NEW ISSUE – BOOK-ENTRY ONLY

Ratings:
Moody's: A1 (negative outlook) / "A1" (stable outlook) on AG Insured Bonds
S&P: "A+" (stable outlook) / "AA" (stable outlook) on AG Insured Bonds
(See "RATINGS" herein)

In the opinion of Howell Linkous & Nettles, LLC, Bond Counsel to the District, under current law and subject to the conditions and limitations described under the caption 'TAX TREATMENT" herein, (a) interest on the 2024A Bonds (i) is excludable from gross income for federal income tax purposes except when held by a "substantial user" of the facilities financed by the 2024A Bonds or a "related person" within the meaning of 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; and (b) interest on the 2024B 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. Interest on the 2024C Bonds is not excludable from gross income for federal income tax purposes. In the opinion of Bond Counsel, both principal and interest on the 2024 Bonds are exempt from all state, county, municipal, school district, and all other taxes or assessments imposed within of the State of South Carolina, except inheritance, transfer, and certain franchise taxes. See "TAX TREATMENT" herein for a more complete discussion of tax aspects of the 2024 Bonds. A holder may be subject to other federal tax consequences as described under the caption "TAX TREATMENT" herein. See the proposed forms of the approving opinions of Bond Counsel in Appendix D hereto.

CHARLESTON COUNTY
AVIATION AUTHORITY

$370,560,000
CHARLESTON COUNTY AIRPORT DISTRICT
CHARLESTON, SOUTH CAROLINA
AIRPORT REVENUE BONDS,
SERIES 2024

$93,880,000	$191,205,000	$85,475,000
Series 2024A	Series 2024B	Series 2024C
(AMT)	(Non-AMT)	(Taxable)

Dated: Date of Issuance **Due: As shown on inside front cover page**

The Charleston County Airport District, South Carolina (the "*District*") is issuing its (i) $93,880,000 Charleston County Airport District Airport Revenue Bonds, Series 2024A (AMT) (the "*2024A Bonds*"), (ii) $191,205,000 Charleston County Airport District Airport Revenue Bonds, Series 2024B (Non-AMT) (the "*2024B Bonds*"), and (iii) $85,475,000 Charleston County Airport District Airport Revenue Bonds, Series 2024C (Taxable) (the "*2024C Bonds*" and together with the 2024A Bonds and 2024B Bonds, the "2024 Bonds"). The 2024 Bonds and the interest thereon will be special obligations of the District payable from Net Revenues and other funds held by the Trustee under the Resolutions (as such terms are defined herein) pledged to the payment thereof. The 2024 Bonds are being issued to provide funds (i) to fund a portion of the costs of the 2024 Projects (as defined herein); (ii) to fund capitalized interest on the 2024 Bonds through the anticipated completion date of the 2024 Projects; (iii) to fund an account of the debt service reserve fund established for the 2024 Bonds; and (iv) to pay certain costs and expenses relating to the issuance and sale of the 2024 Bonds, including the municipal bond insurance premium.

Upon issuance, the 2024 Bonds will bear interest payable semiannually on January 1 and July 1, of each year, commencing July 1, 2025, at the rates, and will mature on the dates and in the amounts, set forth on the inside front cover page hereof. The 2024 Bonds are subject to optional and mandatory redemption prior to maturity as provided herein. See "DESCRIPTION OF THE 2024 BONDS–Redemption" herein.

THE 2024 BONDS ARE SPECIAL OBLIGATIONS OF THE DISTRICT, PAYABLE SOLELY FROM THE NET REVENUES AND OTHER FUNDS HELD BY THE TRUSTEE PLEDGED TO THE PAYMENT THEREOF. THE PLEDGE OF NET REVENUES IS ON A PARITY WITH THE PLEDGE OF NET REVENUES SECURING THE DISTRICT'S 2019 BONDS, 2023 BONDS AND ANY ADDITIONAL BONDS (AS SUCH TERMS ARE DEFINED HEREIN) ISSUED FROM TIME TO TIME ON A PARITY THEREWITH, ALL AS MORE FULLY DESCRIBED HEREIN. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT IS PLEDGED TO THE PAYMENT OF THE 2024 BONDS.

The scheduled payment of principal of and interest on the 2024C Bonds maturing on July 1 in the years 2044 (CUSIP No. 160070FT0) and 2054 (CUSIP No. 160070FU7) (the "*Insured Bonds*") will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by **ASSURED GUARANTY INC.**

ASSURED GUARANTY®

The 2024 Bonds will initially be issued in fully registered form and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("*DTC*"). DTC will act as securities depository for the 2024 Bonds, and purchases of beneficial ownership interest in such 2024 Bonds will be made in book-entry only form through brokers and dealers who are, or act through, DTC Participants. Purchasers will not be entitled to receive physical delivery of the 2024 Bonds. For so long as any purchaser is the beneficial owner of a Series 2024 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of principal of and interest on such Series 2024 Bond. See "DESCRIPTION OF THE 2024 BONDS–Book-Entry Only System" herein.

The 2024 Bonds are offered when, as and if issued by the District and accepted by the Underwriters (as defined herein) subject to the approval of legality of the 2024 Bonds by Howell Linkous & Nettles, LLC, Charleston, South Carolina, Bond Counsel. Certain legal matters will be passed upon for the District by its general counsel, Austin Bruner, Esquire, Charleston, South Carolina, and for the Underwriters by Pope Flynn, LLC, Charleston, South Carolina. PFM Financial Advisors LLC, Orlando, Florida, is serving as Financial Advisor to the District. It is expected that delivery of the 2024 Bonds will be made against payment therefor through the facilities of DTC in New York, New York, on or about October 9, 2024.

BofA Securities

Bancroft Capital, LLC **Raymond James** **Siebert Williams Shank & Co., LLC**

Dated: September 25, 2024

MATURITY SCHEDULES

2024A BONDS (AMT)

DUE JULY 1	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP[1]
2041	$4,710,000	5.250%	3.860%[*]	160070EE4
2042	4,955,000	5.250	3.930[*]	160070EF1
2043	5,215,000	5.250	3.970[*]	160070EG9
2044	5,490,000	5.250	3.980[*]	160070EH7

$32,075,000, 5.250% Term Bonds due July 1, 2049, Yield 4.110%[*], CUSIP[1] 160070EJ3
$41,435,000, 5.250% Term Bonds due July 1, 2054, Yield 4.150%[*], CUSIP[1] 160070EK0

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2024B BONDS (NON-AMT)

DUE JULY 1	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP[1]	DUE JULY 1	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP[1]
2028	$4,345,000	5.000%	2.470%	160070EL8	2037	$4,235,000	5.000%	3.080%[*]	160070EV6
2029	4,565,000	5.000	2.520	160070EM6	2038	4,450,000	5.000	3.130[*]	160070EW4
2030	4,790,000	5.000	2.580	160070EN4	2039	4,670,000	5.000	3.160[*]	160070EX2
2031	5,030,000	5.000	2.650	160070EP9	2040	4,905,000	5.000	3.270[*]	160070EY0
2032	5,285,000	5.000	2.720	160070EQ7	2041	5,150,000	5.000	3.380[*]	160070EZ7
2033	5,545,000	5.000	2.790	160070ER5	2042	5,405,000	5.000	3.470[*]	160070FA1
2034	3,660,000	5.000	2.860	160070ES3	2043	5,675,000	5.000	3.560[*]	160070FB9
2035	3,840,000	5.000	2.940[*]	160070ET1	2044	5,960,000	5.000	3.610[*]	160070FC7
2036	4,030,000	5.000	3.000[*]	160070EU8					

$39,065,000, 5.000% Term Bonds due July 1, 2049, Yield 3.820%[*], CUSIP[1] 160070FD5
$70,600,000, 5.250% Term Bonds due July 1, 2054, Yield 3.850%[*], CUSIP[1] 160070FE3

2024C BONDS (TAXABLE)

DUE JULY 1	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP[1]	DUE JULY 1	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP[1]
2028	$1,635,000	4.065%	4.065%	160070FF0	2034	$2,105,000	4.627%	4.627%	160070FM5
2029	1,700,000	4.115	4.115	160070FG8	2035	2,205,000	4.727	4.727	160070FN3
2030	1,770,000	4.287	4.287	160070FH6	2036	2,305,000	4.797	4.797	160070FP8
2031	1,845,000	4.337	4.337	160070FJ2	2037	2,420,000	4.847	4.847	160070FQ6
2032	1,925,000	4.527	4.527	160070FK9	2038	2,535,000	4.927	4.927	160070FR4
2033	2,015,000	4.577	4.577	160070FL7	2039	2,660,000	4.957	4.957	160070FS2

$15,415,000, 4.982% Term Bonds due July 1, 2044, Yield 4.982%, CUSIP[1] 160070FT0
$44,940,000, 5.082% Term Bonds due July 1, 2054, Yield 5.082%, CUSIP[1] 160070FU7

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[1] CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the ABA by FactSet Research Systems Inc. All rights reserved. CUSIP numbers are set forth herein for the convenience of reference only and none of the District, the Underwriters, nor their agents take responsibility for the accuracy of such data.

[*] Yield to July 1, 2034 call date at par.

This Official Statement does not constitute an offering of any security other than the original offering of the 2024 Bonds identified on the cover pages hereof. No dealer, broker, sales representative or other person has been authorized by the District or BofA Securities, Inc., Raymond James & Associates, Inc., Siebert Williams Shank & Co., LLC and Bancroft Capital, LLC (collectively, the "*Underwriters*"), to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the 2024 Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

Except where otherwise indicated, all information contained in this Official Statement has been provided by the District. Information in this Official Statement has been obtained by the District from sources believed to be reliable. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction; however, the Underwriters do not guarantee the accuracy or completeness of such information.

The Bank of New York Mellon Trust Company, N.A., as Trustee, Paying Agent and Registrar, has not provided, or undertaken to determine the accuracy of, any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the 2024 Bonds; or (iii) the tax-exempt status of the interest on the 2024A Bonds or 2024B Bonds.

Assured Guaranty Inc. ("*AG*") makes no representation regarding the 2024 Bonds or the advisability of investing in the 2024 Bonds. In addition, AG 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 AG supplied by AG and presented under the heading "BOND INSURANCE" and Appendix F – Specimen Municipal Bond Insurance Policy.

UPON EXECUTION AND DELIVERY, THE 2024 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE, AND NO INDENTURE WILL BE QUALIFIED WITH RESPECT TO THE 2024 BONDS UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE 2024 BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE UNDER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR IN THE OTHER MATTERS DESCRIBED HEREIN SINCE THE DATE HEREOF OR THE EARLIER DATES SET FORTH HEREIN AS OF WHICH CERTAIN INFORMATION CONTAINED HEREIN IS GIVEN.

The information in the section "DESCRIPTION OF THE 2024 BONDS - Book-Entry Only System" herein has been obtained from DTC, and no representation is made by the District or the Underwriters as to the completeness or accuracy of such information.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement, they will be furnished on request.

Cautionary Statement Regarding Forward-Looking Information

This Official Statement contains forecasts, projections, estimates and other forward-looking statements that are based on current expectations, including, without limitation, the information under the heading, "REPORT OF THE AIRPORT CONSULTANT" and in Appendix B – Report of the Airport Consultant. The words "expects," forecasts," "projects," "intends," anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. Any such forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected. Such risks and uncertainties include, among others, changes in regional, domestic and international political, social and economic conditions, federal, state and local statutory and regulatory initiatives, litigation, population changes, financial conditions of individual air carriers and the airline industry, technological change, changes in the tourism industry, changes at other service area airports, seismic events, international agreements or regulations governing air travel, and various other events, conditions and circumstances, many of which are beyond the control of the District. These forward-looking statements speak only as of the date of this Official statement. The District disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the District's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

CHARLESTON COUNTY AVIATION AUTHORITY

Helen T. Hill, Madam Chair
Charles E. Salmonsen, Vice Chair
Ravi Sanyal, Secretary-Treasurer
Paul R. Thurmond
Joan Robinson-Berry
David Bennett
Dan Blumenstock
The Honorable Herbert Ravenel Sass, III
The Honorable Will Haynie
The Honorable Reggie Burgess
The Honorable William Cogswell

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Elliott Summey

DEPUTY EXECUTIVE DIRECTOR-CHIEF OPERATING OFFICER

Hernan E. Peña Jr.

DEPUTY EXECUTIVE DIRECTOR-CHIEF COMMUNICATIONS OFFICER

Spencer Pryor

CHIEF FINANCIAL OFFICER

Brandy James

BOND COUNSEL

Howell Linkous & Nettles, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Mauldin & Jenkins, LLC

AIRPORT CONSULTANT

Ricondo & Associates, Inc.

FINANCIAL ADVISOR

PFM Financial Advisors LLC

(The Table of Contents for this Official Statement is for convenience of reference only and is not intended to define, limit or describe the scope or intent of any provisions of this Official Statement or the Appendices attached hereto.)

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OFFICIAL STATEMENT

$370,560,000
CHARLESTON COUNTY AIRPORT DISTRICT
CHARLESTON, SOUTH CAROLINA
AIRPORT REVENUE BONDS,
SERIES 2024

$93,880,000	**$191,205,000**	**$85,475,000**
Series 2024A	**Series 2024B**	**Series 2024C**
(AMT)	**(Non-AMT)**	**(Taxable)**

INTRODUCTION

This Official Statement, which includes the cover pages and the appendices hereto, provides certain information concerning the Charleston County Airport District, South Carolina (the "*District*"), the Charleston International Airport (the "*Airport*") and certain other information in connection with the issuance by the District of its $93,880,000 Charleston County Airport District Airport Revenue Bonds, Series 2024A (AMT) (the "*2024A Bonds*"), $191,205,000 Charleston County Airport District Airport Revenue Bonds, Series 2024B (Non-AMT) (the "*2024B Bonds*"), and $85,475,000 Charleston County Airport District Airport Revenue Bonds, Series 2024C (Taxable) (the "*2024C Bonds*," and together with the 2024A Bonds and 2024B Bonds, the "*2024 Bonds*"). Unless otherwise indicated, capitalized terms used in this Official Statement have the meanings established in the hereinafter defined Master Resolution and the 2024 Supplemental Resolution. See "SUMMARY OF DEFINED TERMS" in Appendix C – Summaries of the Master Bond Resolution and the Fifth Supplemental Bond Resolution.

The 2024 Bonds are being issued under Act No. 1235 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1970 (as amended from time to time, the "*Act*"); a Master Bond Resolution adopted by the Charleston County Aviation Authority (the "*Authority*") on July 23, 2013 (as amended from time to time, the "*Master Resolution*") and a Fifth Supplemental Bond Resolution expected to be adopted by the Authority on September 19, 2024 (the "*2024 Supplemental Resolution*" and, together with the Master Resolution, the "*Resolutions*"). The proceeds of the 2024 Bonds will be used, with other available funds, to fund (1) the costs of the 2024 Projects (as defined herein); (2) interest on the 2024 Bonds through the anticipated completion date of the 2024 Projects; (3) an account of the debt service reserve fund established for the 2024 Bonds; and (4) certain costs and expenses relating to the issuance of the 2024 Bonds, including the premium for the Municipal Bond Insurance Policy (the "*Policy*") of Assured Guaranty Inc. ("*AG*") guaranteeing the payment of the scheduled principal and interest on the Series 2024C Bonds maturing July 1, 2044 and July 1, 2054 (the "*Insured Bonds*"). The Bank of New York Mellon Trust Company, N.A. is acting as Trustee, Paying Agent and Bond Registrar under the Resolutions. See "DESCRIPTION OF THE 2024 PROJECTS AND THE CAPITAL IMPROVEMENT PROGRAM" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The 2024 Bonds will be secured by and payable from the Net Revenues on a parity with the $46,730,000 outstanding principal amount of the District's $64,715,000 original principal amount Airport Revenue Bonds, Series 2019 (Non-AMT) (the "*2019 Bonds*"); $113,750,000 outstanding principal amount of the District's $118,985,000 original principal amount Airport Revenue Refunding Bond, Series 2023A (AMT) (the "*2023A Bonds*"), $29,910,000 outstanding principal amount of the District's $29,935,000 original principal amount Airport Revenue Refunding Bond, Series 2023B (Non-AMT) (the "*2023B Bonds,*" and together with the 2023A Bonds, the "*2023 Bonds*"), and any additional bonds issued from time to time on a parity therewith ("*Additional Bonds,*" as more particularly defined herein). The 2019 Bonds were issued pursuant to the Master Resolution and a Second Supplemental Bond Resolution adopted by the Authority on January 17, 2019 (the "*2019 Supplemental Resolution*"). The 2023 Bonds were issued pursuant to the Master Resolution and a Third Supplemental Bond Resolution adopted by the Authority on August 18, 2022 (the "*2023 Supplemental Resolution*"). The District is also the borrower under a $70,000,000 three-year subordinate lien revolving line of credit (the "*2024 Line of Credit*," as such term is more particularly defined herein) with United Community Bank. See "FINANCIAL MATTERS OF THE DISTRICT–The 2024 Line of Credit."

DESCRIPTION OF THE 2024 BONDS

General

The 2024 Bonds will be issued in denominations of $5,000 or any integral multiple thereof, dated their date of delivery and bear interest at the rates set forth in the inside front cover page hereof. Interest on the 2024 Bonds will be payable on January 1 and July 1 of each year, commencing July 1, 2025, to the persons whose names appear on the registration books kept by the Bond Registrar on the 15th day (whether or not a business day) of the calendar month next preceding the interest payment date. The 2024 Bonds will mature on the dates and in the principal amounts set forth on the inside front cover page hereof.

The 2024 Bonds will be initially issued under a book-entry only system, and will be registered in the name of Cede & Co., as nominee for DTC, which will act as bond depository for the 2024 Bonds. Principal or redemption price of and interest on the 2024 Bonds are payable by the Paying Agent to Cede & Co., so long as Cede & Co. is the registered owner of the 2024 Bonds, as nominee for DTC, which will, in turn, remit such principal and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners. See "–Book-Entry Only System."

Should the 2024 Bonds no longer be held in book-entry only form, the 2024 Bonds will be payable and subject to registration and transfer as provided in the Resolutions.

Redemption

Optional Redemption. The 2024 Bonds maturing on or after July 1, 2035, may be redeemed prior to their maturities, at the option of the District, in whole or in part, on any date on or after July 1, 2034, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date.

Mandatory Redemption. The 2024A Bonds maturing on July 1, 2049 are subject to mandatory sinking fund redemption in part on July 1 in each year by lot, at a redemption price equal to 100% of the principal amount of the 2024A Bonds being redeemed, without premium, plus accrued interest to the redemption date in the years and in the amounts set forth below:

YEAR	PRINCIPAL AMOUNT
2045	$5,775,000
2046	6,080,000
2047	6,395,000
2048	6,735,000
2049†	7,090,000

†Maturity.

The 2024A Bonds maturing on July 1, 2054 are subject to mandatory sinking fund redemption in part on July 1 in each year by lot, at a redemption price equal to 100% of the principal amount of the 2024A Bonds being redeemed, without premium, plus accrued interest to the redemption date in the years and in the amounts set forth below:

YEAR	PRINCIPAL AMOUNT
2050	$7,460,000
2051	7,855,000
2052	8,265,000
2053	8,700,000
2054†	9,155,000

†Maturity.

The 2024B Bonds maturing on July 1, 2049 are subject to mandatory sinking fund redemption in part on July 1 in each year by lot, at a redemption price equal to 100% of the principal amount of the 2024B Bonds being redeemed, without premium, plus accrued interest to the redemption date in the years and in the amounts set forth below:

Year	Principal Amount
2045	$6,255,000
2046	6,570,000
2047	6,895,000
2048	7,240,000
2049†	12,105,000

†Maturity.

The 2024B Bonds maturing on July 1, 2054 are subject to mandatory sinking fund redemption in part on July 1 in each year by lot, at a redemption price equal to 100% of the principal amount of the 2024B Bonds being redeemed, without premium, plus accrued interest to the redemption date in the years and in the amounts set forth below:

Year	Principal Amount
2050	$12,715,000
2051	13,380,000
2052	14,085,000
2053	14,820,000
2054†	15,600,000

†Maturity.

The 2024C Bonds maturing on July 1, 2044 are subject to mandatory sinking fund redemption in part on July 1 in each year by lot, at a redemption price equal to 100% of the principal amount of the 2024C Bonds being redeemed, without premium, plus accrued interest to the redemption date in the years and in the amounts set forth below:

Year	Principal Amount
2040	$2,790,000
2041	2,930,000
2042	3,075,000
2043	3,230,000
2044†	3,390,000

†Maturity.

The 2024C Bonds maturing on July 1, 2054 are subject to mandatory sinking fund redemption in part on July 1 in each year by lot, at a redemption price equal to 100% of the principal amount of the 2024C Bonds being redeemed, without premium, plus accrued interest to the redemption date in the years and in the amounts set forth below:

YEAR	PRINCIPAL AMOUNT
2045	$3,560,000
2046	3,740,000
2047	3,930,000
2048	4,130,000
2049	4,340,000
2050	4,560,000
2051	4,795,000
2052	5,035,000
2053	5,290,000
2054†	5,560,000

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†Maturity.

Notice of Redemption. Notice of redemption of any 2024 Bonds will be given by the Bond Registrar on behalf of the District at least 20 days before the date fixed for redemption (1) (a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC's rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2024 Bonds, by first class mail to the Owners of 2024 Bonds to be redeemed at the last address shown on the registration books kept by the Bond Registrar, and (2) to the Municipal Securities Rulemaking Board (the "*MSRB*") in an electronic format as prescribed by the MSRB. The District may provide that any notice of redemption may be rescinded or withdrawn at any time prior to the date fixed for redemption in the sole discretion of the District.

Selection of 2024A Bonds and 2024B Bonds for Redemption. The District shall select the maturities of the 2024A Bonds or 2024B Bonds to be optionally redeemed. If the 2024A Bonds or 2024B Bonds to be optionally redeemed are subject to mandatory sinking fund redemption, the District shall designate to the Trustee the mandatory sinking fund payment or payments to which the principal amount of such 2024A Bonds or 2024B Bonds of the maturity optionally redeemed shall be credited. Except as otherwise described in "– Book-Entry Only System," if less than all of a maturity of the 2024A Bonds or 2024B Bonds is to be redeemed, the 2024A Bonds or 2024B Bonds to be redeemed shall be selected by lot in such manner as the Trustee shall determine.

Selection of 2024C Bonds for Redemption. The District shall select the maturities of the 2024C Bonds to be optionally redeemed. If less than all of the 2024C Bonds of a maturity are redeemed prior to their respective stated maturity dates, the particular 2024C Bonds to be redeemed will be selected on a pro-rata pass-through distribution of principal basis in accordance with the rules and procedures of DTC. It is the District's intent that redemption allocations made by DTC, the DTC participants or such other intermediaries that may exist between the District and the beneficial owners of the 2024C Bonds shall be made on a pro-rata pass-through distribution of principal basis. However, so long as the 2024C Bonds are in book-entry only form, the selection for redemption of such 2024C Bonds shall be made in accordance with the operational arrangements of DTC then in effect. Neither the District nor the Trustee shall provide any assurance or shall have any responsibility or obligation to ensure that DTC, the DTC participants or any other intermediaries allocate redemptions of the 2024C Bonds among beneficial owners on a pro-rata pass-through distribution of principal basis. If the DTC operational arrangements do not allow for the redemption of the 2024C Bonds on a pro-rata pass-through distribution of principal basis, the 2024C Bonds shall be selected for redemption, in accordance with DTC procedures, by lot. See "–Book-Entry Only System." The portion of any Series 2024C Bond of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or any integral multiple thereof.

Effect of Notice of Redemption. On the date fixed for redemption, notice having been given in the manner and under the conditions described above and money for the payment of the redemption price being held by the Paying Agent, the 2024 Bonds or portions thereof called for redemption will be due and payable at the redemption price provided therefor. From and after such date, interest on the 2024 Bonds or portions thereof called for redemption will cease to accrue; such 2024 Bonds or portions thereof will cease to be entitled to any liens, benefits or security under the Resolutions or to be deemed Outstanding; and the Owners of such 2024 Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof.

Book-Entry Only System

DTC will act as securities depository for the 2024 Bonds. The 2024 Bonds will be issued as fully-registered bonds 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 2024 Bond will be issued for each Series and maturity of the 2024 Bonds 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 (hereinafter defined) 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 (which is not intended to be an active hyperlink).

Purchases of 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Bonds on DTC's records. The ownership interest of the actual purchaser of each 2024 Bond ("*Beneficial Owner*") is in turn to be recorded on the DTC Participants' Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. 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 2024 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 2024 Bonds, except in the event that use of the book-entry only system for the 2024 Bonds is discontinued.

To facilitate subsequent transfers, all 2024 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 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 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 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2024 Bonds may wish to ascertain that the nominee holding the 2024 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 2024 Bonds within a Series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2024 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 District 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 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the 2024 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 DTC Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District, the Bond Registrar or the Paying Agent on the 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 bonds 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 District, the Bond Registrar or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District, the Bond Registrar or the Paying Agent, 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 2024 Bonds at any time by giving reasonable notice to the District or 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 District 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 only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Sources of Payment

The Resolutions provide that the 2019 Bonds, the 2023 Bonds, the 2024 Bonds, and any Additional Bonds hereafter issued, are special obligations of the District payable solely from and secured solely by Net Revenues and funds established by the Resolutions pledged to the payment of Bonds, and that the taxing power is not pledged to the payment of the Bonds either as to principal or interest. Upon their date of issuance, the 2019 Bonds, the 2023 Bonds, and the 2024 Bonds will be the only Bonds of the District outstanding under the Resolutions. Under the Resolutions, "*Net Revenues*" means, for any given period, the Revenues for such period less the Operation and Maintenance Expenses for such period.

"Revenues" is generally defined under the Resolutions to mean, except to the extent specifically excluded from such definition, all income, receipts, earnings and revenues received by the District from the operation and ownership of the Airport System, as determined in accordance with generally accepted accounting principles, as modified from time to time, plus the principal portion of payments received pursuant to certain self-liquidating lease agreements, earnings on certain funds and accounts created under the Master Resolution, and such additional revenues, if any, as are designated as "Revenues" under the terms of any Supplemental Resolution. The following, including any investment earnings thereon, are specifically excluded from Revenues: (i) *ad valorem* tax receipts, (ii) gifts, grants and other income which are restricted by their terms to purposes inconsistent with the payment of debt service on Bonds, (iii) Net Proceeds and other insurance proceeds, to the extent restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service on Bonds unless utilized to pay Operation and Maintenance Expenses, and (iv) most Special Facilities Revenues. In addition, the following, including any investment earnings thereon, are specifically excluded from "Revenues," unless designated as "Revenues" under the terms of a Supplemental Resolution: (A) Rental Credit, (B) Passenger Facility Charges, (C) Customer Facility Charges, (D) Federal Direct Payments, (E) Released Revenues, (F) subject to (ii) in the previous sentence, grants and other charges authorized on or after the date of the Master Bond Resolution to be assessed to fund specific programs at the Airport System, (G) investment income derived from any money or securities which may be placed in escrow or trust to defease Bonds, (H) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Code and amounts held in a Rebate Fund and (I) Capitalized Interest. "Operation and Maintenance Expenses" are generally defined under the Resolutions to mean the "reasonable and necessary costs paid or incurred by the District for maintaining and operating the Airport System, determined in accordance with generally accepted accounting principles, but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, any principal or interest payment in respect of capital leases or indebtedness including the Bonds, any costs of issuance relating to any capital leases or indebtedness including the Bonds, amortization or intangibles, any non-cash Unfunded OPEB Obligations, and any Operation and Maintenance Expenses payable from money other than Revenues." See "SUMMARY OF DEFINED TERMS" in Appendix C – Summaries of the Master Bond Resolution and the Fifth Supplemental Bond Resolution for the full definition of "Revenues" and "Operation and Maintenance Expenses."

Pursuant to the 2024 Supplemental Resolution, the Authority expects to extend the designation of Customer Facility Charges as Revenues for purposes of the Master Resolution through Fiscal Year 2031. In addition, Customer Facility Charges received in each Fiscal Year after the Fiscal Year ending in 2031 are expected to be designated and included as Revenues for purposes of the Master Resolution until such time as the Authority by Supplemental Resolution excludes and removes Customer Facility Charges from Revenues for purposes of the Master Resolution. See "–SUMMARY OF THE FIFTH SUPPLEMENTAL BOND RESOLUTION–Designation of Certain Customer Facility Charges (CFCs) as Revenues with Respect to 2024 Bonds" in Appendix C – Summaries of the Master Bond Resolution and the Fifth Supplemental Bond Resolution.

THE 2024 BONDS SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, OTHER THAN THOSE PROVISIONS AUTHORIZING INDEBTEDNESS PAYABLE SOLELY FROM A REVENUE-PRODUCING PROJECT NOT INVOLVING REVENUES FROM ANY TAX OR LICENSE, AND THE DISTRICT HAS NOT PLEDGED ITS FULL FAITH AND CREDIT OR ITS TAXING POWER TO THE PAYMENT OF THE 2024 BONDS.

Rate Covenant

The Authority will, at all times while any Bonds shall be Outstanding, establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues, together with any amount deposited in the Rolling Coverage Account (subject to the limitation stated in the following sentence), will be equal to at least 125% of Annual Debt Service on the Outstanding Bonds in such Fiscal Year. For purposes of the preceding sentence, the balance in the Rolling Coverage Account which may be taken into account may not exceed 25% of the Aggregate Annual Debt Service on the Outstanding Bonds in such Fiscal Year. In addition, the District is required under the Master Resolution to establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith so that Net Revenues in each Fiscal Year will be sufficient to pay or discharge all indebtedness, charges and liens whatsoever payable out of the Revenues.

Application of Revenues

All Revenues derived and to be derived by the District from the operation of the Airport System, including all Revenues derived by the District from all additions, extensions, enlargements and improvements of the Airport System hereafter made or acquired will be paid and deposited promptly in the Gross Revenue Fund, which will be segregated and kept separate and apart from the other revenues and funds of the District. On a monthly basis, all Revenues deposited into the Gross Revenue Fund will be set aside for the payment of the following amounts or deposited or transferred to the following funds and accounts in the order listed:

1. *Operation and Maintenance Expenses*. The District will first pay a sufficient amount of Revenues to pay all Operation and Maintenance Expenses due in the next month to the Operating and Maintenance Fund. The District will pay all Operation and Maintenance Expenses as they become due and payable from money available in the Operating and Maintenance Fund.

2. *Debt Service Fund; Other Amounts Due on Bonds.* The District will next pay a sufficient amount of Revenues, without priority and on an equal basis, except as to timing of payment, to the Debt Service Fund in the amounts, at the times and in the manner provided in the Resolutions to provide for the payment of the principal of and interest to come due on the Outstanding Bonds and for the payment of amounts, other than principal and interest, if any, due on the Outstanding Bonds.

3. *Common Reserve Account and Series Debt Service Reserve Accounts.* The District will next pay a sufficient amount of Revenues, without priority and on an equal basis, except as to timing of payment, to the Common Reserve Account, the Series Debt Service Reserve Accounts and any other accounts within the Debt Service Reserve Fund, if any, at the times, in such amounts, and to be used in the manner provided for in the Resolutions and any Supplemental Resolution.

4. *Subordinate Obligation Debt Service.* The District will next pay to the Subordinate Obligation Debt Service Fund and related reserve fund or funds (if any), such amounts and, at such times, as are sufficient to pay the debt service on any indebtedness, including any Subordinate Obligations, issued pursuant to the terms of a subordinate resolution or other agreement, but only to the extent a specific pledge of Net Revenues has been made in writing to the payment of debt service on such indebtedness.

5. *Operating and Maintenance Reserve Fund.* The District will next pay into the Operating and Maintenance Reserve Fund 1/12th of the amount needed to bring the balance in the Operating and Maintenance Reserve Fund to an amount equal to 1/6th of the amount of operating expenses budgeted by the District for the current Fiscal Year. If the balance in the Operating and Maintenance Reserve Fund is greater than or equal to 1/6th of the amount of operating expenses budgeted by the District for the current Fiscal Year, no deposit is required.

6. *Rebate Fund.* The District will next pay into the Rebate Fund such amount, if any, as required to satisfy the District's obligations with respect to any arbitrage rebate calculations related to a Series of Bonds.

7. *Airport Capital Fund.* When and after the District has made all monthly payments and credits from the Gross Revenue Fund required at the time to be made under the foregoing provisions of the Resolutions, all remaining money in the Gross Revenue Fund will be credited to the Airport Capital Fund. Money in the Airport Capital Fund will be used for any lawful purpose of the Airport System. As determined by the District, money paid and credited to the Airport Capital Fund will be deposited into, and may be subsequently transferred among unless otherwise provided in a Supplemental Resolution, one or more of the following accounts (the listing of the accounts is not intended to establish a priority of one account over another):

(a) *Equipment and Capital Outlay Account* – the District may deposit money from the Airport Capital Fund into the Equipment and Capital Outlay Account in an amount to be determined by the District. Money in the Equipment and Capital Outlay Account may be used by the District to fund any equipment purchases or capital outlays that are included in the budget for the Airport System for a Fiscal Year.

(b) *Capital Projects Account* – the District may deposit money from the Airport Capital Fund into the Capital Projects Account in an amount to be determined by the District. Money in the Capital Projects Account may be used to fund all, or any portion of, capital projects that are included in the budget for the Airport System for a Fiscal Year, provided that such amounts shall not be used to pay any costs that are being funded from any Equipment and Capital Outlay Account.

(c) *Rolling Coverage Account* – the District may deposit money from the Airport Capital Fund into the Rolling Coverage Account in an amount to be determined by the District. Unless otherwise required by a Supplemental Resolution, the District is not required to make any deposit into the Rolling Coverage Account or to retain any such amount deposited in the Rolling Coverage Account. Any money in the Rolling Coverage Account may be taken into account for purposes of meeting the test for the issuance of additional bonds and the rate covenant of the Master Resolution, or transferred from this account into the Gross Revenue Fund, or used for any other lawful purpose of the Airport System.

(d) *General Capital Account* – subject to compliance with the immediately succeeding paragraph, all remaining money in the Airport Capital Fund not deposited to the Equipment and Capital Outlay Account, the Capital Projects Account, or the Rolling Coverage Account shall be deposited into the General Capital Account and may be accumulated by the District to be used to pay the costs of any future capital project or projects (whether or not such projects have been specifically identified), transferred to any other fund or account, or used by the District for any other lawful purpose of the Airport System.

The District has no general obligation indebtedness outstanding and no present intent to issue any general obligation bonds. If any general obligation bonds of the District are outstanding at the end of a Fiscal Year, then, within 60 days after the end of such Fiscal Year, after all deposits required to be made into each of the above Funds have been made, sufficient moneys remaining in the Gross Revenue Fund which are not required to make up deficiencies in any of the above Funds shall be transferred to the Charleston County Treasurer to be applied by the Charleston County Treasurer for the payment of the interest and principal on the general obligation bonds of the District for the next succeeding Fiscal Year; provided, however, in the event that the Charleston County Treasurer has at such time sufficient moneys available for payment of the principal of and interest to come due on all general obligation bonds for the next succeeding Fiscal Year no such transfer need be made and such excess shall be deposited in the General Capital Account. See "THE CHARLESTON COUNTY AIRPORT DISTRICT–Taxing Power and Authority to Issue General Obligation Indebtedness."

Debt Service Fund

The District will create a debt service account for each Series of Bonds within the Debt Service Fund (each, a "Debt Service Account"). The Debt Service Fund and each Debt Service Account shall be held in trust by the Trustee, and amounts to be used to pay principal of and interest on such Series of Bonds shall be deposited therein and used for such purpose.

Except as otherwise provided in a Supplemental Resolution, the District shall deposit money in each Debt Service Account from the Gross Revenue Fund (i) an amount equal to one-sixth ($1/6^{th}$) of the interest on Bonds of that Series bearing interest payable semi-annually scheduled to be due and payable on the next succeeding Payment Date so that there will be accumulated on such Payment Date, after taking into account interest earnings on amounts held in any such account, an amount not less than the interest on Bonds of that Series coming due on the immediately succeeding Payment Date, plus (ii) one-twelfth ($1/12^{th}$) of the principal amount on Bonds of that Series coming due by maturity or mandatory redemption on the next principal payment, maturity or mandatory redemption date, so that there will be accumulated in such account, after taking into account interest earnings on amounts held in such account, an amount not less than the principal on Bonds of that Series coming due by maturity or mandatory redemption on the immediately succeeding principal payment, maturity or mandatory redemption date. Notwithstanding any of the foregoing, no amount need to be transferred from the Gross Revenue Fund or otherwise deposited into any Debt Service Account for any Series of Bonds for the payment of principal or interest, respectively, if the amount already on deposit therein and available for such purpose is sufficient to pay in full the amount of principal and/or interest, respectively, coming due on such Bonds on the next succeeding Payment Date.

Deposit and Application of Passenger Facility Charges

The 2024 Supplemental Resolution provides that, upon receipt by the District, all PFCs shall be set aside and immediately deposited directly to the credit of the accounts in the PFC Revenue Fund in the following order:

(a) First, to the PFC Debt Service Account, in each of the Fiscal Years through 2031, inclusive, all or such portion of PFCs received in such Fiscal Year as designated by the District up to any maximum that may be used for the payment of bond capital, financing and interest set forth by the PFC Final Agency Decision in such Fiscal Year. The 2024 Supplemental Resolution extended the designation of PFCs for this purpose in each of the Fiscal Years through 2031.

(b) Second, to the PFC Project Account all PFCs so received by the District in each Fiscal Year not otherwise required to be applied by (a) above.

Any amounts credited to the PFC Debt Service Account shall be applied by the District to the payment of the portions of Annual Debt Service of the 2023A Bonds, the 2023B Bonds and any other Series of Bonds eligible for payment from PFCs under the PFC Final Agency Decision by transferring (i) on a pro-rata basis of PFC-eligible Annual Debt Service for each such Series of Bonds amounts on deposit in the PFC Debt Service Account to the Debt Service Account for each such Series of Bonds in each Fiscal Year, or (ii) such other method as is consistent with the PFC Final Agency Decision. Any amounts remaining in the PFC Debt Service Account on the last day of the Fiscal Year shall be credited to the PFC Project Account. Amounts credited to the PFC Project Account may be applied to any lawful purpose relating to the Airport System as the Director of Airports may from time to time determine, including transfer to the PFC Debt Service Account. It is not anticipated that Debt Service on the 2024 Bonds will be eligible for payment from PFCs. See "FINANCIAL MATTERS OF THE DISTRICT–Passenger Facility Charges."

The Master Resolution provides that if, pursuant to a Supplemental Resolution, the Authority has made an Irrevocable Commitment to use Passenger Facility Charges to pay Annual Debt Service on the Bonds for any Fiscal Year or period of Fiscal Years, then such amounts shall be deposited into the applicable Debt Service Account when received and shall be excluded from the computation of Annual Debt Service for the purpose of calculating Aggregate Annual Debt Service for the proposed issuance of any Series of Bonds and for the purpose of verifying compliance with the rate covenant. The District's obligation to apply PFCs in accordance with the provisions of the 2024 Supplemental Resolution for the period of time provided therein constitutes an Irrevocable Commitment for purposes of the Master Resolution.

Debt Service Reserve Fund

Under the terms of the Resolutions, there is created a Debt Service Reserve Fund, in which there is established a Common Reserve Account and one or more Series Debt Service Reserve Accounts that may be held by the District or any agent of the District. Money held in the Common Reserve Account, including all accounts established therein, will be used for the purpose of paying principal of and interest on the Bonds participating in the Common Reserve Account on a pro rata basis with all Bonds then participating in the Common Reserve Account. If, on any Payment Date, the amounts in the Debt Service Fund for any Bonds participating in the Common Reserve Account available therefor are insufficient to pay in full the amount then due on such Bonds, money held in the Common Reserve Account will be used for the payment of principal of and interest thereon. If amounts in the Common Reserve Account consist of both cash and one or more Reserve Fund Surety Policies, the District will make any required payments of amounts in the Common Reserve Account first from any cash held in the Common Reserve Account, prior to making a draw upon any of such Reserve Fund Surety Policies. Money held in the Common Reserve Account may also be used to make any deposit required to be made to the Rebate Fund created for the Bonds participating in the Common Reserve Account at the written direction of the District if the District does not have other funds available from which such deposit can be made.

Instead of making a deposit to be made to the Common Reserve Account, the Authority may, at the time of issuance of any Series of Bonds, provide by Supplemental Resolution for the creation of a Series Debt Service Reserve Account as additional security for such Series of Bonds, and in its discretion reserving the right to allow a future Series of Bonds to participate in such Series Debt Service Reserve Account, or provide that such Series of Bonds participate in a Series Debt Service Reserve Account previously created for an Outstanding Series of Bonds. Any Series Debt Service Reserve Account established under a Supplemental Resolution shall be funded, at the time of issuance of such Series of Bonds or over such other period of time as set forth in a Supplemental Resolution, in an amount equal to the Reserve Requirement with respect to the Bonds participating in such Series Debt Service Reserve Account.

In lieu of sharing in a Common Reserve Account or creating a Series Debt Service Reserve Account, at the time of issuance of any Series of Bonds, the Authority may provide pursuant to a Supplemental Resolution that neither a deposit to the Common Reserve Account nor a deposit to a Series Debt Service Reserve Account shall be required and that such Series of Bonds shall not be secured by the Common Reserve Account or a Series Debt Service Reserve Account.

The 2024 Bonds will participate in the Common Reserve Account. At the time of issuance of the 2024 Bonds, a portion of the proceeds of the 2024 Bonds will be deposited into the Series 2024 Reserve Accounts. The Series 2024 Reserve Accounts will be established, held, invested and used as an integral part of the Debt Service Reserve Fund and will be available to make payments on all Bonds participating in the Common Reserve Account of the Debt Service Reserve Fund. In the event a Reserve Fund Surety Policy is ever deposited to the Debt Service Reserve Fund, the Series 2024 Reserve Accounts will be credited with the portion of any Reserve Fund Surety Policy allocable thereto. In the event amounts in the Debt Service Reserve Fund exceed the Reserve Requirement for the Debt Service Reserve Fund, such excess allocable to the 2024 Bonds will be transferred to the applicable Series 2024 Principal and Interest Account in the Debt Service Fund.

Additional Bonds

The Resolutions, subject to certain exceptions, authorize the issuance of any Series of Bonds subject to the conditions that there shall first be delivered to the District either:

(a) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by an Authorized Authority Representative showing that the Net Revenues for the last Fiscal Year for which audited financial statements are available, or, based upon the District's unaudited, internally prepared, financial statements for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds, together with any amount on deposit in the Rolling Coverage Account as of the end of the immediately preceding Fiscal Year, were at least equal to 125% of Aggregate Annual Debt Service with respect to all Outstanding Bonds and the proposed Series of Bonds, calculated as if the proposed Series of Bonds was then Outstanding; or

(b) (i) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by an Authorized Authority Representative, showing that the Net Revenues for the last Fiscal Year for which audited financial statements are available, or, based upon the District's unaudited, internally prepared, financial statements for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds, together with any amount deposited in the Rolling Coverage Account as of the end of the immediately preceding Fiscal Year, were at least equal to 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds (not including the proposed Series of Bonds) for such Fiscal Year or other applicable period; and

(ii) a certificate from a Consultant showing that the estimated Net Revenues for each of three consecutive Fiscal Years beginning with the first Fiscal Year in which Annual Debt Service is due on or with respect to the Series of Bonds proposed to be issued, and for the payment of all of which provision has not been made as indicated in the report of such Consultant from the proceeds of such Series of Bonds and/or from interest that has been capitalized from the proceeds of previously issued Bonds, will be at least equal to 125% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Bonds and the proposed Series of Bonds (calculated as if the proposed Series of Bonds was then Outstanding).

For purposes of paragraph (a) above, the amount of any money deposited into the Rolling Coverage Account taken into account cannot exceed 25% of the Aggregate Annual Debt Service on the Outstanding Bonds and the proposed Series of Bonds. For purposes of paragraph (b)(i) and

(ii) above, the amount of any money deposited into the Rolling Coverage Account taken into account in any year cannot exceed 25% of the Aggregate Annual Debt Service on the Outstanding Bonds in such year. For purposes of paragraph (b)(ii) above, in estimating Net Revenues, the Consultant may take into account Revenues from Projects or Airport Facilities reasonably expected to become available during the period for which the estimates are provided and an amount estimated by the Consultant to be on deposit during such period of time in the Rolling Coverage Account.

In addition, the District may issue:

(a) Notes, if an Authorized Authority Representative executes a certificate showing that the principal amount of the proposed Notes being issued, together with the principal amount of any Notes then Outstanding, does not exceed 10% of the Net Revenues for any 12 consecutive months out of the most recent 24 months immediately preceding the issuance of the proposed Notes, accompanied by a certificate of an Authorized Authority Representative setting forth calculations showing that for each of the Fiscal Years during which the Notes will be Outstanding, and taking into account the debt service becoming due on such Notes, the District will be in compliance with rate covenant described under "–Rate Covenant" above; or

(b) Bonds, the purpose of which is to pay costs of completing a Project for which Bonds have previously been issued and the principal amount of such Bonds does not exceed an amount equal to 15% of the principal amount of the Bonds originally issued for such Project and reasonably allocable to the Project to be completed as shown in a written certificate of an Authorized Authority Representative and there is delivered to the District (a) a Consultant's certificate stating that the nature and purpose of such Project has not materially changed and (b) a certificate of an Authorized Authority Representative to the effect that (x) all of the proceeds (including investment earnings on amounts in the Construction Fund allocable to such Project) of the original Bonds issued to finance such Project have been or will be used to pay Costs of the Project and (y) the then Estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus money available in the Construction Fund established for the Project (including unspent proceeds of Bonds previously issued for such purpose) and (z) the proceeds to be received from the issuance of such Bonds plus money available in the Construction Fund established for the Project (including unspent proceeds of the Bonds previously issued for such purpose) will be sufficient to pay the remaining estimated Costs of the Project.

Refunding Bonds

One or more Series of Refunding Bonds may be authenticated and delivered to refund (1) all Outstanding Bonds of one or more Series or one or more maturities within a Series, or (2) any Subordinate Obligations. Refunding Bonds of each Series issued to refund one or more Series of Outstanding Bonds or one or more maturities within a Series shall be authenticated and delivered by the Trustee only on satisfaction of certain requirements, including either of the following:

1. An Authorized Authority Representative executes a certificate showing the Aggregate Annual Debt Service for each Fiscal Year after the issuance of such Refunding Bonds will not exceed the Aggregate Annual Debt Service for any Fiscal Year prior to the issuance of such Refunding Bonds in the years through the final maturity of the Outstanding Bonds to be refunded; or

2. The District obtains a report from a Consultant demonstrating that the refunding will reduce the total debt service payments on all Outstanding Bonds on a present value basis.

Subordinate Obligations

The District may incur indebtedness that is subordinate to the Bonds, which is defined in the Master Resolution as a Subordinate Obligation. Any indebtedness of this type may be incurred at such times and upon such terms as the Authority shall determine provided that:

1. Any Supplemental Resolution authorizing the issuance of any Subordinate Obligations will specifically state that such lien on a security interest granted in the Net Revenue is junior and subordinate to the lien on and security interest in such Net Revenues and other assets granted to secure the Bonds; and

2. Payment of principal of and interest and other amounts due on such Subordinate Obligations will be permitted, provided that all deposits and payments required to be made pursuant to the Resolutions have been made and satisfied.

As of the date of this Official Statement, the only existing Subordinate Obligation is the 2024 Line of Credit. See "FINANCIAL MATTERS OF THE DISTRICT–The 2024 Line of Credit."

Special Facility Obligations

The District shall be authorized to finance, from the proceeds of obligations, other than Bonds, issued by the District which are not payable from Revenues, capital improvements or facilities to be located on any property included under the definition of Airport System ("*Special Facilities*") without regard to any requirements of the Resolutions with respect to the issuance of Additional Bonds, which obligations must be designated as Special Facility Obligations under the Resolutions, provided Special Facility Obligations will be payable as to principal, redemption premium, if any, and interest solely from:

1. Special Facilities Revenue, which includes contractual payments derived by the District under and pursuant to a contract (which may be in the form of a lease) relating to a Special Facility by and between the District and other person, firm or corporation, either public or private, as they undertake the operation of a Special Facility;

2. proceeds of such Special Facility Obligations set aside exclusively to repay the Debt Service on such Special Facility Obligations, if any; or

3. subject to any covenants or other provisions of the Resolutions, such Net Revenues, or other money not included in Net Revenues, made available by the District through a specific pledge to the payment of the principal of and interest on such Special Facility Obligation in such amounts and at such times as may be agreed to by the Authority, if any.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the 2024 Bonds, Assured Guaranty Inc. ("*AG*") will issue the Bond Insurance Policy (the "*Policy*") for the 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 Appendix F to this Official Statement.

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

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("*AGL*" and together with its subsidiaries, "*Assured Guaranty*"), 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 subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("*S&P*"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("*KBRA*") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("*Moody's*"). Each rating of AG 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 AG in its sole discretion. In addition, the rating agencies may at any time change AG'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 AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG 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.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("*AGM*"), merged with and into AG, with AG as the surviving company (such transaction, the "*Merger*"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG's financial strength rating of "AA" (stable outlook).

On October 20, 2023, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook). On August 1, 2024, KBRA commented that, following the closing of the Merger, AG's insurance financial strength rating of "AA+" (stable outlook) remains unchanged.

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG'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, 2023.

Capitalization of AG, AGM and Pro Forma Combined AG

	As of June 30, 2024 (dollars in millions)		
	AG **(Actual)**	**AGM** **(Actual)**	**AG** **(Pro Forma Combined)**
Policyholders' surplus	$1,649	$2,599	$3,960[1]
Contingency reserve	$ 421	$ 910	$1,331
Net unearned premium reserves and net deferred ceding commission income	$ 355	$2,078 [2]	$2,433[2]

[1] Net of intercompany eliminations.

[2] Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AGM or pro forma combined AG, as applicable, and (ii) the net unearned premium reserves and net deferred ceding commissions of Assured Guaranty UK Limited ("*AGUK*") and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("*AGE*").

The policyholders' surplus, contingency reserves, and net unearned premium reserves and net deferred ceding commission income of AG, AGM, and the pro forma combined AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

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 AG and 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, 2023 (filed by AGL with the SEC on February 28, 2024);

(i) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024 (filed by AGL with the SEC on May 8, 2024); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024 (filed by AGL with the SEC on August 8, 2024).

All information relating to AG and 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 2024 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 (which is not intended to be an active hyperlink), at AGL's website at http://www.assuredguaranty.com (which is not intended to be an active hyperlink), or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, 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 AG and AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "*AG Information*") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any

AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the 2024 Bonds or the advisability of investing in the 2024 Bonds. In addition, AG 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 AG supplied by AG and presented under the heading "BOND INSURANCE."

DESCRIPTION OF THE 2024 PROJECTS AND THE CAPITAL IMPROVEMENT PROGRAM

The 2024 Projects

The proceeds of the 2024 Bonds will be used (i) to fund a portion of the cost of (a) the expansion of the Airport's East Concourse (the "*East Concourse Expansion*"), (b) the construction of a six-level, approximately 2.4 million square foot parking garage ("*PG3*"), (c) upfitting consolidated rental car ("*CONRAC*") and administrative space for rental car operators, rental car pick-up and ready return space, and customer service facilities for rental car customers, located on the first and second floor of PG3 (the "*PG3 RAC Fit-Out*"), and (d) construction of a new baggage handling system (the "*BHS Expansion*," and collectively, the "*2024 Projects*"); (ii) to fund capitalized interest on the 2024 Bonds through the anticipated completion date of the 2024 Projects; (iii) to fund an account of the debt service reserve fund established for the 2024 Bonds; and (iv) to pay certain costs and expenses relating to the issuance and sale of the 2024 Bonds, including the Policy premium. The total estimated cost of the 2024 Projects is approximately $979.0 million, of which approximately $334.0 million is expected to be funded with the proceeds of the 2024 Bonds. The remaining costs of the 2024 Projects is anticipated to be funded using a mix of federal and state grants, PFCs and CFCs on a cash basis, District funds and the proceeds of a future Series of Additional Bonds (the "*Future Bonds*"). Anticipated federal grant funding includes Federal Aviation Administration ("*FAA*") Airport Improvement Program ("*AIP*") entitlement funding and Airport Infrastructure Grant ("*AIG*") entitlement funding, and Bipartisan Infrastructure Law ("*BIL*") discretionary Airport Terminals Program ("*ATP*") funding.

Architectural and engineering plans and specifications have been completed for the PG3 and PG3 RAC Fit-Out elements of the 2024 Projects. After a solicitation of proposals, the District has entered into a fixed-price construction contract with The Whiting-Turner Contracting Company (the "*Contractor*") for the construction of these elements of these 2024 Projects. The Contractor is a national construction firm headquartered in Baltimore, Maryland with substantial experience in parking garage construction. LS3P Associates LTD. has acted as project architect for the PG3 and PG3 RAC Fit-Out projects and will oversee the construction of the 2024 Projects for the District.

The following table summarizes the estimated cost, design and construction and other information relating to the 2024 Projects:

PROJECT ELEMENT	ESTIMATED COST	EXECUTED GMP AS OF 09/01/24	STATUS OF DESIGN	ACTUAL/EXPECTED CONSTRUCTION COMMENCEMENT	EXPECTED COMPLETION/ OCCUPANCY DATE
PG3	$228,804,880	Yes	90%	07/24	10/27
PG3 RAC Fit-Out	120,160,627	Yes	60%	02/25	10/27
East Concourse Expansion	568,079,976	No	0%	04/25	06/28
BHS Expansion	62,000,000	No	0%	04/25	09/27

The Capital Improvement Program

The Authority plans for capital improvements to the Airport on an ongoing basis. The Authority's Fiscal Year 2025 through Fiscal Year 2029 Capital Improvement Program ("*CIP*") includes approximately $1.296 billion of total estimated project costs. CIP projects for the Airport account for approximately $1.250 billion, or 96.5%, of the Authority's CIP, with the District's two general aviation airports accounting for the remaining $45.9 million. Because the United States Air Force (the "*USAF*") owns and maintains the runways and surrounding airfield areas, the Authority does not incur expenses related to runway renovation or rehabilitation projects. Except with respect to the PG3 and PG3 RAC Fit-Out elements of the CIP, the costs shown for the CIP are based upon current District estimates and included budgeted contingency of 5% to 10%. Projects included in the CIP are currently expected to result in a net increase of eight new gates (increasing current gate count from 18 to 26), six additional remain overnight ("*RON*") parking positions (increasing total RON positions from 17 to 23), an additional 5,100 private vehicle parking spaces and new and expanded rental car facilities.

The CIP projects include the following:

East Concourse Expansion. The new East Concourse will be a two-level structure situated just south of the Airport's existing RON aircraft parking apron and will be constructed immediately east of, and connected to, the existing Concourse A and main Terminal Building and will include approximately 226,000 square feet as well as five new gates.

The first level of the East Concourse will primarily include space for airline operations. The second level will feature hold rooms, concessions, restrooms, circulation areas, and egress routes. A significant feature of the expansion is the elevated pedestrian walkway that will connect the new East Concourse to Concourse A, near Gate A1. This project also includes the expansion of the existing ticket hall and Transportation Security Administration ("*TSA*") checkpoint, both of which will be located on the second floor. This expansion will increase the number of ticketing positions and provide additional space for TSA checkpoints, including a larger passenger queuing area. Enhancements to the second floor will also encompass the existing ticket hall, with updated concessions and additional restrooms.

With a total estimated cost of $568 million, the East Concourse Expansion included in the plan of finance is being funded with approximately $23 million in proceeds of the 2024 Bonds, as well as FAA AIP grants, PFCs on a cash basis, the Future Bonds, and District funds. Proceeds of Future Bonds are assumed to provide funding for the remaining project costs. Construction of the East Concourse Expansion is scheduled to begin in April 2025, with completion estimated to occur in June 2028.

PG3. The PG3 project entails the construction of a six-level, 2,400,000-square-foot parking garage at the Airport, situated on the existing Economy Lot A, east of the District's Daily Parking Garage. The garage will accommodate both private vehicles and rental cars, with dedicated access points to streamline traffic flow and operations. Current designs include 5,164 private vehicle parking spaces and 2,036 rental car parking spaces.

The first floor of the garage will house a CONRAC facility to be upfitted as part of the PG3 RAC Fit-Out. The second floor will be dedicated to rental car pick-up and ready return operations, including a rental car customer service building for traveler convenience. Levels 3, 4, 5, and 6 will be reserved exclusively for private vehicle parking, maximizing space availability, and ensuring ease of navigation for the entire facility. Additional aspects of the project include new ticketing canopies and the installation of an advanced parking management system to track space availability and automate payment systems. Project costs related to the first floor and a portion of the second floor are excluded from the stated cost of PG3 and are accounted for in the cost of the PG3 RAC Fit-Out.

With a total cost of approximately $229 million, the PG3 project is anticipated to be funded with proceeds of the 2024 Bonds and other District moneys. Construction of the PG3 project commenced in July 2024, with operations expected to commence in September 2026 and completion estimated to occur in October 2027.

PG3 RAC Fit-Out. The PG3 RAC Fit-Out will entail the upfitting of the first two floors of the PG3 as the CONRAC facility service areas, featuring car washes, vacuum stations, fueling facilities, administrative space for rental car and CONRAC operators, rental car pick-up and ready-return space, and customer facility for rental car customers.

With a total cost of approximately $120 million, the PG3 RAC Fit-Out is anticipated to be funded with proceeds of the 2024 Bonds as well as CFCs used on a cash basis. Construction of the PG3 RAC Fit-Out began in July 2024, with completion estimated to occur in September 2026.

BHS Expansion. Beneath the expanded ticket hall and checkpoint on the first floor of the East Concourse Expansion, a new state-of-the-art baggage handling system will be constructed. It is anticipated this expansion will significantly improve the efficiency and reliability of the current system.

With an estimated cost of $62 million, the BHS Expansion is anticipated to be fully funded with proceeds of the 2024 Bonds. The BHS Expansion is anticipated to be bid in the fourth quarter of 2024, and design work for this component of the 2024 Project has not commenced. Construction of the BHS Expansion is scheduled to begin in April 2025, with completion estimated to occur in September 2027.

Other CIP Projects

In addition to the 2024 Projects, the Airport's CIP includes approximately $270.6 million of future capital improvement projects for the Airport, including the West Gate Expansion, RON Parking Aprons (East and West), Fuel Farm Expansion, Airport Surveillance Radar-9 ("*ASR9*") Relocation, CBIS Third EDS, and other Airport projects. These projects are expected to be funded with District funds, grant funding, and amounts drawn under the 2024 Line of Credit. Sources of assumed grant funding include FAA entitlement and discretionary grants, State agency grants, and Charleston County grants.

West Gate Expansion. The West Gate Expansion will introduce four new airline gates, with a net addition of three gates due to the connection to the main Terminal Building via the existing Gate B2. This two-level modular concourse will meet all spatial requirements, including restrooms, concessions, building support and functions, airline operations, circulation, and egress. The footprint of the concourse will cover approximately 13,700 square feet on the apron.

A pedestrian corridor will provide two-way access for domestic travelers between the modular concourse and Concourse B via the Gate B2 vestibule. An additional pedestrian corridor will ensure controlled two-way access for arriving international passengers to the Federal Inspection Station ("*FIS*"), maintaining sterile arrival protocols and regulations, and will also serve departing passengers for Gate C1.

With an estimated cost of $70 million, the West Gate Expansion is anticipated to be funded with amounts drawn under the 2024 Line of Credit. The Authority expects to use proceeds from the Future Bonds to (1) pay down amounts drawn on the 2024 Line of Credit and (2) reimburse itself for the payment of accrued interest on the 2024 Line of Credit during the construction period.

The West Gate Expansion is anticipated to be bid in the fourth quarter of 2024, and design work for this component of the CIP has not commenced. Construction of the West Gate Expansion is scheduled to begin in November 2024, with completion estimated to occur in June 2026.

RON Parking Apron (East and West). These proposed projects aim to construct two RON parking aprons to accommodate a total of six Group III aircraft parking spaces. The RON aprons will be constructed with concrete pavement with asphalt shoulders. The East Apron will be east of Taxiway A, while the West Apron will be west of Taxiway A. Both aprons will also include the installation of edge lights, high mast lighting, and improvements to the existing storm drainage system.

To meet the airline demand for RON parking, the Authority recently restriped the existing RON apron to accommodate additional aircraft by aligning them in a nose-to-tail zipper formation. Additionally, two RON parking positions were created on the existing concourse apron off Gates A4 and B7, which restrict operations at these gates and limit the full use of two boarding gates. The new parking aprons are intended to alleviate congestion on the existing apron and enhance operational safety on the airfield. The estimated cost of the RON Parking Apron (East and West) is $55 million, and the Authority plans to fund this project with District funds and State and federal grants.

Construction of the RON Parking Apron (East and West) is scheduled to begin in Fiscal Year 2025, with completion estimated for Fiscal Year 2028.

Fuel Farm Expansion. The fuel farm improvements project completed in 2021 added two fuel tanks, increasing the usable capacity by 60%. These enhancements included new pumps and updated piping systems, significantly boosting the efficiency and capacity of the fuel storage and distribution infrastructure. It is anticipated that further upgrades will be required to meet the increasing demands of airlines and enhance the fuel offloading and onloading capacity from fuel trucks. Additionally, the East Concourse Expansion could affect fuel farm operations, necessitating further improvements to adapt to these changes and maintain seamless operations. The estimated cost of this project is $24.5 million, and the Authority plans to fund this project with District funds.

Construction of the Fuel Farm Expansion is scheduled to begin in Fiscal Year 2027, with completion estimated for Fiscal Year 2029.

ASR9 Relocation. The project includes design, permitting, procurement, and construction for the relocation of the existing ASR-9 System. The Airport Surveillance Radar ("*ASR*") is used to monitor and track aircraft and weather. To identify the location of the future ASR site, the FAA conducted a siting analysis evaluating potential locations. The results of the first review reduced this to three candidates. To further analyze these, the FAA reviewed the operational, construction, and environmental suitability of the candidate locations as prospective ASR-9 sites. Site No. 9 was selected by the FAA in December 2019 as the preferred location. This was selected based on site access, location of existing utilities, cost, constructability, and airspace route coverage.

Site No. 9 is on Joint Base Charleston near Cusabee Trail in North Charleston, South Carolina. The site is approximately 200 feet by 200 feet at an elevation of about 40 feet above mean sea level. The project will include construction of an 87 foot tower, site grading, new access road, 13,000 linear feet ("*LF*") of new fiber duct bank and 22,000 LF of cable. The duct back and cable will be installed from the new ASR site to the existing air traffic control tower and terminal radar approach control facility. The existing ASR equipment will be relocated to the new site. The FAA will provide temporary ASR equipment and install it as a leapfrog asset to provide radar coverage during the ASR equipment relocation. The existing ASR tower site will be demolished at the completion of the commissioning.

The current location of the radar is on Boeing property and affects approximately 162 acres of land and renders such areas unusable, preventing any future expansion for Boeing. Relocating the current ASR will facilitate potential development. The estimated cost of this project is $19 million, and it is planned to be funded with South Carolina Department of Commerce ("*SCDC*") grants.

Construction of the ASR9 Relocation is scheduled to begin in Fiscal Year 2025, with completion estimated for Fiscal Year 2026.

CBIS Third EDS. This project focuses on the construction and administration of the third checked baggage inspection system ("*CBIS*") explosive detection system ("*EDS*"). This initiative also includes replacing the existing high-speed diverters, curbside modifications, and the addition of an oversized bag line. The capacity analysis has confirmed that the airport qualifies for a third EDS, which will provide much-needed redundancy to the current system. The anticipated cost of this project is $13 million, and it is planned to be funded with District funds and FAA AIP entitlement grants.

Construction of this element of the CIP is scheduled to begin in Fiscal Year 2025, with completion estimated for Fiscal Year 2026.

Other Airport Projects. Other capital projects included in the Authority's CIP to be undertaken at the Airport are an expansion of Economy Lot B, Terminal Annex buildouts, Gateway Enhancements, Terminal Roof Replacement, TSA Checkpoint Upgrades, Passenger Boarding Bridges, Preconditioned Air Unit ("*PACs*"), Airfield Maintenance, Executive Program Manager ("*EPM*") services, and other miscellaneous future projects. These projects are anticipated to be funded using a combination of District funds, AIP grants, and South Carolina Aeronautics Commission ("*SCAC*") grants. The anticipated cost of these other projects is $89 million.

General Aviation Airport Projects. The District's CIP also includes improvements at Charleston Executive Airport and Mount Pleasant Regional Airport. These projects include masterplan updates, parking lot expansion, runway and taxiway rehabilitation, and general maintenance projects, which are anticipated to be funded using a combination of District funds, AIP grants, AIG grants, and SCAC grants. The anticipated cost of these projects is $46 million.

Capital Improvement Program Funding

The following table summarizes the anticipated funding sources for CIP costs through Fiscal Year 2029. Funding for the CIP includes the Series 2024 Bonds, the Future Bonds, PFCs, CFCs, federal AIP and AIG entitlement grants, federal AIP and BIL discretionary ATP grants, SCAC and SCDC grants, Charleston County grants, District funds and, for the West Gate Expansion project, draws under the 2024 Line of Credit.

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		Funding Source						
Projects	**Cost**	**District Funds**	**Federal and State Grants**	**2024 Line of Credit**	**2024 Bonds**	**Future Bonds**	**PFCs**	**CFCs**
2024 Projects								
East Concourse Expansion	$ 568,080,000	$50,000,000	$46,400,000	-	$23,059,774	$373,620,226	$75,000,000	-
PG3	228,805,000	50,000,000	-	-	178,805,000	-	-	-
PG3 RAC Fit-Out	120,161,000	-	-	-	70,161,000	-	-	$50,000,000
BHS Expansion	62,000,000	-	-	-	62,000,000	-	-	-
Total 2024 Projects	979,046,000	100,000,000	46,400,000	-	334,025,774	373,620,226	75,000,000	50,000,000
Airport CIP Projects								
West Gate Expansion	70,000,000	-	-	70,000,000	-	-	-	-
RON Parking Apron (East & West)	55,000,000	11,500,000	43,500,000	-	-	-	-	-
Fuel Farm Expansion	24,500,000	24,500,000	-	-	-	-	-	-
ASR9 Relocation	19,000,000	-	19,000,000	-	-	-	-	-
CBIS Third EDS	13,000,000	5,900,000	7,100,000	-	-	-	-	-
Other Airport Projects	89,147,000	85,724,250	3,422,750	-	-	-	-	-
Total CIP Projects	270,647,000	127,624,250	73,022,750	70,000,000	-	-	-	-
General Aviation Projects								
Total General Aviation	45,915,018	21,416,501	24,498,517	-	-	-	-	-
Total Projects	$1,295,608,018	$249,040,751	$143,921,267	$70,000,000	$334,025,774	$373,620,226	$75,000,000	$50,000,000

See “Capital Program, 2024 Projects, and Funding Sources” in Appendix A.

Airport Revenue Bonds. As shown in the table above, the Authority anticipates funding $334.0 million of the costs for the 2024 Projects using proceeds from the 2024 Bonds. The Authority's plan of finance for the 2024 Projects also includes proceeds from the Future Bonds in addition to proceeds from the 2024 Bonds. The Future Bonds, which are planned to be issued in the first quarter of calendar year ("*CY*") 2026, will include approximately $373.6 million of construction proceeds.

2024 Line Of Credit. As shown in the table above, the Authority anticipates funding $70.0 million of the costs for the West Gate Expansion project through the 2024 Line of Credit. The Authority authorized the 2024 Line of Credit as a Subordinate Obligation pursuant to the Master Bond Resolution and Fourth Supplemental Resolution adopted by the Authority on June 20, 2024. As of August 2024, the Authority began drawing on the 2024 Line of Credit to fund project costs related to the West Gate Expansion, with construction anticipated to be complete in June 2026. The Authority expects to use its own funds to pay accrued interest on the 2024 Line of Credit during the construction period. Proceeds from the issuance of the Future Bonds are expected to reimburse the Authority for the accrued interest and refund the principal amount used to fund the West Gate Expansion. See "FINANCIAL MATTERS OF THE DISTRICT–The 2024 Line of Credit."

Customer Facility Charge Revenue. The Authority currently collects a CFC in the amount of $10.00 per day on each rental car contract entered into between a rental car company concessionaire doing business at the Airport and their customers. The Authority, by resolution, increased the CFC from $5.00 per day to $10.00 per day effective July 1, 2024. The current balance of CFC revenue totals approximately $29.9 million. Annual CFC collections were approximately $6.7 million in Fiscal Year 2023 and are projected to increase going forward due to the $10.00 per day rate. The PG3 RAC Fit-Out, included as one of the 2024 Projects, is anticipated to be funded using approximately $50.0 million of CFC revenue on a cash basis and approximately $70.2 million proceeds of CFC-supported airport revenue bonds.

Federal and State Funds. It is assumed that approximately $143.9 million of federal and state grant-in-aid funds, consisting of future FAA AIP grants and AIG entitlement funds, future AIP and BIL discretionary ATP funds, and funds from the State will be used to fund the CIP. State grants include funding from both the SCAC and SCDC as described earlier. The East Concourse Expansion is anticipated to be funded using approximately $46.4 million of federal funds through AIP and AIG entitlement grants (to be applied for), as well as an FAA AIP discretionary grant expected to be awarded.

For those projects anticipated to be eligible for FAA AIP funding, up to 90 percent of estimated project costs are expected to be funded from that source. Before federal approval of any AIP grant application can be given, eligible airport sponsors must provide written assurances that they will comply with a variety of statutorily specified conditions. For projects being partially funded with AIP funds, the remainder of the AIP-eligible project cost will be funded with a combination of PFCs and District funds. Should the discretionary or State funds not become available, the Authority will determine if the projects can be delayed, or it will utilize other sources of funds to undertake those projects.

District Funds. The Authority anticipates utilizing approximately $249.0 million unrestricted District cash to fund a portion of the CIP. District funds used to fund capital projects allocable to the Terminal Building Area and Apron and Taxiway Area Cost Cents may be amortized over the useful life of the projects and included in the calculation of the Terminal Building rental rate or apron fee.

See Appendix B – Report of the Airport Consultant, "–Financial Analysis."

Alternate Delivery and Funding

The information under this heading "DESCRIPTION OF THE 2024 PROJECTS AND THE CAPITAL IMPROVEMENT PROGRAM" and, in particular, "– Capital Improvement Program Funding," reflects the Authority's current expectations regarding the potential sources of funding for the CIP projects. As part of its efforts to implement the CIP, including the East Concourse Expansion element, however, the Authority intends to continue to evaluate appropriate methods of delivery and financing of the undeveloped projects.

In connection with its evaluation efforts, the Authority entered into a Pre-development Agreement (the "Pre-development Agreement") with Ferrovial Airports CHS MSA, LLC, a Delaware limited liability company (the "Developer"), for the purpose of establishing the potential framework for a further collaborative process for (i) developing the details of Developer potentially providing design, preconstruction, construction management, financing and commercial planning services and (ii) establishing a productive and interactive working relationship, with respect to certain Airport projects. The Airport projects identified in the Pre-development Agreement include the East Concourse Expansion as well as other growth-related Airport projects, but do not include PG3, the PG3 RAC Fit-Out or the BHS Expansion.

Work under the Pre-development Agreement is in the preliminary stage, with the Authority and Developer working together, with their respective consultants, to identify any actual development activity to be undertaken by the Developer for the Authority. The Pre-development Agreement expressly provides that neither the Authority nor the Developer is obligated to implement any development project, or commit, perform or otherwise undertake any obligation in respect to a development project except as otherwise expressly set forth in the Pre-development Agreement.

As of the date of this Official Statement, no development activity or undertaking has been agreed to or determined. The scope of any such development activity or undertaking could, however, include all aspects of the design, engineering, construction and financing of a project, or could be much more limited.

To the extent the Developer provides the financing for any project included in the CIP the plan of finance for the CIP would be adapted, as necessary, with the effect that Developer financing would be substituted for other sources now included, including some or all of the future financing currently assumed in Appendix B – Report of the Airport Consultant. The Authority has indicated that it would only pursue a Developer-financed project if the overall benefits to the Authority as a result of the project (for example, cost of capital, cost-effectiveness, or efficiency of delivery, among other criteria), offset potential incremental costs of financing.

The Pre-development Agreement has a stated term that expires December 1, 2024, subject to extension by agreement of the parties, and can be terminated by either party for convenience upon no more than 30 days prior notice.

Any project undertaken by the Developer, and any obligation of the Authority, under the Investment and Development Agreement, would be subject to review under or compliance with applicable regulatory requirements. By FAA rule, any such project would also be required to be owned by the Authority.

The Authority's development and funding evaluation efforts will continue through all phases of implementation of the CIP and may include contractual relationships not only with the Developer but with other development or financing parties.

ESTIMATED SOURCES AND USES OF FUNDS

The following table presents estimated information as to the sources and uses of the bond proceeds that will be used to finance a portion of the 2024 Projects.

	2024A Bonds	2024B Bonds	2024C Bonds	Total
Sources of Funds				
Principal Amount of 2024 Bonds	$ 93,880,000	$191,205,000	$85,475,000	$370,560,000
Original Issue Premium	8,662,234	23,164,718	-	31,826,953
Total Sources	$102,542,234	$214,369,718	$85,475,000	$402,386,953
Use of Funds				
Project Costs	$ 82,285,073	$174,887,528	$68,623,830	$325,796,431
Debt Service Reserve Account	5,092,497	10,646,122	4,244,896	19,983,515
Capitalized Interest	14,634,300	27,747,343	11,996,796	54,378,439
Costs of Issuance[1]	530,364	1,088,725	609,478	2,228,568
Total Uses	$102,542,234	$214,369,718	$85,475,000	$402,386,953

[1] Including underwriters' discount, legal, printing, rating, consulting and miscellaneous fees and municipal bond insurance policy premium.
Note: Totals may not add due to rounding.

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DEBT SERVICE REQUIREMENTS

The following table presents information on the District's debt service obligations on the 2019 Bonds, the 2023 Bonds, and the 2024 Bonds. The information does not include amounts payable by way of debt service on the 2024 Line of Credit. For purposes of the following, debt service on the 2024 Bonds includes interest to be paid thereon through July 1, 2028 from proceeds of the 2024 Bonds.

			2024A Bonds		2024B Bonds		2024C Bonds		
Year Ending July 1,	2019 Bonds Debt Service	2023 Bonds Debt Service	Principal	Interest	Principal	Interest	Principal	Interest	Total Debt Service
2025	$ 2,336,500	$ 10,118,316	-	$ 3,586,998	-	$ 7,086,190	-	$ 3,063,774	$ 26,191,778
2026	2,336,500	10,116,135	-	4,928,700	-	9,736,750	-	4,209,765	31,327,850
2027	2,336,500	10,118,249	-	4,928,700	-	9,736,750	-	4,209,765	31,329,964
2028	2,336,500	10,114,332	-	4,928,700	$ 4,345,000	9,736,750	$ 1,635,000	4,209,765	37,306,047
2029	2,336,500	10,114,384	-	4,928,700	4,565,000	9,519,500	1,700,000	4,143,303	37,307,387
2030	2,336,500	10,123,079	-	4,928,700	4,790,000	9,291,250	1,770,000	4,073,348	37,312,877
2031	2,336,500	10,114,928	-	4,928,700	5,030,000	9,051,750	1,845,000	3,997,468	37,304,346
2032	2,336,500	10,120,257	-	4,928,700	5,285,000	8,800,250	1,925,000	3,917,450	37,313,157
2033	2,336,500	10,118,414	-	4,928,700	5,545,000	8,536,000	2,015,000	3,830,305	37,309,919
2034	4,501,500	10,119,399	-	4,928,700	3,660,000	8,258,750	2,105,000	3,738,079	37,311,428
2035	4,503,250	10,117,886	-	4,928,700	3,840,000	8,075,750	2,205,000	3,640,680	37,311,266
2036	4,504,500	10,118,712	-	4,928,700	4,030,000	7,883,750	2,305,000	3,536,450	37,307,112
2037	4,500,000	10,116,551	-	4,928,700	4,235,000	7,682,250	2,420,000	3,425,879	37,308,380
2038	4,499,750	10,116,240	-	4,928,700	4,450,000	7,470,500	2,535,000	3,308,582	37,308,772
2039	4,503,250	10,117,453	-	4,928,700	4,670,000	7,248,000	2,660,000	3,183,682	37,311,085
2040	4,500,000	10,114,864	-	4,928,700	4,905,000	7,014,500	2,790,000	3,051,826	37,304,890
2041	4,500,000	10,113,310	$ 4,710,000	4,928,700	5,150,000	6,769,250	2,930,000	2,912,828	42,014,088
2042	4,502,750	11,947,465	4,955,000	4,681,425	5,405,000	6,511,750	3,075,000	2,766,856	43,845,246
2043	4,502,750	11,947,182	5,215,000	4,421,288	5,675,000	6,241,500	3,230,000	2,613,659	43,846,379
2044	4,499,750	-	5,490,000	4,147,500	5,960,000	5,957,750	3,390,000	2,452,741	31,897,741
2045	4,503,500	-	5,775,000	3,859,275	6,255,000	5,659,750	3,560,000	2,283,851	31,896,376
2046	4,503,250	-	6,080,000	3,556,088	6,570,000	5,347,000	3,740,000	2,102,932	31,899,269
2047	4,503,750	-	6,395,000	3,236,888	6,895,000	5,018,500	3,930,000	1,912,865	31,892,002
2048	4,504,500	-	6,735,000	2,901,150	7,240,000	4,673,750	4,130,000	1,713,142	31,897,542
2049	-	-	7,090,000	2,547,563	12,105,000	4,311,750	4,340,000	1,503,256	31,897,568
2050	-	-	7,460,000	2,175,338	12,715,000	3,706,500	4,560,000	1,282,697	31,899,534
2051	-	-	7,855,000	1,783,688	13,380,000	3,038,963	4,795,000	1,050,958	31,903,608
2052	-	-	8,265,000	1,371,300	14,085,000	2,336,513	5,035,000	807,276	31,900,088
2053	-	-	8,700,000	937,388	14,820,000	1,597,050	5,290,000	551,397	31,895,835
2054	-	-	9,155,000	480,638	15,600,000	819,000	5,560,000	282,559	31,897,197
Total	$88,561,000	$195,887,156	$93,880,000	$118,545,723	$191,205,000	$197,117,715	$85,475,000	$83,777,136	$1,054,448,731

Note: Totals may not add due to rounding.

THE AIR TRADE AREA

Introduction

The Airport primarily serves the three-county Charleston-North Charleston Metropolitan Statistical Area (referred to herein as the "*Air Trade Area*" or the "*Charleston MSA*") which has a total population of approximately 849,417. According to the most recent U.S. Census Bureau data, the Air Trade Area ranks 71st by population in metropolitan statistical areas in the United States. Population growth in the Air Trade Area over the past ten years has been significantly faster than the population growth experienced by the State and the United States.

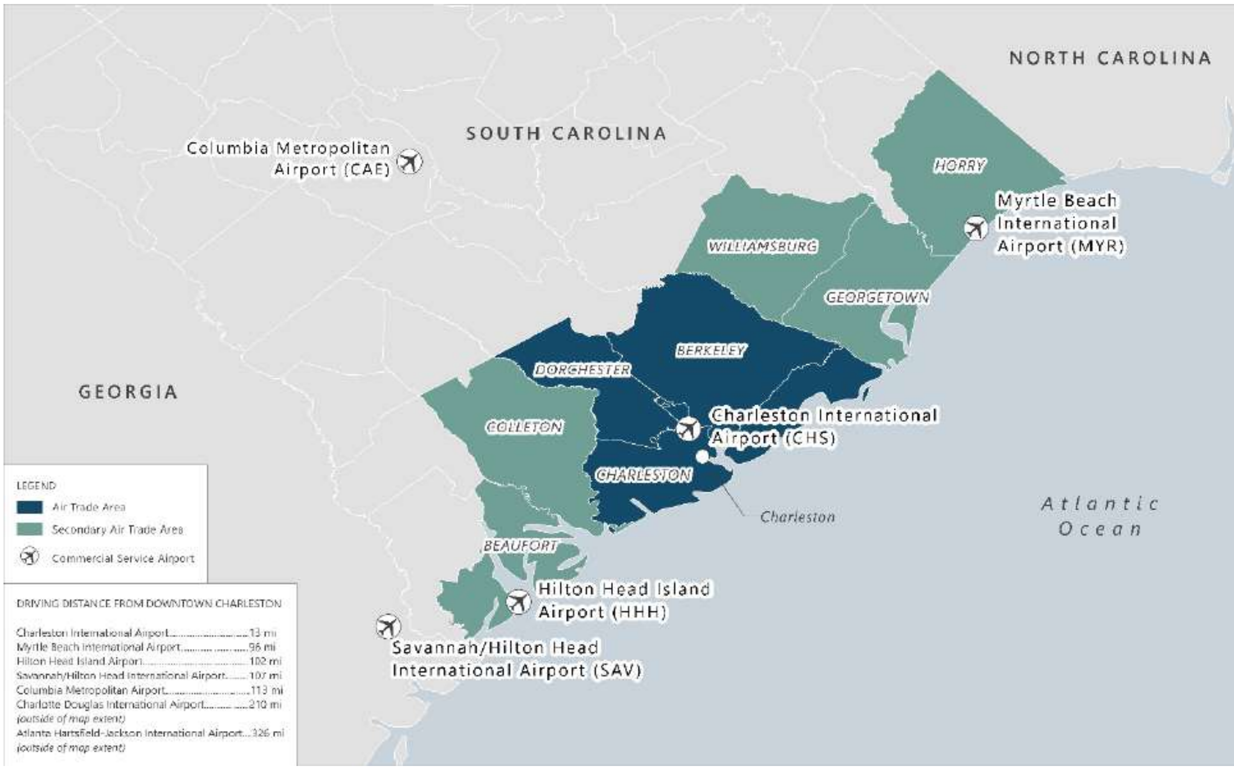
The Air Trade Area has a relatively younger and better-educated population than the national average. This relatively younger and well-educated population provides a strong workforce base for employment and economic growth, which generally leads to increased air travel demand. In the 2024 Milken Institute Best-Performing Cities Index, the Air Trade Area ranked 11th in the large cities category, moving up 13 positions from the prior year, placing among the top 15 large cities for the first time since 2013. Between August 2022 and 2023, the Charleston MSA experienced the fastest employment growth in the country. U.S. News and World Report 2024 ranks the Air Trade Area the fifth strongest job market in the ranking of 150 major U.S. cities.

Average annual unemployment rates (non-seasonally adjusted) for the Air Trade Area were consistently below the unemployment rates for the State every year between CY 2012 and CY 2023. Average annual unemployment rates for the Air Trade Area were equal to or below the unemployment rates for the nation for every year between CY 2012 and CY 2023. The Air Trade Area's seasonally-adjusted unemployment rate was 3.1% in June 2024. This rate was below the seasonally-adjusted unemployment rates experienced by the State and the nation during the same period (3.6% and 4.1%, respectively).

There are 27 private or public entities in the Air Trade Area with nearly 1,000 or more employees. The largest employer in the Air Trade Area is the consolidated U.S. Air Force/Navy military facility Joint Base Charleston with approximately 25,000 employees, followed by The Medical University of South Carolina (17,000 employees); The Boeing Company (7,900 employees); Charleston County School District (7,100 employees); and Roper St. Francis Healthcare (6,100 employees).

Interstate 26, the main highway artery for travel into the Charleston metropolitan area, is immediately adjacent to the Airport and connects the major population centers in South Carolina.

The following map depicts the location of the Airport in relation to the Air Trade Area, the District's secondary air trade area (which includes the five counties of Georgetown, Williamsburg, Horry, Colleton and Beaufort) and various proximate major airports.



Population Growth in Air Trade Area

The table below presents, by county, population growth in the Air Trade Area since 2002. The population growth in the Air Trade Area between CY 2002 and CY 2022 was 1.9% compound annual growth rate ("*CAGR*"); greater than that experienced by the State and the nation during this period. The estimated 2024 population of the Air Trade Area is 849,417.

	COUNTY			
YEAR	BERKELEY	CHARLESTON	DORCHESTER	TOTAL
2002	146,733	317,379	101,067	565,179
2012	188,913	363,137	141,979	694,029
2022	244,952	419,350	166,050	830,352

Sources: Report of the Airport Consultant and the U.S. Census Bureau.

Major Employers

The top ten largest employers located within the Charleston MSA and the approximate number of employees are listed below.

EMPLOYER	DESCRIPTION	NUMBER OF EMPLOYEES
Joint Base Charleston	Area U.S. military	24,900
The Medical University Of South Carolina	Healthcare system, education and research	17,000
The Boeing Company	Aircraft manufacturing	7,900
Charleston County School District	Education/public schools	7,100
Roper St. Francis Healthcare	Hospitals	6,100
Dorchester County School District II	Education/public schools	4,000
Walmart Inc.	Retail merchandise	3,900
Berkeley County School District	Education/public schools	3,800
R.H. Johnson VA Medical Center	Medical research/healthcare for veterans	3,300
Trident Health System	Healthcare system	3,100

THE CHARLESTON COUNTY AIRPORT DISTRICT

General Description of the District

Pursuant to the Act, the District was created as a political subdivision of the State to acquire, construct, operate and maintain air transport facilities of suitable size and with suitable equipment to enable all types of air transport to operate safely in the County. The District is authorized to finance all costs that may be incurred by it in the acquisition, construction and equipping of such air transport facilities.

The Authority

The corporate powers and duties of the District are exercised and performed by the Authority. The Authority is composed of 11 members, three of whom are appointed by the Governor upon the recommendation of the Charleston County House of Representatives Delegation and three of whom are appointed by the Governor upon the recommendation of the Charleston County Senate Delegation. The seventh voting member is appointed by the Governor upon the recommendation of the City and County Councils of Charleston jointly. The four remaining ex-officio members are the Mayor of the City of Charleston, Mayor of the City of North Charleston, the Mayor of the Town of Mount Pleasant and the Chairman of the County Council, or their respective proxies. The members appointed by the Governor serve for terms of four years, or until their successors are appointed. Members of the Authority receive no salaries but are entitled to a statutory per diem and are eligible for reimbursement of reasonable expenses incurred.

Authority Members

The present members of the Authority, their years of service, the expiration date of their term and their occupations are set forth below. All are residents of the County.

NAME	YEARS OF SERVICE	TERM EXPIRATION	OCCUPATION
Helen T. Hill, Madam Chair	12	June 1, 2026	CEO, Explore Charleston
Charles E. Salmonsen, Vice Chair	8	June 1, 2026	Real Estate
Ravi Sanyal, Secretary-Treasurer	8	June 1, 2025	Attorney
Paul R. Thurmond	8	June 1, 2026	Attorney
Joan Robinson-Berry	4	June 1, 2026	Retired Engineer, Boeing
David Bennett	3	June 1, 2026	Retired
Dan Blumenstock	1	June 1, 2025	Tourism
The Honorable Herbert Ravenel Sass, III†	1	N/A	Chairman, Charleston County Council
The Honorable Will Haynie†	8	N/A	Mayor, Town of Mount Pleasant
The Honorable Reggie Burgess†	1	N/A	Mayor, City of North Charleston
The Honorable William Cogswell†	1	N/A	Mayor, City of Charleston

† *Ex officio* member.

Authority Management

Direct supervision of Airport operations is exercised by the Authority. The Executive Director and Chief Executive Officer, the Corporate Counsel to the Authority, and Bond Counsel to the Authority are hired or engaged directly by the Authority. All other employees of the District are hired by or under the authority of the Executive Director and Chief Executive Officer. The FAA has regulatory authority over equipment, air traffic, and operating standards at the Airport. The Authority is responsible for managing, operating and developing the Airport System; setting rentals, fees and charges; negotiating leases, use agreements and concession contracts; supervising the collection of revenues generated by the Airport System; and coordinating aviation activities with the FAA.

The Executive Director and Chief Executive Officer is directly responsible for all functional areas at the Airport. The staff includes Deputy Executive Director and Chief Operating Officer, Deputy Executive Director and Chief Communications Officer, Chief Financial Officer, Director of Operations, Director of Procurement, Director of Human Resources & Risk Management, Director of Engineering, Director of Landside Operations, Director of Information Technology, Director of Finance, Chief of Police, IT Operations Manager, Manager of Public Affairs and Strategic Initiatives, Manager of Facilities, Manager of Airport Operations, Manager of InFlight Kitchen, Manager of Landside Operations Valet, Manager of Landside Operations, Properties Manager, and Deputy Police Chief. Airport security and police protection are provided by the Charleston County Aviation Authority Police Department. Crash, fire and rescue services are provided by the USAF pursuant to the Joint Use Agreement (hereinafter defined). Structural fire protection is provided by the City of North Charleston.

Elliott Summey, Executive Director and Chief Executive Officer, has been with the Authority since 2020. Leveraging a successful career in economic development and land planning, including corporate relocation, Summey's executive-level experience informs the Authority in the development and implementation of its post-pandemic strategic plan, including the evaluation of revenue diversification opportunities.

Having served multiple terms on the Authority's Commission, he played a key role in the Airport achieving a decade of growth in air service development, passenger volume, and financial performance. He possesses a keen understanding of the industry at a macro level as well as the Authority's unique history, current operating environment, and strategic outlook.

Mr. Summey was elected to three terms on Charleston County Council. During his tenure on County Council, he served as Chairman, Vice Chairman, Finance Committee Chair, and a member of the Planning/Public Works and Economic Development Committees.

A life-long resident of the Lowcountry, Mr. Summey has earned a reputation as a strong leader and visionary who prioritizes employee engagement. He is adept at working effectively with local and statewide officials and has guided several major transportation infrastructure projects.

Hernan E. Peña Jr., Deputy Executive Director and Chief Operating Officer, has been with the Authority since 2016. Mr. Pena previously served the City of Charleston as Director of Transportation for 29 years, and was the Authority's proxy for the City of Charleston for the last 16 years. He has a Bachelor of Science degree and a Master's degree in engineering.

Spencer Pryor, Deputy Executive Director and Chief Communications Officer, has been with the Authority since July 2019. Mr. Pryor, a native Charlestonian, serves as the Authority's spokesperson and also oversees the Airport's Public Affairs, Human Resources and Ground Transportation Departments, as well as developing and overseeing enterprise-wide diversity initiatives.

Mr. Pryor has come full circle with the Authority. In his early career, he worked for the Airport as the Ground Transportation Manager where he planned, supervised, controlled and managed the 24-hour operation. He rejoined the Authority after working for the City of North Charleston as Director of Public Safety Communications where he led crisis communications, media relations, community relations and employee relations for the organization. Prior to joining the City of North Charleston, Spencer worked as a news anchor and reporter for WCBD TV 2 where he received several awards for his work in aiding consumers through the stations "Action Line" franchise.

He holds a Bachelor's degree in Business Administration from Limestone College and an Associate's degree in Marketing from Trident Technical College.

Brandy James, Chief Financial Officer, has been with the Authority since April 26, 2021. In this role she oversees Finance, Procurement, Properties and Diversity Business Enterprise operations. Ms. James has more than 20 years of experience as a financial professional. Prior to this position, she served from 2018 until 2021 as the Chief Financial Officer at Richland County Recreation Commission where she oversaw Finance and Procurement operations. Prior to Richland County Recreation Commission, she served from 2003 until 2018 as Senior Analyst, Senior Accountant, and Senior Auditor at SCANA Corporation, an electric and natural gas utility holding company.

Ms. James also worked as a Senior Financial Analyst at BlueCross BlueShield of South Carolina and served as staff accountant at Moore Kirkland & Beauston, LLP. She is a Certified Public Accountant and holds a Master of Science in Accountancy and a Bachelor of Science in Accounting from the College of Charleston.

As of June 30, 2024, the Authority had 230 full-time equivalent employees. Under State law, municipal employees may not be represented by collective bargaining organizations. State law requires all eligible persons except those specifically excluded to become members of the South Carolina Retirement System as a condition of their employment and requires employers to make certain contributions to the South Carolina Retirement System Plan. Authority employees are members of the South Carolina Retirement System (the "*SCRS*") and the Police Officers' Retirement System (the "*PORS*"). All contributions required by law have been made by the Authority. See "FINANCIAL MATTERS OF THE DISTRICT–Pension; Other Post-Employment Benefits."

Taxing Power and Authority to Issue General Obligation Indebtedness

The District is a political subdivision of the State formed in accordance with the Act. Under the terms of the Act and the State Constitution, the Authority is authorized to issue general obligation indebtedness secured by the full faith, credit and taxing power of the District. Article X, Section 14 of the State Constitution provides that the amount of outstanding general obligation indebtedness of the District may not exceed 8% of the assessed value of all taxable property located in the District (the "*Debt Limit*"). Referendum approved general obligation indebtedness is not subject to the Debt Limit. The District has no general obligation indebtedness outstanding and no present intent to issue any general obligation bonds.

The Airport

Charleston International Airport is centrally located in the Charleston metropolitan area in North Charleston. The Airport is situated adjacent to the Charleston Air Force Base and uses the airfield facilities at the Air Force Base jointly with the USAF. The runways, some taxiways, some navigational aids, and other airfield facilities are owned, operated, and maintained by the USAF.

The Airport primarily serves passengers whose travel originates or terminates in the Charleston MSA. The FAA has since 2020 classified the Airport as a medium hub airport under FAA enplanement criteria. A medium hub is a commercial service airport that enplanes at least 0.25% but less than 1% of the national annual passenger boardings in all services and operations of U.S. certified route air carriers within the 50 states, the District of Columbia, and other U.S. territorial possessions, as designated by the FAA.

The airfield has a main instrument runway which is 9,000 feet long and 200 feet wide and a crosswind runway which is 7,000 feet long and 150 feet wide. The runways are interconnected by a system of taxiways. Each runway is equipped with high intensity runway lighting and one runway has category II instrument landing systems to permit all-weather operation. All runways are constructed on a firm foundation of compacted base and are of sufficient strength to permit the operation of the largest existing commercial aircraft. The FAA control tower provides airport traffic and radar approach control service.

The Airport passenger Terminal Building opened on April 10, 1985. The Terminal Building has three levels (i.e., the apron, concourse, and administration levels) and currently totals approximately 406,000 square feet of enclosed and covered unenclosed space. In October 2016, the Authority completed the Terminal Redevelopment and Improvement Program ("*TRIP*"), which increased the previously existing 330,000 square foot Terminal Building footprint by approximately 100,000 square feet and included the following improvements:

- new Central Hall;
- redeveloped Ticket Hall with new central marketplace with shopping and dining options;
- new Rental Car Pavilion;
- expanded baggage handling system;
- addition of five new passenger boarding gates with new passenger boarding bridges on each new gate; and
- new restrooms, concessions, and hold room areas.

The Terminal Building consists of two concourses (piers) connected to the main core of the Terminal Building. The two-level east pier is referred to as Concourse A, and the two-level west pier is referred to as Concourse B. The lower (apron) level is within the Secure Identification Display Area and it generally contains airline operations offices, storage space, utility space, workshops, and covered unenclosed space. The second (concourse) level principally contains the secure areas (post security screening checkpoints), including holdrooms, concession spaces, restrooms, and miscellaneous spaces. Federal Inspection Services facilities occupy a large separate section on Concourse B. The Terminal Building contains airline and Airport operational areas on the lower (apron) level; passenger ticketing, bag claim, rental car counters, and concessions at the concourse-level; and Authority offices and boardroom occupy the third (administration) level.

The aircraft parking area is striped for 18 terminal aircraft parking positions and seven RON aircraft, not including any aircraft parking positions on the cargo ramp.

The terminal curbside area consists of an inner curbside roadway and an outer curbside roadway. The inner and outer roadways are separated by a concrete median that provides shelter for passengers waiting for vehicles on the outer roadway.

The inner roadway consists of a single passenger loading and unloading lane adjacent to the terminal, as well as three through-lanes. The outer roadway consists of a single passenger loading and unloading lane adjacent to the median, two through-lanes, and a single outer passenger loading lane. The innermost lane is used for valet pickup and drop-off, taxicab pickup, courtesy shuttle pickup, and Charleston Area Regional Transportation Authority (CARTA) buses. The center two lanes are circulating lanes for through-traffic. The outermost lane is used for limousine pickup and valet pickup and drop-off.

Four public parking lots and a five-level parking deck provide a total of approximately 7,100 parking spaces for Airport patrons as follows:

- Existing Five-Level Parking Deck – approximately 2,400 spaces of public parking and approximately 600 spaces for rental car operations.
- Existing Parking Deck (located across the terminal roadway from the Terminal Building) – approximately 1,300 spaces on three levels.
- Surface Parking Lot (located south of the Existing Parking Deck) – approximately 2,300 parking spaces.
- Overflow Parking Lot (located south of the Surface Parking Lot) – containing an additional approximately 1,100 parking spaces.

The Airport campus also includes two employee parking lots, a cell phone lot and a ride share waiting lot.

Four companies operate nine rental car brands at the Airport: Hertz (Hertz, Dollar, and Thrifty), the Avis Budget Group (Avis and Budget), Enterprise Holdings (Enterprise, Alamo, and National), and GSP Transportation. Each brand has passenger-accessible counter space in the rental car pavilion portion of the Terminal Building, as well as ready/return spaces located in a surface parking area immediately west of the Terminal Building. Each rental car company also has a vehicle service and storage facility and administrative offices. Go Rentals currently operates off-Airport near Atlantic Aviation and Signature Aviation. Turo operates peer-to-peer car rentals at the Airport utilizing the ride share waiting lot for user parking. Both off-Airport and peer-to-peer car rental companies operate under a gross revenue share agreement with the Authority, sharing with the Authority 10% of gross revenues (per the Authority's Fiscal Year 2025 budget).

An air cargo building and apron serve incoming and outgoing cargo operations at the Airport. The cargo apron is located south of terminal apron and provides five aircraft parking positions. Further south is a multitenant cargo building in which cargo is handled by FedEx, Delta Air Lines ("*Delta*") and American Airlines ("*American*").

General aviation services at the Airport are provided by two fixed base operators ("*FBOs*"): Atlantic Aviation and Signature Aviation. Both FBOs are located on the northeast side of the airfield with access to Taxiway G. The FBO facilities consist of three hangars and two terminal buildings that total 106,200 square feet. The two aircraft parking aprons used by the FBOs provide 74,100 square yards of aircraft parking area.

Airport support facilities consist of aircraft rescue and firefighting facilities, Airport maintenance facilities, and fuel storage facilities. These facilities and operations are controlled by either the USAF or the Authority, with all facilities located within the Airport boundary.

Other System Airports

Charleston Executive Airport. Charleston Executive Airport serves as a general aviation reliever airport for Charleston International Airport. The Charleston Executive Airport encompasses 1,373 acres and has two active runways. The primary runway is 5,350 feet long and is equipped with an FAA Instrument Landing System, Precision Approach Path Indicators at both ends of the primary runway, and a UNICOM. The FBO facility includes a 6,000 square foot terminal, two open-bay hangars, several individual hangars and two ton-unit T-hangars. Airport services provided by the fixed based operator include fuel and major airframe and power plant repairs. Other tenants include the United States Coast Guard and Charleston County Mosquito Abatement.

Mount Pleasant Regional Airport. Mount Pleasant Regional Airport also serves as a general aviation airport in the County. The Mount Pleasant Regional Airport has a 3,700 foot runway and medium intensity lighting, a rotating beacon, Precision Approach Path Indicators at both runway ends and a UNICOM. The facility also includes a maintenance hangar and six ten-unit T-hangars, two of which are privately owned. Airport services are provided by an FBO, including fuel and minor repairs.

The Joint Use Agreement

Charleston International Airport is a joint use airport. The airfield is owned and operated by the USAF as part of the Charleston Air Force Base. The District owns and maintains approximately 1,500 acres adjacent to the Charleston Air Force Base. The USAF and the Authority entered into the initial Joint Use Agreement on December 29, 1978, allowing for the grant to both general aviation and certificated air carriers of certain rights and privileges, including the right to use the airfield. The initial Joint Use Agreement was amended and superseded on February 20, 1985, and expired on February 20, 2008. The Authority and the USAF entered into a new Joint Use Agreement on February 21, 2008 (the "*Joint Use Agreement*"), which supersedes all previous agreements entered into between the Authority and the USAF. The Joint Use Agreement has a term of 50 years.

