NEW ISSUE: BOOK ENTRY

RATINGS: "A+" Fitch
"A1" Moody's
See "RATINGS" herein

In the opinion of Quarles & Brady LLP, Milwaukee, Wisconsin and Emile Banks & Associates LLC, Milwaukee, Wisconsin, Co-Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing law the interest on the Series 2025A Bonds is excluded for federal income tax purposes from the gross income of the owners of the Series 2025A Bonds, except for interest on any Series 2025A Bonds held by a "substantial user" of the facilities financed by the Series 2025A Bonds or a "related person" within the meaning of Section 147(a) of the Code. Interest on the Series 2025A Bonds is, however, an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and is taken into account in determining the "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Series 2025A Bonds. The interest on the Series 2025A Bonds is not exempt from present Wisconsin income or franchise taxes.

MILWAUKEE COUNTY, WISCONSIN

Dated: Date of Delivery **Principal Due:** December 1, as shown on the inside cover page

$15,170,000
AIRPORT REVENUE BONDS, SERIES 2025A (AMT)

The $15,170,000 Airport Revenue Bonds, Series 2025A (AMT) (the "Series 2025A Bonds") are being issued by Milwaukee County, Wisconsin (the "County") pursuant to the Constitution and laws of the State of Wisconsin, including Section 66.0621 of the Wisconsin Statutes, and resolutions adopted by the County Board of Supervisors of the County for the public purpose of financing various improvements at General Mitchell International Airport as further described herein, to make a deposit to the Reserve Account if necessary, and to pay the cost of issuing the Series 2025A Bonds. Interest on the Series 2025A Bonds is payable semiannually on June 1 and December 1, commencing on June 1, 2026. The Series 2025A Bonds maturing on or after December 1, 2035 are subject to optional redemption on any date on and after December 1, 2034.

SEE INSIDE COVER PAGE FOR MATURITY AND PRICING SCHEDULE AND CUSIP NUMBERS

The Series 2025A Bonds will not be a general obligation of the County, nor will the County be obligated to levy any taxes in connection with the Series 2025A Bonds.

The Series 2025A Bonds will be special, limited obligations of the County, payable solely from net revenues derived from the ownership and operation by the County of General Mitchell International Airport a/k/a Milwaukee Mitchell International Airport and Lawrence J. Timmerman Airport (collectively the "Airport System") on parity with the County's other Airport Revenue Bonds (collectively referred to herein with the Series 2025A Bonds as the "Outstanding Bonds"), and any additional airport revenue bonds which may hereafter be issued by the County on parity with the Outstanding Bonds (collectively, the "Bonds"), as provided in the General Bond Resolution, as defined herein.

The Series 2025A Bonds will be issued as registered obligations and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Series 2025A Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 and multiples thereof. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Series 2025A Bonds as described herein.

The Series 2025A Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of certain legal matters relating to the issuance of the Series 2025A Bonds by Quarles & Brady LLP and Emile Banks & Associates, LLC, Co-Bond Counsel. Certain legal matters will be passed upon for the County by the Milwaukee County Corporation Counsel Office and for the Underwriter by Butler Snow LLP. It is expected that the Series 2025A Bonds in book-entry form will be available for delivery through DTC on or about October 1, 2025.

(THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.)

RAYMOND JAMES®

MATURITY AND PRICING SCHEDULE, AND CUSIP† NUMBERS

MILWAUKEE COUNTY, WISCONSIN

$15,170,000
AIRPORT REVENUE BONDS, SERIES 2025A (AMT)

Maturity (December 1)	Principal Amount	Interest Rate	Yield	CUSIP† (Base 602248)
2026	$1,015,000	5.00%	2.80%	NA0
2027	1,015,000	5.00%	2.79%	NB8
2028	1,015,000	5.00%	2.85%	NC6
2029	1,015,000	5.00%	2.88%	ND4
2030	1,010,000	5.00%	3.02%	NE2
2031	1,010,000	5.00%	3.19%	NF9
2032	1,010,000	5.00%	3.36%	NG7
2033	1,010,000	5.00%	3.51%	NH5
2034	1,010,000	5.00%	3.71%	NJ1
2035	1,010,000	5.00%	3.88%	NK8
2036	1,010,000	5.00%	4.07%	NL6
2037	1,010,000	5.00%	4.20%	NM4
2038	1,010,000	5.00%	4.34%	NN2
2039	1,010,000	5.00%	4.43%	NP7
2040	1,010,000	5.00%	4.50%	NQ5

This Official Statement is submitted in connection with the sale of securities as referred to herein and may not be reproduced or be used, in whole or in part, for any other purpose. No dealer, broker, sales representative or other person has been authorized by the County, the Co-Financial Advisors or the Underwriter to give any information or make any representations other than as contained in this Official Statement in connection with the offering described herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the County, the Co-Financial Advisors or the Underwriter. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Series 2025A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County and other sources which are believed to be reliable, but it is not to be construed as a representation by the Co-Financial Advisors or the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the County or in any other information contained herein, since the date hereof (or since the date of any information included herein that is dated other than the date hereof).

