate CFCs not exceed reasonable program costs.

CFC Rate Monitoring and Potential Reduction. The Department is committed to ongoing monitoring of aggregate CFC collections against outstanding program obligations and capital maintenance requirements on an annual basis. In the event that CFC collections are projected to exceed the reasonable costs authorized under the Code – including debt service on all program debt obligations, capital maintenance reserves, and operational costs of the facility - the Department will evaluate a reduction in the CFC rate below \$12.00 per transaction day as required by the Code.

The determination of whether CFC collections exceed reasonable costs will necessarily account for the actual operational model implemented and the associated costs incurred. As noted above, the Department has not yet finalized the ConRAC operating structure, which may involve a rental car company consortium, a third-party management agreement, or direct County operation. Annual operating costs - including facility utilities, maintenance staff, security personnel, IT systems, and routine repairs - will vary significantly depending on the selected model and the specific allocation of responsibilities between the Department and rental car operators. The Department's annual monitoring process will incorporate actual operational expenditures as they are incurred and will update cost projections as the operating model matures and historical performance data becomes available. This iterative review ensures that the Department's assessment of "reasonable costs" under the Code remains grounded in operational reality rather than preliminary estimates, and provides a factual basis for determining whether and when CFC rate adjustments may be appropriate.

The Department's obligation to ensure that aggregate CFCs do not exceed reasonable costs is a continuing one, and rate adjustments will be made as necessary and as permitted by the applicable bond documents and California Law. It should be noted, however, that the \$12.00 rate is demonstrably insufficient to fund the construction program through CFC-backed bonds alone in the near term, and any premature rate reduction would jeopardize the primary financing structure before adequate reserves have been established.

Early Redemption and Bond Defeasance. The CFC Revenue Bonds and any GARB or non-CFC-backed debt issued in connection with the ConRAC program will be structured, to the extent practicable, with optional redemption provisions allowing the Department to call or defease bonds prior to their scheduled maturity. Municipal revenue bonds of this type typically include a 10-year no-call period followed by optional redemption at par. In the event that accumulated CFC reserves exceed the amounts needed to satisfy coverage requirements, fund capital maintenance, and meet other authorized uses, the Department may apply those excess reserves to optionally redeem outstanding bonds ahead of schedule, thereby reducing total interest costs and limiting the aggregate amount of CFCs ultimately collected. This optional redemption mechanism represents a meaningful cost-limitation tool and is a structural feature the Department intends to incorporate into the bond documents for both the primary CFC-backed tranche and, to the extent permitted, the secondary GARB tranche. Any early redemption will be executed in accordance with the applicable bond indenture or trust agreement and consistent with the Department's fiduciary obligations to bondholders.

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Consolidated Rental Car Facility (Continued)
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(6) CFC Rate Oversight and Cost Limitation Measures (Continued)

Rental Car Company Contributions. Section 50474.21 of the Code requires the auditor to examine whether and to what extent rental car companies or other businesses may pay for facility costs apart from the fee collected from rental customers. The CFC is collected by the rental car companies from their customers at the time of rental; the companies serve as collection agents and remit the charge to the Department but do not themselves bear the economic cost of the fee. The Department has evaluated whether direct contributions from rental car companies or other parties – separate from and in addition to the CFC – could meaningfully fund a portion of the \$485 million ConRAC program at a scale sufficient to reduce the required CFC rate below \$12.00 per transaction day, and has determined that no such alternative funding source is available at the level required. The CFC, collected from rental customers at the proposed \$12.00 rate, remains the only dedicated revenue stream adequate to support the program’s financing requirements.