The Joint Use Agreement provides that, within its assigned capabilities, equipment, and available personnel, the USAF will provide aircraft crash, rescue and fire-fighting services for both the Joint Use Area and the Civil Use Area, as those terms are defined in the Joint Use Agreement. Maintenance and service in the Joint Use Area is the responsibility of the USAF, and maintenance and service in the Civil Use Area is the responsibility of the District. In times of war or national emergency, the USAF has the sole discretion pursuant to the Joint Use Agreement to restrict civil operations at the airfield to avoid interference with USAF operations. This restriction has been included in prior joint use agreements dating back to 1952. However, significant restrictions have never been imposed since the inception of the Joint Use Agreement, even during the Korean, Vietnam and Middle East conflicts.

The Authority makes a lump sum payment to the USAF on or before January 15 of each calendar year in an amount equal to one-half of the total landing fees collected by the Authority during the immediately preceding calendar year. The Authority's lump sum payment to the USAF for Fiscal Year 2024 totaled $437,968.

Boeing South Carolina

Boeing's South Carolina facilities, the single largest industrial investment in the State's history, currently occupy approximately 730 acres of land adjacent to the Airport and employ approximately 7,864 people (primarily in relatively higher-wage manufacturing, engineering, and managerial positions). Boeing South Carolina is the Air Trade Area's third largest employer.

Boeing's South Carolina operations began in 2004 as two companies: Vought Aircraft Industries, Charleston Operations, and Global Aeronautica LLC. These companies were independently manufacturing fuselage parts for the B-787 Dreamliner aircraft program. In 2008, Boeing bought Vought's Charleston Operations and Global Aeronautica, to gain improved control over the B-787 manufacturing supply chain, and renamed the combined operation Boeing South Carolina.

In October 2009, Boeing selected the North Charleston site for a new $750 million B-787 final assembly and delivery line and, in 2010, began building a new facility to supply B-787 interior parts to the final assembly and delivery facility. The first B-787 aircraft from the Charleston facilities was delivered to Air India in October 2012. Boeing South Carolina builds all three versions of the 787–the 787-8, 787-9, and 787-10–at the facility and is the sole manufacturer of B-787-10 aircraft.

In 2011, Boeing opened the first of three facilities at a new 141-acre north campus, ten miles from Boeing South Carolina's main campus; the new facility manufactures 787 interior parts. The north campus expanded in 2014, with the opening of the Boeing Research & Technology Center, which focuses on advanced manufacturing technology and composite fuselage manufacturing; and Propulsion South Carolina, where the design and assembly of the 737 MAX engine nacelle inlet is done. In 2021, Boeing has consolidated all 787 Dreamliner production to the Air Trade Area to streamline operations and reduce costs.

Airlines Serving the Airport

As of September 2024, 13 scheduled passenger air carriers operate at the Airport. As listed in the table below, in addition to the 13 mainline carriers, nine regional carriers provide service as affiliates of various legacy/mainline airlines (Delta, American and United Airlines ("*United*")) on a contract basis.

MAINLINE CARRIERS	REGIONAL CARRIERS
Air Canada	Champlain Enterprises Inc. d/b/a CommutAir (United)
Alaska Airlines ("*Alaska*")	Endeavor Air (Delta)
Allegiant Air ("*Allegiant*")	Envoy Air Inc. (American)
American	GoJet Airlines LLC (United)
Avelo Airlines ("*Avelo*")	Jazz Aviation LP (Air Canada)
Breeze Airways ("*Breeze*")	Mesa Airlines (United)
Delta	PSA Airlines, Inc. (American)
Frontier Airlines ("*Frontier*")	Republic Airline (American, Delta, United)
JetBlue Airways ("*JetBlue*")	SkyWest Airlines (Delta, United)
Southwest Airlines ("*Southwest*")	
Spirit Airlines ("*Spirit*")	
Sun Country Airlines ("*Sun Country*")	
United	

Source: Airport Consultant Report.

Historical Enplanements

The table below presents historical data on enplaned passengers at the Airport and the nation in Fiscal Years 2014 through 2024.

FISCAL[1] YEAR	AIRPORT ENPLANEMENTS	AIRPORT GROWTH	UNITED STATES ENPLANEMENTS[2]	UNITED STATES GROWTH	AIRPORT MARKET SHARE
2014	1,523,681	12.8%	755,663,590	1.8%	0.20%
2015	1,630,147	7.0	782,140,158	3.5	0.21
2016	1,810,542	11.1	823,410,662	5.3	0.22
2017	1,914,668	5.8	848,040,497	3.0	0.23
2018	2,096,750	9.5	883,293,608	4.2	0.24
2019	2,349,364	12.0	922,057,725	4.4	0.25
2020	1,751,632	(25.4)	687,661,507	(25.4)	0.25
2021	1,285,795	(26.6)	426,627,397	(38.0)	0.30
2022	2,538,607	97.4	796,089,029	86.6	0.32
2023	2,881,158	13.5	904,967,721	13.7	0.32
2024	3,153,727	9.5	N/A	N/A	N/A

COMPOUND ANNUAL GROWTH RATE	AIRPORT	UNITED STATES
2014–2019	9.0%	4.1%
2014–2024	7.5%	2.0%

[1] Fiscal year ending June 30.
[2] Data represents onboard revenue passengers only as reported in T100 and available through April 2024.
Source: Report of the Airport Consultant.

As shown in the table above, the Airport's historical share of nationwide enplaned passengers has increased over the last ten years from 0.20% in Fiscal Year 2014 to 0.32% in Fiscal Year 2023. While passenger activity trends at the Airport have fluctuated over this period, passenger growth at the Airport has often exceeded passenger growth for the nation. From Fiscal Year 2014 to Fiscal Year 2024, enplaned passengers at the Airport increased at a CAGR of 7.5% compared to 2.0% nationwide (latest national data available). Prior to the outbreak of the COVID-19 pandemic, the Airport and nation experienced long-term increases in enplaned passengers from Fiscal Year 2014 to Fiscal Year 2019, with enplaned passengers increasing at a CAGR of 9.0% at the Airport and 4.1% for the nation.

The Airport has experienced periods of strong passenger growth over the past ten years, including double-digit percentage increases in Fiscal Year 2014, Fiscal Year 2016, Fiscal Year 2019, Fiscal Year 2022, and Fiscal Year 2023, compared to nationwide passenger growth of 1.8%, 5.3%, 4.4%, 86.6%, and 13.7%, in those years respectively.

The Airport ranked 57th by enplanements in the United States in CY 2023 with just over 3.0 million enplaned passengers. From Fiscal Year 2014 to Fiscal Year 2023, the Airport was the fastest growing medium-hub airport in the United States based on revenue-only enplaned passengers.

The number of enplaned passengers at the Airport increased from approximately 1.5 million enplaned passengers in Fiscal Year 2014 to approximately 3.1 million enplaned passengers in Fiscal Year 2024. Specific details concerning passenger activity at the Airport for this period are discussed below:

Fiscal Year 2014. In Fiscal Year 2014, passenger traffic increased 12.8%, while seat capacity increased 5.8%. The increases were largely the effect of a full year of JetBlue's service to John F. Kennedy International Airport ("*JFK*") and Boston Logan International Airport. JetBlue also introduced twice-daily service to Ronald Reagan Washington National Airport ("*DCA*") in June 2014.

Fiscal Year 2015 – Fiscal Year 2016. Passenger traffic increased 7.0% in Fiscal Year 2015, while seat capacity increased 5.7%. JetBlue upgauged its average aircraft size serving JFK from the Airport, from mostly 100-seat Embraer E-190 aircraft to mostly 150-seat Airbus A320 aircraft. The Airport also benefitted from a full year of JetBlue service to DCA. United replaced 50-seat regional jets with 70-seat regional jets on its service to Washington Dulles International Airport ("*IAD*") and Chicago O'Hare International Airport ("*ORD*"). In Fiscal Year 2016, passenger traffic increased 11.1%, while seat capacity increased 10.8%. All airlines increased seat capacity in Fiscal Year 2016, with all but Delta and American increasing capacity by more than 10.0%. Alaska initiated service at the Airport with four-times weekly service to Seattle-Tacoma International Airport ("*SEA*") in November 2015. Southwest's seat capacity increased by 10.3% due to the full year effect of a once-daily flight to Dallas Love Field Airport, which began as once weekly in April 2015 before increasing to once daily in August 2015.

Fiscal Year 2017 – Fiscal Year 2018. In Fiscal Year 2017 passenger traffic increased 5.8%, while seat capacity increased 5.6%. JetBlue increased seat capacity to all its destinations served from the Airport. Fiscal Year 2017 was the first full year of Alaska's service to SEA and JetBlue's service to Fort Lauderdale–Hollywood International Airport ("*FLL*"). In Fiscal Year 2018, passenger traffic increased an additional 9.5%, while seat capacity increased 11.3%. Frontier and Allegiant initiated service at the Airport in February 2018 and April 2018, respectively. Frontier introduced twice-weekly flights to Austin-Bergstrom International Airport and ORD, three-times weekly flights to Denver International Airport ("*DEN*"), and four-times weekly flights to Philadelphia International Airport ("*PHL*") and Trenton-Mercer Airport. Allegiant introduced twice-weekly flights to Indianapolis International Airport and Pittsburgh International Airport and three-times weekly flights to Cincinnati/Northern Kentucky International Airport. United and American increased seat capacity by 24.2% and 14.4%, respectively, in Fiscal Year 2018. United increased seat capacity largely by upgauging from 50-seat regional jets to larger aircraft on flights to Newark Liberty International Airport ("*EWR*"), George Bush Intercontinental/Houston Airport, and ORD. American increased seat capacity by increasing frequencies to Dallas Fort Worth International Airport, Miami International Airport, and PHL, and it introduced service to ORD.

Fiscal Year 2019 – Fiscal Year 2020. Passenger traffic increased 12.0%, while seat capacity increased 12.7%. British Airways initiated service at the Airport with twice-weekly flights to London Heathrow Airport ("*LHR*") in April 2019. Other new service initiated in Fiscal Year 2019 includes once-daily service to DEN by United and once-daily service to Minneapolis-Saint Paul International Airport ("*MSP*") by Delta. In Fiscal Year 2020, passenger traffic decreased 25.4%, while seat capacity decreased 14.5%. All airlines reduced capacity and experienced steep decreases in passenger demand due to the onset of the global COVID-19 pandemic. Health and safety concerns and fears of infection lowered consumer propensity to travel, and government-imposed entry restrictions limited international travel between countries. British Airways eliminated service to LHR in October 2019, thus ceasing operations at the Airport entirely. JetBlue terminated service to DCA in October 2019. Alaska and Allegiant increased seat capacity by 22.2% and 40.4%, respectively, in Fiscal Year 2020.

Fiscal Year 2021 – Fiscal Year 2022. Passenger traffic decreased 26.6%, while seat capacity decreased 19.3%. Breeze initiated service at the Airport in May 2021. Breeze introduced four-weekly flights to Bradley International Airport, Norfolk International Airport ("*ORF*"), Louisville Muhammad Ali International Airport and Tampa International Airport. Alaska and Allegiant increased seat capacity by 0.6% and 17.5%, respectively, in Fiscal Year 2021. Allegiant increased seat capacity by initiating service to SDF. In Fiscal Year 2022, passenger traffic increased 97.4%, while seat capacity increased 66.1%. Travel demand was aided by renewed confidence in health and safety following the widespread rollout of the COVID-19 vaccines. American, Delta, United, and Southwest increased seat capacity by 47.4%, 65.7%, 81.0%, and 27.5%, respectively, in Fiscal Year 2022. JetBlue increased seat capacity by 157.1%, largely due to seat capacity more than doubling for JFK and initiating daily service to LaGuardia Airport. Breeze increased seat capacity significantly due to the addition of 13 new markets servicing the Airport and upgauging from 108-seat Embraer 190 jets to 137-seat Airbus A220-300. Avelo and Sun Country initiated service at the Airport in May 2022 and April 2022, respectively. Avelo introduced four-weekly flights to Tweed New Haven Airport. Sun Country introduced twice-weekly flights to MSP.

Fiscal Year 2023 – Fiscal Year 2024. Passenger activity at the Airport increased 13.5% in Fiscal Year 2023, while seat capacity increased 10.0% in Fiscal Year 2023. Spirit initiated service at the Airport in April 2023. Spirit introduced daily service to EWR, FLL, and PHL. American, Alaska, and United increased seat capacity by 20.4%, 7.1%, and 8.7%, respectively, in Fiscal Year 2023. Breeze increased seat capacity by 75.0%, largely due to new service to five additional markets. In Fiscal Year 2024, passenger traffic increased 9.5%. Air Canada initiated seasonal service at the Airport in March 2024, with daily flights to Toronto Pearson International Airport. Other new services initiated in Fiscal Year 2024 include two Breeze markets and seven Spirit markets. Air Canada will be discontinuing service in October 2024 and may resume service next year. Frontier, Breeze, and Avelo increased seat capacity by 49.9%, 22.2%, and 21.5%, respectively, in Fiscal Year 2024.

Airline Market Shares

The following table presents the historical share of enplaned passengers by airline at the Airport between Fiscal Year 2020 and Fiscal Year 2024. For this period either American or Delta held the largest market share. Delta held the largest market share in Fiscal Year 2021 and Fiscal Year 2023 to Fiscal Year 2024, American's market share peaked in Fiscal Year 2021 at 29.2%, and it was 24.6% in Fiscal Year 2024. Delta held the largest market share in Fiscal Year 2020 and Fiscal Year 2022 with a peak of 27.7% in Fiscal Year 2020. Delta ranked second at the Airport in Fiscal Year 2024, serving 22.0% of enplaned passengers. The top two airlines in Fiscal Year 2024 (Delta and American) accounted for at least 46.9% of total Airport enplaned passengers in each year of the period.

Southwest ranked as the third largest airline at the Airport in Fiscal Year 2024, serving 14.3% of enplaned passengers. United ranked as the fourth largest airline, serving 13.0% of enplaned passengers in Fiscal Year 2024. JetBlue ranked fifth in Fiscal Year 2024, serving 10.0% of enplaned passengers. The remaining share of enplaned passengers (15.7%) were carried among the other eight airlines in Fiscal Year 2024.

Airline [1]	2020 Enplaned Passengers	2020 Share	2021 Enplaned Passengers	2021 Share	2022 Enplaned Passengers	2022 Share	2023 Enplaned Passengers	2023 Share	2024 Enplaned Passengers	2024 Share
American	471,396	26.9%	375,583	29.2%	596,503	23.5%	700,908	24.3%	776,616	24.6%
Delta	485,599	27.7	289,154	22.5	659,018	26.0	652,465	22.6	701,411	22.2
Southwest	281,488	16.1	257,996	20.1	401,514	15.8	423,608	14.7	451,870	14.3
United	244,852	14.0	186,787	14.5	367,473	14.5	406,783	14.1	408,589	13.0
Breeze	0	0.0	3,561	0.3	127,054	5.0	264,378	9.2	314,012	10.0
JetBlue	163,096	9.3	84,887	6.6	261,704	10.3	270,376	9.4	207,575	6.6
Spirit	0	0.0	0	0.0	0	0.0	27,586	1.0	161,097	5.1
Alaska	31,245	1.8	29,023	2.3	45,094	1.8	54,495	1.9	54,634	1.7
Allegiant	34,010	1.9	36,986	2.9	43,905	1.7	28,479	1.0	23,783	0.8
Avelo	0	0.0	0	0.0	2,665	0.1	15,303	0.5	17,105	0.5
Frontier	33,416	1.9	14,670	1.1	16,472	0.6	12,263	0.4	16,446	0.5
Sun Country	0	0.0	0	0.0	3,223	0.1	7,818	0.3	8,866	0.3
Air Canada	0	0.0	0	0.0	0	0.0	0	0.0	5,038	0.2
Other [2]	6,530	0.4	7,148	0.6	13,982	0.6	16,696	0.6	6,685	0.2
Airport Total [3]	1,751,632	100.0%	1,285,795	100.0%	2,538,607	100.0%	2,881,158	100.0%	3,153,727	100.0%

Fiscal years ended June 30.
[1] Includes regional/commuter affiliates.
[2] Includes airlines with minimal market share or airlines that may not operate at the Airport as of Fiscal Year 2024.
[3] May not sum to total due to rounding.
Source: Report of the Airport Consultant.

FINANCIAL MATTERS OF THE DISTRICT

The financial operation of the District is governed by the Act, the Ordinance (defined below) and the Resolutions.

Enabling Act

The Act empowers the Authority to establish rates and charges for the use of Airport facilities. Specifically, the Act states that the Authority may "place in effect, and, from time to time, revise such schedules of licenses, rates, and charges for the use of its facilities as may be necessary or desirable to the orderly operation of its Airport facilities; provided that all such licenses, rates and charges shall be reasonable and nondiscriminatory." The District's Fiscal Year is July 1 through June 30.

Rates and Charges

Airline Rates and Charges. The Authority's Air Carriers Ordinance No. 01-02 (the "*Ordinance*") sets forth the rate setting methodology for levying airline rentals, fees, and charges. The Ordinance establishes three airport cost centers for the purposes of determining rates and charges payable by airlines and other users of airport facilities: Airfield Area, Terminal Building Area, and Apron and Taxiway Area. Terminal rental rates are derived on a hybrid methodology-compensatory with certain residual features. Apron fees are calculated on a residual basis by which all costs attributable to the Apron and Taxiway Area is recovered through such fees. Landing fees are established based upon the provisions outlined in the Joint Use Agreement.

Terminal Building Space Rentals. Under provisions of the Ordinance, the rental rates for space in the terminal building are calculated under a "cost center residual cost" formula in which Terminal Building Area revenues from sources other than airline rentals are to be credited against total Terminal Building Area costs (including allocable debt service on Bonds). Airline terminal building rental rates are then established to recover this residual Terminal Building Area Cost. See Appendix B – Report of the Airport Consultant, Exhibit 6-8 Table.

Landing Fees. The current landing fee rate at the Airport is $.20 per 1,000 pounds of maximum gross takeoff weight, the rate established under the Joint Use Agreement for civil operations. The Joint Use Agreement allows the Authority to set landing fees and other such charges without regulation by the USAF.

Terminal Apron Fees. Airline Apron use fees are also calculated according to a cost center residual cost formula under which all costs attributable to the Apron and Taxiway Area cost center are recovered through such fees. See Appendix B – Report of the Airport Consultant, Exhibit 6-9 Table.

Historical Financial Trends

The District reports financial operations in accordance with generally accepted accounting principles for governmental entities. Revenues and Operation and Maintenance Expenses are accounted for on an accrual basis.

The table on the following page presents a summary of the District's operating results for the Fiscal Years 2019 through 2024. This summary has been derived from the District's audited results of operations for the Fiscal Years 2019 through 2023, and unaudited results of operations for Fiscal Year 2024. The District's Financial Report for the Fiscal Years ended June 30, 2023 and 2022 (the "*2023 Financial Report*") is included as Appendix A to this Official Statement.

	2019	2020	2021	2022	2023	2024 [1]
Operating Revenues						
Aviation Support	$ 1,123,933	$ 1,155,782	$ 1,251,208	$ 1,370,612	$ 1,326,408	$ 1,342,586
Domestic and International	32,377,827	30,521,073	30,758,420	37,339,570	43,294,028	52,119,876
Airfield Area	722,229	614,063	508,034	698,415	774,153	835,618
Apron and Taxiway	438,949	587,269	343,474	724,186	738,037	636,222
Airline Service Area	348,526	234,279	276,640	279,222	275,497	271,525
Fuel Storage	2,451,194	2,126,611	1,432,449	2,069,177	2,191,458	2,455,479
Reliever Airports	426,643	591,496	732,431	1,394,797	1,067,284	1,208,215
Commercial/Industrial Area	6,224,045	5,804,449	5,283,442	6,889,485	8,013,112	8,779,640
Parking/Roadway Area	17,403,306	13,533,947	9,605,351	24,204,886	30,806,207	34,032,686
Total Operating Revenues	61,516,652	55,168,969	50,191,449	74,970,350	88,486,184	101,681,847
Operating Expenses						
Personnel Services	17,094,112	17,845,466	19,252,583	18,122,985	23,981,049	27,716,745
Administrative Services	2,486,538	1,784,125	1,674,737	3,609,587	4,707,793	5,120,992
Utilities	1,781,125	1,955,356	1,963,428	2,176,205	2,412,135	2,680,187
Building Repairs and Maintenance	342,705	567,355	193,991	557,259	1,621,957	1,953,292
Heating, ventilation, and air condition	160,994	152,037	177,178	181,488	181,877	195,648
Field Maintenance	158,122	145,911	228,688	231,092	330,084	502,280
Vehicle Maintenance	179,250	77,595	126,604	235,210	329,120	394,810
Loading Bridges	46,195	26,395	32,401	37,940	58,069	69,176
Supplies	710,398	685,754	969,972	1,574,859	1,490,867	1,568,311
Contractual Services	4,062,353	4,370,221	4,357,236	5,284,140	5,616,883	8,296,450
Insurance	549,919	602,450	703,839	712,859	858,701	925,441
Professional Services	305,394	165,366	199,477	534,241	710,874	1,278,637
Legal Services	292,432	521,723	548,343	414,472	364,173	254,899
Other Expenses	452,173	524,860	390,428	1,139,783	683,132	811,191
Total operating expenses without depreciation	28,621,710	29,424,614	30,818,905	34,812,120	43,346,714	51,768,059
Operating income before depreciation	32,894,942	25,744,355	19,372,544	40,158,230	45,139,470	49,913,788
Depreciation	24,225,521	28,320,518	32,990,321	35,732,022	35,581,996	36,528,334
Operating income (loss)	8,669,421	(2,576,163)	(13,617,777)	4,426,208	9,557,474	13,385,454
Non-Operating Revenues (Expense)						
Passenger facility charges	9,282,337	6,920,698	5,083,451	10,034,380	11,393,851	12,426,164
Investment Income	1,679,318	2,815,795	985,848	277,345	906,106	2,872,285
Unrealized and realized loss on investments	1,268,793	856,495	(809,114)	(1,655,066)	1,012,273	1,911,871
Gain (loss) on disposal of Capital Assets	6,034	-	17,524	6,875	-	-
Interest expense	(10,566,590)	(11,491,037)	(11,321,748)	(11,137,946)	(8,153,337)	(6,932,782)
Bond issuance costs	-	-	-	-	(530,225)	-
Loss on debt defeasance	-	-	-	-	(1,753,801)	-
Other	(271,088)	(381,009)	(125,386)	5,620,669	5,226,838	6,207,983
Total Non-Operating Revenues (expenses)	1,398,804	(1,279,058)	(6,169,425)	3,146,257	8,101,705	16,485,521
Income (loss) before contributions	10,068,225	(3,855,221)	(19,787,202)	7,572,465	17,659,179	29,870,975
Capital contributions	9,197,195	16,332,714	7,823,640	13,253,279	34,101,398	1,854,672
Change in net position	19,265,420	12,477,493	(11,963,562)	20,825,744	51,760,577	31,725,647
Net position, beginning of year	270,925,772	290,191,192	302,668,685	291,493,232	312,318,976	364,079,553
Restatement for change in accounting principle	-	-	788,109	-	-	-
Total net position, beginning of year, restated	-	-	303,456,794	-	-	-
Net position, end of year	$290,191,192	$302,668,685	$291,493,232	$312,318,976	$364,079,553	$395,805,200

[1] Based on unaudited operating results of the District.

Management's Discussion of Recent Financial Results–Fiscal Years 2022, 2023 and 2024

Fiscal Year 2022

Operating revenues totaled $74.9 million for an increase of $25.0 million or 49.4% over Fiscal Year 2021. The increase was primarily attributable to higher parking, rental car and concessions revenues – $14.5 million, $4.5 million and $3.2 million, respectively. Increased passenger traffic (97% increase) due to the growth in travel demand post COVID-19 pandemic, contributed to the increase in revenues. Other operating revenues increased $1.7 million due to increased fuel flowage and general aviation revenues.

Operating expenses (less depreciation) increased by $3.9 million between Fiscal Year 2022 and Fiscal Year 2021. This increase is primarily due to increased administrative expenses ($2.9 million), facilities maintenance expenses ($1.3 million) and contractual services expenses ($0.9 million).

Administrative expenses increased due to expansion of public relations and air service development expenses. Contractual services increased primarily due to cost escalation in certain service contracts. The cost escalation in certain service contract expenses were a result of record pandemic related inflation realized in all sectors of the economy.

Maintenance and repair expenses increased primarily due to the completion of projects deferred due to cost containment measures implemented during the COVID-19 pandemic and increased janitorial and security supplies expenses.

Non-operating income increased approximately $9.3 million in Fiscal Year 2022 when compared to Fiscal Year 2021. The increase is primarily attributable increased PFC revenues and increase in revenues received from the recently adopted Charleston County rental car user fee ordinance. Increased passenger activity attributed to the increase in revenues.

Capital contributions increased from $7.8 million in Fiscal Year 2021 to $13.2 million in Fiscal Year 2022 due to amounts received from COVID-19 relief funds and state grant funds received. COVID-19 funds received were for the reimbursement of debt related expenses.

Fiscal Year 2023

Operating revenues for Fiscal Year 2023 were approximately $88.5 million, an increase of $13.5 million or 18.1% over Fiscal Year 2022. The increase is primarily due increased airline revenues and other revenues sensitive to passenger activity.

Airline revenue consists of apron, terminal rent, and landing fees. For Fiscal Year 2023 airline revenues increased approximately $3.7 million primarily due to increased terminal rents. Apron rates decreased in Fiscal Year 2023. Despite the decrease in the apron rate, apron revenues increased due to a 15% increase in landed weights. Landed fee revenues increased approximately $64 thousand due to a 15% increase in landed weights.

Parking, concessions and rental car revenues increased $6.6 million, $1.8 million and $1.2 million, respectively. These increases are primarily due to increased passenger traffic. Enplaned passengers increased 13% in Fiscal Year 2023, resulting from enhanced air service through additional air carriers and nonstop destinations offered at the Airport.

Other operating revenues consists primarily of airline service, general aviation, kitchen operation and fuel flowage revenues. Airline service revenues is primarily related to air cargo operations. General aviation revenues are comprised of income generated from fixed based operations. These revenues include ground rental, hanger rental, and fuel flowage fees. Other operating revenues increased $0.2 million for Fiscal Year 2023. An increase in fuel flowage revenues is primarily attributable to the increase in other operating revenues for Fiscal Year 2023.

Operating expenses (less depreciation) increased by $8.5 million between Fiscal Year 2023 and Fiscal Year 2022. This increase is primarily attributable to increased personnel ($5.9 million) and facilities maintenance ($1.4 million) expenses.

Personnel expenses increased due to increased hiring to support continued expansion of kitchen operations and other operational initiatives and escalation in compensation costs due to labor market inflationary pressures. Maintenance expenses increased approximately due to the completion of special maintenance projects deferred due to cost containment measures implemented during the COVID-19 pandemic.

Non-operating income increased primarily due to increased PFC revenue, investment income and decreased interest expense. PFC revenue ($1.4 million) increased due to increased enplanement volume. Investment income increased ($0.6 million) primarily due to increased interest rates. Interest expense on long-term debt decreased $2.9 million because of favorable debt restructuring transactions closed during the fiscal year.

Capital contributions increased primarily due to $31.8 million in COVID-19 relief funds received. The funds received were for reimbursement of certain operating and debt related expenses.

Fiscal Year 2024

Operating revenues totaled $101.7 million, an increase of approximately $13.2 million, or 15.0% The increase is primarily attributable to increased airline revenues and revenues sensitive to passenger traffic. Airline revenues increased approximately $7.6 million primarily due to increased airline rents. Increased airline rental revenue is primarily attributable to the increased terminal rental rate effective for Fiscal Year 2024. Airline rental rates increased due to an increased recovery of terminal expenses.

Parking, concession and rental car revenues increased $2.7 million, $1.2 million and $1.1 million, respectively resulting from an 9% increase in passenger traffic. Passenger traffic increased primarily due to continued expansion of air service, including new nonstop destinations and the addition of an international air carrier providing service to CHS. Other nonoperating revenues increased primarily due to increased fuel flowage fees.

Operating expenses (less depreciation) increased $8.4 million for Fiscal Year 2024. Higher personnel ($3.7 million) and contractual services ($2.7 million) expenses accounted for increase in expenses. Salary recommendations from the most recent compensation study were implemented in the first quarter of Fiscal Year 2024 which resulted in an average increase of 8% in employees' wages. Contractual expenses increased primarily due to increased janitorial contract expenses and other contractual services related to landside and information technology operations.

Non-operating income increased approximately $8.4 million in Fiscal Year 2024 when compared to Fiscal Year 2023. The increase is primarily attributable increased PFC revenues and increase in revenues received from the recently adopted Charleston County rental car user fee ordinance. Increased passenger activity attributed to the increase in revenues. Interest expense on long-term debt decreased $1.2 million primarily due to the tax-exempt conversion of Series 2022 Bonds, thereby lowering debt service costs.

Capital contributions decreased from $34.1 million in Fiscal Year 2023 to $1.8 million in Fiscal Year 2024 due to the reduction in COVID-19 relief funds received. All COVID-19 relief funds have been expended. The $1.8 million in contributions received is primarily related to FAA-AIP funded capital projects.

Historical Debt Service Coverage; Cost Per Enplanement

The table below presents the District's debt service coverage and cost per enplanement for Fiscal Years 2019 through 2024 (based on unaudited operating results of the District).

	2019	2020	2021	2022	2023	2024
Revenues[1]	$61,516,562	$55,168,969	$50,191,449	$74,970,350	$88,486,184	$101,681,847
(Operation and Maintenance Expenses)	$28,621,170	$29,424,614	$30,818,905	$34,812,120	$43,346,714	$ 51,768,060
Net Revenues	$32,894,852	$25,744,355	$19,372,544	$40,158,230	$45,139,470	$ 49,913,787
Annual Debt Service[2]	$ 7,404,300	$ 9,674,114	$10,051,307	$10,046,434	$ 8,953,573	$ 8,629,897
Total Debt Service Coverage[3]	4.44x	2.66x	1.93x	4.00x	5.04x	5.78x
Cost Per Enplanement	$ 8.43	$ 12.03	$ 22.69	$ 10.02	$ 9.17	$ 10.24

Source: The District.
[1] Includes Customer Facility Charges.
[2] Net of PFCs Irrevocably Committed and applied to debt service.
[3] Does not include any amounts on deposit in the Rolling Coverage Account. The District may deposit money from the Airport Capital Fund into the Rolling Coverage Account in an amount to be determined by the District. Any money in the Rolling Coverage Account may be taken into account for purposes of meeting the test for the issuance of Additional Bonds and the rate covenant of the Master Resolution (in each case up to an amount equal to 25% of Aggregate Annual Debt Service in a Fiscal Year), or transferred from this account into the Gross Revenue Fund, or used for any other lawful purpose of the Airport System.
Note: Dollars shown in thousands; totals may not sum due to rounding.

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Liquidity

The following table presents a summary of the District's unrestricted cash and investments and restricted cash for Fiscal Years 2019 through 2024 (based on unaudited operating results of the District).

	(dollars in thousands)					
	2019	2020	2021	2022	2023	2024[1]
Operating expense excluding depreciation and pension and OPEB expenses	$27,246,573	$27,922,417	$29,076,896	$35,347,411	$43,669,539	$51,768,060
Unrestricted cash and cash equivalents	21,765,460	31,785,290	35,117,423	53,685,279	80,340,997	105,055,294
Investments	32,863,989	36,592,961	39,620,519	38,976,502	39,720,565	41,668,245
Unrestricted cash and cash equivalents and investments	54,629,449	68,378,881	74,737,942	92,661,781	120,061,563	146,723,540
Unrestricted cash and cash equivalents and investments days on hand	732	894	938	957	1,004	1,035
Restricted cash						
PFCs	27,507,996	30,593,379	29,157,205	33,259,106	38,507,172	47,823,965
Trustee-held	28,309,310	26,132,539	23,887,184	24,578,067	21,836,851	22,052,827
Other	84,426,425	33,010,842	12,910,729	17,714,634	23,244,419	15,547,400
Total restricted cash	$140,243,731	$89,736,760	$65,955,118	$75,551,806	$83,588,442	$85,424,191

[1] The amounts for Fiscal Year 2024 are shown without offset for pension and OPEB expenses, the amounts of which will be determined in connection with the issuance of the respective actuarial reports of the pension and OPEB plans for inclusion in the District's June 30, 2024 audited financial statements.
Source: District records.

Federal Grants

The Airport and Airway Improvement Act of 1982 created the AIP grant program which is administered by the FAA and funded by the Airport and Airway Trust Fund. This fund is financed by federal aviation user taxes. Grants are available to airport operators in the form of "entitlement" funds and "discretionary" funds. Entitlement funds are apportioned annually based upon enplaned passengers, and discretionary funds are available at the discretion of the FAA based upon a national priority system. The amount of entitlement grants received by an airport will vary based on the actual number of enplaned passengers at the airport, the total appropriations for the AIP, and any revisions of the statutory formula for calculating such grants.

In the Fiscal Years 2019 through 2023, the District received $70,627,034 in total AIP entitlement and discretionary grants as follows:

Fiscal Year	Grants Received
2019	$14,837,528
2020	22,401,593
2021	9,235,054
2022	23,174,702
2023	978,157

For Fiscal Year 2024, the District applied for AIP grants totaling $5,247,066. No award has been made responsive to the application as of August 1, 2024.

As a direct result of the COVID-19 pandemic, several bills were adopted by the U.S. Congress that provided or continue to provide financial aid to the airports around the country, the airlines and other concessionaires. The Coronavirus Aid, Relief, and Economic Security Act ("*CARES Act*"), which became law on March 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (the "*CRRSAA*"), which became law on December 27, 2020, and the American Rescue Plan Act ("*ARPA*" and collectively with the CARES Act and CRRSAA, "*COVID Relief Grants*"), which became law on March 11, 2021, each provided direct aid for airports. The District has received through 2023 a total of approximately $49 million in federal relief under these Acts. The District has applied COVID Relief Grants it has received for the following uses:

	Uses				
Source	**Payment of Debt**	**Capital Expenditures**	**Operating Expenses**	**Concessionaire**	**Unexpended Amount[1]**
CARES Act	$15,478,607	$3,628,827	$ 3,294,159	-	-
CRRSSA	6,351,424	-	36,000	$ 508,849	-
ARPA	**-**	-	17,693,333	2,035,396	$14,236
Total	$21,830,031	$3,628,827	$21,023,492	$2,544,245	$14,236

[1] The District expects these amounts to be fully expended by the end of Fiscal Year 2026.
Source: District Records.

Passenger Facility Charges

Under the Aviation Safety and Capacity Expansion Act of 1990 (the "*PFC Act*"), as modified by the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century, the FAA may authorize a public agency that controls an airport to impose a passenger facility charge ("*PFC*") of up to $4.50 for each qualifying enplaned passenger at such airport. The proceeds of a PFC may be used for eligible airport-related projects. In order to receive authorization to impose PFCs and use the PFC, the public agency must submit an application requesting that the FAA approve the imposition of the PFC for, and the use of PFCs on, specific eligible capital projects described in such application. PFCs are collected on behalf of airports by air carriers and their agents and remitted to the public agency.

The Authority has been collecting a PFC of $4.50 per enplaned passenger since March 1, 2010, and is currently authorized to collect PFCs until it collects a total of $189.5 million or through July 1, 2039 (the current date at which the District's authority to collect PFCs terminates), whichever occurs first, the majority of which will be used to fund a portion of PFC-eligible debt service for the project refinanced with the proceeds of the 2023 Bonds. Through June 30, 2024, the District has collected $112,875,396 in PFCs under the current authorization. The Authority intends to apply PFCs up to the amount approved by the FAA to the payment of debt service related to PFC-eligible portions of the 2023 Bonds and, if approved by the FAA, the PFC-eligible debt service on any Additional Bonds issued to finance future PFC-eligible projects and the costs of such PFC-eligible projects. See "INVESTMENT CONSIDERATIONS–Availability of PFC Revenues."

Customer Facility Charges

The Authority currently collects a Customer Facility Charge in the amount of $10.00 per day on each rental car contract entered into between the District's rental car company concessionaires (the "*Operators*") and their customers for automobiles to be picked up from or delivered to the Airport. An increase to the Customer Facility Charge rate from $5.00 to $10.00 was recently approved by the Authority, effective July 1, 2024. The Customer Facility Charges are collected monthly from the Operators by the District. The Customer Facility Charges may be applied by the District for various rental car-related purposes, including the payment of debt service on debt issued to finance rental car-related facilities. The District collected $6.7 million in Customer Facility Charges in Fiscal Year 2023 and, as of June 30, 2024, had approximately $29.9 million in collected Customer Facility Charges, in a restricted account pending application for permitted purposes. The RAC Fit-Out Project, included in the 2024 Projects, is anticipated to be funded using approximately $25.0 million of Customer Facility Charges on a cash basis.

The 2024 Line of Credit

The District has entered into a Loan Agreement made as of July 25, 2024 (the "*UCB Loan Agreement*") with United Community Bank under which it delivered its $70 million Tax-Exempt Revolving Line of Credit Promissory Note (the "*UCB Note*" and together with the UCB Loan Agreement, the "*2024 Line of Credit*"). Under the Loan Agreement, United Community Bank has agreed to loan to the District, on a revolving basis, up to $70 million at any time outstanding for the purpose of making certain upfits and/or renovations to the Airport, including the installation of modular gates and/or entryways, as well as financing certain initial costs related to the District garage project. The 2024 Line of Credit constitutes a Subordinate Obligation under the Master Bond Resolution, bears interest at a variable rate based upon one-month SOFR plus a spread of 1.30%, and matures July 25, 2027. As of September 1, 2024, the UCB Note was outstanding in the principal amount of $3 million.

Pension; Other Post-Employment Benefits

South Carolina Retirement System. The District contributes to both the SCRS and to the PORS, both of which are cost-sharing multiple-employer defined benefit pension plans administered by the South Carolina Public Employee Benefit Authority ("*PEBA*"). Both the SCRS and PORS offer retirement and disability benefits, cost of living adjustments on an ad hoc basis, life insurance benefits and survivor benefits. The Plans' provisions are established under Title 9 of the Code of Laws of South Carolina 1976, as amended. A publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the SCRS is available at www.peba.sc.gov (which is not intended to be an active hyperlink) and may be obtained by writing the South Carolina Public Employee Benefit Authority at 202 Arbor Lake Drive, Columbia, South Carolina 29223.

Contributions to the SCRS and PORS (together, the "*Retirement System*") are prescribed by law. PEBA may increase the Retirement System employer and employee contribution rates on the basis of actuarial valuations, but any increase may not result in a differential between the employee and employer contributions rate that exceeds 2.9% of earnable compensation. Generally, an increase in contribution rates may not be increased by PEBA by more than one-half of one percent in any one year. However, if the scheduled employee and employer contributions provided by statute or the rates last adopted by PEBA are insufficient to amortize unfunded plan liabilities over 30 years, PEBA is required to increase the contribution rates as necessary to maintain the 30-year amortization of unfunded plan liabilities.

An employee member of the Retirement System with an effective date of membership prior to July 1, 2012 is a Class Two member and an employee member of the Retirement System on or after July 1, 2012 is a Class Three member. A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 credited years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirements that the total of a member's age and the member's creditable service equals at least 90 years.

Required employee contribution rates to the SCRS and PORS for Fiscal Year 2023 were 9.0% and 9.75%, respectively, of earnable compensation for all Class Two and Class Three members. The required employer contribution rate to the SCRS for Fiscal Year 2023 was 17.41% of earnable compensation for Class Two and Class Three members and 0.15% of earnable compensation to fund employer incidental death benefits. The required employer contribution to the PORS in Fiscal Year 2023 for Class Two and Class Three members was 19.84% earnable compensation plus 0.20% of earnable compensation to fund employer incidental and accidental death benefits. As of June 30, 2023, the District reported a liability of $25.22 million representing its proportionate share of the Retirement System's net pension liability. The net pension liability was actuarily valued as of July 1, 2021 and measured as of June 30, 2022. See Note 9 of the 2023 Financial Report included as Appendix A.

The Retirement System Funding and Administration Act of 2017 (the "*RSFAA*") was signed by the Governor on April 25, 2017 and had an effective date of July 1, 2017. As of Fiscal Year 2023, employer base contribution rates for the SCRS and PORS are capped at 18.56% and 21.24%, respectively. The RSFAA also increases and caps the SCRS and PORS employee contribution rate to 9% and 9.75%, respectively, permits, after June 30, 2027, a decrease in employer and employee contribution rates in equal amounts if the ratio between the actuarial value of the SCRS's assets and the actuarial value of the applicable System's liabilities is equal to or greater than 85%, lowers the assumed annual rate of return from 7.50% to 7.25%, and over time reduces the funding period of unfunded liabilities from 30 years to 20 years.

Deferred Compensation Plans. The District offers its employees deferred compensation plans, offered through the State, created in accordance with Internal Revenue Code Sections 457 and 401(k). The 457 plan, available to all regular full-time and part-time employees, permits participants to defer a portion of their salaries until future years. The deferred compensation is not available to the employee or his beneficiaries until termination, retirement, death, disability, or an approved hardship. The District also offers its employees participation in a defined contribution plan, offered through the State, created in accordance with Internal Revenue Code Section 401(k). The 401(k) plan has the same eligibility requirements as the 457 plan, although the withdrawal provisions are more lenient under the 401(k) plan. All amounts of compensation deferred under the plan are held in trust for the contributing employee and are not subject to claims of the employer's general creditors. The plan is administered by the State.

Post-Employment Benefits. The District has offered its retired employees a defined contribution plan for health insurance benefits. A retired employee can receive $10 per month for each year of service up to a maximum of $250 per month toward District-provided health insurance. When a retiree reaches age 65 and is eligible for Medicare, the insurance premium is reduced to 75% of the full premium. Therefore, the contribution can be reduced to $7.50 per month for each year of service, but to a maximum of $188 per month. The Plan is financed on a pay-as-you-go basis. For the year ended June 30, 2023, the District paid $106,818 toward the cost of retiree health insurance for 48 eligible retired employees.

Under GASB 75, determination of an employer's benefit obligation typically requires that an actuarial valuation be performed by a specialist. However, as a sole employer in a plan with fewer than one hundred total plan members the District has the option to apply a simplified alternative measurement method that does not require obtaining an actuarial valuation.

The alternative method includes the same broad measurement steps as an actuarial valuation (projecting future cash outlays for benefits, discounting projected benefits to present value, and allocating the present value of benefits to periods using an actuarial cost method). However, it permits simplification of certain assumptions to make the method potentially usable by non-specialists. Applying the alternative measurement method, the calculated liability as of June 30, 2023 was approximately $1.8 million.

REPORT OF THE AIRPORT CONSULTANT

Ricondo & Associates, Inc., prepared the Report of the Airport Consultant, which is included as Appendix B to this Official Statement.

The Report of the Airport Consultant describes key factors that will affect future air traffic, presents airline traffic and financial forecasts for Fiscal Year 2024 through Fiscal Year 2031 and sets forth the assumptions upon which the forecasts are based. The Report of the Airport Consultant should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

As noted in the Report of the Airport Consultant, any forecast is subject to uncertainties. Some of the assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances could occur. Therefore, there are likely to be differences between the forecast and actual results, and those difference may be material. See "INVESTMENT CONSIDERATIONS."

The Report of the Airport Consultant has been included herein in reliance on the knowledge and experience of Ricondo & Associates, Inc., as airport feasibility consultants.

Projected Passenger Enplanements

The following table presents the projection of passenger activity at the Airport for Fiscal Years 2025 through 2031. Total enplaned passengers are projected to experience a CAGR of approximately 2.8% for Fiscal Year 2024 through Fiscal Year 2031.

FISCAL YEAR	TOTAL ENPLANEMENTS
2025	3,256,000
2026	3,349,000
2027	3,444,000
2028	3,539,000
2029	3,635,000
2030	3,731,000
2031	3,828,000
COMPOUND ANNUAL GROWTH RATE	
2024 – 2031	2.8%

Source: Report of the Airport Consultant.

Projected Net Revenues

The table on the following page sets forth budgeted Net Revenues for Fiscal Year 2025 and projections for Net Revenues for Fiscal Years 2026 through 2031. See Appendix B – Report of the Airport Consultant for additional information with respect to the projections, including the underlying assumptions and methodology.

(For Fiscal Years Ending June 30)

	ESTIMATE	BUDGET	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030	2031
Revenue								
Airline Terminal Space Rentals	$31,086,715	$36,679,523	$39,546,096	$45,873,371	$51,623,363	$77,073,122	$92,690,839	$94,406,731
Airline Landing Fee Revenues	889,923	902,672	916,308	929,577	943,024	957,746	972,702	987,751
Apron Fee Revenues	561,564	448,976	600,833	1,094,365	1,108,009	1,127,053	1,142,144	1,157,845
Non-Airline Revenues (including CFCs)	69,858,007	75,459,982	85,398,689	92,851,315	95,919,084	100,278,498	103,524,487	106,835,261
Investment Earnings	1,070,000	2,960,000	1,927,192	1,948,374	2,023,461	2,024,869	2,063,939	2,219,343
Total Revenues	**$103,466,210**	**$116,451,153**	**$128,389,119**	**$142,697,002**	**$151,616,941**	**$181,461,288**	**$200,394,110**	**$205,606,931**
LESS:								
Operating Expenses	$51,731,193	$59,973,812	$62,316,308	$66,160,598	$68,743,762	$80,649,660	$83,751,576	$86,977,451
Net Revenues	**$51,735,017**	**$56,477,341**	**$66,072,811**	**$76,536,405**	**$82,873,179**	**$100,811,628**	**$116,642,534**	**$118,629,480**
LESS:								
O&M Reserve Requirement	$718,489	$1,241,142	$390,416	$640,715	$430,527	$1,984,316	$516,986	$537,646
Series 2019 Airport Revenue Bond Debt Service (Paid from Net Revenues)	2,336,500	2,336,500	2,336,500	2,336,500	2,336,500	2,336,500	2,336,500	2,336,500
Series 2023 Airport Revenue Bond Debt Service (Paid from Net Revenues)	5,588,423	5,590,370	5,589,165	5,590,333	5,588,168	5,588,197	5,593,001	5,588,498
Series 2024 Airport Revenue Bond Debt Service (Paid from Net Revenues)	0	0	0	0	16,003,396	20,674,750	20,677,000	20,676,750
Series 2024 Airport Revenue Bond Debt Service (Paid from CFCs)	0	0	0	0	5,655,559	7,029,180	7,031,300	7,033,006
Future Bonds Airport Revenue Bond Debt Service (Paid from Net Revenues)	0	0	338,521	4,062,250	5,440,500	20,601,250	29,766,250	29,778,000
Equipment & Capital Outlays	1,189,684	2,099,004	2,161,974	2,226,833	2,293,638	2,362,448	2,433,321	2,506,321
Funds Remaining From Operations	**$41,901,921**	**$45,210,326**	**$55,256,236**	**$61,679,774**	**$45,124,889**	**$40,234,988**	**$48,288,176**	**$50,172,760**
GARB Coverage Calculation								
Total Revenues (including CFC's)	$103,466,210	$116,451,153	$128,389,119	$142,697,002	$151,616,941	$181,461,288	$200,394,110	$205,606,931
LESS: Operating Expenses	51,731,193	59,973,812	62,316,308	66,160,598	68,743,762	80,649,660	83,751,576	86,977,451
Net Revenues	**$51,735,017**	**$56,477,341**	**$66,072,811**	**$76,536,405**	**$82,873,179**	**$100,811,628**	**$116,642,534**	**$118,629,480**
Rolling Coverage Account[1]	$1,981,231	$1,981,717	$2,066,046	$2,997,271	$8,756,031	$14,057,469	$16,351,013	$16,353,188
Series 2019 Airport Revenue Bond Debt Service (Paid from Net Revenues)	$2,336,500	$2,336,500	$2,336,500	$2,336,500	$2,336,500	$2,336,500	$2,336,500	$2,336,500
Series 2023 Airport Revenue Bond Debt Service (Paid from Net Revenues)	10,114,792	10,118,316	10,116,135	10,118,249	10,114,332	10,114,384	10,123,079	10,114,928
Series 2024 Airport Revenue Bond Debt Service (Paid from Net Revenues)	0	0	0	0	16,003,396	20,674,750	20,677,000	20,676,750
Series 2024 Airport Revenue Bond Debt Service (Paid from PFCs)	0	0	0	0	0	0	0	0
Series 2024 Airport Revenue Bond Debt Service (Paid from CFCs)	0	0	0	0	5,655,559	7,029,180	7,031,300	7,033,006
Future Bonds Airport Revenue Bond Debt Service (Paid from Net Revenues)	0	0	338,521	4,062,250	5,440,500	20,601,250	29,766,250	29,778,000
Future Bonds Airport Revenue Bond Debt Service (Paid from PFCs)	0	0	0	0	487,479	5,849,750	8,139,750	8,140,250
LESS: PFCs Applied to Debt Service	4,526,369	4,527,946	4,526,970	4,527,916	5,013,643	10,375,937	12,669,828	12,666,680
Net Airport Revenue Bond Debt Service	**$7,924,923**	**$7,926,870**	**$8,264,185**	**$11,989,083**	**$35,024,124**	**$56,229,877**	**$65,404,051**	**$65,412,754**
Debt Service Coverage Ratio	**6.53**	**7.12**	**8.00**	**6.38**	**2.37**	**1.79**	**1.78**	**1.81**
Debt Service Coverage Ratio (including Coverage Deposit Account)	**6.78**	**7.37**	**8.25**	**6.63**	**2.62**	**2.04**	**2.03**	**2.06**

[1] Does not exceed 25% of debt service.

Source: Report of Airport Consultant.

Projected Debt Service Coverage and Airline Cost Per Enplaned Passenger

The following table summarizes the Airport Consultant's forecast for Fiscal Years 2025 through Fiscal Year 2031 of (1) Net Revenues, (2) debt service coverage on all Bonds Outstanding under the Resolutions, and (3) airline cost per enplaned passenger during the Projection Period (defined below), in each case taking into account the issuance of the 2024 Bonds.

FISCAL YEAR	NET REVENUES	DEBT SERVICE COVERAGE(1)	AIRLINE COST PER ENPLANED PASSENGER
2025	$ 56,477,341	7.12x	$11.68
2026	66,072,811	8.00x	12.26
2027	76,536,405	6.38x	13.91
2028	82,873,179	2.37x	15.17
2029	100,811,628	1.79x	21.78
2030	116,642,534	1.78x	25.41
2031	118,629,480	1.81x	25.22

(1) Does not take into account amounts, if any, on deposit in Rolling Coverage Account.
See Appendix B – Report of the Airport Consultant, Tables A-8 and A-9.

Conclusions of the Airport Consultant

Based on the projections of Net Revenues for the Fiscal Years 2026 through 2031 (the "*Projection Period*") set forth in the Report of the Airport Consultant, the Airport Consultant projects that the District will, for the entire Projection Period, satisfy the debt service coverage requirement (125%) set forth in the Resolutions. The Airport Consultant believes that the assumptions underlying the projections are reasonable, based on national aviation trends and the historical operations of the Airport. The Airport Consultant is also of the opinion that throughout the Projection Period the Airport's airline rates and charges will remain reasonable on an airline cost per enplaned passenger basis compared to other comparably sized U.S. airports that have recently undertaken a significant capital program.

INVESTMENT CONSIDERATIONS

The purchase and ownership of the 2024 Bonds involve certain risks. The following section is intended only as a summary of certain pertinent risk factors relating to an investment in the 2024 Bonds. This summary is not intended to be an exclusive summary of factors to be considered in connection with making an investment in the 2024 Bonds. In order for potential investors to identify risk factors and make an informed investment decision, they should thoroughly review this entire Official Statement and the appendices hereto and confer with their own tax and financial advisors when considering a purchase of the 2024 Bonds. Investors should note that the order in which the following information is presented is not intended to reflect the relative importance of any such considerations. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Dependence on Levels of Airline Traffic and Related Activity

The 2024 Bonds are payable solely from and secured by a pledge of the Net Revenues and other funds held by the Trustee under the Resolutions and pledged to the payment thereof. Revenues are dependent primarily on the level of aviation activity, in particular, enplaned passenger traffic at the Airport. Future levels of aviation activity and enplaned passenger traffic at the Airport will be dependent upon many local, regional, national and international factors including: national and international economic conditions, the population and economy of the Airport service region; national and local unemployment rates; political conditions including wars; other hostilities and acts of terrorism; aviation security; the occurrence of pandemics and public health concerns; the financial health of the airline industry and of individual airlines; airline service and route networks; airline competition and airfares; airline mergers; the acquisitions of airlines; alliances and consolidations; the availability and price of aviation and other fuels; airline industry labor costs, availability and relations; the capacity of the national air transportation system and of the Airport; business travel substitutes, including teleconferencing, videoconferencing and web-casting; aviation safety, both actual and perceived; visa requirements and other limitations on the ability of foreign citizens to enter the United States; currency exchange rates; and the occurrence of natural and man-made disasters, some of which are discussed in further detail hereafter in this section.

Concentration of Airline Market Shares

The major air carriers operating at the Airport, by local market share, are Delta and American. Except for these airlines, no single airline accounted for more than 15% of passenger enplanements at the Airport in Fiscal Year 2024. Major domestic airlines have joined or may be forming alliances with other major domestic airlines. Depending on which airlines serving the Airport merge or join alliances, the result may be fewer flights by one or more airlines, which decreases could be significant. For example, Delta and American were responsible for 24.6% and 22.2% of the Airport's passenger enplanements in Fiscal Year 2024. If any of these airlines were to reduce or cease service at the Airport, such flights would not necessarily be replaced by other airlines. While historically when airlines have reduced or ceased operations at the Airport other airlines have absorbed the traffic with no significant adverse impact on Airport revenues, it is possible that were Delta and American to cease or significantly cut back operations at the Airport, Revenues, PFC collections and costs for other airlines serving the Airport could be adversely affected.

No assurances can be given with regard to the future level of activity of Delta and American at the Airport, or that, in the event that the operations of these airlines at the Airport are reduced or discontinued, for whatever reason, such operations would be replaced by other carriers. See "Passenger Demand and Air Service Analysis" in Appendix B – Report of the Airport Consultant.

Current Economic Conditions

Historically, airline passenger traffic nationwide has correlated closely with the condition of the U.S. economy and levels of real disposable income. Previous recessions and periods of stagnant economic conditions in the U.S., South Carolina and Charleston metropolitan area contributed to reduced passenger traffic at the Airport. For a discussion of the effect of the economy on airline traffic and for economic and demographic information with respect to the Charleston metropolitan area, see "DEMOGRAPHIC AND ECONOMIC ANALYSIS" in Appendix B – Report of the Airport Consultant. Future increases in passenger traffic will depend largely on the ability of the U.S. to sustain growth in economic output and income. The COVID-19 pandemic materially adversely impacted local, state, national and global economies. The long-term effects of these developments on the broader economy are not known at this time. There can be no assurances that weakness in international, national, state and/or local economies will not have an adverse effect on the air transportation industry, and on the Airport and its financial condition.

With the globalization of business and the increased importance of international trade and tourism, growth in the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economic conditions, trade balances, currency exchange rates, political relationships, and hostilities are important influences on passenger traffic at U.S. airports, including the Airport. Sustained future increases in passenger traffic at the Airport will depend in part on stable international conditions as well as national and global economic growth.

In addition, demand for air transportation is, to a degree, dependent upon the demographic and economic characteristics of an airport's air service area. This relationship is especially true for O&D passenger traffic, which comprised 99.0% of passenger traffic at the Airport in Fiscal Year 2023. Although the Airport's Air Trade Area has a large, diverse economic base that supports business and leisure travel, there can be no assurances that any negative economic or political conditions affecting the Air Trade Area would not have an adverse effect on demand for air transportation at the Airport.

The U.S. economy and aviation sector in particular are also exposed to risks from geopolitical conflicts. For example, the ongoing Russia-Ukraine war has affected the global economy and commercial aviation. The impacts of the war include but are not limited to, (i) increased food, commodity, and fuel prices and increased strain on global supply chains; (ii) economic sanctions against certain Russian individuals, institutions, companies, and commodities including oil and natural gas; (iii) closure of affected airspace necessitating changes to airline routes and the suspension of service to some areas; and (iv) increased risk of cyber-attacks from Russia against U.S. government agencies, financial institutions and infrastructure. War broke out in Israel and Gaza in late 2023. The effects of this war on commercial aviation include alterations to flight routes, but effects on the global economy and other effects on commercial aviation are unknown at this time. These conflicts could intensify and other conflicts could occur without warning. Future or ongoing wars and conflicts may negatively affect the global economy and commercial aviation. See “Threat of Terrorism and Geopolitical Issues” in Appendix B – Report of the Airport Consultant.

Cyber-Security

Computer networks and data transmission and collection are vital to the safe and efficient operation of the Airport, the airlines that serve the Airport and other tenants of the Airport. Despite security measures, information technology and infrastructure of the Airport, any of the airlines serving the Airport or any other tenants at the Airport may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored thereon. Any such disruption or other loss of information could result in a disruption in the efficiency of the operation of the Airport and/or the airlines serving the Airport and the services provided at the Airport, thereby adversely affecting the ability of the District to generate Revenues.

The federal government regulates various aspects of airport operations and the FAA and the TSA both impose various regulations and security directives that affect the design, policies and procedures of the information technology and physical access security of the Airport. The District’s information technology staff has yearly initiatives that minimize the risk to airport operations such as upgrades to servers, computers, network devices, security related hardware and software, security assessments, audits, reviews and policies and procedures. Major investments have also been made in Airport cyber security related initiatives in order to minimize risk. In addition, the District is committed to replacing the current electronic badging system with the next generation access and identify system that will greatly reduce and minimize the threats of a physical compromise to airport security access.

Safety, Security, Public Health and Natural Disasters Concerns

Concerns about the safety and security of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities (such as those that have occurred and continue to occur in the Middle East), terrorist attacks and increased threat levels declared by the Department of Homeland Security may influence passenger travel behavior and air travel demand. Travel behavior also may be affected by anxieties about the safety of flying, the inconveniences and delays associated with more stringent security screening procedures, and natural disasters, all of which could lead to the avoidance of airline travel or the use of alternate modes of transportation.

Questions also remain about how some determinants of travel demand may not fully return to those existing before the COVID-19 pandemic. Some observers expect that there will be permanent reductions in some business travel for in-person meetings as a result of the widespread adoption of videoconferencing. Many companies have reduced travel by their employees and thereby achieved cost savings that may become a permanent feature of their financial operations. Offsetting that effect, there may be an increase in travel by workers who relocated during the pandemic and work remotely, and who will need to regularly visit a central office location. Remote working and travel for a combination of business and leisure purposes are also changing travel demand patterns. See “–Travel Substitutes.”

Any decrease in passenger activity at the Airport could cause a corresponding decrease in Revenues. The District is unable to predict how serious the impact of natural disasters or a future pandemic may become, what effect they may have on air travel to and from the Airport, and whether any such effects will be material. See “Factors Affecting Aviation Demand at the Airport” in Appendix B – Report of the Airport Consultant.

Travel Substitutes

Airfares have an important effect on passenger demand, particularly for relatively short trips where automobile or other travel modes are alternatives and for price-sensitive "discretionary" travel, such as vacation travel. Airfares are influenced by air carrier operating costs and debt burden, passenger demand, capacity and yield management, market presence and competition. Additionally, teleconference, video-conference and web-based meetings continue to improve in quality and price and are often considered a satisfactory alternative to face-to-face business meetings, especially following the COVID-19 pandemic and widespread adoption of remote work.

Uncertainties of the Airline Industry

General. The District's ability to collect Revenues is affected by the dynamics of the airline industry. Historically, the financial performance of the airline industry generally has correlated with the strength of the national and global economies. Certain factors that may materially affect the Airport and the airlines include, but are not limited to, (i) growth of population and the economic health of the region and the nation; (ii) airline service and route networks; (iii) national and international economic and political conditions; (iv) changes in demand for air travel; (v) service and cost competition; (vi) mergers and bankruptcy of any airlines; (vii) the availability and cost of aviation fuel and other necessary supplies; (viii) levels of air fares, fixed costs and capital requirements; (ix) the cost and availability of financing; (x) the capacity of the national air traffic control system; (xi) national and international disasters and hostilities; (xii) public health concerns and pandemics, such as the spread of COVID-19, influenza, severe acute respiratory syndrome ("*SARS*"), bird flu, and other communicable diseases; (xiii) the cost and availability of employees and labor relations within the airline industry; (xiv) regulation by the federal government; (xv) environmental risks and regulations, including noise and climate change; (xvi) acts of war or terrorism; (xvii) aviation accidents and safety; and (xviii) other risks. As a result of these and other factors, many airlines have operated at a loss in the past and many (including some that have served the Airport) have filed for bankruptcy, ceased operations and/or merged with other airlines. Various airlines have also taken many actions to restructure and reduce costs including reducing their workforce, renegotiating their labor agreements, reducing routes served, consolidating connecting activity and outsourcing flying to regional affiliates.

Financial Condition of Airlines Serving the Airport. The economic condition of the airline industry is volatile, and in recent years the industry has undergone significant changes, including major restructuring, bankruptcy, mergers, acquisitions and closures. The COVID-19 pandemic severely and negatively affected domestic and international air travel. See "–COVID-19 Pandemic and Other Worldwide Health Concerns."

Airlines operating at the Airport have filed for bankruptcy protection in the past and may do so in the future. Even absent an airline bankruptcy filing, the District may encounter significant delays and non-payment of amounts owed to it by airlines.

The industry is cyclical and subject to intense competition and variable demand. Traffic volumes are responsive to economic circumstances and seasonal patterns. Other factors, such as fuel and regulatory costs, can also have a significant impact on the industry. As a result, financial performance can fluctuate dramatically from one reporting period to the next. Current and future financial and operational difficulties encountered by the airlines serving the Airport could have a material adverse effect on operations at, and the financial condition of, the District.

In addition to revenues received from the airlines, the Airport derives a substantial portion of its revenues from concessionaires including parking operations, retail concessions, car rental concessions, and others. Decreases in passenger traffic at the Airport may adversely affect the commercial operations of many of these concessionaires.

Threat of Terrorism. The recurrence of terrorism incidents against either domestic or world aviation during the projection period remains a risk to achieving the projections contained in the Report of the Airport Consultant. Any terrorist incident aimed at aviation would have an immediate and significant adverse impact on the demand for aviation services.

Cost of Aviation Fuel. Airline earnings are significantly affected by the price of aviation fuel. Fuel prices continue to be impacted by, among other things, political unrest in oil-producing parts of the world, repercussions from Russia's invasion of Ukraine, including economic sanctions, increased demand for fuel caused by rapid growth in certain global economies, such as China and India, currency fluctuations and changes in demand for and supply of oil worldwide. The price of aviation fuel rose to an all-time high of approximately $4.03 per gallon in June 2022. According to the International Air Transportation Association, the price of jet fuel averaged approximately $2.08 per gallon in North America for the week ending September 6, 2024. Significant fluctuations and prolonged periods of increases in the cost of aviation fuel have had material adverse effects on airline profitability, causing airlines to reduce capacity, fleet and personnel, as well as increase fares and institute additional fees, such as checked baggage fees, all of which may decrease demand for air travel.

Airline Mergers, Acquisitions and Alliances. In response to competitive pressures and increased costs, airlines have merged and acquired competitors in an attempt to attain cost synergies and become more competitive. The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible the airlines serving the Airport could consolidate operations through acquisition, merger, alliances and code share marketing strategies. The District cannot predict the effects, if any, such consolidation would have on airline traffic at the Airport.

Industry Workforce Shortages. Workforce and labor shortages are an aviation industry-wide issue. For example, a shortage in pilots has especially affected smaller regional airlines. There are several causes for such shortage. Congress changed duty time rules in 2010 to mitigate pilot fatigue, which required airlines to increase pilot staff. Beginning in 2013, first officers flying for commercial airlines were required to have at least 1,500 hours of flight time, instead of the 250 hours previously required. Additionally, at the onset of the COVID-19 pandemic, airlines were faced with a surplus of personnel resulting from the sudden and dramatic decline in traffic. As a result, airlines offered their employees buyouts and early retirement packages prompting many pilots to take early retirement. Other factors include an aging pilot workforce and fewer new pilots coming out of the military. Further, as passenger demand increases as air traffic demand returns, the major air carriers are anticipated to need additional pilots and are generally able to hire pilots away from regional airlines.

In addition to the pilot shortage, over the next decade there could be a shortage of qualified mechanics to maintain the airlines’ fleets of planes. This potential shortage is a result of an aging pool of mechanics, a large portion of whom are expected to retire in the next decade, and a lack of younger people joining the ranks of mechanics. A shortage of mechanics could raise the cost of maintenance, require airlines to maintain more spare planes and/or result in increased flight cancellations and delays.

General labor staffing shortages, including shortages in air traffic controllers, have also affected the airline industry. Over the last year, numerous airlines have canceled thousands of flights attributed to bad weather, staffing shortages, and air traffic control issues, among other things. While the 2024 FAA Act includes provisions intended to address the air traffic controller shortage, increase staffing of the FAA’s safety inspection program, grow the aviation workforce, and encourage veteran and female participation in the aviation workforce, no assurance can be given that these measures will be successful in addressing current or future staffing shortages.

Aircraft Shortages. After retiring numerous aircraft during the COVID-19 pandemic, airlines are struggling to acquire sufficient aircraft to meet growing demand for air service in the United States and abroad. Those challenges are compounded because aircraft manufacturers, including Airbus and Boeing, have experienced delays in producing and delivering aircraft, and certain aircraft have been temporarily grounded for safety-related manufacturing issues. Such delays and groundings result from several factors, including supply-chain disruptions, staffing shortages, FAA certification delays, and required inspections due to manufacturing defects. Delays in aircraft delivery and aircraft groundings may hamper airlines’ ability to increase capacity to meet travel demand. If such aircraft-delivery delays and groundings persist, airlines could reduce service, including at the Airport.

Aircraft Safety. In March 2019, after two incidents, Boeing 737 MAX 9 aircraft were grounded worldwide. The aircraft were grounded for two years pending aviation safety agency review, and slowly returned to service. In January 2024, B-737 MAX 9 aircraft were again grounded, temporarily, following an incident where a panel of the aircraft fuselage blew out in flight. An investigation found that bolts meant to hold the panel in place had not been installed. Following inspections, the aircraft type was returned to service. As a result of the incident, the FAA announced increased oversight of Boeing’s manufacturing processes and stated that it would not permit the company to increase aircraft production rates beyond 38 planes a month until the FAA is satisfied that adequate manufacturing quality controls are in place. On May 30, 2024, the FAA made the decision to keep the monthly aircraft restriction in place. Such restrictions will constrain Boeing's ability to deliver aircraft as planned and could delay the ability of some airlines to upgrade their fleets with more fuel-efficient aircraft and increase capacity. Boeing is not the only manufacturer affected with manufacturing or quality control issues; products of other manufacturers, including Airbus and Pratt & Whitney (a manufacturer of turbofan engines), have experienced safety-related groundings as well.

Airport Competition

Historically, air travel demand at an airport is largely correlated with the demographic and economic characteristics of the region that it serves. The economic strength of the Air Trade Area has a major impact on the aviation activity at the Airport since nearly all of the Airport's passenger demand is O&D. Following the recovery of the aviation industry from the impacts of the COVID-19 pandemic, the demographic and economic strength of the Air Trade Area is expected to once again drive growth at the Airport. Population, employment, per capita personal income, and gross regional product in the Air Trade Area are all expected to maintain pace with the U.S. over the Projection Period utilized in the Report of the Airport Consultant and economic and demographic growth in the Air Trade Area is expected to be positive.

In general, an airport's potential service area is limited by the distance from an airport and further defined by the availability and quality of air service at the surrounding airports. Airports evaluated as competitors for this analysis are Columbia Metropolitan ("*CAE*"), Hilton Head Island Airport ("*HHH*"), Myrtle Beach International ("*MYR*"), and Savannah/Hilton Head International ("*SAV*").

All four competing airports are approximately 100 miles away; approximately a two-hour drive. CAE is located to the northwest, MYR is located along the coast and to the northeast, and HHH and SAV are located along the coast and to the southwest. Interstate 26 provides the quickest route to CAE where three carriers (American, Delta and United), provided an average of 28 daily departures to nine domestic destinations (as of June 2024). All nine destinations served by CAE are also served from the Airport.

MYR is served by ten carriers (Allegiant, American, Avelo, Breeze, Delta, Frontier, Southwest, Spirit, Sun Country and United), which provide an average of 70 daily departures to 52 domestic destinations (as of June 2024). MYR provides service to 36 of 51 destinations from the Airport. SAV is served by ten carriers (Allegiant, American, Avelo, Breeze, Delta, Frontier, JetBlue, Southwest, Sun Country and United), which provide an average of 63 daily departures to 36 domestic destinations (as of June 2024). Three markets served by SAV are not served from the Airport. HHH is served by three carriers, (American, Delta and United), which provide an average daily departure to eight domestic destinations (as of June 2024). All eight destinations are also served from the Airport. See "Section 5.3.5–Other Airports in the Region" in Appendix B – Report of the Airport Consultant.

The District is unable to predict the impact, if any, that competition for passengers within the Airport's Air Trade Area will have on the revenues and results of operations of the District.

Ability to Meet Rate Covenant

As discussed in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS-Rate Covenant," the District has covenanted in the Resolutions to establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year Net Revenues, together with amounts deposited to the Rolling Coverage Account as of the end of the immediately preceding Fiscal Year (not to exceed 25% of the Aggregate Annual Debt Service on the Bonds Outstanding in the applicable Fiscal Year), will be at least 125% of Annual Debt Service on the Outstanding Bonds in such Fiscal Year. To the extent that PFCs have been Irrevocably Committed to pay Annual Debt Service on Bonds for any Fiscal Year or period of Fiscal Years, such amounts when received and deposited to the applicable Debt Service Account, shall be excluded from the calculation of debt service on the Bonds, thus, decreasing debt service and increasing debt service coverage for purposes of the rate covenant under the Resolutions and any Supplemental Resolution.

If Net Revenues, together with amounts deposited to the Rolling Coverage Account (as available for such purpose under the Resolutions and any Supplemental Resolution), were to fall below the levels necessary to meet the rate covenant set forth in the Resolutions, the Resolutions provide for procedures under which the District would retain and direct a Consultant to make recommendations as to the revision of the District's business operations and its schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the District in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the District is required to take all lawful measures to revise the schedule of rentals, rates, fees and charges as may be necessary to meet the rate covenant. Increasing the schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the District in connection with the Airport may be subject to contractual, statutory and regulatory restrictions. Implementation of an increase in the schedule of rentals, rates, fees and charges for the use of the Airport System could have a detrimental impact on the operation of the Airport by making the cost of operating at the Airport unattractive to airlines, concessionaires and others in comparison to other airports, or by reducing the operating efficiency of the Airport.

In the event that Net Revenues for any Fiscal Year are less than the amount required by the Resolutions and any Supplemental Resolution, but the District promptly has taken prior to or during the next succeeding Fiscal Year all lawful measures to revise the schedule of rentals, rates, tolls, fees and charges as required by Resolutions, such deficiency in Net Revenues shall not constitute an Event of Default under the Resolutions and any Supplemental Resolution. Nevertheless, if after taking the measures required by the Resolutions to revise the schedule of rentals, rates, tolls, fees and charges, Net Revenues in the next succeeding Fiscal Year are less than the amount required by the Resolutions, such deficiency in Net Revenues shall constitute an Event of Default under the Resolutions and any Supplemental Resolution.

The Report of the Airport Consultant bases the forecasts of Net Revenues, debt service coverage and airline costs per enplaned passenger on the assumption that the airlines will pay the rates and charges established by the District. While the District believes that its rate-making methodologies, including its allocation of costs for purposes of setting rates and charges, are reasonable, no assurance can be given that challenges will not be made to the rates and charges established by the District or its method of allocating particular costs.

Availability of PFC Revenues

As discussed below under the subheading "– Future Indebtedness," the plan of finance for the CIP assumes that PFC Revenues will be applied by the District to pay PFC-eligible debt service and to pay the cost of PFC-eligible projects on a pay-as-you-go basis. PFC Revenues are not available to pay debt service on Bonds, unless and until such revenues are specifically transferred to the Trustee for deposit into the respective PFC Revenue Account, and then, such revenues may only be applied to PFC-eligible debt service. Approximately 44.75% of the debt service on the District's 2023 Bonds are eligible to be paid from PFCs. Debt service on the 2024 Bonds is not expected to be eligible to be paid from PFCs. No assurance can be given that PFC Revenues will be available in the amounts or on the schedules assumed. The ability of the District to collect sufficient PFC Revenues depends upon a number of factors, including, without limitation, the number of enplanements at the Airport.

Under the terms of the PFC Act, the FAA may terminate the District's authority to impose a PFC if the 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 District otherwise violates the PFC Act or regulations. The FAA may also terminate the District's authority to impose a PFC for a violation by the District of the Airport Noise and Capacity Act. The PFC termination provisions contained in the regulations provide both informal and formal procedural safeguards. See "–Federal Regulation Regarding Rates and Charges Disputes." Continuation of the FAA's PFC program is also dependent upon the continued reauthorization of the program by both the FAA and Congress.

Pursuant to the PFC enabling legislation, the FAA has approved the collection by the District of a $4.50 PFC on each enplaning passenger at the Airport. The 2019 Supplemental Resolution, the 2023 Supplemental Resolution and the 2024 Supplemental Resolution provide that, upon receipt by the District, all PFCs shall, through 2031, be set aside and immediately deposited first to the PFC Debt Service Account in an amount up to any maximum that may be used for the payment of PFC-eligible debt service in such Fiscal Year, and all PFCs not deposited to the PFC Debt Service Account shall be deposited to the PFC Project Account. Amounts credited to the PFC Debt Service Account shall be applied by the District to the payment of Annual Debt Service of the 2023 Bonds and any Additional Bonds issued to finance PFC-eligible projects by transferring on a pro rata basis of PFC-eligible Annual Debt Service for each such Series of Bonds amounts on deposit in the PFC Debt Service Account to the Debt Service Account for such Series of Bonds in each Fiscal Year, or in such other manner as is consistent with the PFC Final Agency Decision. Any amounts remaining in the PFC Debt Service Account on the last day of the Fiscal Year shall be credited to the

PFC Project Account. To the extent that PFCs have been Irrevocably Committed to pay Annual Debt Service on Bonds for any Fiscal Year or period of Fiscal Years, such amounts when received and deposited to the applicable Debt Service Account, shall be excluded from the calculation of debt service on the Bonds; thus, decreasing debt service and increasing debt service coverage for the proposed issuance of Bonds and the purposes of the rate covenant under the Resolutions. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS–Rate Covenant," "–Deposit and Application of Passenger Facility Charges" and "–Additional Bonds."

The District's receipt of PFC revenues is subject to several risks. First, the District's current authorization to collect PFCs ends on the earlier of September 1, 2039 or until such time as $189.5 million is collected (of which $112,875,396 has been received at June 30, 2024), and to the extent the District has not fully collected the authorized amount of PFCs by September 1, 2039, it will need to apply to the FAA for authorization to collect the difference. Second, the amount of PFCs received by the District in future years depends on the actual number of PFC-eligible passenger enplanements at the Airport. If enplanements decline so will the Airport's PFC revenues. Third, the District's authority to impose PFCs may be terminated (subject to procedural safeguards) for various reasons, including for a failure by the District to observe FAA requirements regarding use of these revenues. The District may also seek approval to apply PFCs for other projects or purposes. No assurance can be given that the Airport's authority to impose a PFC will not be terminated by Congress or the FAA; that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the District; or that the Airport will not seek to decrease the amount of PFCs to be collected, provided that such decrease does not violate the District's covenants in the Resolutions. A shortfall in PFC revenues may cause the District to increase rentals, fees and charges at the Airport to meet the debt service requirements on the Bonds.

The PFC enabling legislation provides that PFCs collected by the airlines constitute a trust fund held for the benefit of the eligible agency (i.e., the District) imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds for financial statements. However, the airlines are permitted to commingle PFC collections with other revenues and are also entitled to retain interest earned on PFC collections until such PFC collections are remitted. In the event of a bankruptcy, the PFC enabling legislation attempts to provide certain statutory protections for the District of PFC collections. However, it is unclear whether the District would be able to recover the full amount of PFC trust funds collected or accrued with respect to an airline in the event of a bankruptcy filing by an airline, particularly where the bankruptcy filing results in a liquidation or cessation of business. The District also cannot predict whether an airline operating at the Airport that files for bankruptcy would have properly accounted for PFCs owed to the District, whether the bankruptcy estate would have sufficient moneys to pay the District in full for PFCs owed by such airline, or whether the funds would be determined to constitute property of the airline's bankruptcy estate, leaving the District with a general unsecured claim for PFCs collected but not remitted by the airline.

Pension and Post-Retirement Benefits

As described in Notes 9 and 10 in the 2023 Financial Report included as Appendix B, eligible employees of the District participate in the Retirement System. Also, the amount of the District's GASB 68 allocation of the Retirement System liability may increase in amounts that may or may not be material, depending on a variety of actuarial factors, and which the District cannot predict with any certainty.

Uncertainties Relating to the Capital Improvement Plan

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 ability of the District to complete these projects within the current budgets and on the current schedules may be adversely affected by various factors including: (i) economic conditions, including as a result of worldwide health concerns including pandemics; (ii) estimating errors; (iii) design and engineering errors; (iv) changes to the scope of the projects; (v) delays in contract awards; (vi) material and/or labor shortages; (vii) delays due to airline operational needs; (viii) unforeseen site conditions; (ix) adverse weather conditions; (x) contractor defaults; (xi) labor disputes; (xii) delays in delivery of materials and/or equipment due to supply chain issues; (xiii) unanticipated levels of inflation; (xiv) litigation; (xv) environmental issues; and (xvi) additional security improvements and associated costs mandated by the federal government. 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. At present, the District 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 District 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 Report of the Airport Consultant. Any schedule delays or cost increases could result in the need to issue Additional Bonds and could result in increased costs per enplaned passenger to the airlines, which could place the Airport at a competitive disadvantage relative to lower-cost airports.

Federal Funding, Impact of Federal Sequestration

The District receives federal funding for the Airport not only in connection with FAA AIP Grants and PFC authorizations, but also in the form of funding for the TSA, air traffic control and other FAA staffing and facilities. Federal agencies also have regulatory and review authority over, among other things, certain Airport operations, construction at the Airport and the airlines operating at the Airport.

As discussed above, the 2024 FAA Act reauthorized the FAA operations and programs and provides funding through September 30, 2028. The District is unable to predict whether legislation to extend or reauthorize this statute or otherwise continue FAA programs will be adopted prior to the scheduled expiration date or any temporary extension thereof, and if not so adopted, the duration of any resulting period of de-authorization, and the impact on the Airport's finances which might result therefrom. In the event that the FAA authorization were to expire without a long-term reauthorization or another short-term extension, during such period FAA programs would be unauthorized, including FAA programs providing funding for the Airport. Failure to adopt reauthorizing legislation may have a material, adverse impact on, among other things, (i) federal funding received by the Airport, including under the AIP; (ii) federal agency budgets, hiring, furloughs, operations and availability of Federal employees to support certain operations at the Airport, provide regulatory and other oversight, review and provide required approvals, in each case at the Airport and over the airlines serving the Airport; (iii) flight schedules, consumer confidence, operational efficiency at the Airport and in the air transportation system generally.

Federal funding is also impacted by sequestration, a budgetary feature first introduced under the federal Budget Control Act of 2011. Sequestration establishes automatic spending cuts that occur through the withdrawal of funding for certain government programs, such as certain FAA programs. Unless changed by the United States Congress from time to time, sequestration is a multi-year process and could continue to affect FAA, TSA and U.S. Customs and Border Protection ("*CBP*") budgets and staffing, resulting in staffing shortages and traffic delays and cancellations at airports across the United States. The full impact of sequestration - either existing or potential future - on the aviation industry and the Airport, generally, resulting from potential layoffs or further furloughs of federal employees responsible for federal airport security screening, air traffic control and CBP, is unknown at this time.

The District depends upon federal funding not only in connection with grants and PFC authorizations but also because it is federal funding that provides for TSA, CBP, air traffic control and other FAA staffing and facilities. Another factor that has affected the industry in the last several years is the federal budget reductions, enacted through implementation of the sequestration provisions of the Budget Control Act of 2011. The sequestration provisions were first triggered in 2013, cutting the budgets of federal agencies, including the FAA, CBP and TSA. While reductions have continued in some form in every year since, Congress has acted several times to prevent "sequester" cuts to discretionary programs. Should sequestration be triggered again, it could adversely affect FAA, CBP and TSA budgets and operations, as well as the availability of certain federal grant funds such as AIP funding. Such budget cuts could also lead to the FAA, CBP and TSA being forced to implement furloughs of their employees and freeze hiring, which could result in flight delays and cancellations.

Potential Tax Law Changes

From time to time, there are legislative proposals in Congress and in state legislatures that, if enacted, could alter or amend the treatment of the 2024A Bonds and 2024B Bonds for federal and state tax purposes or adversely affect the market value or marketability of the 2024A Bonds and 2024B Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, from time to time regulatory actions are announced or proposed, and litigation is threatened or commenced, which, if implemented or concluded in a particular manner, could adversely affect the market value or marketability of the 2024A Bonds and 2024B Bonds. It cannot be predicted whether any such regulatory action will be implemented, whether any particular litigation or judicial action will be commenced or, if commenced, how it will be resolved, or whether the 2024A Bonds and 2024B Bonds or the market value or marketability thereof would be affected thereby. Prospective purchasers of the 2024A Bonds and 2024B Bonds should consult their tax advisors regarding any future, pending or proposed legislation, regulatory initiatives, rulings or litigation as to which Bond Counsel expresses no opinion. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the 2024A Bonds and 2024B Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation. See "TAX TREATMENT."

Regulations and Restrictions Affecting the Airport

The District is subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. The District is highly regulated by federal agencies including the FAA, the TSA, the CBP, and the U.S. Department of Health. The District is unable to predict the adoption or amendment of additional laws, rules or regulations, or their effect on the operations or its financial condition.

In addition, following the events of September 11, 2001, the Airport also has been required to implement enhanced security measures mandated by the FAA, TSA 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 District or whether such restrictions or legislation or regulations would adversely affect Revenues.

The operations of the District are also affected by a variety of contractual, statutory and regulatory restrictions and limitations, including, without limitation, the federal acts authorizing the imposition, collection and use of PFCs, and extensive federal legislation and regulations applicable to all domestic airports. It is not possible to predict whether future restrictions or limitations on District 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 District or whether such restrictions or legislation or regulations would adversely affect Revenues.

Climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels that could have a material adverse effect on the operations of the Airport and on the airlines operating at the Airport. The United States Environmental Protection Agency (the "*EPA*") has taken steps towards regulation of greenhouse gas ("*GHG*") emissions under existing federal law. Those steps may in turn lead to further regulation of aircraft GHG emissions. On July 5, 2011, the United States District Court for the District of Columbia issued an order concluding that the EPA has a mandatory obligation under the Clean Air Act to consider whether the GHG and black carbon emissions of aircraft engines endanger public health and welfare. On June 10, 2015, the EPA proposed to find that GHG emissions from certain aircraft cause and contribute to pollution that endangers public health and welfare. The endangerment finding and a related cause/contribute finding were finalized on July 25, 2016 and published as a final rule in the Federal Register Vol. 81, No. 157 on August 15, 2016, as the EPA Administrator found that GHGs emitted from certain classes of engines used in certain aircraft are contributing to air pollution that endangers public health and welfare, however, the final rule has not yet been codified in the Code of Federal Regulations and the EPA has not yet issued proposed or finalized aircraft engine GHG emissions standards.

The District cannot predict what additional laws and regulations with respect to GHG emissions or on other environmental issues (including, but not limited to, air, water, hazardous substances and waste regulations) will be adopted, or what effects such laws and regulations will have on the Airport or airlines operating at the Airport or the local or State economy. The effects, however, could be material.

Federal Regulation Regarding Rates and Charges Disputes

The FAA Authorization Act of 1994 establishes that airline rates and charges set by airports, including the Airport, be "reasonable" and mandates an expedited administrative process by which the Secretary of Transportation (the "*Secretary*") shall review rates and charges complaints. An affected air carrier may file a written complaint requesting a determination of the Secretary as to reasonableness within 60 days after such carrier receives written notice of the establishment or increase of such fee. During the pendency of the review, the airlines must pay the disputed portion of the fee to the airport under protest, subject to refund to the extent such fees are found to be unreasonable by the Secretary. The airport must obtain a letter of credit, surety bond or other suitable credit facility equal to the amount in dispute unless the airport and the complaining carriers agree otherwise. Application of these provisions could adversely impact the amount of airline rates and charges received by the Airport.

New Technologies and Services

One significant category of non-airline revenues is from ground transportation activity, including use of on-Airport parking garages, trip fees paid by taxi, limousine and transportation network companies ("*TNCs*"), such as Uber Technologies Inc., Lyft, Inc., and Tickengo, Inc. d/b/a/ Wingz, and rental car transactions by Airport passengers. While passenger levels are increasing, the relative market share of these sources of revenue is shifting. As one example, the popularity of TNCs has increased because of the increasing number of cities where TNCs operate, the other technological innovations in ground transportation, convenience of requesting a ride through a mobile application, the ability to pay for this service without providing cash or other payment to the hired driver, and competitive pricing. In Fiscal Year 2023, TNCs Airport pick-ups/drop-offs resulted in $2,486,521 in trip fee revenue for the District, compared to $2,029,097 in trip fee revenue in Fiscal Year 2022. For Fiscal Year 2024, passenger traffic continued to grow, the District's revenues from ground transportation have increased 19.99% as compared to the same period in the prior Fiscal Year, largely as a result of TNC growth.

New technologies (such as autonomous vehicles and connected vehicles) and innovative business strategies in established markets such as commercial ground transportation and car rental may continue to occur and may result in further changes in Airport passengers' choice of ground transportation mode. While the District makes every effort to anticipate demand shifts, there may be times when the District's expectations differ from actual outcomes. In such event, revenue from one or more ground transportation modes may be lower than expected. The District cannot predict with certainty what impact these innovations in ground transportation will have over time on revenues from parking, other ground transportation services or rental cars. The District also cannot predict with certainty whether or to what extent it will collect non-airline revenues in connection with such new technologies or innovative business strategies.

No Acceleration Rights, Enforcement of Remedies

The Master Resolution does not contain provisions allowing for the acceleration of the 2024 Bonds or any other Bonds in the event of a payment default or other Event of Default under the terms of the Resolutions, except with respect to the rights of a Credit Provider or a Liquidity Provider as set forth in a Supplemental Resolution or a written agreement between the District and a Credit Provider or Liquidity Provider. See Appendix C under the heading "SUMMARY OF THE MASTER RESOLUTION–Events of Default" and "–Remedies." Further, the Resolutions provide only limited remedies upon an Event of Default and do not require the Trustee to seek any remedies, even at the direction of the owners of the 2024 Bonds. Upon the occurrence of an Event of Default under the Resolutions, the Trustee may, but is not required to, proceed to protect and enforce the rights of the owners of the 2024 Bonds by such remedies provided in the Master Resolution as it deems most effective to protect and enforce such rights. If the District fails to comply with its covenants under the Resolutions, including its covenants to pay principal and interest on the 2024 Bonds, there can be no assurance that the available remedies will be adequate to fully protect the interests of the owners of the 2024 Bonds.

The rights and remedies available to the Owners of the 2024 Bonds may become subject to, among other things, the federal bankruptcy code, applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting creditors' rights generally, now or hereinafter in effect, equity principles, limitations on the specific enforcement of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain circumstances, of the police powers inherent in the sovereignty of the State and its governmental bodies having an interest in serving a significant and legitimate public purpose, and regulatory and judicial actions that are subject to discretion and delay. The foregoing could subject the Owners of the 2024 Bonds to, among other things, judicial discretion and interpretation of rights, the automatic stay provisions of the federal bankruptcy code, rejection of significant agreements, avoidance of certain payments to the Owners of the 2024 Bonds as preferential payments, assignments of certain obligations, including those in favor of the Owners of the 2024 Bonds, significant delays, reductions in payments and other losses to the Owners of the 2024 Bonds, an adverse effect on the liquidity and values of the 2024 Bonds, additional borrowings, which borrowings may have a parity lien on Net Revenues, alterations to the interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants) and other terms or provisions of the Resolutions or the 2024 Bonds.

Legal opinions to be delivered concurrently with the delivery of the 2024 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the 2024 Bonds may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, as well as limitations on legal remedies against cities in the State. In the event the District fails to comply with its covenants under the Resolutions, there can be no assurance that available remedies will be adequate to fully protect the interests of the holders of the 2024 Bonds.

Airline or Concessionaire Bankruptcy

In general, risks associated with an airline or concessionaire bankruptcy include risks of substantial delay in payment or of non-payment and the risk that the District may not be able to enforce any of its remedies under the agreements with a bankrupt airline or concessionaire.

In the event of a bankruptcy proceeding of a customer of the District, the debtor customer may not, absent a court order, make any payments to the District on account of goods and services provided prior to the bankruptcy. Thus, the District's stream of payments from a debtor customer would be interrupted to the extent of pre-petition goods and services, including accrued tariffs and rents. In addition, payments made by a customer within 90 days of filing a bankruptcy case could be deemed to be an "avoidable preference" under the Bankruptcy Code and thus subject to recapture by the debtor or its trustee in bankruptcy.

A customer that has an executory contract with the District and seeks protection under the U.S. bankruptcy laws must assume or reject its executory contracts prior to the confirmation of a plan of reorganization. In the event of assumption and/or assignment of any agreement to a third party, the customer would be required to cure any pre- and post-petition monetary defaults and provide adequate assurance of future performance under the applicable preferential assignment agreement, lease or other agreements.

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

Bankruptcy of the District

As noted in "– No Acceleration Rights, Enforcement of Remedies" above, the enforceability of the rights and remedies of the Owners, the obligations of tenants or customers of the District, and of the District and the liens and pledges created by the Resolutions are subject to the United States Bankruptcy Code (the "*Bankruptcy Code*") and/or to other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, to equitable principles that may limit the enforcement under South Carolina law of certain remedies and to exercise by the United States of America of powers delegated to it by the United States Constitution. Some of the risks associated with a bankruptcy, insolvency or dissolution are described below and include the risks of delay in payment and of nonpayment. Potential purchasers of the 2024 Bonds should consult their own attorneys and advisors in assessing the risk and the likelihood of recovery in the event the District, its tenants or customers, or any other party becomes a debtor in a bankruptcy, insolvency or dissolution case prior to the time bondholders are paid in full.

In addition, payments made by a bankrupt entity within 90 days (up to 366 days if the entity is found to be an insider) of a filing of a bankruptcy case could be deemed to be "avoidable preferences" under the Bankruptcy Code and thus could be subject to recapture in bankruptcy, including from the bondholders. If an entity is in bankruptcy, parties (including the bondholders) may be prohibited from taking action to collect from or to enforce obligations of such entity without permission of the bankruptcy court, and the District may be prevented from making payments to the bondholders from funds in its possession. These restrictions may result in delays or reductions in payments on the 2024 Bonds.

Should the District become the debtor in a bankruptcy case, the holders of the 2024 Bonds will not have a lien on Net Revenues received by the District after the commencement of the bankruptcy case unless the bankruptcy court determines that Revenues constitute "special revenues" within the meaning of the Bankruptcy Code. "Special revenues" are defined to include receipts from the ownership, operation, or disposition of projects or systems that are primarily used or intended to be used primarily to provide transportation, utility or other services, as well as other revenues or receipts derived from particular functions of the debtor. While the District believes that Revenues should be treated as "special revenues," no assurance can be given that a bankruptcy court would not find otherwise. If Revenues are not "special revenues," there could be delays or reductions in payments on the 2024 Bonds.

There may be other possible effects of a bankruptcy of the District or customers of the District that could result in delays or reductions in payments on the 2024 Bonds or result in losses to bondholders. Regardless of any specific adverse determinations in any such bankruptcy proceeding, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2024 Bonds.

Report of the Airport Consultant

The Report of the Airport Consultant was prepared in connection with, but prior to, the actual offering and sale of the 2024 Bonds, and consequently makes various assumptions as to the principal amounts and debt service requirements of the 2024 Bonds. It will not be revised to reflect the actual principal amounts and debt service requirements of the 2024 Bonds as marketed and sold. The Report of the Airport Consultant also makes various assumptions that were used to develop the forecasts, including forecasts of Net Revenues and Aggregate Annual Debt Service. The Report of the Airport Consultant should be read in its entirety for an understanding of all of the assumptions used to prepare the forecasts made therein. No assurances can be given that the forecasts discussed in the Report of the Airport Consultant will be achieved or that the assumptions upon which the forecasts are based will be realized. As noted in such report, any forecast is subject to uncertainties, therefore, there are likely to be differences between the forecasts and actual results, and those differences may be material. Further, the Report of the Airport Consultant does not cover the entire period through maturity of the 2024 Bonds. See Appendix B – Report of the Airport Consultant.

COVID-19 Pandemic and Other Worldwide Health Concerns

The COVID-19 pandemic and resulting restrictions on human activities severely disrupted the economies of the United States and other countries. There can be no assurances that any resurgence of COVID-19 or the emergence of another highly contagious pathogen will not have a material adverse effect on the demand for passenger air travel, both nationally and internationally, although air travel volumes have substantially recovered since mid-2020.

In addition, the COVID-19 pandemic resulted in operational difficulties for certain airlines as they have increased capacity to meet demand. In some cases, this has resulted in higher flight cancellation rates and reductions in previously planned additions of scheduled capacity. These difficulties have resulted from a variety of factors, including, but not limited to, delays in re-hiring or hiring sufficient personnel as a result of generally prevailing labor shortages, increased customer service demands due to ongoing changes in ticketing rules and information technology disruptions.

Public health concerns and associated restrictions on travel periodically reduce airline travel demand to and from various parts of the world. Examples are SARS in 2002-2003, the H1N1 influenza virus in 2009, Middle East

Respiratory Syndrome (MERS) in 2013, Ebola Virus Disease (EVD) in 2014-2016, and the Zika virus in 2016-2017. In all these historical examples, reductions in airline travel were geographically localized and fairly short-lived, with travel soon recovering to pre-health-scare trends. By comparison, the COVID-19 pandemic had far more serious and widespread effects on airline travel worldwide. In late 2019, the novel coronavirus that causes the COVID-19 respiratory illness emerged, soon spreading through most parts of the world. COVID-19 was declared a global pandemic by the World Health Organization in March 2020. Now that concerns over a renewed outbreak of COVID-19 have lessened, some epidemiologists are expressing concerns that air travel could significantly influence the global spread of avian influenza, or bird flu, and cause another major global pandemic.

During the early months of the pandemic, governmental actions to slow the spread of the disease, including the mandated closure of businesses and offices, work-at-home requirements, prohibitions of public gatherings, quarantines, and travel restrictions contributed to a recession in the global economy and widespread job losses. The economic recession, combined with fears about contagion, resulted in a severe reduction in the demand for air travel, the grounding of much of the world's airline fleets, and cuts in airline service. By 2022, the availability and acceptance of vaccines and treatments had allowed the pandemic to be largely brought under control in the United States and other developed countries. As quarantine, testing, and other travel restrictions were relaxed, COVID-19 was no longer an important factor affecting airline travel. By 2023, domestic airline travel at many U.S. airports had approached or exceeded pre-pandemic levels.

A pandemic, and its dynamic nature leads to uncertainties, including those related to the severity of the disease, the duration of the pandemic, actions that may be taken by governmental authorities to contain the outbreak or to treat its impact, any travel restrictions on the demand for air travel, or on District revenues and expenses, the impact of the outbreak on the local or global economy or on the airlines serving the Airport and concessions, or on the airline or travel industry generally, and the efficacy and distribution of vaccines. Due to the evolving nature of a pandemic or other worldwide health-related events, and the response of governments, businesses and individuals to a pandemic or other worldwide health event, the District cannot predict, among other things: (i) the duration or extent of a pandemic or another outbreak, (ii) the scope or duration of restrictions or warnings related to air travel, gatherings or any other activities, and the duration or extent to which the airlines serving the Airport may reduce or cease operations at the Airport in response to such restrictions or warnings, (iii) what effect a pandemic or any other outbreak or pandemic-related restrictions or warnings may have on air travel and the resulting impact on Airport revenues and expenses, (iv) whether and to what extend a pandemic or another outbreak may disrupt the local, state, national or global economies, manufacturing or supply chain, (v) whether any such disruption may adversely impact construction, the cost, sources of funds, schedule or implementation of the Airport's capital program, or other operations, (vi) the extent to which a pandemic or another outbreak, or resulting disruptions to the local state, national or global economies may result in changes in demand for air travel, or may have an impact on the airlines serving the Airport or concessions, or the airline and travel industry, generally, (vii) whether or to what extent the Airport may provide deferrals, forbearances, adjustments or other changes to the Airport's concession agreements or agreements with the airlines serving the Airport, or (viii) the duration of the Airport's response to the adverse effect of the foregoing on the finances and operations of the Airport, including collections of Revenues.

Future outbreaks, pandemics or other health-related events outside the District's control may reduce demand for air travel, which in turn could cause a decrease in passenger activity at the Airport and declines in collections of Revenues.

Capacity and Efficacy of the National and International Air Traffic Control and Airport System

Capacity limitations of the national and international air traffic control systems have caused aircraft delays and restrictions in recent years, both on the number of aircraft movements in certain air traffic routes and on the number of landings and takeoffs at certain airports. These restrictions affect airline schedules and passenger traffic nationwide. From time to time, technological disruptions have impacted national air traffic control systems and certain computer systems of the airlines. In some instances, these disruptions have led to significant operational impacts and delays. The FAA has made certain improvements to the computer, radar and communications equipment of the air traffic control system in recent years, but no assurances can be given that future increases in airline and passenger traffic will not again adversely affect airline operations.

Future Indebtedness

The District's plans of finance with respect to the CIP assume that State and federal grant funds would be available in certain amounts and at certain times for the payment of a portion of the anticipated costs of such capital projects and that the District will be able to issue Additional Bonds or financing provided by the Developer to finance a portion of the cost of the CIP. Although the District considers such assumptions in its plans of finance to be reasonable, such assumptions are inherently subject to certain uncertainties and contingencies. Actual FAA, State and federal grant funds and BIL funding levels and timing may vary, and such differences may be material.

The District's plan of finance for the CIP also assumes that CFC Revenues and PFC Revenues will be available in certain amounts and at certain times for the payment of a portion of the anticipated costs of such capital projects on a "pay as you go" basis and for the payment of a portion of the debt service on Bonds, to the extent Bonds are payable from CFC Revenues and PFC Revenues. See "DESCRIPTION OF THE 2024 PROJECTS AND THE CAPITAL IMPROVEMENT PROGRAM." No assurance can be given that these sources of funding will be available in the amounts or on the schedules assumed or that the principal amounts of Additional Bonds which will be needed to complete the funding of the CIP will not be greater than anticipated.

In addition to the CIP, the District may, from time to time, determine to fund additional capital projects at the Airport prior to the maturity of the 2024 Bonds, the funding of which is not reflected in the projections set forth in the Report of the Airport Consultant. Such additional capital projects may have separate plans of finance which assume various sources of funding, including, without limitation, Additional Bonds, and the amount of such future Additional Bonds 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 District may be required to issue Additional Bonds to pay the costs of such capital projects and to increase airline rates and charges to pay debt service on such Additional Bonds and to fund the required coverage thereon. As an alternative to issuing Additional Bonds, the District 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 Report of the Airport Consultant.