This Official Statement is not to be construed as a contract with the purchasers of the Series 2025A Bonds. Statements contained in this Official Statement involving estimates, forecasts, or matters of opinion, whether or not expressly so described herein, are intended solely as such, and are not to be construed as representations of fact. This Official Statement contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE SERIES 2025A BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE SERIES 2025A BONDS ARE RELEASED FOR SALE, AND THE SERIES 2025A BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE SERIES 2025A BONDS INTO INVESTMENT ACCOUNTS.

IN MAKING ANY INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN REVIEW OF THE TERMS OF THE SERIES 2025A BONDS AND THE OFFERING THEREOF, AND THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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INTRODUCTION TO OFFICIAL STATEMENT

The following information is furnished solely to provide limited introductory information regarding the County's $15,170,000 Airport Revenue Bonds, Series 2025A (the "Series 2025A Bonds"), and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the appendices hereto.

Issuer:	Milwaukee County, Wisconsin (the "County").
Dated:	Date of Delivery.
Delivery:	Delivery is expected on or about October 1, 2025.
Security:	The principal and interest on the Series 2025A Bonds are payable solely from, and are secured equally and ratably by a pledge of the Net Revenues derived from the Airport System. (See "DESCRIPTION OF THE SERIES 2025A BONDS – Security Provisions" herein.)
Purpose and Authority:	Proceeds of the Series 2025A Bonds will be used for the public purpose of financing various improvements at General Mitchell International Airport as further described herein (See "PLAN OF FINANCE" herein), to fund the Reserve Account if necessary, and to pay the cost of issuing the Series 2025A Bonds. The Series 2025A Bonds are being issued by the County, pursuant to provisions of Chapter 66 of the *Wisconsin Statutes* and resolutions adopted by the County Board.
Redemption Provisions:	The Series 2025A Bonds maturing on and after December 1, 2035 are subject to optional redemption on any date on and after December 1, 2034.
Principal Payments:	Annually, December 1, 2026 through 2040.
Interest Payments:	On each June 1 and December 1, commencing on June 1, 2026.
Tax Status:	In the opinion of Co-Bond Counsel as more fully described herein, interest on the Series 2025A Bonds is excludable for federal income tax purposes from the gross income of the owners of the Series 2025A Bonds, except for interest on any Series 2025A Bonds held by a "substantial user" of the facilities financed by the Series 2025A Bonds or a "related person" within the meaning of Section 147(a) of the Code. Interest on the Series 2025A Bonds is, however, an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and is taken into account in determining the "adjusted financial statement income" for purposes of comparing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION" herein. Interest on the Series 2025A Bonds is not exempt from present Wisconsin income or franchise taxes.
Professional Consultants:	*Airport Consultants:* Unison Consulting, Inc. Chicago, Illinois
Trustee/Paying Agent:	U.S. Bank Trust Company, National Association
Record Date:	The 15th day of the month preceding each payment date.
Legal Matters:	Legal matters incident to the authorization and issuance of the Series 2025A Bonds are subject to the opinions of Quarles & Brady LLP, Milwaukee, Wisconsin and

Emile Banks & Associates, LLC, Milwaukee, Wisconsin, Co-Bond Counsel, as to validity and federal tax exemption. The opinions will be substantially in the form set forth in Appendix D attached hereto. Emile Banks & Associates, LLC has not participated in the preparation of this Official Statement, except for information under the headings "DESCRIPTION OF THE SERIES 2025A BONDS" and "TAX EXEMPTION". Quarles & Brady LLP has been retained by the County to serve as disclosure counsel to the County with respect to the Series 2025A Bonds. Certain legal matters will be passed upon for the County by the Milwaukee County Corporation Counsel Office and for the Underwriter by Butler Snow LLP.

Book-Entry-Only:	The Series 2025A Bonds will be issued as book-entry-only securities through The Depository Trust Company.
No Litigation:	There is currently no litigation pending or, to the best of certain County officials' knowledge, threatened, which questions the validity of the Series 2025A Bonds or of any proceedings of the County taken with respect to the issuance or sale thereof.