Force Majeure Events; Hurricanes

The District's ability to generate Revenues also is at risk from other force majeure events, such as extreme weather events and other natural occurrences, earthquakes, fires, explosions, spills of hazardous substances, strikes and lockouts, sabotage, or wars, terrorist or other attacks, blockades or riots. No assurance can be given that such events will not occur while the 2024 Bonds are outstanding. Although the District has attempted to mitigate the risk of loss from many of these occurrences by purchasing commercial property and casualty insurance and business interruption insurance, no assurance can be given that such insurance will always be available in sufficient amounts, at a reasonable cost or available at all, or that insurers will pay claims in a timely manner or at all.

The District's facilities have not suffered any significant damage from force majeure events, including the hurricanes that have hit the State, in recent years. The District was closed for two days in September 2018 due to Hurricane Florence, and also experienced a four-day closure in January 2018 due to an atypical snow and ice event. The District has adopted a hurricane plan in an effort to, among other things, establish protective measures to be affected in the District's facilities and to make its facilities safer in case of a hurricane strike. To the extent that the District's facilities are damaged, or the District's operations are interrupted for any material period of time due to hurricane or other weather-related catastrophe, such damage or interruption could materially adversely affect Revenues.

LEGAL MATTERS

Litigation

No litigation is now pending or, to the best of the District's knowledge, threatened, against or affecting the District which seeks to restrain or enjoin the authorization, issuance or delivery of the 2024 Bonds or the Resolutions, or which contests the validity or the authority or proceedings for the adoption, authorization, issuance or delivery of the 2024 Bonds, or the District's creation, organization or corporate existence, or the title of any of the present officers thereof to their respective offices or the authority or proceedings for the District's authorization, issuance and delivery of the Resolutions or the 2024 Bonds, or the District's authority to carry out its obligations thereunder, or which would have a material adverse impact on the District's condition, financial or otherwise.

Opinions of Counsel

The legal proceedings relating to the issuance of the 2024 Bonds were prepared by Howell Linkous & Nettles, LLC, Charleston, South Carolina, Bond Counsel to the Authority, whose approving opinion as to certain legal matters relating to the authorization, issuance and sale of the 2024 Bonds and tax status of interest thereon will be available at the time of delivery of the 2024 Bonds. The proposed forms of Bond Counsel's opinions are set forth in Appendix D hereto. The actual legal opinions to be delivered may vary from that text, if necessary, to reflect facts and law on the date of delivery.

Austin Bruner, Esq., Corporate Counsel to the Authority, will opine upon certain legal matters for the Authority. Certain legal matters will be passed upon for the Underwriters by their counsel, Pope Flynn, LLC, Charleston, South Carolina.

Each legal opinion to be delivered concurrently with the delivery of the 2024 Bonds will speak only as of its date of delivery and will be qualified in certain customary respects, including as to the enforceability of the various legal instruments, by limitations imposed by state and federal law affecting remedies and by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other laws relating to or affecting creditors' rights, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases. The legal opinions express the professional judgment of counsel rendering them, but are not binding on any court or other governmental agency. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Related Parties

Howell Linkous & Nettles, LLC serves as bond counsel for the District and, from time to time they and Pope Flynn, LLC, counsel to the Underwriters, have represented the Underwriters as counsel in other financing transactions. Neither the District nor the Underwriters have conditioned the future employment of either of these firms in connection with any proposed financing issues for the District or for the Underwriters on the successful issuance of the 2024 Bonds.

TAX TREATMENT

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "*Code*"), establishes certain requirements that must be met subsequent to the issuance and delivery of the 2024A Bonds and the 2024B Bonds for interest thereon to be and remain excluded from gross income of the owners thereof for federal income tax purposes under Section 103(a) of the Code and for purposes of South Carolina income taxation. Noncompliance with such requirements may cause interest on the 2024A Bonds or 2024B Bonds or both Series to be included in gross income of the owners thereof retroactive to the date of issuance of such 2024 Bonds, regardless of when such noncompliance occurs.

The District has covenanted to do and perform all acts and things permitted by law and necessary to assure that interest paid on the 2024A Bonds and the 2024B Bonds be and remain excludable from gross income of the owners thereof for federal income tax purposes under Section 103(a) of the Code and for South Carolina income tax purposes (the "*Covenants*"). The Series 2024A Tax Regulatory and Non-Arbitrage Certificate and the Series 2024B Tax Regulatory and Non-Arbitrage Certificate executed by the District with respect to the 2024A Bonds and the 2024B Bonds, respectively (collectively, the "*Tax Certificates*"), which will be delivered concurrently with the delivery of the 2024A Bonds and the 2024B Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The District, in executing the Tax Certificates, will certify to the effect that the District expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinions described below with respect to the 2024A Bonds and the 2024B Bonds, Bond Counsel has relied upon the Covenants and has assumed the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificates.

Certain requirements and procedures contained or referred to in the Resolutions, the Tax Certificates, and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the 2024A Bonds or the 2024B Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any 2024A Bond or 2024B Bond, or the interest thereon, if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Howell Linkous & Nettles, LLC.

Tax Opinions

Federal Tax Treatment of 2024A Bonds

On the date of issuance of the 2024A Bonds, Howell Linkous & Nettles, LLC ("*Bond Counsel*"), Charleston, South Carolina, bond counsel to the District, will render an opinion that under current law, including current statutes, regulations, rulings, and judicial decisions and assuming continuing compliance by the District with the Covenants and the Tax Certificates interest on the 2024A Bonds is excludable from gross income for federal income tax purposes under Section 103(a) of the Code, except for interest on a 2024A Bond for any period during which such 2024A Bond is held by a person who is a "substantial user" of the facilities financed or refinanced by the 2024A Bonds or a "related person" within the meaning of Section 147(a) of the Code, and except as discussed below.

Bond Counsel is of the further opinion that interest on the 2024A Bonds is an item of tax preference for purposes of the alternative minimum tax imposed by the Code.

Ownership of the 2024A Bonds may result in certain collateral federal income tax consequences to certain Bondholders.

The proposed form of the opinion letter of Bond Counsel for the 2024A Bonds is set forth in Appendix D-1, attached hereto. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by re-circulation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), including non-compliance with the Covenants or other provisions of the Tax Certificate for the 2024A Bonds, or any other matters coming to Bond Counsel's attention after the date of issuance of the 2024A Bonds may adversely affect the value of, or the tax status of interest on, the 2024A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon, in connection with any such actions, events, or matters.

Federal Tax Treatment of 2024B Bonds

On the date of issuance of the 2024B Bonds, Bond Counsel will render an opinion that under current law, including current statutes, regulations, rulings, and judicial decisions and assuming continuing compliance by the District with the Covenants and the Tax Certificates, interest on the 2024B Bonds is excludable from gross income for federal income tax purposes under Section 103(a) of the Code, except as discussed below.

Bond Counsel is of the further opinion that interest on the 2024B Bonds is not a specific preference item for the purposes of the alternative minimum tax imposed by the Code. Interest on the 2024B Bonds is, however, taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

Ownership of the 2024B Bonds may result in certain collateral federal income tax consequences to certain Bondholders.

The proposed form of the opinion letter of Bond Counsel for the 2024B Bonds is set forth in Appendix D-2, attached hereto. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by re-circulation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), including non-compliance with the Covenants or other provisions of the Tax Certificate for the Series 2024B Bonds, or any other matters coming to Bond Counsel's attention after the date of issuance of the 2024B Bonds may adversely affect the value of, or the tax status of interest on, the 2024B Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon, in connection with any such actions, events, or matters.

Federal Tax Treatment of 2024C Bonds

Interest on the 2024C Bonds is not excludable from gross income for federal income tax purposes. The proposed form of the opinion letter of Bond Counsel for the 2024C Bonds is set forth in Appendix D-3, attached hereto.

South Carolina Tax Treatment of 2024 Bonds

Bond Counsel is also of the opinion that both principal and interest on the 2024 Bonds are exempt from all state, county, municipal, school district, and all other taxes or assessments imposed within of the State of South Carolina, except inheritance, transfer, and certain franchise taxes. Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, however, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed at the rate of 4½% of the entire net income of such bank. Regulations of the South Carolina Department of Revenue require that "entire net income" includes income derived from any source whatsoever including interest on obligations of any state or political subdivision thereof. Interest on the 2024 Bonds will be included in such computation.

Certain Federal Tax Consequences

The following is a discussion of certain federal income tax matters under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to particular Bondholders of the 2024 Bonds. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion letter, and each Bondholder or potential Bondholder is urged to consult with tax counsel with respect to the effects of purchasing, holding, or disposing of the 2024 Bonds on the tax liabilities of the individual or entity.

Although Bond Counsel has rendered an opinion that, with certain assumptions, interest on the 2024A Bonds and 2024B Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the 2024A Bonds or the 2024B Bonds may otherwise affect a Bondholder's federal, state, or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder's other items of income or deduction.

For example, ownership or disposition of the 2024 Bonds may result in other collateral federal, state, or local tax consequence for certain taxpayers, including, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability and affecting the status of certain S Corporations subject to Sections 1362 and 1375 of the Code, and increasing the federal tax liability of certain individual recipients of Social Security or Railroad Retirement benefits under Section 86 of the Code. Ownership of the 2024 Bonds may also result in the limitation of interest, and certain other deductions for financial institutions and certain other taxpayers under Section 265 of the Code. Finally, residence of the holder of the 2024 Bonds in a state other than the State of South Carolina or being subject to tax in a state other than the State of South Carolina may result in income or other tax liability being imposed by such states or their political subdivisions based on the interest or other income from the 2024 Bonds.

Changes in Federal and State Tax Law

From time to time, legislative proposals are pending in the United States Congress that if enacted would alter or amend one or more of the federal tax matters referred to above in certain respects or adversely affect the market value of the 2024A Bonds or the 2024B Bonds. Additionally, Bondholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the 2024A Bonds or the 2024B Bonds for federal income tax purposes for all or certain taxpayers. It cannot be predicted whether or in what form any of such proposals may be enacted and there can be no assurance that such proposals will not apply to the 2024A Bonds or the 2024B Bonds. In all such events, the market value of the 2024 Bonds may be affected and the ability of the Bondholders to sell their 2024 Bonds in the secondary market may be reduced. Interest on the 2024 Bonds is not subject to adjustment in the event of any such change in the tax treatment of interest on the 2024 Bonds.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced that, if implemented or concluded in a particular manner, could adversely affect the market value of the 2024 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the 2024 Bonds or the market value thereof would be impacted thereby.

Additionally, Bondholders should be aware that future legislative actions by the South Carolina General Assembly may retroactively change the treatment of all or a portion of the interest on the 2024 Bonds for South Carolina tax purposes for all or certain taxpayers. It cannot be predicted whether or in what form any of such proposals may be enacted and there can be no assurance that such proposals will not apply to the 2024 Bonds. In all such events, the market value of the 2024 Bonds may be affected and the ability of the Bondholders to sell their 2024 Bonds in the secondary market may be reduced. Interest on the 2024 Bonds are not subject to adjustment in the event of any such change in the tax treatment of interest on the 2024 Bonds under South Carolina law.

Information Reporting Requirement

Interest on tax-exempt obligations such as the 2024A Bonds and the 2024B Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. In general, such information reporting requirements are satisfied if the Bondholder completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or the Bondholder is one of a limited class of exempt recipients, such as corporations. Backup withholding (i.e., the requirement for the payor to deduct and withhold a tax, calculated in the manner determined under the Code, from the interest payment) may be imposed on payments made to any Bondholder who fails to provide the required information, including an accurate taxpayer identification number, to any person required to collect such information under Section 6049 of the Code. Neither the compliance with this reporting requirement nor backup withholding, in and of itself, affects or alters the excludability of interest on either the 2024A Bonds or the 2024B Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

THE FEDERAL TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A BONDHOLDER'S PARTICULAR SITUATION. IT IS NOT INTENDED TO ADDRESS ALL ASPECTS OF FEDERAL TAXATION THAT MAY BE RELEVANT TO BONDHOLDERS. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF HOLDING AND DISPOSING OF THE 2024 BONDS UNDER FEDERAL OR APPLICABLE STATE OR LOCAL LAWS, INCLUDING THE EFFECT OF ANY PENDING OR PROPOSED LEGISLATION, REGULATORY INITIATIVES OR LITIGATION. FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO INVESTORS WHO ARE NOT U.S. PERSONS.

BOND COUNSEL'S OPINION IS BASED ON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE 2024 BONDS. EACH SUCH OPINION IS FURTHER BASED ON BOND COUNSEL'S KNOWLEDGE OF FACTS AS OF THE DATE THEREOF. BOND COUNSEL ASSUMES NO DUTY TO UPDATE OR SUPPLEMENT ITS OPINIONS TO REFLECT ANY FACTS OR CIRCUMSTANCES THAT MAY THEREAFTER COME TO BOND COUNSEL'S ATTENTION OR TO REFLECT ANY CHANGES IN ANY LAW THAT MAY THEREAFTER OCCUR OR BECOME EFFECTIVE. MOREOVER, BOND COUNSEL'S OPINIONS ARE NOT A GUARANTEE OF RESULT AND ARE NOT BINDING ON THE INTERNAL REVENUE SERVICE (THE "*SERVICE*"); RATHER, SUCH OPINIONS REPRESENT BOND COUNSEL'S LEGAL JUDGMENT BASED UPON ITS REVIEW OF EXISTING LAW AND IN RELIANCE UPON THE REPRESENTATIONS AND COVENANTS REFERENCED ABOVE THAT IT DEEMS RELEVANT TO SUCH RESPECTIVE OPINIONS.

THE SERVICE HAS AN ONGOING AUDIT PROGRAM TO DETERMINE COMPLIANCE WITH RULES THAT RELATE TO WHETHER INTEREST ON STATE OR LOCAL OBLIGATIONS IS INCLUDABLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. NO ASSURANCE CAN BE GIVEN WHETHER OR NOT THE SERVICE WILL COMMENCE AN AUDIT OF ANY OF THE 2024 BONDS. IF AN AUDIT IS COMMENCED, IN ACCORDANCE WITH ITS CURRENT PUBLISHED PROCEDURES, THE SERVICE IS LIKELY TO TREAT THE DISTRICT AS THE TAXPAYER AND THE BONDHOLDERS MAY NOT HAVE A RIGHT TO PARTICIPATE IN SUCH AUDIT. PUBLIC AWARENESS OF ANY FUTURE AUDIT OF THE 2024 BONDS COULD ADVERSELY AFFECT THE VALUE OF THE 2024 BONDS DURING THE PENDENCY OF THE AUDIT REGARDLESS OF THE ULTIMATE OUTCOME OF THE AUDIT.

Original Issue Premium on 2024 Bonds

The 2024A Bonds and the 2024B Bonds (the "*Premium Bonds*") have been sold at initial public offering prices which are greater than the amounts payable at maturity. An amount equal to the excess of the purchase price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Bond's term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the purchaser's basis in such Premium Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any Premium Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Premium Bonds.

UNDERWRITING

The 2024A Bonds are being purchased by BofA Securities, Inc., Raymond James & Associates, Inc., Siebert Williams Shank & Co., LLC, and Bancroft Capital, LLC (collectively, the "*Underwriters*"), at a purchase price of \$102,364,509.92 (representing the aggregate principal amount of the Series 2024A Bonds less an Underwriters' discount of \$177,724.68, plus original issue premium of \$8,662,234.60). The Underwriters are purchasing the Series 2024B Bonds at a purchase price of \$214,009,251.34 (representing the aggregate principal amount of the Series 2024B Bonds less an Underwriters' discount of \$360,467.11, plus original issue premium of \$23,164,718.45). The Underwriters are purchasing the 2024C Bonds at a purchase price of \$85,315,053.91 (representing the aggregate principal amount of the Series 2024C Bonds less an Underwriters' discount of $159,946.09). The Underwriters may offer and sell the 2024 Bonds to certain dealers (including dealers depositing the 2024 Bonds into investment trusts) and others at prices different from the initial public offering prices stated on the inside front cover page hereof. The public offering prices may be changed from time to time by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities, Inc., one of the Underwriters of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("*MLPF&S*"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the 2024 Bonds.

AUDITED AND OTHER FINANCIAL INFORMATION

The 2023 Financial Report is included in this Official Statement as Appendix A – Charleston County Airport District's Financial Report for the Fiscal Years Ended June 30, 2023 and 2022. The financial statements included in the 2023 Financial Report have been audited by Mauldin & Jenkins, LLC, as set forth in its report dated November 2, 2023. Mauldin & Jenkins, LLC, has consented to the inclusion of its report in Appendix A, but has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness, or fairness of the statements made in this Official Statement, and no opinion is expressed by Mauldin & Jenkins, LLC, with respect to any event subsequent to its report dated November 2, 2023.

CONTINUING DISCLOSURE OBLIGATION

Rule 15c2-12. Pursuant to a Continuing Disclosure Undertaking (the "*Continuing Disclosure Undertaking*"), the District will covenant for the benefit of the registered owners and the Beneficial Owners (as defined in the following paragraph) of the 2024 Bonds, to provide certain financial information and operating data relating to the Airport System by not later than February 1 after the end of each of the District's Fiscal Years, commencing with the report for the Fiscal Year ended June 30, 2024 (the "*Annual Report*"), and to provide notices of the occurrence of certain enumerated events with respect to the 2024 Bonds, within ten business days of the occurrence. The Annual Report and the event notices will be filed by or on behalf of the District with the MSRB. The specific nature of the information to be contained in the Annual Report and the events for which notice is required is set forth in Appendix E – Form of Continuing Disclosure Undertaking. These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2- 12(b)(5).

As provided in the Continuing Disclosure Undertaking, if the District fails to comply with any provision of the 2024 Supplemental Resolution relating to continuing disclosure, any registered owner or Beneficial Owner of the 2024 Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its continuing disclosure obligations under the Continuing Disclosure Undertaking. "*Beneficial Owner*" is defined in the Continuing Disclosure Undertaking to mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any 2024 Bonds (including persons holding 2024 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any 2024 Bonds for Federal income tax purposes. If any person seeks to cause the District to comply with its continuing disclosure obligations under the Continuing Disclosure Undertaking, it is the responsibility of such person to demonstrate that it is a Beneficial Owner within the meaning of the Continuing Disclosure Undertaking.

Failure to Timely File. The District failed to include in its annual reports responsive to other continuing disclosure obligations for the years 2019 through 2023 required information relating to the historical debt service coverage and cost per enplaned passenger at the Airport for the applicable reporting periods. On August 28, 2024, the District supplemented its EMMA filings with the required information and posted notice of previous failure to timely file certain financial and operating data. The District has also modified its continuing disclosure compliance template to ensure that the historical debt service coverage and cost per enplaned passenger at the Airport are included in future annual reports.

State Law Requirement. Pursuant to Section 11-1-85 of the Code of Laws of South Carolina 1976, as amended, the District has covenanted to file with a central repository for availability in the secondary bond market, when requested, an annual independent audit, within 30 days of its receipt of the audit, and event specific information within 30 days of an event adversely affecting more than 5% of the revenues of the District.

RATINGS

The 2024 Bonds have been assigned long-term unenhanced ratings of "A1" (negative outlook) by Moody's and "A+" (stable outlook) by S&P. The Insured Bonds are expected to be assigned long-term ratings of "A1" (stable outlook) by Moody's and "AA" (stable outlook) by S&P upon the issuance and delivery of the Bond Insurance Policy by Assured Guaranty Inc. for the Insured Bonds. Further explanation of the significance of such ratings may be obtained from Moody's and S&P. The ratings are not a recommendation to buy, sell or hold the 2024 Bonds and should be evaluated independently. There is no assurance that such ratings will not be withdrawn or revised downward by Moody's or S&P. Any such action may have an adverse effect on the market price of the 2024 Bonds. Neither the District nor the Underwriters have undertaken any responsibility after the execution and delivery of the 2024 Bonds to assure maintenance of the ratings or to oppose any such revision or withdrawal.

MUNICIPAL BOND INSURANCE AND RELATED RISK FACTORS APPLICABLE TO THE INSURED BONDS

Under the Resolutions, AG may direct, and must consent to, any remedies that are exercised with respect to the Insured Bonds and AG's consent may be required in connection with amendments to the Resolutions.

In the event AG is unable to make payment of principal and interest as such payments become due under the Policy, any Insured Bonds will be payable solely from the moneys received by the Trustee pursuant to the Resolutions. In the event the Bond Insurer becomes obligated to make payments with respect to any Insured Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Bonds or the marketability (liquidity) of the Insured Bonds.

The long-term ratings on the Insured Bonds are dependent in part on the financial strength of AG and its claims paying ability. AG's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of AG on any of the Insured Bonds will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) of the Insured Bonds.

The Insured Bonds are general unsecured obligations of AG and in an event of default by AG, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

None of the District, Bond Counsel, the Financial Advisor (as defined herein), the Underwriters or any of their counsel, will make any independent investigation of the claims paying ability of AG, and no assurance or representation regarding the financial strength or projected financial strength of AG will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest with respect to the 2024 Bonds and the claims paying ability of AG, particularly over the life of the investment. See Appendix C under the heading "SUMMARY OF THE FIFTH SUPPLEMENTAL BOND RESOLUTION–Credit Facility Provisions" for more information in relation to the rights of AG with respect to the Insured Bonds.

FINANCIAL ADVISOR

PFM Financial Advisors LLC, Orlando, Florida, serves as financial advisor to the District (the "*Financial Advisor*"). Although the Financial Advisor assisted the District in the preparation of this Official Statement, and in other matters relating to the planning, structuring, and issuance of the 2024 Bonds and provided other advice, the Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification of the accuracy, completeness or fairness of the information or statements contained in this Official Statement or the appendices hereto. The Financial Advisor did not engage in any underwriting activities with regard to the sale of the 2024 Bonds.

CONCLUSION

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or holders of any of the 2024 Bonds.

CHARLESTON COUNTY AIRPORT DISTRICT,
SOUTH CAROLINA

/s/ Charles E. Salmonsen
Vice Chairman
Charleston County Aviation Authority

APPENDIX A

CHARLESTON COUNTY AIRPORT DISTRICT'S FINANCIAL REPORT FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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CHARLESTON COUNTY AIRPORT DISTRICT

FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED
JUNE 30, 2023 AND 2022

CHARLESTON COUNTY AIRPORT DISTRICT

FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the
Charleston County Aviation Authority
North Charleston, South Carolina

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of the **Charleston County Airport District** (the "District") as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2023 and 2022, and the changes in financial position, and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

508 HAMPTON STREET, 1ST FLOOR • COLUMBIA, SOUTH CAROLINA 29201 • 803-799-5810 • FAX 803-799-5554 • www.mjcpa.com
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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 4 - 24), the Schedule of Changes in the District's Total OPEB Liability and Related Ratios (on page 68), the Schedules of District's Proportionate Share of the Net Pension Liability (on page 69), and the Schedules of District Contributions (on page 70 and 71) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
November 2, 2023

CHARLESTON COUNTY AIRPORT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (MD&A) of the Charleston County Airport District (the "District") activities and financial performance provides the reader with an introduction and overview to the financial statements of the District for the fiscal year ended June 30, 2023. MD&A serves as an introduction to the basic financial statements. The MD&A represents management's examination and analysis of the District's financial condition and performance. Summary financial statement data and key financial and operational indicators used in the District's budgeting and other management tools are used for this analysis. It has been prepared by the District's management and should be read in conjunction with the basic financial statements and notes thereto, which follow this section.

ORGANIZATION

The Charleston County Airport District ("District") is a political and corporate subdivision of the State of South Carolina whose corporate powers are exercised through the Charleston County Aviation Authority ("Authority"). The Authority is composed of six members appointed to four-year terms by the Governor and five ex-officio members: The Mayor of the City of Charleston, the Mayor of the City of North Charleston, the Mayor of the Town of Mount Pleasant, the Chairman of the Charleston County Council, and one member selected jointly by the City of Charleston and County of Charleston, or their respective proxies. The Authority is responsible for managing, operating and developing all public airports in the District including Charleston International Airport ("CHS"), Charleston Executive Airport ("JZI" located on Johns Island) and the Mount Pleasant Regional Airport ("LRO"). The Authority coordinates its activities with the Federal Aviation Administration and the South Carolina Aeronautics Commission.

THE CHARLESTON INTERNATIONAL AIRPORT ("CHS")

Charleston International Airport is centrally located in the Charleston metropolitan area in North Charleston, adjacent to Charleston Air Force Base and uses the airfield facilities jointly with the United States Air Force (USAF). The runways, some taxiways, some navigational aids, and other airfield facilities are owned, operated, and maintained by the USAF.

CHS primarily serves passengers whose travel originates or terminates in the Charleston Metropolitan Service Area (MSA). CHS is designated as a medium hub airport under FAA enplanement criteria. A medium hub is a community enplaning between 0.25% and 1.0% of the total enplaned passengers in all services and operations of U.S. certified route air carriers within the 50 states, the District of Columbia, and other U.S. territorial possessions, as designated by the FAA. In Fiscal Year 2022, a total of 2,538,607 passengers were enplaned on the scheduled, commuter, and charter airlines serving CHS.

The airfield has a main instrument runway which is 9,000 feet long and 200 feet wide and a crosswind runway which is 7,000 feet long and 150 feet wide. The runways are interconnected by a system of taxiways. Each runway is equipped with high intensity runway lighting and one runway has category II instrument landing systems to permit all-weather operation. All runways are constructed on a firm foundation of compacted base and are of sufficient strength to permit the operation of the largest existing commercial aircraft. The FAA control tower provides airport traffic and radar approach control service.

The CHS passenger terminal building opened in 1985 and underwent a three-year, $200 million redevelopment project ending in 2016. This significantly modernized the terminals and added 100,000 square feet and five gates. Adjacent to the terminal is an aircraft parking area that is striped for 17 terminal aircraft parking positions and seven overnight aircraft, not including any aircraft parking positions on the cargo ramp.

The terminal roadway is constructed on a berm so that the curb, ticket lobby, and bag claim hall are one level above the aircraft apron. Affixed to the terminal building is a curbside area and inner and outer roadways separated by a concrete median. The inner roadway includes a single passenger loading and unloading lane adjacent to the terminal, and three through lanes. The outer roadway is comprised of a single passenger loading and unloading lane adjacent to the median, two through lanes, and a single outer passenger loading lane. The innermost lane is used for valet pickup and drop-off, taxicab pickup, courtesy shuttle pickup, and Charleston Area Regional Transportation Authority (CARTA) buses. The center two lanes are circulating lanes for through traffic. The outermost lane is used for ride-share and limousine pickup.

Four public parking lots provide a total of 5,668 parking spaces for Airport patrons as follows:

- Hourly Parking Deck (located across the terminal roadway from the terminal building) – 1,276 spaces on three levels.

- Economy A Surface Parking Lot (located south of the Parking Deck) – 1,432 parking spaces.

- Western and Eastern overflow parking lots (located south of the Surface Parking Lot) contain an additional 500 parking spaces.

- Daily Parking Deck (located across from the terminal building)- 2,460 parking spaces on five levels. The parking deck includes a pedestrian passageway that connects to the terminal, state-of-the-art security and lighting, parking information technology, and accommodations for rental car operations on the first level. Construction on this deck was completed in late 2020.

The CHS campus also includes two employee parking lots, a cell phone lot, and a ride-share staging lot.

The following four rental car brands operate on-Airport: AvisBudget Group, Enterprise, Hertz, and GSP Transportation. Each brand has passenger-accessible counter space in the rental car pavilion portion of the terminal building. Ready/return spaces are presently located in a surface parking area immediately west of the terminal building. Each rental car company also has a vehicle service area, storage facilities, and administrative offices. Go Rentals currently provides off-Airport car rentals.

An air cargo building with apron serve incoming and outgoing cargo operations at CHS. The cargo apron is located south of the terminal apron and provides five aircraft parking positions. Further south is a multitenant cargo building in which cargo is handled by FedEx, Delta Air Lines, American Airlines, and Atlas Air.

CHS support facilities consist of aircraft rescue and firefighting facilities, Airport maintenance facilities, and fuel storage facilities. These facilities and operations are controlled by either the USAF or the Authority, with all facilities located within CHS boundary.

General aviation services at CHS are provided by two fixed base operators (FBOs): Atlantic Aviation and Signature Flight Support. Both FBOs are located on the northeast side of the airfield with access to Taxiway G. The FBO facilities consist of three hangars and two terminal buildings totaling 106,000 square feet. The two aircraft parking aprons used by the FBOs provide 74,000 square yards of aircraft parking area.

OTHER SYSTEM AIRPORTS

Charleston Executive Airport ("JZI"). JZI serves as a general aviation reliever airport for Charleston International Airport. JZI encompasses 1,373 acres and has two active runways. The primary runway is 5,350 feet long and is equipped with an FAA Instrument Landing System, Precision Approach Path Indicators at both ends of the primary runway, and a UNICOM. The FBO facility includes a 6,000 square foot terminal, two open-bay hangars, several individual hangars and two ton-unit T-hangars. Airport services provided by the fixed based operator include fuel and major airframe and power plant repairs. Other tenants include the United States Coast Guard and Charleston County Mosquito Abatement.

Mount Pleasant Regional Airport("LRO"). LRO also serves as a general aviation airport in the County. LRO has a 3,700-foot runway and medium intensity lighting, a rotating beacon, Precision Approach Path Indicators at both runway ends and a UNICOM. The facility also includes a maintenance hangar and six ten-unit T-hangars, two of which are privately owned. LRO airport services are operated by the Charleston County Aviation Authority and include fuel sales and minor repairs.

THE JOINT USE AGREEMENT

CHS is a joint use airport. The airfield is owned and operated by the USAF as part of the Charleston Air Force Base. The District owns and maintains approximately 1,500 acres adjacent to the Charleston Air Force Base. The USAF and the Authority entered into the first Joint Use Agreement in 1952, allowing for the grant to both general aviation and certificated air carriers of certain rights and privileges, including the right to use the airfield. The Authority and the USAF entered into a new Joint Use Agreement in 2008, which supersedes all previous agreements entered into between the Authority and the USAF. The Joint Use Agreement has a term of 50 years.

The Joint Use Agreement provides that, within its assigned capabilities, equipment, and available personnel, the USAF will provide aircraft crash, rescue and fire-fighting services for both the Joint Use Area and the Civil Use Area, as those terms are defined in the Joint Use Agreement. Maintenance and service in the Joint Use Area is the responsibility of the USAF, and maintenance and service in the Civil Use Area is the responsibility of the District. In times of war or national emergency, the USAF has the sole discretion pursuant to the Joint Use Agreement to restrict civil operations at the airfield to avoid interference with USAF operations. Significant restrictions have never been imposed since the inception of the Joint Use Agreement, even during the Korean, Vietnam and Middle East conflicts.

BOEING SOUTH CAROLINA

Boeing South Carolina's B-787 manufacturing facilities, the single largest industrial investment in South Carolina's history ($750 million) currently occupy 730 acres of land adjacent to the Airport and employ approximately 7,400 people. The ongoing economic impact of the Boeing South Carolina operations in the Air Trade Area is estimated to be approximately $24.8 billion per year.

AIRPORT FUNDING METHODOLOGY

Airport rate methodologies throughout the United States are typically characterized as either compensatory, residual or a hybrid method which combines both features. These methodologies are established through bilateral agreements or through ordinance. The Air Carriers Ordinance No. 01-02 (the Ordinance) establishes the rate-setting methodology for levying airline rentals, fees, and charges. The Ordinance establishes three airport cost centers for the purposes of determining rates and charges payable by airlines and other users of airport facilities: Airfield Area, Terminal Building Area, and Apron and Taxiway Area. Terminal rental rates are derived on a hybrid methodology-compensatory with certain residual features. Apron fees are calculated on a residual basis by which all costs attributable to the Apron and Taxiway Area is recovered through such fees. Landing fees are established based upon the provisions outlined in the Joint Use Agreement. Badging and passenger loading bridges fees are also assessed.

ECONOMIC OUTLOOK AND AIRPORT ACTIVITY

CHS is South Carolina's largest airport. The airport primarily serves the three-county Charleston-North Charleston Metropolitan Statistical Area (Air Trade Area or MSA) with approximately 830,000 residents according to the most recent census data. The population growth in the Air Trade Area has consistently outpaced growth in the State and United States. According to the U.S. Bureau of Labor Statistics, the MSA has a net in-migration of 13,000 people per year or an average of 30 people per day. The MSA has a relatively younger and better educated population than the national average. Of those migrating to MSA, forty-nine percent of the incoming labor pool has attained an advanced degree and sixty-five percent are between the ages of 18 and 54. This relatively younger and well-educated population provides a strong workforce base for employment and economic growth, which generally leads to increased air travel demand.

The Air Trade area boasts a diverse mix of industries to include aerospace, automotive, international trade and logistics, and information technology and defense. The Charleston tourism industry is one of the best performers among major-tourism-dependent metro areas. Charleston has been named as the best city in the United States by Conde Nast Traveler twelve out of the last thirteen years. The most recent year the City was given this honor was 2022. The tourism industry is estimated to have a $12.8 billion economic impact for the Charleston region.

The airline industry saw a resurgence of passenger traffic beginning in 2022. Domestic passenger traffic recovered to pre-pandemic levels during fiscal year 2022 and has continued this trend in 2023. International traffic has begun to recover to pre-pandemic levels in 2023 and is expected to surpass pre-pandemic levels in calendar year 2024. With the rapid resurgence of passenger traffic, the airline industry has experienced several economic and operational headwinds. Specifically, staffing shortages have impacted operations and air carrier capacity. Inflationary cost pressures, particularly related to labor and jet fuel, impacted ticket prices in 2022 and 2023. The increase in ticket prices has not had an adverse effect on passenger demand as indicated by the continued strong recovery industry-wide and at CHS. While average ticket prices have increased overall, average prices at CHS have lowered slightly when compared to pre-pandemic amounts.

The District has limited regional competition. Of the airports located within its catchment area, CHS has consistently been a leader in enplaned passengers with an approximately 36% market share. CHS was able to maintain its market share even with low passenger traffic during the pandemic. Passenger traffic began to recover fourth quarter of 2021- faster than other airports within the region. This recovery continued through fiscal year 2022, with enplanements reaching 2.5 million as of June 30, 2022, surpassing the pre-pandemic record of 2.4 million.

Passenger enplanements has continued to grow in fiscal year 2023. Enplanements for fiscal year 2023 totaled 2.8 million surpassing the record set in fiscal year 2022. This represents a 13% increase in enplanements.

The increase in enplanement growth had a positive impact on operating revenues (parking, concessions, and rental car). Operating revenues increased $13.5 million or 18% when compared to fiscal year 2022. The increase in operating revenues was offset by an $8.5 million increase in operating expenses. Operating expenses have increased due to increased staffing requirements and other operational needs resulting from the rapid growth in passenger activity.

CHS continues to be well positioned to experience continued growth in passenger traffic during fiscal year 2024. The investments CHS has made in attracting new air carriers and enhancements to air service will continue to have a positive impact on enplanement growth. Additionally, CHS has benefited from a largely regional tourism base and vast variety of outdoor attractions, which has helped to attract tourists back to the area post-pandemic. Passenger activity in the first quarter of fiscal year 2024 has increased approximately 13% when compared to the same period in fiscal year 2023. CHS does expect the increase in passenger growth to stabilize in the future.

Over the next five to ten years the District will need to invest capital in existing and new infrastructure to adequately accommodate the growing passenger demand. These capital investments will include expansion of the current terminal and parking facilities and construction of a new terminal. CHS will finance these capital improvements through a combination of debt, passenger facility charges, federal and state grants, and cash reserves. These capital investments are estimated to cost approximately $600 million. While these investments will require large amounts of capital, the strong origination and destination travel demand, superior tourism industry and strong enplanement growth should allow the District to weather the impacts of a large capital program.

AIRLINES SERVING THE CHARLESTON INTERNATIONAL AIRPORT ("CHS")

Thirteen scheduled passenger air carriers operate at CHS. These carriers are listed in the table below.

MAINLINE CARRIERS	REGIONAL CARRIERS
Alaska	Air Wisconsin (United)
Allegiant	American Eagle (American)
American	CommutAir (United)
Avelo	Delta Connection (Delta)
Breeze	Endeavor Air (Delta)
Delta	Envoy Air (American)
Frontier	ExpressJet Airlines (United)
JetBlue	GoJet Airlines (Delta, United)
Silver	Mesa Airlines (American, United)
Spirit	Piedmont Airlines (American)
Southwest	PSA Airlines (American)
Sun Country	Republic Airlines (American, Delta)
United	Shuttle America (Delta)
	Sky West (Delta, United)

The Authority is committed to expanding air service to existing markets and introducing new destinations with nonstop service. As a result of this commitment, CHS has added five new scheduled airline carriers since 2020. The most recent addition being Spirit Airlines. Spirit Airlines is the leading ultra-low cost carrier in the United States, Caribbean and Latin America. The airline began operations at CHS in April 2023. The air carrier is currently providing non-stop service to six destinations. With the addition of Spirit Airlines, the number of markets served with nonstop destinations has increased from 50 to 67 in fiscal year 2023.

In fiscal year ending June 30, 2023, the airlines serving CHS averaged 78 daily departures. While average daily departures have decreased slightly, airline takeoff weight and enplaned passengers has increased. The increase in airline take-off weight and enplaned passenger growth, despite lower average daily flights indicates airlines are up gaging their aircraft and decreasing utilization of regional jets at CHS.

The three-year compound annual growth rate for enplaned passengers is approximately 18%. Expanded air service and the increase in scheduled air carriers has had a positive impacted on passenger growth. CHS expects passenger growth trends to continue in fiscal year 2024, however at a slower rate of increase.

	FY2023	FY2022	FY 2021
ENPLANEMENTS	**2,881,158**	2,538,607	1,285,795
% increase/(decrease)	**13%**	97%	(27%)
NUMBER OF FLIGHTS	**28,529**	28,914	19,267
% increase/(decrease)	**(1%)**	50%	(18%)
TAKE-OFF WEIGHT	**4,199,702**	3,642,272	2,548,355
% increase/(decrease)	**15%**	43%	(17%)
DAILY DEPARTURES	**78**	79	53
% increase/(decrease)	**(1%)**	49%	(17%)

Airline market share for enplaned passengers and gross takeoff weight is provided for fiscal year 2021 through fiscal year 2023. The diverse mix of legacy and low-cost air carriers that service CHS enhances air service and promotes competition. Both factors lead to a positive travel experience for the public.

In fiscal year 2023 American Airlines and its affiliates ranked first with 24% of enplaned passengers. In fiscal year 2022, Delta Airlines and its affiliates ranked first with 25% market share. The Details follow:

Historical Enplanements by Airline

Airline	FY 2023 Enplanements	Share	FY 2022 Enplanements	Share	FY 2021 Enplanements	Share
American Airlines [1]	**700,908**	**24.33%**	596,503	23.50%	375,583	29.21%
Delta Air Lines [1]	**652,465**	**22.65%**	659,018	25.96%	289,154	22.49%
Southwest Airlines	**423,608**	**14.70%**	401,514	15.82%	257,996	20.07%
United Airlines [1]	**406,783**	**14.12%**	367,473	14.48%	186,787	14.53%
JetBlue Airlines	**270,376**	**9.38%**	261,704	10.31%	84,887	6.60%
Breeze Airways[3]	**264,378**	**9.18%**	127,054	5.00%	3,561	0.28%
Alaska Airlines	**54,495**	**1.89%**	45,094	1.78%	29,023	2.26%
Allegiant Airlines	**28,479**	**0.99%**	43,905	1.73%	36,986	2.88%
Spirit Airlines [5]	**27,586**	**0.96%**	-	0.00%	-	0.00%
Avelo[4]	**15,303**	**0.53%**	2,665	0.10%	-	0.00%
Silver Airways[2]	**15,241**	**0.53%**	12,312	0.48%	5,512	0.43%
Frontier Airlines	**12,263**	**0.43%**	16,472	0.65%	14,670	1.14%
Suncountry Airlines[4]	**7,818**	**0.27%**	3,223	0.13%	-	0.00%
Other	**1,455**	**0.05%**	1,670	0.07%	1,636	0.13%
Total	**2,881,158**	**100%**	2,538,607	100%	1,285,795	100%

Note:

1. Includes commuter and regional airlines
2. Silver Airways began service November 2020.
3. Breeze Airways began service May 2021.
4. Avelo and Sun Country Airlines began service in 2022.
5. Spirit Airlines began service April 2023.

Historical Gross Takeoff Weight (GTOW) By Airline

Airline	FY 2023 GTOW	Share	FY 2022 GTOW	Share	FY 2021 GTOW	Share
American Airlines [1]	**964,815**	24.71%	821,557	24.15%	556,497	25.78%
Delta Air Lines [1]	**818,681**	20.97%	720,056	21.16%	509,770	23.62%
United Airlines [1]	**571,029**	14.62%	518,350	15.23%	301,478	13.97%
Southwest Airlines	**560,962**	14.37%	562,052	16.52%	452,242	20.95%
JetBlue Airlines	**403,868**	10.34%	398,936	11.73%	164,430	7.62%
Breeze Airways[3]	**388,934**	9.96%	210,430	6.18%	8,185	0.38%
Alaska Airlines	**54,585**	1.40%	50,390	1.48%	48,806	2.26%
Spirit[5]	**35,939**	0.92%	-	0.00%	-	0.00%
Allegiant Airlines	**34,846**	0.89%	67,946	2.00%	80,590	3.73%
Avelo [4]	**22,639**	0.58%	4,137	0.12%	-	0.00%
Silver Airways[2]	**18,870**	0.48%	14,878	0.44%	8,379	0.39%
Frontier Airlines	**15,923**	0.41%	23,256	0.68%	24,528	1.14%
Suncountry Airlines[4]	**8,339**	0.21%	4,157	0.12%	-	0.00%
Other	**5,218**	0.13%	6,222	0.18%	3,394	0.16%
Total	**3,904,648**	100%	3,402,366	100%	2,158,299	100%

Note:

1. Includes commuter and regional airlines
2. Silver Airways began service November 2020.
3. Breeze Airways began service May 2021.
4. Avelo and Sun Country Airlines began service in 2022.
5. Spirit Airlines began service April 2023.

OVERVIEW OF ANNUAL FINANCIAL REPORT

The District 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 the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

The Statement of Net Position presents the assets, liabilities, deferred inflows and outflows of resources and net position of the Authority as of the end of the fiscal period. The Statement of Net Position is presented on a full accrual, historical cost basis, and provides information about the nature and amount of resources and obligations at the end of the year.

The Statement of Revenues, Expenses and Changes in Net Position presents revenues and expense recognized during the fiscal period and changes in net position changed during the fiscal period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides certain information about the District's recovery of its costs. The District's rates and charges are based on a cost recovery methodology provided for in the airline ordinance. The primary objective of the rates and charges model is to determine the costs not covered by non-airline sources and to annually compute terminal rents and apron fees which will provide sufficient funding to reimburse the District.

The Statement of Cash Flows provides information on all the cash inflows and outflows for the District by major category (operating, investing, and financing) during the fiscal period. This statement presents cash inflows and cash outflows, without consideration of the earnings event, when obligations arise, or depreciation of capital assets.

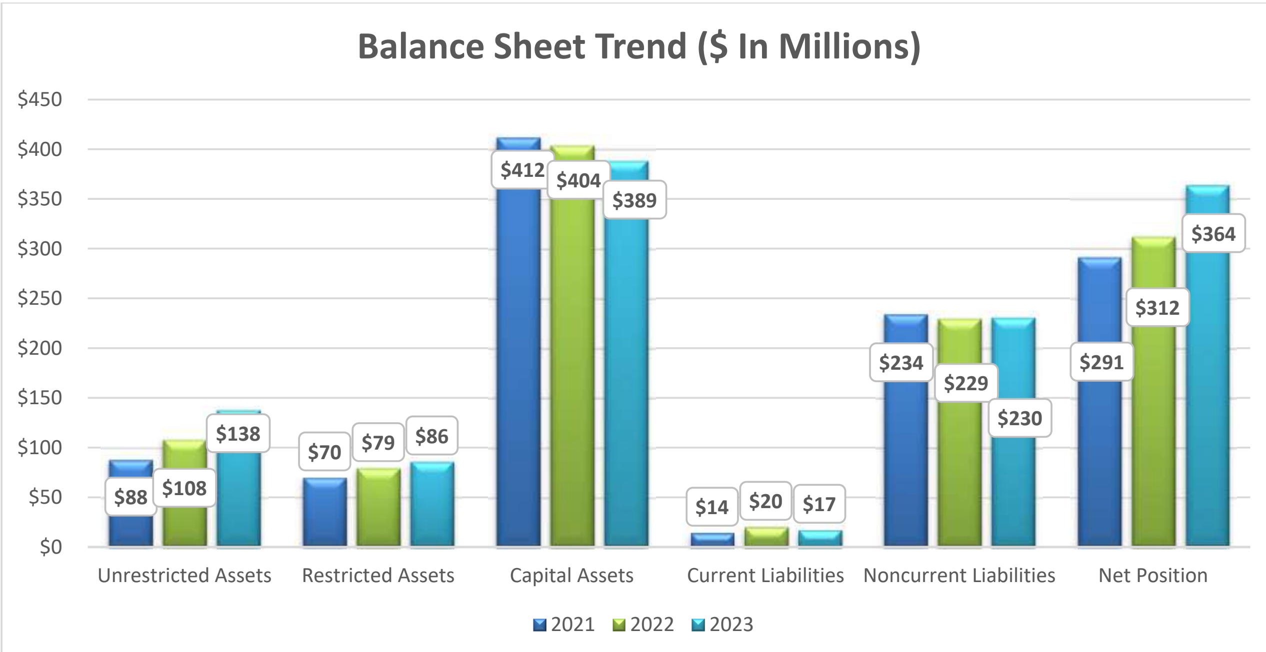
The Notes to Financial Statements provide disclosures and other information that is essential to a full understanding of material data provided in the statements. The notes present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any. The financial statements were prepared from the detailed books and records of the District.

FINANCIAL HIGHLIGHTS

FINANCIAL POSITION SUMMARY

As of June 30, 2023, the District's assets exceeded liabilities by $364.1 million, an increase of $51.8 million from June 30, 2022. A condensed historical summary of the District's Statement of Net Position as of June 30, 2023, 2022, and 2021 is shown below:

	FY23	FY22	FY21
ASSETS:			
Current Unrestricted Assets	**$137,849,846**	**$108,040,754**	**$87,827,839**
Current Restricted Assets	85,728,581	78,981,205	69,664,640
Property, Plant & Equipment	388,662,860	404,115,134	412,075,354
Non-current Assets, Other	23,370,182	32,900,147	42,179,615
Deferred Outflows	8,690,029	4,546,631	5,134,274
TOTAL ASSETS AND DEFERRED OUTFLOWS	**$644,301,499**	**$628,583,871**	**$616,881,722**
LIABILITIES:			
Current Liabilities (payable from Unrestricted Assets)	**$8,287,299**	**$10,251,803**	**$4,395,224**
Current Liabilities (payable from Restricted Assets)	8,742,850	9,780,225	9,682,481
Noncurrent Liabilities	205,224,462	229,373,991	234,140,657
Deferred Inflows	32,747,830	45,789,442	51,461,151
Pension Obligation	25,219,504	21,069,436	25,708,977
TOTAL LIABILITIES	280,221,945	316,264,897	325,388,491
NET POSITION:			
Net investment in capital assets	182,613,914	166,042,508	176,214,196
Restricted by bond covenant	27,404,310	36,773,375	35,940,160
Restricted by contributor	38,571,308	33,335,122	29,318,752
Unrestricted	115,490,021	76,167,971	50,020,124
TOTAL NET POSITION	**$364,079,553**	**$312,318,977**	**$291,493,232**



Current unrestricted assets primarily consist of cash and investments, accounts receivable and inventory. Unrestricted assets increased approximately $29.8 million between fiscal year 2023 and 2022. The increase is primarily due to increased cash and investment balances ($27.4 million). The $27.4 million increase in unrestricted cash and investments is primarily attributable to net cash provided by operating activities. Between fiscal year 2022 and 2021 unrestricted assets increased approximately $20.2 million. This increase was primarily due to $17.9 million increase unrestricted cash and $1.5 million increase in accounts receivable. The increase in unrestricted cash is due in part to net cash provided by operating activities. The increase in accounts receivable is primarily due to an increase in operation revenue (i.e. holdroom, landed weights, concessions, etc.) as passenger traffic recovered from the COVID-19 pandemic.

Restricted assets consist of cash and investments and accounts receivable which are mainly restricted for bond covenants, debt service and capital construction. Restricted assets increased $8.0 million primarily due to increased cash and investment balances between fiscal year 2023 and 2022. The increase in restricted cash and investments is primarily due to net cash provided by noncapital financing activities of $5.2 million. Between fiscal year 2022 and 2021 restricted assets increased $9.3 million. The increase is attributable to $9.6 million increase in restricted cash and investments. The increase in restricted cash and investments is primarily due to net cash provided by noncapital financing activities of $5.6 million.

Non-current assets consist of the long-term lease receivable related to the adoption of GASB No. 87. Non-current assets for fiscal years 2023 and 2022 decreased approximately $9.5 million and $9.2 million, respectively due to the change in the present value of expected remaining lease payments.

Current liabilities payable from unrestricted assets consists primarily of accounts payable, payroll-related liabilities and accrued compensated absences. Between fiscal year 2023 and 2022 current liabilities payable from unrestricted assets decreased $1.9 million primarily due to $4.5 million decrease in construction related payables. The decrease in construction related payables was offset by a $1.6 million increase in trade and payroll related payables. Current liabilities payable from unrestricted assets increased between 2022 and 2021 primarily due to a $5.2 million increase in construction related payables.

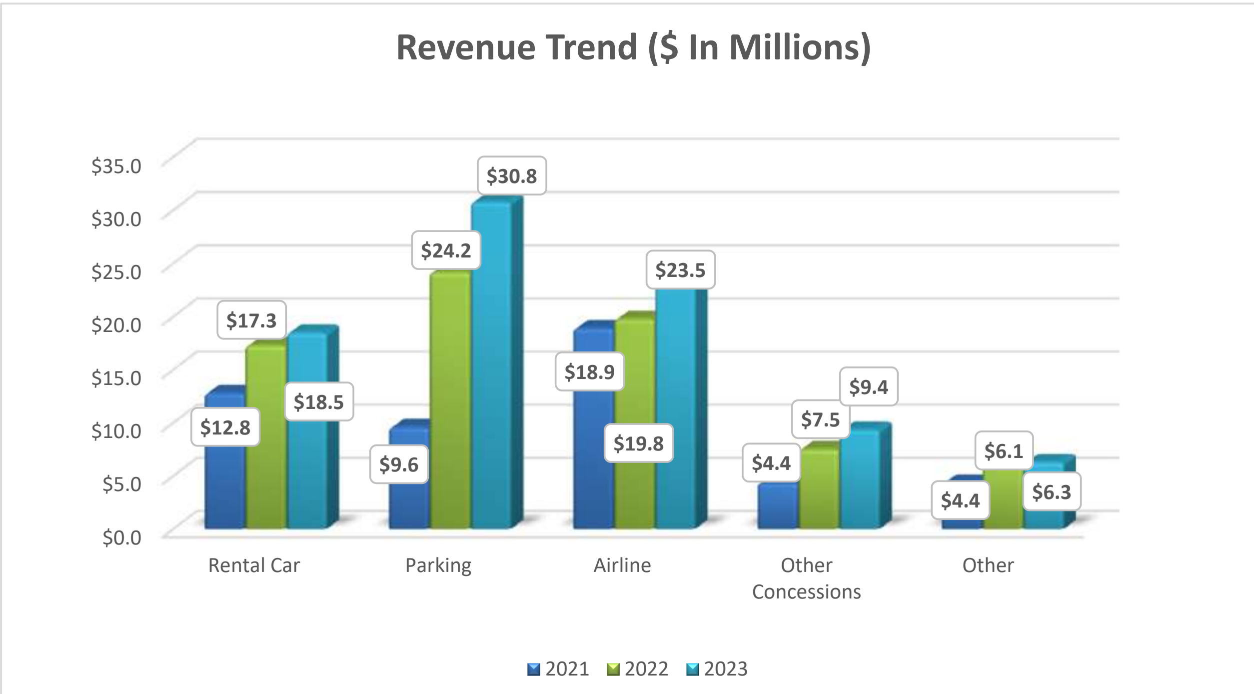
Current liabilities payable from restricted assets are primarily related to debt service payments. Noncurrent liabilities consist primarily of long-term debt outstanding related to the Districts' 2022 and 2019 bond issuances. Between fiscal year 2023 and 2022 liabilities related to debt service payments decreased $25.2 million primarily due to favorable debt restructuring transactions. (See Note 5).

The largest portion of the District's net position (50% as of June 30, 2023) represents its net investment in capital assets (land, buildings, improvements, and equipment), less the related indebtedness outstanding used to acquire those capital assets. The District uses these capital assets to provide services to its passengers and visitors to the Airport; therefore, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from operations. An additional portion of the District's net position is restricted by bond covenant and contributor (19% as of June 30, 2023). The unrestricted portion of net position (33% as of June 30, 2023) may be used to meet any of the District's ongoing obligations.

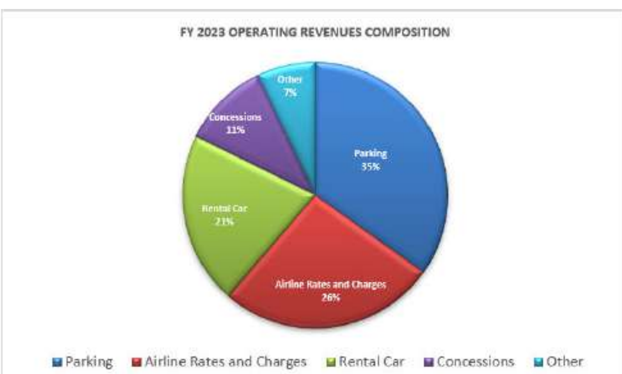
SUMMARY OF OPERATIONS AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position presents the operating results of the District, as well as the nonoperating revenue and expenses. Operating revenues include both airline and non-airline revenues. Airline revenues consist primarily of apron fees, landing and related fees, and terminal building rentals and fees. Non-airline revenues include parking fees, concession fees, and car rental revenues. Nonoperating revenues consists primarily of passenger facility charges (PFC), federal and state grants and interest income. Interest expense is the most significant nonoperating expense. A summary of all revenue for the year ending June 30, 2023, and the amount and percentage of change in relation to prior year amounts follow:

				Increase	Percent
		Percent		(Decrease)	Increase
OPERATING REVENUE	**2023**	**of Total**	**2022**	**2022**	**(Decrease)**
Aviation support	$1,326,408	1.0%	$1,370,612	($44,204)	-3.2%
Domestic and international terminal	43,294,028	31.1%	37,339,570	5,954,458	15.9%
Airfield area	774,153	0.6%	698,415	75,738	10.8%
Apron and taxiway	738,037	0.5%	724,186	13,851	1.9%
Airline service area	275,497	0.2%	279,222	(3,725)	-1.3%
Fuel storage	2,191,458	1.6%	2,069,177	122,281	5.9%
Reliever airports	1,067,284	0.8%	1,394,797	(327,513)	-23.5%
Commercial/industrial area	8,013,112	5.7%	6,889,485	1,123,627	16.3%
Parking/roadway area	30,806,207	22.1%	24,204,886	6,601,321	27.3%
TOTAL OPERATING REVENUE	88,486,184	63.5%	74,970,350	13,515,834	18.0%
NON-OPERATING INCOME					
Interest income	906,106	0.7%	1,679,318	(773,212)	-46.0%
Gain (loss) on disposition of property,					
plant and equipment	-	0.0%	6,034	(6,034)	-100.0%
Other income	5,226,838	3.8%	5,620,669	(393,831)	100.0%
Passenger Facility Charge	11,393,851	8.2%	9,282,337	2,111,514	22.7%
Unrealized/Realized Gain on Investments	(741,528)	-0.5%	1,268,793	(2,010,321)	-158.4%
Capital Contributions	34,101,398	24.5%	9,197,195	24,904,203	270.8%
TOTAL NON-OPERATING INCOME	50,886,665	36.5%	27,054,346	23,832,319	88.1%
TOTAL REVENUES	**$139,372,849**	100.0%	**$102,024,696**	**$37,348,153**	36.5%



The chart below illustrates the sources of total operating revenue for fiscal years 2023 and 2022.



Operating revenues increased approximately $13.5 million and $25.0 million for fiscal years 2023 and 2022, respectively.

Airline revenue consists of apron, terminal rent, and landing fees and comprised 26% of operating revenues for fiscal year 2023. These fees are offset by in-terminal concession revenues. For fiscal year 2023 airline revenues increased approximately $3.7 million primarily due to increased terminal rents. In accordance with the Rate Ordinance terminal rental rates increased to $172 per square foot in 2023 from $147 in 2022, resulting in $3.6 million increase in revenues. Apron rates decreased from $0.22 to $0.19 (per 1,000 pounds of gross landed weight) in fiscal year 2023. Despite the decrease in the apron rate apron, revenues increased slightly due to 15% increase in landed weights. The landed fee rate is set by the Joint Use Agreement and is fixed. Landed fee revenues increased approximately $64 thousand due to a 15% increase in landed weights.

Airline revenues increased $0.9 million between fiscal year 2022 and 2021. This increase was primarily related to an increase in terminal rental and apron fees. Terminal rental rates increased to $147 per square foot from $142 per square foot. Apron fees increased to $0.22 from $0.16 (per 1,000 pounds of gross landed weight) in fiscal year 2022.

Parking revenues increased $6.6 million and $14.5 million for fiscal years 2023 and 2022, respectively. Parking revenues increased primarily due to increased passenger traffic. Enplaned passengers increased 13% in fiscal year 2023 and 97% in fiscal year 2022. The increase in passenger growth is attributable to the growth in travel demand post COVID-19 pandemic and enhanced air service through additional air carriers and nonstop destinations offered at CHS.

Rental car revenues include facility and ground rental revenues and customer facility charge (CFC) revenues. The terms of the facility and ground rental revenues include a variable revenue component based on a percentage of gross revenues. Rental revenues increased $1.2 million and $4.5 million for fiscal year 2023 and 2022, respectively. The increase in revenue is attributable to increased passenger traffic in fiscal years 2023 and 2022.

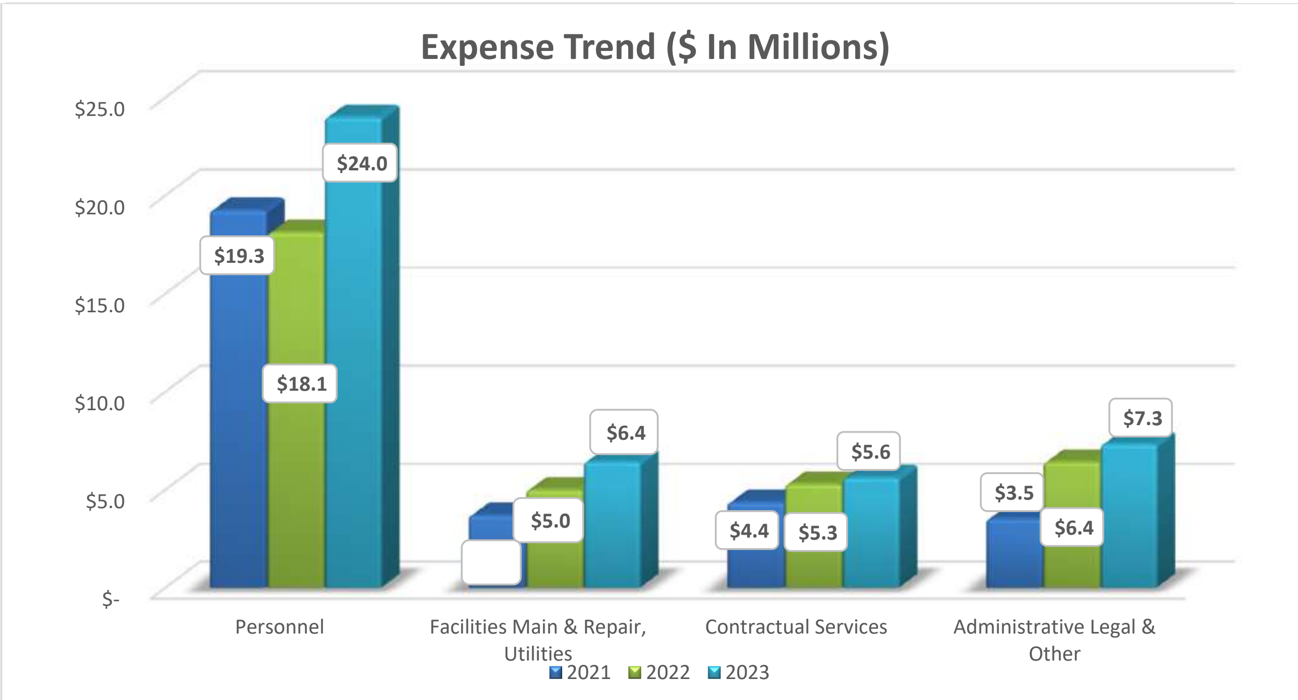
Concession revenues consist of food/beverage concessions, retail concessions and advertising revenues. These revenues increased $1.8 million and $3.2 million for fiscal years 2023 and 2022, respectively. Food/beverage concessions increased $0.9 million and retail concessions increased approximately $0.8 million for fiscal year 2023. Food/beverage and retail concessions revenues increased $0.9 million and $1.9 million, respectively for fiscal year 2022. The increase in revenue is attributable to increased passenger traffic in fiscal years 2023 and 2022.

Other operating revenues consists primarily of airline service, general aviation, kitchen operation and fuel flowage revenues. Airline service revenues is primarily related to air cargo operations. General aviation revenues are comprised of income generated from fixed based operations. These revenues include ground rental, hanger rental, and fuel flowage fees.

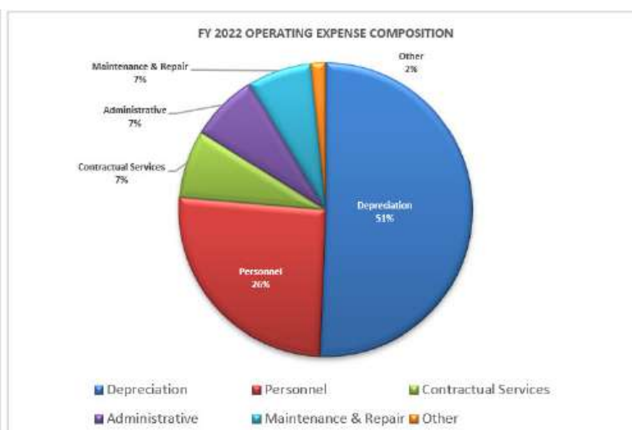
Other operating revenues increased $0.2 million and $1.7 million for fiscal years 2023 and 2022, respectively. An increase in fuel flowage revenues is primarily attributable to the increase in other operating revenues for fiscal year 2023. An increase in fuel flowage and general aviation revenues of approximately $1.3 million is primarily attributable to the increase in other operating revenues for fiscal year 2022.

A summary of expenses for the year ending June 30, 2023, and the amount and percentage of change in relation to prior year amounts follows:

	2023	Percent of Total	2022	Increase (Decrease) 2022	Percent Increase (Decrease)
OPERATING EXPENSES					
Personnel services	$23,981,049	27.5%	$18,122,985	$5,858,064	32.3%
Administrative services	4,707,793	5.4%	3,609,587	1,098,206	30.4%
Utilities	2,412,135	2.8%	2,176,205	235,930	10.8%
Building repairs and maintenance	1,621,957	1.9%	557,259	1,064,698	191.1%
Heating, ventilation, and air conditioning	181,877	0.2%	181,488	389	0.2%
Field maintenance	330,084	0.4%	231,092	98,992	42.8%
Vehicle maintenance	329,120	0.4%	235,210	93,910	39.9%
Loading bridges	58,069	0.1%	37,940	20,129	53.1%
Supplies	1,490,867	1.8%	1,574,859	(83,992)	-5.3%
Contractual services	5,616,883	6.5%	5,284,140	332,743	6.3%
Insurance	858,701	1.0%	712,859	145,842	20.5%
Professional services	710,874	0.8%	534,241	176,633	33.1%
Legal services	364,173	0.4%	414,472	(50,299)	-12.1%
Other expenses	683,132	0.8%	1,139,783	(456,651)	-40.1%
TOTAL OPERATING EXPENSES	43,346,714	49.9%	34,812,120	8,534,595	24.5%
Depreciation	35,581,996	40.9%	35,732,022	(150,026)	-0.4%
NON-OPERATING EXPENSES					
Interest expense	8,153,337	9.4%	11,137,946	(2,984,609)	-26.8%
TOTAL NON-OPERATING EXPENSES	8,153,337	9.3%	11,137,946	(2,984,609)	-26.8%
TOTAL EXPENSES	**$87,082,047**	100.0%	**$81,682,088**	**$5,399,960**	6.6%



The chart below illustrates the sources of total operating expenses for fiscal years 2023 and 2022.



Operating expenses (less depreciation) increased by $8.5 million between fiscal year 2023 and fiscal year 2022. This increase is primarily attributable to increased personnel ($5.9 million), facilities maintenance ($1.4 million) and administrative ($0.9 million) expenses. The increased expenses are a result of the following:

- **Personnel:** Salary expenses increased $4.8 million due to increased hiring to support continued expansion of kitchen operations and other operational initiatives and escalation in compensation costs due to labor market inflationary pressures. Benefit expenses, to include pension costs increased approximately $0.9 million as result of higher compensation and health care costs.
- **Facilities Maintenance:** Maintenance expenses increased approximately $1.1 million due to the completion of special maintenance projects deferred due to cost containment measures implemented during the COVID-19 pandemic and increased baggage handling maintenance.
- **Administrative:** Administrative expenses increased due to increased credit card processing fees ($0.2 million), employee training expenses ($0.2 million) and increased air service development expenses ($0.5 million).

Operating expenses (less depreciation) increased by $3.9 million between fiscal year 2022 and fiscal year 2021. This increase is primarily due to increased administrative expenses ($2.9 million), facilities maintenance expenses ($1.3 million) and contractual services expenses ($0.9 million).

- **Administrative:** Administrative expenses increased due to expansion of public relations and air service development expenses ($1.1 million).
- **Contractual Services:** Contractual services increased primarily due to increased janitorial, environmental, and landscaping service costs ($0.3 million). Increases in these expenses is primarily attributable to record annual inflation in the economy.
- **Facilities Maintenance:** Maintenance and repair expenses increased primarily due to the completion of projects deferred due to cost containment measures implemented during the COVID-19 pandemic ($0.3 million). Supplies expenses increased primarily due to increased janitorial and security supplies expenses ($0.5 million).

A condensed summary of the District's increase in net assets as of June 30, 2023, 2022, and 2021 is shown below:

	FY2023	FY 2022	FY 2021
Operating revenues	$88,486,184	$74,970,350	$50,191,449
Operating expenses	(43,346,714)	(34,812,120)	(30,818,905)
Operating income before depreciation	45,139,470	40,158,230	19,372,544
Depreciation	(35,581,996)	(35,732,022)	(32,990,321)
Operating income	9,557,474	4,426,208	(13,617,777)
Non-Operating (expenses) revenues	8,101,705	3,146,257	(6,169,425)
	17,659,179	7,572,465	(19,787,202)
Capital contributions	34,101,398	13,253,279	7,823,640
(Decrease) Increase in net position	51,760,577	20,825,744	(11,963,562)
Net position, beginning restated	-	-	788,109
Net position, beginning of year	312,318,976	291,493,232	302,668,685
Net position, end of year	$364,079,553	$312,318,976	$291,493,232

Fiscal year 2023 was a record year for the District with profits of $51.7 million, an increase of $30.9 million when compared to fiscal year 2022. The increase in profits is due to a $5.1 million increase in operating income, $4.9 million increase in non-operating income and $20.8 million increase in capital contributions. See the discussion below for details.

Operating income before depreciation increased by $5.0 million between fiscal year 2023 and fiscal year 2022. The increase in operating income is primarily attributable to an 18% increase in operating revenues. Operating revenues sensitive to enplanement volume (parking, rental car, and fuel flowage) accounted for approximately 59% of the increase in revenues. Airline revenues accounted for 28% of the increase and was due to increased coverage of terminal related expenses.

Non-operating income increased primarily due to increased Passenger Facility Charge (PFC) revenue, investment income and decreased interest expense. PFC revenue ($1.4 million) increased due to increased enplanement volume. Investment income increased ($0.6 million) primarily due to increased interest rates. Interest expense on long-term debt decreased $2.9 million because of favorable debt restructuring transactions (Note 5).

Between fiscal year 2022 and fiscal year 2021 operating income before depreciation increased by $20.8 million, primarily due to increased operating revenues sensitive to increased enplanement volume. Depreciation increased from $32.9 million in 2021 to $35.7 million in 2022, primarily due to completed capital improvement projects. The restatement of net position is due to the implementation of GASB No. 87- leases, see note 4 and note 11 for details.

Non-operating income increased approximately $9.3 million in fiscal year 2022 when compared to fiscal year 2021. The increase is primarily attributable increased PFC revenues ($4.9 million) and increase in revenues ($5.4 million) received from the recently adopted Charleston County air service development ordinance.

For fiscal year 2023, capital contributions increased primarily due to $31.8 million in COVID-19 relief funds received. The funds received were for reimbursement of certain operating and debt related expenses.

Capital contributions increased from $7.8 million in fiscal year 2021 to $13.2 million in fiscal year 2022. The increase is primarily due to amounts received from COVID-19 relief funds and state grant funds received. COVID-19 funds received were for the reimbursement of debt related expenses.

CAPITAL ACQUISITIONS AND CONSTRUCTION ACTIVITIES

Property and equipment are capitalized at cost. Capital acquisitions are funded using federal grants, debt financing and airport revenues. During fiscal year ending June 30, 2023, the District expended $25.6 million on capital activities. Notable projects include completion of concourse A gate additions ($6.9 million), LRO T-hanger development ($3.1 million) CBIS baggage carousel ($3.0 million).

During fiscal year ending June 30, 2022, the District expended $22.6 million on capital activities. Notable projects include airfield pavement repairs and concourse A gate additions. Please see the notes to the financial statements for more detailed information on capital asset activity.

During fiscal year 2023 CHS completed a Terminal Area Plan study (TAP). The TAP is an assessment of the airport's commercial terminal facilities, terminal building functional components and their conditions. It is a planning tool used by the District to determine future facility needs based on enplanement growth forecasts. Based on the results of the TAP, the District has determined facility needs to include expansion of terminal and parking facilities, construction of a new terminal and remain overnight aircraft parking spaces. The District will plan to expand these facilities in phases over the next five to ten years. These major capital projects will be financed through a combination of debt, passenger facility charges, federal and state grants, and cash reserves. The current cost estimate for these projects is approximately $630 million.

There were no federal grants awarded during fiscal year 2023. During fiscal year 2022, the following American Rescue Plan Act grants were awarded:

Grant Type/ Number	Description	Maximum Obligation
3-45-0012-046-2022	To help prevent, prepare for, and respond to the COVID-19 Public Health Emergency	$17,616,569
3-45-0013-028-2022	To help prevent, prepare for, and respond to the COVID-19 Public Health Emergency	$59,000
3-45-0042-024-2022	To help prevent, prepare for, and respond to the COVID-19 Public Health Emergency	$32,000
3-45-0012-047-2022	To provide relief from rent and minimum annual guarantees to terminal concessionaires	$2,035,396

LONG-TERM DEBT ADMINISTRATION

In 2013, the airport issued $174,485,000 of Airport System Revenue Bonds dated September 5, 2013, maturing annually from 2017 through 2043. The bond issue funded the Terminal Redevelopment and Improvement Program (TRIP), substantially completed in late 2015.

In September 2022, the Series 2013 bonds were refunded, thereby reducing total debt service payments by approximately $26 million over the remaining bond period. The annual debt savings costs are approximately $2.6 million. The principal amount of the refunded bonds was $151 million. Please see note 5 for additional details.

In 2019, the airport issued $64,715,000 of Airport System Revenue Bonds dated February 13, 2019, maturing annually from 2023 through 2048. The bond issue funded the new parking structure completed in fall 2020.

In June 2023 the Authority used excess cash reserves to initiate a partial defeasance of approximately $16.7 million of Series 2019 bond principal. The partial defeasance of the 2019 bonds is representative of the principal amounts due on the bonds from July 1, 2024, to July 1, 2033. Debt service payments will be reduced by approximately $2.0 million during this period. A summary of debt outstanding as of June 30, 2023, 2022, 2021, 2020 and 2019 is provided below:

	2022	2013	2019
	Revenue Bond	Revenue Bond	Revenue Bond
FY 2023	$ 151,500,000	$ -	$ 55,742,898
FY 2022	$ -	$ 158,407,660	$ 73,119,594
FY 2021	$ -	$ 162,221,947	$ 73,639,211
FY 2020	$ -	$ 165,865,545	$ 74,158,828
FY 2019	$ -	$ 169,342,979	$ 74,678,444

Amounts in table include unamortized bond discount and unamortized bond premium.

Please see the notes to the financial statements for more detailed information on long-term debt activity.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed in writing to the Director of Airports, Charleston County Aviation Authority, 5500 International Boulevard, #101, Charleston, South Carolina 29418.

Respectfully submitted,

Brandy L. James, CPA

Brandy L. James, CPA
Chief Financial Officer

FINANCIAL SECTION

CHARLESTON COUNTY AIRPORT DISTRICT

STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

		2023		2022
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current assets:				
Unrestricted assets:				
Cash and cash equivalents	**$**	**80,340,997**	$	53,685,279
Investments		**39,720,565**		38,976,502
Accounts receivable - customer (less allowance for doubtful accounts of $83,639 for 2023 and 2022, respectively)		**5,630,095**		4,665,646
Inventories of materials and supplies		**1,402,623**		929,344
Prepaid expenses		**1,225,601**		544,431
Leases receivable		**9,529,965**		9,239,552
Restricted assets:				
Cash and cash equivalents		**44,718,648**		34,251,387
Investments		**38,869,794**		41,300,419
Government grants receivable		**-**		1,250,102
Passenger facility charge receivable		**2,140,139**		2,179,297
Total current assets		**223,578,427**		187,021,959
Non-current assets:				
Leases receivable, net of current portion		**23,370,182**		32,900,147
Capital assets:				
Non-depreciable		**38,476,976**		38,029,215
Depreciable, net of accumulated depreciation		**350,185,884**		366,085,920
Total non-current assets		**412,033,042**		437,015,282
Total assets		**635,611,469**		624,037,241
Deferred outflows of resources:				
Pension		**5,068,522**		4,163,808
Other postemployment benefits		**429,135**		382,823
Deferred charge on refunding		**3,192,372**		-
Total deferred outflows of resources	**$**	**8,690,029**	$	4,546,631

See Notes to Financial Statements.

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	2023	2022
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable and accrued liabilities	**$ 3,018,067**	$ 1,821,225
Accrued salaries and other liabilities	**870,759**	719,085
Accrued compensated absences	**936,274**	710,196
Due to other governments	**213,011**	174,141
Deposits	**1,250,768**	281,783
Capital improvements contracts payable	**1,147,761**	5,695,714
Retainage payable	**850,659**	849,658
Payable from restricted assets:		
Revenue bonds payable	**3,845,000**	3,900,000
Accrued revenue bonds interest payable	**4,897,850**	5,880,225
Total current liabilities	**17,030,149**	20,032,027
Non-current liabilities:		
Revenue bonds payable	**203,397,898**	227,627,255
Net pension liability	**25,219,504**	21,069,436
Total other postemployment benefits liability	**1,826,564**	1,746,736
Total non-current liabilities	**230,443,966**	250,443,427
Total liabilities	**247,474,115**	270,475,454
Deferred inflows of resources:		
Lease receipts	**31,459,613**	40,899,530
Pension	**525,927**	4,047,515
Other postemployment benefits	**762,290**	842,397
Total deferred inflows of resources	**32,747,830**	45,789,442
Net position:		
Net investment in capital assets	**182,613,914**	166,042,508
Restricted by:		
Bond covenant	**27,404,310**	36,773,376
Contributor	**38,571,308**	33,335,121
Unrestricted	**115,490,021**	76,167,971
Total net position	**$ 364,079,553**	$ 312,318,976

CHARLESTON COUNTY AIRPORT DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Operating revenues:		
Aviation support	**$ 1,326,408**	$ 1,370,612
Domestic and international terminal	**43,294,028**	37,339,570
Airfield area	**774,153**	698,415
Apron and taxiway	**738,037**	724,186
Airline service area	**275,497**	279,222
Fuel storage	**2,191,458**	2,069,177
Reliever airports	**1,067,284**	1,394,797
Commercial/industrial area	**8,013,112**	6,889,485
Parking/roadway area	**30,806,207**	24,204,886
Total operating revenues	**88,486,184**	74,970,350
Operating expenses:		
Personnel services	**23,981,049**	18,122,985
Administrative services	**4,707,793**	3,609,587
Utilities	**2,412,135**	2,176,205
Building repairs and maintenance	**1,621,957**	557,259
Heating, ventilation, and air conditioning	**181,877**	181,488
Field maintenance	**330,084**	231,092
Vehicle maintenance	**329,120**	235,210
Loading bridges	**58,069**	37,940
Supplies	**1,490,867**	1,574,859
Contractual services	**5,616,883**	5,284,140
Insurance	**858,701**	712,859
Professional services	**710,874**	534,241
Legal services	**364,173**	414,472
Other expenses	**683,132**	1,139,783
Depreciation	**35,581,996**	35,732,022
Total operating expenses	**78,928,710**	70,544,142
Operating income	**9,557,474**	4,426,208
Non-operating revenues (expenses):		
Passenger facility charges	**11,393,851**	10,034,380
Investment income	**906,106**	277,345
Unrealized and realized gain (loss) on investments	**1,012,273**	(1,655,066)
Gain on disposal of capital assets	**-**	6,875
Interest expense	**(8,153,337)**	(11,137,946)
Cost of bond issuance	**(530,225)**	-
Loss on debt defeasance	**(1,753,801)**	-
Other	**5,226,838**	5,620,669
Total non-operating revenues, net	**8,101,705**	3,146,257
Income before capital contributions	**17,659,179**	7,572,465
Capital contributions	**34,101,398**	13,253,279
Change in net position	**51,760,577**	20,825,744
Total net position, beginning of year	**312,318,976**	291,493,232
Total net position, end of year	**$ 364,079,553**	$ 312,318,976

See Notes to Financial Statements.

CHARLESTON COUNTY AIRPORT DISTRICT

STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Cash Flows from Operating Activities:		
Receipts from customers and users	$ 88,290,355	$ 73,052,662
Payments to suppliers	(19,284,402)	(16,565,713)
Payments to employees	(23,926,122)	(18,613,564)
Net cash provided by operating activities	45,079,831	37,873,385
Cash Flows from Investing Activities:		
Purchases of investments	79,403,483	(97,988,190)
Proceeds from sale of investments	(77,716,921)	98,259,642
Income from investments	1,918,379	(1,377,721)
Net cash provided by (used in) investing activities	3,604,941	(1,106,269)
Cash Flows from Noncapital Financing Activities:		
Other receipts from County fees and grants	5,226,838	5,620,669
Net cash provided by noncapital financing activities	5,226,838	5,620,669
Cash Flows from Capital and Related Financing Activities:		
Proceeds from passenger facility charge	11,433,009	9,894,254
Proceeds from government grant contributions	35,351,500	13,673,527
Acquisition and construction of capital assets	(25,678,302)	(22,601,356)
Proceeds from issuance of revenue bonds	151,500,000	-
Principal payments on revenue bonds	(174,360,000)	(3,705,000)
Interest and issuance costs paid on revenue bonds	(16,036,467)	(11,864,106)
Proceeds from the sale of capital assets	1,001,629	6,875
Net cash used in capital and related financing activities	(16,788,631)	(14,595,806)
Net increase in cash and cash equivalents	37,122,979	27,791,979
Cash and cash equivalents:		
Beginning of year	87,936,666	60,144,687
End of year	$ 125,059,645	$ 87,936,666
Classified as:		
Cash and cash equivalents	$ 80,340,997	$ 53,685,279
Restricted assets, cash and cash equivalents	44,718,648	34,251,387
	$ 125,059,645	$ 87,936,666

See Notes to Financial Statements.

	2023	2022
Cash Flows from Operating Activities:		
Operating income	**$ 9,557,474**	$ 4,426,208
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	**35,581,996**	35,732,022
Changes in assets and liabilities:		
Increase in accounts receivable	**(964,449)**	(1,528,290)
Decrease in leases receivable	**9,239,552**	9,052,565
Increase in inventories	**(473,279)**	(603,825)
(Increase) decrease in prepaid expenses	**(681,170)**	69,943
(Increase) decrease in deferred outflows of resources - pension	**(904,714)**	544,793
(Increase) decrease in deferred outflows of resources - other postemployment benefits	**(46,312)**	42,850
Increase in accounts payable and accrued liabilities	**1,348,516**	554,963
Increase (decrease) in net pension liability	**4,150,068**	(4,639,541)
Increase (decrease) in total other postemployment benefits liability	**79,828**	(237,763)
Increase in compensated absences	**226,078**	98,311
Increase (decrease) in deposits and unearned revenue	**968,985**	(1,876)
Increase in amounts due to other governments	**38,870**	34,734
Decrease in deferred inflows of resources - lease receipts	**(9,439,917)**	(9,440,087)
Increase (decrease) in deferred inflows of resources - pension	**(3,521,588)**	3,623,218
Increase (decrease) in deferred inflows of resources - other postemployment benefits	**(80,107)**	145,160
Net cash provided by operating activities	**$ 45,079,831**	**$ 37,873,385**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to local governmental entities. The following is a summary of the more significant accounting policies:

Reporting Entity

The Charleston County Airport District (the "District") owns and operates the Charleston International Airport, Charleston Executive Airport (Johns Island), and the Mt. Pleasant Regional Airport (formerly East Cooper). Chartered in 1970 by the State of South Carolina, it is responsible for managing, operating, and developing all public airports in the District and supervising the financial operations of the District. The District coordinates its activities with the Federal Aviation Administration and the South Carolina Division of Aeronautics.

The District is a municipal corporation established by the General Assembly of the State of South Carolina in 1970 and is governed by the Charleston County Aviation Authority (the "Authority"). The Authority is composed of six members appointed to four-year terms by the Governor and five ex-officio members: the Mayor of the City of Charleston, the Mayor of the City of North Charleston, the Mayor of the Town of Mount Pleasant, the Chairman of the Charleston County Council, and one member selected jointly by the City of Charleston and County of Charleston, or their respective proxies.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Government Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity,* as amended, which defines a primary government as an entity with a governing body elected in a general election and which is legally separate and fiscally independent. Any entity that does not meet the above criteria is potentially a component unit of a primary government.

A component unit is a legally separate entity for which a primary government is financially accountable by virtue of the fact that it both appoints the governing board and is able to impose its will on the component unit, or the fact that it provides financial benefits or imposes a financial burden on the primary government.

Based on the above requirements, there are no entities which meet the criteria detailed above for inclusion with the District's financial statements as component units, nor is the District considered a component unit.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Basis of Presentation

Proprietary funds are accounted for using the *flow of economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. The accounting objective of this measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Enterprise funds are a type of proprietary fund used to account for those operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

The District accounts for its activities in an enterprise fund.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are terminal, parking lot, and roadway revenues. Operating expenses for proprietary funds include the cost to provide services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments, including restricted assets, with original maturities of three months or less from the date of acquisition.

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application,* investments are carried at fair value.

The District has a number of financial instruments, none of which are held for trading purposes. Except for nonparticipating investment contracts, investments are reported at fair value. Nonparticipating investment contracts, such as nonnegotiable certificates of deposits and repurchase agreements, are reported at cost which approximates fair value. See Note 2 for additional information.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Customer receivables are shown as net of an allowance for uncollectibles. At year-end, the allowance account is adjusted to an amount based on prior years' experience and an analysis of specific accounts. The allowance for uncollectible accounts was $83,639 at June 30, 2023 and 2022, respectively.

Funds that have been expended in accordance with grant requirements, but have not yet been reimbursed by grant funds, are recorded as governmental grants receivable.

Inventory and Prepaid Assets

Inventories consist of various spare parts and supplies used in the maintenance of the airport system and gasoline and fuel inventory as a reliever airport and are valued at the lower of cost (first-in, first-out) or market. Inventories are reported as expenses when they are consumed.

Certain payments to vendors reflect expenses applicable to future accounting periods and are recorded as prepaid items in the financial statements. Prepaid items are accounted for using the consumption method.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are defined by the District as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Capital assets, which also include right-to-use assets, are defined by the District as assets with an initial individual cost of more than $150,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Assets donated to the District are recorded at their acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the respective assets were charged to expense in the current period. Gains and losses arising from the sale or disposition of capital assets are included in the change in net position.

Major expenditures for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of assets is included in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Capital assets and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

Description	Estimated Lives
Terminal building, improvements, and land improvements	15 - 40 years
Other buildings and improvements	15 - 25 years
Runways, taxiways, aprons, and airfield lighting	10 - 20 years
Vehicles, furniture, and equipment	5 - 10 years
Parking lot and parking lot equipment	5 - 10 years

Restricted Assets

Certain proceeds from the issuance of the District's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

- The Construction Fund is used to pay the costs of the District's projects as provided in the provisions of the bond covenants.
- The Gross Revenue Fund receives the revenues to be distributed in the following order as provided in the provisions of the bond covenants:
    - Operation and Maintenance Reserve Account – an amount equal to three months of the annual budgeted operation and maintenance reserve
    - Debt Service and Debt Service Reserve Accounts – balance equal to the accrued aggregate debt service

Funds collected under the passenger facility charge program are restricted by law for specific airport improvement projects. All donor restricted support is reflected as restricted assets.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Prior to the end of each fiscal year, an appropriated budget for the subsequent fiscal year is presented and approved by the District to be used as a management tool. All annual appropriations lapse at year-end other than the capital budget.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statements of Net Position reports a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. Five (5) items relating to the District's Retirement Plans, two (2) items relating to the District's other postemployment benefits (OPEB) plan, and one (1) item relating to the District's deferred charge on refunding qualify for reporting in this category and are combined in the Statements of Net Position under the heading "Pension", "Other postemployment benefits", and "Deferred charge on refunding", respectively. The first item, experience losses, result from periodic studies by the actuary of the Retirement and OPEB Plans, which adjust these liabilities for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience losses are recorded as deferred outflows of resources and are amortized into pension and OPEB expense, respectively, over the expected remaining service lives of the plan members. The second item, changes of actuarial assumptions, adjusts the net pension liabilities and total OPEB liability and are amortized into pension and OPEB expense over the expected remaining service lives of plan members. The third item, differences between projected investment return on pension investments and actual return on those investments, is deferred and amortized against pension expense over a five-year period, resulting in recognition as a deferred outflow of resources. The fourth item results from changes in the proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions and is recorded as a deferred outflow of resources and is amortized into pension expense over the expected remaining lives of the plan members. Additionally, any contributions made by the District to the pension plan before year-end but subsequent to the measurement date of the District's net pension liability are reported as deferred outflows of resources. The fifth item, deferred charge on refunding, result from the difference between the net carrying amount of the refunded debt and the acquisition value of the refunding debt issued in a bond refunding transaction. These deferred charges are amortized using the straight-line method over the shorter of either the refunded or refunding bonds maturity dates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statements of Net Position reports a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Two (2) items relating to the District’s Retirement Plans, two (2) items relating to the District’s other postemployment benefits plan, and one (1) item relating to deferred lease receipts qualify for reporting in this category and are combined in the Statements of Net Position under the heading “Pension” “Other postemployment benefits”, and “Lease receipts”, respectively. The first item, experience gains, result from periodic studies by the actuary of the Retirement and Other Postemployment Benefit Plans, which adjust the net pension and total OPEB liabilities for actual experience for certain trend information that was previously assumed. These experience gains are recorded as deferred inflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of the plan members. The second item results from changes in the proportionate share and differences between employer contributions and the proportionate share of total pension plan employer contributions. This item is recorded as deferred inflows of resources and is amortized into pension expense over the expected remaining lives of the plan members. The third item, changes in actuarial assumptions, adjusts the total OPEB liability and is amortized into OPEB expense over the expected remaining service lives of plan members. The fourth item, deferred lease receipts, is amortized into revenue using the straight-line method over the associated lease term.

Compensated Absences

It is the District’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay vests when earned. Vacation pay is accrued when earned and employees can only carry over a maximum of 100% of their allowed annual leave. Any amount of leave exceeding the annual maximum amount will be forfeited when the payroll year ends. Vacation pay within the annual carryover limit is reported as a liability.

No liability has been recorded for non-vesting accumulating rights to receive sick pay benefits.

Unearned Revenue

Unearned revenue consists of amounts paid by the customers of the District. The prepayments are primarily for rents to be earned by the District in July of the following fiscal year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

Long-term debt and other obligations financed by the District are reported as liabilities in the Statements of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed in the year incurred.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position Classification

Net position is classified and displayed in three components within the Statements of Net Position. These three classifications are as follows:

a) Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
b) Restricted net position consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
c) Unrestricted net position consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Landing Fees Paid to USAF

The District operates a joint-use airfield in conjunction with the United States Air Force (USAF). Under the joint-use agreement, the District will make payments equal to one-half of the total landing fees. These fees are included in other expenses on the Statements of Revenues, Expenses, and Changes in Net Position.

Lease Accounting

Revenue from terminal building space rentals and other leased sites is accounted for in accordance with GASB Statement No. 87, *Leases*. Base monthly rentals are computed on the square footage occupied by the tenant times the rent per square foot. Tenant leases, with the exception of airline leases, are normally for periods of three to five years with options to renew. At June 30, 2023 and 2022, the airlines operating within the District consisted of Alaska Airlines, American Airlines, Avelo Airlines, Breeze Airways, Delta Airlines, Frontier Airlines, JetBlue Airways, Silver Airways, Southwest Airlines, Sun Country Airlines, and United Airlines. The airlines are subject to Ordinance #2001-02 *Air Carriers*, which places airline rentals on a month-to-month rental term. The District groups its leases for the purposes of disclosure into regulated leases and non-regulated leases. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term on a straight-line basis. Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments: (1) The District uses the interest rate it is charging the lessee as the discount rate. When the lease agreement does not specify an interest rate to be charged, the District generally uses its estimated incremental borrowing rate as the discount rate for leases; (2) the lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments the District is reasonably certain to receive. The District monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable. Refer to Note 4 for additional disclosures relative to the District's leasing activities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Contributions

The District receives federal grants to finance a portion of the airport improvements constructed by the District. The contributions are recorded when grant expenditures are made and grant funds are earned. Capital contributions were $34,101,398 and $13,253,279 for the years ended June 30, 2023 and 2022, respectively.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2023 and 2022 are summarized as follows:

	2023	2022
As reported in the *Statements of Net Position:*		
Cash and cash equivalents	**$ 80,340,997**	$ 53,685,279
Investments	**39,720,565**	38,976,502
Restricted cash and cash equivalents	**44,718,648**	34,251,387
Restricted investments	**38,869,794**	41,300,419
	$ 203,650,004	$ 168,213,587
Cash deposited with financial institutions	**$ 125,059,645**	$ 87,936,666
U.S. Government and Agencies	**51,459,507**	55,224,583
Money market mutual funds	**27,130,852**	25,052,338
	$ 203,650,004	$ 168,213,587

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits and Investments. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Deposits of the District are subject to South Carolina state statutes for custodial credit risk. The statutes provide that banks accepting deposits of funds from local government units must furnish an indemnity bond or pledge as collateral obligations of the United States, South Carolina, political subdivisions of South Carolina, the Federal National Mortgage Association, the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Federal Home Loan Mortgage Corporation. In accordance with the aforementioned statute, the District's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. Deposited funds may be invested in demand or time deposits, continuously and fully secured with direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District has an informal investment policy that limits investment to instruments with primarily short-term maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information regarding interest rate risk can be found on the following page.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District has adopted an informal investment policy in accordance with state statutes, which authorize the District to invest in the following:

1. Obligations of the United States and agencies thereof;

2. Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;

3. General obligations of the State of South Carolina or any of its political units;

4. Banks and savings and loan association deposits to the extent insured by the Federal Deposit Insurance Corporation;

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk. (Continued)

5. Certificates of deposit and repurchase agreements collateralized by securities, of the type described in (1) and (2) on the preceding page held by a third party as escrow agent or custodian, of a market value not less than the amount of certificates of deposit and repurchase agreements so secured, including interest; and

6. No-load open and closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit.

Additional information regarding the District's exposure to interest rate risk and credit risk is as follows at June 30, 2023:

Investment	Fair Value	Percentage of Portfolio	Credit Rating	Weighted Average Maturity (Years)
U.S. Government and Agencies	$ 51,459,507	65.48%	AAA	1.26
Money market mutual funds	27,130,852	34.52%	N/A	-
Total investments	$ 78,590,359			

Additional information regarding the District's exposure to interest rate risk and credit risk is as follows at June 30, 2022:

Investment	Fair Value	Percentage of Portfolio	Credit Rating	Weighted Average Maturity (Years)
U.S. Government and Agencies	$ 55,224,583	68.79%	AAA	1.51
Money market mutual funds	25,052,338	31.21%	N/A	-
Total investments	$ 80,276,921			

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
U.S. Government and Agencies	**$ 51,459,507**	**$ -**	**$ -**	**$ 51,459,507**
Money market mutual funds	**27,130,852**	**-**	**-**	**27,130,852**
Total investments measured at fair value	**$ 78,590,359**	**$ -**	**$ -**	
Total investments				**$ 78,590,359**

The District has the following recurring fair value measurements as of June 30, 2022:

Investment	Level 1	Level 2	Level 3	Fair Value
U.S. Government and Agencies	$ 55,224,583	$ -	$ -	$ 55,224,583
Money market mutual funds	25,052,338	-	-	25,052,338
Total investments measured at fair value	$ 80,276,921	$ -	$ -	
Total investments				$ 80,276,921

The U.S. Government and Agencies and Money Market Mutual Fund investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

The District has no investments classified in Level 2 or Level 3 of the fair value hierarchy.

NOTE 3. CAPITAL ASSETS

A summary of changes in capital assets at June 30, 2023, follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 25,552,760	$ -	$ (1,001,629)	$ -	$ 24,551,131
Construction in progress	12,476,455	21,131,350	-	(19,681,960)	13,925,845
Total	38,029,215	21,131,350	(1,001,629)	(19,681,960)	38,476,976
Capital assets, being depreciated:					
Runways, taxiways, aprons, and airfield lighting	134,322,419	-	-	259,480	134,581,899
Land improvements	652,247	-	-	-	652,247
Terminal buildings and improvements	469,253,332	-	-	14,900,145	484,153,477
Parking lots and improvements	33,617,474	-	-	113,430	33,730,904
Furniture and equipment	44,046,406	-	-	4,054,892	48,101,298
Vehicles	3,174,341	-	(84,875)	354,013	3,443,479
Total	685,066,219	-	(84,875)	19,681,960	704,663,304
Less accumulated depreciation for:					
Runways, taxiways, aprons, and airfield lighting	(86,576,987)	(4,563,793)	-	-	(91,140,780)
Land improvements	(539,827)	(16,306)	-	-	(556,133)
Terminal buildings and improvements	(186,932,418)	(22,047,725)	-	-	(208,980,143)
Parking lots and improvements	(22,328,713)	(3,679,448)	-	-	(26,008,161)
Furniture and equipment	(20,567,515)	(4,657,173)	-	-	(25,224,688)
Vehicles	(2,034,839)	(617,551)	84,875	-	(2,567,515)
Total	(318,980,299)	(35,581,996)	84,875	-	(354,477,420)
Total capital assets, being depreciated, net	366,085,920	(35,581,996)	-	19,681,960	350,185,884
Total capital assets, net	$ 404,115,135	$ (14,450,646)	$ (1,001,629)	$ -	$ 388,662,860

.

NOTE 3. CAPITAL ASSETS (CONTINUED)

A summary of changes in capital assets at June 30, 2022, follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 16,266,278	$ 9,286,482	$ -	$ -	$ 25,552,760
Construction in progress	2,824,209	18,485,321	-	(8,833,075)	12,476,455
Total	19,090,487	27,771,803	-	(8,833,075)	38,029,215
Capital assets, being depreciated:					
Runways, taxiways, aprons, and airfield lighting	131,884,356	-	-	2,438,063	134,322,419
Land improvements	652,247	-	-	-	652,247
Terminal buildings and improvements	466,129,836	-	-	3,123,496	469,253,332
Parking lots and improvements	33,305,116	-	-	312,358	33,617,474
Furniture and equipment	41,866,652	-	-	2,179,754	44,046,406
Vehicles	2,424,848	-	(29,911)	779,404	3,174,341
Total	676,263,055	-	(29,911)	8,833,075	685,066,219
Less accumulated depreciation for:					
Runways, taxiways, aprons, and airfield lighting	(81,660,029)	(4,916,958)	-	-	(86,576,987)
Land improvements	(523,521)	(16,306)	-	-	(539,827)
Terminal buildings and improvements	(164,929,604)	(22,002,814)	-	-	(186,932,418)
Parking lots and improvements	(18,539,372)	(3,789,341)	-	-	(22,328,713)
Furniture and equipment	(16,057,491)	(4,510,024)	-	-	(20,567,515)
Vehicles	(1,568,171)	(496,579)	29,911	-	(2,034,839)
Total	(283,278,188)	(35,732,022)	29,911	-	(318,980,299)
Total capital assets, being depreciated, net	392,984,867	(35,732,022)	-	8,833,075	366,085,920
Total capital assets, net	$ 412,075,354	$ (7,960,219)	$ -	$ -	$ 404,115,135

NOTE 4. LEASES

The District leases terminal space, land, buildings, and equipment, as lessor, under various lease agreements. The District's leases have been categorized as follows:

1. Included
2. Excluded - short-term
3. Excluded - regulated

Included Leases

In accordance with GASB Statement No. 87, the District recognizes a lease receivable and a deferred inflow of resources for leases the District categorized as Included. For these leases, the District reported a lease receivable of $32.9 million as of June 30, 2023, and $42.1 million as of June 30, 2022.

The leases held by the District do not have an implicit rate of return, therefore the District used its incremental borrowing rate of 3.26% to discount the leases receivable to the net present value.

GASB Statement No. 87 "included leases" are summarized as follows:

Concessions

The District leases concession space located in the terminals. The terms of the concession lease agreements include a fixed revenue component or Minimum Annual Guarantee (MAG).

Real Estate

The District leases land for terms that range from 20 to 50 years. The terms of the real estate leases include a fixed revenue component based on acreage.

Rental Car

The District leases land and buildings for rental car services for 5-year terms. The terms of the fixed facility and ground-rental car leases include a fixed revenue component that is based on square footage for facility rent, acreage for ground rent, and Minimum Annual Guarantee (MAG).

The terms of the facility and ground-rental car lease agreements include a variable revenue component based on a percentage of gross revenue.

NOTE 4. LEASES (CONTINUED)

Included Leases (Continued)

Building

The District leases buildings and space located outside of the terminals for terms that range from 10 to 40 years. The terms of the buildings and space leases included a fixed revenue component based on square footage.

For the fiscal years ended June 30, 2023 and 2022, the District recognized lease-related inflows from lease revenue and interest revenue in the amount of approximately $10.4 million and $10.7 million, respectively.