Questions regarding the Series 2025A Bonds or the Official Statement can be directed to Pamela Bryant, Director of Capital Finance, Milwaukee County Comptroller's Office, 901 North Ninth Street, Room 301, Milwaukee, Wisconsin 53233, (414/391-9512) or PFM Financial Advisors, LLC, 9000 West Chester Street, Suite 100, Milwaukee, Wisconsin 53214, (414/771-2700).

INTRODUCTION

This Official Statement is furnished to provide information regarding the Series 2025A Bonds. The Series 2025A Bonds are issued pursuant to the Constitution and laws of the State of Wisconsin, including Section 66.0621 of the Wisconsin Statutes, and resolutions adopted by the County Board of Supervisors of the County (the "County Board").

The Series 2025A Bonds are being issued pursuant to the General Bond Resolution adopted by the County Board on June 22, 2000, which established an airport revenue bond program (as amended from time to time, the "General Bond Resolution"), and a supplemental resolution adopted by the County Board of Supervisors on March 20, 2025 (the "2025A Supplemental Resolution" and together with the General Bond Resolution, the "Bond Resolutions").

The Series 2025A Bonds are being issued to finance various improvements at General Mitchell International Airport, as described further in "PLAN OF FINANCE" herein.

The County owns and operates General Mitchell International Airport a/k/a Milwaukee Mitchell International Airport (the "Airport") and Lawrence J. Timmerman Airport ("Timmerman Airport"), which together comprise the Milwaukee County Airport System (the "Airport System"). The Airport System is a division within the County's Department of Transportation, and is accounted for as an enterprise fund in the County's financial statements. See APPENDIX B "AIRPORT SYSTEM FINANCIAL INFORMATION."

The Airport, a medium hub airport, is Wisconsin's largest and busiest airport located on approximately 2,331 acres approximately six miles south of downtown Milwaukee. The airfield at the Airport currently contains two air carrier runways and three other runways[1]. The terminal complex consists of a main terminal building and two active passenger concourses, with 32 gates currently in use. The third concourse is currently unused and closed, with its demolition and reconstruction scheduled to begin later in calendar year ("CY") 2025. The Airport also contains a six-level parking structure for automobile parking and rental car operations. See "THE AIRPORT SYSTEM" for a description of the Airport System's facilities, governance and operating results.

Origin and Destination ("O&D") passengers – those persons beginning or ending their journey at the Airport – accounted for over 99% of total Airport enplanements in CY 2024. According to preliminary data from the FAA Air Carrier Activity Information System ("ACAIS"), the Airport ranked 58th among U.S. commercial service airports based on CY 2024 revenue enplanements.

The Airport is served by each of the industry's four major domestic airlines, which accounted for 88.2% of enplanements in CY 2024. Including affiliates, Southwest Airlines ("Southwest") accounted for 37.8%; Delta Air Lines ("Delta"), 24.7%; American Airlines ("American"), 15.3%; and United Air Lines ("United"), 10.4% of enplaned passengers in CY 2024. Frontier, Spirit, JetBlue, Alaska, and other smaller airlines accounted for the remaining 11.8%. Low-cost carriers ("LCCs") including Southwest and JetBlue, and ultra-low cost carriers ("ULCCs") including Allegiant, Frontier, Spirit, and Sun Country accounted for just under 47% of enplanements in CY 2024. See "INVESTMENT CONSIDERATIONS – Growth of Low-Cost Carriers."

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[1] Two of these runways are scheduled to be decommissioned and then subsequently removed. The environmental review phase has been completed, with an estimated decommission and removal beginning in 2026. These runways handle less than one percent of the Airport's traffic and are not eligible for federal funding.

Low-Cost and Ultra Low-Cost Carriers Serving MKE							Jan-Mar
Passenger Airline	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**YTD2025**
Low-Cost Carriers							
JetBlue Airways				•	•	•	
Southwest Airlines	•	•	•	•	•	•	•
Ultra -Low Cost Carriers							
Allegiant Air	•		•	•	•	•	
Frontier Airlines	•	•	•	•	•	•	•
Spirit Airlines			•	•	•	•	•
Sun Country Airlines	•	•	•	•	•	•	•

The County has executed substantially similar airline-airport use and lease agreements (the "AULA") with nine signatory airlines (the "Signatory Airlines") as of July 2016, providing the terms and conditions upon which the Signatory Airlines use the Airport. The Signatory Airlines to the 2016 agreement are Alaska, American, Air Canada, Delta, Frontier, Southwest, United, FedEx and UPS. The County executed an amendment with each Signatory Airline to extend the term of the AULA for an additional five years ending December 31, 2020. Due to the COVID-19 Pandemic, Airport Management and the Airlines agreed to extend the agreement for 2021 and then once more to cover 2022 through 2023. The Amended Airport Use and Lease Agreement (the "Amended AULA") became effective January 1, 2024, for five years, expiring on December 31, 2028. The Amended AULA retains most of the provisions of the AULA, which went into effect on October 1, 2010, including the cost center residual rate methodology. The signatories to the Amended AULA are Alaska, American, Delta, Frontier, Southwest, Spirit, Sun Country, United, FedEx and UPS. Air Canada did not sign the Amended AULA, and JetBlue changed its status to non-signatory as the Airport began the Amended AULA term of CYs 2024-2028. See "AIRLINE-AIRPORT USE AND LEASE AGREEMENT" and Appendix F – "SUMMARY OF AIRLINE LEASES" herein, for a more detailed description of the Amended AULA.

Unison Consulting, Inc., the Airport System's airport consultant ("Unison" or the "Airport Consultant") has prepared a financial feasibility report summarizing certain information relating to the Airport's financial operations and projecting debt service coverage through 2030, which appears as APPENDIX A hereto.

Capitalized terms used herein, which are not defined herein, have the meanings given them in APPENDIX C "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION – Definitions of Certain Terms."

DESCRIPTION OF THE SERIES 2025A BONDS

General

The Series 2025A Bonds shall be dated the date of delivery, and shall bear interest at the rates and shall mature on the dates as set forth on the inside cover page of this Official Statement. Interest on the Series 2025A Bonds is to be computed on the basis of a 360-day year of twelve 30-day months. The payment of interest on the Series 2025A Bonds shall be made on June 1, 2026 and on each December 1 and June 1 thereafter until maturity (each an "Interest Payment Date"). Interest payments shall be made by check or draft of the U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), as successor trustee under the Bond Resolutions (the "Trustee") in lawful money of the United States of America to the owners listed on the bond register as of the close of business on the fifteenth day of the calendar month next preceding each such Interest Payment Date. The principal of the Series 2025A Bonds shall be made in lawful money of the United States of America only upon presentation at the principal corporate trust office of the Trustee, except when held by the Depository Trust Company ("DTC") as described below.

The Series 2025A Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 and any multiple thereof, and, when issued, will be registered in the name of Cede & Co., as nominee of DTC, New York, New York. DTC will act as securities depository of the Series 2025A Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 and multiples thereof. Purchasers will not receive certificates representing their interest in the Series 2025A Bonds purchased. Principal and interest will be paid to DTC, which will in turn remit such principal and interest payments to its participants, for subsequent disbursement to the beneficial owners of the Series 2025A Bonds. (See APPENDIX G - "BOOK-ENTRY-ONLY SYSTEM" herein.) So long as Cede & Co. is the registered owner of the Series 2025A Bonds as nominee, references herein to the bondholders, owners or registered owners of the Series 2025A Bonds shall mean Cede & Co., as nominee of DTC and shall not mean the beneficial owners of the Series 2025A Bonds.

Transfer, Registration and Exchange of Series 2025A Bonds

If the Series 2025A Bonds are no longer held in book-entry-only form, the Series 2025A Bonds will be transferable at the designated corporate trust office of the Trustee by the registered owner in person, or by the owner's attorney duly authorized in writing, upon surrender of the Series 2025A Bonds together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or its duly authorized attorney, and thereupon the County shall issue in the name of the transferee a new registered Series 2025A Bond of the same aggregate principal amount and interest rate and maturity as the surrendered Obligation. The Series 2025A Bonds may also be exchanged, alone or with other Series 2025A Bonds of the same interest rate and maturity, at the principal office of the Trustee, for a new Series 2025A Bond of the same aggregate principal amount, interest rate and maturity, without transfer to a new registered owner in authorized denominations.

Transfers, registrations and exchanges of the Series 2025A Bonds shall be without expense to the owner, except that any taxes or other governmental charges required to be paid with respect to the same shall be paid by the owner requesting the transfer, registration or exchange as a condition precedent to the exercise of the privilege; and no transfers, registrations and exchanges shall be required to be made during the 15 days next preceding an interest payment date for the Series 2025A Bonds, nor during the 45 days next preceding the date fixed for redemption of the Series 2025A Bonds.

Optional Redemption

The Series 2025A Bonds maturing on or before December 1, 2034 are not subject to optional redemption prior to their stated dates of maturity. The Series 2025A Bonds maturing on and after December 1, 2035 are subject to optional redemption, in whole or in part, in maturities as selected by the County on any date on or after December 1, 2034 at a price of par plus accrued interest to the redemption date.