Excluded - Short-Term Leases

In accordance with GASB Statement No. 87, the District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

Excluded - Regulated Leases

Finally, the District is the lessor in certain leasing arrangements as defined by GASB Statement No. 87, paragraphs 42 and 43 defined therein as *Regulated Leases*. In accordance with GASB Statement No. 87, the District does not recognize a lease receivable and deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, such as requirements from the U. S. Department of Transportation and the Federal Aviation Administration. All regulated leases between the District and air carriers or other aeronautical users and under the terms of the agreements the lessees have exclusive use of certain airport infrastructure. During the fiscal years ended June 30, 2023 and 2022, the District recognized revenues from regulated leases in the amount of $22,385,376 and $20,038,544, respectively. These leases are subject to renewal by the District via a Board ordinance. Minimum future lease payments under regulated lease agreements as of June 30, 2023, are as follows:

Year ending June 30,	
2024	$ 535,099
2025	535,099
2026	535,099
2027	535,099
2028	316,749
2029 - 2033	1,484,493
2034 - 2038	1,484,493
2039 - 2043	1,468,065
2044 - 2048	984,710
2049 - 2053	4,500
Total	$ 7,883,406

NOTE 5. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2023, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Revenue bonds payable	$ 222,355,000	$ 151,500,000	$ (174,360,000)	$ 199,495,000	$ 3,845,000
Deferred amounts:					
Unamortized premium	10,116,710	-	(2,368,812)	7,747,898	-
Unamortized discount	(944,455)	-	944,455	-	-
Revenue bonds, net	231,527,255	151,500,000	(175,784,357)	207,242,898	3,845,000
Net pension liability	21,069,436	6,982,610	(2,832,542)	25,219,504	-
Total OPEB liability	1,746,736	239,798	(159,970)	1,826,564	-
Compensated absences	710,196	595,662	(369,584)	936,274	936,274
Total long-term liabilities	$ 255,053,623	$ 159,318,070	$ (179,146,453)	$ 235,225,240	$ 4,781,274

A summary of changes in long-term liabilities for the year ended June 30, 2022, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Revenue bonds payable	$ 226,060,000	$ -	$ (3,705,000)	$ 222,355,000	$ 3,900,000
Deferred amounts:					
Unamortized premium	10,792,415	-	(675,705)	10,116,710	-
Unamortized discount	(991,256)	-	46,801	(944,455)	-
Revenue bonds, net	235,861,159	-	(4,333,904)	231,527,255	3,900,000
Net pension liability	25,708,977	3,202,527	(7,842,068)	21,069,436	-
Total OPEB liability	1,984,499	129,793	(367,556)	1,746,736	-
Compensated absences	611,885	351,892	(253,581)	710,196	710,196
Total long-term liabilities	$ 264,166,520	$ 3,684,212	$ (12,797,109)	$ 255,053,623	$ 4,610,196

NOTE 5. LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds

Description	Original Issue	Due Date	Interest Rates	2023	2022
Series 2013A	$ 144,875,000	2043	3.50% to 5.875%	$ -	$ 128,030,000
Series 2013B	29,610,000	2043	3.50% to 5.875%	-	29,610,000
Series 2019	64,715,000	2049	5.00%	47,995,000	64,715,000
Series 2022A	121,565,000	2042	4.33%	121,565,000	-
Series 2022B	29,935,000	2044	4.33%	29,935,000	-
	Total revenue bonds outstanding			199,495,000	222,355,000
	Plus: Deferred amounts for issuance premium			7,747,898	10,116,710
	Less: Deferred amounts for issuance discount			-	(944,455)
	Revenue bonds payable			$ 207,242,898	$ 231,527,255

The District issues bonds to provide funds for various projects. The revenue bonds outstanding as of June 30, 2023 and 2022 are as follows:

On February 13, 2019, the District issued $64,715,000 Series 2019 airport revenue bonds to finance a portion of the cost of the design and construction of a five-level parking deck to provide approximately 2,400 spaces of public parking and approximately 600 spaces for rental car operations. Interest costs at a rate of 5.00% are due semiannually beginning July 1, 2019. During fiscal year 2023, the District irrevocably placed cash, from its own existing resources, with an escrow agent in a trust solely for satisfying certain scheduled future payments of principal on the defeased debt by purchasing securities backed by the U.S. government in an in-substance defeasance transaction. The portion of the 2019 bonds that was defeased is representative of the principal amounts due on the bonds from July 1, 2024 to July 1, 2033 (amounting to $16,720,000), at which point the District will resume making principal payments until final maturity on July 1, 2048. Accordingly, the trust account assets for the Series 2019 airport revenue bonds and the liability for those defeased bonds are not included in the District's financial statements. As of June 30, 2023, the defeased bonds outstanding amounted to $16,720,000. The remaining outstanding 2019 bonds are limited obligations of the District, payable solely from net revenues.

On September 1, 2022, the District issued $121,565,000 Series 2022A and $29,935,000 Series 2022B airport revenue refunding bonds to refund the 2013A and 2013B airport revenue bonds. The District will continue to acquire and construct certain improvements to the Charleston International Airport pursuant to a capital improvement plan known as the Terminal Redevelopment and Improvement Program for which the 2013A and 2013B bonds were originally issued. Interest at a rate of 4.33% are due semiannually beginning on January 1, 2023. Principal payments commence July 1, 2023, and continue until maturity on July 1, 2043. The refunding reduced the District's total debt service payments by $26,029,212 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of $16,855,681. The bonds are limited obligations of the District, payable solely from net revenues.

NOTE 5. LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds (Continued)

As of June 30, 2023, revenue bond debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2024	$ 3,845,000	$ 8,840,593	$ 12,685,593
2025	5,260,000	8,670,857	13,930,857
2026	5,435,000	8,439,310	13,874,310
2027	5,610,000	8,200,186	13,810,186
2028	5,795,000	7,953,268	13,748,268
2029 - 2033	31,930,000	35,771,805	67,701,805
2034 - 2038	46,825,000	27,366,688	74,191,688
2039 - 2043	60,370,000	15,348,836	75,718,836
2044 - 2048	30,135,000	3,734,366	33,869,366
2049	4,290,000	107,250	4,397,250
Plus deferred amounts for issuance premium	7,747,898	-	7,747,898
Total	$ 207,242,898	$ 124,433,159	$ 331,676,057

The outstanding revenue bonds of the District were approved through a master bond resolution approved by the District's Board. There are a number of circumstances in the master and supplemental bond resolutions considered to be events of default and remedies to such events. Such remedies include (1) by suit, action or proceeding, enforce all rights of the bondholders, and require the District to carry out any agreements with or for the benefit of the bondholders and to perform its or their duties under any law to which it is subject and the bond resolution and (2) in the enforcement of any remedy under the bond resolution, the Trustee is entitled to sue for, enforce payment on, and receive any and all amounts then or during any default becoming, and at any time remaining, due from the District for principal amount, redemption premium, interest or otherwise. The outstanding bonds are limited obligations of the District and are secured by a pledge of the net revenues of the airport.

NOTE 6. RESTRICTED NET POSITION

The balances of the restricted net position accounts are as follows:

	2023	2022
Restricted by bond covenant for:		
Operations and maintenance	**$ 5,568,000**	$ 5,568,000
Debt service	**21,836,310**	24,578,067
Capital projects	**-**	6,627,309
Total restricted by bond covenant	**27,404,310**	36,773,376
Restricted by contributor for:		
Beautification of airport	**42,577**	42,577
Capital projects	**38,507,172**	33,259,106
Police forfeitures	**21,559**	20,290
Employee medical	**-**	13,148
Total restricted by contributor	**38,571,308**	33,335,121
Total restricted net position	**$ 65,975,618**	$ 70,108,497

NOTE 7. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. For all of these risks, the District carries commercial insurance and is a member of the State of South Carolina Insurance Reserve Fund. The District pays an annual premium to the State Insurance Reserve Fund for its general insurance coverage. The State Insurance Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

In addition, the District insures the risk of job-related injury or illness of its employees through the South Carolina Accident Fund. The District pays an annual premium to the State Accident Fund for its insurance coverage. Additional premium assessments may be required for workers' compensation claims based on the District's claims experience.

The District has not significantly reduced insurance coverages from the previous year and settled claims in excess of insurance coverage for the last three years were immaterial. For each of the insurance programs and public entity risk pools in which they participate, the District has effectively transferred all risk with no liability for unfunded claims, other than ordinary policy deductibles.

NOTE 8. CONTINGENT LIABILITIES AND COMMITMENTS

Federal Grants. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the District. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Litigation. The District is party to various legal proceedings, which normally occur in governmental operations. Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending. Although the outcome of these lawsuits is not presently determinable, it is the opinion of legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

Construction Commitments. At June 30, 2023 and 2022, the District has commitments under contracts for construction of various projects not completed of $6,779,238 and $10,798,389, respectively.

NOTE 9. PENSION PLANS

Overview

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as a custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as a co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

NOTE 9. PENSION PLANS (CONTINUED)

Overview (Continued)

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR of the state.

Plan Description

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly. The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and first-term individuals elected to the South Carolina General Assembly. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

PORS - To be eligible for South Carolina Police Officers Retirement System (PORS) membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

NOTE 9. PENSION PLANS (CONTINUED)

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below.

SCRS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws.

NOTE 9. PENSION PLANS (CONTINUED)

Contributions (Continued)

Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2027, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state stature. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.25 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The Board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year, if necessary, in order to improve the funding of the plans. That statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded. For the years ended June 30, 2023 and 2022, the District contributed $2,073,541 and $1,657,200 to the SCRS plan, respectively, and $619,766 and $492,260 to the PORS plan, respectively.

Required employee contribution rates during the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
South Carolina Retirement System		
Employee class two	**9.00%**	9.00%
Employee class three	**9.00%**	9.00%
South Carolina Police Officers Retirement System		
Employee class two	**9.75%**	9.75%
Employee class three	**9.75%**	9.75%

NOTE 9. PENSION PLANS (CONTINUED)

Contributions (Continued)

Required employer contribution rates during the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
South Carolina Retirement System		
Employer class two	**17.41%**	16.41%
Employer class three	**17.41%**	16.41%
Employer incidental death benefit	**0.15%**	0.15%
South Carolina Police Officers Retirement System		
Employer class two	**19.84%**	18.84%
Employer class three	**19.84%**	18.84%
Employer incidental death benefit	**0.20%**	0.20%
Employer accidental death program	**0.20%**	0.20%

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2022, (the measurement date), total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2021, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plan’s fiscal year ended June 30, 2022, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

NOTE 9. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

Assumptions and methods used in the July 1, 2021, valuation for the SCRS and PORS plans are as follows:

	SCRS	PORS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	Lesser of 1% or $500 annually	Lesser of 1% or $500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 20-year capital market assumptions. The actuarial long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

NOTE 9. PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Alloation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public equity	**46.0%**	6.79%	3.12%
Bonds	**26.0%**	-0.35%	-0.09%
Private equity	**9.0%**	8.75%	0.79%
Private debt	**7.0%**	6.00%	0.42%
Real estate	**12.0%**		
Real estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
	100%		

Total expected real return	4.79%
Inflation for actuarial purposes	2.25%
Total expected nominal return	7.04%

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NOTE 9. PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the District's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the sensitivity of the net pension liability to changes in the discount rate as of June 30, 2023:

Sensitivity of the Net Position Liability to Changes in the Discount Rate

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	$ **26,118,351**	**$ 20,371,168**	**$ 15,593,132**
PORS	**6,760,712**	**4,848,336**	**3,282,875**

The following table presents the sensitivity of the net pension liability to changes in the discount rate as of June 30, 2022:

Sensitivity of the Net Position Liability to Changes in the Discount Rate

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	$ 22,307,865	$ 17,030,523	$ 12,643,961
PORS	5,859,947	4,038,913	2,547,208

Net Pension Liability

The most recent annual actuarial valuation report adopted by the PEBA Board and Budget and Control Board is as of July 1, 2021. The net pension liability of the System was, therefore, determined based on the July 1, 2021 actuarial valuations, using membership data as of July 1, 2021, projected forward to the end of the fiscal year, and financial information of the pension trust fund as of June 30, 2021, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by the System's consulting actuary, Gabriel, Roeder, Smith and Company.

NOTE 9. PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

For the District's fiscal year ending June 30, 2023, the District's proportionate share of the collective net pension liability for SCRS and PORS is as follows:

	SCRS	PORS
Total pension liability	**$ 47,440,081**	**$ 14,449,201**
Plan fiduciary net position	**27,068,913**	**9,600,865**
Employers' net pension liability	**$ 20,371,168**	**$ 4,848,336**
Plan fiduciary net position as a percentage of the total pension liability	57.1%	66.4%
District's proportionate share of the collective net pension liability	0.084032%	0.161666%

For the District's fiscal year ending June 30, 2022, the District's proportionate share of the collective net pension liability for SCRS and PORS is as follows:

	SCRS	PORS
Total pension liability	$ 43,385,796	$ 13,632,890
Plan fiduciary net position	26,355,273	9,593,977
Employers' net pension liability	$ 17,030,523	$ 4,038,913
Plan fiduciary net position as a percentage of the total pension liability	60.7%	70.4%
District's proportionate share of the collective net pension liability	0.078695%	0.156978%

NOTE 9. PENSION PLANS (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources Related to Pensions and Pension Expense
For the year ended June 30, 2023, the District recognized its proportionate share of collective pension expense of $1,709,422 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of $164,071 for a total of $1,873,493 for the SCRS plan. Additionally, for the year ended June 30, 2023, the District recognized its proportionate share of collective pension expense of $472,259 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of $71,153 for a total of $543,412 for the PORS plan. Total pension expense for both plans was $2,416,905 for the fiscal year ended June 30, 2023.

For the year ended June 30, 2022, the District recognized its proportionate share of collective pension expense of $1,243,591 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of ($16,804) for a total of $1,226,787 for the SCRS plan. Additionally, for the year ended June 30, 2022, the District recognized its proportionate share of collective pension expense of $441,858 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of $4,346 for a total of $446,204 for the PORS plan. Total pension expense for both plans was $1,672,991 for the fiscal year ended June 30, 2022.

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NOTE 9. PENSION PLANS (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources Related to Pensions and Pension Expense (Continued)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 176,987	$ 88,777
Changes of assumptions	653,351	-
Net difference between projected and actual earnings on pension plan investments	31,417	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	982,302	310,919
Employer contributions subsequent to the measurement date	2,073,541	-
Total	$ 3,917,598	$ 399,696

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 81,345	$ 95,844
Changes of assumptions	201,892	-
Net difference between projected and actual earnings on pension plan investments	14,640	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	233,281	30,387
Employer contributions subsequent to the measurement date	619,766	-
Total	$ 1,150,924	$ 126,231

NOTE 9. PENSION PLANS (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources Related to Pensions and Pension Expense (Continued)

District contributions subsequent to the measurement date of $2,073,541 and $619,766 for the SCRS and PORS plan, respectively, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 290,095	$ 22,985
Changes of assumptions	932,195	-
Net difference between projected and actual earnings on pension plan investments	-	2,473,908
Changes in proportion and differences between employer contributions and proportionate share of contributions	153,934	559,155
Employer contributions subsequent to the measurement date	1,657,200	-
Total	$ 3,033,424	$ 3,056,048

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 137,400	$ 12,579
Changes of assumptions	288,074	-
Net difference between projected and actual earnings on pension plan investments	-	905,507
Changes in proportion and differences between employer contributions and proportionate share of contributions	212,650	73,381
Employer contributions subsequent to the measurement date	492,260	-
Total	$ 1,130,384	$ 991,467

NOTE 9. PENSION PLANS (CONTINUED)

Deferred Outflows and Deferred Inflows of Resources Related to Pensions and Pension Expense (Continued)

The $1,657,200 and $492,260 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2022, were recognized as a reduction of the net pension liabilities during the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension as follows:

	South Carolina Retirement System	
Year ended June 30:	**2023**	**2022**
2023	**$ -**	$ (256,298)
2024	**689,128**	(136,639)
2025	**453,030**	(361,183)
2026	**(229,064)**	(925,704)
2027	**531,267**	-

	South Carolina Police Officers Retirement System	
Year ended June 30:	**2023**	**2022**
2023	**$ -**	$ (11,543)
2024	**182,957**	(6,323)
2025	**165,217**	(23,046)
2026	**(131,697)**	(312,431)
2027	**188,450**	-

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for SCRS and PORS. The ACFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

NOTE 9. PENSION PLANS (CONTINUED)

Deferred Compensation Plans

The District offers its employees deferred compensation plans, offered through the State of South Carolina, created in accordance with Internal Revenue Code Sections 457 and 401(k). The plans, available to all regular full-time and part-time employees, permit participants to defer a portion of their salaries until future years. The 457 plan is not available to the employee or his beneficiaries until termination, retirement, death, disability, or an approved hardship. The 401(k) plan has the same eligibility requirements as the 457 plan, although the withdrawal provisions are more lenient under the 401(k) plan.

All amounts of compensation deferred under the plans are held in trusts for the contributing employee and are not subject to claims of the employer's general creditors. The plans are administered by the State of South Carolina.

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS

Plan Description. The District, authorized by its Board of Directors, offers its retired employees a defined benefit plan for health insurance benefits (the "Plan"). The Plan is considered a single employer defined benefit plan and is administered by the District. The Plan does not issue a stand-alone report. Under the Plan, a retired employee can receive $10 per month for pre-Medicare retirees for each year of service up to a maximum of $250 per month toward District-provided health insurance. When a retiree reaches age 65 and is eligible for Medicare, the insurance premium is reduced to 75% of the full premium. Therefore, the contribution can be reduced to $7.50 per month for each year of service, but to a maximum of $188 per month.

Plan Membership. The Plan has 268 covered members for the years ended June 30, 2023 and 2022; 48 members are retirees receiving benefits and 220 are active participants and dependents for the years ended June 30, 2023 and 2022.

Funding Policy and Contributions. The District currently pays for other post-employment benefits on a pay-as-you-go basis. For the years ended June 30, 2023 and 2022, the District paid $106,818 and $98,289, respectively, toward the cost of retiree health insurance for eligible retired employees. The District's obligation to contribute to the Plan was established and may be amended by the Charleston County Aviation Authority. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the Plan.

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability. The District's total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions. The total OPEB liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	3.65% as of June 30, 2023 3.54% as of June 30, 2022
Healthcare cost trend rate:	5.75% - 4.00%, Ultimate Trend by 2036
Inflation rate:	3.00%
Salary increase:	3.50% per annum
Participation rate:	35.00% of all eligible employees and their dependents

Mortality rates were based on the rates used in for the July 1, 2022 SCRS and PORS pension plan valuations applied on a gender-specific basis. The Plan has not had a formal experience study performed.

Discount Rate. The discount rate used to measure the total OPEB liability was 3.65% and 3.54% as of June 30, 2023 and 2022, respectively. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.65% and 3.54% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2023 and 2022, respectively.

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NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability. The changes in the total OPEB liability of the District for the years ended June 30, 2023 and 2022, were as follows:

	Total OPEB Liability	
	2023	2022
Balances beginning of year	**$ 1,746,736**	$ 1,984,499
Changes for the year:		
Service cost	**72,131**	87,984
Interest	**59,960**	41,809
Difference between actual and expected experience	**107,707**	-
Assumption changes	**(53,152)**	(269,267)
Benefit payments and implicit subsidy	**(106,818)**	(98,289)
Net changes	**79,828**	(237,763)
Balances end of year	**$ 1,826,564**	$ 1,746,736

The required Schedule of Changes in the District's Total OPEB Liability and Related Ratios immediately following the notes to the financial statements presents multiyear trend information about the total OPEB liability.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the District as of June 30, 2023, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

Fiscal Year	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
2023	**$ 2,031,192**	**$ 1,826,564**	**$ 1,653,939**

The following presents the total OPEB liability of the District as of June 30, 2022, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

Fiscal Year	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
2022	$ 1,936,017	$ 1,746,736	$ 1,583,922

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the District as of June 30, 2023 and 2022, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

Fiscal Year	1% Decrease (4.75% decreasing to 3.00%)	Current Healthcare Cost Trend Rates (5.75% decreasing to 4.00%)	1% Increase (6.75% decreasing to 5.00%)
2023	**$ 1,787,512**	**$ 1,826,564**	**$ 1,872,307**

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

Fiscal Year	1% Decrease (5.20% decreasing to 3.00%)	Current Healthcare Cost Trend Rates (6.20% decreasing to 4.00%)	1% Increase (7.20% decreasing to 5.00%)
2022	$ 1,694,617	$ 1,746,736	$ 1,808,204

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2023 and 2022, and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the years ended June 30, 2023 and 2022, the District recognized OPEB expense as follows:

Description	2023	2022
Service cost (annual cost of current service)	**$ 72,131**	$ 87,984
Interest on the total OPEB liability	**59,960**	41,809
Recognition of current year amortization - difference between expected and actual experience & assumption changes	**(71,864)**	(81,257)
Total aggregate OPEB expense	**$ 60,227**	$ 48,536

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	**$ 89,162**	**$ 478,338**
Changes of assumptions	**339,973**	**283,952**
Total	**$ 429,135**	**$ 762,290**

At June 30, 2022, the District reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 558,324
Changes of assumptions	382,823	284,073
Total	$ 382,823	$ 842,397

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	**2023**	2022
2023	**$ -**	$ (81,257)
2024	**(71,864)**	(81,257)
2025	**(71,864)**	(81,257)
2026	**(71,864)**	(81,257)
2027	**(71,864)**	(81,257)
Thereafter	**(45,699)**	(53,289)

REQUIRED SUPPLEMENTARY INFORMATION

CHARLESTON COUNTY AIRPORT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30,

	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability							
Service cost	$ 72,131	$ 87,984	$ 123,307	$ 120,641	$ 131,183	$ 126,296	$ 121,930
Interest on total OPEB liability	59,960	41,809	47,169	76,561	74,499	72,662	62,709
Assumption changes	(53,152)	(269,267)	12,498	387,474	118,734	(84,899)	-
Difference between actual and expected experience	107,707	-	(307,647)	(447,644)	-	-	-
Benefit payments	(106,818)	(98,289)	(50,033)	(59,980)	(72,237)	(70,860)	(60,000)
Net change in total OPEB liability	79,828	(237,763)	(174,706)	77,052	252,179	43,199	124,639
Total OPEB liability - beginning	1,746,736	1,984,499	2,159,205	2,082,153	1,829,974	1,786,775	1,662,136
Total OPEB liability - ending	$ 1,826,564	$ 1,746,736	$ 1,984,499	$ 2,159,205	$ 2,082,153	$ 1,829,974	$ 1,786,775
Covered-employee payroll	$ 14,212,243	$ 10,904,711	$ 10,904,711	$ 9,653,864	$ 14,547,751	$ 9,653,864	$ 8,996,000
Total OPEB liability as a percentage of covered-employee payroll	12.85%	16.02%	18.20%	22.37%	14.31%	18.96%	19.86%

The above schedule will present 10 years of information once it is accumulated.

The District is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

The discount rate changed from 3.58% as of June 30, 2017, to 3.87% as of June 30, 2019.

The discount rate changed from 3.87% as of June 30, 2018, to 3.50% as of June 30, 2019.

The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

The discount rate changed from 2.21% as of June 30, 2020, to 2.16% as of June 30, 2021.

The discount rate changed from 2.16% as of June 30, 2021, to 3.54% as of June 30, 2022.

The discount rate changed from 3.54% as of June 30,2022, to 3.65% as of June 30, 2023.

The assumptions used in the preparation of the above schedule are disclosed in Note 10 to the financial statements.

CHARLESTON COUNTY AIRPORT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE PLAN YEARS ENDED JUNE 30,

South Carolina Retirement System

Plan Year Ended June 30,	District's proportion of the net pension liability	District's proportion share of the net pension liability	District's covered payroll	District's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.084032%	$ 20,371,168	$ 10,007,249	203.6%	57.1%
2021	0.078695%	17,030,523	8,927,428	190.8%	60.7%
2020	0.081380%	20,793,932	9,079,003	229.0%	50.7%
2019	0.080090%	18,287,893	8,457,262	216.2%	54.4%
2018	0.081730%	18,312,069	8,468,781	216.2%	54.1%
2017	0.079030%	17,790,924	7,818,988	227.5%	53.3%
2016	0.072086%	15,397,463	6,993,116	220.2%	52.9%
2015	0.069670%	13,214,010	6,532,765	202.3%	57.0%
2014	0.069400%	11,948,551	6,300,676	189.6%	59.9%
2013	0.069400%	12,488,064	5,794,125	215.5%	56.4%

South Carolina Police Officers Retirement System

Plan Year Ended June 30,	District's proportion of the net pension liability	District's proportion share of the net pension liability	District's covered payroll	District's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.16167%	$ 4,848,336	$ 2,558,523	189.5%	66.4%
2021	0.15698%	4,038,913	2,360,465	171.1%	70.4%
2020	0.14821%	4,915,045	2,238,970	219.5%	58.8%
2019	0.15224%	4,363,054	2,208,153	197.6%	62.7%
2018	0.14915%	4,226,119	2,064,407	204.7%	61.7%
2017	0.15823%	4,334,807	2,056,936	210.7%	60.9%
2016	0.15807%	4,009,456	2,002,964	200.2%	60.4%
2015	0.14364%	3,130,573	1,779,506	175.9%	64.6%
2014	0.16393%	3,138,378	1,971,698	159.2%	67.6%
2013	0.16393%	3,398,286	1,939,912	175.2%	63.0%

The assumptions used in the preparation of the above schedule are disclosed in Note 9 to the financial statements.

CHARLESTON COUNTY AIRPORT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED JUNE 30,

South Carolina Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2023	$ 2,073,541	$ 2,073,541	$ -	$ 11,808,320	17.56%
2022	1,657,200	1,657,200	-	10,007,249	16.56%
2021	1,389,108	1,389,108	-	8,927,428	15.56%
2020	1,412,693	1,412,693	-	9,079,003	15.56%
2019	1,231,378	1,231,378	-	8,457,262	14.56%
2018	1,148,367	1,148,367	-	8,468,781	13.56%
2017	903,875	903,875	-	7,818,988	11.56%
2016	773,439	773,439	-	6,993,116	11.06%
2015	712,071	712,071	-	6,532,765	10.90%
2014	667,871	667,871	-	6,300,676	10.60%

South Carolina Police Officers Retirement System

Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the actuarially required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percentage of covered payroll
2023	$ 619,766	$ 619,766	$ -	$ 3,092,810	20.04%
2022	492,260	492,260		2,558,523	19.24%
2021	430,550	430,550	-	2,360,465	18.24%
2020	408,388	408,388	-	2,238,970	18.24%
2019	380,685	380,685	-	2,208,153	17.24%
2018	338,259	338,259	-	2,064,407	16.39%
2017	292,908	292,908	-	2,056,936	14.24%
2016	275,207	275,207	-	2,002,964	13.74%
2015	238,632	238,632	-	1,779,506	13.41%
2014	253,166	253,166	-	1,939,912	13.05%

CHARLESTON COUNTY AIRPORT DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF DISTRICT CONTRIBUTIONS
FOR THE FISCAL YEARS ENDED JUNE 30,

Actuarial assumptions used in determining the statutorily required contribution are as follows:

System	SCRS	PORS
Calculation date	July 1, 2020	July 1, 2020
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	27 years maximum, closed period	27 years maximum, closed period
Investment return	7.25%	7.25%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service	3.50% plus step-rate increases for members with less than 15 years of service
Mortality	2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates are multiplied by 100% for non-educators and 92% for educators. Female rates multiplied by 111% for non-educators and 98% for educators.	2016 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale AA from the year 2016. Male rates are multiplied by 125% and female rates are multiplied by 111%.

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APPENDIX B

REPORT OF THE AIRPORT CONSULTANT

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September 13, 2024 APPENDIX B

Report of the Airport Consultant

Charleston International Airport

Charleston County Airport District
Airport Revenue Bonds,
Series 2024A (AMT), Series 2024B (NON-AMT), and
Series 2024C (TAXABLE)

Prepared for:

Charleston County Aviation Authority

Prepared by:

RICONDO

312 Walnut Street, Suite 3310

Cincinnati, OH 45202

513-651-4700

Ricondo & Associates, Inc. (Ricondo) prepared this document for the stated purposes as expressly set forth herein and for the sole use of Charleston County Aviation Authority and its intended recipients. The techniques and methodologies used in preparing this document are consistent with industry practices at the time of preparation, and this Report should be read in its entirety for an understanding of the analysis, assumptions, and opinions presented. Ricondo is not registered as a municipal advisor under Section 15B of the Securities Exchange Act of 1934 and does not provide financial advisory services within the meaning of such act.

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September 13, 2024

Mr. Elliott Summey
Executive Director & CEO
Charleston County Aviation Authority
Charleston International Airport
5500 International Blvd., #101
Charleston, SC 29418-6911

RE: Report of the Airport Consultant for the Charleston County Airport District Airport Revenue Bonds, Series 2024

Dear Mr. Summey:

Ricondo & Associates, Inc. (Ricondo) is pleased to present this Report of the Airport Consultant for inclusion as Appendix B in the Official Statement for the Charleston County Airport District (the District) Airport Revenue Bonds, Series 2024A, 2024B, and 2024C (2024 Bonds).

The 2024 Bonds will be issued pursuant to the Master Bond Resolution Relating to Airport Revenue Bonds, adopted by the Charleston County Aviation Authority (Authority) on July 23, 2013 (the Resolution), as supplemented by the Fifth Supplemental Bond Resolution, expected to be adopted by the Authority on September 19, 2024 (the 2024 Supplemental Resolution). The 2024 Bonds are payable from the Net Revenues generated from the operation of Charleston International Airport (the Airport), Mount Pleasant Regional Airport, and Charleston Executive Airport, collectively known as the Airport System.

Proceeds of the 2024 Bonds, along with other available Airport funds, will (1) fund a portion of the costs of the 2024 Projects (defined herein); (2) fund capitalized interest on the 2024 Bonds through the anticipated completion dates for the 2024 Projects, the latest of which is June 1, 2028; (3) fund a deposit to the debt service reserve account established for the 2024 Bonds; and (4) pay certain costs and expenses relating to the issuance of the 2024 Bonds. Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statement or the Resolution.

This Report presents the analysis undertaken by Ricondo to demonstrate the ability of the District to comply with the requirements of the Resolution on a pro forma basis for Fiscal Year (FY) 2026 ended June 30, 2026 through FY 2031 (the Projection Period) based on the assumptions regarding the planned issuance of the 2024 Bonds and the timely completion of the 2024 Projects established by the Authority through consultation with its financial advisor, underwriter, and construction manager. In developing its analysis, Ricondo has reviewed historical trends and formulated projections, based on the assumptions put forth in this Report, which have been reviewed and agreed to by the Authority regarding the ability of the Air Trade Area (defined herein) to generate demand for air service at the Airport, the trends in air service and passenger activity at the Airport, and the financial performance of the Airport.

This Report is organized as follows:

- Summary of Findings
- Chapter 1: The 2024 Bonds
- Chapter 2: Charleston International Airport
- Chapter 3: Capital Program, 2024 Projects, and Funding Sources
- Chapter 4: Demographic and Economic Analysis
- Chapter 5: Passenger Demand and Air Service Analysis
- Chapter 6: Financial Analysis

Based On the analyses put forth in this Report, Ricondo is of the opinion that the Net Revenues generated by the Airport System in each year of the Projection Period are expected to be sufficient to comply with the requirements of the rate covenant established in the Resolution. Ricondo is also of the opinion that throughout the Projection Period the Airport's airline rates and charges will remain reasonable on an average airline cost per enplaned passenger (CPE) basis, compared to other comparably sized U.S. airports. Although summary information is provided in this letter, a complete understanding of the justification for Ricondo's opinion cannot be achieved without reading this Report in its entirety.

Founded in 1989, Ricondo 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. Ricondo has prepared Reports of the Airport Consultant in support of over $46 billion of airport-related revenue bonds since 1996. Ricondo is not registered as a municipal advisor under Section 15B of the Securities Exchange Act of 1934. Ricondo 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, or other similar matters regarding the issuance of municipal securities. The assumptions about such matters included in this Report were provided by the Authority or the Authority's financial advisors or underwriters, or, with the Authority's approval, were derived from general, publicly available data approved by the Authority. Ricondo owes no fiduciary duty to the Authority. Ricondo recommends that the Authority discuss the information and analyses contained in this Report with internal and external 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 set forth in Section 15B of the Securities Exchange Act of 1934.

The techniques and methodologies used by Ricondo in preparing this Report are consistent with industry practices for similar studies in connection with the issuance of airport revenue bonds. While Ricondo believes that the approach and assumptions used are reasonable, some assumptions regarding future trends and events discussed in this Report, including, but not limited to, the implementation schedule, the forecasts of passenger-related activity, and the projections of financial performance, may not materialize.

Therefore, actual performance will likely differ from the projections set forth in this Report, and the variations may be material. In developing our analyses, Ricondo used information from various sources, including the Authority, the underwriters, the financial advisors, federal and local governmental agencies, and independent providers of economic and aviation industry data, as identified in the notes accompanying the related tables and exhibits in this Report. Ricondo believes these sources to be reliable but has not audited the data and does not warrant their accuracy. The analyses presented are based on conditions known as of the date of this letter. Ricondo has no obligation to update this Report on an ongoing basis.

Sincerely,

Ricondo & Associates, Inc.

RICONDO & ASSOCIATES, INC.

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SUMMARY OF FINDINGS

The Charleston County Aviation Authority (the Authority) commissioned Ricondo & Associates, Inc. (Ricondo) to prepare this Report of the Airport Consultant (Report) to demonstrate compliance with the provisions of the Charleston County Airport District's (District's) Master Bond Resolution Relating to Airport Revenue Bonds, as adopted by the Authority on July 23, 2013 (the Resolution), regarding the issuance of the District's Airport Revenue Bonds, Series 2024A (AMT), Series 2024B (Non-AMT), and Series 2024C (Taxable) Bonds (collectively, the 2024 Bonds) for the Charleston International Airport (the Airport).[1] The Report also demonstrates the District's ability to generate Net Revenues sufficient to meet its obligations under the Resolution, including the rate covenant established in the Resolution (Rate Covenant), on a pro forma basis for Fiscal Year[2] (FY) 2026 through FY 2031 (referred to in this Report as the Projection Period). In developing this analysis, Ricondo reviewed the terms of the Resolution and the related documents that govern the District's debt; the estimated terms of the 2024 Bonds, as provided by the Authority's financing team; the District's outstanding financial obligations; the capacity of the Airport's existing and planned facilities to accommodate current and anticipated demand; and the purpose, cost, schedule, proposed funding sources, and expected benefits of the Airport Capital Improvement Program (CIP) discussed herein.

To develop the pro forma analysis of the District's financial performance, Ricondo reviewed the agreements that establish the business arrangements between the Authority and its various tenants, including the commercial airlines serving the Airport. The majority of District operating revenue is derived 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 to and 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, Ricondo 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, Ricondo developed assumptions regarding these factors and relationships through the Projection Period, which provide the basis for the forecasts of passenger activity and the projections of financial performance presented in this Report. The following sections present a summary of Ricondo's assumptions, projections, and findings that are detailed in the body of the Report, which should be read in its entirety. Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statement or the Resolution.

1 Ricondo prepared this Report for the stated purpose as expressly set forth herein and for the sole use of the Authority and its intended recipients. The techniques and methodologies used in preparing the analyses described in this Report are consistent with industry practices at the time of preparation, and this Report should be read in its entirety for an understanding of the analyses, underlying assumptions, and opinions presented. Ricondo is not registered as a municipal advisor under Section 15B of the Securities Exchange Act of 1934 and does not provide financial advisory services within the meaning of such Act.

2 The fiscal year is 12 months ending June 30.

THE 2024 BONDS

The Authority is issuing the 2024 Bonds to fund, in part, the following projects: Parking Garage 3 (PG3), PG3 Rent-A-Car (RAC) Fit-Out, Baggage Handling System (BHS) Expansion, and East Concourse Expansion. These projects, described in detail in Section 3.3 of this Report, are referred to herein as the 2024 Projects.

Additionally, proceeds from the 2024 Bonds will be used to fund capitalized interest on the 2024 Bonds through the anticipated completion dates for the 2024 Projects, the latest of which is June 1, 2028, to fund a deposit to the debt service reserve account established for the 2024 Bonds, and to pay the costs of issuing the 2024 Bonds.

Table S-1 reflects the 2024 Bonds funding plan.

TABLE S-1 2024 BONDS FUNDING PLAN

SERIES DESIGNATION	PROJECTS TO BE FUNDED	CONSTRUCTION FUND DEPOSIT	TAX STATUS
2024A Bonds	BHS Expansion East Concourse Expansion	$59,381,671 $22,085,934	AMT
2024B Bonds	Parking Garage (PG3)	$174,615,898	Non-AMT
2024C Bonds	PG3 RAC Fit-Out	$68,517,245	Taxable
Total 2024 Bonds		**$324,600,749**	

SOURCE: PFM Financial Advisors LLC, August 2024.

CHARLESTON INTERNATIONAL AIRPORT

The District operates the Airport under a Joint Use Agreement with the US Air Force (USAF). The USAF owns and operates the majority of the airfield as part of the Charleston Air Force Base, and the District owns approximately 1,500 acres for civilian aviation use, including passenger, cargo, general aviation, and aircraft manufacturing uses. In addition to the Airport, the Authority operates two additional airports for the use of private and business aircraft—Mount Pleasant Regional Airport and Charleston Executive Airport, collectively known as the Airport System.

The existing Airport facilities include the airfield, terminal, terminal curbside, automobile parking facilities, rental car pavilion and surface parking area, air cargo, general aviation, and support facilities. In October 2016, the Authority completed its Terminal Redevelopment and Improvement Program, which increased the previously existing 330,000-square-foot Terminal Building footprint by approximately 100,000 square feet and included various improvements.

Public parking areas, consisting of the Hourly Parking Garage, Daily Parking Garage, Economy Lot A, and Economy Lot B, provide a total of approximately 7,100 parking spaces for Airport patrons. The Daily Parking Garage is a five-level structure and was completed in December 2020. The Daily Parking Garage provides spaces for both public parking and rental car operations, as well as an elevated passageway connecting the Terminal Building through the Hourly Parking Garage to the Daily Parking Garage. Expansions to Remote Parking Lots A and B were also completed in 2020 .

THE CAPITAL PROGRAM, THE 2024 PROJECTS, AND FUNDING SOURCES

Chapter 3 presents the Authority's CIP for FY 2025 through FY 2029, which, including the 2024 Projects, consists of approximately $1.296 billion of total project costs. The 2024 Projects (the PG3, PG3 RAC Fit-Out, BHS Expansion, and East Concourse Expansion); West Gate Expansion; Fuel Farm Expansion; and Remain Overnight (RON) Parking Apron (East and West) are the main projects in the Authority's CIP, totaling approximately $1.129 billion. The remaining approximately $167.1 million of the Authority's CIP projects—which include other Airport renovation, expansion, and replacement projects, as well as improvements to Charleston Executive Airport and Mount Pleasant Regional Airport—are further described in Chapter 3.

PG3 involves the construction of a six-level, approximately 2.4-million-square-foot parking garage situated on the existing Economy Lot A, east of the Daily Parking Garage. The PG3 RAC Fit-Out will be constructed on the first two floors of the PG3 and will include a Consolidated Rental Car (CONRAC) facility, administrative space for rental car and CONRAC operators, rental car pick-up and ready return space, and customer service facilities for rental car customers. The new East Concourse will be a two-level structure located just south of the existing RON aircraft parking apron and will include five new gates. Beneath the expanded ticket hall and checkpoint on the first floor of the East Concourse Expansion a new state-of-the-art BHS will be constructed.

Exhibit S-1 provides an aerial overview of the 2024 Projects.

EXHIBIT S-1 THE 2024 PROJECTS

SOURCES: Charleston County Aviation Authority, August 2024.

The 2024 Projects are anticipated to be funded in part with proceeds from the 2024 Bonds. The 2024 Projects have an estimated total cost of $979.0 million, of which $334.0 million is expected to be funded with proceeds from the 2024 Bonds. The 2024 Projects are anticipated to be completed by June 1, 2028 (FY 2028).

Airport CIP funding assumptions reflected in the financial analysis in this Report are described in Chapter 3, and the resulting financial impacts are discussed in Chapter 6.

DEMOGRAPHIC AND ECONOMIC ANALYSIS

The demand for air transportation at an airport is, to a large degree, dependent on the demographic and economic characteristics of the airport's Air Trade Area. This relationship is especially true for airports that serve origin and destination (O&D) passenger traffic, meaning passengers either begin or end their trips at an airport rather than connecting through the airport to other destinations. Historically, the largest component of demand at the Airport has been O&D passenger traffic; therefore, the major portion of demand for air travel at the Airport is influenced more by the local socioeconomic characteristics of the Airport Air Trade Area served than by individual air carrier decisions regarding service patterns in support of connecting activity.

Chapter 4 presents data indicating that the Airport's Air Trade Area has an economic base capable of supporting increased demand for air travel during the Projection Period.

Table S-2 summarizes the demographic and economic data described in Chapter 4, while key findings include the following:

- The Airport primarily serves the three-county Charleston–North Charleston Metropolitan Statistical Area (MSA)[3] (the Air Trade Area), which has a total population of approximately 830,352 residents in calendar year (CY) 2022[4]. According to July 2023 US Census Bureau data, the Air Trade Area is presently the 71st largest metropolitan area in the United States (US). In 2024, the City of Charleston maintains its status as South Carolina's largest city according to World Population Review.[5] Population growth in the Air Trade Area over the past 10 years has been significantly faster than the population growth experienced by South Carolina and the US, and this trend is expected to continue throughout the Projection Period. Typically, a positive correlation exists between population growth in a local area and air travel demand.
- The Air Trade Area has a relatively younger and better-educated population than the national average. This relatively younger and well-educated population provides a strong workforce base for employment and economic growth—which generally leads to increased air travel demand. In the 2024 Milken Institute Best-Performing Tier 1 Large Cities Index, the Air Trade Area ranked 11th out of the largest US metropolitan areas based on how well an area creates and sustains employment and economic growth. The Air Trade Area's 2024 ranking improved 13 positions from Milken's 2023 Index.[6]

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[3] The three counties included in the Charleston–North Charleston Metropolitan Statistical Area are Berkeley, Charleston, and Dorchester, all of which are in South Carolina.

[4] CY 2022 is the last year of historical data for population in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for the Woods & Poole's projections for CY 2031. A Woods & Poole projection for CY 2023 population (and other variables) is provided in Table S-2 for informational purposes only. More recent data may be available from other sources.

[5] World Population Review, "South Carolina Cities by Population (2024)," https://worldpopulationreview.com/states/cities/south-carolina (accessed June 12, 2024).

[6] Milken Institute, "Best-Performing Cities 2024: Focus on Sustainable Growth and Resilience," https://milkeninstitute.org/sites/default/files/2024-02/BestPerformingCities2024.pdf (accessed June 12, 2024.)

TABLE S-2 SUMMARY OF DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

	HISTORICAL CY 2012	HISTORICAL CY 2022[1]	ESTIMATED CY 2023[2]	PROJECTED CY 2031	CAGR		
					CY 2012 – CY 2022[1]	CY 2022[1] – CY 2023[2]	CY 2022[1] – CY 2031
Population							
Air Trade Area	694,029	830,352	849,417	938,761	1.8%	2.3%	1.4%
United States	314,371,469	333,271,406	334,914,906	353,010,688	0.6%	0.5%	0.6%
Employment[3]							
Air Trade Area	408,521	537,417	549,976	649,758	2.8%	2.3%	2.1%
United States	178,979,605	212,087,368	214,783,243	236,437,342	1.7%	1.3%	1.2%
Per Capita Personal Income							
Air Trade Area	$44,661	$54,439	$55,944	$62,433	2.0%	2.8%	1.5%
United States	$46,791	$56,421	$58,292	$65,682	1.9%	3.3%	1.7%
GDP/GRP							
Air Trade Area	$34,394	$48,521	$50,832	$64,626	3.5%	4.8%	3.2%
United States	$17,074,008	$21,788,014	$22,642,584	$26,495,364	2.5%	3.9%	2.2%

	HISTORICAL CY 2012	HISTORICAL CY 2023[4]	JUNE 2024[5]
Unemployment Rates[4]			
Air Trade Area	7.5%	2.5%	3.1%
United States	8.1%	3.6%	4.1%
Variance	*-0.6%*	*-1.1%*	*-1.0%*

NOTES:
CAGR – Compound Annual Growth Rate
CY – Calendar Year
1 CY 2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for Woods & Poole's CY 2031 projections in this table. More recent data may be available from other sources.
2 CY 2023 is an estimate made by Woods & Poole and is provided here for informational purposes only; the historical data on which Woods & Poole's CY 2031 projections are based is CY 2022.
3 Employment data include wage and salary workers, proprietors, private household employees, and miscellaneous workers. Establishment data from the US Department of Commerce, Bureau of Economic Analysis were used in this table, which differ from the employment data in Table 4-7 because of differing sources, definitions, and methodologies. Establishment data is used in this table because it is the only employment measurement available in Woods & Poole projections.
4 CY 2023 unemployment data is available from the Bureau of Labor Statistics and is shown here.
5 Monthly unemployment data in this table were seasonally adjusted.
SOURCES: Woods & Poole Economics, Inc., *2024 Complete Economic and Demographic Data Source (CEDDS)*, July 2024 (population, income, gross domestic product / gross regional product); US Department of Labor, Bureau of Labor Statistics, August 2024 (unemployment).

- Average annual unemployment rates (non-seasonally adjusted) for the Air Trade Area were consistently below the unemployment rates for South Carolina and the US every year between CY 2012 and CY 2023. The Air Trade Area's seasonally adjusted unemployment rate was 3.1 percent in June 2024, which is the most recent month of actual data available. This rate was below the seasonally adjusted unemployment rates experienced by South Carolina and the US during the same period (3.6 and 4.1 percent, respectively).
- Twenty-seven private or public entities with nearly 1,000 or more employees are located in the Air Trade Area. The largest employer in the Air Trade Area is the consolidated USAF/Navy military facility Joint Base Charleston, with approximately 25,000 employees, followed by the Medical University of South Carolina (MUSC) (17,000

employees); The Boeing Company (7,900 employees); the Charleston County School District (7,100 employees); and Roper St. Francis Healthcare (6,100 employees).

- As discussed in Chapter 4, the Air Trade Area is projected to outperform the US over the Projection Period on a variety of demographic and economic indicators shown to have a correlation with air travel demand.

PASSENGER DEMAND AND AIR SERVICE ANALYSIS

As presented in Chapter 5, the Airport has had the benefit of a resilient passenger base, served by a core of airlines generally offering scheduled service to hub airports in the Northeast, Midwest, and Southeast. As of June 2024, 13 mainline air carriers provide passenger service at the Airport. The Federal Aviation Administration (FAA) classifies the Airport as a medium-hub facility based on its percentage of nationwide enplaned passengers, with approximately 3.1 million enplaned passengers in FY 2024. Other key points regarding historical and forecast aviation activities at the Airport are the following:

- Since FY 2014, the Airport has experienced a 7.5 percent compound annual growth rate (CAGR) in enplaned passengers, compared to 2.0 percent growth for the US (latest data available). The Airport has experienced periods of strong passenger growth over the past 10 fiscal years, including double-digit percentage increases in FY 2014, FY 2016, FY 2019, FY 2022, and FY 2023, compared to nationwide passenger growth of 2.5 percent, 4.4 percent, 3.8 percent, 50.7 percent, and 11.7 percent in those years, respectively.
- The Airport has had the benefit of a relatively stable scheduled passenger air carrier base since FY 2014. Delta Air Lines (Delta), United Airlines (United), American Airlines (American), Southwest Airlines (Southwest), and JetBlue Airways (JetBlue), inclusive of their regional carrier affiliates currently serving the Airport, have operated at the Airport throughout this period.
- From FY 2016 to FY 2024, nine additional airlines have initiated service at the Airport. Alaska Airlines (Alaska) initiated service in FY 2016, followed by Allegiant Air (Allegiant) and Frontier Airlines (Frontier) in FY 2018. In FY 2021, Breeze Airways (Breeze) initiated service at the Airport followed by Avelo Airlines (Avelo) and Sun Country Airlines (Sun Country) in FY 2022. Spirit Airlines (Spirit) and Air Canada initiated service at the Airport in FY 2023 and FY 2024, respectively. British Airways initiated service in FY 2019 with nonstop service to London Heathrow Airport (LHR); however, it ceased operations to the Airport in FY 2020.
- According to published airline schedules as of June 2024, the Airport is the largest airport in the Breeze network based on scheduled departures and departing seat capacity.
- In FY 2024, American, including its affiliated air carriers, represented the largest air carrier at the Airport based on enplaned passengers and Delta had the largest share of landed weight.

Table S-3 summarizes forecast enplanements at the Airport through the Projection Period. In FY 2024 enplaned passengers increased 9.5 percent. Based on local and national socioeconomic and demographic factors, and the anticipated usage of the Airport by airlines, total enplaned passengers at the Airport are forecast to increase from 3.1 million in FY 2024 to 3.8 million in FY 2031. The forecast increase between FY 2024 and FY 2031 represents a CAGR of 2.8 percent.

TABLE S-3 ENPLANED PASSENGER FORECAST

(Fiscal Years Ended June 30)

	AIRPORT	
FISCAL YEAR	TOTAL ENPLANEMENTS	ANNUAL GROWTH
Historical		
2014	1,523,681	12.8%
2015	1,630,147	7.0%
2016	1,810,542	11.1%
2017	1,914,668	5.8%
2018	2,096,750	9.5%
2019	2,349,364	12.0%
2020	1,751,632	(25.4%)
2021	1,285,795	(26.6%)
2022	2,538,607	97.4%
2023	2,881,158	13.5%
2024	3,153,727	9.5%
Projected		
2025	3,256,000	3.2%
2026	3,349,000	2.9%
2027	3,444,000	2.8%
2028	3,539,000	2.8%
2029	3,635,000	2.7%
2030	3,731,000	2.6%
2031	3,828,000	2.6%
CAGR		
2014 – 2019	9.0%	
2014 - 2024	7.5%	
2024 – 2031	2.8%	

NOTES:
CAGR – Compound Annual Growth Rate
Fiscal year ending June 30.
SOURCES: Charleston County Aviation Authority, August 2024 (historical); Ricondo & Associates, Inc., July 2024 (projected).

FINANCIAL ANALYSIS

Chapter 6 presents the analysis undertaken by Ricondo to demonstrate the ability of the District to comply with the requirements of the Resolution on a pro forma basis in each year of the Projection Period based on the assumptions regarding the planned issuance of the 2024 Bonds.

Based on the analysis in this Report and the financial projections presented in Chapter 6, Ricondo is of the opinion that the Net Revenues generated by the Airport in each year of the Projection Period are expected to be sufficient to comply with the Rate Covenant. Ricondo is also of the opinion that the Airport's airline rates and charges should remain reasonable based on the expectation that these fees will not deter forecast demand for air traffic at the Airport as airlines continue to deploy capacity to airports based on available resources. The underlying strength of air traffic demand at the Airport is based on a combination of factors that are not affected by Airport rates and charges.

Results of the financial analysis presented herein can be summarized as follows:

- Operation and Maintenance (O&M) Expenses are projected to increase based on the type of expense, the incremental increases associated with the completion of capital projects, and the expectations of future inflation (assumed to be 2.0 percent annually). O&M Expenses are projected to increase from approximately $60.0 million in FY 2025 to approximately $87.0 million in FY 2031, reflecting a CAGR of 6.4 percent.
- Parking and concession revenues, including Customer Facility Charge Revenues (CFCs), are budgeted to be approximately $67.2 million in FY 2025, accounting for 89.1 percent of total budgeted Non-Airline Revenues. Parking and concession revenues are projected to increase to approximately $97.2 million in FY 2031, reflecting a CAGR of 6.3 percent based on anticipated air traffic growth, inflation, and impacts from the completion of capital projects. Total Non-Airline Revenues are budgeted to be approximately $75.5 million in FY 2025 and are projected to increase to approximately $106.8 million in FY 2031, reflecting a CAGR of 6.0 percent.
- After the issuance of the 2024 Bonds and assumed future airport revenue bonds to be issued in the first quarter of CY 2026 (Future Bonds), total annual debt service for the District is projected to be approximately $40.0 million in FY 2028, increasing to approximately $66.6 million in FY 2029, and then increasing to approximately $78.1 million in FY 2030, and remaining level through the remainder of the Projection Period. A portion of the annual debt service is anticipated to be paid with PFC revenues.
- Airline revenues, calculated based on the terms of the Authority Ordinance No. 01-02, as amended on April 21, 2022, are projected to increase from approximately $38.0 million in FY 2025 to approximately $96.6 million in FY 2031. The Airport's estimated average airline cost per enplaned passenger (CPE) is projected to increase from approximately $11.68 in FY 2025 to approximately $25.22 in FY 2031. Calculated pursuant to the Resolution, debt service coverage, excluding any amounts in the Rolling Coverage Account, is projected to be 2.37x in FY 2028, the first full year of debt service on the 2024 Bonds, and is expected to exceed the 1.25x debt service coverage requirement established in the Resolution in each year of the Projection Period.

1. THE 2024 BONDS

1.1 PLAN OF FINANCE

This Chapter includes a description of the Series 2024A, Series 2024B, and Series 2024C Bonds (collectively, the 2024 Bonds) and key provisions of the Resolution.

The Authority is issuing the 2024 Bonds to fund, in part, the following projects: Parking Garage 3 (PG3), PG3 Rent-A-Car (RAC) Fit-Out, Baggage Handling System (BHS) Expansion, and the East Concourse Expansion. These projects, described in detail in Section 3.3 of this Report, are referred to herein as the 2024 Projects.

Additionally, proceeds from the 2024 Bonds will be used to fund capitalized interest on the 2024 Bonds through the anticipated completion dates for the 2024 Projects, the latest of which is June 1, 2028, to fund a deposit to the debt service reserve account established for the 2024 Bonds, and to pay the costs of issuing the 2024 Bonds.

1.1.1 THE 2024 BONDS

Table 1-1 reflects the funding plan for the 2024 Bonds.

TABLE 1-1 2024 BONDS FUNDING PLAN

SERIES DESIGNATION	PROJECTS TO BE FUNDED	CONSTRUCTION FUND DEPOSIT	TAX STATUS
2024A Bonds	BHS Expansion East Concourse Expansion	$59,381,671 $22,085,934	AMT
2024B Bonds	PG3	$174,615,898	Non-AMT
2024C Bonds	PG3 RAC Fit-Out	$68,517,245	Taxable
Total 2024 Bonds		**$324,600,749**	

SOURCE: PFM Financial Advisors LLC, August 2024.

Table 1-2 presents the estimated sources and uses for the 2024 Bonds.

The 2024 Bonds are being issued pursuant to the provisions of the Resolution. The Authority is expected to adopt the Fifth Supplemental Resolution on September 19, 2024, authorizing the issuance of the 2024 Bonds (the 2024 Supplemental Resolution).

Table 1-3 lists the assumptions provided by the Authority's Financial Advisor for the 2024 Bonds.

TABLE 1-2 2024 BONDS SOURCES AND USES

	2024A BONDS (AMT)	2024B BONDS (NON-AMT)	2024C BONDS (TAXABLE)	TOTAL SERIES 2024
Sources				
Par Amount of Bonds	$107,735,000	$211,380,000	$92,540,000	$411,655,000
Original Issue (Discount)/Premium	$1,068,465	$13,733,444	$0	$14,801,909
Total Sources of Funds at Closing	**$108,803,465**	**$225,113,444**	**$92,540,000**	**$426,456,909**
Uses				
Construction Account Deposit	$81,467,606	$174,615,898	$68,517,245	$324,600,749
Capitalized Interest Deposit	$16,511,592	$31,176,057	$16,245,568	$63,933,217
Debt Service Reserve Fund Deposit	$9,957,977	$17,629,500	$7,034,109	$34,621,585
Delivery Date Expenses[1]	$866,291	$1,691,989	$743,078	$3,301,358
Total Uses of Funds at Closing	**$108,803,465**	**$225,113,444**	**$92,540,000**	**$426,456,909**

NOTE:
1 Includes cost of issuance and underwriter's discount.
SOURCE: PFM Financial Advisors LLC, August 2024.

TABLE 1-3 2024 BOND ASSUMPTIONS

	2024A BONDS	2024B BONDS	2024C BONDS
Delivery Date	9/1/2024	9/1/2024	9/1/2024
Capitalized Interest End Date	9/1/2027	9/1/2026	9/1/2026
Amortization Start Date[1]	7/1/2041	7/1/2028	7/1/2028
Last Maturity Date	7/1/2054	7/1/2054	7/1/2054
Average Life	24.1 years	20.1years	20.2 years
Overall Interest Rate	4.97%	4.54%	6.09%

NOTE:
1 Amortization of the Series 2024A Bonds was structured in consideration of currently outstanding and anticipated future terminal debt service.
SOURCE: PFM Financial Advisors LLC, August 2024.

In addition to the 2024 Bonds, this analysis assumes the issuance of future airport revenue bonds in the first quarter of CY 2026 (Future Bonds), the proceeds from which are assumed to fund the remaining costs of the 2024 Projects, primarily the East Concourse Expansion. Of the approximately $397 million in bond-funded project costs associated with the East Concourse Expansion, approximately $23 million are assumed to be funded with proceeds from the 2024 Bonds, with the remaining $374 million funded with proceeds from the assumed Future Bonds.

Current assumptions provided by the Authority's Financial Advisor for the Future Bonds include a total par amount of approximately $529 million and project fund deposits of approximately $432 million. The Future Bonds are assumed to have a 30-year term and an interest rate of 4.88 percent.

1.2 BOND RESOLUTION

Security and Sources of Payment

The 2024 Bonds shall have an irrevocable and nonexclusive first lien on *Net Revenues* as such term is defined in the Resolution on parity with the Series 2019 Airport Revenue Bonds (2019 Bonds), Series 2023A (AMT) and Series 2023B (Non-AMT) Airport Revenue Refunding Bonds (2023 Bonds), and any additional bonds issued under the Resolution.

The 2024 Bonds are secured by a pledge and lien on Net Revenues generated from the operations of the Airport System[7]. Pursuant to the Resolution, Net Revenues means Revenues less Operation and Maintenance (O&M) Expenses for such period where Revenues are defined as all income, receipts, earnings and revenues received by the District from the operation and ownership of the Airport System, as determined in accordance with generally accepted accounting principles, as modified from time to time, including (a) rates, tolls, fees, rentals, charges and other payments made to or owed to the District for the use or availability of the Airport System, and (b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the District, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the District or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the District receives payments which are attributable to the Airport System or activities or undertakings related thereto.

Revenues also include amounts received from tenants representing the principal portion of payments received pursuant to certain self-liquidating lease agreements, all income, receipts and earnings (except any earnings allowed to be pledged by the terms of a Supplemental Resolution to fund the Construction Fund) from the investment of amounts held in the Gross Revenue Fund, any Construction Fund, any Debt Service Fund (except Capitalized Interest on deposit therein), the Common Reserve Account, any Series Debt Service Reserve Account and such additional revenues, if any, as are designated as “Revenues” under the terms of any Supplemental Resolution. The following, including any investment earnings thereon, are specifically excluded from Revenues: (i) any amounts received by the District from the imposition of ad valorem taxes, (ii) gifts, grants and other income (including any investment earnings thereon) otherwise included in this definition of Revenues, which are restricted by their terms to purposes inconsistent with the payment of debt service on the Bonds, (iii) Net Proceeds and other insurance proceeds, to the extent the use of such Net Proceeds or other proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service on the Bonds (except to the extent Net Proceeds are utilized to pay O&M Expenses), and (iv) Special Facilities Revenue (to the extent there is no excess Special Facilities Revenue as described in [Section 6.05] of the Resolution).

The following, including any investment earnings thereon, are specifically excluded from Revenues, unless designated as Revenues under the terms of a Supplemental Resolution: (A) Rental Credit, (B) Passenger Facility Charges (PFCs), (C) Customer Facility Charges (CFCs), (D) Federal Direct Payments, (E) Released Revenues, (F) grants and other charges authorized on or after the date of the Resolution by federal and/or state laws or regulations to be assessed to fund specific programs at the Airport System, (G) investment income derived from any money or securities which may be placed in escrow or trust to defease Bonds, (H) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Code and amounts held in a Rebate Fund and (I) Capitalized Interest. Further, interest earnings or other investment earnings on any Construction Fund established

[7] The Airport System as defined in the Resolution means the Airports and all operations of the Airports, including all of their revenue-producing functions, facilities, and properties, whether or not directly related to the air transportation of people and goods.

by any Supplemental Resolution are specifically excluded from Revenues, unless otherwise provided for in such Supplemental Resolution.

Any amounts credited to the PFC Debt Service Account shall be applied by the District to the payment of Annual Debt Service of the Series 2023 Bonds, Series 2024A Bonds, and any other Series of Bonds eligible for payment from PFCs under the PFC Final Agency Decision by transferring (i) on a pro rata basis of PFC-eligible Annual Debt Service for each such Series of Bonds amounts on deposit in the PFC Debt Service Account to the Debt Service Account for each such Series of Bonds in each Fiscal Year (FY), or (ii) such other method as is consistent with the PFC Final Agency Decision. Any amounts remaining in the PFC Debt Service Account on the last day of the FY shall be credited to the PFC Project Account. Amounts credited to the PFC Project Account may be applied to any lawful purpose relating to the Airport System as the Director of Airports may from time to time determine, including PFC-approved projects and transfers to the PFC Debt Service Account.

The District's obligation to apply PFCs in accordance with the provisions of, and for the period of time provided in, the 2022 Supplemental Resolution and 2024 Supplemental Resolution constitutes an Irrevocable Commitment of the District within the meaning of the Master Bond Resolution.

The Resolution provides that if, pursuant to a Supplemental Resolution, the Authority has made an Irrevocable Commitment to use PFCs to pay Annual Debt Service on the Bonds for any FY or period of FYs, then such amounts shall be excluded from the computation of Annual Debt Service for the purpose of calculating Aggregate Annual Debt Service for the proposed issuance of any Series of Bonds and for the purpose of verifying compliance with the rate covenant. The 2022 Supplemental Resolution and 2024 Supplemental Resolution provide that the District's obligation to apply PFCs in accordance with the provisions of the 2022 Supplemental Resolution and 2024 Supplemental Resolution constitutes an Irrevocable Commitment of the District within the meaning of the Resolution.

The Rate Covenant

The District covenants to fulfill the following requirements:

The District shall, while any of the Bonds remain Outstanding (but subject to all existing contracts and legal obligations of the District as of the date of execution of the 2024 Supplemental Resolution setting forth restrictions relating thereto), establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that Net Revenues in each FY will be at least equal to the sum of the following amounts:

- the Annual Debt Service on any Outstanding Bonds required to be funded by the District in such FY as required by the Resolution with respect to the Outstanding Bonds;
- the required deposits to the Common Reserve Account and any Series Debt Service Reserve Account that may be established by a Supplemental Resolution;
- the required deposits to the O&M Reserve Funds;
- the reimbursement or repayment of other amounts owed to any Credit Provider or Liquidity Provider as required by a Supplemental Resolution;
- the interest on and principal of any indebtedness required to be funded during such FY other than for Outstanding Bonds, including Subordinate Obligations; and

- payments of any reserve requirement for debt service for any indebtedness other than Outstanding Bonds, including Subordinate Obligations.

The District will establish, fix, prescribe, and collect rates, tolls, fees, rentals, and charges in connection with the Airport System and for services rendered in connection therewith, so that during each FY the Net Revenues, together with any amount deposited in the Rolling Coverage Account as of the end of the immediately preceding FY, will be equal to at least 125 percent of Annual Debt Service on the Outstanding Bonds in such FY. The amount of any deposit in the Rolling Coverage Account taken into account shall not exceed 25 percent of the Aggregate Annual Debt Service on the Outstanding Bonds in such FY.

If Net Revenues, together with any amount deposited in the Rolling Coverage Account, in any FY are less than the amount specified above, the District will retain and direct a Consultant to make recommendations as to the revision of the operations of the Airport System and its schedule of rentals, rates, tolls, fees, and charges for the use of the Airport System and for services rendered by the District in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the District shall take all lawful measures to revise the schedule of rentals, rates, tolls, fees and charges as may be necessary to produce Net Revenues in the amount specified above in the next succeeding FY.

In the event that Net Revenues for any FY are less than the amount specified above, but the District promptly has taken prior to or during the next succeeding FY all lawful measures to revise the schedule of rentals, rates, tolls, fees and charges as required by such deficiency in Net Revenues will not constitute an Event of Default under the provisions of the Resolution. Nevertheless, if after taking the measures to revise the schedule of rentals, rates, tolls, fees, and charges, Net Revenues in the next succeeding FY (as evidenced by the audited financial statements of the District relating to the Airport System for such FY) are less than the amount specified above, such deficiency in Net Revenues constitutes an Event of Default under the provisions of the Resolution.

Debt Service and Other Reserves

The Debt Service Reserve Fund is maintained in trust and held by the Trustee, in which there is established a Common Reserve Account and one or more Series Debt Service Reserve Accounts. The District may cause the Trustee to establish separate accounts within the Common Reserve Account for the deposit of and accounting for proceeds of separate Series of Bonds participating in the Common Reserve Account. Additionally, the District may, at the time of issuance of any Series of Bonds, provide by Supplemental Resolution for the creation of a Series Debt Service Reserve Account as additional security for such Series of Bonds, and in its discretion reserving the right to allow a future Series of Bonds to participate in such Series Debt Service Reserve Account, or provide that such Series of Bonds participate in a Series Debt Service Reserve Account previously created for an Outstanding Series of Bonds. Any Series Debt Service Reserve Account established under a Supplemental Resolution shall be funded, at the time of issuance of such Series of Bonds or over such other period of time as set forth in a Supplemental Resolution, in an amount equal to the Reserve Requirement with respect to the Bonds participating in such Series Debt Service Reserve Account.

The Operating and Maintenance Reserve Fund means the Operating and Maintenance Reserve Fund established by the Resolution in which an amount equal to one-sixth ($1/6^{th}$) of budgeted Operating and Maintenance Expenses for the current FY shall be maintained.

The Airport Capital Fund shall include an Equipment and Capital Outlay Account, a Capital Projects Account, a Rolling Coverage Account, and a General Capital Account. Money in the Airport Capital Fund shall be used for any lawful purpose of the Airport System.

Additional Bonds Test

The Resolution authorizes the issuance of Additional Bonds subject to certain conditions and tests, including that as a condition to the issuance of any Series of Bonds, there shall first be delivered to the District either:

(1) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by an Authorized Authority Representative showing that the Net Revenues for the last FY for which audited financial statements are available, or, based upon the District's unaudited, internally prepared, financial statements for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds, together with any amount on deposit in the Rolling Coverage Account, as of the end of the immediately preceding FY, were at least equal to 125 percent of Aggregate Annual Debt Service with respect to all Outstanding Bonds and the proposed Series of Bonds, calculated as if the proposed Series of Bonds was then Outstanding; or

(2) (a) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by an Authorized Authority Representative, showing that the Net Revenues for the last FY for which audited financial statements are available, or, based upon the District's unaudited, internally prepared, financial statements for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds, together with any amount deposited in the Rolling Coverage Account as of the end of the immediately preceding FY, were at least equal to 125 percent of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds (not including the proposed Series of Bonds) for such FY or other applicable period; and

(b) a certificate from a Consultant showing that the estimated Net Revenues for each of three consecutive FYs beginning with the first FY in which Annual Debt Service is due on or with respect to the Series of Bonds proposed to be issued, and for the payment of all of which provision has not been made as indicated in the certificate of such Consultant from the proceeds of such Series of Bonds and/or from interest that has been capitalized from the proceeds of previously issued Bonds together with amounts deposited in the Coverage Account, will be at least equal to 125 percent of the Aggregate Annual Debt Service for each such FY with respect to all Outstanding Bonds and the proposed Series of Bonds (calculated as if the proposed Series of Bonds was then Outstanding).

For purposes of paragraph (1) above, the amount of any money deposited into the Rolling Coverage Account taken into account cannot exceed 25 percent of the Aggregate Annual Debt Service on the Outstanding Bonds and the proposed Series of Bonds. For purposes of paragraph (2)(a) and (b) above, the amount of any money deposited into the Rolling Coverage Account taken into account in any year cannot exceed 25 percent of the Aggregate Annual Debt Service on the Outstanding Bonds in such year. For purposes of paragraph (2)(b) above, in estimating Net Revenues, the Consultant may take into account Revenues from Projects or Airport Facilities reasonably expected to become available during the period for which the estimates are provided and an amount estimated by the Consultant to be on deposit during such period of time in the Rolling Coverage Account.

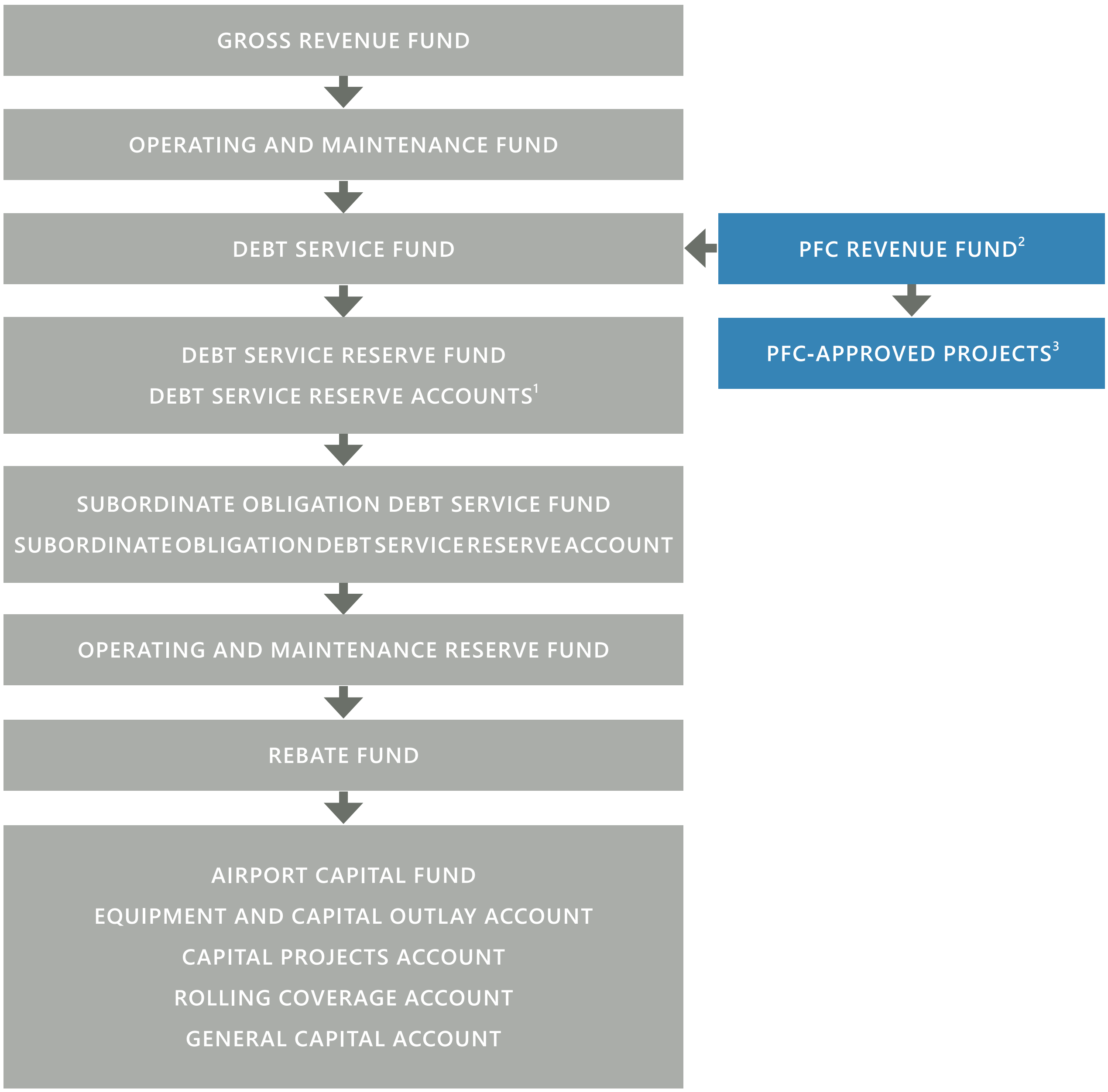
Flow of Funds

All Revenues of the Airport System are deposited as promptly as possible after receipt into the Gross Revenue Fund, held and administered by the District. As shown on **Exhibit 1-1**, the moneys in the Gross Revenue Fund are to be applied in the following order of priority:

- Gross Revenue Fund
- Operating and Maintenance Fund
- Debt Service Fund
- Debt Service Reserve Fund
- Subordinate Obligation Debt Service Fund
- Operating and Maintenance Reserve Fund
- Rebate Fund
- Airport Capital Fund

The Resolution authorizes the issuance of Airport System Revenue Bonds by the District. The requirements of the Resolution were adhered to in developing the application of revenues included in this Report. The principal funds and accounts established within the Resolution and their use are summarized below:

- *Gross Revenue Fund* – receives all Revenues derived by the District and are deposited or transferred to the following funds and accounts in the order listed.
- *Operating and Maintenance Expenses (O&M)*. The District shall first pay from the Gross Revenue Fund a sufficient amount of Revenues to pay all Operating and Maintenance Expenses due in the next month to the Operating and Maintenance Fund. The District shall pay all Operating and Maintenance Expenses as they become due and payable from money available in the Operating and Maintenance Fund.
- *Debt Service Fund; Other Amounts Due on Bonds*. The District shall next pay and credit monthly from the Gross Revenue Fund a sufficient amount of Revenues, without priority and on an equal basis, except as to timing of payment, to the Debt Service Fund in the amounts, at the times and in the manner provided in [Section 4.06] of the Resolution to provide for the payment of the principal of and interest to come due on the Outstanding Bonds and for the payment of amounts, other than principal and interest, if any, due on the Outstanding Bonds.
- *Common Reserve Account and Series Debt Service Reserve Accounts*. The District shall next pay and credit monthly from the Gross Revenue Fund a sufficient amount of Revenues, without priority and on an equal basis, except as to timing of payment, to the Common Reserve Account and the Series Debt Service Reserve Accounts, if any, at the times, in such amounts, and to be used in the manner provided for, as specified in [Section 4.08] of the Resolution and any Supplemental Resolution.
- *Subordinate Obligation Debt Service*. The District shall next pay and credit monthly a sufficient amount of Revenues to the Subordinate Obligation Debt Service Fund and related reserve fund or funds (if any), such amounts and, at such times, as are sufficient to pay the debt service on any indebtedness, including Subordinated Obligations, issued pursuant to the terms of a subordinate resolution or other agreement, but only to the extent a specific pledge of Net Revenues has been made in writing to the payment of debt service on such indebtedness.



[1] Includes Common Reserve Account and individual Reserve Accounts for each Bond Series.

[2] Through fiscal year 2028, PFC revenues, in amounts annually designated by the Authority, shall be applied to the PFC-eligible portions or debt service on the Series 2023 Bonds, Series 2024A Bonds, and any other PFC-eligible Series of Bonds. Debt service on the Series 2019 Bonds, Series 2024B Bonds, and Series 2024C Bonds is not eligible for payment from PFC revenues.

[3] All PFCs not applied as described in footnote 1 shall be transferred to the PFC Project Account for the payment of costs of PFC-approved projects.

NOTES:
PFC Passenger Facility Charge

SOURCES: Charleston County Aviation Authority, January 2019; Ricondo & Associates, Inc., June 2024.

EXHIBIT 1-1

MASTER BOND RESOLUTION RELATING TO AIRPORT REVENUE BONDS

corporate:Creative Services:01 Projects:01 Client Projects:2018:CHS:17010989.01_CHS Feasibility Exhibits_082018:Flow Of Funds Exhibit:CHS Flow of Funds Exhibit 1-2.indd

- *Operating and Maintenance Reserve Fund*. The District shall next pay into the Operating and Maintenance Reserve Fund one-twelfth (1/12th) of the amount needed to bring the balance in the Operating and Maintenance Reserve Fund to an amount equal to one-sixth (1/6th) of the amount of operating expenses budgeted by the District for the current FY. If the balance in the Operating and Maintenance Reserve Fund is greater than or equal to one-sixth (1/6th) of the amount of operating expenses budgeted by the District for the current FY, no deposit is required.
- *Rebate Fund*. The District shall next pay into the Rebate Fund such amount, if any, as required to satisfy the District's obligations with respect to any arbitrage rebate calculations related to a Series of Bonds.
- *Airport Capital Fund*. When and after the District shall have made all payments from the Gross Revenue Fund required at the time to be made as described above, all remaining money in the Gross Revenue Fund shall be paid and credited monthly to the Airport Capital Fund. Money in the Airport Capital Fund shall be used for any lawful purpose of the Airport System. As determined by the District, money paid and credited to the Airport Capital Fund shall be deposited into, and may be subsequently transferred among unless otherwise provided in a Supplemental Resolution, one or more of the following accounts (the listing of the following accounts is not intended to establish a priority of one account over another):
  - *Equipment and Capital Outlay Account* – the District may deposit money from the Airport Capital Fund into the Equipment and Capital Outlay Account in an amount to be determined by the District. Money in the Equipment and Capital Outlay Account may be used by the District for purposes to be determined by the District.
  - *Capital Projects Account* – the District may deposit money from the Airport Capital Fund into the Capital Projects Account in an amount to be determined by the District. Money in the Capital Projects Account may be used by the District for purposes to be determined by the District.
  - *Rolling Coverage Account* – the District may deposit money from the Airport Capital Fund into the Rolling Coverage Account in an amount to be determined by the District. Unless otherwise required by a Supplemental Resolution, the District is not required to make any deposit into the Rolling Coverage Account or to retain any such amount deposited in the Rolling Coverage Account. Any money released from the Rolling Coverage Account shall be deposited into another account within the Airport Capital Fund.
  - *General Capital Account* – all remaining money in the Airport Capital Fund not deposited to the Equipment and Capital Outlay Account, the Capital Projects Account, or the Rolling Coverage Account shall be deposited into the General Capital Account and may be used by the District for current or future capital projects, or any other lawful purpose of the Airport System.

As a recipient of Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants, the Authority must comply with associated grant assurances which include, among others, a restriction regarding the use of revenue generated from the operation of the Airport System solely to Airport System purposes. The Debt Service Fund, the Debt Service Reserve Fund, and the Subordinate Obligation Debt Service Fund are all held in trust and administered by the Trustee. All of the other funds established under the Resolution are special funds held in trust and administered by the District.

2. CHARLESTON INTERNATIONAL AIRPORT

2.1 CHARLESTON INTERNATIONAL AIRPORT AND THE US AIR FORCE JOINT USE AGREEMENT

The District operates the Airport under a Joint Use Agreement with the U.S. Air Force (USAF). The USAF owns and operates the majority of the airfield as part of the Charleston Air Force Base, and the District owns approximately 1,500 acres for civilian aviation use, including passenger, cargo, general aviation, and aircraft manufacturing uses. In addition to the Airport, the Authority operates two airports for the use of private and business aircraft—Mount Pleasant Regional Airport and Charleston Executive Airport, collectively known as the Airport System.

2.1.1 JOINT USE AGREEMENT

Since December 29, 1978, the District and the USAF have been parties to a Joint Use Agreement. The current Joint Use Agreement was executed in February 2008 with a 50-year term; it allows civilian aircraft access to the airfield with certain restrictions related to USAF operations. The runways, some taxiways, some navigational aids, and other airfield facilities are owned, operated, and maintained by the USAF. This Joint Use Agreement defines the areas of the Airport that are to be considered *Jointly Used Flying Facilities*, areas considered to be *Civil Use*, and the entity responsible for maintenance, repair, and construction of these areas. The Joint Use Agreement further provides that within its assigned capabilities, equipment, and available personnel, the USAF will provide aircraft rescue and firefighting (ARFF) services for both the Joint Use Area and the Civil Use Areas as those terms are defined in the Joint Use Agreement. Maintenance and service in the Joint Use Area is the responsibility of the USAF while maintenance and service in the Civil Use Area is the responsibility of the District.

2.2 AIR TRADE AREA AND SURROUNDING AIRPORTS NEAR IT

The geographical area served by an airport is commonly known as the airport's "air trade area." The borders of an airport's air trade area are influenced by the location of other metropolitan areas and their associated airport facilities. For purposes of these analyses, the ***primary air trade area*** for the Airport consists of the Charleston–North Charleston metropolitan statistical area (Charleston MSA) as defined by the federal government's Office of Management and Budget. According to the federal government, an MSA is a geographical area with a large population nucleus, along with any adjacent communities that have a high degree of economic and social interaction with that nucleus.[8] The Charleston MSA consists of three counties in South Carolina: Berkeley, Charleston (the county in which the Airport is located), and Dorchester.

Based on location, accessibility, and services available at other commercial service airports within nearby service areas, it is recognized that the area served by the Airport extends to a *secondary air trade area*. The secondary air trade area consists of five counties: three located to the northeast of Charleston (Georgetown, Williamsburg, and Horry) and two located to the southwest of Charleston (Colleton and Beaufort). The limits of the secondary air trade area are primarily determined by the air trade areas of the two nearest competing commercial service airports—Myrtle Beach International Airport (approximately 96 miles driving distance from downtown Charleston) and Hilton

[8] In 2000, the Office of Management and Budget revised its geographic Census definitions to include Metropolitan and Micropolitan Statistical Areas, collectively called Core Based Statistical Areas (CBSA). The Metropolitan Statistical Areas have at least one central urbanized core area of 50,000 people, and the Micropolitan Statistical Areas have at least one urbanized core area of at least 10,000 people, but fewer than 50,000.

Head Island Airport (approximately 102 miles driving distance from downtown Charleston). The limits of the secondary air trade area also include the air trade areas of Savannah/Hilton Head International Airport (approximately 107 miles driving distance from downtown Charleston) and Columbia Metropolitan Airport (approximately 113 miles driving distance from downtown Charleston). The level of service offered at these airports is discussed in Chapter 5.

A large percentage of the Airport's local passenger traffic originates from its primary air trade area, and many of the attractions and destinations for nonresident passengers are located in this area. As a result, only socioeconomic data for the primary air trade area (hereinafter referred to as the Air Trade Area) were analyzed in Chapter 4, in conjunction with similar data for South Carolina and the US. **Exhibit 2-1** presents the geographical location of the Airport's primary and secondary air trade areas, as well as the Airport's proximity to alternative facilities.

2.3 EXISTING AIRPORT FACILITIES

This section describes the existing Airport facilities, including airfield, terminal, terminal curbside, automobile parking, rental car, air cargo, support, and general aviation facilities.

Exhibit 2-2 presents an aerial drawing of the Airport.

2.3.1 AIRFIELD

The airfield facilities at the Airport consist of the runways, taxiways, apron areas, and lighting systems.

2.3.1.1 RUNWAYS AND LIGHTING

The airfield has two intersecting runways: Runway 3-21 is oriented northeast–southwest, and Runway 15-33 is oriented northwest–southeast.

- Runway 3-21 is 150 feet wide and 7,000 feet long. The runway pavement is grooved concrete with a weight-bearing capacity of 275,000 pounds for dual-wheel aircraft and 350,000 pounds for dual-double-tandem-wheel aircraft.
- Runway 15-33 is 200 feet wide and 9,000 feet long. The runway pavement is grooved concrete with a weight-bearing capacity of 275,000 pounds for dual-wheel aircraft and 350,000 pounds for dual-double-tandem-wheel aircraft. Runway 15 is equipped with a Category II Instrument Landing System.
- Airport navigational aids include Airport surveillance radar (ASR), a nondirectional radio beacon, and a very-high frequency omnidirectional range tactical air navigation facility.
- Four precision approach path indicators (PAPIs) provide pilots with vertical visual cues and guidance to a runway. Runways 03, 15, 21, and 33 have associated PAPIs located left of center on each runway approach.

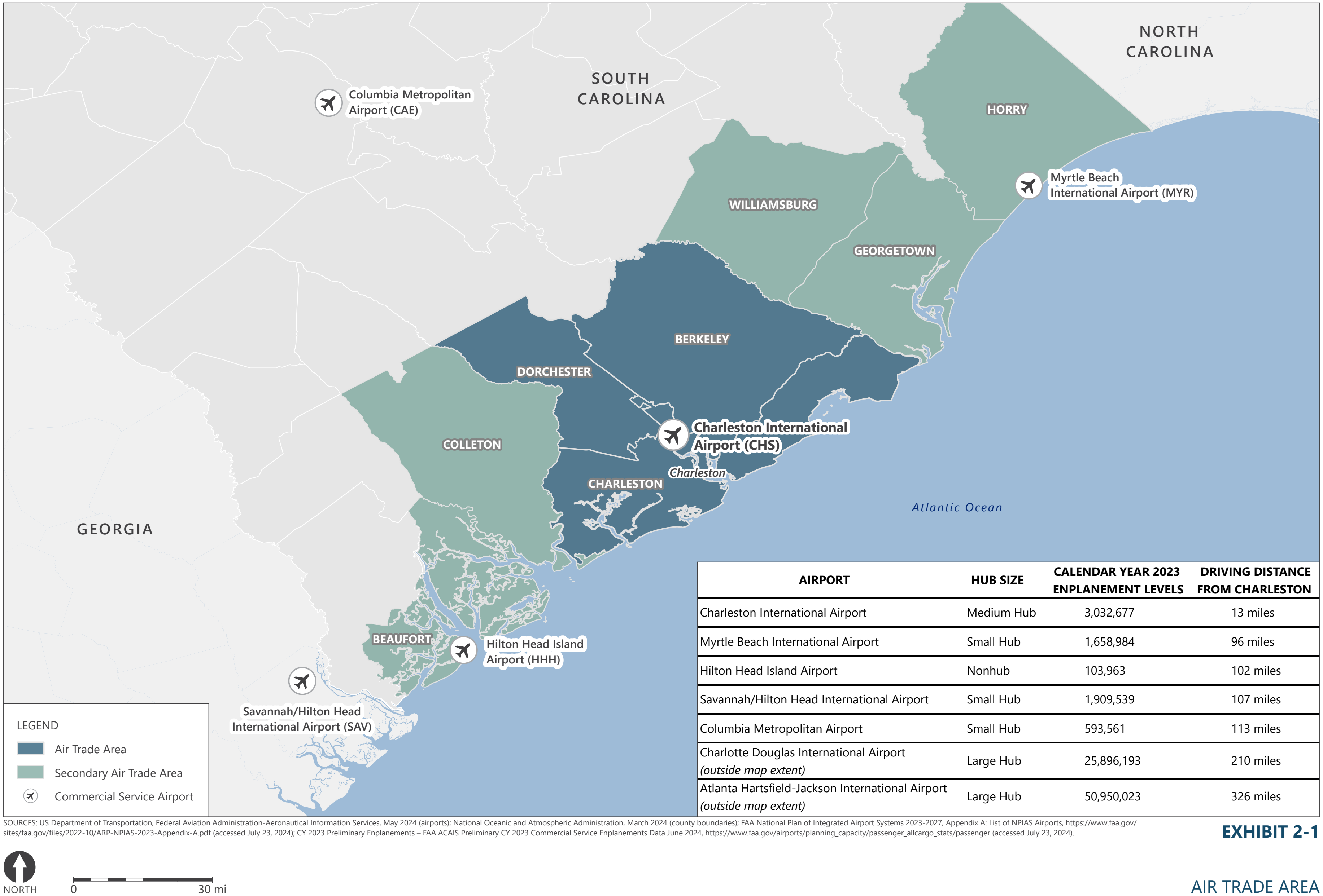
2.3.1.2 TAXIWAYS

The Joint Use Agreement designates taxiways as Civilian Use, Joint Use, or Military Use only.

Civilian Use Taxiways connect the passenger terminal, cargo, Boeing facilities, and general aviation aircraft parking areas to the jointly used runways. These taxiways consist of Taxiways A, B, G, and M.

Six taxiways serve a joint-use purpose for both military and civilian aircraft. Joint Use Taxiways include taxiways used by both the military and civil aircraft for crossing the airfield and accessing the military and civil facilities. They include Taxiways C, D, E, F, H, and J.

Taxiway K is designated for exclusive Military Use and enters a restricted portion of the Charleston Air Force Base.

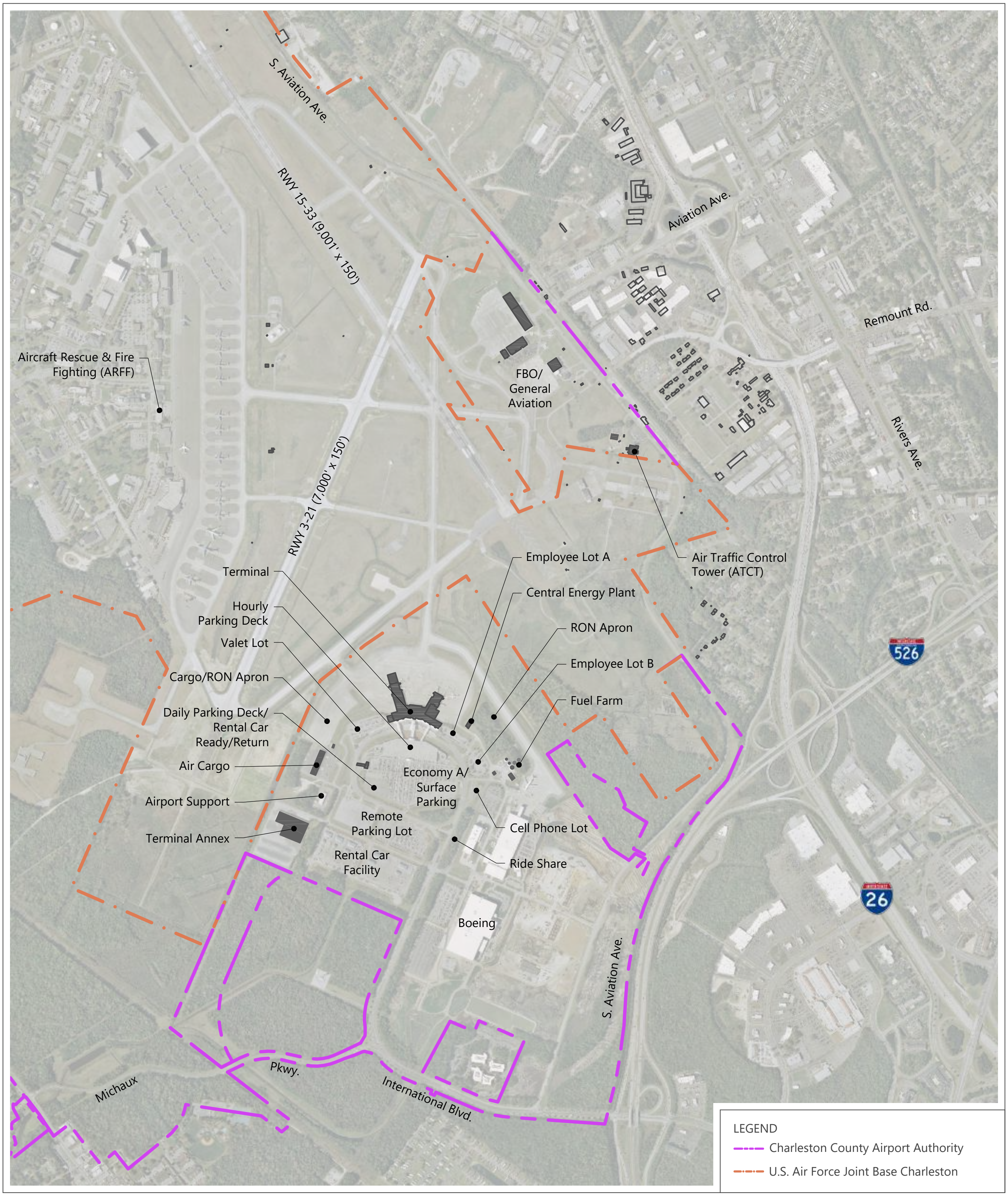


AIRPORT	HUB SIZE	CALENDAR YEAR 2023 ENPLANEMENT LEVELS	DRIVING DISTANCE FROM CHARLESTON
Charleston International Airport	Medium Hub	3,032,677	13 miles
Myrtle Beach International Airport	Small Hub	1,658,984	96 miles
Hilton Head Island Airport	Nonhub	103,963	102 miles
Savannah/Hilton Head International Airport	Small Hub	1,909,539	107 miles
Columbia Metropolitan Airport	Small Hub	593,561	113 miles
Charlotte Douglas International Airport *(outside map extent)*	Large Hub	25,896,193	210 miles
Atlanta Hartsfield-Jackson International Airport *(outside map extent)*	Large Hub	50,950,023	326 miles

SOURCES: US Department of Transportation, Federal Aviation Administration-Aeronautical Information Services, May 2024 (airports); National Oceanic and Atmospheric Administration, March 2024 (county boundaries); FAA National Plan of Integrated Airport Systems 2023-2027, Appendix A: List of NPIAS Airports, https://www.faa.gov/sites/faa.gov/files/2022-10/ARP-NPIAS-2023-Appendix-A.pdf (accessed July 23, 2024); CY 2023 Preliminary Enplanements – FAA ACAIS Preliminary CY 2023 Commercial Service Enplanements Data June 2024, https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger (accessed July 23, 2024).

EXHIBIT 2-1

AIR TRADE AREA



SOURCE: Ricondo & Associates, Inc., June 2024.

EXHIBIT 2-2

EXISTING AIRPORT FACILITIES

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2.3.2 TERMINAL

The Airport passenger Terminal Building opened on April 10, 1985. The Terminal Building has three levels (i.e., the apron, concourse, and administration levels), and it currently totals approximately 406,000 square feet of enclosed and covered unenclosed space. In October 2016, the Authority completed its Terminal Redevelopment and Improvement Program, which increased the previously existing 330,000-square-foot Terminal Building footprint by approximately 100,000 square feet and included the following improvements:

- New Central Hall
- Redeveloped Ticket Hall with new central marketplace with shopping and dining options
- New Rental Car Pavilion
- Expanded BHS
- Five new passenger boarding gates with new passenger boarding bridges on each new gate
- New restrooms, concessions, and hold room areas

The Terminal Building consists of two concourses (piers) connected to the main core of the Terminal Building. The two-level east pier is referred to as Concourse A, and the two-level west pier is referred to as Concourse B. The lower (apron) level is within the Secure Identification Display Area, and it generally contains airline operations offices, storage space, utility space, workshops, and covered unenclosed space. The second (concourse) level principally contains the secure areas (post-security screening checkpoints), including hold rooms, concession spaces, restrooms, and miscellaneous spaces. Federal Inspection Services facilities occupy a large, separate section on Concourse B.

The three-level Terminal Building contains airline and Authority operational areas on the lower (apron) level; passenger ticketing, bag claim, rental car counters, and concessions on the concourse level; and Authority offices and a boardroom on the third (administration) level. The terminal roadway was constructed on a berm so that the curb, ticket lobby, and bag claim hall are all one level above the aircraft apron.

The aircraft parking area is striped for 18 terminal aircraft parking positions and 7 Remain Overnight (RON) aircraft parking positions, not including any aircraft parking positions on the cargo ramp.

2.3.3 CURBSIDE, AUTOMOBILE PARKING, AND RENTAL CAR FACILITIES

This section presents terminal curbside, automobile parking, and rental car facilities that serve the passenger terminal area.

2.3.3.1 TERMINAL CURBSIDE

The terminal curbside area consists of an inner curbside roadway and an outer curbside roadway. The inner and outer roadways are separated by a concrete median that provides shelter for passengers waiting for vehicles on the outer roadway.

The inner roadway consists of a single passenger loading and unloading lane adjacent to the terminal, as well as three through-lanes. The outer roadway consists of a single passenger loading and unloading lane adjacent to the median, two through-lanes, and a single outer passenger loading lane. The innermost lane is used for valet pickup and drop-off, taxicab pickup, courtesy shuttle pickup, and Charleston Area Regional Transportation Authority (CARTA) buses. The center two lanes are circulating lanes for through-traffic. The outermost lane is used for limousine pickup and valet pickup and drop-off.

2.3.3.2 AUTOMOBILE PARKING FACILITIES AND TAXICAB STAGING

Four public parking areas provide a total of approximately 7,100 parking spaces for Airport patrons as follows:

- Hourly Parking Garage (located across the terminal roadway from the Terminal Building) – approximately 1,300 spaces on three levels
- Daily Parking Garage (located immediately south of the Hourly Parking Garage) – approximately 2,500 spaces on five levels
- Economy Lot A (located east of the Daily Parking Garage) – surface parking lot with approximately 1,500 parking spaces
- Economy Lot B (located south of Economy Lot A) – an additional approximately 1,500 parking spaces.
- Two dedicated employee parking lots are located east of the passenger Terminal Building. The lots include 365 spaces, which are used by Airport tenants, Authority staff, and Transportation Security Administration (TSA) staff.

A Cell Phone Lot, south and east of the Terminal Building off International Boulevard, has a capacity of 40 vehicles.

A Ride Share Driver Waiting Lot with approximately 40 spaces is south and west of the Terminal Building off Air Cargo Lane.

The Daily Parking Garage and expansions to Remote Parking Lots A and B were completed in December 2020. The Daily Parking Garage, a five-level parking structure provides space for both public parking and rental car operations, as well as an elevated passageway connecting the Terminal Building through the Hourly Parking Garage to the Daily Parking Garage.

2.3.3.3 RENTAL CAR FACILITIES

Four companies operate nine rental car brands at the Airport: Hertz (Hertz, Dollar, and Thrifty), the Avis Budget Group (Avis and Budget), Enterprise Holdings (Enterprise, Alamo, and National), and GSP Transportation. Each brand has passenger-accessible counter space in the rental car pavilion portion of the Terminal Building, as well as ready/return spaces located on the first level of the Daily Parking Garage immediately south of the Terminal Building. Each rental car company also has a vehicle service and storage facility and administrative offices. Go Rentals currently operates off-Airport near Atlantic Aviation and Signature Aviation. Turo began operating peer-to-peer car rentals at the Airport in 2022, using the Cell Phone Lot for user parking. Both off-Airport and peer-to-peer car rental companies operate under a gross revenue share agreement with the Authority, sharing with the Authority 10 percent of their gross revenues (per the Authority’s FY 2025 Budget).

2.3.4 AIR CARGO

An air cargo building and apron serve incoming and outgoing cargo operations at the Airport. The cargo apron is located south of the terminal apron and provides five aircraft parking positions. Further south is a multitenant cargo building in which FedEx, Delta, and American handle cargo.

2.3.5 GENERAL AVIATION

General aviation services at the Airport are provided by two fixed-base operators (FBOs): Atlantic Aviation and Signature Aviation. Both FBOs are located on the northeast side of the airfield with access to Taxiway G. The FBO facilities consist of three hangars and two terminal buildings that total 106,200 square feet. The two aircraft parking aprons used by the FBOs provide 74,100 square yards of aircraft parking area.

2.3.6 MAINTENANCE/AIRPORT SUPPORT AREAS

Airport support facilities consist of ARFF, Airport maintenance, and fuel storage facilities. These facilities and operations are controlled by either the USAF or the Authority, with all facilities located within the Airport boundary.

2.3.6.1 AIRCRAFT RESCUE AND FIREFIGHTING FACILITIES

The USAF provides ARFF services at the Airport under the Joint Use Agreement. The Airport's ARFF facilities are adjacent to the military apron.

2.3.6.2 AIRPORT MAINTENANCE FACILITY

The Airport maintenance facility is adjacent to the east overflow parking lots and adjacent to the air cargo building. This facility houses vehicles and equipment necessary to maintain civilian facilities and land areas controlled by the Authority.

This facility houses grounds-keeping equipment and airfield maintenance vehicles. This facility also contains three fuel storage tanks for fueling this equipment and the associated vehicles. Vehicles controlled by the USAF are not serviced at this Authority-owned facility, and USAF vehicles are also not fueled at these facilities.

2.3.6.3 FUEL STORAGE FACILITIES

The Airport’s fuel storage facilities consist of four storage tanks totaling approximately 1,089,000 gallons of jet fuel storage. The fueling operation is leased to and operated by Allied Aviation. Fuel is delivered to the tanks via truck, approximately 15 trucks per day, and transported from the facility to the aircraft via airside tanker trucks. A loop hydrant system serves the Boeing facility[9] for fueling the Boeing Dreamlifter and the Boeing Dreamliner fuel storage tank.

9 Boeing’s B787 facility is located east of the terminal; it encompasses 266.5 acres and is accessed from the airfield via Taxiway M. More information about the impact of Boeing on the Airport and Air Trade Area is included in Chapter 4.

3. CAPITAL PROGRAM, 2024 PROJECTS, AND FUNDING SOURCES

3.1 AIRPORT MASTER PLAN

A Master Plan Update was undertaken for the Airport in 2010. At the onset of the process, three primary goals were established to guide the process through which the Master Plan was updated: maintain a high level of customer service, provide the flexibility to adapt to changing conditions, and strengthen the Airport's role in the community. The resulting Airport Master Plan Update identified facility requirements for the 20-year planning period, identified the extent to which existing facilities could accommodate future demand, and evaluated alternative improvements to meet future demand. The resulting plan included the following: renovation and expansion of the passenger terminal; additional apron pavement for aircraft maneuvering and parking; expansion of the parking garage and surface parking lots; replacement of the air cargo building; expansion of the air cargo parking apron; and other miscellaneous airside and landside improvements. The FAA Airport District Office reviewed the Airport Layout Plan and issued conditional approval on August 23, 2011. The approval was conditioned on the outcome of findings with regard to environmental assessments specific to the Master Plan projects.