SECURITY FOR THE SERIES 2025A BONDS

Pledge of Net Revenues

The Series 2025A Bonds are special obligations of the County, and are being issued on parity with the County's currently outstanding airport revenue bonds issued pursuant to the General Bond Resolution (collectively, with the Series 2025A Bonds, the "Outstanding Bonds") listed below and any additional airport revenue bonds which may hereafter be issued by the County pursuant to the General Bond Resolution (with the Outstanding Bonds, the "Bonds"), as provided in the General Bond Resolution:

- Airport Revenue Refunding Bonds, Series 2016A (AMT) (the "Series 2016A Bonds");
- Airport Revenue Refunding Bonds, Series 2019A (the "Series 2019A Bonds");
- Airport Revenue Refunding Bonds, Series 2023A (AMT) (the "Series 2023A Bonds");
- Airport Revenue Refunding Bonds, Series 2023B (AMT) (the "Series 2023B Bonds");
- Airport Revenue Bonds, Series 2024A (AMT) (the "Series 2024A Bonds").

The principal of and premium, if any, and interest on the Series 2025A Bonds are payable solely from, and are secured equally and ratably by, a pledge of the Net Revenues derived from the Airport System. The 2025 Supplemental Resolution includes pledged PFC Revenues as Airport System Revenues to the extent that any of the Series 2025A Projects are eligible for PFC funding, which is not anticipated in the current financing plan. In accordance with the related Bond Resolutions, such PFC Revenues, if any, will be deposited in the Special Redemption Fund. See "AIRPORT SYSTEM REVENUES – PFC Pledged Revenues" and "AIRPORT SYSTEM INDEBTEDNESS – Airport Revenue Debt by Payment Source" for information regarding PFC Revenues.

Revenues of the Airport System

The "Net Revenues" of the Airport System that are pledged to the payment of the Series 2025A Bonds under the General Resolution are defined for any period as the aggregate of Revenues for such period, after deducting the aggregate of the Operation and Maintenance Expenses for such period. The "Revenues" of the Airport System are defined under the General Resolution to include all moneys received from any source by the Airport System or the County with respect to the Airport System, including without limitation all rates, fees, charges, rents and other income derived from the ownership or operation of the Airport System. Revenues shall not include PFC Revenues, except to the extent that PFC Revenues are specifically designated as included in Revenues by a Supplemental Resolution. In addition to PFCs, unless otherwise provided by a Supplemental Resolution, Revenues also do not include (a) the proceeds of Series 2025A Bonds or other borrowings, (b) the proceeds of grants or gifts for limited purposes or the proceeds of the disposition of property financed with such gifts or grants, (c) condemnation or insurance proceeds, except for business interruption insurance, (d) income and revenue from properties and facilities not included in the Airport System and (e) Special Facility Revenues (see "Issuance of Subordinate Securities and Special Facility Bonds"). "Operation and Maintenance Expenses" of the Airport System are defined to include the reasonable and necessary expenses (under generally accepted accounting principles) of administering, operating, maintaining, and repairing the Airport System, but exclude the costs of capital improvements to the Airport System, reserves, payment of the Series 2025A Bonds or other indebtedness, allowances for depreciation and capital replacements, and operation and maintenance expenses pertaining to any Special Facilities. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION – Definitions of Certain Terms."

Rate Covenant

The County has covenanted in the General Bond Resolution to establish and impose such schedule of rates, rentals, fees and charges for the use and services of and the facilities and commodities furnished by the Airport System, and to revise the same from time to time when necessary, and collect the income, rents, receipts and other moneys derived therefrom, so that in each fiscal year the Revenues will be at all times at least sufficient to provide for the payment of all amounts necessary to make the required deposits in such fiscal year to the funds provided in the General Bond Resolution.

The General Bond Resolution contains a covenant (the "Rate Covenant") requiring the County to establish and collect such rates, rentals, fees and charges sufficient so that in each fiscal year the Net Revenues, together with Other Available Funds (defined as the amount of unencumbered funds on deposit or anticipated to be on deposit on the first day of the fiscal year in the Coverage Fund and the Surplus Fund in an amount up to 25% of debt service in the fiscal year), will be at least equal to 125% of debt service on all Bonds then Outstanding, including, without duplication, any repayment or other obligations incurred by the County in respect of draws or other payments or disbursements made under a credit facility, but only if such obligations have a lien on revenues on the same priority as the lien of the Outstanding Bonds. PFC Revenues are treated as Revenues under the Rate Covenant only to the extent they are specifically designated as Revenues in the respective Supplemental Resolutions authorizing the bonds. PFC Revenues are included in the revenues pledged to the Series 2016A Bonds, Series 2019A Bonds, Series 2023A Bonds, Series 2023B Bonds, Series 2024A Bonds and the Series 2025A Bonds as described under "SECURITY FOR THE BONDS - Revenues of the Airport System" above and "AIRPORT SYSTEM REVENUES – PFC Pledged Revenues."