An Environmental Assessment was prepared for terminal area improvements and submitted to the FAA. The FAA issued a Finding of No Significant Impact / Record of Decision on October 17, 2011, thereby approving projects included in the Terminal Redevelopment and Improvement Program, funded, in part, from proceeds of the Series 2013 Airport Revenue Bonds (2013 Bonds), as well as the expansion of the parking garage and surface lots funded, in part, by proceeds from the 2019 Bonds.

3.2 TERMINAL AREA PLAN

A Terminal Area Plan (TAP) update was completed for the Airport in 2022 to establish a plan for improvements that would accommodate existing and anticipated demand through 2041. The TAP update process reviewed the existing conditions of the Airport, the ability of the Airport's facilities to accommodate future passenger demand, and potential alternatives for increasing the Airport's capacity for growth. The resulting TAP program consists of two airport improvement phases, with Phase 1 to be completed in years 1-5 of the program and Phase 2 to be completed in years 5-10. Major project components of Phase 1 include the East Concourse Expansion (Concourse A), PG3, nine additional remote hardstands, and the construction of Economy Lot C. Overall, Phase 1 projects were anticipated to add approximately 100,000 square feet of terminal space and 8,300 parking spaces. Phase 2 of the program includes a West Gate Expansion (Concourse C), additional remote hardstands, and Terminal Roadway improvements. A portion of the Phase 1 and Phase 2 projects from the TAP program are included in the capital program discussed in Section 3.3.

3.3 FISCAL YEAR 2025 THROUGH FISCAL YEAR 2029 CAPITAL IMPROVEMENT PROGRAM

Since 2010, the Airport has seen significant passenger growth, which the Authority has accommodated through construction of capital projects resulting in additional airline gates, modernized terminal facilities, and expanded automobile parking facilities. The Authority developed its CIP to address increasing stress on the existing terminal and parking facilities as passenger activity continues to grow.

For the purposes of this Report, the Authority's CIP consists of both the Airport CIP and the CIP adopted by the Authority for the general aviation airports included in the Airport System - Mount Pleasant Regional Airport and

Charleston Executive Airport. The largest components of the Authority's FY 2025 through FY 2029 Airport CIP consist of the 2024 Projects, the West Gate Expansion, the RON Parking Apron East and West projects, Fuel Farm Expansion, Airport Surveillance Radar-9 (ASR9) Relocation, and Checked Bag Inspection System (CBIS) Third Explosive Detection System (EDS). Other components of the Authority's CIP include other Airport projects and projects for Mount Pleasant Regional Airport and Charleston Executive Airport, the Authority's two general aviation airports in the Airport System. **Table 3-1** summarizes the annual project costs for each of the major components in the Airport's CIP.

Projects included in the Airport CIP are expected to result in a net increase of 8 new gates (increasing total gate count from 18 to 26), 6 additional RON aircraft parking positions (increasing total RON positions from 17 to 23), approximately 5,100 additional private vehicle parking spaces, and new and expanded rental car facilities, including a CONRAC, ready/return areas, and customer service facilities located in PG3.

TABLE 3-1 CAPITAL IMPROVEMENT PROGRAM SUMMARY (FISCAL YEAR 2025 – FISCAL YEAR 2029)

		PROJECT COSTS				
PROJECT NAME	TOTAL COST	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
CIP PROJECTS						
The 2024 Projects	$979,046,000	$107,142,052	$305,763,283	$353,194,147	$196,591,048	$16,355,470
West Gate Expansion	$70,000,000	$21,724,138	$45,862,069	$2,413,793	$0	$0
RON Parking Apron West	$28,000,000	$250,000	$2,000,000	$15,000,000	$10,750,000	$0
RON Parking Apron East	$27,000,000	$10,000,000	$17,000,000	$0	$0	$0
Fuel Farm Expansion	$24,500,000	$0	$0	$500,000	$6,000,000	$18,000,000
ASR9 Relocation	$19,000,000	$9,000,000	$10,000,000	$0	$0	$0
CBIS Third EDS	$13,000,000	$9,000,000	$4,000,000	$0	$0	$0
Other CHS Airport Projects	$89,147,000	$34,447,000	$12,800,000	$12,300,000	$12,300,000	$17,300,000
JZI Airport Projects	$35,520,018	$4,095,018	$4,025,000	$16,400,000	$9,250,000	$1,750,000
LRO Airport Projects	$10,395,000	$6,295,000	$1,100,000	$1,500,000	$750,000	$750,000
TOTAL CIP PROJECTS	**$1,295,608,018**	**$201,953,207**	**$402,550,352**	**$401,307,940**	**$235,641,048**	**$54,155,470**

NOTES:
CIP – Capital Improvement Program
RON – Remain Overnight
ASR – Airport Surveillance Radar
CBIS – Checked Bag Inspection System
EDS – Explosive Detection System
JZI – Charleston Executive Airport
LRO – Mount Pleasant Regional Airport-Faison Field
SOURCE: Charleston County Aviation Authority, June 2024.

3.3.1 ESTIMATED PROJECT COSTS AND TIMING

The Authority's CIP for FY 2025 through FY 2029, including estimated total project costs and approximate annual funding requirements, is summarized in **Table 3-2**.

The Authority's CIP consists of approximately $1.296 billion of total project costs over the period FY 2025 through FY 2029. CIP projects for the Airport account for approximately $1.250 billion, or 96.5 percent of the Authority's CIP, with the two general aviation airports, Mount Pleasant Regional Airport and Charleston Executive Airport, accounting for the remaining $45.9 million.

TABLE 3-2 (1 OF 2) AUTHORITY'S CAPITAL IMPROVEMENT PROGRAM (FISCAL YEAR 2025 – FISCAL YEAR 2029)

			FUNDING SOURCE							
PROJECT NAME	COST	AUTHORITY FUNDS	FEDERAL AND STATE FUNDS	LINE OF CREDIT	2024A BONDS	2024B BONDS	2024C BONDS	FUTURE BONDS	PFC PAY-GO	CFC PAY-GO
2024 PROJECTS										
Parking Garage 3 (PG3)	$228,805,000	$50,000,000	$0	$0	$0	$178,805,000	$0	$0	$0	$0
PG3 RAC Fit-Out	$120,161,000	$0	$0	$0	$0	$0	$70,161,000	$0	$0	$50,000,000
East Concourse Expansion	$568,080,000	$50,000,000	$46,400,000	$0	$23,059,774	$0	$0	$373,620,226	$75,000,000	$0
BHS Expansion	$62,000,000	$0	$0	$0	$62,000,000	$0	$0	$0	$0	$0
				$0						
TOTAL 2024 PROJECTS	**$979,046,000**	**$100,000,000**	**$46,400,000**	**$0**	**$85,059,774**	**$178,805,000**	**$70,161,000**	**$373,620,226**	**$75,000,000**	**$50,000,000**
AIRPORT CIP PROJECTS										
West Gate Expansion	$70,000,000	$0	$0	$70,000,000	$0	$0	$0	$0	$0	$0
Economy Lot B Expansion	$6,000,000	$6,000,000	$0	$0	$0	$0	$0	$0	$0	$0
EPM Services	$21,000,000	$21,000,000	$0	$0	$0	$0	$0	$0	$0	$0
Terminal Annex Buildout – First Floor	$5,000,000	$5,000,000	$0	$0	$0	$0	$0	$0	$0	$0
Terminal Annex Buildout – Second Floor	$3,000,000	$3,000,000	$0	$0	$0	$0	$0	$0	$0	$0
Gateway Enhancements	$4,700,000	$4,700,000	$0	$0	$0	$0	$0	$0	$0	$0
Remain Overnight Parking Apron East	$27,000,000	$6,500,000	$20,500,000	$0	$0	$0	$0	$0	$0	$0
Remain Overnight Parking Apron West	$28,000,000	$5,000,000	$23,000,000	$0	$0	$0	$0	$0	$0	$0
Terminal Roof Replacement	$4,000,000	$4,000,000	$0	$0	$0	$0	$0	$0	$0	$0
CBIS Third EDS	$13,000,000	$5,900,000	$7,100,000	$0	$0	$0	$0	$0	$0	$0
TSA Checkpoint Upgrades	$2,500,000	$2,500,000	$0	$0	$0	$0	$0	$0	$0	$0
Passenger Boarding Bridges PACs	$1,897,000	$474,250	$1,422,750	$0	$0	$0	$0	$0	$0	$0
ASR9 Relocation	$19,000,000	$0	$19,000,000	$0	$0	$0	$0	$0	$0	$0
MDF HVAC Backup	$350,000	$350,000	$0	$0	$0	$0	$0	$0	$0	$0
Airfield Maintenance	$1,700,000	$1,700,000	$0	$0	$0	$0	$0	$0	$0	$0
Fuel Farm Expansion	$24,500,000	$24,500,000	$0	$0	$0	$0	$0	$0	$0	$0
Miscellaneous Future Projects (Estimate)	$39,000,000	$37,000,000	$2,000,000	$0	$0	$0	$0	$0	$0	$0
TOTAL AIRPORT CIP PROJECTS	**$270,647,000**	**$127,624,250**	**$73,022,750**	**$70,000,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

TABLE 3-2 (2 OF 2) AUTHORITY'S CAPITAL IMPROVEMENT PROGRAM (FISCAL YEAR 2025 – FISCAL YEAR 2029)

PROJECT NAME	COST	AUTHORITY FUNDS	FUNDING SOURCE							
			FEDERAL AND STATE FUNDS	LINE OF CREDIT	2024A BONDS	2024B BONDS	2024C BONDS	FUTURE BONDS	PFC PAY-GO	CFC PAY-GO
CHARLESTON EXECUTIVE AIRPORT (JZI)										
Vegetation Maintenance	$1,250,000	$1,250,000	$0	$0	$0	$0	$0	$0	$0	$0
Obstruction Mitigation	$350,000	$350,000	$0	$0	$0	$0	$0	$0	$0	$0
Obstacle Action Plan	$50,000	$50,000	$0	$0	$0	$0	$0	$0	$0	$0
Ft. Trenholm Road Resurfacing	$300,000	$300,000	$0	$0	$0	$0	$0	$0	$0	$0
Runway RSA Preferred Alternative Study	$205,018	$10,251	$194,767	$0	$0	$0	$0	$0	$0	$0
Runway RSA Standardization (EMAS)	$17,500,000	$1,750,000	$15,750,000	$0	$0	$0	$0	$0	$0	$0
Sewer Force Main	$2,000,000	$1,450,000	$550,000	$0	$0	$0	$0	$0	$0	$0
Storm Water Masterplan	$100,000	$100,000	$0	$0	$0	$0	$0	$0	$0	$0
Storm Water Masterplan Implementation	$8,800,000	$7,475,000	$1,325,000	$0	$0	$0	$0	$0	$0	$0
Drainage Environmental Assessment	$40,000	$40,000	$0	$0	$0	$0	$0	$0	$0	$0
Masterplan Update	$425,000	$25,000	$400,000	$0	$0	$0	$0	$0	$0	$0
Miscellaneous Future Projects (Estimate)	$4,500,000	$3,500,000	$1,000,000	$0	$0	$0	$0	$0	$0	$0
TOTAL JZI CIP PROJECTS	**$35,520,018**	**$16,300,251**	**$19,219,767**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
MOUNT PLEASANT REGIONAL AIRPORT (LRO)										
Vegetation Maintenance	$1,250,000	$1,250,000	$0	$0	$0	$0	$0	$0	$0	$0
Vehicle Parking Lot Expansion	$800,000	$800,000	$0	$0	$0	$0	$0	$0	$0	$0
Obstacle Action Plan	$50,000	$50,000	$0	$0	$0	$0	$0	$0	$0	$0
ALP Update	$220,000	$60,000	$160,000	$0	$0	$0	$0	$0	$0	$0
Environmental Masterplan	$225,000	$80,000	$145,000	$0	$0	$0	$0	$0	$0	$0
Environmental Project	$1,000,000	$470,000	$530,000	$0	$0	$0	$0	$0	$0	$0
Runway & Taxiway Rehabilitation	$4,850,000	$556,250	$4,293,750	$0	$0	$0	$0	$0	$0	$0
Miscellaneous Future Projects (Estimate)	$2,000,000	$1,850,000	$150,000	$0	$0	$0	$0	$0	$0	$0
TOTAL LRO CIP PROJECTS	**$10,395,000**	**$5,116,250**	**$5,278,750**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
TOTAL CAPITAL PROGRAM	**$1,295,608,018**	**$249,040,751**	**$143,921,267**	**$70,000,000**	**$85,059,774**	**$178,805,000**	**$70,161,000**	**$373,620,226**	**$75,000,000**	**$50,000,000**

NOTES:

ALP – Airport Layout Plan
ASR – Airport Surveillance Radar
CBIS – Checked Bag Inspection System
CFC – Customer Facility Charge
CIP – Capital Improvement Program
EDS – Explosive Detection System
EPM – Executive Program Management Services
MDF – Main Distribution Frame
PFC – Passenger Facility Charge
RSA – Runway Safety Areas

SOURCE: Charleston County Aviation Authority, June 2024.

Because the USAF owns and maintains the runways and surrounding airfield areas, the Authority does not incur expenses related to runway renovation or rehabilitation projects.

3.3.2 2024 PROJECTS

The 2024 Projects consist of the East Concourse Expansion, PG3, PG3 RAC Fit-Out, and the BHS Expansion, all of which are anticipated to be funded, in part, with proceeds from the 2024 Bonds. The 2024 Projects have an estimated total cost of approximately $979.0 million, of which approximately $334.0 million is expected to be funded with proceeds from the 2024 Bonds. The remaining portion of the 2024 Projects is anticipated to be funded using a mix of federal/state grants, PFC Pay-Go funding, CFCs on a cash basis, Authority cash, and Future Bonds. Assumed federal grant funding includes AIP entitlement funding, Airport Infrastructure Grant (AIG) entitlement funding, and Bipartisan Infrastructure Law (BIL) discretionary Airport Terminals Program (ATP) funding. **Exhibit 3-1** provides an aerial overview of the 2024 Projects.

EXHIBIT 3-1 THE 2024 PROJECTS

SOURCES: Charleston County Airport Authority, August 2024.

3.3.2.1 EAST CONCOURSE EXPANSION ($568 MILLION)

The new East Concourse will be a two-level structure situated just south of the existing RON aircraft parking apron to the east, which will be repurposed to serve the new gates.

The first level of the East Concourse will primarily include space for airline operations. The second level will feature hold rooms, concessions, restrooms, circulation areas, and egress routes. A significant feature of the expansion is the elevated pedestrian walkway that will connect the new East Concourse to Concourse A, near Gate A1.

The project also includes the expansion of the existing ticket hall and TSA checkpoint, both of which will be located on the second floor. This expansion will increase the number of ticketing positions and provide additional space for TSA checkpoints, including a larger passenger queuing area. Enhancements to the second floor will also encompass the existing ticket hall, with updated concessions and additional restrooms.

The East Concourse Expansion project will be constructed immediately east of, and connected to, the existing Concourse A and main terminal building and will include approximately 226,100 square feet as well as 5 new gates. With a total cost of approximately $568 million, the project is anticipated to be funded with the 2024 Bonds as well as Future Bonds, AIP and AIG entitlement grants, BIL ATP discretionary grants, PFCs on a cash basis, and Authority funds. Proceeds of the 2024 Bonds will fund certain costs of design and enabling projects for the East Concourse Expansion. Proceeds of Future Bonds are assumed to provide funding for the remaining project costs.

Construction of the East Concourse Expansion project is scheduled to begin in FY 2025, with completion estimated to occur in June 2028 (FY 2028).

3.3.2.2 PARKING GARAGE 3 ($229 MILLION)

PG3 involves the construction of a six-level, approximately 2,400,000-square-foot parking garage situated on the existing Economy Lot A, east of the Daily Parking Garage. PG3 will accommodate both private vehicles and rental cars, with dedicated access points to streamline traffic flow and operations. Current designs for the project include 5,164 private vehicle parking spaces and 2,036 RAC parking spaces.

The first floor of the garage will house a CONRAC facility, featuring car washes, vacuum stations, fueling facilities, and administrative space for rental car and CONRAC operators. The second floor will be dedicated to rental car pick-up and ready return operations, including a rental car customer service building for traveler convenience. Levels 3, 4, 5, and 6 will be reserved exclusively for private vehicle parking, maximizing space availability, and ensuring ease of navigation for the entire facility. Additional aspects of the project include new ticketing canopies and the installation of an advanced parking management system to track space availability and automate payment systems. Project costs related to the first floor and a portion of the second floor are excluded from the stated cost of PG3 and are accounted for in the cost of the PG3 RAC Fit-Out, as described below in Section 3.3.2.3.

With a total cost of approximately $229 million, the project is anticipated to be funded with the 2024 Bonds and Authority funds.

Construction of PG3 is scheduled to begin in FY 2025, with operations commencing in September 2026 (FY 2027) and final completion estimated to occur in FY 2028.

3.3.2.3 PG3 RAC FIT-OUT ($120 MILLION)

PG3 RAC Fit-Out will be constructed on the first two floors of PG3 and include a CONRAC facility, featuring 2,036 parking spaces, car wash systems, vacuum stations, fueling facilities, administrative space for RAC and CONRAC operators, rental car pick-up and ready return space, and customer service facilities for rental car customers. With a total cost of approximately $120 million, the PG3 RAC Fit-Out is anticipated to be funded with the 2024 Bonds and CFCs used on a cash basis.

Construction of the PG3 RAC Fit-Out is scheduled to begin in FY 2025, with completion estimated to occur in FY 2028.

3.3.2.4 BAGGAGE HANDLING SYSTEM EXPANSION ($62 MILLION)

Beneath the expanded ticket hall and checkpoint on the first floor of the East Concourse Expansion, a new state-of-the-art BHS will be constructed. It is anticipated this expansion will significantly improve the efficiency and reliability of the current system.

With a total cost of $62 million, the BHS Expansion project is anticipated to be fully funded with proceeds from the 2024 Bonds.

Construction of the BHS Expansion is scheduled to begin in FY 2025, with completion estimated to occur in FY 2028.

3.3.3 FUTURE AIRPORT CAPITAL IMPROVEMENT PROGRAM PROJECTS

In addition to the 2024 Projects, the Airport's CIP includes approximately $270.6 million of future capital improvement projects for the Airport, including the West Gate Expansion, RON Parking Aprons – East and West, Fuel Farm Expansion, Airport Surveillance Radar-9 (ASR9) Relocation, CBIS Third EDS, and other Airport projects during the Projection Period. These projects are assumed to be funded with Authority funds, grant funding, and, for the West Gate Expansion project, draws on a line of credit which are ultimately assumed to be paid off from the proceeds of Future Bonds. Sources of assumed grant funding include federal entitlement and discretionary grants, state grants, and other Charleston County grants.

3.3.3.1 WEST GATE EXPANSION ($70 MILLION)

The West Gate Expansion project will provide four new airline gates, with a net addition of three gates due to the connection to the main Terminal Building via the existing Gate B2. This two-level modular concourse will include approximately 36,000 square feet and meet all spatial requirements, including restrooms, concessions, building support and functions, airline operations, circulation, and egress. The footprint of the concourse will cover approximately 13,700 square feet on the apron.

A pedestrian corridor will provide two-way access for domestic travelers between the modular concourse and Concourse B via the Gate B2 vestibule. An additional pedestrian corridor will ensure controlled two-way access for arriving international passengers to the Federal Inspection Station, maintaining sterile arrival protocols and regulations, and will also serve departing passengers for Gate C1.

The Authority intends to fully fund the West Gate Expansion project from periodic draws on an existing line of credit. The Authority expects to use proceeds from the Future Bonds to (1) pay down amounts drawn on the line of credit and (2) reimburse itself for the payment of accrued interest on the line of credit during the construction period. As of August 2024, the Authority has begun to draw down on the line of credit to fund project costs related to the West Gate Expansion.

Construction of the West Gate Expansion is scheduled to begin in FY 2025, with completion estimated for FY 2026.

3.3.3.2 REMAIN OVERNIGHT PARKING APRON – EAST AND WEST ($55 MILLION)

The proposed projects aim to construct two RON parking aprons to accommodate a total of six Group III aircraft parking spaces. The RON aprons will be constructed with concrete pavement with asphalt shoulders. The East apron will be east of Taxiway A, and the West apron will be west of Taxiway A. Both aprons will also include the installation of edge lights, high mast lighting, and improvements to the existing storm drainage system.

To meet the airline demand for RON parking, the Authority recently restriped the existing RON apron to accommodate additional aircraft by aligning them in a nose-to-tail zipper formation. Additionally, two RON parking positions were created on the existing concourse apron off Gates A4 and B7, which restrict operations at these gates and limit the full use of two boarding gates. The new parking aprons are intended to alleviate congestion on the existing apron and enhance operational safety on the airfield.

The two RON aprons have a total project cost of approximately $55.0 million and are anticipated to be funded with Authority funds, federal AIP entitlement grants, and South Carolina Aeronautics Commission (SCAC) state grants.

Construction of the RON Apron – East and West project is scheduled to begin in FY 2025, with completion estimated to occur in FY 2028.

3.3.3.3 FUEL FARM EXPANSION ($25 MILLION)

A fuel farm improvements project completed in 2021 added two fuel tanks, increasing the usable capacity by 60 percent. These enhancements included new pumps and updated piping systems, significantly boosting the efficiency and capacity of the fuel storage and distribution infrastructure. It is anticipated that further upgrades will be required to meet the increasing demands of airlines and enhance the fuel offloading and onloading capacity from fuel trucks. Additionally, the east terminal expansion could affect fuel farm operations, requiring further improvements to adapt to these changes and maintain seamless operations.

With a total cost of approximately $24.5 million, the project is assumed to be funded entirely with Authority funds.

Construction of the Fuel Farm project is scheduled to begin in FY 2027, with completion estimated to occur in FY 2029.

3.3.3.4 AIRPORT SURVEILLANCE RADAR-9 RELOCATION ($19 MILLION)

The project includes design, permitting, procurement, and construction for the relocation of the existing ASR-9 System. The ASR is used to monitor and track aircraft and weather. To identify the location of the future ASR site, the FAA conducted a siting analysis evaluating potential locations. The results of the first review reduced this to three candidate sites. To further analyze these, the FAA reviewed their operational, construction, and environmental suitability as the prospective ASR-9 sites. The FAA selected Site No. 9 in December 2019 as the preferred location. This was selected on the basis of site access, location of existing utilities, cost, constructability, and airspace route coverage.

Site No. 9 is on Joint Base Charleston near Cusabee Trail in North Charleston, South Carolina. The site is approximately 200 feet x 200 feet at an elevation of about 40 feet above mean sea level. The project will include construction of an 87-foot tower, site grading, new access road, 13,000 linear feet of new fiber duct bank and 22,000 linear feet of cable. The duct bank and cable will be installed from the new ASR site to the existing air traffic control tower and terminal radar approach control facility. The existing ASR equipment will be relocated to the new site. The FAA will provide temporary ASR equipment and install it as a leapfrog asset to provide radar coverage during the ASR equipment relocation. The existing ASR tower site will be demolished at the completion of the commissioning.

The current location of the radar is on Boeing property and affects approximately 162 acres of land and renders such areas unusable, preventing any future expansion for Boeing. Relocating the current ASR will facilitate potential development.

The project has a total cost of approximately $19.0 million and is anticipated to be funded entirely with South Carolina Department of Commerce (SCDC) grants.

Construction of the ASR 9 Relocation project is scheduled to begin in FY 2025, with completion estimated to occur in FY 2026.

3.3.3.5 CHECKED BAG INSPECTION SYSTEM THIRD EXPLOSIVE DETECTION SYSTEM ($13 MILLION)

The CBIS Third EDS project focuses on the construction and administration of a third EDS. This initiative also includes replacing the existing high-speed diverters, curbside modifications, and the addition of an oversized bag line. The capacity analysis has confirmed that the airport qualifies for a third EDS, which will provide much-needed redundancy to the current system.

With a total cost of approximately $13.0 million, the project is assumed to be funded with a combination of Authority funds and federal AIG entitlement grants.

Construction of the CBIS Third EDS is scheduled to begin in FY 2025, with completion estimated to occur in FY 2026.

3.3.3.6 OTHER AIRPORT PROJECTS ($89 MILLION)

Other capital projects included in the Authority's CIP to be undertaken at the Airport during the Projection Period are an expansion of Economy Lot B, Terminal Annex buildouts, Gateway Enhancements, Terminal Roof Replacement, TSA Checkpoint Upgrades, Passenger Boarding Bridges PACs, Airfield Maintenance, EPM services, and other miscellaneous future projects. These projects are anticipated to be funded using a combination of Authority funds, AIP grants, and SCAC grants.

3.3.3.7 GENERAL AVIATION AIRPORT PROJECTS ($46 MILLION)

The Authority's CIP also includes improvements at Charleston Executive Airport and Mount Pleasant Regional Airport. These projects include master plan updates, parking lot expansion, runway and taxiway rehabilitation, and general maintenance projects, which are anticipated to be funded using a combination of Authority Funds, AIP/AIG grants, and SCAC grants.

3.4 FUNDING SOURCES

Table 3-2 also summarizes the anticipated funding sources for CIP costs through FY 2029. Funding for the CIP includes the Series 2024 Bonds; Future Bonds; PFCs; CFCs; federal AIP/AIG entitlement grants; federal AIP and BIL ATP discretionary grants; SCAC and SCDC grants; Charleston County grants; the Airport's existing line of credit with United Community Bank; and a portion of the Authority's own funds.

3.4.1 AIRPORT REVENUE BONDS

As shown in Table 3-2, the Authority anticipates funding $334.0 million of the costs for the 2024 Projects using proceeds from the 2024 Bonds. As described in Section 3.1.2, the Authority's plan of finance for the 2024 Projects includes proceeds from future airport revenue bonds in addition to proceeds from the 2024 Bonds. The Future Bonds, which are assumed to be issued in the first quarter of CY 2026, will include approximately $373.6 million of airport revenue bonds and will be used to fund a portion of the East Concourse Expansion project. Additional discussion of the Future Bonds and the associated debt service is included in Chapter 6.

3.4.2 UNITED COMMUNITY BANK LINE OF CREDIT

As shown in Table 3-2, the Authority anticipates funding $70.0 million of the costs for the West Gate Expansion project through its existing line of credit issued by United Community Bank (Line of Credit). The Authority authorized the $70 million line of credit as a Subordinate Obligation pursuant to the Master Bond Resolution and Fourth Supplemental Resolution adopted by the Authority on June 20, 2024. As of August 2024, the Authority has begun drawing on the Line of Credit to fund project costs related to the West Gate Expansion, with construction anticipated to be complete in June 2026 (FY 2026). The Authority is assumed to use its own funds to pay accrued interest on the Line of Credit during the construction period. Proceeds from the issuance of Future Bonds are assumed to reimburse the Authority for the accrued interest and refund the principal amount used to fund the West Gate Expansion project.

3.4.3 CUSTOMER FACILITY CHARGE REVENUE

The Authority currently collects a CFC in the amount of $10.00 per day on each rental car contract entered into between a rental car company concessionaire doing business at the Airport and their customers. The Authority, by resolution, increased the CFC from $5.00 per day to $10.00 per day effective July 1, 2024. The current balance of CFC revenue totals approximately $19.1 million. Annual CFC collections were approximately $6.7 million in FY 2023 and are projected to increase going forward due to the $10.00 per day rate. Projections of annual CFC collections are described further in Chapter 6 of this Report. The PG3 RAC Fit-Out, included as one of the 2024 Projects, is anticipated to be funded using approximately $50.0 million of CFC revenue on a cash basis and approximately $70.2 million proceeds of CFC-supported airport revenue bonds.

3.4.4 FEDERAL AND STATE FUNDS

It is assumed that approximately $143.9 million of federal and state grant-in-aid funds, consisting of future AIP and AIG entitlement funds, future AIP and BIL ATP discretionary funds, and funds from the state will be used to fund the CIP. State grants include funding from both the SCAC and SCDC as described earlier. The East Concourse Expansion is anticipated to be funded using approximately $46.4 million of federal funds through AIP and AIG entitlement grants (to be applied for), as well as an FAA AIP discretionary grant assumed to be awarded.

For those projects anticipated to be eligible for FAA AIP funding, up to 90 percent of estimated projects costs are expected to be funded from that source. Before federal approval of any AIP grant application can be given, eligible airport sponsors must provide written assurances that they will comply with a variety of statutorily specified conditions. For projects being partially funded with AIP funds, the remainder of the AIP-eligible project cost will be funded with a combination of PFCs and Authority funds. Should discretionary or state funds not become available, the Authority will determine if the projects can be delayed, or it will utilize other sources of funds to undertake those projects.

3.4.5 AUTHORITY FUNDING

The Authority anticipates utilizing approximately $249.0 million of its unrestricted available cash to fund a portion of the CIP. Authority funds used to fund capital projects allocable to the Terminal Building Area and Apron and Taxiway Area Cost Centers may be amortized over the useful life of the project and included in the calculation of the Terminal Building Rental Rate or Apron Fee, as discussed in Chapter 6 of this Report.

4. DEMOGRAPHIC AND ECONOMIC ANALYSIS

To a large degree, the demand for air transportation at an airport is dependent on the demographic and economic characteristics of the airport's air trade area. This relationship is particularly true for airports that serve primarily origin and destination (O&D) passenger traffic, which has historically been the largest component of demand at the Airport.[10] Therefore, the demand for air travel at the Airport is influenced more by the local socioeconomic characteristics of the area served than by individual air carrier decisions regarding service patterns in support of connecting activity. This Chapter presents data indicating the Airport's Air Trade Area (as defined in Chapter 2) has an economic base capable of supporting increased demand for air travel during the Projection Period.

4.1 DEMOGRAPHIC ANALYSIS

4.1.1 POPULATION

Typically a positive correlation exists between population growth in a local area and air travel demand. **Table 4-1** presents historical population data for the Air Trade Area, South Carolina, and the US. As shown, population in the Air Trade Area increased from 565,179 people in CY 2002 to 694,029 people in CY 2012 and to 830,352 people in CY 2022[11]. As also shown, population growth in the Air Trade Area between CY 2002 and CY 2022 (1.9 percent CAGR) was greater than that experienced by South Carolina (1.3 percent CAGR) and the nation (0.7 percent CAGR) during this period. According to July 2023 US Census Bureau data, the Air Trade Area is the 71st largest metropolitan area in the US.[12] In CY 2024, the City of Charleston retains its status as South Carolina's largest city according to World Population Review.[13] The Air Trade Area's population growth ranks 9th out of the 69 MSAs with populations of between 500,000 and 1,500,000 for the period CY 2012 and CY 2022.[14]

Table 4-1 also presents population projections from Woods & Poole Economics, Inc. (Woods & Poole)[15] for the Air Trade Area, South Carolina, and the US for CY 2031. Population in the Air Trade Area is projected to increase at CAGR of 1.4 percent between CY 2022 and CY 2031, from 830,352 people in CY 2022 to 938,761 in CY 2031. Projected population growth for the Air Trade Area is expected to be more rapid than that experienced by South Carolina and the nation (0.9 percent CAGR and 0.6 percent CAGR, respectively) during this period. Between CY 2022 and CY 2031, the Air Trade Area population is expected to grow most rapidly in Berkeley County (2.0 percent annually).

[10] Based on reconciled U.S. Department of Transportation ticket sample data, O&D passengers accounted for approximately 99.0 percent of total passengers at the Airport in CY 2023.

[11] The last year of population and all other variables sourced by Woods & Poole Economics, Inc., is CY 2022. Woods & Poole's CY 2023 estimates are shown in tables for information purposes only and are not discussed in the text of this Chapter. More recent data may be available from other sources.

[12] U.S. Census Bureau, Population Division, *Annual Estimates of the Resident Population for Metropolitan Statistical Areas in the United States and Puerto Rico: April 1, 2020 to July 1, 2023*, June 2024.

[13] World Population Review, "South Carolina Cities by Population (2024)," https://worldpopulationreview.com/states/cities/south-carolina (accessed June 12, 2024).

[14] According to analysis of Woods & Poole Economics, Inc., population data.

[15] Woods & Poole is a private economic consulting firm that prepares long-term projections on a variety of socioeconomic variables. Woods & Poole's most current projections for CY 2031 are shown in this Chapter and were used to prepare the air traffic demand projections in Chapter 5.

TABLE 4-1 HISTORICAL AND PROJECTED POPULATION

						COMPOUND ANNUAL GROWTH RATE				
	HISTORICAL				PROJECTED	HISTORICAL				PROJECTED
AREA	CY 2002	CY 2012	CY 2022[1]	CY 2023 EST.[2]	CY 2031	CY 2002–CY 2012	CY 2012–CY 2022[1]	CY 2002–CY 2022[1]	CY 2022[1]-CY 2023 EST.[2]	CY 2022[1]–CY 2031
Berkeley County	*146,733*	*188,913*	*244,952*	*255,217*	*291,924*	*2.6%*	*2.6%*	*2.6%*	*4.2%*	*2.0%*
Charleston County	*317,379*	*363,137*	*419,350*	*424,367*	*452,511*	*1.4%*	*1.4%*	*1.4%*	*1.2%*	*0.8%*
Dorchester County	*101,067*	*141,979*	*166,050*	*169,833*	*194,326*	*3.5%*	*1.6%*	*2.5%*	*2.3%*	*1.8%*
Air Trade Area	565,179	694,029	830,352	849,417	938,761	2.1%	1.8%	1.9%	2.3%	1.4%
South Carolina	4,107,795	4,701,891	5,282,955	5,373,555	5,736,373	1.4%	1.2%	1.3%	1.7%	0.9%
US	287,625,156	314,371,469	333,271,406	334,914,906	353,010,688	0.9%	0.6%	0.7%	0.5%	0.6%

NOTE:
CY—Calendar Year
Est.—Estimate
US – United States
1 CY 2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for the Woods & Poole's projections in this table. More recent data may be available from other sources.
2 CY 2023 is an estimate made by Woods & Poole and is provided here for informational purposes only; the historical data on which Woods & Poole's CY 2031 projections are based is CY 2022.
SOURCE: Woods and Poole Economics, Inc., *2024 Complete Economic and Demographic Data Source (CEDDS)*, July 2024.

4.1.2 AGE DISTRIBUTION AND EDUCATION

The Air Trade Area population is relatively younger and better educated than the national average. In 2022, the most recent data available from the US Census Bureau, the Air Trade Area had a median age of 38.1 compared with 39.8 for South Carolina and 38.4 for the US.[16] Additionally, the Air Trade Area population has completed a higher level of education than the national average. In 2022, according to US Census Bureau data, 39.0 percent of citizens in the Air Trade Area aged 25 and older had a bachelor's degree or higher compared to 30.6 for South Carolina and 34.3 percent for the US.

Demand for airline travel varies by age group, and the age distribution of the Air Trade Area population can influence O&D passenger activity at an airport. According to Consumer Expenditure Survey data from the US Department of Labor, Bureau of Labor Statistics, in the US, persons between the ages of 35 and 54 account for 44.5 percent of expenditures on airfares.[17] [18] **Table 4-2** shows that, in CY 2022, residents in the Air Trade Area aged 35 to 54 accounted for 26.1 percent of the population. Thus, the age group that generates the most expenditures on airfares is represented in the Air Trade Area at a higher rate than the population in both South Carolina (24.3 percent) and the US (25.2 percent).

A young, well-educated population residing in the Air Trade Area provides a strong workforce base for employment and economic growth, which generally leads, in turn, to increased air travel demand. According to Consumer Expenditure Survey data, people with a bachelor's or associate's degree generate a high percentage of expenditures on airline travel. Data indicate that 83.4 percent of airfares are purchased by college graduates, while 8.3 percent are purchased by consumers who have had some college, and 8.3 percent are purchased by consumers who never attended college.[19] As shown in Table 4-2, 48.5 percent of the Air Trade Area's population over the age of 25 has a post-secondary degree (associate's, bachelor's, master's, or doctorate)—a higher percentage than the populations of both South Carolina (40.7 percent) and the US (43.1 percent). In addition to having a highly educated population, the Air Trade Area is also home to two-dozen colleges and universities. These schools, which include community colleges and technical schools, have a total enrollment of approximately 39,000 students.[20] These educational institutions generate demand for airline service through academic meetings and conferences, visiting professorships, study abroad programs, and individual student and faculty travel.

4.1.3 PER CAPITA PERSONAL INCOME AND HOUSEHOLD INCOME

One measure of the relative income of an area is personal income, defined as 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 social insurance. Personal income is a composite measurement of market potential, and it indicates the general level of affluence of residents, which typically correlates with an area's propensity to use air travel and an area's attractiveness to business and leisure travelers.

[16] US Census Bureau, American Community Survey (ACS), June 2024 (MSAs, states, and United States).

[17] Airfares data includes other types of transportation that charge fares.

[18] US Department of Labor, Bureau of Labor Statistics, "Consumer Expenditure Survey 2022," https://www.bls.gov/cex/tables.htm (accessed June 26, 2024).

[19] US Department of Labor, Bureau of Labor Statistics, "Consumer Expenditure Survey 2022," https://www.bls.gov/cex/tables.htm (accessed June 26, 2024).

[20] Institute of Education Sciences (IES): National Center for Educational Statistics (NCES), June 2024.

TABLE 4-2 AGE DISTRIBUTION AND EDUCATIONAL ATTAINMENT (CY 2022)

AGE DISTRIBUTION	AIR TRADE AREA	SOUTH CAROLINA	UNITED STATES
Total Population	**830,352**	**5,282,955**	**333,271,406**
By Age Group			
19 and Under	23.6%	23.8%	24.3%
20 to 24 Years	6.4%	6.7%	6.8%
25 to 34 Years	14.7%	12.9%	13.7%
35 to 44 Years	14.2%	12.3%	13.1%
45 to 54 Years	11.9%	12.0%	12.1%
55 to 64 Years	12.5%	13.2%	12.6%
65 and Above	16.8%	19.1%	17.3%
Total[1]	**100.0%**	**100.0%**	**100.0%**
Median Age	**38.1 years**	**39.8 years**	**38.4 years**
EDUCATIONAL ATTAINMENT[2]	AIR TRADE AREA	SOUTH CAROLINA	UNITED STATES
Population 25 Years and Over	**560,185**	**3,553,321**	**226,600,992**
By Highest Level Achieved			
Less than 9th Grade	2.5%	3.3%	4.7%
9th–12th Grade, No Diploma	5.8%	7.4%	6.1%
High School Graduate (includes GED/Alternative Credential)	23.2%	28.5%	26.4%
Some College, No Degree	19.9%	20.2%	19.7%
Post-Secondary Degree	48.5%	40.7%	43.1%
Associate degree	9.5%	10.1%	8.7%
Bachelor's Degree	24.5%	19.0%	20.9%
Master's Degree or Doctorate	14.5%	11.7%	13.4%
Total[1]	**100.0%**	**100.0%**	**100.0%**

NOTES:
CY – Calendar Year
GED – General Education Development
1 Sums may not total to 100.0 percent due to rounding.
2 CY 2022 is the latest data available on American Community Survey (ACS).
SOURCES: Woods & Poole Economics, Inc., *2024 Complete Economic and Demographic Data Source (CEDDS)*, July 2024; US Census Bureau, *American Community Survey (ACS)*, June 2024 (MSAs, states, and US).

Table 4-3 presents historical per capita personal income for the Air Trade Area, South Carolina, and the US between 2012 and 2022, as expressed in 2017 dollars. As shown, per capita personal income for the Air Trade Area was higher than equivalent measures for South Carolina, but it was lower than the nation each year between 2012 and 2023. As also shown, per capita personal income for the Air Trade Area increased at a CAGR of 2.0 percent between 2012 and 2022, comparable to the 2.0 percent growth rate for South Carolina and higher than the 1.9 percent growth rate for the nation over this same period.

TABLE 4-3 PER CAPITA PERSONAL INCOME

(Per Capita Personal Income in 2017 Dollars)

CALENDAR YEAR (CY)	PER CAPITA PERSONAL INCOME			PER CAPITA PERSONAL INCOME DIFFERENTIAL	
	AIR TRADE AREA	SOUTH CAROLINA	UNITED STATES	BETWEEN AIR TRADE AREA AND SOUTH CAROLINA	BETWEEN AIR TRADE AREA AND UNITED STATES
Historical					
2012	$44,661	$37,857	$46,791	$6,804	($2,130)
2013	$42,850	$37,480	$46,352	$5,370	($3,502)
2014	$44,744	$38,847	$47,656	$5,897	($2,912)
2015	$46,904	$40,669	$49,391	$6,235	($2,487)
2016	$48,027	$41,439	$49,825	$6,588	($1,798)
2017	$49,152	$42,367	$51,005	$6,786	($1,853)
2018	$50,000	$42,925	$52,243	$7,075	($2,242)
2019	$52,707	$44,583	$53,664	$8,124	($957)
2020	$54,244	$46,608	$56,530	$7,636	($2,286)
2021	$56,301	$48,460	$59,106	$7,841	($2,805)
2022[1]	$54,439	$46,203	$56,421	$8,236	($1,983)
2023 Est.[2]	$55,944	$47,217	$58,292	$8,728	($2,348)
Projected					
2031	$62,433	$53,109	$65,682	$9,324	($3,249)
Compound Annual Growth Rate					
2012–2022[1]	2.0%	2.0%	1.9%		
2022[1]-2023 Est.[2]	2.8%	2.2%	3.3%		
2022[1]–2031	1.5%	1.6%	1.7%		

PERCENTAGE OF HOUSEHOLDS IN INCOME CATEGORIES (CY 2022)[3]			
INCOME CATEGORY (IN 2022 DOLLARS)	AIR TRADE AREA	SOUTH CAROLINA	UNITED STATES
Less than $24,999	16.0%	18.1%	13.4%
$25,000 to $49,999	17.9%	21.3%	16.4%
$50,000 to $99,999	29.1%	30.8%	31.6%
$100,000 or More	37.0%	29.7%	38.6%

NOTES:

Est. – Estimate

1 CY 2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for the Woods & Poole's projections in this table. More recent data may be available from other sources.

2 CY 2023 is an estimate made by Woods & Poole and is provided here for informational purposes only; the historical data on which Woods & Poole's CY 2031 projections are based is CY 2022.

3 CY 2022 is the latest data available on American Community Survey (ACS).

SOURCES: Woods & Poole Economics, Inc., *2024 Complete Economic and Demographic Data Source (CEDDS)*, July 2024; US Census Bureau, 2022 American Community Survey 5-Year Estimates, Table S1901, "Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars)," https://data.census.gov/table/ACSST5Y2022.S1901(accessed June 2024).

Table 4-3 also presents projections of per capita personal income for 2031. According to data from Woods & Poole, per capita personal income for the Air Trade Area is projected to increase from $56,301 in 2022 (latest available actual data) to $62,433 in 2031. This increase represents a CAGR of 1.5 percent during this period, compared to a similar 1.6 percent growth rate projected for South Carolina and 1.7 percent for the nation.

An additional indicator of the market potential for air transportation demand is the percentage of households in the higher-income categories. An examination of this indicator is important; as income increases, air transportation becomes more affordable and, therefore, is generally used more frequently. Table 4-3 also presents percentages of households in selected per capita personal income categories for 2022 as expressed in 2022 dollars. As presented, 37.0 percent of households in the Air Trade Area had personal income of $100,000 or more in 2022, which was higher than the percentage of households in these income categories for South Carolina (29.7 percent), but lower than the equivalent percentage for the nation (38.6 percent).

4.2 ECONOMIC ANALYSIS

4.2.1 GROSS REGIONAL/DOMESTIC PRODUCT

Gross domestic product (GDP) for the US and its state and MSA equivalent, gross regional product (GRP), are a measure of the market value of all final goods and services produced within a particular area for a specific 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 air travel demand.

Table 4-4 presents historical gross regional/domestic product for the Air Trade Area, South Carolina, and the US between 2012 and 2023, as expressed in 2017 dollars. As shown, the Air Trade Area's GRP increased from $34.4 billion in 2012 to $48.5 billion in 2022, a CAGR of 3.5 percent. In comparison, the GRP for South Carolina increased at a 3.1 percent CAGR, while the nation's GDP grew at a 2.5 percent CAGR.

TABLE 4-4 GROSS REGIONAL PRODUCT/GROSS DOMESTIC PRODUCT

(In 2017 Dollars, Amounts in Millions)

	GROSS REGIONAL PRODUCT (GRP) OR GROSS DOMESTIC PRODUCT (GDP) (IN MILLIONS)		
CALENDAR YEAR (CY)	AIR TRADE AREA (GRP)	SOUTH CAROLINA (GRP)	UNITED STATES (GDP)
Historical			
2012	$34,394	$187,888	$17,074,008
2013	$34,539	$193,158	$17,466,806
2014	$35,786	$200,114	$17,953,808
2015	$38,201	$211,530	$18,596,358
2016	$40,351	$218,876	$18,910,750
2017	$41,078	$223,267	$19,368,510
2018	$42,401	$228,573	$19,999,274
2019	$44,721	$237,639	$20,529,774
2020	$43,505	$234,491	$19,998,314
2021	$46,517	$247,523	$21,264,626
2022[1]	$48,521	$254,813	$21,788,014
2023 Est.[2]	$50,832	$262,979	$22,642,584
Projected			
2031	$64,626	$307,540	$26,495,364
Compound Annual Growth Rate			
2012–2022[1]	3.5%	3.1%	2.5%
2022[1]-2023 Est.[2]	4.8%	3.2%	3.9%
2022[1]–2031	3.2%	2.1%	2.2%

NOTE:
CY – Calendar Year
Est. – Estimate
In 2017 dollars; amounts in millions.

1 CY 2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for the Woods & Poole's projections in this table. More recent data may be available from other sources.

2 CY 2023 is an estimate made by Woods & Poole and is provided here for informational purposes only; the historical data on which Woods & Poole's CY 2031 projections are based is CY 2022.

SOURCE: Woods & Poole Economics, Inc., *2024 Complete Economic and Demographic Data Source (CEDDS)*, July 2024.

Table 4-4 also presents projections of GRP/GDP for CY 2022 to CY 2031. According to data from Woods & Poole, GRP for the Air Trade Area is projected to increase from $48,521 million in 2022 to $64,626 million in 2031. This increase represents a CAGR of 3.2 percent during this period, compared to a 2.1 percent growth rate for South Carolina and a 2.2 percent growth rate for the nation for its equivalent measure, GDP.

4.2.2 LABOR FORCE AND EMPLOYMENT TRENDS

Table 4-5 presents recent employment trends for the Air Trade Area, South Carolina, and the US. As shown, the Air Trade Area's civilian labor force increased from approximately 344,000 workers in CY 2012 to approximately 425,000 workers in CY 2023. This increase represents a CAGR of 2.0 percent in the Air Trade Area's labor force during this period, compared to a 1.0 percent increase for South Carolina and a 0.7 percent increase for the US.

TABLE 4-5 CIVILIAN LABOR FORCE AND UNEMPLOYMENT RATES

(Civilian Labor Force in Thousands)

CALENDAR YEAR (CY)	CIVILIAN LABOR FORCE		
	AIR TRADE AREA	SOUTH CAROLINA	UNITED STATES
2012	344	2,190	154,975
2013	346	2,198	155,389
2014	353	2,222	155,922
2015	364	2,268	157,130
2016	371	2,286	159,187
2017	370	2,262	160,320
2018	376	2,282	162,075
2019	389	2,334	163,539
2020	388	2,339	160,742
2021	395	2,359	161,204
2022	407	2,393	164,287
2023	425	2,453	167,116
Compound Annual Growth Rate			
2012–2023	2.0%	1.0%	0.7%
CALENDAR YEAR (CY)	UNEMPLOYMENT RATES		
	AIR TRADE AREA	SOUTH CAROLINA	UNITED STATES
2012	7.5%	9.0%	8.1%
2013	6.1%	7.4%	7.4%
2014	5.4%	6.3%	6.2%
2015	5.1%	5.9%	5.3%
2016	4.2%	4.9%	4.9%
2017	3.6%	4.2%	4.4%
2018	2.9%	3.4%	3.9%
2019	2.3%	2.8%	3.7%
2020	5.8%	6.0%	8.1%
2021	3.6%	3.9%	5.3%
2022	2.8%	3.2%	3.6%
2023	2.5%	3.0%	3.6%
June 2024[1]	3.1%	3.6%	4.1%

NOTE:
Civilian labor force in thousands.
1 Monthly unemployment data in this table were seasonally adjusted.
SOURCE: US Department of Labor, Bureau of Labor Statistics, August 2024.

As also shown in Table 4-5, average annual unemployment rates (non-seasonally adjusted) for the Air Trade Area were consistently below the unemployment rates for South Carolina every year between CY 2012 and CY 2023. Average annual unemployment rates for the Air Trade Area were also equal to or below the unemployment rates for the nation in each year over the same period. The Air Trade Area's seasonally adjusted unemployment rate was 3.1 percent in June 2024, which is the most recent month of actual data available. This rate was below the seasonally adjusted unemployment rates for South Carolina and the nation during the same period (3.6 and 4.1 percent, respectively).

4.2.3 BUSINESS CLIMATE

The business climate in the Air Trade Area offers significant advantages to new, expanding, and relocating companies, including favorable local wage costs, a "right-to-work" law, and a competitive tax and incentive structure. These advantages are reflected in the Air Trade Area's recurring high rankings in surveys of the best metropolitan areas to start a career and small business environment.[21] *U.S. News and World Report 2024* ranks the Air Trade Area the fifth strongest job market in the ranking of 150 major US cities.[22]

The Air Trade Area enjoys a diverse industrial landscape with leading sectors including aerospace, energy, automotive, life sciences, IT, and defense, driven by both prominent global firms and emerging businesses.[23] The Air Trade Area has a growing pool of over 400,000 skilled talents and a burgeoning tech scene known as Silicon Harbor. The Air Trade Area is home to local operations of international brands like Volvo, Mercedes, Boeing, and Google, and hosts one of North America's top 10 largest shipping container terminals.[24] With nearly a third of the US market within 500 miles, the Air Trade Area boasts excellent access to Foreign Direct Investment attracting more than 160 international companies and boasting a 5 percent international population. The Air Trade Area's economy ranks fourth on America's Biggest Boomtowns and placing in the top 20 for high-tech GDP growth since 2014.[25]

Small business startups are especially important in midsized metropolitan areas where small businesses have greater relative importance than in large metropolitan areas. The South Carolina Small Business Development Centers offer free consulting and affordable seminars to support the small business community in Charleston and other regions statewide.[26] Opening in the summer of 2024, the City of Charleston's Entrepreneur Resource Center will serve as a business center and incubator, offering affordable workspaces, semi-private offices, and retail space. The Entrepreneur Resource Center will collaborate with local resource partners to provide business development

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[21] Live5News, "Report ranks Charleston among nation's best places to start a career," https://www.live5news.com/2024/05/13/report-ranks-charleston-among-nations-best-places-start-career/ (accessed June 13, 2024).

[22] U.S. News and World Report, "The 25 Best Places to Find a Job," https://realestate.usnews.com/real-estate/articles/the-best-places-to-find-a-job-in-the-us (accessed June 13, 2024).

[23] Jeff Cook Real Estate, "Charleston Economy: Top Industries, Biggest Employers, & Business Opportunities," https://www.jeffcookrealestate.com/charleston/charleston-economy/ (accessed June 13, 2024).

[24] Coldwell Banker Commercial, "Why invest in Charleston," https://cbcatlantic.com/wp-content/uploads/2024/04/WhyInvestInCharleston_March2024_V1_SmallFile.pdf (accessed June 13, 2024).

[25] Charleston Regional Development Alliance, "An international destination for business and talent," https://www.crda.org/fdi/ (accessed June 15, 2024).

[26] Resolve, "Small Business Funding Programs In South Carolina - 2024 Guide," https://resolvepay.com/blog/post/small-business-funding-programs-southcarolina (accessed June 13, 2024).

training, technical assistance, and access to financing, with a mission to empower small businesses and address community needs.[27]

In the 2024 Milken Institute Best-Performing Tier 1 Large Cities Index, the Air Trade Area ranked 11th out of the largest US metropolitan areas based on how well an area creates and sustains employment and economic growth. The Air Trade Area's 2024 ranking increased 13 positions from Milken's 2023 Index.[28]

Employee recruitment and retention in the Air Trade Area is facilitated by the Air Trade Area's reputation for livability, as shown by the Air Trade Area's recent 13th place ranking out of 150 largest metropolitan areas in the US evaluated for *U.S. News and World Report's Best Places to Live & Retire in 2024*, which considered affordability index, happiness index, health care quality index, retiree taxes index, desirability index, and job market index.[29]

Table 4-6 presents major employers in the Air Trade Area, as measured by the number of employees. As shown, there are 27 private or public entities in the Air Trade Area with 1,000 or more employees. The largest employer in the Air Trade Area is the consolidated USAF/Navy military facility Joint Base Charleston, with approximately 25,000 employees, followed by the Medical University of South Carolina (MUSC) (17,000 employees); The Boeing Company (7,900 employees); the Charleston County School District (7,100 employees); and the Roper St. Francis Healthcare (6,100 employees).

Key businesses that have recently announced relocations or expansions include the following:

- In January 2023, Redwood Materials began construction on a $3.5 billion battery recycling site in Berkeley County, aiming to start reclaiming materials for electric vehicles by the end of the 2024.30
- DC Blox has acquired 27.5 acres in Berkeley County to build a new data center at Camp Hall Commerce Park. The facility will include four buildings with a total of 200,000 square feet and require 45 megawatts of power. Berkeley County was selected for its strategic advantages, such as power availability, proximity to Charleston, and Google's data center. Additionally, Camp Hall focuses on the environment, workforce, and technology, providing essential infrastructure for growth.[31]
- Announced in July 2024, The Charleston Place, one of South Carolina's largest hotels, is undergoing a $150 million renovation over the next two years.[32]

[27] Charleston SC, "Entrepreneur Resource Center (ERC)," https://www.charleston-sc.gov/2902/Entrepreneur-Resource-Center-ERC (accessed June 14, 2024).

[28] Milken Institute, "Best-Performing Cities 2024: Focus on Sustainable Growth and Resilience," https://milkeninstitute.org/sites/default/files/2024-02/BestPerformingCities2024.pdf (accessed June 12, 2024.)

[29] U.S. News and World Report, "2024-2025 Best Places to Live," https://realestate.usnews.com/places/methodology (accessed June 13, 2024).

[30] Charleston Regional Development Alliance, "SC Battery-recycling plant owner breaks ground on $3.5B lowcountry project," https://www.crda.org/news/local_news/sc-battery-recycling-plant-owner-breaks-ground-on-3-5b-lowcountry-project/ (accessed June 13, 2024).

[31] Charleston Regional Business Journal, "Tech company to build 200K-square-foot data center in Berkeley County," https://charlestonbusiness.com/tech-company-to-build-200k-square-foot-data-center-in-berkeley-county/ (accessed June 13, 2024).

[32] The Post and Courier, "The Charleston Place to undergo a $150M total makeover," https://www.postandcourier.com/business/charleston-place-hotel-beemok-hospitality/article_a309bb18-3581-11ef-ba9f-4f30062111fb.html (accessed August 12, 2024).

TABLE 4-6 MAJOR EMPLOYERS IN THE AIR TRADE AREA (CY 2023)

EMPLOYER	DESCRIPTION	# OF EMPLOYEES
Joint Base Charleston	Area U.S. military commands from all branches of service	24,900
Medical University of South Carolina (MUSC)	Healthcare system, post-secondary education, research	17,000
The Boeing Company	Aircraft manufacturing	7,900
Charleston County School District	Education/public schools	7,100
Roper St. Francis Healthcare	Roper and Bon Secours St. Francis Hospitals	6,100
Dorchester County School District II	Education/public schools	4,000
Walmart Inc.	Retail merchandise	3,900
Berkeley County School District	Education/public schools	3,800
R.H. Johnson VA Medical Center	Medical research and healthcare for eligible veterans	3,300
Trident Health System	Healthcare system including Trident Medical Center (a teaching hospital), Summerville Medical Center, Moncks Corner Medical Center and two free-standing emergency departments	3,100
Charleston County	Local government	2,800
U.S. Postal Service	Postal service	2,500
Volvo Car USA LLC	Manufacture Volvo S60 and EX90 models for sale in the United States and for export; in 2024, adding Polestar all-electric SUV production lines	2,200
Mercedes-Benz Vans, LLC	Assembly of Sprinter and eSprinter vans for the U.S. and export markets under the brand Mercedes-Benz	2,000
Robert Bosch LLC	Fuel injection valves & pumps for combustion engines, internal portion of anti-lock braking systems (ESP), & electric motors for the U.S. market	1,800
College of Charleston	Post-secondary education	1,800
City of Charleston	Local government	1,800
Publix Supermarkets	Retail grocery stores	1,500
Berkeley County	Local government	1,500
Kiawah Island Golf Resort/The Sanctuary at Kiawah	Resort	1,400
T-Mobile USA	Inbound/outbound customer service center	1,200
Harris Teeter Supermarkets	Retail grocery stores	1,200
U.S. Coast Guard Sector Charleston	U.S. Coast Guard; Department of Homeland Security	1,200
Dorchester County	Local government	1,100
City of North Charleston	Local government	1,000
Nucor Steel	Manufacture carbon & alloy steel in various forms	1,000
Scientific Research Corporation (SRC)	Communications & electronic systems & equipment design, integration, and support services	1,000

NOTE:
# of employees are rounded to the nearest 100.
SOURCE: Charleston Regional Development Alliance, June 2024.

4.2.4 EMPLOYMENT BY MAJOR INDUSTRIAL SECTOR

Table 4-7 presents an analysis of nonagricultural employment trends by major industry sector; the Air Trade Area's employment trends are compared to those for the nation for 2012 and 2023. As shown, nonagricultural employment in the Air Trade Area increased from approximately 305,500 workers in 2012 to approximately 413,600 workers in 2023. This increase represents a CAGR of 2.8 percent during this period, compared to 1.4 percent CAGR nationwide.

All major industry groups in the Air Trade Area experienced positive employment growth between 2012 and 2023, with the highest growth occurring in the financial services sector. The nation's nonagricultural employment base experienced minimal increases (i.e., between 0.4 and 2.2 percent) in most sectors over the same period, apart from increases in the construction (2.6 percent) and transportation/utilities (3.4 percent) sectors. As also shown in Table 4-7, the Air Trade Area's share of total nonagricultural employment in the government, professional and business services, leisure and hospitality, other services, and transportation/utilities sectors in 2023 exceeded the national share of total nonagricultural employment.

The Air Trade Area's employment mix differs from the national trends that occurred between CY 2012 and CY 2023. In the Air Trade Area during that period, it was primarily government and trade that increased at slower rates than the other industry sectors, thereby losing some of their share of total employment to the others—the professional and business services and financial services sectors in particular. The remaining sectors were within a percentage point of the average for total employment in the Air Trade Area. For the US, the changes in employment makeup by sector were not as significant as the Air Trade Area, with only the professional and business services sector increasing by more than a percentage point above the average for total employment and only government and trade sectors decreasing by more than a percentage point below the average for total employment between CY 2012 and CY 2023. The largest variances in growth between the employment sectors of the Air Trade Area and the US between CY 2012 and CY 2023 were that the Air Trade Area experienced significantly more growth in the financial services, manufacturing, other services, and construction sectors than the US.

4.2.4.1 GOVERNMENT

Government employment in the Air Trade Area increased at a CAGR of 0.9 percent between CY 2012 and CY 2023, compared to an increase of 0.4 percent for the US over the same period. In CY 2023, this sector accounted for approximately 68,600 employees in the Air Trade Area, which accounted for 16.6 percent of total nonagricultural employment.

As shown in Table 4-6, numerous governmental organizations are among the major employers in the Air Trade Area. The largest US federal government employer, and the largest employer in the Air Trade Area overall, is Joint Base Charleston (24,900 employees); the largest public primary/secondary educational employers are the Charleston and Dorchester County School District II (approximately 7,900 and 4,000 employees, respectively); and the largest local government employer is Charleston County (2,800 employees).

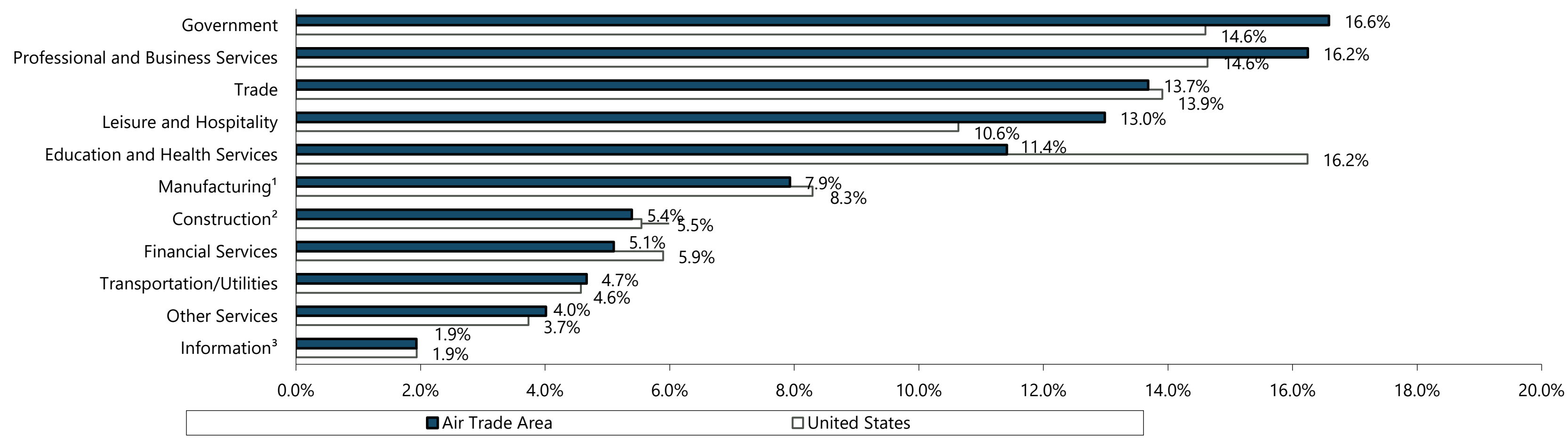
A result of the 2010 merger of Charleston Air Force Base and Naval Weapons Station Charleston, Joint Base Charleston specializes as a logistics, transportation, training, and engineering hub. The Joint Base's host unit is the 628th Air Base Wing, whose primary duty is to provide installation support to 60 Department of Defense and federal agencies, servicing a total force of more than 90,000 Airmen, Sailors, Soldiers, Marines, Coast Guardsmen, civilians, dependents, and retirees. The Naval Nuclear Power Training Command is also located on the Joint Base, and all naval nuclear training begins at the Joint Base.

TABLE 4-7 EMPLOYMENT TRENDS BY MAJOR INDUSTRY SECTOR

(Employment in Thousands)

SECTOR	AIR TRADE AREA CY 2012	AIR TRADE AREA CY 2023	AIR TRADE AREA CAGR CY 2012– CY 2023	UNITED STATES CY 2012	UNITED STATES CY 2023	UNITED STATES CAGR CY 2012– CY 2023
Government	62.4	68.6	0.9%	21,920	22,782	0.4%
Professional and Business services	44.7	67.2	3.8%	18,037	22,840	2.2%
Trade	43.9	56.6	2.3%	20,396	21,706	0.6%
Leisure and Hospitality	38.2	53.7	3.1%	13,768	16,593	1.7%
Education and Health services	34.7	47.2	2.8%	20,769	25,342	1.8%
Manufacturing	23.6	32.8	3.0%	11,927	12,940	0.7%
Construction	13.7	22.3	4.5%	6,494	8,658	2.6%
Financial Services	12.6	21.1	4.8%	7,783	9,197	1.5%
Transportation/Utilities	13.1	19.3	3.6%	4,957	7,141	3.4%
Other Services	12.6	16.6	2.5%	5,430	5,826	0.6%
Information	6.2	8.0	2.3%	2,676	3,027	1.1%
Total	**305.5**	**413.6**	**2.8%**	**134,157**	**156,051**	**1.4%**

Percent of 2023 Nonagricultural Employment



NOTES:
CY – Calendar Year
1 The nonagricultural employment for the services sector includes outsourcing from the manufacturing sector.
2 Includes mining employment.
3 The information sector includes communications, publishing, motion picture and sound recording, and online services.
SOURCE: US Department of Labor, Bureau of Labor Statistics, June 2024.

The Air Trade Area is also home to the Naval Information Warfare Center Atlantic, formerly known as Space and Naval Warfare Systems Center Atlantic. Space and Naval Warfare Systems Command is the Navy's Information Dominance Systems Command that provides capabilities in intelligence, reconnaissance, cyber warfare, command and control, communication systems, information management, and enabling technologies. A new study by the University of South Carolina reveals a significant economic impact from the Naval Information Warfare Center Atlantic. In CY 2023, the command generates an estimated $9.3 billion impact across the US, with $3.2 billion concentrated in South Carolina alone. This translates to 45,377 jobs and nearly $3.9 billion in labor income nationwide and $1.5 billion labor income in South Carolina. Naval Information Warfare Center Atlantic is a major employer of electronics engineers, representing 76.5 percent of the electronics engineers in Charleston and 40.5 percent in South Carolina.[33]

4.2.4.2 PROFESSIONAL AND BUSINESS SERVICES

In CY 2023, the professional and business services sector accounted for approximately 67,200 employees in the Air Trade Area, the second highest employment level among all sectors. The professional and business services sector is more concentrated in the Air Trade Area than it is in the nation, accounting for 16.2 percent of total nonagricultural employment in CY 2023 in the Air Trade Area, compared to 14.6 percent in the nation. Professional and business services employment in the Air Trade Area increased at a CAGR of 3.8 percent between CY 2012 and CY 2023, compared to a 2.2 percent increase for the nation over the same period.

Professional services providers, though large in number, primarily employ smaller numbers of employees per firm; however, one notable example of a larger professional services provider in the Air Trade Area is Blackbaud, Inc., which develops customized software and services for the nonprofit and educational communities.

4.2.4.3 TRADE

Trade employment in the Air Trade Area increased at a CAGR of 2.3 percent between CY 2012 and CY 2023, compared to an increase of 0.6 percent for the nation over the same period. In 2023, the trade sector accounted for approximately 56,600 employees in the Air Trade Area, which accounted for 13.7 percent of total nonagricultural employment, making trade the third-highest employment level among all sectors.

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 4-8** presents total retail sales for the Air Trade Area, South Carolina, and the US between CY 2012 and CY 2022. As shown in Table 4-8, between CY 2012 and CY 2022, total retail sales in the Air Trade Area increased at a CAGR of 4.4 percent, higher than the 3.6 percent increase in South Carolina and the 3.1 percent increase the US experienced in the same period.

Major retailers are well represented in the Air Trade Area, with two indoor malls, an outlet mall, and several large multitenant shopping centers. The King Street retail corridor in downtown Charleston, considered among America's Top Ten Shopping Streets by *U.S News and World Report*, includes several high-end brands, in addition to an array of boutiques and specialty shops.[34] Nexton, in the Lowcountry town of Summerville, is undergoing a major commercial expansion with several projects underway. The Marketplace at Nexton, featuring a Harris Teeter, and

[33] Joint Base Charleston, "Economic study highlights NIWC Atlantic's $9 Billion impact nationwide," https://www.jbcharleston.jb.mil/News/Article-Display/Article/3533722/economic-study-highlights-niwc-atlantics-9-billion-impact-nationwide/ (accessed June 17, 2024).

[34] The Carmilla Rena Professionals, "Your guide to high-end shopping in Charleston, SC," https://www.carmillarena.com/blogs/guide-for-your-high-end-shopping-in-charleston-sc/ (accessed June 18, 2024).

Publix-anchored One Nexton with additional retail and apartments are anticipated to be opened in the summer and fall of 2024, respectively. Downtown Nexton, a 10-year project encompassing 100 acres of mixed-use space with hotels, offices, and residences, is taking shape to create a vibrant urban environment. As of July 2023, Dayfield Park Commerce—a walkable development offering office, retail, restaurant, fitness, and daycare space—is also under construction and will be completed in 5 years. [35]

TABLE 4-8 TOTAL RETAIL SALES

(In 2017 Dollars, Amounts in Millions)

CALENDAR YEAR (CY)	AIR TRADE AREA	SOUTH CAROLINA	UNITED STATES
Historical			
2012	$11,408	$69,293	$5,005,901
2013	$11,907	$71,250	$5,120,174
2014	$12,486	$73,701	$5,264,950
2015	$13,057	$75,494	$5,387,733
2016	$13,529	$77,396	$5,492,596
2017	$14,016	$79,986	$5,627,750
2018	$14,402	$82,224	$5,755,902
2019	$14,762	$84,090	$5,851,710
2020	$14,846	$84,288	$5,826,739
2021	$17,034	$96,774	$6,621,360
2022[1]	$17,614	$100,340	$6,775,082
2023 Est.[2]	$17,614	$100,153	$6,749,686
Projected			
2031	$20,724	$116,109	$7,708,182
Compound Annual Growth Rate			
2012–2022[1]	4.4%	3.8%	3.1%
2022[1]-2023 Est.[2]	0.0%	-0.2%	-0.4%
2022[1]–2031	1.8%	1.6%	1.4%

NOTE:
Est. – Estimate
In 2017 dollars; amounts in millions.
1 CY 2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for the Woods & Poole's projections in this table. More recent data may be available from other sources.
2 CY 2023 is an estimate made by Woods & Poole and is provided here for informational purposes only; the historical data on which Woods & Poole's CY 2031 projections are based is CY 2022.
SOURCE: Woods & Poole Economics, Inc., *2024 Complete Economic and Demographic Data Source (CEDDS)*, July 2024.

35 The Chamber, "Nexton Update 2023: A Thriving Community Focused on Growth and Quality of Life," https://www.greatersummerville.org/nexton-update-2023-a-thriving-community-focused-on-growth-and-quality-of-life (accessed June 18, 2024).

Table 4-8 also presents projections of total retail sales for CY 2031. According to data from Woods & Poole, total retail sales for the Air Trade Area are projected to increase from approximately $16.6 billion in CY 2022 to approximately $18.6 billion in CY 2031. This increase represents a CAGR of 1.3 percent, higher than the 1.1 percent growth rate for South Carolina and a 0.8 percent growth rate for the nation over the same period.

International trade is also an important component of the South Carolina and Air Trade Area economies. South Carolina prioritizes international trade by offering a comprehensive support system. According to the Office of the US Trade Representative, South Carolina's trade valued at $37.3 billion in CY 2023, supporting over 116,000 jobs, and accounted for 11.6 percent of South Carolina GDP. Exports are fueled by strong manufacturing. The largest manufacturing export is transportation equipment, accounting for $19.4 billion of South Carolina's total goods exports in CY 2023. Agriculture also thrives on exports, while international investment plays a key role in job creation across the state. The Air Trade Area contributed significantly to South Carolina's export, with $4.3 billion trade value exported in CY 2023.[36]

Walmart, the sixth largest employer in the Air Trade Area with 3,900 local employees, opened a new import distribution center in Dorchester County in CY 2022 for South Carolina's business-friendly environment and proximity to the deep-water Port of Charleston (Port) (the nation's eighth-largest). This facility sorts and stores imported goods, supplying 850 Walmart and Sam's Club locations in the Southeast. It is expected to boost local port volumes by 5 percent upon reaching full capacity.[37]

Charleston Harbor has invested $580 million in a deepening project, funded by state and federal investments, which, at 52 feet, has made it the deepest on the East Coast. This infrastructure upgrade aims to strengthen South Carolina's economy and the Southeast's supply chain by increasing competitiveness, attracting new shipping services, and efficiently handling high cargo volumes and mega container ships.[38] The Port Authority has also invested in a major infrastructure project, converting part of the former Navy base into a modern shipping terminal (Hugh K. Leatherman Terminal) at a cost of $1.3 billion. Plans are also underway to construct a modern railroad yard adjacent to the terminal, with an estimated cost of construction of $400 million.[39]

4.2.4.4 LEISURE AND HOSPITALITY

In CY 2023, the leisure and hospitality sector accounted for approximately 57,700 employees in the Air Trade Area, the fourth-highest employment level among all sectors. The leisure and hospitality sector accounted for 13.0 percent of total nonagricultural employment in CY 2023 in the Air Trade Area, compared to 10.6 percent in the nation. Leisure and hospitality employment in the Air Trade Area increased 3.1 percent between CY 2012 and CY 2023, compared to a 1.7 percent increase for the nation over the same period.

The Air Trade Area, especially historic downtown Charleston, has received numerous accolades as one of the nation's

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[36] Office of the United States Trade Representative, "South Carolina Exports & Foreign Investment," https://ustr.gov/map/state-benefits/sc (accessed June 18, 2024).

[37] Charleston Regional Development Alliance, "Walmart celebrates grand opening of South Carolina import distribution center," https://www.crda.org/news/local_news/walmart-celebrates-grand-opening-of-south-carolina-import-distribution-center/ (accessed June 18, 2024).

[38] Port Technology International, "Charleston becomes deepest harbor on the East Coast," https://www.porttechnology.org/news/charleston-becomes-deepest-harbour-on-the-east-coast/ (accessed June 18, 2024).

[39] The Post and Courier, "Reopen the Leatherman Terminal," https://www.postandcourier.com/opinion/editorials/sc-ports-authority-leatherman-terminal-unions/article_a9cef28a-2f0d-11ef-991d-f71929c9df04.html (accessed July 18, 2024).

top tourist destinations. In July 2023, Charleston was named the Top US City and was ranked 19th in the World's Best Cities ranking by *Travel + Leisure*. This was the 11th consecutive year that Charleston had received this distinction. The award is based on readers' ratings of cities considering their sights and landmarks, culture, cuisine, friendliness, shopping, and overall value.[40] Charleston was also named the Top Small US City in *Condé Nast Traveler* magazine's 2023 Readers' Choice Awards for the second consecutive year and 12th time in the past 13 years.[41]

According to the Office of Tourism Analysis at the College of Charleston, the estimated number of visitors increased at a CAGR of 1.2 percent, from 7.4 million in CY 2019 to 7.8 million in CY 2023. The number of visitors experienced a significant drop from 7.4 million in CY 2019 to 5.1 million in CY 2020 due to COVID-19 pandemic. The number of visitors quickly recovered to 7.23 million in CY 2021, nearly regaining visitors to the pre-COVID-19 pandemic level. In CY 2022, the number of visitors surpassed pre-COVID-19 pandemic level, reaching 7.7 million. In CY 2023, the 7.8 million tourists accounted for a $13.1 billion economic impact in the Air Trade Area. The average visitor to Charleston spent approximately $1,048 per trip in CY 2023 and contributed to 53,700 employments with $4.62 billion labor earnings impact.[42]

In support of leisure travel and conventions in the Air Trade Area, there were approximately 19,100 hotel rooms in Charleston County in CY 2023, including the hotel rooms in beach communities.[43] Charleston County sold nearly 5 million room nights in CY 2023 and hotel occupancy averaged to 70.7 percent, a 5.0 percentage point increase from 2021.[44] The average hotel occupancy is 59.7 percent in South Carolina and 63.0 percent in US, approximately 10 to 20 percentage points lower than Charleston County in CY 2023, respectively. The average daily room rate of Charleston County in CY 2023 was $184 compared to $132 in South Carolina, and $156 in the US during the same year. As of April 2024, the average daily room rate of Charleston County is $219.

The Charleston Area's hospitality scene has been experiencing significant investment over the years, with a steady stream of new hotel openings and announcements in recent years. This development trend is not limited to just new developments, existing properties are undergoing renovations to keep pace. Numerous luxury brands are making significant investments, including Hotel Bennett, Hotel Emeline, The Loutrel Hotel, The Lowline Hotel, The Pinch Hotel, The Palmetto Hotel, The Dunlin Auberge Kiawah River Resort, The Cooper Hotel, The Four Seasons Hotel Downtown Charleston, and Charleston Place Hotel. Specifically, the Four Seasons Hotel Downtown Charleston has secured permits for construction in Charleston's historic downtown district.[45]

Located in North Charleston, the Charleston Convention Center Campus features more than 70,000 square feet of flexible meeting and exhibit space and an adjoining Performing Arts Center. Nearby are the North Charleston

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[40] Travel+Leisure, "Readers' 25 Favorite Cities in the World of 2023," https://www.travelandleisure.com/our-readers-favorite-cities-in-the-world-of-2023-7555844 (accessed June 18, 2024).

[41] Holy City Sinner, "Charleston Voted the Best Small City in the U.S.," https://holycitysinner.com/news/12th-time-13-years-charleston-voted-best-small-city-u.s.-conde-nast-traveler-readers/ (accessed June 18, 2024).

[42] College of Charleston School of Business Office of Tourism Analysis, *Estimation of tourism's economic impacts in the greater Charleston*: College of Charleston School of Business, 2024.

[43] Ibid.

[44] Explore Charleston, *4. Performance Summary*: Explore Charleston, 2024.

[45] The Post and Courier, "It's final: SC's first Four Seasons clears last BAR hurdle to move forward," https://www.postandcourier.com/business/four-seasons-charleston-strategic-property-partners/article_9d0101dc-0d80-11ef-b8ef-638f6fcfb362.html (accessed July 18, 2024).

Coliseum and an Embassy Suites Hotel.[46] Additionally, the Gaillard Center in historic, downtown Charleston offers an 1,800-seat theater and 16,000 square feet exhibition hall space.

The Air Trade Area offers a wide variety of tourist attractions, primarily focused around Charleston's distinct culture, which blends traditional Southern American, English, French, and West African elements. Charleston's National Historic Landmark District's unique architectural elements attract tourists from around the world to view buildings that reflect American social and architectural history. The Spoleto Festival, held in the Air Trade Area over 17 days each year between late May and early June, is one of the world's major performing arts festivals, with 700 events that include performances at the nation's oldest theater, the Dock Street Theatre, the Southern-focused Gibbes Museum of Art, and the 1,800-seat Galliard Performance Hall.[47] Nearby plantation homes and gardens open for tours include Boone Hall Plantation and Gardens, Drayton Hall, Magnolia Plantation and Gardens, and Middleton Place. Additional tourist attractions include Charleston Adventure Forest, South Carolina Aquarium, Edisto Island Serpentarium, Eudora Farms, Charleston Tea Garden, Magnolia Plantation and Gardens, Angel Oak Tree, Charles Town Landing State Historic Site, Cypress Gardens, Fort Sumter National Monument, Patriots Point Naval & Maritime Museum, the Historic Charleston Foundation's Nathaniel Russell and Aiken-Rhett Houses, the King Street shopping district, and the Old City Market.[48] Spectator sports include the Charleston River Dogs, a Single-A professional baseball team (a minor league affiliate of the New York Yankees), and the Charleston Battery professional soccer team. Additionally, the Air Trade Area offers a variety of outdoor activities such as golf, tennis, fishing, boating, and surfing.[49]

4.2.4.5 EDUCATION AND HEALTH SERVICES

In CY 2023, the education and health services sector accounted for approximately 47,200 employees in the Air Trade Area, the fifth highest employment level among all sectors. The Air Trade Area's economy leans more heavily toward leisure, hospitality, and government sectors. This focus on other industries in the Air Trade Area explains why the education and health services sector makes up a smaller portion of total employment in the Air Trade Area (11.4 percent in CY 2023) compared to the nation (16.2 percent).

Education and health services employment in the Air Trade Area increased at a CAGR of 2.8 percent between CY 2012 and CY 2023, compared to a 1.8 percent increase for the nation over the same period. More detail on both health services and higher education is in the subsections below.

Health Services

The public MUSC is the oldest medical school in the South. MUSC educates over 3,200 students and boasts the top research funding in the state at over $300 million. Its affiliated health care system, MUSC Health, operates 16 hospitals with nearly 2,700 beds and 750 care locations in South Carolina. It is ranked the #1 hospital in South

[46] ASM Global, "Charleston Area Convention Center," https://www.asmglobal.com/p/our-portfolio/convention-exhibition-centers/charleston-area-convention-center (accessed June 18, 2024).

[47] The 100 Collection, "Guide to Charleston's Most Popular Festivals," https://theonehundredcollection.com/travel/guide-to-charlestons-most-popular-festivals (accessed June 18, 2024).

[48] Charleston.com, "Attractions," https://charleston.com/things-to-do-in-charleston-sc/attractions?limit=20&limitstart=20&task=searchCompaniesByName&controller=search&categories=259%3B&view=search&categoryId=259&radius=100&form_submited=1&orderBy=ordering+asc (accessed June 18, 2024).

[49] Discover South Carolina, "Charleston's Beaches Have Fun, Sun, Golf, Tennis and (of Course) Some History," https://discoversouthcarolina.com/articles/charlestons-beaches-have-fun-sun-golf-tennis-and-of-course-some-history (accessed July 18, 2024).

Carolina in CY 2023 for 9 years running according to *U.S. News & World Report*. As a major employer with 17,000 locally in the Air Trade Area and nearly 26,000 staff globally, MUSC is the largest nonfederal employer in the Air Trade Area (the second-largest employer overall). MUSC has an annual operating budget of $5.9 billion globally, which creates a significant economic impact on South Carolina. Additionally, MUSC is a national leader in organ transplantation, with a history of significant medical advancements and a commitment to providing high-quality care and access to transplants.

The MUSC Board of Trustees approved two key healthcare expansion projects in Berkeley County recently for a total of $395 million: a 70-bed Nexton Medical Center and a 30,000-square-foot cancer medical office building.[50] Additionally, responding to the Lowcountry's expanding population, the MUSC Health Kiawah Partners Pavilion, a new 12,056-square-foot facility, is set to open in late 2025. This new facility includes radiology services, full lab services, and advanced imaging services.[51] The Shawn Jenkins Children's Hospital, a $390 million facility that opened in CY 2020, also provides state-of-the-art care.[52] Meanwhile, MUSC's College of Health Professions is expanding with a new $50 million, six-story facility expected to be completed in CY 2025.[53] A new MUSC College of Medicine academic building is also planned (estimated start and completion dates unknown). The 187,000 square foot, $176 million building will create a centralized home for students and faculty currently scattered in buildings across downtown Charleston.[54]

Two other health care systems, Roper St. Francis Healthcare and Trident Health System, employ approximately 9,200 people combined. Roper St. Francis Healthcare is a private, nonprofit, 657-bed health system consisting of three hospitals (Roper Hospital, Bon Secours St. Francis Hospital, and Roper St. Francis Mount Pleasant Hospital) and more than 110 facilities and doctors' offices located throughout the Air Trade Area. Roper St. Francis Healthcare is investing $1 billion in a new Roper Hospital Medical Campus in North Charleston. This 27-acre facility near major interstates will serve the growing populations of Berkeley, Charleston, and Dorchester counties. The project is poised to be one of the largest and most advanced healthcare construction projects on the East Coast, meeting the critical needs of this rapidly expanding region. The South Carolina Department of Public Health (DPH) has approved a Certificate of Need for a new four-story tower at the Berkeley County campus. The hospital will double its beds from 50 to 100 and add 200,000 square feet of new or renovated space. This $193 million project is expected to be completed in CY 2026. Trident Health System is a 445-bed hospital system operated by the private, for-profit Hospital Corporation of America. The system includes two acute care hospitals—Trident Medical Center and Summerville Medical Center—and three freestanding emergency departments—Moncks Corner Medical Center,

[50] Becker's Hospital Review, "MUSC seeks state OK to build 2 hospitals that total $705M," https://www.beckershospitalreview.com/capital/musc-looks-for-state-approval-to-develop-705m-hospitals.html (accessed June 26, 2024).

[51] MUSC Health, "MUSC Health Kiawah Partners Pavilion," https://muschealth.org/patients-visitors/about-us/growth/kiawah-partners-pavilion (accessed June 26, 2024).

[52] MUSC Health, "MUSC Shawn Jenkins Children's Hospital & Pearl Tourville Women's Pavilion," https://muschealth.org/patients-visitors/about-us/2019-year-in-review/sjch (accessed July 18, 2024).

[53] MUSC Health, "MUSC College of Health Professions celebrates groundbreaking of fourth building," https://web.musc.edu/about/leadership/institutional-offices/communications/pamr/news-releases/2023/musc-college-of-health-professions-celebrates-groundbreaking-of-fourth-building (accessed July 18, 2024).

[54] MUSC, "Medical University Hospital Authority Board of Trustees Regular Agenda, April 14, 2023," https://web.musc.edu/-/sm/enterprise/about/leadership/trustees/f/2023/agendas/agenda_04142023.pdf (accessed August 21, 2024).

Brighton Park Emergency, and Centre Pointe Emergency.[55] Additionally, Novant Health has recently invested significantly in the area by acquiring East Cooper Medical Center and related facilities in Mount Pleasant.[56]

Higher Education

The Air Trade Area has approximately two dozen college and university campuses that provide access to a full spectrum of higher educational opportunities and enroll approximately 39,100 students per year. These educational institutions generate demand for air travel through academic meetings and conferences, visiting professorships, study abroad programs, and individual student and faculty travel. The three largest higher educational institutions, excluding vocational training and associates-level education, include two public institutions: the College of Charleston (which employs approximately 1,800 people in the Air Trade Area and has 11,600 enrolled students) and The Citadel, The Military College of South Carolina (which has approximately 2,700 enrolled students); and the private institution Charleston Southern University (which has approximately 3,600 enrolled students). Vocational training and associates-level education in the Air Trade Area are primarily provided at the six campuses of the Trident Technical College (Thornley, Palmer, Berkeley, Dorchester, Mount Pleasant, and Off Campuses), which has approximately 17,800 enrolled students.

4.2.4.6 MANUFACTURING

Manufacturing employment in the Air Trade Area increased at a CAGR of 3.0 percent between CY 2012 and CY 2023, compared to an increase of 0.7 percent for the nation over the same period. In CY 2023, the manufacturing sector accounted for approximately 32,800 employees in the Air Trade Area, representing 7.9 percent of total nonagricultural employment; it has the sixth highest employment level among all sectors.

The Air Trade Area's manufacturing base is quite diverse, including significant concentrations of manufacturers specializing in areas such as primary metals (e.g., Nucor Steel, Alcoa) and machinery. However, transportation equipment manufacturing is a particular area of strength:

- **Redwood Materials**. Redwood Materials, a company that manufactures components for electric vehicle batteries, announced a $3.5 billion investment to establish operations in the state in 2022. This project, the largest economic development deal in South Carolina's history, is expected to create 1,500 jobs.[57]
- **The Boeing Company**. Boeing's South Carolina facilities currently occupy approximately 730 acres of land adjacent to the Airport and employ approximately 7,864 people (primarily in relatively higher-wage manufacturing, engineering, and managerial positions). Boeing South Carolina is the Air Trade Area's third largest employer.

  Boeing South Carolina began in 2004 as two companies: Vought Aircraft Industries, Charleston Operations; and Global Aeronautica, LLC. These companies were independently manufacturing fuselage parts for the Boeing 787 Dreamliner (B787) aircraft program. In 2008, Boeing bought Vought's Charleston Operations and Global Aeronautica, to gain improved control over the B787 manufacturing supply chain, and renamed the combined operation Boeing South Carolina.

[55] The information included in this section is from the various hospital system websites.

[56] Charleston Regional Business Journal, "$2.4B deal buys 3 South Carolina hospitals, including Mount Pleasant facility," https://charlestonbusiness.com/2-4b-deal-buys-3-south-carolina-hospitals-including-mount-pleasant-facility/ (accessed July 18, 2024).

[57] Lee & Associates, "10 Must-Follow Projects in The Charleston Region," https://www.lee-charleston.com/knowledge-hub/10-must-follow-projects-in-charleston/ (accessed May 1, 2024).

In October 2009, Boeing selected the North Charleston site for a new $750 million B787 final assembly and delivery line and, in 2010, began building a new facility to supply B787 interior parts to the final assembly and delivery facility. The first B787 aircraft from the Charleston facilities was delivered to Air India in October 2012. Boeing South Carolina builds all three versions of the 787—the 787-8, 787-9, and 787-10—at the facility and is the sole manufacturer of B787-10 aircraft.

In CY 2011, Boeing opened the first of three facilities at a new 141-acre north campus, 10 miles from Boeing South Carolina's main campus; the new facility manufactures 787 interior parts. The north campus expanded in 2014, with the opening of the Boeing Research & Technology Center, which focuses on advanced manufacturing technology and composite fuselage manufacturing; and Propulsion South Carolina, where the design and assembly of the 737 MAX engine nacelle inlet is done. In CY 2021, Boeing has consolidated all 787 Dreamliner production to the Air Trade Area to streamline operations and reduce costs.[58]

- **Robert Bosch, LLC**. Germany-headquartered Robert Bosch, LLC, is one of the world's largest suppliers of automobile components and employs approximately 1,800 people in the Air Trade Area. The company's Air Trade Area operation manufactures diesel and gasoline fuel injection systems, ESP/ABS brake systems, and exhaust gas treatment systems. Product development facilities are on-site for adapting products to North American market needs, and the plant is also a center of competency for material applications. In CY 2022, Bosch announced a significant expansion of its North Charleston facility, investing over $260 million. This expansion will create a 75,000-square-foot addition and bring 350 new jobs to the site by CY 2025.[59]
- **Volvo Cars**. The Swedish-based, Chinese-owned automaker opened its first North American manufacturing center on a 1,600-acre site in Berkeley County in CY 2017. Volvo employs 2,200 workers in the Air Trade Area supporting the production of various models such as S60, S60 Recharge, and EX90 SUV in CY 2023. The main office campus and Volvo Car University were opened in South Carolina late 2019 to provide retail partners and Volvo Cars employees access to industry-leading training.[60] Production of the all-electric Volvo EX90 SUV began in 2023, with deliveries expected in the second half of 2024.[61]
- **Mercedes-Benz Vans**. Established in CY 2006, the Mercedes-Benz plant in Ladson has produced over 260,000 vans (51,600 vans in CY 2023) and recently began manufacturing the eSprinter electric model in CY 2024. The facility employs approximately 2,000 people and occupies a significant space with a 344,445-square-foot production area on a 6.7-million-square-foot site. Following a $500 million investment announced in CY 2015 and subsequent expansion, the plant expansion opened in September 2018.

4.2.4.7 CONSTRUCTION

Construction employment in the Air Trade Area increased at a CAGR of 4.5 percent between CY 2012 and CY 2023, compared to an increase of 2.6 percent for the nation over the same period. In CY 2023, the construction sector accounted for approximately 22,300 employees in the Air Trade Area, which accounted for 5.4 percent of total nonagricultural employment. Construction has the seventh-highest employment level among all sectors.

[58] Caldwell Commercial Real Estate Services, “Future Plans for North Charleston and Boeing,” https://caldwellcommercial.com/future-plans-for-north-charleston-and-boeing/ (accessed June 20, 2024).

[59] Charleston Regional Business Journal, “Bosch investing $260M in North Charleston expansion,” https://charlestonbusiness.com/bosch-investing-260m-in-north-charleston-expansion/ (accessed June 20, 2024).

[60] Volvo Car USA, “Volvo Cars Officially Opens Volvo Car University Campus in South Carolina,” https://www.media.volvocars.com/us/en-us/media/pressreleases/283450/volvo-cars-officially-opens-volvo-car-university-campus-in-south-carolina (accessed June 20, 2024).

[61] Volvo, “South Carolina Factory,” https://www.volvocars.com/us/l/hometown/ (accessed June 20, 2024).

The US construction industry experienced growth across all major segments in December 2023, with a 14 percent increase in overall construction spending compared to December 2022.[62] Residential construction spending increased by 7 percent, driven by a 10 percent rise in single-family homebuilding. Nonresidential construction spending surged by 20 percent, propelled by significant increases in both private projects and public investments. Forecasts from the International Banker for CY 2024 indicate modest growth in single-family homebuilding, a decrease in multifamily construction, and robust expansion in manufacturing plants, data centers, schools, infrastructure, and power facilities. [63]

The following significant development projects are underway in the Air Trade Area[64]:

- **Union Pier**. The South Carolina Ports Authority owns a 70-acre waterfront site on Charleston's peninsula called Union Pier. The underutilized land is under consideration for a large-scale, mixed-use development project, and was purchased by Charleston billionaire Ben Navarro in March 2024 who intends to develop Union Pier over the next 25 years. [65]
- **Nexton**. Nexton is a planned community designed for walkability and offers access to over 120 shops, restaurants, and offices via golf cart as well. The community prioritizes green space with parks and preserved areas, while offering essential amenities like grocery stores (opening in CY 2024) and schools (elementary and middle opening in 2026). Long-term plans include significant development with over 2 million square feet of retail space, over 800,000 square feet of medical facilities, 1.7 million square feet of office space, and 1,300 hotel rooms.
- **Point Hope**. Point Hope is a large-scale, planned community bordering the Wando River and Beresford Creek; it is designed to include over 18,000 homes upon completion. This will be accompanied by significant green space exceeding 1,000 acres, essential amenities like grocery stores, and commercial areas with retail, restaurants, and office space.
- **Magnolia**. Just 10 minutes from downtown, Magnolia project plans for 4,000 residential units with a variety of options in the first phase. Phase One offers a mix of housing types near the Ashley River waterfront, along with significant commercial development including office space, retail, a concert venue, hotels, a public dock, and green space.
- **Courier Square**. The redevelopment of Charleston's former Post and Courier site, known as Courier Square Phase III, gained approval in January 2024. This 3.7-acre property, once home to the newspaper's offices and printing facility, will be transformed into a mixed-use development following Phases I and II, which already brought office space, retail, and apartments to the area. Phase III focuses on redeveloping the historic buildings into Class-A office and retail spaces.

Building permits and housing sales and prices are indirect indicators of employment in the residential construction sector. As shown in **Table 4-9**, Air Trade Area residential building permits and valuation experienced a greater increase than what was experienced by the US between CY 2012 and CY 2023. After rebounding from the bottom

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[62] International Banker, "The 2024 US Construction Outlook," https://internationalbanker.com/finance/the-2024-us-construction-outlook-torrid-or-tepid/ (accessed June 21, 2024).

[63] Ibid.

[64] Lee & Associates, "10 Must-Follow Projects in The Charleston Region," https://www.lee-charleston.com/knowledge-hub/10-must-follow-projects-in-charleston/ (accessed June 21, 2024).

[65] Charleston Regional Business Journal, "How Union Pier could lure potential commercial investors to Charleston," https://charlestonbusiness.com/how-union-pier-could-lure-potential-commercial-investors-to-charleston/ (accessed July 22, 2024).

of the most recent residential real estate building cycle in CY 2009, the Air Trade Area's residential building permit units have grown at a CAGR of 5.8 percent from CY 2012 to CY 2023, compared to an increase of 7.7 percent for South Carolina and 5.6 percent for the US over the same period. Building permit valuation increased at a CAGR of 9.5 percent (compared to an increase of 11.4 percent for South Carolina and 9.1 percent for the US) between CY 2012 and CY 2023.

TABLE 4-9 RESIDENTIAL BUILDING PERMITS AND VALUATION

(Dollar Amounts in Thousands)

	AIR TRADE AREA		SOUTH CAROLINA		UNITED STATES	
CALENDAR YEAR (CY)	UNITS	VALUATION	UNITS	VALUATION	UNITS	VALUATION
2012	4,593	$867,445	18,708	$3,443,115	829,658	$140,425,307
2013	5,417	$1,046,585	24,725	$4,881,686	990,822	$177,655,914
2014	6,155	$1,213,233	27,551	$5,428,946	1,046,363	$193,243,022
2015	6,590	$1,347,644	31,030	$6,242,696	1,182,582	$223,611,322
2016	6,974	$1,438,352	32,165	$6,723,604	1,206,642	$237,101,605
2017	7,267	$1,606,851	35,521	$8,038,390	1,281,977	$258,505,416
2018	7,002	$1,567,520	35,487	$8,143,578	1,328,827	$271,119,545
2019	6,695	$1,397,537	36,034	$8,006,648	1,386,048	$280,534,198
2020	8,604	$1,842,265	42,340	$9,505,326	1,471,141	$307,209,904
2021	8,282	$2,051,965	50,680	$11,652,262	1,736,982	$380,036,187
2022	9,491	$2,580,842	46,038	$11,914,790	1,680,368	$384,447,171
2023	8,573	$2,343,705	42,474	$11,281,836	1,511,102	$365,373,043
Compound Annual Growth Rate						
2012–2023	5.8%	9.5%	7.7%	11.4%	5.6%	9.1%

NOTES:
CY – Calendar Year
Dollar amounts in thousands.
SOURCE: US Department of Commerce, Bureau of the Census, June 2024.

Forbes reported that South Carolina had an average home value of $289,251 in February 2024, up from $279,095 in February 2023.[66] This is a significant increase from the past 5 years, with the average value nearly $100,000 higher than in February 2019.[67] City of Charleston median home sales prices in June 2024 were up 17.3 percent compared to June 2023, selling for a median price of $645,000. On average, homes in the City sold after 51 days on the market during June 2024, compared to 46 days during June 2023. There were 283 homes sold during June 2024, down from 334 during June 2023.[68]

4.2.4.8 FINANCIAL

Financial, insurance, and real estate services comprise the financial sector. Financial employment in the Air Trade Area increased at a CAGR of 4.8 percent between CY 2012 and CY 2023, compared to an increase of 1.5 percent for the nation over the same period. In CY 2023, the financial sector accounted for approximately 21,100 employees in

[66] Empire Properties, "Exploring the Future of Housing: A Deep Dive into Charleston's Emerging Real Estate Trends for 2024," https://charlestonempireproperties.com/exploring-the-future-of-housing-a-deep-dive-into-charlestons-emerging-real-estate-trends-for-2024/ (accessed June 21, 2024).

[67] Ibid.

[68] Redfin, "Charleston, SC Housing Market," https://www.redfin.com/city/3478/SC/Charleston/housing-market (accessed July 23, 2024).

the Air Trade Area, which accounted for 5.1 percent of total nonagricultural employment. The financial sector has the eighth-highest employment level among all sectors.

The financial sector plays a relatively smaller role in the Air Trade Area's employment base than in the nation overall. No financial sector employers are included in the Air Trade Area's major employers shown in Table 4-6. According to the most recent Federal Deposit Insurance Corporation statistics, the Air Trade Area has 35 commercial banks with $1 billion to $10 billion asset distribution.[69]

Table 4-10 presents total bank deposits for the Air Trade Area, South Carolina, and the US between fiscal year ending June 30, 2012 and fiscal year ending June 30, 2023.[70] Total bank deposits are an indication of the economic activity of the financial sector. As shown, total bank deposits in the Air Trade Area increased from approximately $9.7 billion in the fiscal year ending June 30, 2012 to approximately $21.0 billion in the fiscal year ending June 30, 2023. This increase represents a CAGR of 7.3 percent during this period, which was higher than that for South Carolina and the nation (CAGRs of 5.8 and 6.2 percent, respectively) during this same period. There was a surge in bank deposits in the first few months of the pandemic, which can be seen in a significant increase in bank deposits between fiscal year ending June 30, 2019 and fiscal year ending June 30, 2020. Numerous factors contributed to the surge, including the billions of dollars the government provided to small businesses via Paycheck Protection Program loans and individuals via stimulus checks and unemployment benefits; the Federal Reserve's efforts to support financial markets, including an unlimited bond-buying program; and the uncertainty that prompted everyone from households to large corporations to keep more cash on hand.[71] Bank deposits in the Air Trade Area continued to increase throughout the pandemic, and peaked in fiscal year ending June 30, 2022, before dropping off in the following year, still at well above pre-pandemic bank deposit levels; a similar pattern was seen in the nation.

4.2.4.9 TRANSPORTATION/UTILITIES

The transportation/utilities sector has the ninth-highest employment level among all sectors. The transportation/utilities sector accounted for 4.7 percent of total nonagricultural employment with a total of 19,300 employees in CY 2023 in the Air Trade Area, compared to 4.6 percent in the nation. Transportation/utilities employment in the Air Trade Area increased at a CAGR of 3.6 percent between CY 2012 and CY 2023, compared to a 3.4 percent increase for the nation over the same period.

Air transportation demand in the Air Trade Area is primarily serviced by the Airport. The Air Trade Area is also supported by additional transportation infrastructure, providing both passenger and freight access.

- The Air Trade Area is directly connected to major US markets via an integrated network of interstate highways. I-26 is the primary Interstate highway artery into and out of Charleston. I-95 (the major north–south interstate on the US east coast), I-77, I-20, I-85, and I-40 are all directly linked to Charleston via I-26. Transport throughout the Air Trade Area would also be enhanced by the proposed completion of I-526, which would connect West Ashley to James and Johns Island. As of March 2024, the I-526 West Corridor project is set to be completed in CY 2039.

[69] Federal Deposit Insurance Corporation, "State Profile – South Carolina At a Glance," https://www.fdic.gov/analysis/state-profiles/atlanta/sc.pdf (accessed June 19, 2024).

[70] As depicted in Table 4-10, the 12-month period ends June 30.

[71] Son, Hugh, "U.S. banks are 'swimming in money' as deposits increase by $2 trillion amid the coronavirus," *CNBC*, https://www.cnbc.com/2020/06/21/banks-have-grown-by-2-trillion-in-deposits-since-coronavirus-first-hit.html (accessed June 26, 2024).

TABLE 4-10 TOTAL BANK DEPOSITS

(Dollar Amounts in Millions)

FISCAL YEAR	TOTAL BANK DEPOSITS		
	AIR TRADE AREA	SOUTH CAROLINA	UNITED STATES
Historical			
2012	$9,699	$67,387	$8,947,244
2013	$9,960	$68,485	$9,433,525
2014	$10,351	$69,909	$10,112,724
2015	$11,395	$75,106	$10,657,721
2016	$12,238	$79,023	$11,280,518
2017	$13,249	$84,506	$11,859,860
2018	$13,930	$85,947	$12,307,880
2019	$14,740	$89,384	$12,813,120
2020	$17,469	$105,131	$15,590,139
2021	$20,355	$117,934	$17,235,467
2022	$22,657	$128,157	$18,141,022
2023	$20,967	$124,695	$17,269,424
Compound Annual Growth Rate			
2012–2023	7.3%	5.8%	6.2%

NOTE:
Dollar amounts in millions; fiscal year ending June 30.
SOURCE: Federal Deposit Insurance Corporation (FDIC), *Summary of Deposits Report*, June 2024.

- Ocean shipping is facilitated by the Port of Charleston (Port). The Port includes six public terminals and is owned and operated by the South Carolina Ports Authority. These facilities handle containers, motor vehicles, and other rolling stock, noncontainerized goods, and project cargo, as well as Charleston's cruise ship operation. Additional Port facilities are privately owned and operated, handling bulk commodities, including petroleum, coal, and steel. The Port is presently the deepest water port in its competitive region; the 52-foot deepening is necessary to fully accommodate the new generation of larger container ships and allow these ships to always call on Charleston. Also operated by the South Carolina Ports Authority are Inland Port Greer and Inland Port Dillon. Inland Port Greer extends the Port's reach inland by 212 miles, allowing shippers to have direct rail connection to the Port and speed goods to market.[72] Inland Port Dillon is situated within a prime 3,400-acre industrial site near I-95, providing easy access for importers and exporters in the eastern Carolinas.[73] Along the Cooper River in North Charleston, the Hugh K. Leatherman shipping terminal is a significant addition to the Air Trade Area's transportation network. The country's first container terminal to open in more than a decade when it was completed in CY 2021, the terminal enhances South Carolina Ports Authority's ability to handle growing cargo volumes and the largest vessels.
- Freight rail service in the Air Trade Area is provided by CSX Railroad and Norfolk Southern, which operate large, well-equipped rail yards and are Class I railways. Additionally, the RapidRail dray[74] program offers a cost-effective and streamlined solution for transporting goods between the marine terminals and rail yards. Palmetto

[72] South Carolina Ports Authority, "SC Ports Derives Economic Success in Upstate," https://scspa.com/news/sc-ports-drives-economic-success-in-upstate/ (accessed June 21, 2024).

[73] South Carolina Ports Authority, "Inland Port Dillon," https://scspa.com/facilities/inland-port-dillon/ (accessed July 18, 2024).

[74] Used mostly in cities, drays are either two- or four-wheeled carts with small wheels and a flatbed for hauling heavy objects like machinery.

Railways, a state-owned, Class III, short-line railroad, also operates in the Air Trade Area.

- Passenger rail service is provided to and from the Air Trade Area by Amtrak. The Palmetto (daily New York–Savannah via Charleston) and Silver Meteor (daily New York–Miami via Charleston) trains stop at the Amtrak station in North Charleston. A new intermodal transportation center was constructed in North Charleston (near the Airport) that will house Amtrak, CARTA, and Southeastern Stages.
- Public transit in the Air Trade Area is provided by the Charleston Area Regional Transportation Authority (CARTA) which offers a variety of bus transit services, including the free Downtown Area Shuttle service in the downtown peninsula area of Charleston. The Lowcountry Rapid Transit is a 21.3-mile bus rapid transit system in the works designed to connect communities, key destinations, and employment hubs in the Air Trade Area. In 2024, the Lowcountry Rapid Transit project received a $1.2 million grant from Federal Transit Administration to continue Transit Oriented Development planning.

Greyhound Bus Lines provides regularly scheduled bus service to and from the Air Trade Area and serves Charleston through a depot in North Charleston.

The Air Trade Area utilities are handled by a mix of providers: Dominion Energy supplies electricity and natural gas; water comes from Charleston Commissioners of Public Water and Dorchester County Water & Sewer. Sewer services are split between the North Charleston Sewer District and Dorchester County Water & Sewer. The Air Trade Area has modern treatment facilities with planned expansions, and additional utility options include Santee Cooper and Berkeley Electric Co-Op.[75]

The Air Trade Area also has an emerging wind energy industry, centered around the world's largest wind turbine drivetrain testing facility, the Dominion Energy Innovation Center, located at the Clemson University Restoration Institute in North Charleston. This LEED-certified facility houses the world's most powerful wind turbine testing equipment, funded by a record-breaking Department of Energy grant and additional public and private investment.[76]

4.2.4.10 OTHER SERVICES

Other services employment includes personal services (e.g., assisting the elderly with activities of daily living); dry cleaning and laundry services; repair and maintenance services; religion, grant making, civic, professional, and similar organizations; and private household employment. In CY 2023, the other services sector accounted for approximately 16,600 employees in the Air Trade Area. The other services sector has the 10th-highest employment level among all sectors. The other services sector accounted for 4.0 percent of total nonagricultural employment in CY 2023 in the Air Trade Area, compared to 3.7 percent in the nation. Other services employment in the Air Trade Area increased at a CAGR of 2.5 percent between CY 2012 and CY 2023, compared to a 0.6 percent increase for the nation over the same period.

Because the demand for other services is on an individual or household level, trends in other services employment do not independently drive economic growth, but rather tend to reflect growth in other industry sectors, which results in an increased demand for other services by individuals and households.

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[75] City of North Charleston, "Infrastructure," https://www.northcharleston.org/business/economic-development/infrastructure/ (accessed June 21, 2024).

[76] Choate Construction, "Dominion Energy Innovation Center," https://www.choateco.com/project/clemson-universitys-sceg-energy-innovation-center/ (accessed June 21, 2024).

4.2.4.11 INFORMATION

The information sector combines telecommunications service providers, traditional publishing, motion picture and sound recording, broadcasting, software, online services, and data processing. It has the least employment level among all sectors. The information sector accounted for 1.9 percent of total nonagricultural employment with a total of 8,000 employees in CY 2023 in the Air Trade Area, compared to 1.9 percent in the nation. information employment in the Air Trade Area increased at a CAGR of 2.3 percent between CY 2012 and CY 2023, compared to a 1.1 percent increase for the nation over the same period.

One traditional information sector employer in the Air Trade Area is Evening Post Industries, whose subsidiaries include television stations and newspapers in nine states, including the South's oldest daily newspaper, Charleston's *The Post and Courier*.

The rapid growth of the Air Trade Area's information technology sector has led the Air Trade Area to become informally known as Silicon Harbor, housing more than 250 tech companies and being a center for technological innovation.[77] In early 2001, the City of Charleston created the Charleston Digital Corridor to incubate new companies in this sector. The Charleston Digital Corridor today has 86 member companies (up from 18 at its founding), including the following:

- Google, which has progressively increased its investment in the Air Trade Area in the past decade. The online search giant now has three data centers and $2.9 billion invested on its site in Berkeley County's data center.
- Microsoft TEALS, a Microsoft Philanthropies program that builds sustainable computer science programs in high schools and helps teachers learn to teach computer science by pairing them with industry volunteers and proven curricula in the Air Trade Area.

Partnering with Google, Charleston County, and COMCAST, the Charleston Digital Corridor Learning Center was launched in September 2023 to empower individuals with in-demand technology, business, and entrepreneurial skills. This center aims to fuel economic growth and community development by bridging the gap between workforce needs and individual skillsets. The Charleston Digital Corridor's 2023 Annual Wage & Job Growth Survey reveals a record high average per-capita wage of $123,079 for participating companies, exceeding both the state average ($50,650) and the Charleston region average ($54,790) by more than double.[78]

4.3 ECONOMIC OUTLOOK

4.3.1 SHORT-TERM ECONOMIC OUTLOOK

The Congressional Budget Office (CBO) economic outlook released in June 2024 projects a 2.6 percent year-over-year increase in real GDP for CY 2024, which is similar to the real GDP growth in CY 2023 (2.5 percent). The CBO projects that real GDP growth rate will decrease to 2.1 percent in CY 2025, and decrease further to 1.8 percent in CY 2026.[79] Real GDP growth projected by the CBO is similar to that projected by the International Monetary Fund (IMF). The IMF projects, in its economic outlook released in July 2024, a 2.6 percent year-over-year increase in real US GDP

[77] Premlall Consulting, "What is Silicon Harbor, and Why is it so Popular?," https://www.premlall.com/what-is-silicon-harbor-and-why-is-it-so-popular/ (accessed June 19, 2024).

[78] Charleston Digital Corridor, "Annual Report-2023," https://www.charlestondigitalcorridor.com/2023/ (accessed June 19, 2024).

[79] Congressional Budget Office, *The Budget and Economic Outlook: 2024 to 2034*, June 2024.

for CY 2024. CY 2025 is then projected to see slower year-over-year US GDP growth of 1.9 percent.[80] The CBO projects the national unemployment rate to rise to 4.4 percent by the end of CY 2027.[81]

4.3.2 LONG-TERM ECONOMIC ASSUMPTIONS INCORPORATED IN PASSENGER DEMAND FORECASTS

As described in more detail in Chapter 5, the methodologies used in developing forecasts of enplaned passengers at the Airport included (among other methodologies) statistical linear regression modeling, with local and national socioeconomic and demographic factors as independent variables and enplaned passengers as the dependent variable. Independent variables considered for this analysis included population, employment, total earnings, personal income (per capita and total), and gross regional/domestic product. For each of these socioeconomic and demographic factors, the regression modeling produced a coefficient that was applied to the Woods & Poole projection of the corresponding socioeconomic or demographic factor to provide a forecast of enplaned passengers. **Table 4-11** presents the CY 2022 and CY 2031 figures used in the regression modeling as well as the CAGR for each independent variable between CY 2022 and CY 2031. As previously stated, the demand for air transportation at an airport is, to a large degree, dependent on the demographic and economic characteristics of an airport's air trade area. The projected growth in the economic indicators in Table 4-11 support the underlying assumptions that drive the airline activity forecasts discussed in Chapter 5.

TABLE 4-11 PROJECTION OF ECONOMIC VARIABLES USED IN PASSENGER DEMAND FORECASTS

VARIABLE	HISTORICAL CY 2022[1]	PROJECTED CY 2031	CAGR CY 2022[1]–CY 2031
ATA Population	830,352	938,761	1.4%
US Population	333,271,406	353,010,688	0.6%
ATA Total Employment[2]	537,417	649,758	2.1%
US Total Employment[2]	212,087,368	236,437,342	1.2%
ATA Total Earnings[3]	$29,887	$39,302	3.1%
US Total Earnings[3]	$12,689,561	$15,196,359	2.0%
ATA Total Personal Income[3]	$42,450	$55,407	3.0%
US Total Personal Income[3]	$18,111,957	$22,169,631	2.3%
ATA Per Capita Personal Income[4]	$54,439	$62,433	1.5%
US Per Capita Personal Income[4]	$56,421	$65,682	1.7%
ATA Gross Regional Product (GRP)[3]	$48,521	$64,626	3.2%
US Gross Domestic Product (GDP)[3]	$21,788,014	$26,495,364	2.2%

NOTES:
CY – Calendar Year
CAGR – Compound Annual Growth Rate
ATA – Airport's Air Trade Area
1 CY 2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for Woods & Poole's CY 2031 projections in this table. More recent data may be available from other sources.
2 Employment data include wage and salary workers, proprietors, private household employees, and miscellaneous workers. Establishment data from the US Department of Commerce, Bureau of Economic Analysis were used in this table, which differ from the employment data in Table 4-7 due to differing sources, definitions, and methodologies. Establishment data is used in this table because it is the only employment measurement available in Woods & Poole projections
3 Figures displayed in millions of 2017 dollars.
4 Figures in 2017 dollars.
SOURCE: Woods & Poole Economics, Inc., *2024 Complete Economic and Demographic Data Source (CEDDS)*, July 2024.

80 International Monetary Fund, *World Economic Outlook Update: The Global Economy in a Sticky Spot*, July 2024.

81 Congressional Budget Office, *The Budget and Economic Outlook: 2024 to 2034*, June 2024.

4.3.3 CONCLUSIONS

The Air Trade Area population was 830,352 in CY 2022, and is projected to increase to 938,761 by CY 2031. This represents a 1.4 percent CAGR for the Air Trade Area between CY 2022 and CY 2031, which is a higher rate of growth than for South Carolina and the US during the same period (0.9 percent and 0.6 percent, respectively).

Per capita personal income in the Air Trade Area was lower than in the US between CY 2012 and CY 2022. The Air Trade Area's per capita personal income in CY 2022 ($54,439) was 3.7 percent lower than per capita personal income in the US ($56,421); however, it was 17.8 percent higher than South Carolina ($46,203). [82] Per capita personal income in the Air Trade Area is projected to increase at a CAGR of 1.5 percent between CY 2022 and CY 2031, which is comparable to the projected CAGRs of 1.6 percent for South Carolina and 1.7 percent for the US.

Between CY 2012 and CY 2023, the Air Trade Area's labor force grew at a CAGR of approximately 2.0 percent. This is higher than the US during the same period, which grew at a CAGR of 0.7 percent.

In terms of percentages of industry sector shares, CY 2023 employment in the following industry sectors in the Air Trade Area exceeded employment in the US: government, professional and business services, leisure and hospitality, transportation/utilities, and other services.

The data cited in this chapter support the conclusion that the Air Trade Area has a large and diverse economy that can support increased air travel demand at the Airport through the Projection Period.

[82] Amounts are in 2017 dollars.

5. PASSENGER DEMAND AND AIR SERVICE ANALYSIS

This chapter describes historical aviation and air service activities at the Airport, discusses key factors affecting trends in these activities, and presents forecasts of future air passenger demand for the Airport.

5.1 AIRLINES SERVING THE AIRPORT

As listed in **Table 5-1**, 13 scheduled mainline air carriers and nine affiliated regional airlines operate at the Airport as of September 2024. The affiliated, regional, airlines provide service on behalf of the mainline airlines on a contract basis.

TABLE 5-1 AIRLINES SERVING THE AIRPORT

MAINLINE AIRLINES (13)	REGIONAL AIRLINES (9)
Air Canada	Champlain Enterprises Inc. dba CommuteAir (United)
Alaska	Endeavor Air (Delta)
Allegiant	Envoy Air Inc. (American)
American	GoJet Airlines LLC (United)
Avelo	Jazz Aviation LP (Air Canada)
Breeze	Mesa Airlines (United)
Delta	PSA Airlines, Inc. (American)
Frontier	Republic Airways (American, Delta, United)
JetBlue	SkyWest Airlines (American, Delta, United)
Southwest	
Spirit	
Sun Country	
United	

NOTE:
The airlines serving the Airport are those scheduled in fiscal year 2024.
SOURCE: Cirium Diio, June 2024 (published airline schedules).

Table 5-2 presents the scheduled passenger air carrier base at the Airport since FY 2013. Specific points concerning the scheduled passenger air carrier base at the Airport are the following:

- The Airport has had the benefit of a relatively stable scheduled passenger air carrier base during the years shown. Delta, United, American, Southwest, and JetBlue, inclusive of their regional carrier affiliates currently serving the Airport, have operated at the Airport throughout this period.
- JetBlue initiated service in FY 2013 with nonstop service to Boston Logan International (BOS) and John F. Kennedy International (JFK) Airports.
- Silver Airways initiated service in FY 2015 with nonstop service to Orlando International (MCO) and Tampa International (TPA) Airports. In January 2016 (FY 2016) Silver Airways paused service to MCO and TPA until it resumed service in November 2020 (FY 2020). In FY 2020 Silver Airways added service to Fort Lauderdale-Hollywood International (FLL) Airport. Silver Airways ceased operations to the Airport in October 2023 (FY 2024).

TABLE 5-2 HISTORICAL SCHEDULED PASSENGER AIR CARRIER BASE

AIR CARRIER [1]	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 [2]
Delta Carriers	●	●	●	●	●	●	●	●	●	●	●	●
United Carriers	●	●	●	●	●	●	●	●	●	●	●	●
American Carriers	●	●	●	●	●	●	●	●	●	●	●	●
Southwest	●	●	●	●	●	●	●	●	●	●	●	●
JetBlue	●	●	●	●	●	●	●	●	●	●	●	●
Alaska				●	●	●	●	●	●	●	●	●
Allegiant						●	●	●	●	●	●	●
Frontier						●	●	●	●	●	●	●
Breeze									●	●	●	●
Avelo										●	●	●
Sun Country										●	●	●
Spirit											●	●
Air Canada												●
Airlines No Longer Serving the Airport												
Silver Airways			●	●					●	●	●	●
British Airways							●	●				

NOTES:
Fiscal years ended June 30.
1 Where applicable, includes affiliated, regional, and merged carriers.
2 Scheduled in June 2024.
SOURCES: Charleston County Aviation Authority, June 2024; Cirium Diio, June 2024 (published airline schedules).

- Alaska initiated service in FY 2016 with nonstop service to Seattle-Tacoma International Airport (SEA).
- Allegiant initiated service in FY 2018 with nonstop service to Cincinnati/Northern Kentucky International (CVG), Indianapolis International (IND), and Pittsburgh International (PIT) Airports.
- Frontier initiated service in FY 2018 with nonstop service to Austin-Bergstrom International (AUS), Denver International (DEN), Chicago O’Hare International (ORD), Philadelphia International (PHL), and Trenton-Mercer (TTN) Airports.
- British Airways initiated service in FY 2019 with nonstop service to LHR. British Airways ceased operations to the Airport in October 2019 (FY 2020).
- Breeze initiated service in FY 2021 with service to Bradley International (BDL), Louisville Muhammad Ali International (SDF), Norfolk International (ORF), and TPA Airports.
- Avelo initiated service in FY 2022 with service to Tweed New Haven Airport (HVN).
- Sun Country initiated service in FY 2022 with nonstop service to Minneapolis-Saint Paul International Airport (MSP).
- Spirit initiated service in FY 2023 with service to FLL, Newark Liberty International (EWR), and PHL Airports.
- Air Canada initiated seasonal service in FY 2024 with nonstop service to Toronto Pearson International Airport (YYZ).

5.2 AIR SERVICE ANALYSIS

5.2.1 HISTORICAL AIRLINE MARKET SHARES

Table 5-3 presents the historical share of enplaned passengers by airline at the Airport between FY 2020 and FY 2024. For this period, either American or Delta held the largest market share. American held the largest market share in FY 2021 and FY 2023 to FY 2024, American's market share peaked in FY 2021 at 29.2 percent, and it was 24.6 percent in FY 2024. Delta held the largest market share in FY 2020 and FY 2022 with a peak of 27.7 percent in FY 2020. Delta ranked second at the Airport in FY 2024, serving 22.2 percent of enplaned passengers. The top two airlines in FY 2024 (Delta and American) accounted for at least 46.9 percent of total Airport enplaned passengers in each year of the period.

Southwest ranked as the third largest airline at the Airport in FY 2024, serving 14.3 percent of enplaned passengers. United ranked as the fourth largest airline, serving 13.0 percent of enplaned passengers in FY 2024. JetBlue ranked fifth in FY 2024, serving 10.0 percent of enplaned passengers. The remaining share of enplaned passengers (15.7 percent) were carried among the other eight airlines in FY 2024.

5.2.2 NONSTOP MARKETS

An important airport characteristic is the existence of nonstop airline service to an airport's largest markets, which is a function of air travel demand and airline profitability or supportability. **Table 5-4** presents historical data on the Airport's top 20 domestic O&D markets during FY 2023 (the latest full fiscal year available), as measured by total O&D passengers and airlines providing nonstop service as of June 2024. The top 20 markets accounted for approximately 63 percent of total O&D passengers at the Airport. As of June 2024, 19 of the top 20 markets had nonstop service from the Airport with 10 being served nonstop by two or more airlines. Ten of the top 20 domestic O&D markets are medium-haul markets, or markets between 601 to 1,800 miles in distance from the Airport. Ten of the medium-haul markets are served with nonstop service from the Airport. Six of the top 20 markets are short-haul distances, within 600 miles from the Airport, and four of the top 20 markets are long-haul distances over 1,800 miles. As shown in Table 5-4, the top domestic O&D market is New York (medium-haul), followed by Washington, DC (short-haul). The largest domestic O&D long-haul market is Los Angeles, which is ranked seventh. The average fare across all domestic markets served from the Airport is $172, which is lower than the national average fare of $189.

Table 5-5 presents data on the Airport's scheduled nonstop destination airports as of June 24, 2024. The table includes the airports served, the average daily number of nonstop departures to each airport, and the airlines providing nonstop service to these airports. As shown, daily nonstop service is provided to 44 airports, with 103 daily departures. Destinations with a significant number of daily nonstop flights include the following: Hartsfield-Jackson Atlanta International Airport (ATL) with 9 average daily departures, and Charlotte Douglas International Airport (CLT) with 8 average daily departures. The largest O&D market, New York, has 14 daily nonstop departures (JFK, EWR, and LaGuardia Airport [LGA] combined). As shown in Table 5-5, two or more airlines provide nonstop service to 11 airports, including 18 of the Airport's top 20 domestic O&D markets, resulting in competitive airfares to numerous markets.

Exhibit 5-1 illustrates the nonstop scheduled service at the Airport for FY 2024. In FY 2024, year-round scheduled service was provided to 51 destinations and seasonal service to 4 destinations.

TABLE 5-3 HISTORICAL TOTAL ENPLANED PASSENGERS BY AIRLINE

	2020		2021		2022		2023		2024	
AIRLINE[1]	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE
American	471,396	26.9%	375,583	29.2%	596,503	23.5%	700,908	24.3%	776,616	24.6%
Delta	485,599	27.7%	289,154	22.5%	659,018	26.0%	652,465	22.6%	701,411	22.2%
Southwest	281,488	16.1%	257,996	20.1%	401,514	15.8%	423,608	14.7%	451,870	14.3%
United	244,852	14.0%	186,787	14.5%	367,473	14.5%	406,783	14.1%	408,589	13.0%
Breeze	0	0.0%	3,561	0.3%	127,054	5.0%	264,378	9.2%	314,012	10.0%
JetBlue	163,096	9.3%	84,887	6.6%	261,704	10.3%	270,376	9.4%	207,575	6.6%
Spirit	0	0.0%	0	0.0%	0	0.0%	27,586	1.0%	161,097	5.1%
Alaska	31,245	1.8%	29,023	2.3%	45,094	1.8%	54,495	1.9%	54,634	1.7%
Allegiant	34,010	1.9%	36,986	2.9%	43,905	1.7%	28,479	1.0%	23,783	0.8%
Avelo	0	0.0%	0	0.0%	2,665	0.1%	15,303	0.5%	17,105	0.5%
Frontier	33,416	1.9%	14,670	1.1%	16,472	0.6%	12,263	0.4%	16,446	0.5%
Sun Country	0	0.0%	0	0.0%	3,223	0.1%	7,818	0.3%	8,866	0.3%
Air Canada	0	0.0%	0	0.0%	0	0.0%	0	0.0%	5,038	0.2%
Other[2]	6,530	0.4%	7,148	0.6%	13,982	0.6%	16,696	0.6%	6,685	0.2%
Airport Total[3]	**1,751,632**	**100.0%**	**1,285,795**	**100.0%**	**2,538,607**	**100.0%**	**2,881,158**	**100.0%**	**3,153,727**	**100.0%**

NOTES:
Fiscal years ended June 30.
1 Includes regional/commuter affiliates.
2 Includes airlines with minimal market share or airlines that may not operate at the Airport as of FY 2024.
3 May not sum to total due to rounding.
SOURCE: Charleston County Aviation Authority, August 2024.

TABLE 5-4 TOP 20 DOMESTIC ORIGIN AND DESTINATION MARKETS (FISCAL YEAR 2023)

RANK	MARKET	STAGE LENGTH[1]	TOTAL O&D PASSENGERS	AVERAGE FARE	NONSTOP SERVICE[2]	AIRLINE(S) PROVIDING NONSTOP SERVICE[3]
1	New York[4]	MH	710,016	$134	●	B6, DL, NK, UA
2	Washington[5]	SH	414,105	$145	●	AA, UA
3	Chicago[6]	MH	243,722	$167	●	AA, UA, WN
4	Boston	MH	225,761	$174	●	B6, DL, NK
5	Philadelphia	SH	168,315	$172	●	AA, F9
6	Dallas[7]	MH	156,040	$204	●	AA, WN
7	Los Angeles[8]	LH	147,176	$245	●	MX
8	Denver	MH	130,483	$215	●	UA, WN
9	Nashville	SH	126,290	$127	●	WN
10	Seattle	LH	106,824	$255	●	AS
11	Fort Lauderdale	SH	103,943	$105	●	B6, NK
12	Atlanta	SH	100,554	$197	●	DL
13	Houston[9]	MH	97,012	$204	●	UA, WN
14	Detroit	MH	83,678	$196	●	DL, NK
15	Tampa	SH	83,067	$87	●	MX
16	Hartford	MH	79,351	$84	●	MX
17	San Francisco[10]	LH	77,464	$261		
18	Providence	MH	77,290	$83	●	MX
19	Las Vegas[11]	LH	72,646	$224	●	NK
20	Minneapolis	MH	71,866	$201	●	DL
Total Top 20 Airports			**3,275,601**			
Other O&D Markets			**1,889,547**			
Total O&D Passengers			**5,165,149**	**$172**		

NOTES:
O&D – Origin and Destination
1 Short Haul (SH) = 0 to 600 miles; Medium Haul (MH) = 601 to 1,800 miles; Long Haul (LH) = over 1,800 miles.
2 Nonstop service as of June 2024.
3 AA – American. AS – Alaska. B6 – JetBlue. DL – Delta. F9 – Frontier. MX – Breeze. NK – Spriit. UA – United. WN – Southwest.
4 Includes John F. Kennedy International, Newark Liberty International, and LaGuardia Airports.
5 Includes Washington Dulles International, Ronald Reagan Washington National, and Baltimore/Washington International Thurgood Marshall Airports.
6 Includes Chicago O'Hare International Airport and Chicago Midway International Airport.
7 Includes Dallas Fort Worth International Airport and Dallas Love Field.
8 Includes Los Angeles International, John Wayne (Orange County), Ontario International, Hollywood Burbank, and Long Beach Airports.
9 Includes George Bush Intercontinental (Houston) and William P. Hobby (Houston) Airports.
10 Includes San Francisco International, Metropolitan Oakland International, and Norman Y. Mineta San Jose International Airports.
11 Non-daily service provided by Spirit.
SOURCES: Cirium Diio, June 2024 (US Department of Transportation DB1B data); Cirium Diio, July 2024 (published airline schedules).

TABLE 5-5 NONSTOP MARKETS

MARKET	AVG DAILY NONSTOPS[1]	NUMBER OF AIRLINES	AIRLINE (OPERATING CARRIER) – AVERAGE DAILY DEPARTURES (AIRPORT)
Akron/Canton (CAK)	1	1	Breeze
Atlanta (ATL)	9	1	Delta
Austin (AUS)	1	1	Southwest
Baltimore (BWI)	4	1	Southwest
Boston (BOS)	4	3	Delta (1), JetBlue (2), Spirit (1)
Charlotte Douglas (CLT)	8	1	American
Chicago Midway (MDW)	1	1	Southwest
Chicago O'Hare (ORD)	5	2	American (2), United (3)
Cleveland (CLE)	1	1	Frontier
Columbus (LCK)	1	1	Allegiant
Dallas/Fort (DFW)	4	1	American
Dallas Love (DAL)	1	1	Southwest
Denver (DEN)	2	2	Southwest (1), United (1)
Detroit (DTW)	4	2	Delta (3), Spirit (1)
Fort Lauderdale (FLL)	2	2	JetBlue (1), Spirit (1)
Hartford (BDL)	1	1	Breeze
Houston Hobby (HOU)	1	1	Southwest
Houston Bush (IAH)	2	1	United
Indianapolis (IND)	1	1	Allegiant
Islip (ISP)	1	1	Breeze
Los Angeles (LAX)	1	1	Breeze
Louisville (SDF)	1	1	Breeze
Manchester (MHT)	1	1	Breeze
Miami (MIA)	2	1	American
Minneapolis/St. Paul (MSP)	1	1	Delta
Nashville (BNA)	2	1	Southwest
New Haven (HVN)	1	1	Avelo
New York JFK (JFK)	5	2	Delta (3), JetBlue (2)
New York La Guardia (LGA)	5	2	Delta (4), Spirit (1)
New Orleans (MSY)	1	1	Breeze
New York Stewart (SWF)	1	1	Breeze
Newark (EWR)	4	2	Spirit (1), United (3)
Orlando (MCO)	1	1	JetBlue
Philadelphia (PHL)	5	2	American (4), Frontier (1)
Pittsburgh (PIT)	2	2	Allegiant (1), Breeze (1)
Portland Maine (PWM)	1	1	Breeze
Providence (PVD)	1	1	Breeze
Seattle (SEA)	1	1	Alaska
Syracuse (SYR)	1	1	Breeze
Tampa (TPA)	1	1	Breeze
Toronto (YYZ)	1	1	Air Canada
Washington Dulles (IAD)	3	1	United
Washington National (DCA)	5	1	American
White Plains (HPN)	2	2	Breeze (1), JetBlue (1)
Total	**103**		

NOTE:
Nonstop scheduled service on June 24, 2024.
SOURCE: Cirium Diio, June 2024 (published airline schedules).

SOURCES: Esri, USGS, April, 2024 (basemap); Esri, 2023 (continent boundary, airports, lakes); US Census Bureau, 2023 (state boundary); Cirium Diio, July 2024 (published airline schedules); Ricondo & Associates, Inc., July 2024 (routes).

NORTH 0 600 mi

EXHIBIT 5-1

NONSTOP DESTINATIONS

5.2.3 AIRLINE TRENDS RELATED TO HISTORICAL TOTAL PASSENGER ACTIVITY AT THE AIRPORT

Table 5-6 presents 11 years of historical enplaned passenger activity at the Airport. As shown in Table 5-6, the Airport's historical share of nationwide enplaned passengers has increased from 0.20 percent in FY 2014 to 0.32 percent in FY 2023. While passenger activity trends at the Airport have fluctuated year to year, passenger activity at the Airport has often exceeded passenger growth for the nation. From FY 2014 to FY 2024, enplaned passengers at the Airport increased at a CAGR of 7.5 percent, compared to an increase of 2.0 percent nationwide (latest data available for nation). Before the COVID-19 pandemic, the Airport and nation experienced long-term increases in enplaned passengers from FY 2014 to FY 2019, with enplaned passengers increasing at a CAGR of 9.0 percent at the Airport and 4.1 percent for the nation.

The Airport has experienced periods of strong passenger growth over the past 10 years, including double-digit percentage increases in FY 2014, FY 2016, FY 2019, FY 2022, and FY 2023, compared to nationwide passenger growth of 1.8 percent, 5.3 percent, 4.4 percent, 86.6 percent, and 13.7 percent, in those years, respectively.

The FAA classifies the Airport as a medium-hub facility based on its percentage of nationwide passenger activity.[83] The Airport ranked 57th in the US in CY 2023 with just over 3.0 million enplaned passengers.[84] From FY 2014 to FY 2023, the Airport was the fastest growing medium-hub airport in the US based on revenue-only enplaned passengers. **Table 5-7** provides a list of the top 10 fastest growing medium-hub airports including the growth for all combined medium-hub airports.

As shown in Table 5-6, the number of enplaned passengers at the Airport increased from approximately 1.5 million in FY 2014 to approximately 3.1 million in FY 2024. Specific details concerning passenger activity at the Airport between FY 2014 and FY 2024 are as follows:

- **FY 2014**. In FY 2014, passenger traffic increased 12.8 percent, while seat capacity increased 5.8 percent. The increases were largely the effect of a full year of JetBlue's service to JFK and BOS. JetBlue also introduced twice-daily service to Ronald Reagan Washington National Airport (DCA) in June 2014.
- **FY 2015 – FY 2016**. Passenger traffic increased 7.0 percent in FY 2015, while seat capacity increased 5.7 percent. JetBlue upgauged its average aircraft size serving JFK from the Airport, from mostly 100-seat Embraer E-190 aircraft to mostly 150-seat Airbus A320 aircraft. The Airport also benefitted from a full year of JetBlue service to DCA. United replaced 50-seat regional jets with 70-seat regional jets on its service to Washington Dulles International Airport (IAD) and ORD. In FY 2016, passenger traffic increased 11.1 percent, while seat capacity increased 10.8 percent. All airlines increased seat capacity in FY 2016, with all but Delta and American increasing capacity by more than 10.0 percent. Alaska initiated service at the Airport in November 2015 with four-times weekly service to SEA. Southwest's seat capacity increased by 10.3 percent due to the full year effect of a once-daily flight to Dallas Love Field (DAL), which began as once weekly in April 2015 before increasing to once daily in August 2015.

[83] As defined by the FAA, a medium-hub airport enplanes between 0.25 percent and 1.0 percent of total US enplaned passengers during a CY. This percentage range of nationwide enplaned passengers equates to 2,369,164 to 8,559,009 enplaned passengers in CY 2023, the latest CY for determining airport size. The Airport enplaned 3,032,677 passengers in CY 2023.

[84] US Department of Transportation, Federal Aviation Administration, *CY 2023 Passenger Boarding Data*, August 2024.

TABLE 5-6 HISTORICAL ENPLANED PASSENGERS

FISCAL YEAR	AIRPORT ENPLANED PASSENGERS	ENPLANED GROWTH	US TOTAL ENPLANEMENTS[1]	US GROWTH	AIRPORT MARKET SHARE
2014	1,523,681	12.8%	755,663,590	1.8%	0.20%
2015	1,630,147	7.0%	782,140,158	3.5%	0.21%
2016	1,810,542	11.1%	823,410,662	5.3%	0.22%
2017	1,914,668	5.8%	848,040,497	3.0%	0.23%
2018	2,096,750	9.5%	883,293,608	4.2%	0.24%
2019	2,349,364	12.0%	922,057,725	4.4%	0.25%
2020	1,751,632	(25.4%)	687,661,507	(25.4%)	0.25%
2021	1,285,795	(26.6%)	426,627,397	(38.0%)	0.30%
2022	2,538,607	97.4%	796,089,029	86.6%	0.32%
2023	2,881,158	13.5%	904,967,721	13.7%	0.32%
2024	3,153,727	9.5%			
Compound Annual Growth Rate					
2014 – 2019	9.0%		4.1%		
2014 – 2024	7.5%		2.0%		

NOTES:
Fiscal year ended June 30.
1 Data represents onboard revenue passengers only as reported in T100 and available through April 2024.
SOURCES: Charleston County Aviation Authority, August 2024; Cirium Diio, June 2024 (US Department of Transportation, T-100 data).

TABLE 5-7 FASTEST GROWING MEDIUM-HUB AIRPORTS (BASED ON ENPLANED PASSENGERS) – FISCAL YEAR 2014 TO FISCAL YEAR 2023

RANK	AIRPORT CODE	AIRPORT NAME/TOTAL MEDIUM-HUBS	CAGR FY 2014 – FY 2023
1	CHS	Charleston International	7.5%
2	DAL	Dallas Love	7.4%
3	BOI	Boise	6.5%
4	BUR	Hollywood Burbank	5.2%
5	ONT	Ontario International	4.8%
6	SMF	Sacramento International	4.3%
7	OGG	Kahului	4.2%
8	CVG	Cincinnati/Northern Kentucky International	4.1%
9	RDU	Raleigh-Durham International	4.0%
10	SJC	San Jose International	3.3%
		Total Medium-Hubs	2.5%

NOTES:
Fiscal year ended June 30.
Data represents onboard revenue passengers only as reported in T100.
SOURCE: Cirium Diio, July 2024 (US Department of Transportation, T-100 data).

- **FY 2017 – FY 2018**. In FY 2017 passenger traffic increased 5.8 percent, while seat capacity increased 5.6 percent. JetBlue increased seat capacity to all its destinations served from the Airport. FY 2017 was the first full year of Alaska's service to SEA and JetBlue's service to FLL. In FY 2018 passenger traffic increased an additional 9.5 percent, while seat capacity increased 11.3 percent. Frontier and Allegiant initiated service at the Airport in February 2018 and April 2018, respectively. Frontier introduced twice-weekly flights to AUS and ORD, three-times weekly flights to DEN, and four-times weekly flights to PHL and TTN. Allegiant introduced twice-weekly flights to IND and PIT and three-times weekly flights to CVG. United and American increased seat capacity by 24.2 percent and 14.4 percent, respectively, in FY 2018. United increased seat capacity largely by upgauging from 50-seat regional jets to larger aircraft on flights to EWR, IAH, and ORD. American increased seat capacity by increasing frequencies to Dallas Fort Worth International Airport (DFW), MIA, and PHL, and it introduced service to ORD.

- **FY 2019 – FY 2020**. Passenger traffic increased 12.0 percent, while seat capacity increased 12.7 percent. British Airways initiated service at the Airport with twice-weekly flights to LHR in April 2019. Other new service initiated in FY 2019 includes once-daily service to DEN by United and once-daily service to MSP by Delta. In FY 2020, passenger traffic decreased 25.4 percent, while seat capacity decreased 14.5 percent. All airlines reduced capacity and experienced steep decreases in passenger demand due to the onset of the COVID-19 pandemic. Health and safety concerns and fears of infection lowered consumer propensity to travel, and government-imposed entry restrictions limited international travel between countries. British Airways eliminated service to LHR in October 2019, thus ceasing operations at the Airport entirely. JetBlue terminated service to DCA in October 2019. Alaska and Allegiant increased seat capacity by 22.2 percent and 40.4 percent, respectively, in FY 2020.

- **FY 2021 – FY 2022**. Passenger traffic decreased 26.6 percent, while seat capacity decreased 19.3 percent. Breeze initiated service at the Airport in May 2021. Breeze introduced four-weekly flights to BDL, ORF, SDF, and TPA. Alaska and Allegiant increased seat capacity by 0.6 percent and 17.5 percent, respectively, in FY 2021. Allegiant increased seat capacity by initiating service to SDF. In FY 2022, passenger traffic increased 97.4 percent, while seat capacity increased 66.1 percent. Travel demand was aided by renewed confidence in health and safety following the widespread rollout of the COVID-19 vaccines. American, Delta, United, and Southwest increased seat capacity by 47.4 percent, 65.7 percent, 81.0 percent, and 27.5 percent, respectively, in FY 2022. JetBlue increased seat capacity by 157.1 percent, largely due to seat capacity more than doubling for JFK and initiating daily service to LGA. Breeze increased seat capacity significantly due to the addition of 13 new markets servicing the Airport and upgauging from 108-seat Embraer 190 jets to 137-seat Airbus A220-300. Avelo and Sun Country initiated service at the Airport in May 2022 and April 2022, respectively. Avelo introduced four-weekly flights to HVN. Sun Country introduced twice-weekly flights to MSP.

- **FY 2023 – FY 2024**. Passenger activity at the Airport increased 13.5 percent in FY 2023, while seat capacity increased 10.0 percent. Spirit initiated service at the Airport in April 2023. Spirit introduced daily service to EWR, FLL, and PHL. American, Alaska, and United increased seat capacity by 20.4 percent, 7.1 percent, and 8.7 percent, respectively, in FY 2023. Breeze increased seat capacity by 75.0 percent, largely due to new service to five additional markets. In FY 2024, passenger traffic increased 9.5 percent, while seat capacity increased 8.0 percent. Air Canada initiated seasonal service at the Airport in March 2024, with daily flights to YYZ. Air Canada will be discontinuing in October 2024 and may resume service next year. Frontier, Breeze, and Avelo increased seat capacity by 49.9 percent, 22.2 percent, and 21.5 percent, respectively, in FY 2024. Other new service initiated in FY 2024 includes two Breeze markets and seven Spirit markets.

Table 5-8 provides a historical comparison of passenger airline metrics, which includes enplaned passengers, departing seats, load factor, and number of nonstop destinations (year-round and seasonal) from FY 2014 to FY 2024. From FY 2014 to FY 2024, most metrics increased: enplaned passengers from 1.5 million to 3.1 million, departing seats from 1.8 million to 3.9 million, load factors from 83.9 percent to 80.0 percent, and nonstop destinations from 19 to 55.

TABLE 5-8 HISTORICAL PASSENGER AIRLINE METRICS

FISCAL YEAR	ENPLANED PASSENGERS	DEPARTING SEATS	LOAD FACTOR	NONSTOP DESTINATIONS
2014	1,523,681	1,816,973	83.9%	19
2015	1,630,147	1,931,895	84.4%	24
2016	1,810,542	2,166,991	83.6%	25
2017	1,914,668	2,264,238	84.6%	24
2018	2,096,750	2,502,740	83.8%	29
2019	2,349,364	2,824,455	83.2%	34
2020	1,751,632	2,322,133	75.4%	33
2021	1,285,795	1,972,467	65.2%	40
2022	2,538,607	3,233,531	78.5%	54
2023	2,881,158	3,567,819	80.8%	53
2024	3,153,727	3,941,749	80.0%	55
Compound Annual Growth Rate				
2014 – 2019	9.0%	9.2%		12.3%
2014 – 2024	7.5%	8.1%		11.2%

NOTES:
Fiscal year ended June 30.
Load factor = departing seats divided by enplaned passengers.
SOURCES: Charleston County Aviation Authority, August 2024; Cirium Diio, June 2024 (US Department of Transportation, T-100 data & nonstop destinations).

5.2.4 BREEZE AIRWAYS

Breeze launched operations on May 27, 2021, with its first flight from Tampa, Florida, to the Airport. In 2021, the Breeze network served 16 destinations with the most scheduled departures (904 departures) and scheduled departing seats at the Airport (99,347 seats). In 2024, Breeze is scheduled to serve 58 destinations, and the Airport remains the top airport in Breeze's network in terms of scheduled departures and departing seats in 2024 with 3,421 scheduled departures and approximately 455,000 scheduled departing seats. **Table 5-9** provides a comparison of scheduled departures, scheduled departing seats, and destinations served for the Airport by Breeze and the Breeze network.

Breeze operates a fleet of Airbus A220-300 (137 seats) and Embraer 190 (108, 118, and 124 seats). In late May 2024, Breeze took delivery of its 25th Airbus A220 and plans to take an additional one per month over the next 5 years for a total of an additional 65 A220 aircraft. Breeze plans to retire its Embraer 190 aircraft and move to an all A220 fleet by the fall of 2024, making it one of the youngest fleets in the industry.

TABLE 5-9 BREEZE AIRWAYS SCHEDULED SERVICE SUMMARY

AIRPORT/AIRLINE	2021	2022	2023	2024
SCHEDULED DEPARTURES				
The Airport	904	2,390	3,442	3,421
Breeze Airways	5,650	13,432	29,252	41,485
SCHEDULED DEPARTING SEATS				
The Airport	99,347	280,941	433,659	454,899
Breeze Airways	625,934	1,571,594	3,711,121	5,540,504
NUMBER OF DESTINATIONS SERVED				
The Airport	11	21	23	22
Breeze Airways	16	32	39	58

NOTE:
Data presented in calendar year.
SOURCE: Cirium Diio, June 2024 (published airline schedules).

5.2.5 AIRCRAFT OPERATIONS

Table 5-10 presents the number of aircraft operations (takeoffs and landings) at the Airport by major user groups between FY 2019 and FY 2024. Air carrier operations at the Airport increased from 50,306 in FY 2019 to 60,836 in FY 2024, a CAGR of 3.9 percent. These increases can be partially attributed to the introduction of new and additional service by Air Canada, Avelo, Breeze, Spirit, and Sun Country. The air taxi activity levels between FY 2019 and FY 2024 increased at an annual rate of 0.6 percent. From FY 2019 to FY 2021, air taxi operations decreased at an annual rate of 3.2 percent as United and American replaced some 50-seat regional jets (i.e., air taxi operations) with 70-seat regional jets (i.e., air carrier operations) to some of their destinations. Air carrier and air taxi operations included scheduled and nonscheduled passenger and cargo carriers.

TABLE 5-10 HISTORICAL AIRCRAFT OPERATIONS

FISCAL YEAR	AIR CARRIER [1]	AIR TAXI [2]	GENERAL AVIATION	MILITARY	TOTAL	ANNUAL PERCENTAGE CHANGE
2019	50,306	15,598	32,996	19,263	118,163	
2020	41,958	15,059	30,976	18,964	106,957	(9.5%)
2021	37,346	14,626	36,191	16,620	104,783	(2.0%)
2022	57,131	16,831	41,512	12,960	128,434	22.6%
2023	55,865	16,677	39,835	11,663	124,040	(3.4%)
2024	60,836	16,048	41,025	10,401	128,310	3.4%
Compound Annual Growth Rate						
2019 – 2024	3.9%	0.6%	4.5%	(11.6%)	1.7%	

NOTES:
Fiscal year ended June 30.
1 This represents 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. Figures include passenger and all-cargo activity. Regional jets operate in both air carrier and air taxi categories.
2 This represents 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. Figures include passenger and all-cargo activity. Regional jets operate in both air carrier and air taxi categories.
SOURCE: US Department of Transportation, Federal Aviation Administration, Operations Network (OPSNET), July 2024.

General aviation operations increased from 32,996 in FY 2019 to 41,025 in FY 2024, at a CAGR of 4.5 percent. Military operations decreased from 19,263 in FY 2019 to 10,401 in FY 2024. Overall, total operations at the Airport increased from 118,163 in FY 2019 to 128,310 in FY 2024, at a CAGR of 1.7 percent.

5.2.6 LANDED WEIGHT

Table 5-11 presents the shares of landed weight for the passenger and cargo airlines serving the Airport from FY 2020 through FY 2024. Landed weight shares by airline generally follow the airline's share of enplaned passengers at the Airport. American and Delta are the two largest passenger airlines at the Airport based on landed weight. Landed weight for cargo airlines has decreased in the period shown from a share of 18.6 percent in FY 2020 to a share of 6.7 percent in FY 2024.

5.3 FACTORS AFFECTING AVIATION DEMAND AT THE AIRPORT

This section discusses the qualitative factors that could influence future aviation activity at the Airport. These factors were considered, either directly or indirectly, in developing the aviation activity projections for the Airport.

5.3.1 EFFECTS OF THE COVID-19 PANDEMIC

The outbreak and spread of COVID-19 resulted in a severe contraction in demand for air travel that was driven by fear of illness, plus government-imposed travel restrictions and quarantine requirements. The effects on air travel began in East Asia in December 2019 and rapidly accelerated to other regions of the world in March and April 2020. Airlines responded to the change in demand by parking aircraft and reducing capacity across their networks. Several large international foreign-flag airlines suspended all operations for a period in March and April 2020. By April 2020, which represented the low point in terms of passenger airline enplaned passengers, enplaned passengers decreased to 4 percent of April 2019 passengers for all US airports and 3 percent of April 2019 passengers at the Airport. A modest recovery in airline passengers occurred over the second half of 2020. By March 2021, enplaned passengers for all US airports had increased to 52 percent of March 2019 enplaned passengers, and enplaned passengers at the Airport had increased to 55 percent of March 2019 enplaned passengers.

Airlines accelerated the restoration of capacity as COVID-19 vaccines became widely available in the US and demand for air travel increased. In July 2021, enplaned passengers represented 83 percent of July 2019 enplaned passengers for all US airports. For the Airport, July 2021 enplaned passengers represented 105 percent of July 2019 enplaned passengers being above pre-pandemic levels. The restoration of enplaned passengers increased through 2021, despite interruptions in demand recovery that coincided with spikes in COVID-19 infections related to the Delta and Omicron variants of the virus. December 2023 enplaned passengers represented 98 percent of December 2019 enplaned passengers for all US airports and 121 percent of December 2019 enplaned passengers at the Airport.

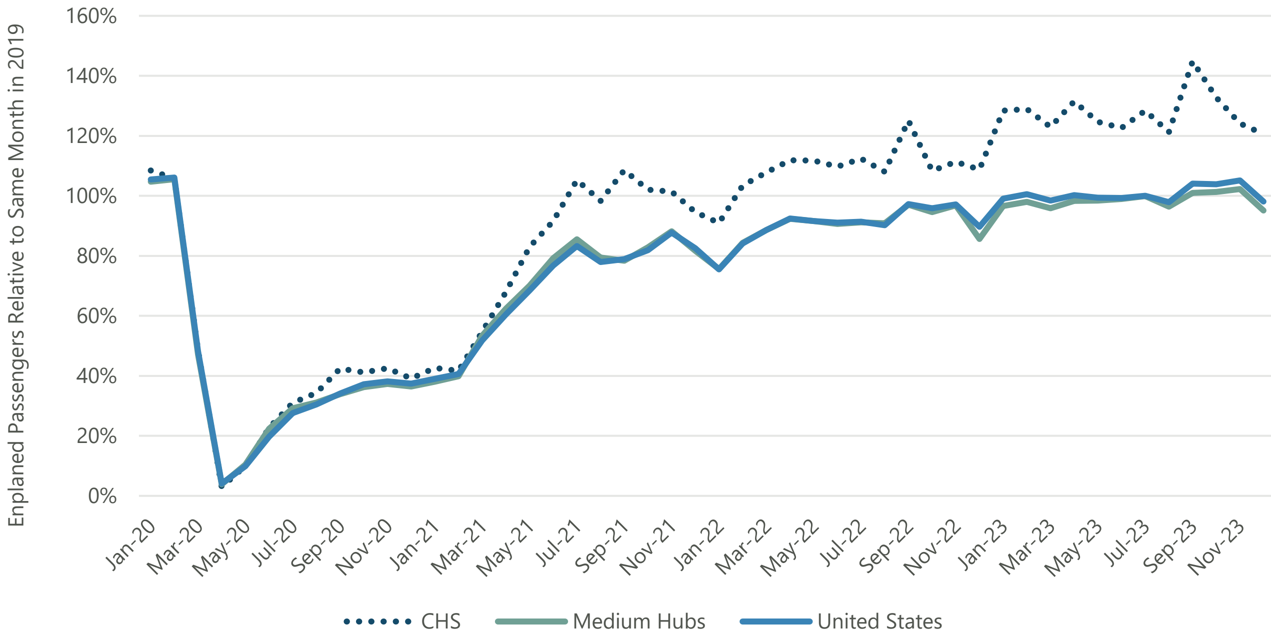
Exhibit 5-2 depicts the Airport's enplaned passenger recovery relative to FAA medium-hub airports and the US.

TABLE 5-11 HISTORICAL LANDED WEIGHT BY AIRLINE (POUNDS IN THOUSANDS)

	2020		2021		2022		2023		2024	
AIRLINE[1]	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE
American	679,536	22.0%	556,497	21.8%	821,557	22.6%	964,815	23.0%	1,021,656	23.0%
Delta	594,626	19.3%	509,770	20.0%	720,056	19.8%	818,681	19.5%	860,034	19.3%
Southwest	460,305	14.9%	452,242	17.7%	562,052	15.4%	560,962	13.4%	595,753	13.4%
United	370,162	12.0%	301,478	11.8%	518,350	14.2%	571,029	13.6%	558,709	12.6%
Breeze	0	0.0%	8,185	0.3%	210,430	5.8%	388,934	9.3%	476,077	10.7%
JetBlue	247,263	8.0%	164,430	6.5%	398,936	11.0%	403,868	9.6%	291,789	6.6%
Spirit	0	0.0%	0	0.0%	0	0.0%	35,939	0.9%	184,446	4.1%
Alaska	45,364	1.5%	48,806	1.9%	50,390	1.4%	54,585	1.3%	55,217	1.2%
Allegiant	53,972	1.7%	80,590	3.2%	67,946	1.9%	34,846	0.8%	33,016	0.7%
Avelo	0	0.0%	0	0.0%	4,136	0.1%	22,639	0.5%	23,706	0.5%
Frontier	40,094	1.3%	24,528	1.0%	23,256	0.6%	15,923	0.4%	22,024	0.5%
Sun Country	0	0.0%	0	0.0%	4,157	0.1%	8,339	0.2%	8,778	0.2%
Air Canada	0	0.0%	0	0.0%	0	0.0%	0	0.0%	7,147	0.2%
Other[2]	19,751	0.6%	11,773	0.5%	21,100	0.6%	24,088	0.6%	13,053	0.3%
Cargo	574,646	18.6%	390,058	15.3%	239,906	6.6%	295,054	7.0%	298,210	6.7%
Total[3]	**3,085,718**	**100.0%**	**2,548,356**	**100.0%**	**3,642,272**	**100.0%**	**4,199,702**	**100.0%**	**4,449,615**	**100.0%**

NOTES:
Fiscal year ended June 30.
1 Passenger airlines only.
2 Includes airlines with minimal market share or airlines that may not operate at the Airport as of fiscal year 2024.
3 May not sum to total due to rounding.
SOURCE: Charleston County Aviation Authority, August 2024.

EXHIBIT 5-2 ENPLANED PASSENGER RECOVERY – AIRPORT, MEDIUM HUBS, AND UNITED STATES

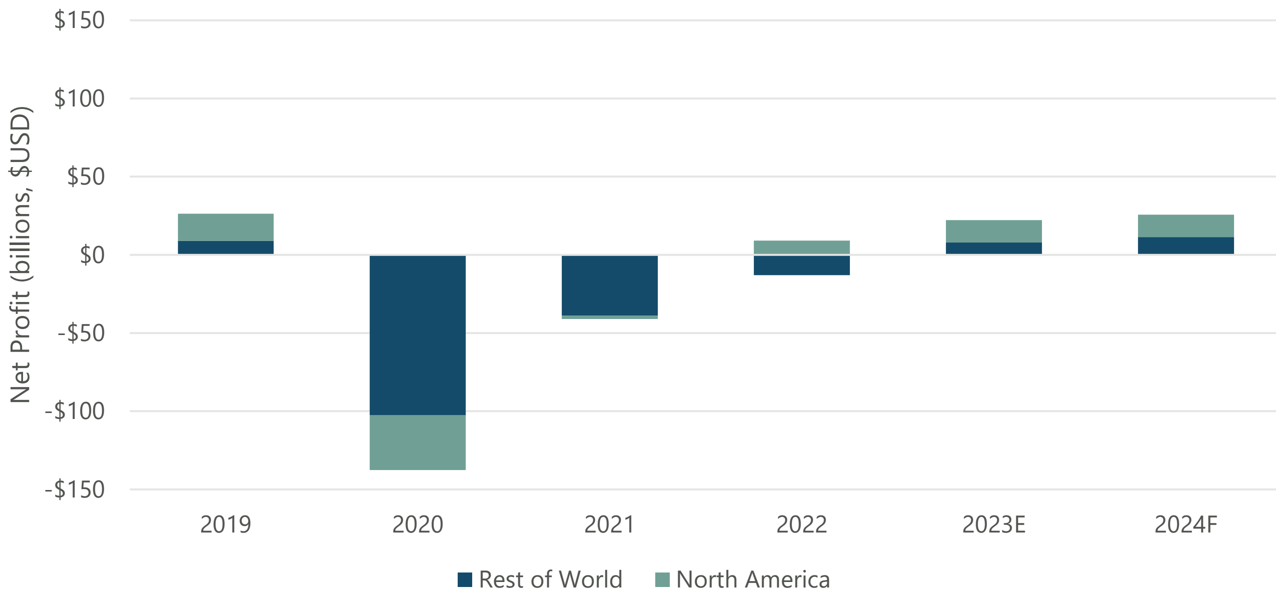


NOTES:
CHS – Charleston International Airport
Enplaned passengers were indexed to the same month in 2019.
SOURCE: Cirium Diio, June 2024 (US Department of Transportation, T-100 data).

The COVID-19 pandemic resulted in a drastic decrease in revenues and steep financial losses for most airlines. According to the International Air Transport Association, airlines globally experienced an operating loss of $137.7 billion in 2020 and were projected to lose an additional $41.3 billion in 2021. In 2022, North American airlines returned to profitability, while airlines throughout the rest of the world are estimated to have returned to profitability in 2023.[85] **Exhibit 5-3** shows the airline profitability for North America and for the rest of the world from 2019 to 2024 (as projected).

[85] International Air Transport Association, *Global Outlook for Air Transport – December 2023 – Data Tables*, https://www.iata.org/en/iata-repository/publications/economic-reports/industry-statistics-fact-sheet-december-2023/ (accessed May 9, 2024).

EXHIBIT 5-3 NET PROFIT OF COMMERCIAL AIRLINES WORLDWIDE



NOTES:
2023E – Estimated.
2024F – Forecast.
Bankruptcy reorganization and large non-cash costs were excluded. This data includes all commercial airlines.
SOURCE: International Air Transport Association, *Global Outlook for Air Transport – December 2023 - Data Tables*, June 2024.

5.3.2 MERGERS, ACQUISITIONS, AND NEW ENTRANT AIRLINES

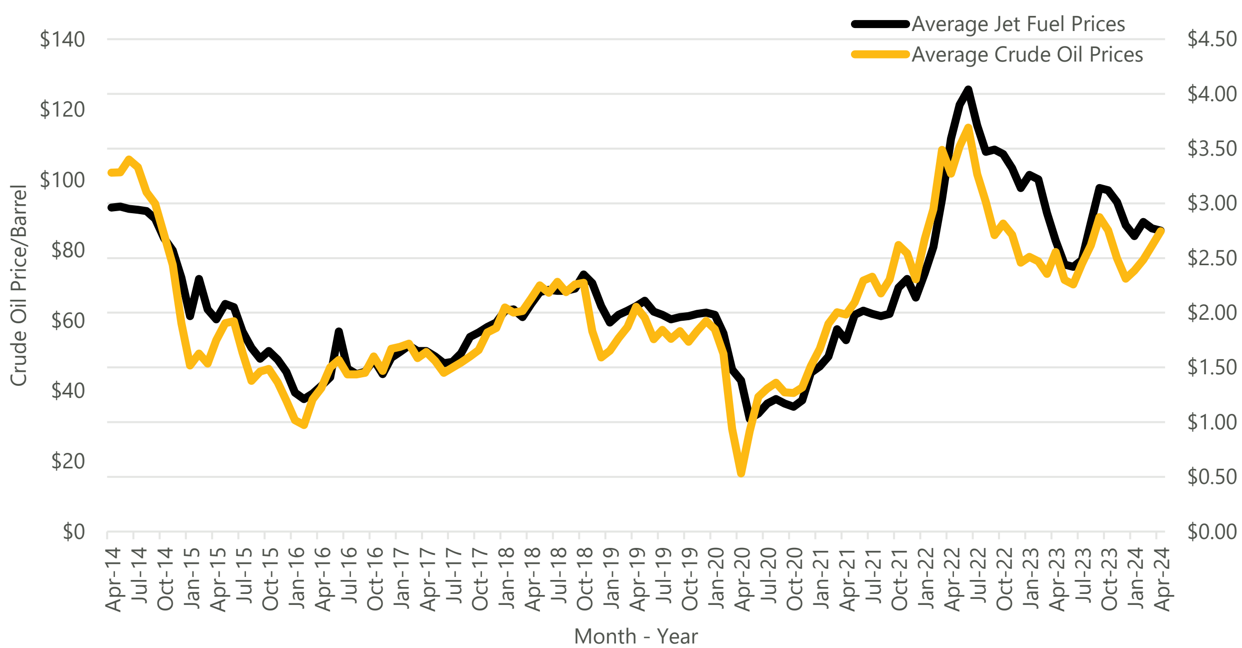
US airlines have merged with or acquired competitors to achieve operational and commercial synergies and to improve their financial performance. A wave of consolidation began in 2005 when America West Airlines merged with US Airways, retaining the US Airways brand for the consolidated airline. In 2009, Delta acquired Northwest Airlines. In 2010, United acquired Continental Airlines. In 2011, Southwest acquired AirTran Airways. In 2013, US Airways and American merged, with the consolidated airline retaining the American brand. The most recent consolidation occurred in 2016 when Alaska acquired Virgin America. The two airlines completed their integration in 2018. Sprit has terminated its prior merger agreement with Frontier that was announced in February 2022. JetBlue terminated its prior merger agreement with Spirit that was announced in July 2022. On December 3, 2023, Alaska and Hawaiian announced their intention to merge no later than the first half of 2025, pending government and shareholder approval. Alaska and Hawaiian will continue to operate as independent airlines until after the transaction closes. Consolidation across the industry has resulted in the realignment of several airline route networks as airlines have sought efficiency in their service. Further consolidation of the US airline industry could affect the amount of capacity offered at the Airport and could alter the competitive landscape.

Over the past 4 years, two new airlines, Avelo and Breeze, have commenced operations in the US domestic passenger airline industry. Both airlines began service to the Airport. According to published airline schedules as of June 2024, the Airport is the 26th largest airport by scheduled departures and departing seat capacity in the Avelo network and the largest airport by scheduled departures and departing seat capacity in the Breeze network in FY 2024.

5.3.3 COST OF AVIATION FUEL

As of the third quarter of CY 2024, jet fuel accounted for 20.8 percent of total airline operating costs, second only to labor, according to Airlines for America.[86] The average price of jet fuel peaked in June 2022 at $4.04 per gallon, having grown steadily since April 2020, which represented the lowest price observed during the historical period. Fluctuating fuel costs affect airline profitability, which could lead to air service changes as airlines adjust capacity and pricing to address changes in the cost of fuel. **Exhibit 5-4** shows the monthly averages for jet fuel and crude oil prices from April 2014 through April 2024.

EXHIBIT 5-4 HISTORICAL MONTHLY AVERAGES OF JET FUEL AND CRUDE OIL PRICES



SOURCES: US Bureau of Transportation Statistics, June 2024; US Energy Information Administration, June 2024.

5.3.4 THREAT OF TERRORISM AND GEOPOLITICAL ISSUES

Since September 11, 2001, the recurrence of terrorism incidents against either domestic or world aviation has remained a risk to achieving forecast levels of activity. Tighter security measures have restored the public's confidence in the integrity of the US and global aviation security systems. However, any terrorist incident targeting aviation could have an immediate and significant effect on the demand for air travel.

Additionally, geopolitical issues could affect aviation activity during the Projection Period. Potential governmental or regional instability in certain countries or locations could affect access to, or demand for, aviation service in these places. At the time of this Report, the Russian invasion of Ukraine, which began in February 2022, is still ongoing. Additionally, an escalation of conflict between Israel and Hamas, which began in October 2023, remains an evolving situation. Further developments in these conflicts could exacerbate geopolitical and economic uncertainty and affect demand for travel to certain regions.

[86] Airlines for America, *Passenger Airline Cost Index (PACI)*, http://airlines.org/dataset/a4a-quarterly-passenger-airline-cost-index-u-s-passenger-airlines/ (accessed May 9, 2024).

5.3.5 OTHER AIRPORTS IN THE REGION

In general, an airport's potential service area is limited by the distance from an airport, and it is further defined by the availability and quality of air service at surrounding airports. Airports evaluated as competitors for this analysis are Columbia Metropolitan (CAE), Hilton Head Island (HHH), Myrtle Beach International (MYR), and Savannah/Hilton Head International (SAV) Airports. **Exhibit 5-5** presents these airports and their proximity to the Airport.

All four competing airports are approximately 100 miles away from the Airport; it is an approximately 2-hour drive to each. CAE is located to the northwest; MYR is located along the coast to the northeast; and HHH and SAV are located along the coast to the southwest. These airports are included in **Table 5-12**, which presents a summary of domestic and international destinations served by the Airport compared with the defined competing airports.

I-26 provides the quickest route to CAE, where three carriers (American, Delta, and United) provided an average of 28 daily departures to nine domestic destinations in June 2024. All nine destinations are also served from the Airport. Average domestic fares for Q1 FY 2024 (most recent data available) to CAE are approximately $242, which is 31 percent higher than average domestic fares to the Airport during the same period.

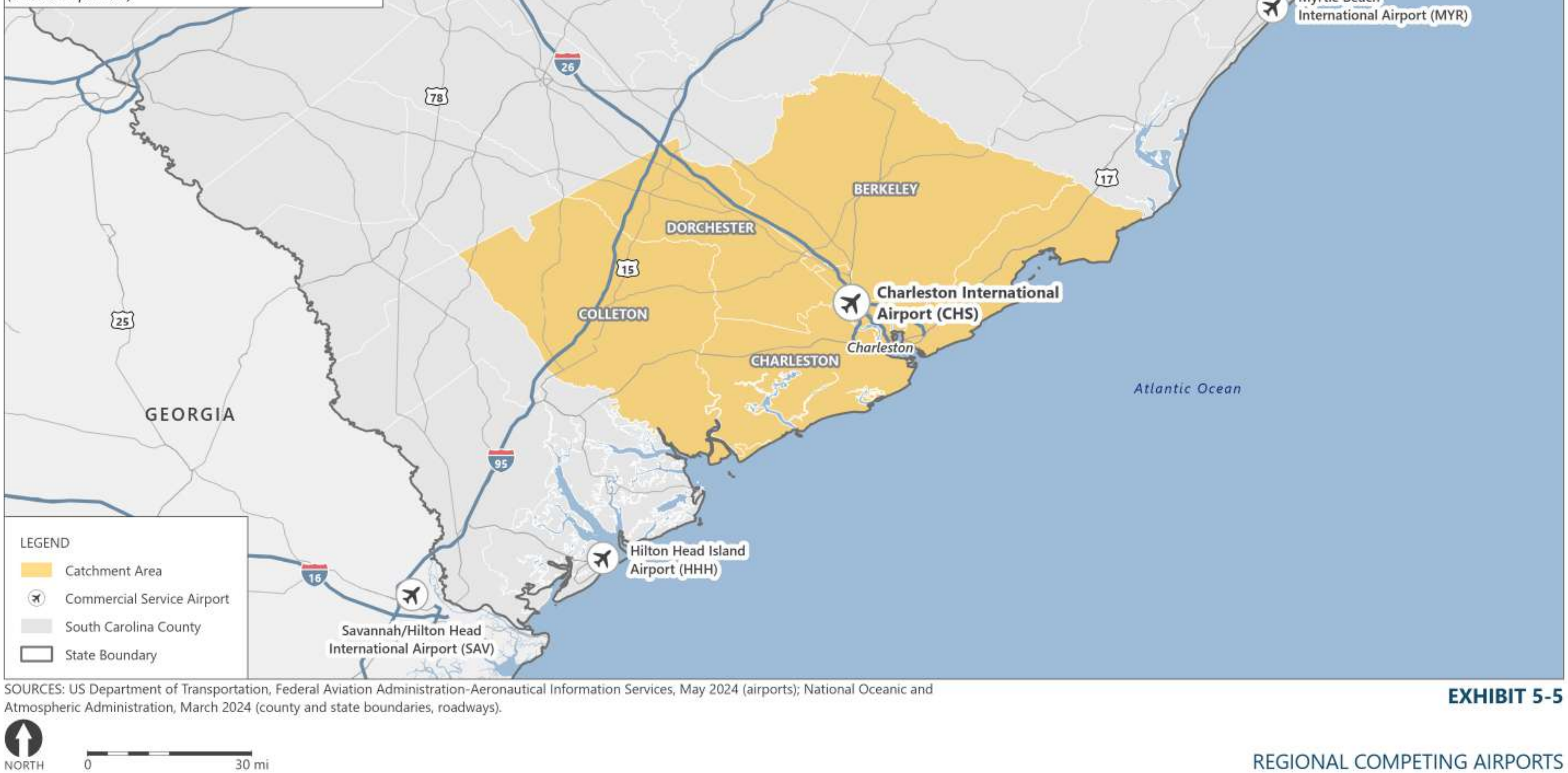
The drive to MYR is along the coast on Highway 17. Ten carriers (Allegiant, American, Avelo, Breeze, Delta, Frontier, Southwest, Spirit, Sun Country, and United) provided an average of 70 daily departures to 52 domestic destinations in June 2024. MYR provides service to 36 of the 51 destinations currently being served from the Airport. The average domestic fare at MYR is approximately $137. Ultra-low-cost carriers Allegiant, Frontier, and Spirit are the primary factor for lower average domestic fares at MYR than competing airports, including the Airport, whose average gross domestic fare is approximately $185.

TABLE 5-12 COMPETING AIRPORT MARKETS SERVED

			NUMBER OF MARKETS SERVED				
MARKET	FY 2024 ENPLANED PASSENGERS[1]	LARGEST AIRLINE[2]	DOMESTIC[3]	INTERNATIONAL[4]	TOTAL	AVERAGE DAILY DEPARTURES[5]	AVERAGE DOMESTIC FARE[6]
Charleston (CHS)	3,153,727	American	50	1	51	94	$185
Columbia (CAE)	655,899	American	9	0	9	28	$242
Hilton Head Island (HHH)	108,973	American	8	0	8	8	$233
Myrtle Beach (MYR)	1,823,508	Spirit	52	0	52	70	$137
Savannah (SAV)	2,010,513	Delta	36	0	36	63	$201

NOTES:
FY – Fiscal Year
1 Enplaned passenger data based on 12-month period ending June 30. Data are from airports website statistic revenue passengers.
2 Based on enplaned passengers.
3 Nonstop service to cities within the United States in June 2024.
4 Nonstop service to cities outside the United States in June 2024.
5 Average daily departures in June 2024.
6 Average domestic fare for Q1 FY 2024 (most recent data available).
SOURCES: Cirium Diio, June 2024 (published airline schedules); Cirium Diio, June 2024 (US Department of Transportation, T-100 data); Cirium Diio, July 2024 (US Department of Transportation DB1B data).

DRIVING DISTANCE FROM DOWNTOWN CHARLESTON	
Charleston International Airport	13 miles
Myrtle Beach International Airport	96 miles
Hilton Head Island Airport	102 miles
Savannah/Hilton Head International Airport	107 miles
Columbia Metropolitan Airport	113 miles
Charlotte Douglas International Airport *(outside map extent)*	210 miles
Atlanta Hartsfield-Jackson International Airport *(outside map extent)*	326 miles



SOURCES: US Department of Transportation, Federal Aviation Administration-Aeronautical Information Services, May 2024 (airports); National Oceanic and Atmospheric Administration, March 2024 (county and state boundaries, roadways).

EXHIBIT 5-5

REGIONAL COMPETING AIRPORTS

SAV is located along the coast, in the opposite direction of MYR, down Highway 17 and I-95. Ten carriers (Allegiant, American, Avelo, Breeze, Delta, Frontier, JetBlue, Southwest, Sun Country, and United) provided an average of 63 daily departures to 36 domestic destinations from SAV in June 2024. Three markets served at SAV are not served from the Airport. SAV has a higher average domestic fare ($201) than the Airport.

HHH is also located along the coast southwest of the Airport. HHH is served by three carriers (American, Delta, and United) provided an average eight daily departures to eight domestic destinations in June 2024. All eight destinations are also served from the Airport. Average domestic fares at HHH are approximately 26 percent higher than fares at the Airport.

While all are located approximately the same distance from the Airport in geographic terms, MYR's accessibility from the Air Trade Area, its lower fares, and its destinations served could draw passengers from the Air Trade Area who might otherwise use the Airport. As shown in Table 5-9, the average gross domestic fare at MYR is lower than that at the Airport by approximately 26 percent; however, airlines offer significantly more frequency and additional destinations from the Airport than from MYR.

5.4 PROJECTIONS OF AVIATION ACTIVITY

Projections of aviation activity were developed considering historical activity, including passenger trends at the Airport and across the industry; historical trends and projections of local and national socioeconomic factors; and anticipated trends in the use of the Airport by airlines. This section describes the methodologies used in projecting aviation activity at the Airport and the projected results through FY 2031.

5.4.1 ENPLANED PASSENGERS AND PASSENGER AIRLINE OPERATIONS FORECASTS

Enplaned passenger and passenger airline operations forecasts were developed using a (long term) modeled activity methodology for the Projection Period (FY 2026 to FY 2031) using more traditional socioeconomic predictors of demand.

5.4.1.1 PASSENGER ACTIVITY FORECAST METHODOLOGY

Historical O&D passenger volumes were analyzed to identify their relationship with socioeconomic variables at the national level and for the Charleston-North Charleston, South Carolina, MSA. Socioeconomic variables such as GRP, per capita personal income, earnings, employment, and population are traditionally considered to be good indicators of passenger demand and were analyzed to identify relationships with enplaned passenger activity. Regression analysis was used to identify predictive relationships between passenger demand at the Airport and these socioeconomic variables. Historical and projected socioeconomic data were obtained from Woods & Poole. Regression analysis was performed for the 20-year period between 2003 and 2023.

The resulting regression equations were populated with independent projections of the relevant socioeconomic variables sourced from Woods & Poole, yielding a range of potential O&D passenger growth. A standard measure of how well each variable explains passenger demand is the regression model's coefficient of determination, or R-squared value.

Table 5-13 shows the relationships selected for use in this forecast of O&D passengers and their 8-year CAGRs. Long-term growth rates range from 2.8 percent to 4.3 percent. The acceptable results were averaged and applied to the Airport's O&D passengers from FY 2024 to FY 2033.

TABLE 5-13 SOCIOECONOMIC REGRESSION ANALYSIS OUTPUTS – O&D PASSENGER VOLUMES

SOCIOECONOMIC VARIABLE	GEOGRAPHY	IMPLIED FY 2023 – FY 2031 CAGR
Population	Air Trade Area	2.8%
Employment	Air Trade Area	3.7%
Total Earnings	Air Trade Area	4.0%
Total Personal Income	Air Trade Area	3.7%
Net Earnings	Air Trade Area	3.4%
Per Capita Personal Income	Air Trade Area	3.1%
Gross Regional Product	Air Trade Area	4.3%
Population	United States	3.0%
Employment	United States	4.0%
Total Earnings	United States	4.0%
Total Personal Income	United States	3.7%
Net Earnings	United States	4.0%
Per Capita Personal Income	United States	3.4%
Gross Domestic Product	United States	3.9%

NOTES:
CAGR – Compound Annual Growth Rate
FY – Fiscal Year
NA – Not Applicable
SOURCES: Woods & Poole Economics, Inc., June 2023; Ricondo & Associates, Inc., June 2024.

Historically, O&D passengers at the Airport represent 98 to 99 percent of total enplaned passengers, with an average of 99 percent. In FY 2023, O&D passengers represented 99 percent of total passengers at the Airport. The forecast assumes that the Airport maintains its role as a spoke for hub airlines and increases in the volume of connecting passengers as a percentage of total passengers is not expected over the Projection Period. As a result, the forecast assumes the percentage of O&D passengers will remain constant at 99 percent throughout the Projection Period.

5.4.1.2 ASSUMPTIONS UNDERLYING THE FORECASTS

The forecasts of enplaned passengers and aircraft operations were based on several underlying assumptions, including the following:

- Activity at the Airport will not be constrained by facilities, or lack thereof.
- Airlines will continue their trend of upgauging to larger average aircraft sizes that can accommodate more passengers per operation at the Airport, resulting in operations growing at a slower rate than enplaned passengers.
- It is assumed that current ongoing constraints resulting from fleet availability and labor shortages will ease over time, with lessening effects in the longer-term portion of the Projection Period.
- Additional economic disturbances will occur during the Projection Period, causing year-to-year variations in airline traffic. However, traffic at the Airport and nationwide is projected to increase over the long term.
- It is assumed that no additional major disruptions significantly impacting the national or global airspace system or negatively affecting aviation activity for a prolonged period will occur during the Projection Period.
- For these analyses, and as with the FAA's assumptions for its nationwide forecasts, it is assumed neither terrorist incidents that materially impact US air traffic demand during the Projection Period will occur, nor will variants

of COVID-19 emerge that would result in a similar reduction in air service as experienced at the onset of the pandemic.

Many of the factors influencing aviation activity cannot be quantified, and any forecast is subject to uncertainties. As a result, the forecasting process should not be viewed as precise. Actual airline traffic at the Airport could differ from the projections presented herein, because events and circumstances might not occur as expected.

5.4.1.3 ENPLANED PASSENGERS

Table 5-14 presents the forecast of passenger activity at the Airport through the Projection Period. Total enplaned passengers are forecast to increase to approximately 3.8 million in FY 2031, reflecting a CAGR of approximately 2.8 percent over the Projection Period. The Projection Period forecast growth rate reflects the growth rate range identified in the socioeconomic regression analyses adjusted for the anticipated near-term growth.

TABLE 5-14 ENPLANED PASSENGER FORECAST

	AIRPORT	
FISCAL YEAR	TOTAL ENPLANEMENTS	ANNUAL GROWTH
Historical		
2014	1,523,681	12.8%
2015	1,630,147	7.0%
2016	1,810,542	11.1%
2017	1,914,668	5.8%
2018	2,096,750	9.5%
2019	2,349,364	12.0%
2020	1,751,632	-25.4%
2021	1,285,795	-26.6%
2022	2,538,607	97.4%
2023	2,881,158	13.5%
2024	3,153,727	9.5%
Projected		
2025 [1]	3,256,000	3.2%
2026	3,349,000	2.9%
2027	3,444,000	2.8%
2028	3,539,000	2.8%
2029	3,635,000	2.7%
2030	3,731,000	2.6%
2031	3,828,000	2.6%
Compound Annual Growth Rate		
2014 - 2019	9.0%	
2014- 2024	7.5%	
2024 - 2031	2.8%	

NOTES:
Fiscal year ending June 30.
1 Figures for FY 2025 provided by Authority.
SOURCES: Charleston County Aviation Authority, August 2024; Ricondo & Associates, Inc., July 2024.

5.4.1.4 PASSENGER AIRLINE OPERATIONS

Table 5-15 presents the passenger airline operations and operational metrics forecast for the Projection Period. The passenger airline operations and operational metrics forecasts were developed using the enplaned passenger forecast coupled with an analysis of historical and projected trends in load factors, average seats per departure, and future airline fleet plans. Passenger growth is projected to be accommodated by a combination of increased operations, higher load factors, and increased average seats per aircraft departure.

Load factors are expected to increase over the Projection Period and reach approximately 85 percent in FY 2031.

TABLE 5-15 HISTORICAL AND PROJECTED PASSENGER AIRLINE OPERATIONAL METRICS

FISCAL YEAR	PASSENGER AIRLINE OPERATIONS	TOTAL ENPLANED PASSENGERS	DEPARTING SEATS	LOAD FACTOR	DEPARTURES	SEATS PER DEPARTURE
Historical						
2019	51,977	2,349,364	2,824,455	83.2%	25,960	108.8
2020	43,783	1,751,632	2,322,133	75.4%	21,878	106.1
2021	36,382	1,285,795	1,972,467	65.2%	18,183	108.5
2022	56,451	2,538,607	3,233,531	78.5%	28,194	114.7
2023	55,077	2,881,158	3,564,138	80.8%	27,528	129.5
2024	58,380	3,153,727	3,941,749	80.0%	29,190	135.0
Projected						
2025 [1]	59,200	3,256,000	4,023,795	80.9%	29,600	135.9
2026	59,980	3,349,000	4,103,235	81.6%	29,990	136.8
2027	60,760	3,444,000	4,183,805	82.3%	30,380	137.7
2028	61,520	3,539,000	4,263,069	83.0%	30,760	138.6
2029	62,260	3,635,000	4,342,252	83.7%	31,130	139.5
2030	62,980	3,731,000	4,420,173	84.4%	31,490	140.4
2031	63,700	3,828,000	4,498,053	85.1%	31,850	141.2
Compound Annual Growth Rate						
2019 – 2024	1.2%	3.0%	3.4%		1.2%	2.2%
2024 – 2031	1.8%	2.8%	1.9%		1.3%	0.6%

NOTES:
Fiscal year ending June 30.
1 Fiscal year 2025 enplaned passenger volumes provided by Authority.
SOURCES: Charleston County Airport Authority, August 2024; Cirium Diio, June 2024; Ricondo & Associates, Inc., July 2024.

Based on published airline schedules, average seats per departure are projected to increase from 129.5 seats in FY 2023 to 135.0 seats in FY 2024. Based on future airline aircraft orders and fleet plans, airlines are expected to continue to upgauge and transition to newer aircraft. Passenger airline operations are primarily represented by narrowbody single-aisle aircraft, and it is projected narrowbody aircraft will continue to represent the majority of passenger airline operations over the Projection Period. Delta's narrowbody aircraft orders include the Airbus A220-300 (130 seats) and Airbus A321NEO (194 seats). American's narrowbody aircraft orders include the Airbus 321 (196 seats), Boeing's 737 MAX 8 (172 seats) and larger MAX 10 (seats capacity pending). Southwest's planned fleet includes transitioning from older Boeing 737-700 aircraft (143 seats) to Boeing's 737 MAX 7 (150 seats), 737-800 and 737 MAX 8 (both 175 seats). Southwest's aircraft orders include the Boeing 737 MAX 7 and MAX 8 aircraft. Frontier, JetBlue, and Spirit fleet orders include Airbus A220, A320, and A321 aircraft with a seat capacity range of 140 seats to 240 seats. Breeze aircraft seat capacity ranges from 108 seats to 137 seats. Breeze fleet orders include the Airbus A220-300 aircraft (137 seats). As a result, average seats per departure for the Airport are expected to increase from 135.0 in FY 2024 to 141.2 in FY 2031, representing a 0.6 percent CAGR.

5.4.2 CARGO VOLUMES AND CARGO AIRLINE OPERATIONS FORECASTS

Forecasts of cargo airline operations were developed based on a relationship of cargo volumes to cargo airline operations. The projections of future cargo airline cargo volumes were developed using a market share approach as socioeconomic regression analysis did not identify predictive relationships between cargo activity and socioeconomic variables. Based on ten months of actual data, cargo volumes are estimated to have increased from 15,641 tons in FY 2023 to 17,150 tons in FY 2024. From FY 2024 to FY 2031, cargo volumes were projected using Boeing's *World Air Cargo Forecast* (2022-2041). As a result, cargo volumes for cargo airlines are forecast to increase from 17,150 tons in FY 2024 to 21,697 tons in FY 2031, a CAGR of 3.4 percent.

Table 5-16 presents the cargo airline operations, cargo airline cargo volumes, and average cargo volumes per operation results. The projected increase in average cargo volumes per operation is based on a historical 5-year average that represents an average annual increase of approximately 0.6 tons per year. As a result, cargo airline operations are projected to increase from 1,050 operations in FY 2024 to 1,090 operations in FY 2031, a CAGR of 0.5 percent.

5.4.3 LANDED WEIGHT FORECASTS

Table 5-17 presents the Airport's passenger airline landed-weight forecast for the Projection Period. Passenger airline landed weight is forecast to increase from approximately 4.1 million thousand-pound units in FY 2024 to approximately 4.6 million thousand-pound units in FY 2031. Cargo aircraft landed weights are forecast to grow from 298,310 thousand-pound units in FY 2024 to 343,600 thousand-pound units in FY 2031. Total landed weight is forecast to increase from approximately 4.4 million thousand-pound units in FY 2024 to approximately 4.9 million thousand-pound units in FY 2031, a CAGR of 1.5 percent.

TABLE 5-16 HISTORICAL AND PROJECTED CARGO AIRCRAFT OPERATIONS

FISCAL YEAR	CARGO AIRLINE OPERATIONS	CARGO AIRLINES CARGO VOLUMES (TONS)	AVERAGE TON OF CARGO VOLUME PER OPERATION
Historical			
2014	1,032	21,295	20.6
2015	1,325	26,213	19.8
2016	1,313	28,701	21.9
2017	1,458	33,051	22.7
2018	1,392	37,563	27.0
2019	1,758	44,000	25.0
2020	1,589	44,424	28.0
2021	1,473	29,972	20.3
2022	1,090	12,275	11.3
2023	1,040	15,641	15.0
2024	1,050	17,150	16.3
Projected			
2025	1,050	17,731	16.9
2026	1,060	18,333	17.3
2027	1,060	18,958	17.9
2028	1,070	19,606	18.3
2029	1,070	20,278	19.0
2030	1,080	20,974	19.4
2031	1,090	21,697	19.9
Compound Annual Growth Rate			
2014 - 2019	11.2%	15.6%	3.9%
2014- 2024	0.2%	-2.1%	-2.3%
2024 - 2031	0.5%	3.4%	2.9%

NOTES:
Fiscal year ending June 30.
FY 2024 Estimated using July 2023 to April 2024 actual reported activity in US Department of Transportation, T-100 database.
SOURCES: Cirium Diio, June 2024 (US Department of Transportation, T-100 data); Federal Aviation Administration, Operations Network, June 2024; Ricondo & Associates, Inc., July 2024.

TABLE 5-17 LANDED-WEIGHT FORECAST

FISCAL YEAR	PASSENGER AIRCRAFT LANDED WEIGHT	CARGO AIRCRAFT LANDED WEIGHT	TOTAL LANDED WEIGHT
Historical			
2014	2,101,402	465,515	2,566,917
2015	2,107,806	524,379	2,632,185
2016	2,388,792	518,420	2,907,212
2017	2,448,818	488,282	2,937,100
2018	2,755,039	524,591	3,279,630
2019	3,019,602	642,887	3,662,489
2020	2,511,072	574,646	3,085,718
2021	1,768,240	390,058	2,158,298
2022	3,402,366	239,906	3,642,272
2023	3,904,648	295,054	4,199,702
2024	4,151,405	298,210	4,449,615
Projected			
2025[1]	4,199,288	314,073	4,513,362
2026	4,261,969	319,573	4,581,542
2027	4,324,840	323,042	4,647,883
2028	4,386,477	328,640	4,715,118
2029	4,456,586	332,142	4,788,729
2030	4,525,671	337,838	4,863,509
2031	4,595,157	343,600	4,938,757
Compound Annual Growth Rate			
2014 - 2024	7.0%	(4.4%)	5.7%
2024 - 2031	1.5%	2.0%	1.5%

NOTES:
Fiscal year ending June 30. Cargo landed weight includes Boeing activity.
1 Fiscal year 2025 values provided by Authority.
SOURCES: Charleston County Airport Authority, August 2024; Cirium Diio, June 2024; Federal Aviation Administration, Operations Network, June 2024; Ricondo & Associates, Inc., July 2024.

6. FINANCIAL ANALYSIS

Chapter 6 examines the financial framework of the Authority and the costs and other financial implications following the issuance of the 2024 Bonds and the funding of the Airport CIP described in Chapter 3. This chapter presents the following projections: O&M Expenses, Non-Airline Revenues, other available revenues, amortization of Authority funds, debt service, airline revenues, cost per enplaned passenger, and debt service coverage. Financial projection tables are included in Appendix A of this Report.

6.1 FINANCIAL FRAMEWORK

This section discusses the Authority's accounting practices, and it summarizes the Authority's Ordinance No. 01-02 (the Ordinance), as amended by the Authority's Board on April 21, 2022, establishing air transportation company (Airline) rates and charges and operating requirements at the Airport.

6.1.1 ACCOUNTING PRACTICES

Airport-related revenues and expenses are categorized into Airport Cost Centers, as defined in the Ordinance. The calculation of certain rates, fees, and charges described later in this section are based on the Airport Cost Centers.

Airport Cost Centers defined in the Ordinance include the following:

- **Airfield Area** means the airfield at Charleston Air Force Base (including runways, taxiways, approach and clear zones, safety areas, and infield areas, together with all associated landing and navigational aids) owned, operated, and maintained by the USAF, the FAA or the Authority, as it now exists or hereafter may be modified, changed or developed, which provides for the landing and takeoff, taxiing, and other operations of military and civil aircraft, the use of which by civil aircraft is subject to the provisions of the Joint Use Agreement between the Authority and the USAF.
- **Terminal Building Area** means the Airline Passenger Terminal, including related signage, landscaping, and curbside areas.
- **Parking and Roadway Area** means public, employee, and rental car ready parking areas, access and terminal circulation roads and rights-of-way, and related signage and landscaping.
- **Apron and Taxiway Area** means all airfield pavements and appurtenances owned and operated by the Authority and located in Civil Use Areas of the Airport, which now exist or are constructed in the future by the Authority, including the aircraft parking positions and connecting taxiways.
- **Aviation Support Area** means the civil area in the northern portion of the Airport consisting of FBOs, fuel storage facilities, other facilities, and leased property, as it now exists or may be developed or improved in the future.
- **Airline Service Area** means the area adjacent to the Terminal Building Area designated for cargo handling facilities, maintenance facilities, and other airline service and support facilities.
- **Fuel Storage Area** means the aviation fuel storage and distribution facilities serving the Airport Terminal Complex and Aircraft Manufacturing Facility.
- **Reliever Airports Area** means the system of general aviation airports, other than the Airport, owned or operated by the Authority, as such system now exists (Charleston Executive Airport and Mount Pleasant Regional

Airport), or as planned for future use.

- **Commercial/Industrial Area** means all remaining land areas on Airport property available for development by the Authority for aviation or non-aviation purposes, or both.

6.1.2 ORDINANCE

The Ordinance establishes the rate-setting methodology for levying Airline rentals, fees, and charges at the Airport. The methodologies for calculating terminal, apron, and landing fees on an annual basis are described as follows:

- The landing fee rate per 1,000 pounds of maximum gross takeoff weight for the Airlines is established by the Authority, as provided for under provisions of the Joint Use Agreement.
- The average Terminal Building rental rate per square foot per year is equal to: (i) Terminal Building Area Costs; less (ii) Terminal Building Area Revenues and credits; divided by (iii) total amount of leased space. The Terminal Building Area Cost is the sum of the Terminal Building Area's allocable share of estimated direct and allocated indirect O&M Expenses, Annual Debt Service, Equipment and Capital Outlay Account deposit, and annual amortization. The Terminal Building Area's estimated revenue and credits is the sum of concession fees and utility charges from food and beverage, news and gifts, on-Airport rental car (other than ground rentals and ready car space rentals), specialty shops, and advertising display concessions; rental income from space leased to all users other than Scheduled Air Carriers; and allocable interest income. The amount of space assigned to the Scheduled Air Carriers is multiplied by the average rental rate per square foot to determine the "Scheduled Air Carrier Rental Requirement." The Authority further develops a schedule of rental rates by type of space such that the sum of the products obtained by multiplying the total amount of space assigned to the Scheduled Air Carriers by the rental rate will equal the total annual Scheduled Air Carriers Rental Requirement.
- The Apron Fee per 1,000 pounds of maximum gross takeoff weight at the Airport is equal to: (i) Apron and Taxiway Area Cost; less (ii) Apron and Taxiway Area Revenues; divided by (iii) projected total maximum gross takeoff weight of Scheduled Air Carriers. The Apron and Taxiway Area Cost is the sum of the Apron and Taxiway Area's allocable share of estimated direct and allocated indirect O&M Expenses, Annual Revenue Bond Debt Service, Equipment and Capital Outlay Account deposit, and annual amortization. The sum of Apron and Taxiway Area Revenue not derived from Scheduled Air Carriers is deducted from Apron and Taxiway Area cost to determine Net Apron and Taxiway Area Cost. The Net Cost is then divided by total maximum gross takeoff weight of Scheduled Air Carriers to determine the Apron Fee Rate per 1,000 pounds of maximum gross takeoff weight.

6.2 OPERATING AND MAINTENANCE EXPENSES

O&M Expenses include expenses associated with operating and maintaining the Airport, including the airfield, terminal, and landside facilities. O&M Expenses are classified into the following categories:

- personnel services
- contractual services
- administrative services
- maintenance
- utilities
- other operating expenses
  - heating, ventilation, and air conditioning

— loading bridges
— supplies
— insurance
— professional services
— legal services
— kitchen
— other

These expenses are further allocated to the various Airport Cost Centers for rate-setting purposes.

Table 6-1 presents the historical O&M Expenses and enplaned passengers at the Airport for FY 2019 through FY 2024, along with the resulting historical O&M Expenses per enplaned passenger.

TABLE 6-1 HISTORICAL OPERATING AND MAINTENANCE EXPENSES (FY 2019 – FY 2024)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	COMPOUND ANNUAL GROWTH RATE
Personnel Services	$17,094	$17,845	$19,253	$18,123	$23,981	$27,680	10.1%
Contractual Services	$4,062	$4,370	$4,357	$5,284	$5,617	$8,296	15.4%
Administrative Services	$2,487	$1,784	$1,675	$3,610	$4,708	$5,121	15.5%
Maintenance	$680	$791	$549	$1,024	$2,281	$2,850	33.2%
Utilities	$1,781	$1,955	$1,963	$2,176	$2,412	$2,680	8.5%
Other	$2,518	$2,679	$3,022	$4,596	$4,348	$5,103	15.2%
Total O&M Expenses (thousands)	$28,622	$29,425	$30,819	$34,812	$43,347	$51,731	12.6%
Enplaned Passengers (thousands)	2,349	1,752	1,286	2,539	2,881	3,154	6.1%
Total O&M Expenses per Enplaned Passenger	$12.18	$16.80	$23.97	$13.71	$15.04	$16.40	6.1%

NOTES:
FY – Fiscal Year
O&M – Operating and Maintenance
Dollars in thousands for fiscal years ended June 30.
SOURCE: Charleston County Aviation Authority, August 2024.

O&M Expenses increased at a CAGR of 12.6 percent from approximately $28.6 million in FY 2019 to approximately $51.7 million in FY 2024. Growth in O&M Expenses can be attributed to increases in operating expenses associated with growth in airline traffic and increases in personnel services due to budgeted personnel changes, merit wage increases, and increased pension costs.

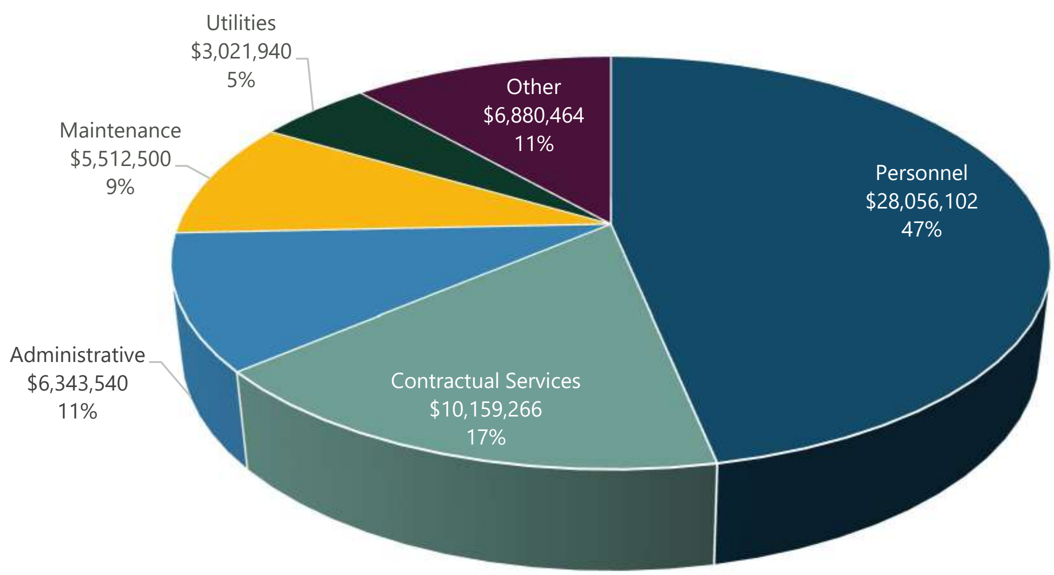
The Authority's O&M Expenses per enplaned passenger increased from approximately $12.18 in FY 2019 to approximately $23.97 in FY 2021 because enplanements decreased significantly during the COVID-19 pandemic relative to O&M Expenses. However, O&M Expenses per enplaned passenger then decreased to approximately $16.40 through FY 2024, reflecting an overall CAGR of 6.1 percent. O&M Expenses increased approximately 19.3 percent from FY 2023 to FY 2024. The increases in O&M Expenses are primarily attributable to a 9.5 percent growth in enplanements in FY 2024, as well as increased personnel, administrative services, building repairs and maintenance, field maintenance, and loading bridge expenses. Although the Authority made efforts to keep expenses low during the COVID-19 pandemic when passenger volumes were low, a strong recovery to FY 2019 enplanement levels in FY 2022 resulted in additional expenditures for cost categories such as personnel and professional services, to accommodate the growing passenger volumes.

The Authority's estimated FY 2024 O&M Expenses, totaling approximately $51.7 million, represents a 19 percent increase in total O&M Expenses compared to FY 2023. The increase over actual FY 2023 is primarily attributable to additional increases in expenses for building repairs and maintenance, contractual services, personnel and pension expenses, and continued airline traffic growth.

O&M Expenses are programmed to be $60.0 million for FY 2025 Budget, the base year of the Projection Period. This increase over FY 2024 is primarily attributable to cost categories affected by the increase in airline traffic, including professional services, contractual services, personnel, and costs related to airline incentives.

Exhibit 6-1 presents the FY 2025 Budget for O&M Expenses by cost category.

EXHIBIT 6-1 BUDGET FISCAL YEAR 2025 OPERATING AND MAINTENANCE EXPENSES BY COST CATEGORY



SOURCE: Charleston County Aviation Authority, June 2024.

6.2.1 PERSONNEL

Personnel expenses include Authority staff compensation and benefits. Expenses for salaries, wages, and employee benefits, which account for 46.8 percent of total O&M Expenses in the Authority's FY 2025 Budget, are projected to increase at a CAGR of 4.3 percent through FY 2031. This is attributable primarily to salary increases, escalating insurance premiums, other benefits increases, and additional expenses attributable to future staffing requirements.

6.2.2 CONTRACTUAL SERVICES

Contractual services expenses include the cost of outside contractors that provide janitorial services, trash pickup, security services, and interior and exterior landscaping for the Terminal Building. Public address system maintenance, escalator/elevator maintenance, and miscellaneous services provided on behalf of the Authority are also included. Contractual services expenses account for 16.9 percent of total O&M Expenses in the Authority's FY 2025 Budget, and they are projected to increase at a CAGR of 10.0 percent through FY 2031, primarily reflecting inflation and additional costs associated with maintaining existing facilities and the completion of the 2024 Projects.

6.2.3 ADMINISTRATIVE

Administrative expenses include expenses for office supplies and equipment, training and travel, bank service charges, computer supplies and equipment, and other administrative expenses. Administrative expenses account for 10.6 percent of total O&M Expenses in the Authority's FY 2025 Budget, and they are projected to increase at a CAGR of 5.0 percent through FY 2031, primarily reflecting inflation, the need to periodically replace various types of supplies and equipment, and increasing bank service charges related to the collection of public parking revenues.

6.2.4 MAINTENANCE

Maintenance expenses include costs related to building repairs and maintenance, field maintenance, and vehicle maintenance. Maintenance expenses account for 9.2 percent of total O&M Expenses in the Authority's FY 2025 Budget, and they are projected to increase at a CAGR of 8.0 percent through FY 2031, primarily attributable to inflation and additional expenses associated with the completion of the 2024 Projects and the corresponding increase in Terminal Building square footage.