Failure to comply with the Rate Covenant does not constitute a default by the County under the General Bond Resolution if (i) the County promptly (a) causes an airport consultant to make a study for the purpose of making recommendations with respect to rates, rentals, fees and charges for the Airport System in order to provide funds for all the payments and other requirements described above; (b) considers the recommendations of such airport consultant; and (c) takes such action as the County, in its discretion, deems necessary to comply with the Rate Covenant, and (ii) in the following fiscal year, Net Revenues, together with Other Available Funds, are at least sufficient to meet the Rate Covenant.

Reserve Account

Under the General Bond Resolution, the County has established a Reserve Account within the Special Redemption Fund into which is deposited and maintained the Reserve Requirement, an amount equal to the least of (i) maximum annual debt service on the Bonds then Outstanding during the then-current or any future fiscal year, (ii) 125% of the average annual debt service on the Bonds then Outstanding, or (iii) 10% of the principal amount (as defined in the General Bond Resolution) of all Bonds then Outstanding upon original issuance thereof, but shall not in any event exceed the maximum amount permitted to be on deposit in the Reserve Account pursuant to the Code, and the regulations issued thereunder. The moneys on deposit in the Reserve Account shall be used and applied to pay principal or mandatory sinking fund installments and interest on the Bonds then Outstanding due and owing when a deficiency exists in the amounts on deposit for such purpose in the Interest and Principal Account of the Special Redemption Fund. Investments in the Reserve Account are valued at the market value thereof unless the Trustee determines that a lower valuation is necessary by reason of uncertainty of payment thereof or anticipated loss thereon prior to maturity. The monies so drawn from the Reserve Account shall be replenished from rates and charges imposed under the Amended AULA in that fiscal year.

In lieu of the deposit of moneys in the Reserve Account, the County, at any time, may cause to be credited to the Reserve Account a letter or line of credit, policy of bond insurance, surety bond, guarantee or similar instrument issued by a financial, insurance or other institution and which provides security and/or liquidity in respect of the Bonds then Outstanding (a "Credit Facility") for the benefit of the bondholders equal to the difference between the Reserve Requirement and all other amounts then on deposit in the Reserve Account. The Credit Facility shall be payable on any date on which moneys will be required to be withdrawn from the Reserve Account and applied to the payment of the principal of or interest on any Bonds when such withdrawals cannot be made by amounts credited to the Reserve Account.

The Reserve Account is funded fully with cash on the date of this Official Statement and will continue to be so upon the issuance of the Series 2025A Bonds. The Reserve Requirement balance is expected to be $10,023,578.30 upon the closing of the Bonds.

Flow of Funds

The County will set aside and deposit all Revenues, including PFC Revenues, into the Airport Revenue Fund established by the General Bond Resolution and apply all monies on deposit therein at such times and in accordance with the priorities established in the General Bond Resolution. The County Treasurer may accumulate Revenues as received from time to time and shall cause the transfer of such accumulated Revenues to the funds and accounts established under the General Bond Resolution monthly. The Special Redemption Fund will be held by the Trustee pursuant to the General Bond Resolution. Only PFC Revenues specifically designated for the payment of debt service pursuant to a Supplemental Resolution (and only PFC Revenues which are so pledged) shall be deposited into the Special Redemption Fund. All other funds and accounts will be held by the County. The funds and accounts established by the Bond Resolutions and their priority of payment are set forth in the following table. See APPENDIX C "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION – Definitions of Certain Terms" for a definition of Revenues.