6.2.5 UTILITIES

Utility costs include electricity, telecommunications, water, street lighting, and gas required to operate the Airport. Utility costs account for 5.0 percent of total O&M Expenses in the Authority's FY 2025 Budget, and they are projected to increase at a CAGR of 10.7 percent through FY 2031, primarily attributable to inflation and additional expenses associated with the completion of the 2024 Projects and maintenance of the new facilities.

6.2.6 OTHER OPERATING EXPENSES

Other operating expenses include heating, ventilation, and air conditioning; loading bridges; supplies; insurance; professional services; and other expenses, including the Airfield payment to the USAF. Other operating expenses account for 11.5 percent of total O&M Expenses in the Authority's FY 2025 Budget, and they are projected to increase at a CAGR of 6.4 percent through FY 2031, primarily reflecting inflation, the need to periodically replace various types of equipment, and additional expenses associated with the completion of capital projects, including those expenses related to heating, ventilation, and air conditioning; supplies; professional services; and insurance.

6.2.7 OPERATING AND MAINTENANCE EXPENSE IMPACTS ASSOCIATED WITH CAPITAL PROJECTS

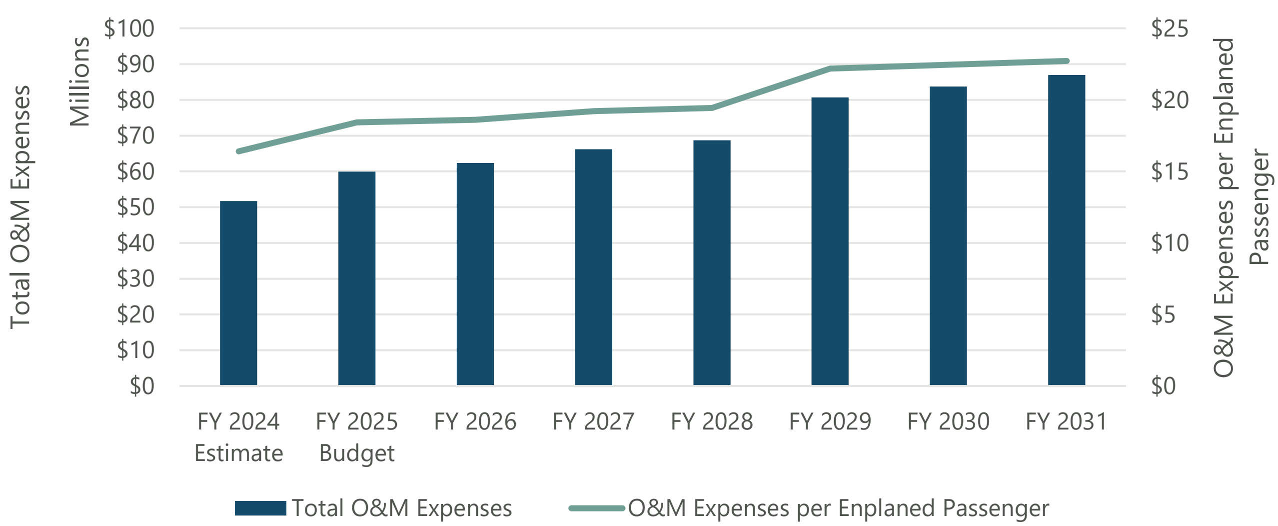
The completion of the Airport CIP is expected to result in incremental increases to O&M Expenses. For the purposes of this analysis, O&M Expenses for certain departments are assumed to increase on a square-foot basis for capital projects resulting in changes to Airport square footages. A 75 percent elasticity factor is included to account for economies of scale, resulting in an increase in O&M Expenses for those departments equal to 75 percent of the percentage increase in total terminal square footage. Current square footage estimates assume an 8.9 percent increase in total terminal square footage in FY 2027 associated with the completion of the West Gate Expansion and a 51.2 percent increase in total terminal square footage associated with the completion of the East Concourse

Expansion. As a result, this analysis assumes 6.7 percent and 38.4 percent incremental increases in O&M Expenses in FY 2027 and FY 2029, respectively, for the following categories: utilities; building repairs and maintenance; heating, ventilation, and air conditioning; loading bridges; supplies; contractual services; insurance; and kitchen expenses. For additional information regarding projected O&M Expenses, see Table A-1 in Appendix A of this Report.

6.2.8 PROJECTED OPERATING AND MAINTENANCE EXPENSES

O&M Expenses are projected to increase according to the type of expense, expectations of average future inflation rates (assumed to be 2.0 percent annually), and impacts associated with the completion of the Airport CIP. **Exhibit 6-2** presents the projection of total O&M Expenses for the Projection Period. As shown, total O&M Expenses are projected to increase from approximately $60.0 million in FY 2025 to approximately $87.0 million in FY 2031, representing a CAGR of 6.4 percent.

EXHIBIT 6-2 PROJECTED OPERATING AND MAINTENANCE EXPENSES



NOTES:
FY – Fiscal Year
O&M – Operating and Maintenance
SOURCES: Charleston County Aviation Authority, August 2024; Ricondo & Associates, Inc., August 2024.

Table A-1, in Appendix A of this Report, presents O&M Expenses from FY 2024 through FY 2031, including the allocation of O&M Expenses to the Airport Cost Centers.

6.3 NON-AIRLINE REVENUES

Non-Airline Revenues consist of those revenues generated at the Airport from sources other than Airline rates and charges, including concession revenues (rental car privilege fees; food, beverage, and news and gift revenues; and other concession revenues); automobile parking revenues; CFCs; other Non-Airline Revenues; and Fuel Storage and General Aviation Revenues. Most of the Airport's Non-Airline Revenues are generated from automobile parking and concessions (89.1 percent in FY 2025 Budget), with automobile parking representing the largest source of Non-Airline Revenue.

Table 6-2 presents total Airport Non-Airline Revenues as well as enplaned passengers from FY 2019 through FY 2024; it also presents the resulting historical Non-Airline Revenues per enplaned passenger during this period.

TABLE 6-2 HISTORICAL NON-AIRLINE REVENUES (FY 2019 – FY 2024)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	COMPOUND ANNUAL GROWTH RATE
Parking Revenues (includes Valet)	$15,431	$11,558	$8,284	$21,555	$27,402	$30,259	14.4%
On-Airport Rental Car Revenue	$7,784	$6,803	$8,214	$12,348	$12,518	$11,749	8.6%
Ground Transportation	$1,340	$1,592	$993	$2,256	$2,759	$3,778	23.0%
Terminal Concessions and Advertising	$4,797	$3,924	$3,133	$4,975	$6,759	$8,190	11.3%
CFC Revenue	$5,709	$5,238	$4,417	$5,953	$6,700	$7,460	5.5%
Fuel Storage and General Aviation	$4,002	$3,874	$3,416	$4,835	$4,585	$5,481	6.5%
Other	$2,554	$2,452	$2,668	$3,212	$4,237	$3,194	4.6%
TOTAL	**$41,616**	**$35,442**	**$31,125**	**$55,134**	**$64,961**	**$70,111**	**11.0%**
Annual growth rate		-14.8%	-12.2%	77.1%	17.8%	7.9%	
Enplaned Passengers (thousands)	2,349	1,752	1,286	2,539	2,881	3,154	6.1%
Enplaned Passengers (growth rate)		-25.4%	-26.6%	97.4%	13.5%	9.5%	
Total Non-Airline Revenues per enplaned Passenger	$17.71	$20.23	$24.21	$21.72	$22.55	$22.23	4.6%

NOTES:
FY – Fiscal Year
CFC – Customer Facility Charge
Dollars in thousands for fiscal years ending June 30.
SOURCE: Charleston County Aviation Authority, August 2024.

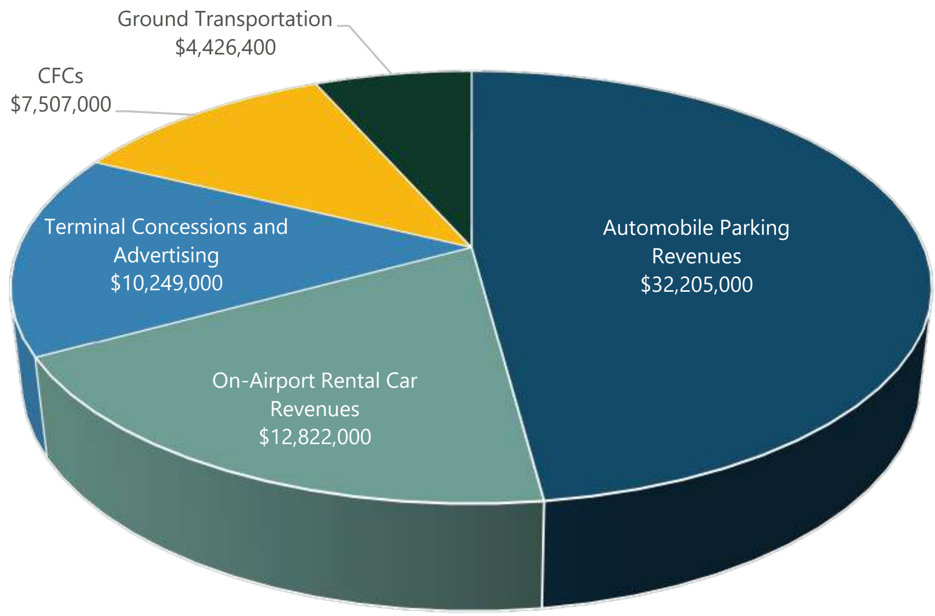
Total Non-Airline Revenues decreased from approximately $41.6 million in FY 2019 to approximately $31.1 million in FY 2021 due to the decrease in passenger activity associated with the COVID-19 pandemic. However, Non-Airline Revenues increased to approximately $55.1 million in FY 2022, a 77.1 percent year-over-year increase, as total enplaned passengers more than recovered to 2019 levels. Total Non-Airline Revenues increased again in FY 2023 to approximately $65.0 million and $70.1 million in FY 2024, reflecting a CAGR of 11.0 percent from FY 2019 to FY 2024.

As shown in Table 6-2, Non-Airline Revenues per enplaned passenger have increased from approximately $17.71 in FY 2019 to approximately $22.23 in FY 2024.

The Airport's FY 2025 Budget serves as the base from which Non-Airline Revenues are projected.

Exhibit 6-3 presents the breakdown of the Authority's FY 2025 Budget Parking and Concession Revenues.

EXHIBIT 6-3 BUDGET FISCAL YEAR 2025 PARKING AND CONCESSION REVENUES BY CATEGORY



NOTE:
CFCs – Customer Facility Charges
SOURCE: Charleston County Aviation Authority, June 2024.

6.3.1 PARKING AND CONCESSIONS

The Authority is continually striving to maximize concessions revenues through strategic planning, including the evaluation of parking rates and new concessionaires. Parking and Concession Revenues include those derived from the concessionaires in the terminal, such as restaurants, news and gift shops, and the Airport's landside operations, such as automobile parking, automobile rentals, and valet operations.

The following subsections describe the revenues generated by automobile parking, automobile rentals, ground transportation, and terminal concessions and advertising in the Authority's FY 2025 Budget. Projections of these revenues are also discussed.

6.3.1.1 AUTOMOBILE PARKING

Parking revenues include revenues from daily and hourly parking spaces, valet parking, RAC ready spaces, and off-airport RAC privilege fees. Budgeted parking revenues for FY 2025 are approximately $32.2 million, or 53.9 percent of Parking and Concession Revenues.

Parking Pricing

The Airport offers four parking products and provides an overflow parking area when the Surface Parking Lot reaches capacity. The Authority's FY 2025 Budget incorporates increases to certain ground transportation fees, including rates for the various parking products at the Airport.

Table 6-3 presents the current parking products and rates.

TABLE 6-3 CURRENT PARKING PRODUCTS AND RATES

PRODUCT	RATE
Hourly Parking Garage	$21 per day
Daily Parking Garage	$17 per day
Economy Lot A	$13 per day
Valet Parking	$25 per day

SOURCE: Charleston County Aviation Authority, June 2024.

The 2024 Projects include PG3, a six-level garage that will be situated on the existing Economy Lot A when completed. Levels 3, 4, 5, and 6 of PG3 will be reserved for private vehicle parking, adding approximately 5,700 new spaces. When PG3 is completed, it is expected that a total of approximately 13,600 public parking spaces will be available on the Airport, including approximately 1,300 spaces in the Hourly Parking Garage, 3,100 spaces in the Daily Parking Garage, 5,700 spaces in the new PG3, 2,600 Surface Parking Lot spaces between Economy Lots A and B, 600 overflow parking spaces, and 400 valet parking spaces. When completed, the additional spaces in PG3 are expected to provide sufficient capacity to accommodate existing and future demand for garage parking during the Projection Period.

Projected Parking Revenues

For the purposes of this analysis, it is assumed that, upon completion of PG3, parking demand for garage spaces will be fully accommodated through the Projection Period. A 10 percent incremental parking revenue increase was assumed in FY 2027 at completion of PG3 to account for the additional capacity and anticipated re-pricing of parking products offered at the Airport; as well as increased passenger volumes attributable to the additional gates from the completion of the West Gate Expansion. Although no other parking rate increases are planned, it is possible that rates will be increased during the Projection Period. For the purposes of this analysis, periodic rate increases are assumed to account for inflation (1.0 percent annually). As a result, annual increases in projected parking revenues are assumed to account for additional passenger activity during the Projection Period and potential future rate increases.

Based on the projected increase in passenger activity, the assumed demand for parking deck spaces, and assumed future inflation, parking revenues are projected to increase from approximately $32.2 million in FY 2025 to approximately $44.0 million in FY 2031, reflecting a CAGR of 5.3 percent.

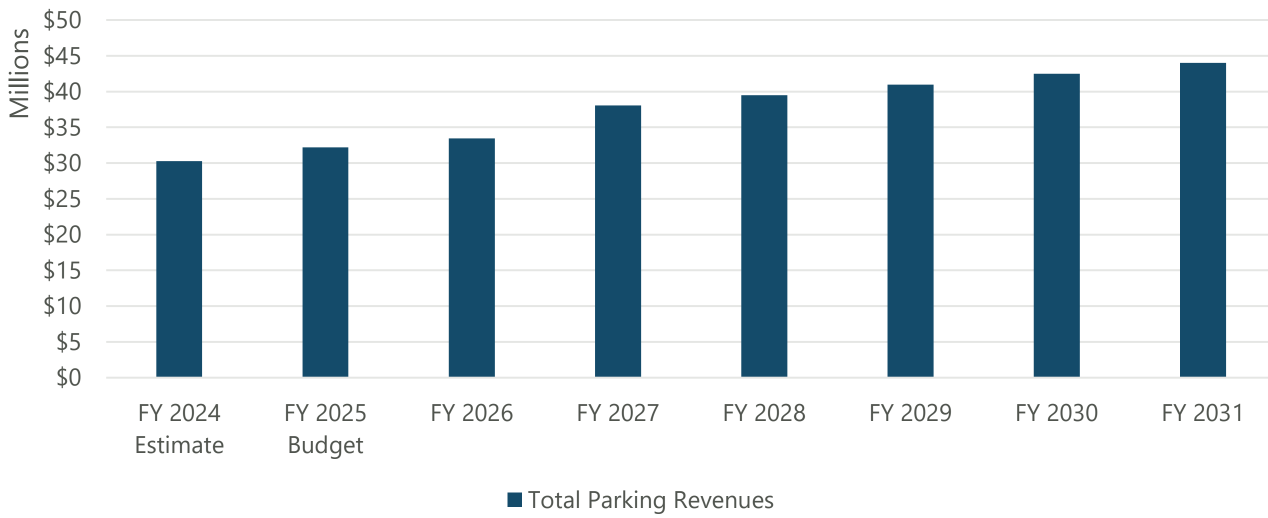
Exhibit 6-4 presents the projection of total parking revenues throughout the Projection Period.

6.3.1.2 ON-AIRPORT RENTAL CAR REVENUES

The following nine rental car brands operate on-Airport: Alamo, Avis, Budget, Dollar, Enterprise, Hertz, Thrifty, National, and GSP Transportation. Go Rentals currently operates off-Airport near Atlantic Aviation and Signature Aviation. Budgeted automobile rental revenues for FY 2025 are approximately $12.8 million, representing 19.1 percent of Parking and Concession Revenues.

Upon completion of PG3 and the associated PG3 RAC Fit-Out, the on-Airport rental car companies are expected to operate out of the first two levels of PG3 to accommodate the need for expanded operations because passengers are projected to increase through the Projection Period. Automobile rental revenues are projected to increase from approximately $12.8 million in FY 2025 to approximately $15.0 million in FY 2031, reflecting a CAGR of 2.6 percent.

EXHIBIT 6-4 PROJECTED PARKING REVENUE



NOTES:
FY – Fiscal Year
Dollars in millions.
SOURCES: Charleston County Aviation Authority, June 2024; Ricondo & Associates, Inc., June 2024.

6.3.1.3 TERMINAL CONCESSIONS AND ADVERTISING

Concessionaires operate a total of 13 food and beverage and 6 news and gift outlets in the Terminal Building. In addition, local small business concessionaires operate concession kiosks through a specialty leasing program. Budgeted terminal concessions and advertising revenues for FY 2025 are approximately $10.2 million, or 15.2 percent of Parking and Concession Revenues. Incremental revenue increases are assumed for terminal concessions and advertising upon completion of the West Gate Expansion in FY 2027 and the East Concourse Expansion in FY 2029. Incremental increases of 5 percent in FY 2027 and 10 percent in FY 2029 are included to account for additional spend associated with the new concession offerings. Terminal concessions and advertising revenues are projected to increase from a combination of forecast passenger growth, the completion of capital projects, and half of the projected rate of inflation from approximately $10.2 million in FY 2025 to approximately $14.7 million in FY 2031, reflecting a CAGR of 6.1 percent.

6.3.1.4 CUSTOMER FACILITY CHARGE REVENUE

The Authority collects a CFC of $10.00 per contract day on rental car transactions. In FY 2023 the Authority collected approximately $6.7 million in CFCs from the rental car companies, with collections estimated to be approximately $7.5 million in FY 2024 and budgeted to be approximately $7.5 million in FY 2025. Effective July 1, 2024 the CFC rate was increased by the Authority from $5.00 per transaction day to $10.00 per transaction day. Because of this increase in the CFC rate, it is expected that CFC collections will exceed the Authority's FY 2025 Budget. CFC collections are projected to increase from $7.5 million in FY 2025 to approximately $17.2 million in FY 2031, reflecting a CAGR of 14.9 percent during the Projection Period. Growth in CFCs during the Projection Period is attributable to forecast growth in airline passengers and the assumed increase in the CFC collection rate.

As described in Chapter 1, the Authority has designated CFCs as Revenues for purposes of the Resolution until removed by the Authority through supplemental resolution. For purposes of this analysis, CFCs are assumed to remain part of Revenues through the Projection Period.

6.3.1.5 GROUND TRANSPORTATION

Ground transportation revenues include employee parking fees; ground transportation fees; revenue share from peer-to-peer rentals, such as Turo; fees collected from Transportation Network Companies (TNCs), such as Uber and Lyft; revenues collected by law enforcement officers for violations to the Authority's parking regulations; and other parking fees. The Authority currently has an agreement with TNCs operating at the Airport to collect a standard fee per drop-off and pick-up. The Authority approved a TNC fee of $3.50 per drop-off and pick-up as part of the FY 2025 Budget, and it is assumed the TNC fee will remain flat throughout the Projection Period. Peer-to-peer rentals operate under a gross revenue share agreement with the Authority, sharing 10 percent of gross revenues per the Authority's FY 2025 Budget. Budgeted ground transportation revenues for FY 2025 are approximately $4.4 million, or 6.6 percent of Parking and Concession Revenues.

Similar to Parking revenues, a 5 percent incremental ground transportation revenue increase is assumed in FY 2027, reflecting the impacts of the PG3 and the West Gate Expansion completions. Based on the projected increase in passenger activity and assumed future inflation, ground transportation revenues are projected to increase from approximately $4.4 million in FY 2025 to approximately $6.3 million in FY 2031, reflecting a CAGR of 6.1 percent.

Total Parking and Concession Revenues, including automobile parking, rental cars, CFC, and terminal concessions and advertising revenues are projected to increase from approximately $67.2 million in FY 2025 to approximately $97.1 million in FY 2031, reflecting a CAGR of 6.3 percent, which is largely attributable to the increased CFC collection rate as of July 1, 2024 and automobile parking revenue growth associated with expanded capacity attributable to the PG3 and passenger activity growth. Parking and Concession Revenues per enplaned passenger are projected to increase from approximately $20.64 in FY 2025 to approximately $25.39 in FY 2031.

6.3.2 OTHER NON-AIRLINE REVENUES

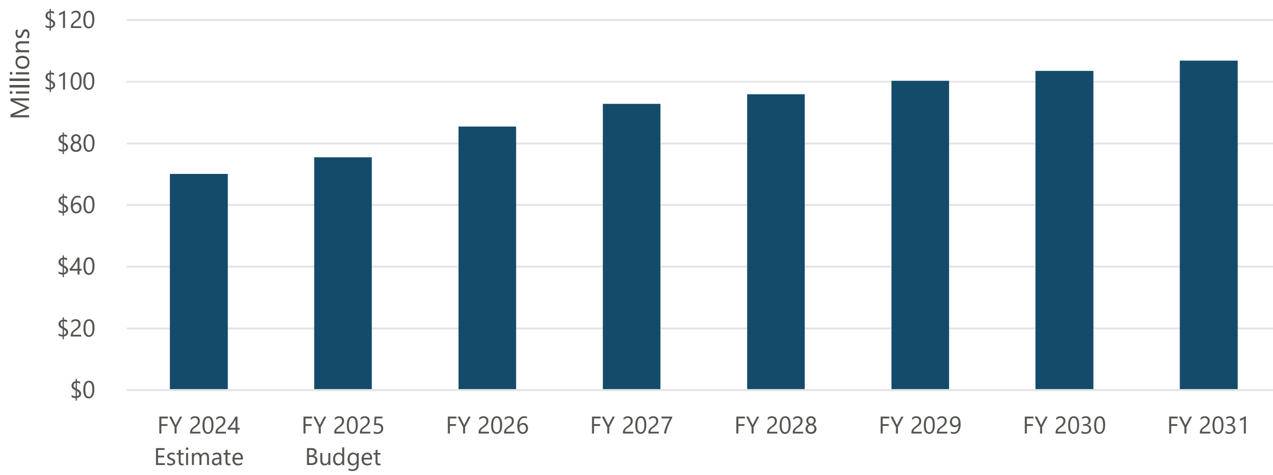
Other Revenues include miscellaneous Terminal Building income, other Terminal Building space rent, and TSA reimbursements. Projections of these other revenue items are not affected by increases or decreases in aviation activity; therefore, year-over-year increases are based on half of the projected rate of inflation.

6.3.3 FUEL STORAGE AND OTHER AVIATION RELATED REVENUES

These revenues include other domestic gate fees, other apron use and parking fees, cargo rents, and fuel storage facility rents that are not included in Scheduled Air Carrier terminal, apron, and landing fees, as defined by the Ordinance. Projections of these revenue items are affected by changes in total landed weight at the Airport and include annual increases based on half of the projected rate of inflation.

Exhibit 6-5 presents projections of Non-Airline Revenues for the Projection Period. Revenues were projected based on a review of historical trends, forecast activity levels, impacts from the 2024 Projects, and inflation. As shown, Non-Airline Revenues are projected to increase from approximately $75.5 million in FY 2025 to approximately $106.8 million in FY 2031, a CAGR of 6.0 percent.

EXHIBIT 6-5 NON-AIRLINE REVENUES



NOTES:
FY – Fiscal Year
Dollars in millions.
SOURCES: Charleston County Aviation Authority, August 2024; Ricondo & Associates, Inc., August 2024.

6.4 PASSENGER FACILITY CHARGE REVENUE

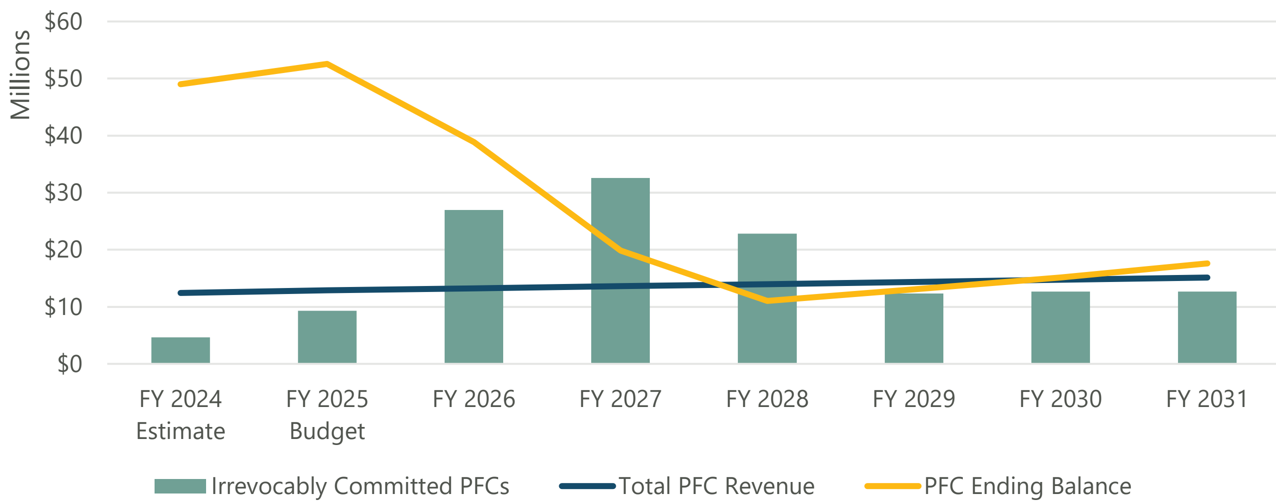
The FAA has authorized the Authority to collect approximately $189.5 million in PFC revenue through July 1, 2039. As of June 30, 2024, the Authority collected approximately $105.3 million in PFC revenue. Projected annual PFC collections, based on existing FAA approved PFC applications for the Airport, the forecast of enplaned passengers presented in Chapter 5, an assumed PFC level of $4.50 per enplaned passenger through the end of the Projection Period, and an assumed PFC collection rate of 90 percent of enplaned passengers, are presented in Appendix A of this Report.

Projected PFC collections, as shown on **Exhibit 6-6**, are expected to be sufficient to cover all existing and anticipated future debt service to be paid with PFCs at the current PFC collection level.

6.5 AMORTIZATION OF AUTHORITY FUNDS

As reflected in Chapter 3, the Airport CIP assumes the Authority will use unrestricted discretionary cash to fund certain capital projects. Approximately $100.0 million of Authority funds are anticipated to be used to fund the 2024 Projects, including approximately $50.0 million for the PG3 and approximately $50.0 million for the East Concourse Expansion. For the purposes of this financial analysis, Authority funds used toward the East Concourse Expansion are assumed to be amortized over the useful life of this project and recovered through the calculated Terminal Building rental rate. Annual amortization associated with the East Concourse Expansion project is assumed to total approximately $3.4 million annually beginning in FY 2030 through the end of the Projection Period. Any additional Authority funds used to fund capital projects allocable to the Terminal Building Area and Apron and Taxiway Area Cost Centers may be amortized over the useful life of the project and included in the calculation of the Terminal Building Rental Rate or Apron Fee.

EXHIBIT 6-6 PROJECTED PASSENGER FACILITY CHARGE COLLECTIONS



NOTES:
FY – Fiscal Year
PFC – Passenger Facility Charge
Dollars in millions.
SOURCES: Charleston County Aviation Authority, August 2024; Ricondo & Associates, Inc., August 2024.

6.6 DEBT SERVICE

Exhibit 6-7 presents the District's existing annual debt service requirements, including debt service paid using PFC revenue and future annual debt service requirements, respectively, which are further discussed in the following subsections.

6.6.1 DEBT SERVICE ON EXISTING BONDS

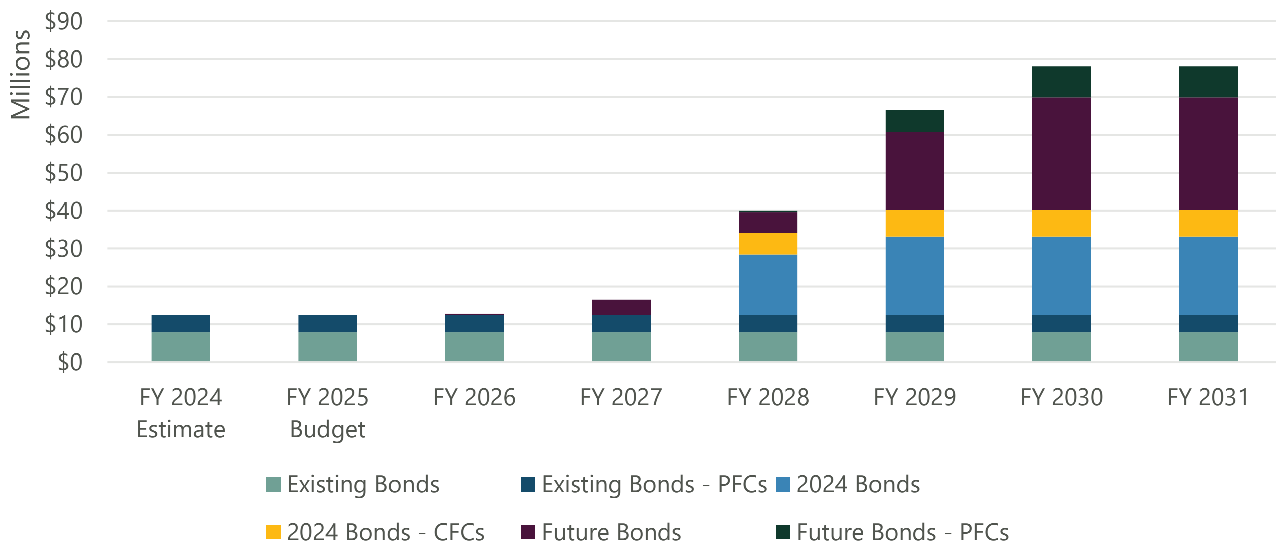
As shown on Exhibit 6-7, existing debt service on the previously issued Series 2019 and Series 2023 Bonds totals approximately $12.5 million annually between FY 2024 and FY 2031. PFC revenues are to be applied to PFC-eligible portions of debt service on the Series 2023 Bonds in an amount approved by the FAA under the PFC Application approved for the Terminal Redevelopment and Improvement Program in 2013.

6.6.2 DEBT SERVICE ON THE SERIES 2024 BONDS

Proceeds from the 2024 Bonds will be used in part to fund the 2024 Projects as described in Chapter 3. The 2024 Projects total approximately $979.0 million, of which approximately $334.0 million is assumed to be funded with proceeds from the 2024 Bonds.

For purposes of this Report, it is assumed that the 2024 Bonds are to have a term of 30 years; with market interest rates as of June 3, 2024, plus 50 basis points. Based on these assumptions, the 2024 Bonds debt service beginning in FY 2028 is estimated to be approximately $21.7 million and will increase thereafter to approximately $27.7 million in FY 2029 and remain level at $27.7 million through the remainder of the Projection Period.

EXHIBIT 6-7 DEBT SERVICE



NOTES:
CFC – Customer Facility Charge
FY – Fiscal Year
PFC – Passenger Facility Charge
Dollars in millions.
SOURCE: PFM Financial Advisors LLC, August 2024.

6.6.3 DEBT SERVICE ON THE FUTURE BONDS

This analysis assumes the issuance of future airport revenue bonds in the first quarter of CY 2026 (Future Bonds), the proceeds from which are assumed to fund the remaining costs of the 2024 Projects. Approximately $373.6 million of the 2024 Projects are assumed to be funded with proceeds from the Future Bonds. The Future Bonds are assumed to have the same 30-year term and interest rate as the 2024 Bonds described in Section 6.6.2.

The Future Bonds annual debt service is estimated to be approximately $4.1 million beginning FY 2027, the first full year of debt service, increasing to approximately $26.5 million in FY 2029, and then increasing to approximately $37.9 million in FY 2030, and remaining level through the remainder of the Projection Period. PFC revenues are assumed to be applied to eligible portions of debt service on the Future Bonds in an amount approved by the FAA under an assumed future PFC application for the 2024 Projects.

Including the 2024 Bonds and Future Bonds, total debt service paid with Net Revenue, after applying pledged PFCs, is estimated to be approximately $7.9 million in FY 2024, increasing to approximately $29.4 million in FY 2028, the first full year of debt service payments on the 2024 Bonds and Future Bonds, and then increasing to approximately $58.4 million in FY 2030, and remaining level through the Projection Period.

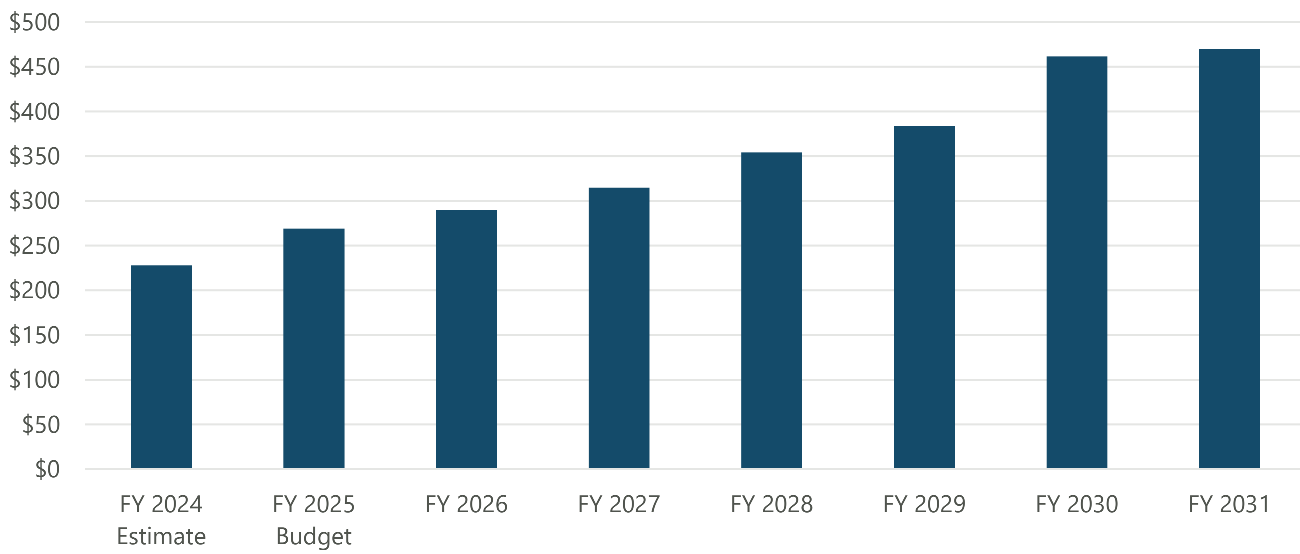
6.7 AIRLINE REVENUES

6.7.1 TERMINAL RENTAL RATES

The projected Terminal Building rental rate, as calculated by the methodology described in Section 6.1.2, is presented on **Exhibit 6-8** and is budgeted at approximately $268.99 per square foot in FY 2025. The Terminal

Building rental rate is projected to increase to approximately $470.13 per square foot in FY 2031. Projected increases in the Terminal Building rental rate are associated with projected increases in Terminal Building O&M Expenses, debt service from the 2024 Bonds and Future Bonds allocated to the Terminal Building Area Cost Center, and amortization of District funds used for the East Concourse Expansion project. As reflected in Table A-5 in Appendix A, airline leased space is assumed to increase from approximately 136 thousand square feet to approximately 201 thousand square feet in FY 2029 upon completion of the Series 2024 Projects, including the East Concourse Expansion, as well as the West Gate Expansion.

EXHIBIT 6-8 TERMINAL BUILDING RENTAL RATE (PER SQUARE FOOT)



NOTE:
FY – Fiscal Year
SOURCES: Charleston County Aviation Authority, August 2024; Ricondo & Associates, Inc., August 2024.

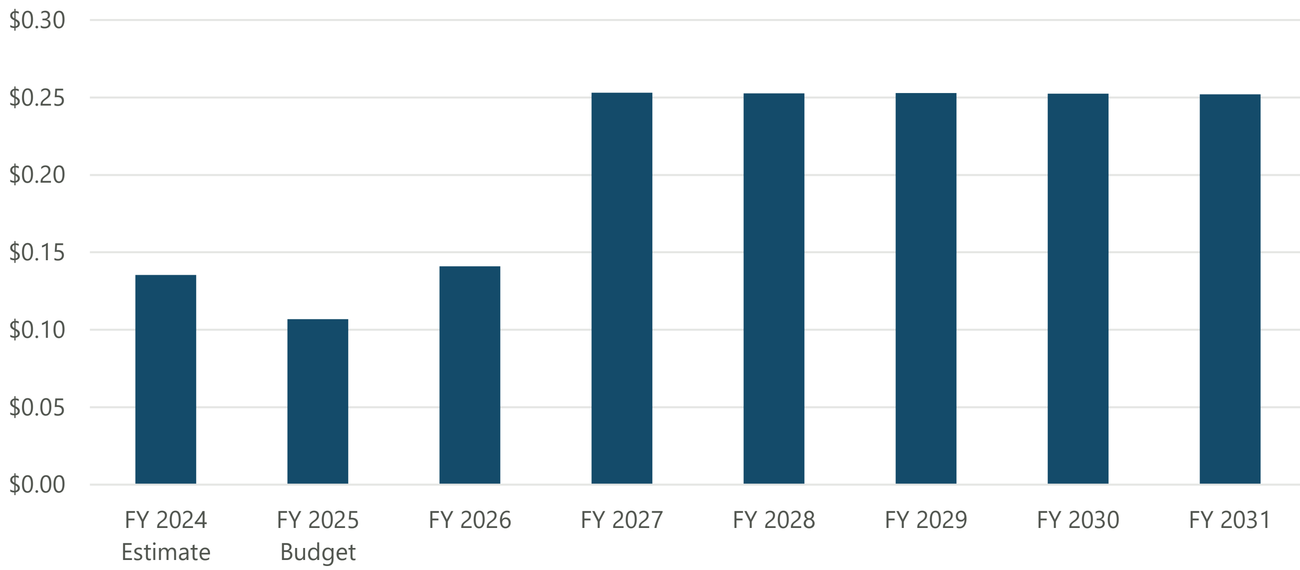
6.7.2 LANDING FEES

The Landing Fee rate per 1,000 pounds of maximum gross takeoff weight for the Airlines is established by the Authority, as provided for under provisions of the Ordinance and is budgeted at $0.20 per 1,000 pounds of maximum gross takeoff weight in FY 2025. The Landing Fee rate is assumed to remain level through the Projection Period.

6.7.3 APRON FEES

Exhibit 6-9 presents the projected Apron Fee, as calculated by the methodology described in Section 6.1.2. This charge is budgeted at approximately $0.11 per thousand pounds of maximum gross takeoff weight in FY 2025, and it is projected to increase to approximately $0.25 per thousand pounds of maximum gross takeoff weight through the Projection Period. The significant increase in FY 2027 is associated with the amortization of District funds used to fund the RON Parking Apron East project.

EXHIBIT 6-9 APRON FEES

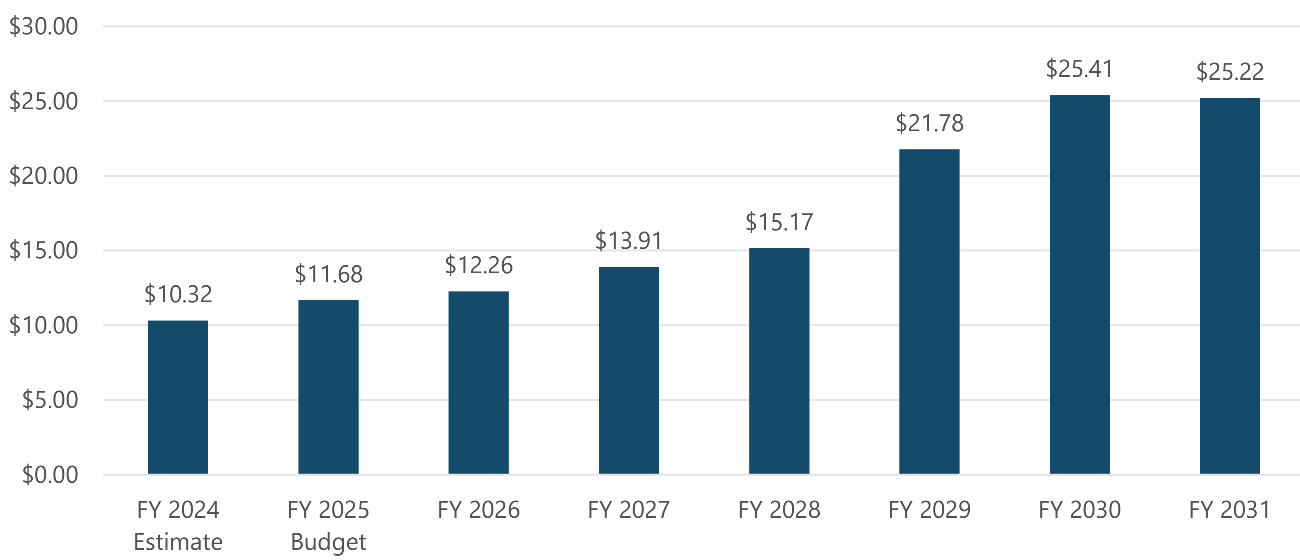


NOTE:
FY – Fiscal Year
SOURCES: Charleston County Aviation Authority, August 2024; Ricondo & Associates, Inc., August 2024.

6.8 AIRLINE COST PER ENPLANED PASSENGER

Exhibit 6-10 presents the Airline cost per enplanement (CPE) for the Projection Period.

EXHIBIT 6-10 AVERAGE AIRLINE COST PER ENPLANED PASSENGER



NOTE:
FY – Fiscal Year
SOURCES: Charleston County Aviation Authority, August 2024; Ricondo & Associates, Inc., August 2024.

As presented, the Airline CPE at the Airport is estimated to be approximately $11.68 in FY 2025, and it is projected to increase to approximately $25.22 by the end of the Projection Period in FY 2031, resulting from projected increases in O&M Expenses in the Terminal Building and Apron area, incremental O&M Expenses and amortization associated with the 2024 Projects, and increased debt service allocated to the Terminal Building Area and the Apron and Taxiway Area.

The projected CPE shown on Exhibit 6-10 is evaluated in this analysis to be reasonable based on the expectation that these fees will not deter forecast demand for air traffic at the Airport as airlines continue to deploy capacity to airports based on available resources. The projected Airport user fees in this analysis are deemed to be reasonable based on the following combination of factors:

- **Strong economic base**. There is typically a positive correlation between population growth in a local area and air travel demand.
- **Attractive geographical location**. The travel and tourism industry is one of the largest service categories in the Air Trade Area.
- **Capital projects that enable growth.** Airport user fees during the Projection Period are calculated to recover debt service and O&M Expenses partially attributable to significant capital projects designed to provide capacity at the Airport, which supports the ability for airlines to increase service. Although the funding of these projects is anticipated to result in increased Airport user fees, these projects support forecast long-term growth at the Airport.

In summary, average Airline CPE, although increasing over the Projection Period, is one of many factors that airlines consider when evaluating air service. Forecast growth of the population and economic base, along with the geographical location, support the reasonableness of projected Airport user fees.

6.9 FINANCIAL PERFORMANCE AND DEBT SERVICE COVERAGE

As contained in the Resolution:

> "The District will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues, together with any amount deposited in the Rolling Coverage Account, will be equal to at least 125 percent of Annual Debt Service on the Outstanding Bonds in such Fiscal Year."

The debt service coverage ratio is projected to exceed the 1.25x minimum requirement in each year of the Projection Period.

Table A-9 in Appendix A of this Report presents the Debt Service coverage ratio projected for all Bonds Outstanding after the Series 2024 transaction, including the 2024 Bonds and Future Bonds, from FY 2024 through FY 2031.

6.10 FLOW OF FUNDS

Table A-10 in Appendix A of this Report presents Ricondo's projection of annual cash flow, as provided for in the Resolution. In each year of the Projection Period, Revenues are sufficient to meet the Authority's debt service obligations and to make all deposits required under the Resolution.

6.11 ASSUMPTIONS UNDERLYING THE FINANCIAL PROJECTIONS

The techniques and methodologies used in preparing this financial analysis are consistent with industry practices for similar studies in connection with airport revenue bond sales. While Ricondo believes the approach and assumptions used are reasonable, some assumptions regarding future trends and events presented in this Report, including the implementation schedule and enplanement forecasts, may not materialize. Achievement of the projections presented in this Report, therefore, is dependent upon the occurrence of future events, which cannot be assured, and the variations may be material.

APPENDIX A

Financial Projection Tables

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TABLE A-1 OPERATING & MAINTENANCE EXPENSES

(For Fiscal Years Ending June 30)

	ESTIMATE	BUDGET	PROJECTED						CAGR
	2024	2025	2026	2027	2028	2029	2030	2031	(2025 - 2031)
O&M Expenses by Category									
Personnel services	$27,679,877	$28,056,102	$29,263,819	$30,524,117	$31,839,315	$33,211,833	$34,644,199	$36,139,054	4.3%
Administrative services	5,120,992	6,343,540	6,660,717	6,993,753	7,343,440	7,710,613	8,096,143	8,500,950	5.0%
Utilities	2,680,187	3,021,940	3,142,818	3,477,584	3,616,687	5,149,206	5,355,174	5,569,381	10.7%
Building repairs and maintenance	1,953,292	3,897,000	4,013,910	4,401,324	4,533,364	6,408,977	6,601,246	6,799,284	9.7%
Heating, ventilation, and air conditioning	195,648	229,000	235,870	258,636	266,395	376,612	387,910	399,547	9.7%
Field maintenance	502,280	1,027,500	1,060,380	1,094,312	1,129,330	1,165,469	1,202,764	1,241,252	3.2%
Vehicle Maintenance	394,810	588,000	605,640	623,809	642,523	661,799	681,653	702,103	3.0%
Loading bridges	69,176	60,000	61,800	67,765	69,798	98,676	101,636	104,685	9.7%
Supplies	1,424,533	1,554,687	1,601,328	1,755,884	1,808,561	2,556,827	2,633,531	2,712,537	9.7%
Contractual services	8,296,450	10,159,266	10,494,522	11,538,914	11,919,698	16,887,059	17,444,332	18,019,995	10.0%
Insurance	925,441	1,352,039	1,393,952	1,529,887	1,577,314	2,231,482	2,300,658	2,371,978	9.8%
Professional services	1,278,637	1,879,300	1,935,679	1,993,749	2,053,562	2,115,169	2,178,624	2,243,982	3.0%
Legal Services	254,899	750,000	772,500	795,675	819,545	844,132	869,456	895,539	3.0%
Kitchen	143,778	197,500	203,425	223,059	229,751	324,807	334,551	344,588	9.7%
Other	811,191	857,938	869,949	882,128	894,478	907,001	919,699	932,575	1.4%
Total O&M Expenses	**$51,731,193**	**$59,973,812**	**$62,316,308**	**$66,160,598**	**$68,743,762**	**$80,649,660**	**$83,751,576**	**$86,977,451**	**6.4%**
O&M Expenses by Cost Center									
Domestic & International Terminal Area	$39,133,226	$46,599,025	$48,409,717	$51,572,277	$53,574,486	$64,034,658	$66,477,820	$69,017,901	6.8%
Airfield Area	444,174	400,000	405,600	411,278	417,036	422,875	428,795	434,798	1.4%
Apron & Taxiway Area	250,752	317,154	329,715	343,994	357,638	379,870	394,961	410,662	4.4%
Parking/Roadway Area	6,754,378	6,508,110	6,778,403	7,115,050	7,410,727	8,080,008	8,414,067	8,762,256	5.1%
Airline Service Area	517,303	830,605	862,231	920,950	955,946	1,161,901	1,205,328	1,250,411	7.1%
Fuel Storage Area	228,823	233,654	243,313	253,380	263,870	274,804	286,198	298,074	4.1%
Commercial/Industrial Area	488,872	476,813	496,626	518,475	540,031	570,387	594,061	618,731	4.4%
Aviation Support Area	686,361	682,845	711,509	741,491	772,640	805,779	839,646	874,950	4.2%
Reliever Airports	1,170,415	1,662,382	1,724,045	1,808,088	1,875,266	2,076,691	2,153,732	2,233,720	5.0%
Kitchen	1,194,778	1,393,438	1,448,909	1,529,858	1,590,706	1,806,013	1,876,876	1,950,595	5.8%
Valet	862,111	869,786	906,238	945,755	985,416	1,036,674	1,080,092	1,125,352	4.4%
Total O&M Expenses	**$51,731,193**	**$59,973,812**	**$62,316,308**	**$66,160,598**	**$68,743,762**	**$80,649,660**	**$83,751,576**	**$86,977,451**	**6.4%**

SOURCES: Charleston County Aviation Authority, June 2024 (Budget), August 2024 (Estimate); Ricondo & Associates, Inc., August 2024 (Projected).

TABLE A-2 NON-AIRLINE REVENUES

(For Fiscal Years Ending June 30)

	ESTIMATE	BUDGET	PROJECTED						CAGR
	2024	2025	2026	2027	2028	2029	2030	2031	(2025 - 2031)
By Cost Center									
Terminal Building Area	$21,711,406	$24,646,000	$25,395,262	$26,704,601	$27,512,721	$29,528,851	$30,403,062	$31,293,475	4.1%
Parking and Roadway Area	34,037,000	36,631,400	38,044,004	43,537,881	45,174,218	46,851,370	48,557,223	50,305,205	5.4%
Airline Service Area	271,525	271,000	275,094	279,077	283,114	287,534	292,024	296,542	1.5%
Fuel Storage Area	2,455,479	2,516,000	2,604,328	2,694,125	2,786,980	2,886,229	2,989,025	3,095,051	3.5%
Commercial/Industrial Area	7,755,448	7,910,000	15,486,592	15,931,911	16,345,241	16,789,718	17,227,284	17,664,804	14.3%
Aviation Support Area	1,342,586	1,354,582	1,402,136	1,450,482	1,500,474	1,553,908	1,609,252	1,666,335	3.5%
Reliever Airports	1,683,050	1,180,000	1,203,600	1,227,672	1,252,225	1,277,270	1,302,815	1,328,872	2.0%
Kitchen	854,195	951,000	987,673	1,025,567	1,064,112	1,103,618	1,143,801	1,184,976	3.7%
Total Non-Airline Revenue	**$70,110,688**	**$75,459,982**	**$85,398,689**	**$92,851,315**	**$95,919,084**	**$100,278,498**	**$103,524,487**	**$106,835,261**	**6.0%**
By Revenue Type									
Concessions:									
Automobile Parking	$30,258,760	$32,205,000	$33,446,910	$38,074,848	$39,505,861	$40,972,568	$42,464,375	$43,993,024	5.3%
Rental Car Privilege Fees	11,748,531	12,822,000	13,173,473	13,532,413	13,891,434	14,254,229	14,617,106	14,983,760	2.6%
Ground Transportation	3,778,240	4,426,400	4,597,094	5,463,033	5,668,357	5,878,802	6,092,849	6,312,181	6.1%
Food, Beverage, News, and Gifts	6,597,055	8,380,000	8,703,155	9,472,224	9,828,230	11,175,939	11,582,854	11,999,818	6.2%
Other Concessions	1,592,814	1,869,000	1,941,074	2,108,705	2,187,959	2,479,594	2,569,876	2,662,387	6.1%
Total Concessions	**$53,975,400**	**$59,702,400**	**$61,861,706**	**$68,651,223**	**$71,081,840**	**$74,761,131**	**$77,327,059**	**$79,951,170**	**5.0%**
Customer Facility Charge Revenues	$7,460,273	$7,507,000	$15,079,562	$15,520,811	$15,930,030	$16,370,355	$16,803,727	$17,237,011	14.9%
Other Non-Airline Revenues	4,014,016	2,769,467	3,406,839	3,469,217	3,534,936	3,607,333	3,676,294	3,745,987	5.2%
Fuel Storage and General Aviation Revenues	4,661,000	5,481,115	5,050,582	5,210,064	5,372,279	5,539,679	5,717,407	5,901,092	1.2%
Total Non-Airline Revenue	**$70,110,688**	**$75,459,982**	**$85,398,689**	**$92,851,315**	**$95,919,084**	**$100,278,498**	**$103,524,487**	**$106,835,261**	**6.0%**
Total Concessions per Enplanement	**$17.11**	**$18.34**	**$18.47**	**$19.93**	**$20.09**	**$20.57**	**$20.73**	**$20.89**	**2.2%**

SOURCES: Charleston County Aviation Authority, June 2024 (Budget), August 2024 (Estimate); Ricondo & Associates, Inc., August 2024 (Projected).

TABLE A-3 PROJECTED PFC REVENUE COLLECTIONS

(For Fiscal Years Ending June 30)

	ESTIMATE	BUDGET	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030	2031
PFC Beginning Balance	$41,194,293	$48,994,087	$52,565,344	$38,853,738	$19,870,716	$11,030,632	$13,069,747	$15,141,101
Enplanements	3,153,727	3,256,000	3,349,000	3,444,000	3,539,000	3,635,000	3,731,000	3,828,000
Calculation of PFCs								
% Eligible Enplanements	90%	90%	90%	90%	90%	90%	90%	90%
Eligible Enplanements	2,830,561	2,930,400	3,014,100	3,099,600	3,185,100	3,271,500	3,357,900	3,445,200
PFC Collection Level	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50
Less: Administrative Fee	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)	($0.11)
Total PFC Collections	**$12,426,164**	**$12,864,456**	**$13,231,899**	**$13,607,244**	**$13,982,589**	**$14,361,885**	**$14,741,181**	**$15,124,428**
Irrevocably Committed PFCs[1]	$4,626,369	$4,527,946	$4,526,970	$4,527,916	$4,526,164	$4,526,187	$4,530,078	$4,526,430
PFCs Available for Future Projects[2]	**$48,994,087**	**$57,330,597**	**$61,270,273**	**$47,933,066**	**$29,327,142**	**$20,866,330**	**$23,280,851**	**$25,739,098**
Future PFC Pay-Go	$0	$4,765,253	$22,416,535	$28,062,349	$17,809,031	$1,946,833	$0	$0
Future PFC Bond Debt Service	0	0	0	0	487,479	5,849,750	8,139,750	8,140,250
PFC Ending Balance	**$48,994,087**	**$52,565,344**	**$38,853,738**	**$19,870,716**	**$11,030,632**	**$13,069,747**	**$15,141,101**	**$17,598,848**

NOTES:

1 Includes all PFCs irrevocably committed to pay existing PFC-eligible debt service.

2 Assumes necessary PFC authority to collect PFCs from future PFC applications

SOURCES: Charleston County Aviation Authority, June 2024 (Budget), August 2024 (Estimate); Ricondo & Associates, Inc., August 2024 (Projected).

TABLE A-4 DEBT SERVICE

(For Fiscal Years Ending June 30)

	ESTIMATE	BUDGET	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030	2031
Existing Airport Revenue Bonds								
2019 Bonds Debt Service (Paid with Net Revenue)	$2,336,500	$2,336,500	$2,336,500	$2,336,500	$2,336,500	$2,336,500	$2,336,500	$2,336,500
2023 Bonds Debt Service (Paid with Net Revenue)	5,588,423	5,590,370	5,589,165	5,590,333	5,588,168	5,588,197	5,593,001	5,588,498
2023 Bonds Debt Service (Paid with PFCs)	4,526,369	4,527,946	4,526,970	4,527,916	4,526,164	4,526,187	4,530,078	4,526,430
Total Existing Airport Revenue Bond Debt Service	**$12,451,292**	**$12,454,816**	**$12,452,635**	**$12,454,749**	**$12,450,832**	**$12,450,884**	**$12,459,579**	**$12,451,428**
2024 Bonds Debt Service								
2024 Bonds Debt Service (Paid with Net Revenue)	$0	$0	$0	$0	$16,003,396	$20,674,750	$20,677,000	$20,676,750
2024 Bonds Debt Service (Paid with PFCs)	0	0	0	0	0	0	0	0
2024 Bonds Debt Service (Paid with CFCs)	0	0	0	0	5,655,559	7,029,180	7,031,300	7,033,006
Total 2024 Bonds Debt Service	**$0**	**$0**	**$0**	**$0**	**$21,658,955**	**$27,703,930**	**$27,708,300**	**$27,709,756**
Future Bonds Debt Service								
Future Bonds Debt Service (Paid with Net Revenue)	$0	$0	$338,521	$4,062,250	$5,440,500	$20,601,250	$29,766,250	$29,778,000
Future Bonds Debt Service (Paid with PFCs)	0	0	0	0	487,479	5,849,750	8,139,750	8,140,250
Total Future Bonds Debt Service	**$0**	**$0**	**$338,521**	**$4,062,250**	**$5,927,979**	**$26,451,000**	**$37,906,000**	**$37,918,250**
Total Airport Revenue Bond Debt Service								
Paid with Net Revenue	$7,924,923	$7,926,870	$8,264,185	$11,989,083	$29,368,564	$49,200,697	$58,372,751	$58,379,748
Paid with PFCs	4,526,369	4,527,946	4,526,970	4,527,916	5,013,643	10,375,937	12,669,828	12,666,680
Paid with CFCs	0	0	0	0	5,655,559	7,029,180	7,031,300	7,033,006
Total Airport Revenue Bonds Debt Service	**$12,451,292**	**$12,454,816**	**$12,791,156**	**$16,516,999**	**$40,037,766**	**$66,605,814**	**$78,073,879**	**$78,079,434**
Allocation of Debt Service Paid from Net Revenue[1]								
Domestic & International Terminal Area	$5,588,423	$5,590,370	$5,927,685	$9,652,583	$14,385,314	$31,576,197	$40,746,001	$40,753,248
Airfield Area	0	0	0	0	0	0	0	0
Apron & Taxiway Area	0	0	0	0	0	0	0	0
Parking/Roadway Area	2,336,500	2,336,500	2,336,500	2,336,500	14,983,250	17,624,500	17,626,750	17,626,500
Airline Service Area	0	0	0	0	0	0	0	0
Fuel Storage Area	0	0	0	0	0	0	0	0
Commercial/Industrial Area	0	0	0	0	0	0	0	0
Aviation Support Area	0	0	0	0	0	0	0	0
Reliever Airports	0	0	0	0	0	0	0	0
Total Debt Service Paid with Net Revenue	**$7,924,923**	**$7,926,870**	**$8,264,185**	**$11,989,083**	**$29,368,564**	**$49,200,697**	**$58,372,751**	**$58,379,748**

NOTE:

1 Does not include debt service paid with CFC or PFC Revenue.

SOURCES: Charleston County Aviation Authority, June 2024 (Existing); PFM Financial Advisors LLC, August 2024 (2024 and Future Bonds).

TABLE A-5 TERMINAL RENTAL RATE

(For Fiscal Years Ending June 30)

	ESTIMATE	BUDGET	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030	2031
Terminal O&M Expenses	$39,133,226	$46,599,025	$48,409,717	$51,572,277	$53,574,486	$64,034,658	$66,477,820	$69,017,901
Terminal Revenue Bond Debt Service	5,588,423	5,590,370	5,927,685	9,652,583	14,385,314	31,576,197	40,746,001	40,753,248
Terminal Amortization of Bond Issuance Cost	0	0	0	0	0	0	0	0
Terminal Equipment & Capital Outlays	1,189,684	2,099,004	2,161,974	2,226,833	2,293,638	2,362,448	2,433,321	2,506,321
Terminal Amortization	6,186,608	6,387,125	7,807,551	8,485,352	8,235,152	7,974,532	12,775,903	12,755,091
LESS: TSA Reimbursement	0	0	0	0	0	0	0	0
LESS: Utilities Reimbursement	(252,681)	(223,000)	(223,000)	(223,000)	(223,000)	(223,000)	(223,000)	(223,000)
Total Requirement	**$51,845,260**	**$60,452,523**	**$64,083,928**	**$71,714,045**	**$78,265,590**	**$105,724,834**	**$122,210,044**	**$124,809,560**
LESS: Concession Revenue	$19,143,110	$22,276,000	$23,014,752	$24,302,363	$25,088,533	$27,082,481	$27,934,282	$28,802,056
LESS: Other Terminal Building Rentals	1,615,434	1,497,000	1,523,080	1,538,311	1,553,694	1,569,231	1,584,923	1,600,772
Net Requirement	**$31,086,715**	**$36,679,523**	**$39,546,096**	**$45,873,371**	**$51,623,363**	**$77,073,122**	**$92,690,839**	**$94,406,731**
Airline Leased Space	136,360	136,360	136,360	145,660	145,660	200,810	200,810	200,810
Average Terminal Rental Rate	**$227.98**	**$268.99**	**$290.01**	**$314.93**	**$354.41**	**$383.81**	**$461.58**	**$470.13**
Total Rental Revenue	**$31,086,715**	**$36,679,523**	**$39,546,096**	**$45,873,371**	**$51,623,363**	**$77,073,122**	**$92,690,839**	**$94,406,731**

SOURCES: Charleston County Aviation Authority, June 2024 (Budget), August 2024 (Estimate); Ricondo & Associates, Inc., August 2024 (Projected).

TABLE A-6 LANDING FEE

(For Fiscal Years Ending June 30)

	ESTIMATE	BUDGET	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030	2031
Landing Fee per 1,000 lbs. take-off weight	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20
Airline take-off weight (1,000 lbs.)	4,449,615	4,513,362	4,581,542	4,647,883	4,715,118	4,788,729	4,863,509	4,938,757
Airline Landing Fee Revenue	**$889,923**	**$902,672**	**$916,308**	**$929,577**	**$943,024**	**$957,746**	**$972,702**	**$987,751**

SOURCES: Charleston County Aviation Authority, June 2024 (Budget), August 2024 (Estimate); Ricondo & Associates, Inc., August 2024 (Projected).

TABLE A-7 APRON FEES

(For Fiscal Years Ending June 30)

	ESTIMATE	BUDGET	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030	2031
O&M Expenses	$250,752	$317,154	$329,715	$343,994	$357,638	$379,870	$394,961	$410,662
Revenue Bond Debt Service[1]	0	0	0	0	0	0	0	0
Equipment & Capital Outlays	17,505	0	0	0	0	0	0	0
Amortization	293,307	131,822	271,118	750,371	750,371	747,183	747,183	747,183
Total Requirement	**$561,564**	**$448,976**	**$600,833**	**$1,094,365**	**$1,108,009**	**$1,127,053**	**$1,142,144**	**$1,157,845**
LESS: Non-Airline Revenues	$0	$0	$0	$0	$0	$0	$0	$0
Net Requirement	**$561,564**	**$448,976**	**$600,833**	**$1,094,365**	**$1,108,009**	**$1,127,053**	**$1,142,144**	**$1,157,845**
Airline Take-off Weight (1,000 lbs.)	4,145,804	4,199,288	4,261,969	4,324,840	4,386,477	4,456,586	4,525,671	4,595,157
Apron Fee per 1,000 lbs. Take-off Weight	**$0.14**	**$0.11**	**$0.14**	**$0.25**	**$0.25**	**$0.25**	**$0.25**	**$0.25**
Total Apron Fee Revenue	**$561,564**	**$448,976**	**$600,833**	**$1,094,365**	**$1,108,009**	**$1,127,053**	**$1,142,144**	**$1,157,845**

NOTE:

1 No Debt Service is allocated to the Apron and Taxiway Area during the projection period.

SOURCES: Charleston County Aviation Authority, June 2024 (Budget), August 2024 (Estimate); Ricondo & Associates, Inc., August 2024 (Projected).

TABLE A-8 AVERAGE AIRLINE COST PER ENPLANED PASSENGER

(For Fiscal Years Ending June 30)

	ESTIMATE	BUDGET	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030	2031
Airline Terminal Space Rentals	$31,086,715	$36,679,523	$39,546,096	$45,873,371	$51,623,363	$77,073,122	$92,690,839	$94,406,731
Airline Landing Fee Revenues	889,923	902,672	916,308	929,577	943,024	957,746	972,702	987,751
Airline Apron Fees	561,564	448,976	600,833	1,094,365	1,108,009	1,127,053	1,142,144	1,157,845
Total Airline Revenue	**$32,538,203**	**$38,031,171**	**$41,063,238**	**$47,897,313**	**$53,674,395**	**$79,157,921**	**$94,805,684**	**$96,552,327**
Enplaned Passengers	3,153,727	3,256,000	3,349,000	3,444,000	3,539,000	3,635,000	3,731,000	3,828,000
Average Airline Cost per Enplaned Passenger	**$10.32**	**$11.68**	**$12.26**	**$13.91**	**$15.17**	**$21.78**	**$25.41**	**$25.22**

SOURCES: Charleston County Aviation Authority, June 2024 (Budget), August 2024 (Estimate); Ricondo & Associates, Inc., August 2024 (Projected).

TABLE A-9 CASH FLOW & DEBT SERVICE COVERAGE

(For Fiscal Years Ending June 30)

	ESTIMATE 2024	BUDGET 2025	PROJECTED 2026	2027	2028	2029	2030	2031
Revenue								
Airline Terminal Space Rentals	$31,086,715	$36,679,523	$39,546,096	$45,873,371	$51,623,363	$77,073,122	$92,690,839	$94,406,731
Airline Landing Fee Revenues	889,923	902,672	916,308	929,577	943,024	957,746	972,702	987,751
Apron Fee Revenues	561,564	448,976	600,833	1,094,365	1,108,009	1,127,053	1,142,144	1,157,845
Non-Airline Revenues (including CFCs)	69,858,007	75,459,982	85,398,689	92,851,315	95,919,084	100,278,498	103,524,487	106,835,261
Investment Earnings	1,070,000	2,960,000	1,927,192	1,948,374	2,023,461	2,024,869	2,063,939	2,219,343
Total Revenues	**$103,466,210**	**$116,451,153**	**$128,389,119**	**$142,697,002**	**$151,616,941**	**$181,461,288**	**$200,394,110**	**$205,606,931**
LESS:								
Operating Expenses	$51,731,193	$59,973,812	$62,316,308	$66,160,598	$68,743,762	$80,649,660	$83,751,576	$86,977,451
Net Revenues	**$51,735,017**	**$56,477,341**	**$66,072,811**	**$76,536,405**	**$82,873,179**	**$100,811,628**	**$116,642,534**	**$118,629,480**
LESS:								
O&M Reserve Requirement	$718,489	$1,241,142	$390,416	$640,715	$430,527	$1,984,316	$516,986	$537,646
Series 2019 Airport Revenue Bond Debt Service (Paid from Net Revenues)	2,336,500	2,336,500	2,336,500	2,336,500	2,336,500	2,336,500	2,336,500	2,336,500
Series 2023 Airport Revenue Bond Debt Service (Paid from Net Revenues)	5,588,423	5,590,370	5,589,165	5,590,333	5,588,168	5,588,197	5,593,001	5,588,498
Series 2024 Airport Revenue Bond Debt Service (Paid from Net Revenues)	0	0	0	0	16,003,396	20,674,750	20,677,000	20,676,750
Series 2024 Airport Revenue Bond Debt Service (Paid from CFCs)	0	0	0	0	5,655,559	7,029,180	7,031,300	7,033,006
Future Bonds Airport Revenue Bond Debt Service (Paid from Net Revenues)	0	0	338,521	4,062,250	5,440,500	20,601,250	29,766,250	29,778,000
Equipment & Capital Outlays	1,189,684	2,099,004	2,161,974	2,226,833	2,293,638	2,362,448	2,433,321	2,506,321
Funds Remaining From Operations	**$41,901,921**	**$45,210,326**	**$55,256,236**	**$61,679,774**	**$45,124,889**	**$40,234,988**	**$48,288,176**	**$50,172,760**
GARB Coverage Calculation								
Total Revenues (including CFC's)	$103,466,210	$116,451,153	$128,389,119	$142,697,002	$151,616,941	$181,461,288	$200,394,110	$205,606,931
LESS: Operating Expenses	51,731,193	59,973,812	62,316,308	66,160,598	68,743,762	80,649,660	83,751,576	86,977,451
Net Revenues	**$51,735,017**	**$56,477,341**	**$66,072,811**	**$76,536,405**	**$82,873,179**	**$100,811,628**	**$116,642,534**	**$118,629,480**
Rolling Coverage Account[1]	$1,981,231	$1,981,717	$2,066,046	$2,997,271	$8,756,031	$14,057,469	$16,351,013	$16,353,188
Series 2019 Airport Revenue Bond Debt Service (Paid from Net Revenues)	$2,336,500	$2,336,500	$2,336,500	$2,336,500	$2,336,500	$2,336,500	$2,336,500	$2,336,500
Series 2023 Airport Revenue Bond Debt Service (Paid from Net Revenues)	10,114,792	10,118,316	10,116,135	10,118,249	10,114,332	10,114,384	10,123,079	10,114,928
Series 2024 Airport Revenue Bond Debt Service (Paid from Net Revenues)	0	0	0	0	16,003,396	20,674,750	20,677,000	20,676,750
Series 2024 Airport Revenue Bond Debt Service (Paid from PFCs)	0	0	0	0	0	0	0	0
Series 2024 Airport Revenue Bond Debt Service (Paid from CFCs)	0	0	0	0	5,655,559	7,029,180	7,031,300	7,033,006
Future Bonds Airport Revenue Bond Debt Service (Paid from Net Revenues)	0	0	338,521	4,062,250	5,440,500	20,601,250	29,766,250	29,778,000
Future Bonds Airport Revenue Bond Debt Service (Paid from PFCs)	0	0	0	0	487,479	5,849,750	8,139,750	8,140,250
LESS: PFCs Applied to Debt Service	4,526,369	4,527,946	4,526,970	4,527,916	5,013,643	10,375,937	12,669,828	12,666,680
Net Airport Revenue Bond Debt Service	**$7,924,923**	**$7,926,870**	**$8,264,185**	**$11,989,083**	**$35,024,124**	**$56,229,877**	**$65,404,051**	**$65,412,754**
Debt Service Coverage Ratio	**6.53**	**7.12**	**8.00**	**6.38**	**2.37**	**1.79**	**1.78**	**1.81**
Debt Service Coverage Ratio (including Coverage Deposit Account)	**6.78**	**7.37**	**8.25**	**6.63**	**2.62**	**2.04**	**2.03**	**2.06**

NOTE:

1 Does not exceed 25 percent of debt service.

SOURCES: Charleston County Aviation Authority, June 2024 (Budget), August 2024 (Estimate); Ricondo & Associates, Inc., August 2024 (Projected).

TABLE A-10 FLOW OF FUNDS

(For Fiscal Years Ending June 30)

	ESTIMATE	BUDGET	PROJECTED					
	2024	2025	2026	2027	2028	2029	2030	2031
Gross Revenue Fund								
Beginning Balance	**$11,095,566**	**$11,095,566**	**$11,095,566**	**$11,095,566**	**$11,095,566**	**$11,095,566**	**$11,095,566**	**$11,095,566**
DEPOSIT: Total Airport Revenues	103,466,210	116,451,153	128,389,119	142,697,002	151,616,941	181,461,288	200,394,110	205,606,931
TRANSFER: O&M Fund	51,731,193	59,973,812	62,316,308	66,160,598	68,743,762	80,649,660	83,751,576	86,977,451
TRANSFER: Debt Service Fund	7,924,923	7,926,870	8,264,185	11,989,083	35,024,124	56,229,877	65,404,051	65,412,754
TRANSFER: O&M Reserve Fund	718,489	1,241,142	390,416	640,715	430,527	1,984,316	516,986	537,646
TRANSFER: Airport Capital Fund	43,091,605	47,309,330	57,418,210	63,906,607	47,418,528	42,597,435	50,721,497	52,679,081
Ending Balance	**$11,095,566**	**$11,095,566**	**$11,095,566**	**$11,095,566**	**$11,095,566**	**$11,095,566**	**$11,095,566**	**$11,095,566**
O&M Fund								
Beginning Balance	**$4,689,087**	**$4,689,087**	**$4,689,087**	**$4,689,087**	**$4,689,087**	**$4,689,087**	**$4,689,087**	**$4,689,087**
DEPOSIT: Transfer From Gross Revenue Fund	51,731,193	59,973,812	62,316,308	66,160,598	68,743,762	80,649,660	83,751,576	86,977,451
EXPEND: Operating Expenses	51,731,193	59,973,812	62,316,308	66,160,598	68,743,762	80,649,660	83,751,576	86,977,451
Ending Balance	**$4,689,087**	**$4,689,087**	**$4,689,087**	**$4,689,087**	**$4,689,087**	**$4,689,087**	**$4,689,087**	**$4,689,087**
O&M Reserve Fund								
Beginning Balance	**$8,024,952**	**$8,743,441**	**$9,984,583**	**$10,374,999**	**$11,015,714**	**$11,446,241**	**$13,430,558**	**$13,947,544**
DEPOSIT: Transfer From Gross Revenue Fund	718,489	1,241,142	390,416	640,715	430,527	1,984,316	516,986	537,646
Ending Balance	**$8,743,441**	**$9,984,583**	**$10,374,999**	**$11,015,714**	**$11,446,241**	**$13,430,558**	**$13,947,544**	**$14,485,190**
Debt Service Fund								
Beginning Balance	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
DEPOSIT: Transfer From Gross Revenue Fund	7,924,923	7,926,870	8,264,185	11,989,083	35,024,124	56,229,877	65,404,051	65,412,754
DEPOSIT: From PFC Fund	4,526,369	4,527,946	4,526,970	4,527,916	5,013,643	10,375,937	12,669,828	12,666,680
DEPOSIT: Applied Proceeds from COVID Relief Funds	0	0	0	0	0	0	0	0
EXPEND: Debt Service	12,451,292	12,454,816	12,791,156	16,516,999	40,037,766	66,605,814	78,073,879	78,079,434
Ending Balance	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Airport Capital Fund								
Beginning Balance	**$99,643,037**	**$124,790,786**	**$117,380,985**	**$126,068,318**	**$127,377,013**	**$131,874,775**	**$141,231,708**	**$157,689,017**
DEPOSIT: Transfer From Gross Revenue Fund	43,091,605	47,309,330	57,418,210	63,906,607	47,418,528	42,597,435	50,721,497	52,679,081
DEPOSIT: RAC County Tax	6,078,000	6,583,000	6,771,000	6,963,000	7,155,000	7,349,000	7,543,000	7,739,000
DEPOSIT: Line of Credit Reimbursement [1]	0	0	5,000,000	0	0	0	0	0
EXPEND: Interest on Subordinate Line of Credit	0	2,000,000	3,000,000	0	0	0	0	0
EXPEND: Capital Projects	22,832,173	57,203,127	55,339,902	67,334,079	47,782,127	38,227,055	39,373,867	40,555,083
EXPEND: Equipment and Capital Outlays Account	1,189,684	2,099,004	2,161,974	2,226,833	2,293,638	2,362,448	2,433,321	2,506,321
Ending Balance	**$124,790,786**	**$117,380,985**	**$126,068,318**	**$127,377,013**	**$131,874,775**	**$141,231,708**	**$157,689,017**	**$175,045,694**

NOTE:

1 Reimbursement for accumulated interest on line of credit draws during construction of West Gate Expansion.

SOURCES: Charleston County Aviation Authority, June 2024 (Budget), August 2024 (Estimate); Ricondo & Associates, Inc., August 2024 (Projected).

APPENDIX C

SUMMARIES OF THE MASTER BOND RESOLUTION AND THE FIFTH SUPPLEMENTAL BOND RESOLUTION

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SUMMARIES OF THE MASTER BOND RESOLUTION AND THE FIFTH SUPPLEMENTAL BOND RESOLUTION

The following is a summary of certain defined terms as provided in the Master Bond Resolution and the Fifth Supplemental Bond Resolution. This summary is not to be regarded as a complete statement of the defined terms provided in the Master Bond Resolution and the Fifth Supplemental Bond Resolution, to which reference is made for a complete statement of the actual terms thereof. Copies of the Master Bond Resolution and the Fifth Supplemental Bond Resolution are on file with the Trustee. Reference to Sections contained in this summary are to Sections of the Master Bond Resolution, unless otherwise noted.

SUMMARY OF DEFINED TERMS

"**Account**" shall mean any account established pursuant to the Master Bond Resolution or any Supplemental Resolution.

"**Accreted Value**" shall mean (a) with respect to any Capital Appreciation Bonds, as of any date of calculation, the sum of the amount set forth in a Supplemental Resolution as the amount representing the initial principal amount of such Capital Appreciation Bond plus the interest accumulated, compounded and unpaid thereon as of the most recent compounding date, or (b) with respect to the principal amount of any Original Issue Discount Bonds, as of the date of calculation, the amount representing the initial public offering price of such Original Issue Discount Bond plus the amount of the discounted principal that has accreted since the date of issue.

"**Act**" shall mean Act No. 1235 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1970, as amended.

"**Aggregate Annual Debt Service**" shall mean for any Fiscal Year, the aggregate amount of Annual Debt Service on all Outstanding Bonds and, if applicable, Bonds proposed to be issued.

"**Airports**" shall mean the Charleston International Airport, the Charleston Executive Airport and the Mount Pleasant Regional Airport, all of which are located in Charleston County, South Carolina, and any other airport hereafter owned and operated by the District and designated as an "Airport" in a Supplemental Resolution.

"**Airport Capital Fund**" shall mean the Airport Capital Fund created under Section 4.01 of the Master Bond Resolution.

"**Airport Facilities**" or "**Airport Facility**" shall mean a facility or group of facilities or category of facilities that constitute or are part of the Airport System.

"**Airport System**" shall mean the Airports and all operations of the Airports, including all of their revenue-producing functions, facilities and properties, whether or not directly related to the air transportation of people and goods.

"**Annual Debt Service**" shall mean, with respect to any Bond, the aggregate amount of principal, interest and such other amounts becoming due and payable during a Fiscal Year. For the purpose of this definition, the principal and interest payable on July 1 shall be deemed to be payable in the Fiscal Year ending on the immediately preceding June 30. For each Series of Outstanding Bonds, and, if applicable, any Series of Bonds proposed to be issued, Annual Debt Service shall be computed using the principles and assumptions set forth below:

(a) In determining the amount of principal due in each Fiscal Year, except to the extent that another subparagraph of this definition applies, payment shall be assumed to be made on Outstanding Bonds or on Bonds proposed to be issued in accordance with any principal maturity or amortization schedule established by the related Supplemental Resolutions, setting forth the terms of such Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds or Original Issue Discount Bonds maturing or scheduled for redemption in such Fiscal Year. In determining the amount of interest due in each Fiscal Year, except to the extent subparagraphs (b), (c) or (d) of this definition apply, (i) interest payable at a fixed rate shall be assumed to be made at such fixed rate and on the required payment dates and (ii) the interest rate to be used for Variable Rate Indebtedness that has been Outstanding for at least twelve (12) months shall be the average rate over the twelve (12) months immediately preceding the date of calculation, or for Variable Rate Indebtedness that has been Outstanding fewer than twelve (12) months the interest rate to be used shall be the actual rate on the date of calculation, or, for Variable Rate Indebtedness proposed to be issued the interest rate to be used for such computation shall be determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Master Bond Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest that is or is not excluded from gross income for federal income tax purposes and that is or is not subject to any alternative minimum tax.

For the purpose of verifying compliance with the rate covenant contained in Section 6.03 of the Master Bond Resolution, Variable Rate Indebtedness shall be deemed to bear interest at the actual rate or rates borne during any applicable Fiscal Year.

The amount of Capitalized Interest on deposit in any Debt Service Account shall be subtracted from the amount of interest due for any related Fiscal Year, but only to the extent that such Capitalized Interest is dedicated to a particular interest payment coming due during such Fiscal Year.

(b) Each maturity of a Series of Bonds that constitutes Balloon Indebtedness shall be treated as if it were to be amortized over a term of not more than forty (40) years and with substantially level annual debt service payments commencing not later than the year following the year in which such Balloon Indebtedness was issued, and extending not later than forty (40) years from the date such Balloon Indebtedness was originally issued. For fixed rate obligations, the interest rate used for such computation shall be the applicable fixed rates. For Balloon Indebtedness that also constitutes Variable Rate Indebtedness, the interest rate used for such computation shall be determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Master Bond Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest that is or is not excluded from gross income for federal income tax purposes and that is or is not subject to any alternative minimum tax.

(c) Notwithstanding subparagraph (b) above, if any stated maturity date of Bonds that constitute Balloon Indebtedness occurs within twelve (12) months from the date of the calculation of Annual Debt Service, the principal amount maturing shall be assumed to become due and payable on the stated maturity date unless there is delivered a certificate of an Authorized Authority Representative stating that (i) the District intends to refinance such maturity and (ii) the probable terms of such refinancing. Upon delivery of such certificate, such Balloon Indebtedness shall be assumed to be refinanced, and Annual Debt Service shall be calculated, in accordance with the probable terms set out in such certificate, except that such assumption shall not result in an interest rate lower than that which would be assumed under subparagraph (b) above and such Balloon

Indebtedness shall be amortized over a term of not more than forty (40) years from the date of refinancing.

(d) If any Outstanding Bonds or any Bonds that are then proposed to be issued constitute Tender Indebtedness, then Tender Indebtedness shall be treated as if the principal amount of such Bonds were to be amortized over a term of not more than 40 years from the date such Tender Indebtedness was originally issued, except that if any principal maturity or amortization schedule is set forth in a Supplemental Resolution, such schedule shall be used to determine the principal maturity or amortization of such Bonds. The interest rate used for such computation shall be determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Master Bond Resolution on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest that is or is not excluded from gross income for federal income tax purposes and that is or is not subject to any alternative minimum tax. For all principal and interest payments becoming due prior to the year in which such Tender Indebtedness is first subject to tender, such payments shall be treated as described in the other applicable subparagraphs of this definition.

(e) With respect to any Interim Indebtedness, it shall be assumed that the principal amount of the Interim Indebtedness will be continuously refinanced and will remain Outstanding until the first Fiscal Year for which interest on the Interim Indebtedness has not been capitalized or otherwise funded or provided for. For such first Fiscal Year, it shall be assumed that (i) the Outstanding principal amount of the Interim Indebtedness will be refinanced with a series of additional Bonds that will be amortized over a period not to exceed forty (40) years in such manner as will cause the maximum annual debt service payments applicable to such Series in any twelve (12) month period not to exceed 110% of the minimum annual debt service payments applicable to such Series for any other twelve (12) month period, and (ii) the Series of additional Bonds will bear interest at a fixed interest rate estimated by a Consultant to be the interest rate such Series of additional Bonds would bear if issued on such terms on the date of such estimate.

(f) If, pursuant to a Supplemental Resolution, the Authority has made an Irrevocable Commitment to use Passenger Facility Charges, Federal Direct Payments, or money available under a grant to pay Annual Debt Service on the Bonds for any Fiscal Year or period of Fiscal Years, then such amounts shall be deposited into the applicable Debt Service Account when received and shall be excluded from the computation of Annual Debt Service for the purpose of calculating Aggregate Annual Debt Service for the proposed issuance of any Series of Bonds as set forth in Section 5.04 of the Master Bond Resolution and for the purpose of verifying compliance with the rate covenant in Section 6.03 of the Master Bond Resolution.

(g) If money that is not included in the definition of "Revenues" has been used to pay or has been irrevocably deposited with and is held by the District to pay principal and/or interest on Bonds, then the principal and/or interest paid from such money shall be excluded from the computation of Annual Debt Service for the purpose of calculating Aggregate Annual Debt Service for the proposed issuance of any Series of Bonds as set forth in Section 5.04 of the Master Bond Resolution and for the purpose of verifying compliance with the rate covenant in Section 6.03 of the Master Bond Resolution.

"**Approved PFC Projects**" shall mean any additions, betterments, extensions, other improvements of or related to the Airports or other costs incurred for any purpose at or related to the Airports from time to time (whether or not located at the Airports), including, without limitation, the acquisition of land, all of which shall have been authorized by the FAA in a Record of Decision or Final Agency Decision (or comparable decision named in accordance with then current FAA terminology), and shall constitute an "Approved Project," as such term is defined in the PFC Regulations.

"**Authority**" shall mean the Charleston County Aviation Authority as the governing body of the District.

"**Authorized Authority Representative**" shall mean the Director of Airports or authorized designee, the Deputy Director of Airports, the Director of Finance, or such other officer or employee of the District or other person which other officer, employee or person has been designated by the Director of Airports as an Authorized Authority Representative in a certificate filed with the Trustee with specimen signatures.

"**Authorized Denominations**" means $5,000 principal amount and integral multiples thereof.

"**Average Aggregate Annual Debt Service**" shall mean the Aggregate Annual Debt Service of any Outstanding Bonds, proposed Series of Bonds, or other obligations, as applicable, to become due from the date of computation to the date of maturity of the last of such Outstanding Bonds, proposed Series of Bonds, or other obligations, divided by the number of years from the date of computation to the date of maturity of the last of such Outstanding Bonds, proposed Series of Bonds, or other obligations.

"**Balloon Indebtedness**" shall mean all or any portion of a Series of Bonds 25% or more of the initial principal amount of which matures on the same date or within such Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Bonds scheduled to be amortized by prepayment or redemption prior to their stated maturity date.

"**Bond**" or "**Bonds**" shall mean any debt obligation of the District issued with respect to the Airports as a taxable or tax-exempt obligation under and in accordance with the provisions of Article II of the Master Bond Resolution, including, but not limited to, bonds, notes, bond anticipation notes, and other instruments creating an indebtedness of the District, and obligations incurred through capital lease or installment purchase agreements or other agreements or certificates of participation therein and Repayment Obligations to the extent provided in Section 5.05 of the Master Bond Resolution. The term "Bond" or "Bonds" herein does not include any Subordinate Obligation.

"**Bond Counsel**" shall mean a firm or firms of attorneys that are nationally recognized as experts in the area of municipal finance and which are familiar with the transactions contemplated under the Master Bond Resolution and which are acceptable to the District.

"**Bondholder**," "**holder**," "**Owner**," "**owner**" or "**registered owner**" shall mean the person in whose name any Bond or Bonds are registered on the books maintained by the Bond Registrar and shall include any Credit Provider or Liquidity Provider to which a Repayment Obligation is then owed, to the extent that such Repayment Obligation is deemed to be a Bond under the provisions of Section 5.05 of the Master Bond Resolution.

"**Bond Resolution**" shall mean collectively, the Master Bond Resolution and any applicable Supplemental Resolution.

"**Bond Register**" shall mean the books for the registration, transfer and exchange of Bonds maintained by the Bond Registrar.

"**Bond Registrar**" shall mean the bond registrar selected from time to time by the Director of Finance with respect to the Bonds or any Series of Bonds, which Bond Registrar may be an Authorized Authority Representative.

"**Business Day**" shall mean any day except Saturday, Sunday, a legal holiday or a day on which banking institutions located in the states of South Carolina or New York, or any state in which the designated office of the Trustee is located are authorized by law to close or a day on which the payment system of the Federal Reserve is not operational, provided that such term may have a different meaning for any specified Series of Bonds if so provided by Supplemental Resolution.

"**Capital Appreciation Bonds**" shall mean Bonds all or a portion of the interest on which is compounded and accumulated at the rates and on the dates set forth in a Supplemental Resolution and is payable only upon redemption or on the maturity date of such Bonds. Bonds which are issued as Capital Appreciation Bonds, but later convert to Bonds on which interest is paid periodically shall be Capital Appreciation Bonds until the conversion date and from and after such conversion date shall no longer be Capital Appreciation Bonds, but shall be treated as having a principal amount equal to their Accreted Value on the conversion date.

"**Capital Projects Account**" shall mean a Capital Projects Account established by the District pursuant to Section 4.01 of the Master Bond Resolution.

"**Capitalized Interest**" shall mean the amount of interest on Bonds, if any, funded from the proceeds of the Bonds or other money that is deposited with the Trustee in a Debt Service Account as shall be described in a Supplemental Resolution upon issuance of Bonds to be used to pay interest on the Bonds.

"**Cede & Co.**" means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2024 Bonds.

"**Certificate of Final Terms**" means the Certificate of Final Terms to be executed and delivered by the Director of Airports pursuant to Section 2.06 of the Fifth Supplemental Resolution, in substantially the form attached as Exhibit C to the Fifth Supplemental Resolution.

"**CFC Ordinance**" shall mean Ordinance 2005-1, as amended, and as the same may be amended in the future, which authorized the collection of a Customer Facility Charge from customers of automobile rental companies as provided therein.

"**CFC Revenue Fund**" shall mean the CFC Revenue Fund ratified and confirmed pursuant to Section 4.03 of the Master Bond Resolution.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations applicable with respect thereto.

"**Common Reserve Account**" shall mean the account within the Debt Service Reserve Fund created pursuant to Section 4.01 of the Master Bond Resolution and that may be required to be funded for the purpose of providing additional security for Bonds issued pursuant to the Master Bond Resolution and as specified in any Supplemental Resolution as participating in the Common Reserve Account.

"**Completion Date**" means the date upon which the conditions set forth in Section 4.08 of the Fifth Supplemental Resolution are satisfied.

“**Construction Fund**” shall mean any of the Construction Funds authorized to be established as provided by Section 4.11 of the Master Bond Resolution.

“**Consultant**” shall mean any Independent consultant, consulting firm, engineer, architect, engineering firm, architectural firm, accountant or accounting firm, financial advisory or investment banking firm, or other expert qualified for work of the character required, as determined by an Authorized Authority Representative, and retained by the District to perform acts and carry out the duties provided for such consultant in the Master Bond Resolution or in a Supplemental Resolution.

“**Continuing Disclosure Undertaking**” shall mean the continuing disclosure undertaking or continuing disclosure agreement, if any, relating to a series of Bonds, as amended from time to time in accordance with its terms.

“**Costs**” or “**Costs of a Project**” shall mean all costs of planning, developing, financing, constructing, installing, equipping, furnishing, improving, acquiring, enlarging and/or renovating a Project and placing the same in service and shall include, but not be limited to the following: (a) costs of real or personal property, rights, franchises, easements and other interests in property, real or personal, and the cost of demolishing or removing structures and site preparation, infrastructure development, and landscaping and acquisition of land to which structures may be removed; (b) the costs of materials and supplies, machinery, equipment, vehicles, rolling stock, furnishings, improvements and enhancements; (c) labor and related costs and the costs of services provided, including costs of consultants, advisors, architects, engineers, accountants, planners, attorneys, financial and feasibility consultants, in each case, whether an employee of the District or a Consultant; (d) costs of the District properly allocated to a Project and with respect to costs of its employees or other labor costs, including the cost of medical, pension, retirement and other benefits as well as salary and wages and the allocable costs of administrative, supervisory and managerial personnel and the properly allocable cost of benefits provided for such personnel; (e) Costs of Issuance and other financing expenses, including costs related to issuance of and securing of Bonds, costs of Credit Facilities, Liquidity Facilities, Capitalized Interest, the Common Reserve Account, any Series Debt Service Reserve Account (other than the Common Reserve Account), Paying Agent’s fees and expenses; and (f) such other costs and expenses that can be capitalized under generally accepted accounting principles in effect at the time the cost is incurred by the District.

“**Costs of Issuance**” shall mean issuance costs with respect to the Bonds, including but not limited to the following: underwriters spread, discount or fees; Credit Provider fees, Liquidity Provider fees and Reserve Fund Surety Policy fees; counsel fees (including bond counsel, underwriters counsel, disclosure counsel, Authority’s counsel, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the District incurred in connection with the issuance of the Bonds; Consultant fees; fees and expenses of the Trustee and counsel to the Trustee; initial remarketing agent fees or auction agent fees; rating agency fees; escrow agent, verification agent and paying agent fees; accountant fees and other expenses related to issuance of the Bonds; printing costs (for the Bonds and of the preliminary and final official statements relating to the Bonds); the preliminary and final official statements and the Series 2024 Bonds, underwriter’s compensation; fees, costs and expenses of rating agencies, advertising costs related to the sale of the Series 2024 Bonds; and fees and expenses of the District incurred in connection with the issuance of the Bonds.

“**Credit Facility**” shall mean a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement, or other financial instrument that obligates a third party to pay, or provide funds to the District for the payment of, the principal of and/or interest on Bonds whether such obligation is to pay in the first instance and seek reimbursement or to pay only if the District fails to do so. The phrase “Credit Facility” excludes a Reserve Fund Surety Policy.

“**Credit Provider**” shall mean the party obligated to make payment of principal of and interest on the Bonds under a Credit Facility.

“**Customer Facility Charges**” or “**CFC**” shall mean all amounts received by the District from the payment of the Customer Facility Charge established by the CFC Ordinance of the Authority as it may be amended from time to time. For avoidance of doubt, Customer Facility Charges (sometimes referred to as CFCs) are not part of “Revenues” for purposes of the Master Bond Resolution; provided, however, that the Authority may by Supplemental Resolution designate such CFCs as part of Revenues as provided herein.

“**Debt Service Account**” shall mean a Debt Service Account established by Section 4.06 of the Master Bond Resolution.

“**Debt Service Fund**” shall mean the Debt Service Fund established by Section 4.01 of the Master Bond Resolution.

“**Debt Service Reserve Fund**” shall mean the Debt Service Reserve Fund established by Section 4.01 of the Master Bond Resolution.

“**Director of Airports**” shall mean the person at a given time who is the Director of Airports of the District or such other title as the District may from time to time assign for the executive director and chief executive officer of the District or, in such officer’s absence, the person at that time who is the Deputy Director of Airports of the District or such other title as the District may give from time to time for such position.

“**Director of Finance**” shall mean the person at a given time who is the Director of Finance and Administration of the District or such other title as the District may from time to time assign for such position and the officer or officers succeeding to such position.

“**District**” shall mean the Charleston County Airport District that was created by the Act.

“**DTC**” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“**Equipment and Capital Outlay Account**” shall mean an Equipment and Capital Outlay Account established by the District pursuant to Section 4.01 of the Master Bond Resolution.

“**Event of Default**” shall mean any occurrence or event specified in Section 7.01 of the Master Bond Resolution.

“**FAA**” shall mean the Federal Aviation Administration, or the successor to its powers and authority.

“**Federal Direct Payments**” shall mean amounts payable by the federal government to the District, pursuant to Sections 54AA and 6431 of the Code, as may be amended from time to time, in connection with the District’s issuance of Bonds with respect to the Airports, in lieu of any credit otherwise available to the Owners of Bonds. The phrase “Federal Direct Payments” shall also include a federal program that provides a refundable credit payment to the District in connection with the issuance of a Series of Bonds, similar to the refundable credit payment payable to issuers of Bonds under Section 54AA of the Code, which is enacted subsequent to the adoption of the Master Bond Resolution.

"**Federal Securities**" shall mean any direct general non-callable obligations of the United States of America, including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America, and Refcorp strips.

"**Fifth Supplemental Resolution**" means the Fifth Supplemental Bond Resolution adopted by the Authority on [September 19], 2024, and authorizing the issuance of the Series 2024 Bonds (also defined in the forepart of this Official Statement as the "2024 Supplemental Resolution").

"**Final Agency Decision**" shall mean a Final Agency Decision of the FAA relating to the District's Approved PFC Projects as may be issued, modified or amended from time to time.

"**Financial Advisor**" means PFM Financial Advisors LLC, the independent registered municipal advisor to the District, or any successor independent registered municipal advisor designated by the District.

"**Fiscal Year**" shall mean the 12-month period used by the District for its general accounting purposes, as it may be changed from time to time. The Fiscal Year at the time the Master Bond Resolution was adopted begins on July 1 and ends on June 30 of the immediately following calendar year.

"**Fitch**" shall mean Fitch Ratings, a corporation organized and existing under the laws of the State of Delaware, its successors and its assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any nationally recognized rating agency designated by the District.

"**Fund**" shall mean any fund established pursuant to the Master Bond Resolution or any Supplemental Resolution.

"**General Capital Account**" shall mean a General Capital Account established by the District pursuant to Section 4.01 of the Master Bond Resolution.

"**General Obligation Bonds of the District**" shall mean indebtedness of the District secured in whole or in part by a pledge of its full faith, credit, and taxing power.

"**Gross Revenue Fund**" shall mean the Gross Revenue Fund established by the District pursuant to Section 4.01 of the Master Bond Resolution.

"**Independent**" shall mean, when used with respect to any specified firm or individual, such a firm or individual who (a) does not have any direct financial interest or any material indirect financial interest in the operations of the District, other than the payment to be received under a contract for services to be performed, and (b) is not connected with the District as an official, officer or employee.

"**Interest Payment Date**" means the dates upon which interest on the Series 2024 Bonds becomes due and payable, as set forth on the Certificate of Final Terms.

"**Interim Indebtedness**" shall mean any Bond or Bonds (i) for or with respect to which no principal payments are required to be made other than on the maturity date thereof, which date shall be no later than five (5) years from the date of their delivery to their initial purchasers, and (ii) which are authorized by a Supplemental Resolution that declares the District's intent, at the time of issuance, to refund or refinance all or a part of the same prior to or on such maturity date, including commercial paper, notes, and similar obligations.

"**Irrevocable Commitment**" shall mean an unalterable agreement to assume a financial obligation. This phrase may include terms and other conditions that the Authority may describe by Supplemental Resolution or other official action of the Authority, such as, but in no way limited to, a financial obligation of the District that may last for a specific period of time.

"**Liquidity Facility**" shall mean a letter of credit, line of credit, standby purchase agreement or other financial instrument, including a Credit Facility, which is available to provide funds with which to purchase Bonds.

"**Liquidity Provider**" shall mean the entity, including a Credit Provider, which is obligated to provide funds to purchase Bonds under the terms of a Liquidity Facility.

"**Mail**" shall mean by first-class United States mail, postage prepaid.

"**Master Bond Resolution**" shall mean the Master Bond Resolution, relating to Airport Revenue Bonds of the District adopted by the Authority on July 23, 2013, together with all amendments thereto (also defined in the forepart of this Official Statement as the "Master Resolution").

"**Moody's**" shall mean Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and its assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized rating agency designated by the District.

"**Net Proceeds**" shall mean insurance proceeds received as a result of damage to or destruction of the Airport System or any condemnation award or amounts received by the District from the sale of the Airport System under the threat of condemnation less expenses (including attorneys' fees and expenses) incurred in the collection of such proceeds or award.

"**Net Revenues**" shall mean, for any given period, the Revenues for such period, less the Operation and Maintenance Expenses for such period.

"**Notes**" shall mean Bonds issued under the provisions of Article II of the Master Bond Resolution that have a maturity of one year or less from their date of original issuance.

"**Operating and Maintenance Fund**" shall mean the Operating and Maintenance Fund established by Section 4.01 of the Master Bond Resolution.

"**Operating and Maintenance Reserve Fund**" shall mean the Operating and Maintenance Reserve Fund established by Section 4.01 of the Master Bond Resolution.

"**Operation and Maintenance Expenses**" shall mean reasonable and necessary costs paid or incurred by the District for maintaining and operating the Airport System, determined in accordance with generally accepted accounting principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Airport System in good repair and working order, and including all administrative costs of the District that are charged directly or apportioned to the operation of the Airport System, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums, assessments for public improvements, any Bond Registrar or Paying Agent fees, and including all other reasonable and necessary costs of the District or charges required to be paid by the District in order to comply with the terms of the Master Bond Resolution; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor, any principal or interest payment in respect of capital leases or indebtedness including the Bonds, any costs of issuance relating to any capital leases or indebtedness including the Bonds, amortization or intangibles, any non-cash Unfunded OPEB Obligations, and any Operation and Maintenance Expenses payable from money other than Revenues.

"**Original Issue Discount Bonds**" shall mean Bonds which are sold at an initial public offering price of less than face value and which are specifically designated as Original Issue Discount Bonds in the Supplemental Resolution under which such Bonds are issued.

"**Outstanding**," when used with respect to Bonds, shall mean all Bonds that have been authenticated and delivered under the Master Bond Resolution, except the following:

(a) Any portion of the Bonds theretofore fully paid by the Paying Agent to the registered holders or canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) any portion of the Bonds that has been defeased by the deposit of funds or qualified securities with the Paying Agent or other qualified party in compliance with the Master Bond Resolution;

(c) Bonds deemed to be paid in accordance with Article VIII of the Master Bond Resolution;

(d) Bonds in lieu of which other Bonds have been authenticated and delivered pursuant to the Master Bond Resolution and any Supplemental Resolution;

(e) Bonds that have become due (at maturity or on redemption, acceleration or otherwise) and for the payment of which sufficient money, including interest accrued to the due date, are held by the Paying Agent;

(f) Bonds which, under the terms of the Supplemental Resolution pursuant to which they were issued, are deemed to be no longer Outstanding;

(g) Repayment Obligations deemed to be Bonds under Section 5.05 of the Master Bond Resolution to the extent such Repayment Obligation arose under the terms of a Liquidity Facility and are secured by a pledge of Outstanding Bonds acquired by the Liquidity Provider, provided the Liquidity Provider purchased and holds Bonds pursuant to the Liquidity Facility; and

(h) for purposes of any consent or other action to be taken by the holders of a specified percentage of Bonds under the Master Bond Resolution, Bonds held by or for the account of the District or by any person controlling, controlled by or under common control with the District, unless such Bonds are pledged to secure a debt to an unrelated party.

"**Paying Agent**" shall mean the paying agent selected from time to time by the Director of Finance with respect to the Bonds or any Series of Bonds. For purposes of the Fifth Supplemental Resolution, means The Bank of New York Mellon Trust Company, N.A., or any other institution appointed by the Director of Finance to act as Paying Agent for the Series 2024 Bonds. Such Paying Agent shall perform the duties required of the Paying Agent in the Master Bond Resolution and the Fifth Supplemental Resolution.

"**Payment Date**" shall mean, with respect to any Bonds, each date on which interest is due and payable thereon and each date on which principal is due and payable thereon whether by maturity or redemption thereof.

“**Permitted Investments**” shall mean, except as may be otherwise limited or restricted by the terms of a Supplemental Resolution, any investment permitted from time to time for funds held by or in the name of the District under the laws of the State. At the time of the adoption of the Master Bond Resolution, the following investments constitute Permitted Investments under the laws of the State:

(1) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.

(2) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(3) (a) General obligations of the State or any of its political units; or (b) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(4) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.

(5) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

(6) Repurchase agreements when collateralized by securities as set forth in this definition.

(7) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of the District if the particular portfolio of the investment company or investment trust in which the investment is made (a) is limited to obligations described in items (1), (2), (3), and (6) of this definition, and (b) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

(8) The South Carolina Pooled Investment Fund established pursuant to the provisions of Title 6, Chapter 6 of the Code of Laws of South Carolina 1976, as amended.

Such investments shall have maturities consistent with the time or times when the invested moneys will be needed in cash.

For purposes of this definition, in the case of a defeased obligation, an obligation shall be treated as the obligation of the issuer of the obligation included in the qualifying defeasance escrow for the defeased obligation. A “defeased obligation” means any obligation the payment of which is secured and payable solely from a qualifying defeasance escrow and the terms of which may not be amended or modified without the consent of each of the holders of the defeased obligation. A "qualifying defeasance escrow" means a deposit of securities, including defeasance obligations, with a trustee or similar fiduciary under the terms of an agreement that requires the trustee or fiduciary to apply the proceeds of any interest payments or maturity of the defeasance obligation to the payment of the defeased obligation and when the trustee or fiduciary has received verification from a certified public accountant that the payments will be sufficient to pay the defeased obligation timely. A defeasance obligation must not be callable or subject to prepayment by the issuer and it must be a direct general obligation of the United States and its agencies, or an obligation the payment of principal and interest on which is fully and unconditionally guaranteed by the United States.

"**PFCs**" or "**Passenger Facility Charges**" shall mean charges collected by the District pursuant to the authority granted by the Aviation Safety and Capacity Expansion Act of 1990 Pub. L. 101-508, Title IX, Subtitle B, Sections 9110 and 9111, the Wendel H. Ford Aviation Investment and Reform Act for the 21st Century, Pub. L. 106-181 and 14 CFR Part 158, all as amended from time to time, or any other applicable federal law, and by the Records of Decision or Final Agency Decisions (or comparable decision named in accordance with then-current FAA terminology), and interest earnings thereon net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such passenger facility charge revenues.

"**PFC Act**" shall mean the Aviation Safety and Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX, Subtitle B, 9110 and 9111, recodified as 49 U.S. 40117, as modified by the Wendel H. Ford Aviation Investment and Reform Act for the 21st Century, Pub. L. 106-181 ("AIR-21"), as amended or replaced from time to time.

"**PFC Debt Service Account**" shall mean the Account by the name established by the Series 2013 Supplemental Resolution.

"**PFC Final Agency Decision**" shall mean that certain Final Agency Decision of the Federal Aviation Administration dated April 18, 2013, as amended or revised from time to time, that approved the Authority's application to impose a PFC and use PFC revenue.

"**PFC Project Account**" shall mean the Account by that name established by the Series 2013 Supplemental Bond Resolution.

"**PFC Regulations**" shall mean Part 158 of the Federal Aviation Regulations (14 CFR Part 158), as amended from time to time, and any other regulation issued with respect to the PFC Act.

"**PFC Revenue Fund**" shall mean the PFC Revenue Fund ratified and confirmed pursuant to Section 4.03 of the Master Bond Resolution.

"**Principal Amount**" or "**principal amount**" shall mean, as of any date of calculation, (a) with respect to any Capital Appreciation Bond, the Accreted Value thereof (the difference between the stated amount to be paid at maturity and the Accreted Value being deemed unearned interest), (b) with respect to any Original Issue Discount Bond, the Accreted Value thereof, unless the Supplemental Resolution under which such Bond was issued shall specify a different amount, in which case, the terms of the Supplemental Resolution shall control, and (c) with respect to any other Bonds, the principal amount of such Bond payable at maturity or redemption thereof.

"**Project**" shall mean any and all facilities, improvements and other expenditures related to the Airport System financed in whole or in part with proceeds of a Series of Bonds.

"**Purchase Contract**" means the Purchase Agreement between the District and the Underwriter relating to the purchase and sale of the Series 2024 Bonds.

"**Rating Agency**" and "**Rating Agencies**" shall mean Fitch, Moody's or S&P, or any other nationally recognized rating agency of municipal obligations, but only if such Rating Agencies have been requested by the District to maintain a rating on the Bonds and such Rating Agencies are then maintaining a rating on any of the Bonds.

"**Rating Category**" and "**Rating Categories**" shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

"**Rebate Fund**" shall mean the Rebate Fund established by Section 4.01 of the Master Bond Resolution.

"**Record Date**" means for each Interest Payment Date, the fifteenth day of the month preceding such Interest Payment Date.

"**Record of Decision**" shall mean any Record of Decision or Records of Decision of the FAA relating to the District's Approved PFC Projects as may be issued, modified or amended from time to time.

"**Refunding Bonds**" shall mean any Bonds issued pursuant to Section 5.03 of the Master Bond Resolution to refund or defease all or a portion of any series of Outstanding Bonds or any Subordinate Obligations.

"**Released Revenues**" shall mean Revenues in respect of which the following shall have been delivered to the District:

(i) a resolution of the Authority describing a specific identifiable portion of Revenues and approving that such Revenues be excluded from the term Revenues;

(a) either (i) a certificate prepared by an Authorized Authority Representative showing that Net Revenues for each of the two most recently completed Fiscal Years, after the specific identifiable portion of Revenues covered by the Authority's resolution described in (a) above are excluded, were at least equal to the greater of (A) the amounts needed for making the required deposits and payments pursuant to Sections 4.04(a) through (h) of the Master Bond Resolution, or (B) an amount not less than 150% of Average Aggregate Annual Debt Service for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such specific identifiable portion of Revenues; or (ii) a certificate prepared by a Consultant showing that the estimated Net Revenues (excluding the specific identifiable portion of Revenues covered in the resolution approved by the Authority described in (a) above) for each of the first three complete Fiscal Years immediately following the Fiscal Year in which the resolution described in (a) above is adopted by the Authority, will not be less than the greater of (A) the amounts needed for making the required deposits and payments pursuant to Sections 4.04(a) through (h) of the Master Bond Resolution, or (B) an amount not less than 150% of the Average Aggregate Annual Debt Service for each Fiscal Year during the remaining term of all Bonds that will remain Outstanding after the exclusion of such specific identifiable portion of Revenues;

(b) an opinion of Bond Counsel to the effect that the exclusion of such specific identifiable portion of Revenues from the definition of Revenues and from the pledge and lien of the Master Bond Resolution will not, in and of itself, cause the interest on any Outstanding Bonds to be included in gross income for purposes of federal income tax; and

(c) confirmation from each of the Rating Agencies which have been requested by the District to maintain a rating on the Bonds and are then maintaining a rating on any of the Bonds, to the effect that the exclusion of such specific identifiable portion of Revenues from the pledge and lien of the Master Bond Resolution will not cause a withdrawal or reduction in any unenhanced rating then assigned to the Bonds.

Upon filing of such documents, the specific identifiable portion of Revenues described in the resolution of the Authority shall no longer be included in Revenues and shall be excluded from the pledge and lien of the Master Bond Resolution, unless otherwise included in Revenues and in the pledge and lien of the Master Bond Resolution pursuant to a Supplemental Resolution.

"**Rental Credit**" shall mean the amount resulting from an arrangement set forth in a written agreement between the District and another person or entity pursuant to which the District permits such person or entity to make a payment or payments to the District that is reduced by the amount owed by the District to such person or entity under such agreement, resulting in a net payment to the District by such person or entity. The "Rental Credit" shall be deemed to be the amount owed by the District under such agreement that is "netted" against the payment of such person or entity due to the District.

"**Repayment Obligations**" shall mean an obligation arising under a written agreement of the District and a Credit Provider pursuant to which the District agrees to repay or reimburse the Credit Provider for amounts paid by a Credit Provider pursuant to a Credit Facility to be used to pay debt service on any Bonds and all other amounts due and owing to a Credit Provider under a Credit Facility, or an obligation arising under a written agreement of the District and a Liquidity Provider pursuant to which the District agrees to repay or reimburse the Liquidity Provider for amounts paid by the Liquidity Provider pursuant to a Liquidity Facility to be used to pay the purchase price of Bonds and all other amounts due and owing to a Liquidity Provider under a Liquidity Facility.

"**Reserve Fund Surety Policy**" shall mean an insurance policy, a surety bond or a letter of credit, held by the Trustee for the credit of the Common Reserve Account or any Series Debt Service Reserve Fund created for one or more series of Outstanding Bonds in lieu of, or partial substitution for, cash or securities on deposit therein. Except as otherwise provided in a Supplemental Resolution, the entity providing such Reserve Fund Surety Policy shall be rated, at the time such instrument is provided, in one of the two highest long-term Rating Categories by one or more of the Rating Agencies.

"**Reserve Requirement**" shall mean an amount that is not less than the Average Aggregate Annual Debt Service for all Outstanding Bonds participating in the Common Reserve Account and as otherwise defined in a Supplemental Resolution. For a Series of Bonds participating in a separately created Series Debt Service Reserve Account, the phrase "Reserve Requirement" shall be defined in a Supplemental Resolution establishing such Series Debt Service Reserve Account. If a Series of Bonds is issued as tax-exempt or tax-advantaged, the Reserve Requirement shall not exceed the amount permitted by applicable federal law.

"**Revenues**" shall mean, except to the extent specifically excluded therefrom, all income, receipts, earnings and revenues received by the District from the operation and ownership of the Airport System, as determined in accordance with generally accepted accounting principles, as modified from time to time, including, but not limited to, (a) rates, tolls, fees, rentals, charges and other payments made to or owed to the District for the use or availability of the Airport System, and (b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the District, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the District or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the District receives payments which are attributable to the Airport System or activities or undertakings related thereto. Additionally, "Revenues" shall also include amounts received from tenants representing the principal portion of payments received pursuant to certain self-liquidating lease agreements, all income, receipts and earnings (except any earnings allowed to be pledged by the terms of a Supplemental Resolution to fund the Construction Fund as provided below) from the investment of amounts held in the Gross Revenue Fund, any Construction Fund, any Debt Service Fund (except Capitalized Interest on deposit therein), the Common Reserve Account, any Series Debt Service Reserve Account and such additional revenues, if any, as are designated as "Revenues" under the terms of any Supplemental Resolution. The following, including any investment earnings thereon, are specifically excluded from Revenues: (i) any amounts received by the District from the imposition of ad valorem taxes, (ii) gifts, grants and other income (including any investment earnings thereon) otherwise included in this definition of "Revenues" which are restricted by their terms to purposes inconsistent with the payment of debt service on the Bonds, (iii) Net Proceeds and other insurance proceeds, to the extent the use of such Net Proceeds or other proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service on the Bonds (except to the extent Net Proceeds are utilized to pay Operation and Maintenance Expenses), and (iv) Special Facilities Revenue (to the extent there is no excess Special Facilities Revenue as described in Section 6.05 of the Master Bond Resolution). In addition, the following, including any investment earnings thereon, are specifically excluded from "Revenues," unless designated as "Revenues" under the terms of a Supplemental Resolution: (A) Rental Credit, (B) Passenger Facility Charges, (C) Customer Facility Charges, (D) Federal Direct Payments, (E) Released Revenues, (F) subject to (ii) in the previous sentence, grants and other charges authorized on or after the date of the Master Bond Resolution by federal and/or State laws or regulations to be assessed to fund specific programs at the Airport System, (G) investment income derived from any money or securities which may be placed in escrow or trust to defease Bonds, (H) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Code and amounts held in a Rebate Fund and (I) Capitalized Interest. Further, interest earnings or other investment earnings on any Construction Fund established by any Supplemental Resolution are specifically excluded from "Revenues," unless otherwise provided for in such Supplemental Resolution.

"**Rolling Coverage Account**" shall mean the Rolling Coverage Account established by the District pursuant to Section 4.01 of the Master Bond Resolution.

"**S&P**" shall mean Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business organized and existing under the laws of the State of New York, its successors and their assigns, and if such rating agency shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the District.

"**Series**" or "**series**" shall mean Bonds designated as a separate Series by a Supplemental Resolution.

"**Series 2013 Bonds**" means Bonds previously issued under the Master Bond Resolution and currently Outstanding and designated as "Charleston County Airport District Airport Revenue Bonds, Series 2013A (AMT)" and "Charleston County Airport District Airport Revenue Bonds, Series 2013B (Non-AMT)."

"**Series 2013 Supplemental Resolution**" means the Supplemental Resolution adopted by the Authority on July 23, 2013, and authorizing the issuance of the Series 2013 Bonds.

"**Series 2019 Bonds**" means the Bonds previously issued under the Master Bond Resolution and currently Outstanding and designated as "Charleston County Airport District Airport Revenue Bonds, Series 2019 (Non-AMT)."

"**Series 2023 Bonds**" means the Bonds previously issued under the Master Bond Resolution and currently Outstanding and designated as "Charleston County Airport District Airport Revenue Refunding Bond, Series 2023A (AMT)" and "Charleston County Airport District Airport Revenue Refunding Bond, Series 2023B (Non-AMT)."

"**Series 2023 Supplemental Resolution**" means the Third Supplemental Resolution adopted by the Authority on August 18, 2022, and authorizing the issuance of the Series 2023 Bonds (also defined in the forepart of this Official Statement as the "2023 Supplemental Resolution").

"**Series 2024 Bonds**" means, collectively, the Series 2024A Bonds, the Series 2024B Bonds, and the Series 2024C Bonds.

"Series 2024A Bonds" means the Bonds to be issued under the Master Bond Resolution and the Fifth Supplemental Resolution and designated as "Charleston County Airport District Airport Revenue Bonds, Series 2024A (AMT)."

"Series 2024B Bonds" means the Bonds to be issued under the Master Bond Resolution and the Fifth Supplemental Resolution and designated as "Charleston County Airport District Airport Revenue Bonds, Series 2024B (Non-AMT)."

"Series 2024C Bonds" means the Bonds to be issued under the Master Bond Resolution and the Fifth Supplemental Resolution and designated as "Charleston County Airport District Airport Revenue Bonds, Series 2024C (Taxable)."

"**Series 2024 Construction Fund**" means the Construction Fund established pursuant to Section 4.11 of the Master Bond Resolution and into which proceeds derived from the sale of the Series 2024 Bonds are to be deposited to pay Costs of the Projects.

"**Series 2024A Construction Account**" means the account of such designation established in the Series 2024 Construction Fund pursuant to Section 4.01 of the Fifth Supplemental Resolution and into which proceeds derived from the sale of the Series 2024A Bonds are to be deposited as provided in the Certificate of Final Terms.

"**Series 2024B Construction Account**" means the account of such designation established in the Series 2024 Construction Fund pursuant to Section 4.01 of the Fifth Supplemental Resolution and into which proceeds derived from the sale of the Series 2024B Bonds are to be deposited as provided in the Certificate of Final Terms.

"**Series 2024C Construction Account**" means the account of such designation established in the Series 2024 Construction Fund pursuant to Section 4.01 of the Fifth Supplemental Resolution and into which proceeds derived from the sale of the Series 2024C Bonds are to be deposited as provided in the Certificate of Final Terms.

"**Series 2024 Costs of Issuance Fund**" means the Fund of such designation established pursuant to Section 4.01 of the Fifth Supplemental Resolution and into which is to be deposited money with which to pay Costs of Issuance of the Series 2024 Bonds.

"**Series 2024A Costs of Issuance Account**" means the account of such designation established in the Series 2024 Costs of Issuance Fund pursuant to Section 4.01 of the Fifth Supplemental Resolution and into which is to be deposited money with which to pay Costs of Issuance of the Series 2024A Bonds.

"**Series 2024B Costs of Issuance Account**" means the account of such designation established in the Series 2024 Costs of Issuance Fund pursuant to Section 4.01 of the Fifth Supplemental Resolution and into which is to be deposited money with which to pay Costs of Issuance of the Series 2024B Bonds.

"**Series 2024C Costs of Issuance Account**" means the account of such designation established in the Series 2024 Costs of Issuance Fund pursuant to Section 4.01 of the Fifth Supplemental Resolution and into which is to be deposited money with which to pay Costs of Issuance of the Series 2024C Bonds.

"**Series 2024A Debt Service Account**" means the Account of such designation established pursuant to Section 4.01 of the Fifth Supplemental Resolution and into which money is to be deposited to pay debt service on the Series 2024A Bonds.

"**Series 2024B Debt Service Account**" means the Account of such designation established pursuant to Section 4.01 of the Fifth Supplemental Resolution and into which money is to be deposited to pay debt service on the Series 2024B Bonds.

"**Series 2024C Debt Service Account**" means the Account of such designation established pursuant to Section 4.01 of the Fifth Supplemental Resolution and into which money is to be deposited to pay debt service on the Series 2024C Bonds.

"**Series 2024 Note**" means the Subordinate Obligation of the District designated as "Airport Revenue Note, Series 2024 (Subordinate Obligation)," dated July 25, 2024.

"**Series 2024 Project**" means the design, construction, furnishing, and equipping facilities at the Charleston International Airport as more particularly described in Exhibit D hereto.

"**Series 2024 Rebate Account**" means the Account by that name established in the Rebate Fund with respect to the Series 2024A Bonds and the Series 2024B Bonds.

"**Series 2024A Reserve Account**" means the Account of such designation established in the Debt Service Reserve Fund pursuant to Section 4.01 of the Fifth Supplemental Resolution and into which money is to be deposited to secure the Series 2024A Bonds.

"**Series 2024B Reserve Account**" means the Account of such designation established in the Debt Service Reserve Fund pursuant to Section 4.01 of the Fifth Supplemental Resolution and into which money is to be deposited to secure the Series 2024B Bonds.

"**Series 2024C Reserve Account**" means the Account of such designation established in the Debt Service Reserve Fund pursuant to Section 4.01 of the Fifth Supplemental Resolution and into which money is to be deposited to secure the Series 2024C Bonds.

“**Special Facilities**” or “**Special Facility**” shall mean a facility or group of facilities or improvements or category of facilities or improvements which are designated as a Special Facility pursuant to the provisions of Section 6.05 of the Master Bond Resolution.

“**Special Facilities Revenue**” shall mean the contractual payments and all other revenues (other than ground rentals relating to such Special Facility) derived by or available to the District from a Special Facility which are pledged to secure Special Facility Obligations.

“**Special Facility Obligations**” shall mean bonds or other debt instruments issued pursuant to a resolution other than the Master Bond Resolution to finance Special Facilities and which, except as otherwise provided in Section 6.05 of the Master Bond Resolution, are not secured by nor payable from a lien on and pledge of the Net Revenues but which are secured by revenues derived from Special Facilities.

“**Specified Project**” shall mean a Project or a group of alternative Projects which are described in a certificate of an Authorized Authority Representative, which is delivered to the Consultant preparing the certificate described in Section 5.04(b) of the Master Bond Resolution, if applicable, the revenues and expenses of which Project or of the alternative Projects are to be taken into account by such Consultant in preparing such certificate.

“**State**” shall mean the State of South Carolina.

“**Subaccount**” shall mean any subaccount established pursuant to the Master Bond Resolution or any Supplemental Resolution.

“**Subordinate Obligation Debt Service Fund**” shall mean the Subordinate Obligation Debt Service Fund created in Section 4.01 of the Master Bond Resolution.

“**Subordinate Obligation**” shall mean any bond, note or other debt instrument issued or otherwise entered into by the District which ranks junior and subordinate to the Bonds, and which may be paid from money constituting Net Revenues only if all principal, interest and other amounts which have become due and payable on the Bonds whether by maturity, redemption, acceleration or agreement of the District have been paid in full and the District is current on all payments, if any, required to be made to replenish the Common Reserve Account and any Series Debt Service Reserve Accounts. “Subordinate Obligations” are not Bonds for purposes of the Master Bond Resolution; provided, however, that the Authority may henceforth by Supplemental Resolution elect to have the provisions of the Master Bond Resolution applicable to the Bonds apply to the Subordinate Obligations issued thereunder, except that such Subordinate Obligations shall be secured on a junior and subordinate basis to the Bonds from the Net Revenues. No bond, note or other instrument of indebtedness shall be deemed to be a “Subordinate Obligation” for purposes of the Master Bond Resolution and payable on a subordinate basis from Net Revenues unless specifically designated by the Authority as a “Subordinate Obligation” in a Supplemental Resolution or other written instrument.

“**Supplemental Resolution**” shall mean any document supplementing or amending the Master Bond Resolution or providing for the issuance of Bonds and entered into as provided in Article IX of the Master Bond Resolution.

“**Tax Certificate**” means, collectively, the Tax Compliance and Non-Arbitrage Certificates, each dated the date of issuance of the Series 2024A Bonds and Series 2024B Bonds, as amended from time to time, entered into by the District and executed with respect to the Series 2024A Bonds and the Series 2024B Bonds.

“**Tender Indebtedness**” shall mean any Bonds or portions of Bonds a feature of which is an option and/or an obligation on the part of the Bondholders, under the terms of such Bonds, to tender all or a portion of such Bonds to the District, the Paying Agent or other fiduciary or agent or Credit Provider or Liquidity Provider for payment or purchase and requiring that such Bonds or portions of Bonds be purchased if properly presented.

“**Term Bonds**” shall mean Bonds of a Series that are payable on or before their specified maturity dates from sinking installment payments established pursuant to the Supplemental Resolution for such Series for that purpose and calculated to retire the Bonds on or before their specified maturity dates.

“**Trustee**” shall mean The Bank of New York Mellon Trust Company, N.A., and any successor Trustee appointed in accordance with Section 11.09 of the Master Bond Resolution and any co-trustee appointed pursuant to Section 11.13 of the Master Bond Resolution.

“**Underwriter**” means BofA Securities, Inc., on behalf of itself and Raymond James & Associates, Inc., Siebert Williams, Shank & Co., LLC, and Bancroft Capital, LLC, the original purchasers of the Series 2024 Bonds.

“**Unfunded OPEB Obligations**” shall mean the amount by which the District’s actual other post-employment benefits (OPEB) contributions are less than its OPEB cost or expense for any Fiscal Year.

“**Variable Rate Indebtedness**” shall mean any Bond or Bonds the interest rate on which is not fixed to maturity at the time of calculation, or other relevant time.

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SUMMARY OF THE MASTER BOND RESOLUTION

The following is a summary of certain provisions of the Master Bond Resolution, adopted on July 23, 2013 by the Charleston County Aviation Authority. This summary is not to be regarded as a complete statement of the Master Bond Resolution to which reference is made for a complete statement of the actual terms thereof. Copies of the Master Bond Resolution are on file with the Trustee. Reference to Sections contained in this summary are to Sections of the Master Bond Resolution, unless otherwise noted.

Authorization and Form of Bonds Generally

Bonds that bear interest that is or is not excluded from gross income for federal income tax purposes may be issued by the Authority, on behalf of the District, under the terms of the Master Bond Resolution for any purpose for which the Authority, on behalf of the District, at the time of such issuance, may incur debt. The total principal amount of Bonds of each Series Outstanding may not exceed the amount specified in the Supplemental Resolution providing for the issuance of such Bonds. The Bonds may be in certificated or uncertificated form, and Bonds that are issued in certificated form may be freely transferable or may be immobilized and held by a custodian for the beneficial owners, all as shall be set forth or permitted in the Supplemental Resolution providing for the issuance of such Bonds. In addition, Bonds may be in the form of notes, contracts or other evidences of indebtedness issued to banks, other financial institutions or creditors providing money, goods or services to the District as provided in the applicable Supplemental Resolution and in all cases subject to compliance with the provisions of the Master Bond Resolution. The Bonds may have notations, legends or endorsements required by law or usage.

The Bonds shall be special obligations of the District payable solely from, and secured as to payment of principal and interest by a pledge of, the Net Revenues derived from the operation of the Airport System, and not from any other fund or source, and the taxing power of the Authority is not pledged to the payment of the Bonds either as to principal or interest. The Bonds shall not be nor constitute general obligations of the Authority, nor shall they constitute indebtedness of the District within the meaning of any constitutional, or statutory provision, limitation or restriction, except as provided in the Act and Article X, Section 14, Paragraph 10 of the Constitution of the State.

The District has covenanted that, until all the Bonds authorized and issued under the provisions of the Master Bond Resolution and the interest thereon shall have been paid or are deemed to have been paid, it will not, except as otherwise provided under the Master Bond Resolution, grant any prior or parity pledge of or any security interest in the Net Revenues or any other security that is pledged to the payment of the Bonds pursuant to the Master Bond Resolution, or create or permit to be created any charge or lien thereon or any security interest therein ranking prior to or on a parity with the charge or lien of the Bonds from time to time Outstanding under the Master Bond Resolution. The District may grant a lien on or security interest in the Net Revenues or any of the other security, which is pledged to the payment of the Bonds to secure Subordinate Obligations.

Issuance of Series of Bonds; Supplemental Resolution

Bonds may be issued, at one time or in a Series from time to time.

The Bonds shall be issued in the principal amount, shall bear interest at a rate or rates, including a rate of 0% and including variable or adjustable rates, or by such other methods as the Authority may from time to time determine, and such interest may be payable periodically, in whole or in part, or may be accumulated and paid at maturity or at such other time or times as the Authority shall determine. Bonds shall mature and shall be subject to redemption prior to their respective maturities, all as shall be set forth in a Supplemental Resolution relating to such Series of Bonds. Bonds will be numbered and dated as provided in the applicable Supplemental Resolution. The Bonds of each Series shall state that they are issued under and are secured by the Master Bond Resolution and the pledge of Net Revenues and such other amounts, funds and accounts pledged therefor under the Master Bond Resolution and state that regardless of the form thereof, they are "Bonds" issued thereunder and within the meaning of the Master Bond Resolution.

Such Supplemental Resolution may provide that the interest rate on the Bonds and the duration of the periods during which such interest accrues may from time to time be adjusted and that the Bonds may be purchased upon the demand of the owners thereof or may be subject to mandatory purchase upon the occurrence of certain events or certain times, and such provisions may include, without limitation, the creation of objective standards for such adjustments, the appointment of agents to apply such standards to the Bonds, the criteria for such purchases upon demand and the procurement of Liquidity Facilities and Credit Facilities with respect to the Bonds.

In addition, each such Supplemental Resolution shall provide for the appointment of a Bond Registrar and a Paying Agent for the Series of Bonds and such other agents as the Authority shall determine to be necessary.

Unless otherwise provided in a Supplemental Resolution, each Bond authenticated prior to the first interest payment date thereon shall bear interest from its date of delivery. Each Bond authenticated on or after the first interest payment date thereon shall bear interest from the interest payment date thereon next preceding the date of authentication thereof, unless such date of authentication shall be an interest payment date to which interest on such Bond has been paid in full or duly provided for, in which case from such date of authentication; provided that if, as shown by the records of the Paying Agent, interest on such Bond shall be in default, such Bond shall bear interest from the date to which interest has been paid in full on such Bond or, if no interest has been paid on such Bond, its dated date. Each Bond shall bear interest on overdue principal at the rate borne by such Bond until the Principal Amount thereof is paid in full.

Unless otherwise provided in a Supplemental Resolution, the Bonds shall be issued in fully registered form in the denomination of $5,000 each or integral multiples thereof and shall be dated as provided in the pertinent Supplemental Resolution.

The Principal Amount of, premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

The Bonds and the Bond Registrar's Certificate of Authentication shall be in substantially the form set forth in the Supplemental Resolution pursuant to which such series of Bonds are issued.

Redemption of Bonds

Bonds may be made subject to redemption either in whole or in part and at such times, prices and in such order and under such terms as may be provided by the Supplemental Resolution providing for the issuance of such Bonds. The District may provide for the redemption of Bonds from any funds available to the District and not obligated for other purposes.

In connection with the partial early redemption of any Term Bonds of a Series, the Authority may, in any Supplemental Resolution, provide that the principal amount of Bonds of such Series being redeemed shall be allocated against its scheduled sinking fund redemption and modify its scheduled sinking fund installments payable thereafter as to the Outstanding Term Bonds of such Series in any manner the Authority may determine. The Authority may provide in any Supplemental Resolution that, prior to notice of redemption for any Bonds of a Series, money in the Debt Service Account, the Common Reserve Account or any Series Debt Service Reserve Account relating to such Series of Bonds may be applied at the direction of the Authority to the purchase of Bonds of such Series and, if any such purchased Bonds are Term Bonds, the Authority may allocate the principal amount of Bonds of such Series being redeemed against its scheduled sinking fund redemption for such Bonds and may modify its scheduled sinking fund installments thereafter payable with respect to Bonds of such Series in any manner the Authority may determine.

Notice of Redemption

Unless waived by any registered owner of Bonds to be redeemed and except as may be otherwise provided in a Supplemental Resolution, official notice of any such redemption shall be given by the Bond Registrar on behalf of the District by mailing a copy of an official redemption notice by first class mail, at least 30 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated, shall contain the complete official name of the Bond issue, and shall state:

(1) the redemption date;

(2) the redemption price;

(3) the interest rate (unless such Bonds constitute Variable Rate Indebtedness) and maturity date of the Bonds being redeemed;

(4) if less than all the Outstanding Bonds are to be redeemed, the Bond numbers, and, where part of the Bonds evidenced by one Bond certificate are being redeemed, the respective Principal Amounts of such Bonds to be redeemed;

(5) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after such date; and

(6) the place where such Bonds are to be surrendered for payment of the redemption price (which place of payment shall be the principal payment office of the Paying Agent or at such other office designated by the Paying Agent for such purpose) and the name, address, and telephone number of a person or persons at the Paying Agent who may be contacted with respect to the redemption.

Any notice of optional redemption of any Bonds may specify that the redemption is contingent upon the deposit of money with the Paying Agent in an amount sufficient to pay the redemption price (which price shall include the redemption premium, if any) of all the Bonds or portions of Bonds that are to be redeemed on that date.

Not later than the redemption date, the District shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

In addition to the foregoing notice, further notice shall be given by the Bond Registrar in a number of days to be specified in a Supplemental Resolution before the date of mailing of such notice to the registered owners by first-class, registered or certified mail or overnight delivery service or facsimile transmission to the Municipal Securities Rulemaking Board, through the Electronic Municipal Market Access system for municipal securities disclosures, or as may otherwise be provided in a Supplemental Resolution. Each further notice of redemption given shall contain the information required above for an official notice of redemption plus (a) the CUSIP numbers of all Bonds being redeemed; (b) the date of issue of the Bonds as originally issued; (c) the rate of interest borne by each Bond being redeemed; (d) the maturity date of each Bond being redeemed; and (e) any other descriptive information needed to identify accurately the Bonds being redeemed. No defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

For so long as DTC is effecting book-entry transfers of the Bonds, the Bond Registrar shall provide the notices specified above to DTC. It is expected that DTC shall, in turn, notify its participants and that the participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Bond Registrar, a participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Any defect in any notice of redemption shall not affect the validity of proceedings for redemption of the Bonds.

Establishment of Funds

The following funds have been established:

(a) Gross Revenue Fund to be held by the District;

(b) Operating and Maintenance Fund to be held by the District;

(c) Debt Service Fund to be maintained in trust and held by the Trustee, in which there is established a separate account for each Series of Bonds pursuant to Section 4.06 of the Master Bond Resolution;

(d) Debt Service Reserve Fund to be maintained in trust and held by the Trustee, in which there is established a Common Reserve Account and one or more Series Debt Service Reserve Accounts, in accordance with Sections 4.08 and 4.09 of the Master Bond Resolution;

(e) Subordinate Obligation Debt Service Fund to be maintained in trust and held by the Trustee, in which there is established a separate debt service account, and a debt service reserve account, pursuant to Section 5.06 of the Master Bond Resolution;

(f) Operating and Maintenance Reserve Fund to be held by the District;

(g) Rebate Fund to be held by the District; and

(h) Airport Capital Fund to be held by the District, in which there is established an Equipment and Capital Outlay Account, a Capital Projects Account, a Rolling Coverage Account, and a General Capital Account.

Gross Revenue Fund

So long as any Bonds remain Outstanding, the District covenanted and agreed that all Revenues derived and to be derived by the District from the operation of the Airport System including all Revenues derived by the District from all additions, extensions, enlargements and improvements of the Airport System hereafter made or acquired will be paid and deposited promptly in the Gross Revenue Fund, which shall be segregated and kept separate and apart from the other revenues and funds of the District.

Ratification of Previously Created Funds and Accounts

(a) That certain fund designated as the PFC Revenue Fund previously created and designated exclusively for deposit of Passenger Facility Charges (sometimes referred to as PFCs) shall continue to exist and PFCs shall continue to be exclusively deposited into the PFC Revenue Fund, unless otherwise provided in a Supplemental Resolution.

(b) That certain fund designated as the CFC Revenue Fund previously created and designated exclusively for deposit of Customer Facility Charges (sometimes referred to as CFCs) shall continue to exist and CFCs shall continue to be exclusively deposited into the CFC Revenue Fund, unless otherwise provided in a Supplemental Resolution.

Receipt, Deposit and Use of Revenues Deposited into the Gross Revenue Fund

No later than the fifth day of each month, all Revenues deposited in the Gross Revenue Fund shall be set aside for the payment of the following amounts or deposited or transferred to the following funds and accounts in the order listed:

(a) *Operation and Maintenance Expenses*. The District shall first pay from the Gross Revenue Fund a sufficient amount of Revenues to pay all Operation and Maintenance Expenses due in the next month to the Operating and Maintenance Fund. The District shall pay all Operation and Maintenance Expenses as they become due and payable from money available in the Operating and Maintenance Fund.

(b) *Debt Service Fund; Other Amounts Due on Bonds*. The District shall next pay from the Gross Revenue Fund a sufficient amount of Revenues, without priority and on an equal basis, except as to timing of payment, to the Debt Service Fund in the amounts, at the times and in the manner provided in Section 4.06 of the Master Bond Resolution to provide for the payment of the principal of and interest to come due on the Outstanding Bonds and for the payment of amounts, other than principal and interest, if any, due on the Outstanding Bonds.

(c) *Common Reserve Account and Series Debt Service Reserve Accounts*. The District shall next pay from the Gross Revenue Fund a sufficient amount of Revenues, without priority and on an equal basis, except as to timing of payment, to the Common Reserve Account, the Series Debt Service Reserve Account, and any other accounts within the Debt Service Reserve Fund, if any, at the times, in such amounts, and to be used in the manner provided for, as specified in Sections 4.08 and 4.09 of the Master Bond Resolution and any Supplemental Resolution.

(d) *Subordinate Obligation Debt Service*. The District shall next pay from the Gross Revenue Fund a sufficient amount of Revenues to the Subordinate Obligation Debt Service Fund (and deposited into the applicable debt service account or debt service reserve account therein) such amounts and, at such times, as are sufficient to pay the debt service on any indebtedness, including Subordinate Obligations, issued pursuant to the terms of a subordinate resolution, but only to the extent a specific pledge of Net Revenues has been made pursuant to such subordinate resolution to the payment of debt service on such indebtedness.

(e) *Operating and Maintenance Reserve Fund*. The District shall next pay from the Gross Revenue Fund into the Operating and Maintenance Reserve Fund one-twelfth ($1/12^{th}$) of the amount needed to bring the balance in the Operating and Maintenance Reserve Fund to an amount equal to one-sixth ($1/6^{th}$) of the amount of operating expenses budgeted by the District for the current fiscal year. If the balance in the Operating and Maintenance Reserve Fund is greater than or equal to one-sixth ($1/6^{th}$) of the amount of operating expenses budgeted by the District for the current fiscal year, no deposit is required.

(f) *Rebate Fund*. The District shall next pay from the Gross Revenue Fund into the Rebate Fund such amount, if any, as required to satisfy the District's obligations with respect to any arbitrage rebate calculations related to a Series of Bonds.

(g) *Airport Capital Fund*. When and after the District shall have made all payments from the Gross Revenue Fund required at the time to be made under the provisions of Section 4.04 (a) through (g) in the Master Bond Resolution, all remaining money in the Gross Revenue Fund shall be credited to the Airport Capital Fund. Money in the Airport Capital Fund shall be used for any lawful purpose of the Airport System. As determined by the District, money credited to the Airport Capital Fund shall be deposited into, and may be subsequently transferred among, unless otherwise provided in a Supplemental Resolution, one or more of the following accounts (the listing of the following accounts is not intended to establish a priority of one account over another):

(i) *Equipment and Capital Outlay Account* – the District may deposit money from the Airport Capital Fund into the Equipment and Capital Outlay Account in an amount to be determined by the District. Money in the Equipment and Capital Outlay Account may be used by the District to fund any equipment purchases or capital outlays that are included in the budget for the Airport System for a Fiscal Year.

(ii) *Capital Projects Account* – the District may deposit money from the Airport Capital Fund into the Capital Projects Account in an amount to be determined by the District. Money in the Capital Projects Account may be used to fund all, or any portion of, capital projects that are included in the budget for the Airport System for a Fiscal Year, provided that such amounts shall not be used to pay any costs that are being funded from any Equipment and Capital Outlay Account created pursuant to subsection (i) above.

(iii) *Rolling Coverage Account* – the District may deposit money from the Airport Capital Fund into the Rolling Coverage Account in an amount to be determined by the District. Unless otherwise required by a Supplemental Resolution, the District is not required to make any deposit into the Rolling Coverage Account or to retain any such amount deposited in the Rolling Coverage Account. Any money in the Rolling Coverage Account may be taken into account for purposes of Sections 5.04 and 6.03 of the Master Bond Resolution, or transferred from this account into the Gross Revenue Fund, or used for any other lawful purpose of the Airport System.

(iv) *General Capital Account* – subject to compliance with the immediately succeeding paragraph, all remaining money in the Airport Capital Fund not deposited to the Equipment and Capital Outlay Account, the Capital Projects Account, or the Rolling Coverage Account shall be deposited into the General Capital Account and may be accumulated by the District to be used to pay the costs of any future capital project or projects (whether or not such projects have been specifically identified), transferred to any other fund or account, or used by the District for any other lawful purpose of the Airport System.

If any General Obligation Bonds of the District are outstanding at the end of a Fiscal Year, then within 60 days after the end of such Fiscal Year, and after all deposits required to be made into each of the Funds have been made, sufficient money remaining in the Gross Revenue Fund that are not required to make up deficiencies in any of the Funds or to pay costs of operating, maintaining, enlarging, or improving any Airport Facilities shall be transferred to the Charleston County Treasurer to be applied by the Charleston County Treasurer for the payment of the interest and principal on the General Obligation Bonds of the District for the next succeeding Fiscal Year; provided, however, in the event that the Charleston County Treasurer has at such time sufficient moneys available for payment of the principal of and interest to come due on all the General Obligation Bonds of the District for the next succeeding Fiscal Year no such transfer need be made and such excess shall be deposited in the General Capital Account. The District may create additional funds and accounts to facilitate the operation of this paragraph.

Deficiency of Payments into Funds or Accounts

If at any time the revenues accruing to the Gross Revenue Fund are insufficient to make any payment or credit on the date or dates specified, the District shall transfer the amount of such deficiency out of the first available Revenues thereafter accruing to the Gross Revenue Fund from the operation of the Airports, such transfer being made and applied in the order specified.

Senior Lien Obligations Prohibited

The District has covenanted and agreed that so long as any Bonds are Outstanding under the Master Bond Resolution, it will not issue any additional bonds or other obligations with a lien on or security interest granted in Net Revenues, which is senior to the Bonds.

Additional Bonds

The District has covenanted and agreed that so long as any of the Bonds remain Outstanding, it will not issue any additional Bonds or other obligations, which stand on a parity or equality with the Bonds except in accordance with the following conditions and provisions:

(a) A Supplemental Resolution shall have been passed authorizing the issuance of such Bonds.

(b) There shall be no default by the District in the payment of any sums required to be paid under Section 4.04 of the Master Bond Resolution.

(c) An Authorized Authority Representative shall have executed a certificate to the effect that: (i) none of the Events of Default set forth in Section 7.01 of the Master Bond Resolution have occurred and remain uncured or (ii) that upon issuance of such Series of Bonds, all Events of Default set forth in Section 7.01 of the Master Bond Resolution that have occurred and are continuing, shall be cured;

(d) The District shall have received an opinion of Bond Counsel, dated as of the date of issuance of the Bonds, to the effect that the Supplemental Resolution authorizing the issuance of Bonds has been duly passed by the Authority;

(e) There shall be written instructions from the District to authenticate the Bonds and, upon receipt of the purchase price, to deliver the Bonds to or upon the order of the purchasers named in such instructions; and

(f) The tests for issuance of Bonds set forth in Section 5.04 of the Master Bond Resolution, as applicable, shall have been satisfied.

Refunding Bonds

Refunding Bonds may be issued under and secured by the Master Bond Resolution. Such Refunding Bonds shall be issued in accordance with the provisions of Sections 5.02 and 5.04 of the Master Bond Resolution.

Tests for Issuance of Bonds

Subject to the provisions under paragraphs (c)(i), (ii) or (iii) below, as a condition to the issuance of any Series of Bonds, there shall first be delivered to the District either:

(a) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by an Authorized Authority Representative showing that the Net Revenues for the last Fiscal Year for which audited financial statements are available, or, based upon the District's unaudited, internally prepared, financial statements for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds, together with any amount on deposit in the Rolling Coverage Account as of the end of the immediately preceding Fiscal Year, were at least equal to 125% of Aggregate Annual Debt Service with respect to all Outstanding Bonds and the proposed Series of Bonds, for such Fiscal Year or other applicable periods calculated as if the proposed Series of Bonds was then Outstanding; or

(b) (i) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by an Authorized Authority Representative, showing that the Net Revenues for the last Fiscal Year for which audited financial statements are available, or, based upon the District's unaudited, internally prepared, financial statements for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds, together with any amount deposited in the Rolling Coverage Account as of the end of the immediately preceding Fiscal Year, were at least equal to 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds (not including the proposed Series of Bonds) for such Fiscal Year or other applicable period; and

(ii) a certificate from a Consultant showing that the estimated Net Revenues for each of three (3) consecutive Fiscal Years beginning with the first Fiscal Year in which Annual Debt Service is due on or with respect to the Series of Bonds proposed to be issued, and for the payment of all of which provision has not been made as indicated in the report of such Consultant from the proceeds of such Series of Bonds and/or from interest that has been capitalized from the proceeds of previously issued Bonds, will be at least equal to 125% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Bonds and the proposed Series of Bonds (calculated as if the proposed Series of Bonds was then Outstanding).

For purposes of paragraph (a) above, the amount of any money deposited into the Rolling Coverage Account taken into account cannot exceed 25% of the Aggregate Annual Debt Service on the Outstanding

Bonds and the proposed Series of Bonds. For purposes of paragraph (b)(i) and (ii) above, the amount of any money deposited into the Rolling Coverage Account taken into account in any year cannot exceed 25% of the Aggregate Annual Debt Service on the Outstanding Bonds in such year.

For purposes of paragraph (b)(ii) above, in estimating Net Revenues, the Consultant may take into account Revenues from Projects or Airport Facilities reasonably expected to become available during the period for which the estimates are provided and an amount estimated by the Consultant to be on deposit during such period of time in the Rolling Coverage Account. With respect to Operation and Maintenance Expenses, the Consultant shall use such assumptions as the Consultant believes to be reasonable, taking into account: (i) historical Operation and Maintenance Expenses, (ii) Operation and Maintenance Expenses associated with the Projects and any other new Airport Facilities, and (iii) such other factors, including inflation and changing operations or policies of the District, as the Consultant believes to be appropriate. The Consultant shall include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Net Revenues and shall also set forth the calculations of Aggregate Annual Debt Service, which calculations may be based upon information provided by another Consultant.

(c) Neither of the certificates described under paragraph (a) or (b) above shall be required:

(iii) if the Bonds being issued are for the purpose of refunding then Outstanding Bonds and (A) an Authorized Authority Representative executes a certificate showing that Aggregate Annual Debt Service for each Fiscal Year after the issuance of such Refunding Bonds will not exceed the Aggregate Annual Debt Service for any Fiscal Year prior to the issuance of such Refunding Bonds in the years through the final maturity of the Outstanding Bonds to be refunded, or (B) the District obtains a report from a Consultant demonstrating that the refunding will reduce the total debt service payments on all Outstanding Bonds on a present value basis;

(iv) if the Bonds being issued constitute Notes and an Authorized Authority Representative executes, instead, a certificate showing that the principal amount of the proposed Notes being issued, together with the principal amount of any Notes then Outstanding, does not exceed 10% of the Net Revenues for any 12 consecutive months out of the most recent 24 months immediately preceding the issuance of the proposed Notes, accompanied by a certificate of an Authorized Authority Representative setting forth calculations showing that for each of the Fiscal Years during which the Notes will be Outstanding, and taking into account the debt service becoming due on such Notes, the District will be in compliance with Section 6.03(a) and (b) of the Master Bond Resolution; or

(v) if the Bonds being issued are to pay costs of completing a Project for which Bonds have previously been issued and the principal amount of such Bonds being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of the Bonds originally issued for such Project and reasonably allocable to the Project to be completed as shown in a written certificate of an Authorized Authority Representative and there is delivered to the District (1) a Consultant's certificate stating that the nature and purpose of such Project has not materially changed and (2) a certificate of an Authorized Authority Representative to the effect that (x) all of the proceeds (including investment earnings on amounts in the Construction Fund allocable to such Project) of the original Bonds issued to finance such Project have been or will be used to pay Costs of the Project and (y) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus money available in the Construction Fund established for the Project (including unspent proceeds of Bonds previously issued for such purpose) and (z) the proceeds to be received from the issuance of such Bonds plus money available in the Construction Fund established for the Project (including unspent proceeds of the Bonds previously issued for such purpose) will be sufficient to pay the remaining estimated Costs of the Project.

Repayment Obligations Afforded Status of Bonds

(a) Unless otherwise provided in a Supplemental Resolution, if a Credit Provider or Liquidity Provider makes payment of principal of and/or interest on a Bond or advances funds to purchase or provide for the purchase of Bonds and is entitled to reimbursement thereof, pursuant to a separate written agreement with the District, but is not reimbursed, the Repayment Obligation under such written agreement may, if so provided in the written agreement, be afforded the status of a Bond issued under the Master Bond Resolution, and, if afforded such status, the Credit Provider or Liquidity Provider shall be the Bondholder and such Bond shall be deemed to have been issued at the time of the original Bond for which the Credit Facility or Liquidity Facility was provided and will not be subject to the provisions of Sections 5.02 or 5.04 of the Master Bond Resolution, provided that the payment terms of the Bond held by the Credit Provider or Liquidity Provider shall be as set forth in the written agreement with the Credit Provider or Liquidity Provider or a Supplemental Resolution pursuant to which such Bonds are issued. This provision shall not defeat or alter the rights of subrogation that any Credit Provider or Liquidity Provider may have under law or under the terms of any Supplemental Resolution. The Trustee and the Paying Agent may conclusively rely on a written certification by the Credit Provider or the Liquidity Provider of the amount of such non-reimbursement and that such Repayment Obligation is to be afforded the status of a Bond under the Master Bond Resolution.

(b) In addition to the Repayment Obligations described in paragraph (a) above, any other amounts owed by the District to a Credit Provider or a Liquidity Provider pursuant to the provisions of a written agreement between the District and the Credit Provider or the Liquidity Provider, that are Repayment Obligations under such written agreement, shall, if so provided in the written agreement, be afforded the status of a Bond issued under Article II of the Master Bond Resolution and, if afforded such status, the Credit Provider or the Liquidity Provider shall be deemed to be the Holder of such Bond, and such Bond shall be deemed to have been issued at the time of the original Bond for which the Credit Facility or Liquidity Facility was provided and will not be subject to the provisions of Sections 5.02 or 5.04 of the Master Bond Resolution. Such Repayment Obligation will be paid in accordance with the terms of the Supplemental Resolution pursuant to which the Bonds are issued or the terms of the agreement with the Credit Provider or the Liquidity Provider. The Trustee and the Paying Agent may conclusively rely on a written certification by the Credit Provider or the Liquidity Provider of the amount of such non-reimbursement and that such Repayment Obligation is to be afforded the status of a Bond under the Master Bond Resolution.

Subordinate Obligations

The District may, from time to time, incur indebtedness that is subordinate to the Bonds and which indebtedness is, in the Master Bond Resolution, referred to as Subordinate Obligations. Such indebtedness shall be incurred at such times and upon such terms as the Authority shall determine, provided that:

(a) any Supplemental Resolution authorizing the issuance of any Subordinate Obligations shall specifically state that such lien on or security interest granted in the Net Revenues is junior and subordinate to the lien on and security interest in such Net Revenues and other assets granted to secure the Bonds;

(b) payment of principal of and interest and other amounts due on such Subordinate Obligations shall be permitted, provided that all deposits and payments required to be made pursuant to Section 4.04(a) through (d) of the Master Bond Resolution have been made or satisfied;

(c) At the time of issuance of any Subordinate Obligations, there shall be established a debt service account for such Subordinate Obligations within the Subordinate Obligation Debt Service Fund. Such debt service account shall be held in trust by the Trustee, and amounts to be used to pay principal of and interest on such Subordinate Obligations shall be deposited therein and used for such purpose; and

(d) The District may, at the time of issuance of any Subordinate Obligations, create a debt service reserve account for such Subordinate Obligations within the Subordinate Obligation Debt Service Fund. Such debt service reserve account shall be held by the Trustee for the purpose described in the Supplemental Resolution authorizing the issuance of such Subordinate Obligations.

Special Facilities and Special Facility Obligations.

The District shall be permitted to designate new or existing Airport Facilities as Special Facilities. The District may, from time to time, and subject to the terms and conditions of the Master Bond Resolution, (a) designate a separately identifiable existing facility or improvement or planned facility or improvement as a "Special Facility," (b) incur debt primarily for the purpose of acquiring, constructing, renovating or improving or providing financing or refinancing to a third party to acquire, construct, renovate or improve, such facility or improvement, without a pledge of any Net Revenues (except as otherwise provided in clause (c) of the succeeding paragraph), (c) provide that the contractual payments derived from or related to such Special Facility, together with other income and revenues available to the District from such Special Facility to the extent necessary to pay debt service on the Special Facility Obligations, to pay all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the District and to make all required sinking fund, reserve or other payments as the same become due, be "Special Facilities Revenue" and not included as Revenues or Net Revenues unless otherwise provided in any Supplemental Resolution, and (d) provide that the debt so incurred shall be a "Special Facility Obligation." Special Facility Obligations shall not be issued under the Master Bond Resolution.

Special Facility Obligations shall be payable as to principal, redemption premium, if any, and interest solely from (a) Special Facilities Revenue, which shall include contractual payments derived by the District under and pursuant to a contract (which may be in the form of a lease) relating to a Special Facility by and between the District and another person, firm or corporation, either public or private, as shall undertake the operation of a Special Facility, (b) proceeds of such Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations, if any, or (c) subject to any covenants or other provisions of this Master Bond Resolution (including, but not limited to, Sections 5.02, 5.04, 5.05 and 6.03 of the Master Bond Resolution or such other resolutions, agreements or indentures of the Authority), such Net Revenues, or other money not included in Net Revenues, made available by the District through a specific pledge to the payment of the principal of and interest on such Special Facility Obligation in such amounts and at such times as may be agreed to by the Authority, if any.

To the extent Special Facilities Revenue received by the District during any Fiscal Year shall exceed the amounts required to be paid as described in clause (c) of the first paragraph of this Section for such Fiscal Year, such excess Special Facilities Revenue, to the extent not otherwise encumbered or restricted, may constitute Revenues as determined by the Authority.

Notwithstanding any other provision of the Master Bond Resolution, at such time as the Special Facility Obligations issued for a Special Facility, including Special Facility Obligations issued to refinance Special Facility Obligations, are fully paid or otherwise discharged, all revenues generated by such Special Facility shall be included as Revenues.

Rate Covenant

The District has covenanted to fulfill all of the following requirements:

(a) The District shall, while any of the Bonds remain Outstanding (but subject to all existing contracts and legal obligations of the District as of the date of execution of the Master Bond Resolution setting forth restrictions relating thereto), establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that Net Revenues in each Fiscal Year will be at least equal to the sum of the following amounts:

(i) the Annual Debt Service on any Outstanding Bonds required to be funded by the District in such Fiscal Year as required by the Master Bond Resolution or any Supplemental Resolution with respect to the Outstanding Bonds;

(ii) the required deposits to the Common Reserve Account and any Series Debt Service Reserve Account that may be established by a Supplemental Resolution;

(iii) the required deposits to the Operating and Maintenance Reserve Fund required by Section 4.04(f) of the Master Bond Resolution;

(iv) the reimbursement or repayment of other amounts owed to any Credit Provider or Liquidity Provider as required by a Supplemental Resolution;

(v) the interest on and principal of any indebtedness required to be funded during such Fiscal Year other than for Outstanding Bonds, including Subordinate Obligations; and

(vi) payments of any reserve requirement for debt service for any indebtedness other than Outstanding Bonds, including Subordinate Obligations.

(b) The District will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues, together with any amount deposited in the Rolling Coverage Account as of the end of the immediately preceding Fiscal Year, will be equal to at least 125% of Annual Debt Service on the Outstanding Bonds in such Fiscal Year. For purposes of this paragraph (b), the balance in the Rolling Coverage Account taken into account shall not exceed 25% of the Aggregate Annual Debt Service on the Outstanding Bonds in such Fiscal Year.

(c) If Net Revenues, together with any amount deposited in the Rolling Coverage Account (as applied in accordance with paragraph (b) above), in any Fiscal Year are less than the amount specified in paragraph (a) and (b) above, the District will retain and direct a Consultant to make recommendations as to the revision of the operations of the Airport System and its schedule of rentals, rates, tolls, fees and charges for the use of the Airport System and for services rendered by the District in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the District shall take all lawful measures to revise the schedule of rentals, rates, tolls, fees and charges as may be necessary to produce Net Revenues in the amount specified in paragraph (a) and (b) above in the next succeeding Fiscal Year.

In the event that Net Revenues for any Fiscal Year are less than the amount specified in paragraph (a) or (b) above, but the District promptly has taken prior to or during the next succeeding Fiscal Year all lawful measures to revise the schedule of rentals, rates, tolls, fees and charges as required by this paragraph (c), such deficiency in Net Revenues shall not constitute an Event of Default under the provisions of Section 7.01(d) of the Master Bond Resolution. Nevertheless, if after taking the measures required by this paragraph (c) to revise the schedule of rentals, rates, tolls, fees and charges, Net Revenues in the next succeeding Fiscal Year (as evidenced by the audited financial statements of the District relating to the Airport System for such Fiscal Year) are less than the amount specified in paragraph (a) or (b) above, such deficiency in Net Revenues shall constitute an Event of Default under the provisions of Section 7.01(d) of the Master Bond Resolution.

Events of Default

Each of the following events shall constitute and is referred to in the Master Bond Resolution as an "**Event of Default**":

(a) a failure to pay the principal of or premium, if any, on any of the Bonds when the same shall become due and payable at maturity or upon redemption;

(b) a failure to pay any installment of interest on any of the Bonds when such interest shall become due and payable;

(c) except as otherwise provided in a Supplemental Resolution, a failure to pay the purchase price of any Bond when such purchase price shall be due and payable upon an optional or mandatory tender date as provided in a Supplemental Resolution;

(d) a failure by the District to observe and perform any covenant, condition, agreement or provision (other than as specified in paragraphs (a), (b) and (c) above) that are to be observed or performed by the District and which are contained in the Master Bond Resolution or a Supplemental Resolution, which failure, except for a violation under Section 6.03 of the Master Bond Resolution which shall be controlled by the provisions set forth therein, shall continue for a period of ninety (90) days after written notice specifying such failure and requiring it to be remedied shall have been given to the District by the owners of not less than, or a Credit Provider or Liquidity Provider securing not less than, 25% in aggregate Principal Amount of the Bonds then Outstanding; provided, however, if the failure stated in such notice can be corrected, but not within such 90-day period, the District shall have 180 days after such written notice to cure such default if corrective action is instituted by the District within such 90-day period and diligently pursued until the failure is corrected; or

(e) the filing by the District of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the District, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of the Airport System; or

(f) the occurrence of any other Event of Default as is provided in a Supplemental Resolution.

Remedies

(a) Upon the occurrence and continuance of any Event of Default, the Trustee may proceed to protect and enforce the rights of the owners of Bonds by such of the following remedies as it shall deem most effectual to protect and enforce such rights:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the District to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under any law to which it is subject and the Bond Resolution;

(ii) bring suit upon the Bonds;

(iii) commence an action or suit in equity to require the District to account as if it were the trustee of an express trust for the Bondholders;

(iv) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Bondholders; or

(v) by pursuing any other available remedy at law or in equity or by statute.

In the enforcement of any remedy under the Bond Resolution, the Trustee shall be entitled to sue for, enforce payment on, and receive any and all amounts then or during any default becoming, and at any time remaining, due from the District for Principal Amount, redemption premium, interest, or otherwise, under any provision of the Bond Resolution or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under the Bond Resolution and under such Bonds, without prejudice to any other right or remedy of the owners of Bonds, and to recover and enforce a judgment or decree against the District for any portion of such amounts remaining unpaid, with interest, costs, and expenses, and to collect from any money available for such purpose, in any manner provided by law, the money adjudged or decreed to be payable.

(b) Except with respect to the rights of a Credit Provider or a Liquidity Provider as provided in a Supplemental Resolution or a written agreement between the District and a Credit Provider or a Liquidity Provider, in no event, upon the occurrence and continuation of an Event of Default described in Section 7.01 of the Master Bond Resolution, shall the Trustee, Bondholders, a Credit Provider, a Liquidity Provider or any other party have the right to accelerate the payment of principal of and interest on the Bonds Outstanding.

No Obligation to Levy Taxes

Nothing contained in the Master Bond Resolution or any Supplemental Resolution shall be construed as imposing on the Authority, on behalf of the District, any duty or obligation to levy any taxes either to meet any obligation incurred herein or to pay the principal of or interest on the Bonds.

Defeasance

Bonds or portions thereof that have been paid in full or are deemed paid in full shall not be secured by or entitled to the benefits of the Master Bond Resolution except for the purposes of payment from money or Federal Securities held by a Paying Agent or other bank or trust company in trust.

A Bond shall be deemed to be paid for all purposes of the Master Bond Resolution when payment of the principal, interest and premium or other amounts, if any, either shall have been (a) made or caused to be made in accordance with the terms of the Bonds and the Master Bond Resolution or (b) provided for by irrevocably depositing with the Paying Agent or other bank or trust company in trust exclusively for such payment, (i) money sufficient to make such payment and/or (ii) noncallable Federal Securities maturing as to principal and interest in such amounts and at such times as will ensure the availability of sufficient money to make such payment. As to any deposit of Federal Securities, the Paying Agent or other bank or trust company shall have received a verification report prepared by an Independent certified public accountant, or other verification agent, satisfactory to the Authority, to the effect that the payment of the principal of and redemption premium, if any, and interest on such Bonds has been provided for.

Notice of redemption shall be made at the time of such defeasance or prior to such date required by the Supplemental Resolution under which such Bonds were issued. The District may at any time, prior to issuing such notice of redemption as may be required by the Supplemental Resolution under which such Bonds were issued, modify or otherwise change the scheduled date for the redemption or payment of any Bond deemed to be paid under the terms of the foregoing paragraph in accordance with the terms of the Bonds or the Master Bond Resolution subject to (A) receipt of an approving opinion of nationally recognized Bond Counsel that such action will not adversely affect the tax-exemption of any Bond or Bonds then Outstanding and (B) receipt of an approving opinion of a nationally recognized accounting firm that there are sufficient money and/or Federal Securities to provide for the payment of such Bonds.

Supplemental Resolutions Not Requiring Consent of Bondholders

The Authority, on behalf of the District, may, from time to time and at any time, without the consent of or notice to the Bondholders, execute and deliver Supplemental Resolutions supplementing and/or amending the Master Bond Resolution or any Supplemental Resolution as follows:

(a) to provide for the issuance of a Series or multiple Series of Bonds and to set forth the terms of such Bonds and the special provisions that shall apply to such Bonds;

(b) to provide for the issuance of Subordinate Obligations and to set forth the terms of such Subordinate Obligations and the special provisions that shall apply;

(c) to cure any formal defect, omission, inconsistency or ambiguity in, or answer any questions arising under, the Master Bond Resolution or any Supplemental Resolution, provided such supplement or amendment is not materially adverse to the Bondholders;

(d) to add to the covenants and agreements of the District in the Master Bond Resolution or any Supplemental Resolution other covenants and agreements, or to surrender any right or power reserved or conferred upon the District, provided such supplement or amendment shall not adversely affect the interests of the Bondholders;

(e) to subject to the lien and pledge of the Master Bond Resolution additional revenues, receipts, properties, or other collateral;

(f) to evidence any change made in the terms of any Series of Bonds if such changes are authorized by the Supplemental Resolution at the time the Series of Bonds is issued and such change is made in accordance with the terms of such Supplemental Resolution;

(g) to comply with the requirements of the Trust Indenture Act of 1939, as amended from time to time;

(h) to provide for uncertificated Bonds or for the issuance of coupons and bearer Bonds or Bonds registered only as to principal;

(i) to qualify the Bonds or a Series of Bonds for a rating or ratings from a Rating Agency;

(j) to accommodate the technical, operational and structural features of Bonds that are issued or are proposed to be issued, including, but not limited to, changes needed to accommodate commercial paper, auction bonds, variable rate or adjustable rate bonds, discounted or compound interest bonds or other forms of indebtedness that the Authority from time to time deems appropriate to incur;

(k) to accommodate the use of a Credit Facility or Liquidity Facility for specific Bonds or a specific Series of Bonds;

(l) to comply with the requirements of the Code as are necessary, in the opinion of Bond Counsel, to prevent the federal income taxation of the interest on the Bonds, including, without limitation, the segregation of Revenues and Net Revenues into different funds;

(m) to make an Irrevocable Commitment to use Passenger Facility Charges, Federal Direct Payments, or money available under a grant to pay Annual Debt Service on Bonds; and

(n) to modify, alter, amend or supplement the Master Bond Resolution or any Supplemental Resolution in any other respect that is not materially adverse to the Bondholders.

Before the Authority, on behalf of the District, may execute any Supplemental Resolution, there shall have been delivered to the District and the Trustee an opinion of Bond Counsel to the effect that such Supplemental Resolution: (y) is authorized or permitted by the Master Bond Resolution and any applicable law, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the District in accordance with its terms and (z) will not cause interest on any of the Bonds that is then excluded from gross income of the recipient thereof for federal income tax purposes to be included in gross income for federal income tax purposes. The opinion of Bond Counsel required pursuant to clause (z) in the preceding sentence shall not be required for a Supplemental Resolution executed and delivered in accordance with Section 9.02(a) of the Master Bond Resolution.

Supplemental Resolution Requiring Consent of Bondholders

(a) Except for any Supplemental Resolution entered into as described in the section above entitled "Supplemental Resolutions Not Requiring Consent of Bondholders" and any Supplemental Resolution entered into pursuant to paragraph (b) below, the holders of not less than 51% in aggregate Principal Amount of the Bonds then Outstanding shall have the right from time to time to consent to and approve the execution by the Authority of any Supplemental Resolution deemed necessary or desirable by the Authority for the purposes of modifying, altering, amending, supplementing or rescinding any of the terms or provisions contained in the Master Bond

Resolution or in a Supplemental Resolution; provided, however, that, unless approved in writing by the holders of all the Bonds then Outstanding or unless such change affects less than all Series of Bonds and paragraph (b) below is applicable, nothing herein contained shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of or interest on any Outstanding Bonds or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds or the rate of interest thereon; and provided that nothing herein contained, including the provisions of paragraph (b) below, shall, unless approved in writing by the holders of all the Bonds then Outstanding, permit or be construed as permitting (iii) except as expressly permitted by the Master Bond Resolution, the creation of a lien upon or pledge of the Net Revenues created by the Master Bond Resolution, ranking prior to or on a parity with the claim created by the Master Bond Resolution, (iv) except with respect to additional security which may be provided for a particular Series of Bonds, a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (v) a reduction in the aggregate Principal Amount of Bonds the consent of the Bondholders of which is required for any such Supplemental Resolution. Nothing described in this paragraph, however, shall be construed as making necessary the approval by Bondholders of the execution of any Supplemental Resolution as described in the section above entitled "Supplemental Resolutions Not Requiring Consent of Bondholders," including the granting, for the benefit of particular Series of Bonds, security in addition to the pledge of the Net Revenues.

(b) The Authority, on behalf of the District, may, from time to time and at any time, execute a Supplemental Resolution that amends the provisions of an earlier Supplemental Resolution under which a Series or multiple Series of Bonds were issued. If such Supplemental Resolution is executed for one of the purposes described in the section above entitled "Supplemental Resolutions Not Requiring Consent of Bondholders," no notice to or consent of the Bondholders shall be required. If such Supplemental Resolution contains provisions that affect the rights and interests of less than all Series of Bonds Outstanding and the provisions described in the section above entitled "Supplemental Resolutions Not Requiring Consent of Bondholders" are not applicable, then this paragraph (b) rather than paragraph (a) above shall control and, subject to the terms and provisions contained in this paragraph (b) and Article X of the Master Bond Resolution and not otherwise, the holders of not less than 51% in aggregate Principal Amount of the Bonds of all Series that are affected by such changes shall have the right from time to time to consent to any Supplemental Resolution deemed necessary or desirable by the Authority for the purposes of modifying, altering, amending, supplementing or rescinding any of the terms or provisions contained in such Supplemental Resolution and affecting only the Bonds of such Series; provided, however, that, unless approved in writing by the holders of all the Bonds of all the affected Series then Outstanding, nothing herein contained shall permit, or be construed as permitting, (i) a change in the scheduled times, amounts or currency of payment of the principal of or interest on any Outstanding Bonds of such Series or (ii) a reduction in the principal amount or redemption price of any Outstanding Bonds of such Series or the rate of interest thereon.

(c) If at any time the Authority shall desire to enter into any Supplemental Resolution for any of the purposes described above, the Authority shall cause notice of the proposed execution of the Supplemental Resolution to be given by Mail to all Bondholders or, under paragraph (b) above, all Bondholders of the affected Series. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that a copy thereof is on file at the office of the District for inspection by all Bondholders and it shall not be required that the Bondholders approve the final form of such Supplemental Resolution but it shall be sufficient if such Bondholders approve the substance thereof.

(d) The Authority may execute and deliver such Supplemental Resolution in substantially the form described in such notice, but only if there shall have first been delivered to the District (i) the required consents, in writing, of Bondholders and (ii) the opinion of Bond Counsel required by the last paragraph in the section above entitled "Supplemental Resolutions Not Requiring Consent of Bondholders."

(e) If Bondholders of not less than the percentage of Bonds required above shall have consented to and approved the execution and delivery thereof as herein provided, no Bondholders shall have any right to object to the adoption of such Supplemental Resolution, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution and delivery thereof, or to enjoin or restrain the Authority from executing the same or from taking any action pursuant to the provisions thereof.

(f) Notwithstanding paragraphs (c) through (e) above, the Authority may, at its discretion, execute and deliver a Supplemental Resolution that contains such modifications, alterations, amendments or supplements prior to receipt of the required consents in writing of the Holders; provided, that such Supplemental Resolution or the applicable provisions of such Supplemental Resolution subject to the consents of the Holders shall not become effective until such time as there has been delivered to the District (i) the required consents, in writing, of Holders and (ii) the opinion of Bond Counsel required by the last paragraph of Section 9.02 of the Master Bond Resolution. In the event the Authority decides to execute and deliver a Supplemental Resolution in accordance with this paragraph (f), the notice required in paragraph (c) above shall make reference to a final and executed Supplemental Resolution as opposed to a proposed Supplemental Resolution.

(g) For the purposes of Article IX of the Master Bond Resolution, the purchasers of the Bonds of a Series, whether purchasing as underwriters, for resale or otherwise, upon such purchase, may approve a Supplemental Resolution and may consent to a modification or amendment of the Master Bond Resolution or any Supplemental Resolution and other modifications permitted as described in this section in the manner described herein, except that no proof of ownership shall be required, and with the same effect as a consent given by the Holder of such Bonds; provided, however, that, if such consent is given by a purchaser who is purchasing as an underwriter or for resale, the nature of the modification or amendment and the provisions for the purchaser consenting thereto shall be described in the official statement, prospectus, offering memorandum or other offering document prepared in connection with the primary offering of the Bonds of such Series by the District.

Appointment of Trustee

The Bank of New York Mellon Trust Company, N.A., was appointed by the Authority as Trustee under the Resolution. The Trustee, including any successor Trustee shall, at the time of appointment, be a bank, trust company, or association organized under state or federal law and which is a member of the Federal Reserve System with a capital stock, surplus and undivided profits aggregating in excess of $25,000,000. The same bank, trust company, or association may serve any or all of the roles of Bond Registrar, Paying Agent, and Trustee.

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SUMMARY OF THE FIFTH SUPPLEMENTAL BOND RESOLUTION

The following is a summary of certain provisions of the Fifth Supplemental Bond Resolution to be adopted on or about September 19, 2024 by the Charleston County Aviation Authority. This summary is not to be regarded as a complete statement of the Fifth Supplemental Bond Resolution to which reference is made for a complete statement of the actual terms thereof. Copies of the draft form of the Fifth Supplemental Bond Resolution are on file with the Trustee.

Debt Service Accounts

The District shall deposit into the Series 2024A Debt Service Account the amount of money required by Sections 4.04 and 4.06 of the Master Bond Resolution to be used to pay principal of and interest on the Series 2024A Bonds.

The District shall deposit into the Series 2024B Debt Service Account the amount of money required by Sections 4.04 and 4.06 of the Master Bond Resolution to be used to pay principal of and interest on the Series 2024B Bonds.

The District shall deposit into the Series 2024C Debt Service Account the amount of money required by Sections 4.04 and 4.06 of the Master Bond Resolution to be used to pay principal of and interest on the Series 2024C Bonds.

Series 2024 Reserve Accounts

Pursuant to Section 4.08 of the Master Bond Resolution, the District is electing to have the Series 2024 Bonds participate in the Common Reserve Account. As provided in Section 4.03 of the Supplemental Resolution and the Certificate of Final Terms, at the time of issuance of the Series 2024 Bonds, a portion of the proceeds of the Series 2024 Bonds shall be deposited into the Series 2024 Reserve Accounts. The Series 2024 Reserve Accounts shall be established, held, invested, and used as an integral part of the Debt Service Reserve Fund as provided in Section 4.08 of the Master Bond Resolution and shall be available to make payments on all Bonds participating in the Common Reserve Account of the Debt Service Reserve Fund. In the event a Reserve Fund Surety Policy is ever deposited to the Common Reserve Account of the Debt Service Reserve Fund, the Series 2024 Reserve Accounts shall be credited with the portion of any Reserve Fund Surety Policy in accordance with the terms of such Reserve Fund Surety Policy. In the event amounts in the Common Reserve Account of the Debt Service Reserve Fund exceed the Reserve Requirement for the Common Reserve Account of the Debt Service Reserve Fund, such excess shall be transferred to the Series 2024 Debt Service Accounts.

At the time of issuance of the Series 2024 Bonds, the Reserve Requirement with respect to the Series 2024 Bonds shall be equal to the amount set forth on the Certificate of Final Terms.

Designation of Certain Customer Facility Charges (CFCs) as Revenues With Respect to Series 2024 Bonds

Pursuant to the definition of "Revenues" in Article I of the Master Bond Resolution, the Authority confirms the designation of Customer Facility Charges received in each of the Fiscal Years ending in 2025 through 2031 as Revenues for purposes of the Master Bond Resolution and further designates Customer Facility Charges received in each of the Fiscal Years ending in 2025 through 2031 as Revenues for purposes of the Master Bond Resolution. In addition, Customer Facility Charges received in each Fiscal Year after Fiscal Year 2031 are designated and included as Revenues for purposes of the Master Bond Resolution until such time as the Authority by Supplemental Resolution excludes and removes Customer Facility

Charges from Revenues for purposes of the Master Bond Resolution; provided, however, that the Authority shall take no action by Supplemental Resolution or otherwise to exclude and remove Customer Facility Charges from Revenues for purposes of the Master Bond Resolution unless the Authority first obtains a certificate to the effect that the District will be in compliance with Sections 6.03(a) and (b) of the Master Bond Resolution when Customer Facility Charges are no longer designated as Revenues. Satisfaction of the requirements set forth under the definition of "Released Revenues" is not required for Customer Facility Charges received after Fiscal Year 2031 to be excluded and removed as Revenues pursuant to the immediately preceding sentence. The District shall provide notice under the Continuing Disclosure Undertaking in the event that Customer Facility Charges received after Fiscal Year 2031 are excluded and removed as Revenues for purposes of the Master Bond Resolution.

Deposit of Passenger Facility Charges

The Authority hereby confirms and further directs that upon receipt by the District, all PFCs shall be set aside and immediately deposited directly to the credit of the accounts in the PFC Revenue Fund in the following order:

(a) First, to the PFC Debt Service Account, in each of the Fiscal Years 2024 through 2031, inclusive, all or such portion of PFCs received in such Fiscal Year as designated by the District up to any maximum that may be used for the payment of bond capital, financing, and interest set forth by the PFC Final Agency Decision in such Fiscal Year.

(b) Second, to the PFC Project Account all PFCs so received by the District in each Fiscal Year not otherwise required to be applied by paragraph (a) above.

Application of Money in PFC Debt Service Account and PFC Project Account

(a) Amounts credited to the PFC Debt Service Account shall be applied by the District to the Amounts credited to the PFC Debt Service Account shall be applied by the District to the payment of Annual Debt Service of the Series 2023A Bonds and Series 2023B Bonds and any other Series of Bonds eligible for payment from PFCs under the PFC Final Agency Decision by transferring (i) on a pro rata basis of PFC-eligible Annual Debt Service for each such Series of Bonds amounts on deposit in the PFC Debt Service Account to the Debt Service Account for each such Series of Bonds in each Fiscal Year, or (ii) such other method as is consistent with the PFC Final Agency Decision. Any amounts remaining in the PFC Debt Service Account on the last day of the Fiscal Year shall be credited to the PFC Project Account.

(b) Amounts credited to the PFC Project Account may be applied to any lawful purpose relating to the Airport System as the Director of Airports may from time to time determine, including transfer to the PFC Debt Service Account.

(c) The Director of Finance may create Subaccounts to help facilitate administration of the PFC Debt Service Account and the PFC Project Account.

(d) Unless otherwise provided herein, the PFC Revenue Fund and the Accounts created therein will be administered pursuant to the terms of the Master Bond Resolution and any applicable Supplemental Resolution.

(e) The District's obligation to apply PFCs in accordance with the provisions of Article VI of the Fifth Supplemental Resolution for the period of time provided herein constitutes an Irrevocable Commitment of the District within the meaning of the Master Bond Resolution.

Credit Facility Provisions

(a) The Resolution shall include the following defined terms:

"Insured Series 2024 Bonds" means the Series 2024C Bonds maturing on July 1 in the years 2044 through 2054.

"Insurer" means Assured Guaranty Inc., a Maryland corporation, or any successor thereto or assignee thereof. The Insurer shall be deemed to be a Credit Provider for purposes of the Resolution.

"Series 2024 Bond Insurance Policy" means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Series 2024 Bonds when due. The Series 2024 Bond Insurance Policy shall be deemed to be a Credit Facility for purposes of the Resolution.

(b) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Common Reserve Account. Notwithstanding anything to the contrary set forth in the Resolution, amounts on deposit in the Common Reserve Account shall be applied solely to the payment of debt service due on the Series 2024 Bonds and any other Bonds secured by the Common Reserve Account.

(c) The Insurer shall be deemed to be the sole Owner of the Insured Series 2024 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Insured Series 2024 Bonds are entitled to take pursuant to the Resolution pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent. In furtherance thereof and as a term of the Resolution and each Insured Series 2024 Bond, each Owner of the Insured Series 2024 Bonds appoints the Insurer as its agent and attorney-in-fact with respect to the Insured Series 2024 Bonds and agrees that the Insurer may at any time during the continuation of any proceeding by or against the District under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Insured Series 2024 Bonds delegates and assigns to the Insurer, to the fullest extent permitted by law, the rights of each Owner of the Insured Series 2024 Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Paying Agent acknowledges such appointment, delegation and assignment by each Owner of the Insured Series 2024 Bonds for the Insurer's benefit, and agrees to cooperate with the Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Owners shall expressly include mandamus.

(d) The maturity of Insured Series 2024 Bonds shall not be accelerated without the consent of the Insurer and in the event the maturity of the Insured Series 2024 Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the District) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Series 2024 Bond Insurance Policy with respect to such Insured Series 2024 Bonds shall be fully discharged.

(e) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(f) The Insurer is a third-party beneficiary of the Resolution.

(g) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Insured Series 2024 Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of the Resolution which permits the purchase of Insured Series 2024 Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Insured Series 2024 Bond so purchased is not cancelled upon purchase.

(h) Any amendment, supplement, modification to, or waiver of, the Resolution or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Owners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(i) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Series 2024 Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Series 2024 Bonds.

(j) The rights granted to the Insurer under the Resolution or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Series 2024 Bond Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Owners or any other person is required in addition to the consent of the Insurer.

(k) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated in the then highest rating category by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") and Moody's Investors Service, Inc. ("Moody's") for such obligations, or (5) subject to the prior written consent of the Insurer, any other type of security or obligation which S&P and Moody's have determined to be permitted defeasance securities, shall be used to effect defeasance of the Insured Series 2024 Bonds unless the Insurer otherwise approves.

To accomplish defeasance of the Insured Series 2024 Bonds, the District shall cause to be delivered to the Insurer (i) other than with respect to a current refunding that is gross funded, a report of either a nationally-recognized verification agent or a firm of independent, nationally-recognized certified public accountants as shall be acceptable to the Insurer verifying the sufficiency of the escrow established to pay the Insured Series 2024 Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement or other irrevocable written instructions (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally-recognized bond counsel to the effect that the Insured Series 2024 Bonds are no longer "Outstanding" under the Resolution and (iv) a certificate of discharge of the Paying Agent with respect to the Insured Series 2024 Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the District, the Paying Agent and the Insurer.

The Insurer shall be provided with final drafts of the above-referenced documentation not less than five (5) Business Days prior to the funding of the escrow.

Insured Series 2024 Bonds shall be deemed "Outstanding" under the Resolution unless and until they are in fact paid and retired or the above criteria are met.

(l) Amounts paid by the Insurer under the Series 2024 Bond Insurance Policy shall not be deemed paid for purposes of the Resolution and the Insured Series 2024 Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the District in accordance with the Resolution. The Resolution shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(m) The District covenants and agrees to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Pledged Funds under applicable law.

(n) Claims Upon the Series 2024 Bond Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Resolution, moneys sufficient to pay the principal of and interest on the Insured Series 2024 Bonds due on such Payment Date, the Paying Agent shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Series 2024 Bonds due on such Payment Date, the Paying Agent shall make a claim under the Series 2024 Bond Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Series 2024 Bonds and the amount required to pay principal of the Insured Series 2024 Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Series 2024 Bond Insurance Policy.

The Paying Agent shall designate any portion of payment of principal on Insured Series 2024 Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Series 2024 Bonds registered to the then current Owner of the Insured Series 2024 Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Series 2024 Bond to the Insurer, registered in the name of Assured Guaranty Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Insured Series 2024 Bond shall have no effect on the amount of principal or interest payable by the District on any Insured Series 2024 Bond or the subrogation rights of the Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured Series 2024 Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Series 2024 Bond Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Owners of the Insured Series 2024 Bonds referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Series 2024 Bond Insurance Policy in trust on behalf of Owners of the Insured Series 2024 Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Owners of the Insured Series 2024 Bonds in the same manner as principal and interest payments are to be made with respect to the Insured Series 2024 Bonds under the sections of the Resolution regarding payment of Insured Series 2024 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Resolution to the contrary, the District agrees to pay, to the Insurer, solely from the Pledged Funds (i) a sum equal to the total of all amounts paid by the Insurer under the Series 2024 Bond Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then-applicable highest rate of interest on the Insured Series 2024 Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The District hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Net Revenues and payable from such Net Revenues on a parity with debt service due on the Insured Series 2024 Bonds.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. The Paying Agent shall notify the Insurer of any funds remaining in the Policy Payments Account after the Paying Agent has made the payments for which a claim was made to the Owners of the Insured Series 2024 Bonds and shall, at the written direction of the Insurer, promptly remit such funds remaining to the Insurer.

(o) The Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Series 2024 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Series 2024 Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the District to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(p) The District shall pay or reimburse, the Insurer, solely from the Net Revenues, any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Resolution or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Resolution or any other Related Document whether or not executed or completed, or (iv) any litigation, proceeding (including any Insolvency Proceeding) or other dispute in connection with the Resolution or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Series 2024 Bond Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Resolution or any other Related Document. Amounts payable by the District hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Insurer until the date the Insurer is paid in full. The obligation to reimburse the Insurer shall survive discharge or termination of the Related Documents.

(q) After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the District or rebate only after the payment of past due and current debt service on the Series 2024 Bonds and amounts required to restore the Common Reserve Account to the Reserve Requirement.

(r) The Insurer shall be entitled to pay principal or interest on the Insured Series 2024 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Series 2024 Bond Insurance Policy) and any amounts due on the Insured Series 2024 Bonds as a result of acceleration of the maturity thereof, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Series 2024 Bond Insurance Policy) or a claim upon the Series 2024 Bond Insurance Policy.

(s) The Insurer shall have the right to receive such additional information as it may reasonably request.

(t) The District will permit the Insurer to discuss the affairs, finances and accounts of the District or any information the Insurer may reasonably request regarding the security for the Series 2024 Bonds with appropriate officers of the District and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the District on any Business Day upon reasonable prior notice.

(u) The District shall notify the Insurer of any known failure of the District to provide notices, certificates and other information under the Related Documents that are required to be delivered to the Owners of the Series 2024 Bonds.

(v) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Resolution, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Reserve Account is fully-funded at the Reserve Requirement (including the proposed issue) upon the issuance of such additional Bonds, in either case unless otherwise permitted by the Insurer.

(w) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Resolution would adversely affect the security for the Series 2024 Bonds or the rights of the Owners, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Series 2024 Bond Insurance Policy.

(x) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Insured Series 2024 Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

APPENDIX D

FORMS OF OPINIONS OF BOND COUNSEL

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9 October 2024

Charleston County Airport District
Charleston County, South Carolina

Re: $93,880,000 Charleston County Airport District Airport Revenue Bonds, Series 2024A (AMT) (the "2024A Bonds")

Ladies and Gentlemen:

We have acted as Bond Counsel to the Charleston County Airport District (the "District") in connection with the issuance by the District of the 2024A Bonds, dated the date hereof. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

The 2024A Bonds are issued pursuant to the Constitution and laws of the State of South Carolina, including Act No. 1235 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1970, as amended (the "Act"), a Master Bond Resolution adopted by the Charleston County Aviation Authority (the "Authority") on July 23, 2013 (the "Master Resolution"), and a Fifth Supplemental Bond Resolution adopted by the Authority on September 19, 2024 (the "Supplemental Resolution," and together with the Master Resolution, the "Resolution"). Under the Resolution, the District has pledged certain revenues (the "Net Revenues") for the payment of principal of, premium (if any) and interest on the 2024A Bonds when due.

Regarding questions of fact material to our opinion, we have relied on the representations of the District contained in the Resolution, and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, it is our opinion that, under existing law:

1. The District is validly existing as a political subdivision of the State of South Carolina with the power to perform its obligations under the Resolution and to issue the 2024A Bonds.

2. The Resolution has been duly adopted by the Authority and constitutes a valid and binding obligation of the District enforceable against the District.

3. The Resolution creates a valid lien on the Net Revenues and other funds pledged by the Resolution for the security of the 2024A Bonds on a parity with the lien thereon in favor of the District's outstanding Bonds (as defined in the Master Resolution) and any additional Bonds to be issued under the Master Resolution.

4. The 2024A Bonds have been duly authorized and executed by the District, and are valid and binding limited obligations of the District, payable solely from the Net Revenues and other funds provided therefor in the Resolution.

5. Interest on the 2024A Bonds (a) is excludable from gross income for federal income tax purposes, except for any period during which such 2024A Bond is held by a "substantial user" of the facilities financed by the 2024A Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) is a specific preference item for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2024A Bonds in order that the interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with such requirements. Failure to comply with certain of such requirements may cause interest on the 2024A Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the 2024A Bonds.

6. Principal and interest on the 2024A Bonds are exempt from all state, county, municipal, school district, and all other taxes or assessments imposed within of the State of South Carolina, except inheritance, transfer, and certain franchise taxes. Furthermore, it should be noted that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed on the entire net income of such bank, which includes interest on the 2024A Bonds.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning, or disposing of the 2024A Bonds. Owners of the 2024A Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the 2024A Bonds, which may include original issue premium, purchase at market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

The rights of the owners of the 2024A Bonds and the enforceability of the 2024A Bonds and the Resolution are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the official statement relating to the 2024A Bonds, or regarding the perfection or priority of the lien on Net Revenues or other funds created by the Resolution. We note that, unless perfected, the lien on Net Revenues may not be effective.

This opinion is given as of the date hereof, and we assume no obligation to revise 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.

We have examined executed 2024A Bond No. R-1 and, in our opinion, it is in due form of law.

Very truly yours,

9 October 2024

Charleston County Airport District
Charleston County, South Carolina

Re: $191,205,000 Charleston County Airport District Airport Revenue Bonds, Series 2024B (Non-AMT) (the "2024B Bonds")

Ladies and Gentlemen:

We have acted as Bond Counsel to the Charleston County Airport District (the "District") in connection with the issuance by the District of the 2024B Bonds, dated the date hereof. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

The 2024B Bonds are issued pursuant to the Constitution and laws of the State of South Carolina, including Act No. 1235 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1970, as amended (the "Act"), a Master Bond Resolution adopted by the Charleston County Aviation Authority (the "Authority") on July 23, 2013 (the "Master Resolution"), and a Fifth Supplemental Bond Resolution adopted by the Authority on September 19, 2024 (the "Supplemental Resolution," and together with the Master Resolution, the "Resolution"). Under the Resolution, the District has pledged certain revenues (the "Net Revenues") for the payment of principal of, premium (if any) and interest on the 2024B Bonds when due.

Regarding questions of fact material to our opinion, we have relied on the representations of the District contained in the Resolution, and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, it is our opinion that, under existing law:

1. The District is validly existing as a political subdivision of the State of South Carolina with the power to perform its obligations under the Resolution and to issue the 2024B Bonds.

2. The Resolution has been duly adopted by the Authority and constitutes a valid and binding obligation of the District enforceable against the District.

3. The Resolution creates a valid lien on the Net Revenues and other funds pledged by the Resolution for the security of the 2024B Bonds on a parity with the lien thereon in favor of the District's outstanding Bonds (as defined in the Master Resolution) and any additional Bonds to be issued under the Master Resolution.

4. The 2024B Bonds have been duly authorized and executed by the District, and are valid and binding limited obligations of the District, payable solely from the Net Revenues and other funds provided therefor in the Resolution.

5. Interest on the 2024B 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. Interest on the 2024B Bonds is, however, taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended [the "Code"]) for the purpose of computing the alternative minimum tax imposed on corporations. The opinions set forth in this paragraph are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2024B Bonds in order that the interest thereon be, and continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with such requirements. Failure to comply with certain of such requirements may cause interest on the 2024B Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date of issuance of the 2024B Bonds.

6. Principal and interest on the 2024B Bonds are exempt from all state, county, municipal, school district, and all other taxes or assessments imposed within of the State of South Carolina, except inheritance, transfer, and certain franchise taxes. Furthermore, it should be noted that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed on the entire net income of such bank, which includes interest on the 2024B Bonds.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning, or disposing of the 2024B Bonds. Owners of the 2024B Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the 2024B Bonds, which may include original issue premium, purchase at market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

The rights of the owners of the 2024B Bonds and the enforceability of the 2024B Bonds and the Resolution are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the official statement relating to the 2024B Bonds, or regarding the perfection or priority of the lien on Net Revenues or other funds created by the Resolution. We note that, unless perfected, the lien on Net Revenues may not be effective.

This opinion is given as of the date hereof, and we assume no obligation to revise 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.

We have examined executed 2024B Bond No. R-1 and, in our opinion, it is in due form of law.

Very truly yours,

9 October 2024

Charleston County Airport District
Charleston County, South Carolina

Re: $85,475,000 Charleston County Airport District Airport Revenue Bonds, Series 2024C (Taxable) (the "2024C Bonds")

Ladies and Gentlemen:

We have acted as Bond Counsel to the Charleston County Airport District (the "District") in connection with the issuance by the District of the 2024C Bonds, dated the date hereof. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

The 2024C Bonds are issued pursuant to the Constitution and laws of the State of South Carolina, including Act No. 1235 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 1970, as amended (the "Act"), a Master Bond Resolution adopted by the Charleston County Aviation Authority (the "Authority") on July 23, 2013 (the "Master Resolution"), and a Fifth Supplemental Bond Resolution adopted by the Authority on September 19, 2024 (the "Supplemental Resolution," and together with the Master Resolution, the "Resolution"). Under the Resolution, the District has pledged certain revenues (the "Net Revenues") for the payment of principal of, premium (if any) and interest on the 2024C Bonds when due.

Regarding questions of fact material to our opinion, we have relied on the representations of the District contained in the Resolution, and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, it is our opinion that, under existing law:

1. The District is validly existing as a political subdivision of the State of South Carolina with the power to perform its obligations under the Resolution and to issue the 2024C Bonds.

2. The Resolution has been duly adopted by the Authority and constitutes a valid and binding obligation of the District enforceable against the District.

3. The Resolution creates a valid lien on the Net Revenues and other funds pledged by the Resolution for the security of the 2024C Bonds on a parity with the lien thereon in favor of the District's outstanding Bonds (as defined in the Master Resolution) and any additional Bonds to be issued under the Master Resolution.

4. The 2024C Bonds have been duly authorized and executed by the District, and are valid and binding limited obligations of the District, payable solely from the Net Revenues and other funds provided therefor in the Resolution.

5. Principal and interest on the 2024C Bonds are exempt from all state, county, municipal, school district, and all other taxes or assessments imposed within of the State of South Carolina, except inheritance, transfer, and certain franchise taxes. Furthermore, it should be noted that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed on the entire net income of such bank, which includes interest on the 2024C Bonds.

Interest on the 2024C Bonds is not intended to be excludable from gross income for federal income tax purposes. We express no opinion regarding any federal income tax consequences of acquiring, carrying, owning, or disposing of the 2024C Bonds. Except as expressly stated above, we express no opinion regarding any other state income tax consequences. Owners of the 2024C Bonds should consult their tax advisors regarding the applicability of any tax consequences of owning the 2024C Bonds.

The rights of the owners of the 2024C Bonds and the enforceability of the 2024C Bonds and the Resolution are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the official statement relating to the 2024C Bonds, or regarding the perfection or priority of the lien on Net Revenues or other funds created by the Resolution. We note that, unless perfected, the lien on Net Revenues may not be effective.

This opinion is given as of the date hereof, and we assume no obligation to revise 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.

We have examined executed 2024C Bond No. R-1 and, in our opinion, it is in due form of law.

Very truly yours,

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Disclosure Undertaking") is executed and delivered this 9th day of October, 2024, by Charleston County Airport District, South Carolina (the "Issuer") in connection with the issuance of the Issuer's $93,880,000 Airport Revenue Bonds, Series 2024A (AMT), $191,205,000 Airport Revenue Bonds, Series 2024B (Non-AMT), and $85,475,000 Airport Revenue Bonds, Series 2024C (Taxable) (collectively, the "Bonds"). The Bonds are being issued pursuant to a Master Bond Resolution adopted by the Charleston County Aviation Authority (the "Authority") on July 13, 2013 (the "Master Resolution"), and a Fifth Supplemental Bond Resolution adopted by the Authority on September 19, 2024 (the "Supplemental Resolution" and, together with the Master Resolution, as amended and supplemented, the "Resolution"). The Issuer covenants and agrees as follows:

Section 1. <u>Purpose of the Disclosure Undertaking.</u> This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the U.S. Securities and Exchange Commission (the "SEC") Rule 15c2-12(b)(5).

Section 2. <u>Definitions.</u> In addition to the definitions set forth in the Ordinance or elsewhere in this Disclosure Undertaking, which apply to any capitalized terms used in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means the annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" means an agent, if any, appointed in accordance with Section 7 hereof.

"EMMA" means the Electronic Municipal Market Access system described in SEC Release No. 34-59062 (or any successor electronic information system) and maintained by MSRB as the sole repository for the central filing of electronic disclosure pursuant to the Rule.

"Financial Obligation" as used in this Disclosure Undertaking is defined in the Rule, as may be amended, as a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Issuer" means the Charleston County Airport District, South Carolina.

"Listed Events" means any of the events listed in Section 5(a) or (b) of this Disclosure Undertaking.

"MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule. Unless otherwise designated by MSRB or the SEC, filings with the MSRB are to be made through EMMA.

"Official Statement" means the Official Statement dated September 25, 2024, prepared in connection with the Bonds.

"Participating Underwriter" means any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. <u>Provision of Annual Reports.</u> (a) The Issuer shall, not later than February 1 after the end of the Issuer's fiscal year (which shall be February 1 of each year, so long as the Issuer's fiscal year ends on June 30), commencing with the report for the fiscal year ended June 30, 2024, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided, however, that the audited financial statements of the Issuer for the fiscal year ended June 30, 2024, and for each subsequent fiscal year may be submitted separately from the remainder of the Annual Report, and later than the date required for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a) hereof.

(b) The Annual Report shall be submitted to the MSRB either through a web-based electronic submission interface or through electronic computer-to-computer data connections with EMMA in accordance with the submission process, document format and configuration requirements established by the MSRB. The Annual Report shall also include all related information required by the MSRB to accurately identify: (i) the category of information being provided; (ii) the period covered by the Annual Report; (iii) the issues or specific securities to which the Annual Report is related (including CUSIP number, Issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the Issuer; (v) the name and date of the document; and (vi) contact information for the Dissemination Agent or the Issuer's submitter.

(c) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a) above, the Issuer shall, in a timely manner, send or cause to be sent to the MSRB, a notice in substantially the form attached hereto as Exhibit A.

(d) In the event that there is a Dissemination Agent, then not later than fifteen (15) business days prior to each due date the Issuer shall provide the Annual Report to the Dissemination Agent for distribution to the MSRB. In connection with this distribution of the Annual Report, the Dissemination Agent, if any, shall file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, and stating the date it was provided to the MSRB.

Section 4. Contents of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) The Audited Financial Statements for the preceding fiscal year (commencing with the fiscal year ending June 30, 2024), prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental entities from time to time by the Governmental Accounting Standards Board or alternate accounting principles, as described in the Official Statement. If the Audited Financial Statements are not available by the Annual Filing Date, the Annual Report shall include unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent such items are not included in the financial statements referred to in subsection (a) above, the financial and operating data of the Issuer as of a date not earlier than the end of the preceding fiscal year for the type of information included (i) in the tables under the headings "THE CHARLESTON COUNTY AIRPORT DISTRICT – Historical Enplanements" (Airport Enplanements only) and "- Airline Market Shares," and "FINANCIAL MATTERS OF THE DISTRICT - Historical Financial Trends" and "- Historical Debt Service Coverage; Cost Per Enplanement" and (ii) in the subsection "FINANCIAL MATTERS OF THE DISTRICT - Management's Discussion of Recent Financial Results" contained in the Official Statement for the preceding fiscal year.

The Annual Report may consist of more than one document. Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer for which the Issuer is an "obligated person" (as defined by the Rule) which have been previously submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events. (a) The Issuer shall give or cause to be given notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) 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 of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) modifications to rights of security holders, if material;

(viii) Bond calls, if material and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of any obligated person, which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an obligated person 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 obligated person, 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 obligated person;

(xiii) the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;

(xiv) appointment of a successor or additional trustee or the change of name of trustee, if material;

(xv) incurrence of a Financial Obligation of the issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the issuer or obligated person, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the issuer or obligated person, any of which reflect financial difficulties.

Section 6. Format for Filing With the MSRB. All documents provided to the MSRB pursuant to this Disclosure Undertaking shall be submitted in electronic format and shall identify the Bonds by name and CUSIP number or shall be accompanied by such identifying information as described from time to time by the MSRB.

Section 7. Termination of Reporting Obligation. This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds shall have been paid in full or the Bonds shall have otherwise been paid or legally defeased; provided, however, that if the Rule (or any successor provision) shall be amended, modified, or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided further that if and to the extent the Rule (or any successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of the Rule so declared, shall no longer be required to be provided hereunder. Upon any legal defeasance, the Issuer shall electronically file notice of such defeasance with the MSRB, and such notice shall state whether the Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist in its carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Undertaking.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements or change in law;

(b) This Disclosure Undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond 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

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given by filing with the MSRB and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure 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 Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

Section 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Undertaking, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking *mandamus* or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Undertaking; provided, however, that any such action may be instituted only in the Federal or State courts located in Charleston, South Carolina. A default under this Disclosure Undertaking shall not be deemed an event of default under the Ordinance, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 12. <u>Beneficiaries.</u> This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity. This Disclosure Undertaking is not intended to create any monetary rights on behalf of any person.

CHARLESTON COUNTY AIRPORT DISTRICT,
SOUTH CAROLINA, as Issuer

By:____
Name: Brandy James
Title: Chief Financial Officer

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Issuer: Charleston County Airport District, South Carolina

Obligations: $[__________] Airport Revenue Bonds, Series 2024[__]

Date of Issuance: [________ __], 2024

CUSIP Number: ______________

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Undertaking of the Issuer. The Issuer anticipates that the Annual Report will be filed by ______________.

CHARLESTON COUNTY AIRPORT DISTRICT,
SOUTH CAROLINA, as Issuer

____

Dated: ________ __, ____

APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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ASSURED GUARANTY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY INC. ("AG"), 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 AG, 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 AG shall have received Notice of Nonpayment, AG 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 AG, 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 AG. 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 AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG 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, AG 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 AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG 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 AG 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 AG 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.

SPECIMEN

AG 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 AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG 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 AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG 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 AG 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 AG, 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 INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By ____________________________________
Authorized Officer

SPECIMEN

1633 Broadway, New York, N.Y. 10019 (212) 974-0100

Form 500 (8/24)

CHARLESTON COUNTY
AVIATION AUTHORITY

CHARLESTON COUNTY AIRPORT DISTRICT, CHARLESTON, SOUTH CAROLINA • AIRPORT REVENUE BONDS, SERIES 2024

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