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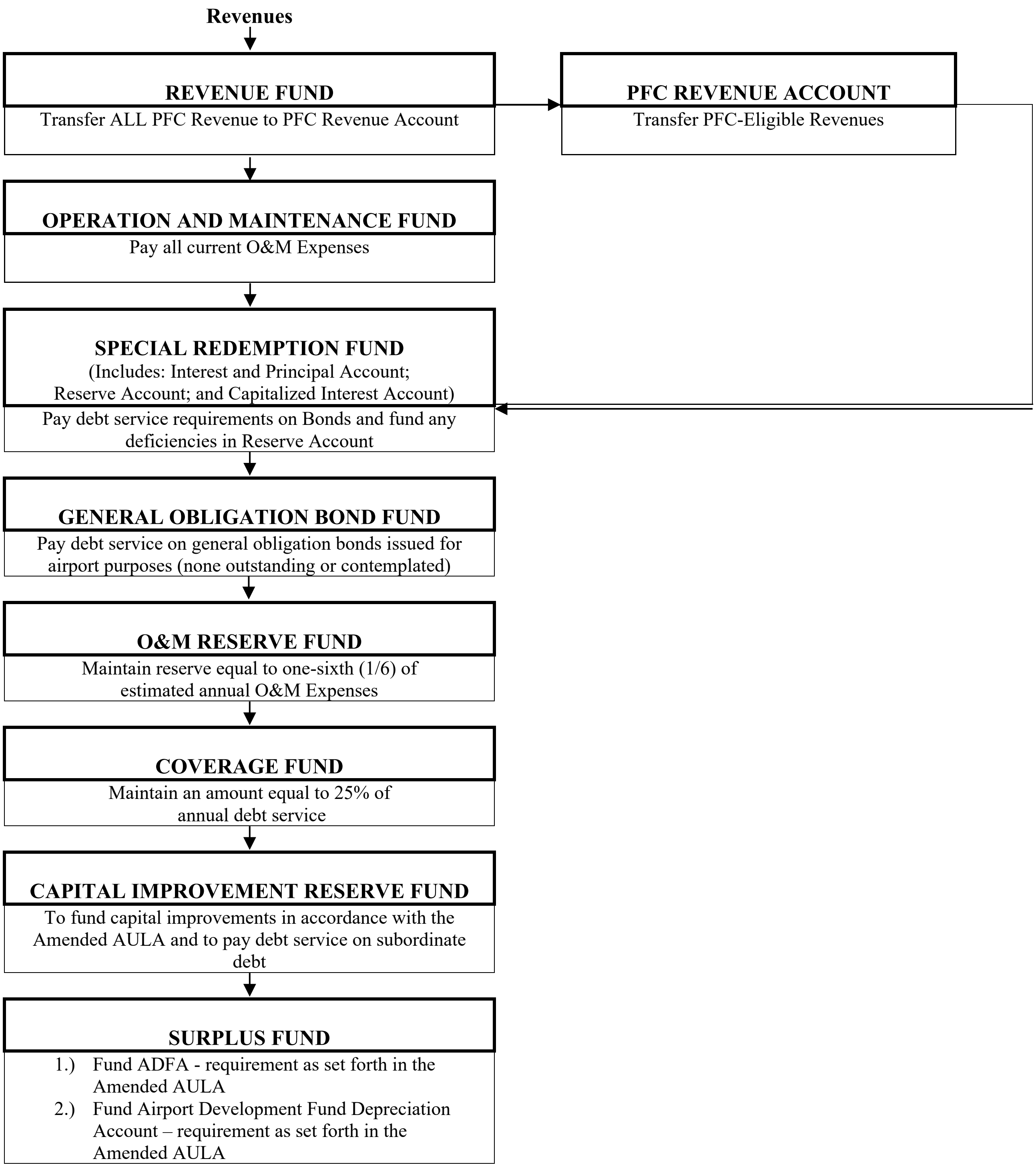
MILWAUKEE COUNTY AIRPORT SYSTEM
FLOW OF FUNDS PER GENERAL BOND RESOLUTION



The General Bond Resolution provides that, except as otherwise provided therein, all income from the investment of any fund or account established under the General Bond Resolution (including net profit from the sale of any investment) shall be retained in that fund or account until such fund or account is fully funded in accordance with the terms of the General Bond Resolution, and, thereafter, shall be treated as Revenues and deposited in the Revenue Fund, except that all income from the investment of the Reserve Account, when the Reserve Requirement is on deposit therein, shall be transferred to the Interest and Principal Account and used for the purposes thereof. For the period until the date of substantial completion of a project financed by Bonds (or until the project is discontinued) income accruing from investment of the proceeds of Bonds issued to finance or refinance the project which have been deposited in the Capitalized Interest Account, the Construction Fund or the Reserve Account, including income on the income, shall when received be deposited in the Construction Fund, or, if so directed by the County, in the Interest and Principal Account, or as otherwise provided by the Supplemental Resolution under which the Bonds are issued for the project. Any loss from investment of a fund or account shall be charged to the fund or account but, unless otherwise made up, shall be set off against income from investment of the fund or account, which would otherwise be deposited in another fund, or account. See APPENDIX C "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION - Creation of Funds; Flow of Funds."

Additional Bonds

The General Bond Resolution permits the issuance of one or more additional series of Bonds on a parity with the Bonds then Outstanding ("Additional Bonds") upon certain conditions. Any such series of Additional Bonds may be issued only upon the filing of the following with the Trustee:

(1) (a) A certificate of the County that to the best of the knowledge and belief of the authorized officer executing the certificate, no event of default exists and, (b) a certificate of the Trustee that there is no event of default of which it has actual knowledge;

(2) A certificate of the County, executed on its behalf by an authorized officer, setting forth (a) the Net Revenues for the last audited fiscal year and (b) the maximum debt service (including, without duplication, related Credit Facility Obligations) on all Bonds then Outstanding and the Additional Bonds to be issued in any fiscal year; and demonstrating that such Net Revenues, together with Other Available Funds, equal an amount not less than 125% of such debt service (including, without duplication, related Credit Facility Obligations); or, alternatively, a certificate prepared and signed by an Airport Consultant, setting forth for each of the three fiscal years commencing with the fiscal year following that in which the projects financed by such Additional Bonds are estimated to be completed, the projected Net Revenues, the projected Other Available Funds, and the maximum debt service on all Bonds then Outstanding and the Additional Bonds to be issued in any fiscal year; and demonstrating that for each such fiscal year the projected Net Revenues, together with the projected Other Available Funds, will be in an amount not less than 125% of such debt service (including, without duplication, related Credit Facility Obligations);

(3) A certified copy of the 2025A Supplemental Resolution providing for the issuance of the Additional Bonds; and

(4) An opinion of bond counsel that the conditions precedent to the issuance of the Additional Bonds have been satisfied.

Completion Bonds. The certificates required by subparagraph (2) above shall not be required in connection with the issuance of Additional Bonds to pay costs of completing a project for which Bonds have been previously issued; provided that the principal amount of such Additional Bonds issued under this paragraph shall not exceed 15% of the original principal amount of the Bonds previously issued for such project; and provided further that Additional Bonds shall not be issued under this paragraph unless there has been filed with the Trustee a certificate of the consulting engineer (i) stating that the project has not materially changed from its description in the Supplemental Resolution authorizing the Bonds initially issued to pay the project costs of the project, (ii) estimating the revised aggregate project costs of the project, (iii) stating that the revised aggregate project costs of such project cannot be paid in full with moneys available for such project in the Construction Fund, and (iv) stating that the issuance of the Additional Bonds is necessary to provide funds for the completion of the project.

Refunding Bonds. The certificates required by subparagraph (2) above shall not be required in connection with the issuance of Additional Bonds to refund Bonds, provided that the average annual debt service on the refunding bonds shall not be greater than the average annual debt service on the Refunded Bonds, but such certificates shall be required in the case of Additional Bonds issued to refund obligations other than Bonds (including the issuance of Additional Bonds to retire notes issued in anticipation of Bonds) as if the Additional Bonds were being issued for the projects financed by the Refunded Bonds.

Issuance of Subordinate Securities and Special Facility Bonds

The General Bond Resolution provides that the County may issue subordinate lien securities for the purpose of the Airport System payable from the Revenues deposited in the Capital Improvement Reserve Fund. The General Bond Resolution also includes provisions under which the County may issue Special Facility Bonds for the purpose of constructing a Special Facility at the Airport. A Special Facility is any facility, structure, equipment or other property, real or personal, which is at the Airport or a part of any facility or structure at the Airport and which is designated as a Special Facility by a Supplemental Resolution. Such Supplemental Resolution shall provide that revenues earned by the County from or with respect to such Special Facility shall constitute Special Facility Revenues and shall not be included as Revenues. Any such Special Facility Bonds are required to be payable solely from Special Facility Revenues and will not be a charge or claim against the Revenue Fund or any other fund or account designated in the Bond Resolutions. For a summary of the conditions for the issuance of Special Facility Bonds, see APPENDIX C "SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION – Issuance of Subordinate Securities and Special Facility Bonds." There are no subordinate lien securities or Special Facility Bonds outstanding as of the date of this Official Statement.

PLAN OF FINANCE

Authorization and Purpose

The County Board adopted the 2025A Supplemental Resolution authorizing the issuance of the Series 2025A Bonds on March 20, 2025. The Series 2025A Bonds are being issued on parity with the other Outstanding Bonds. Pursuant to the 2025A Supplemental Resolution, the County Board delegated to the Comptroller of the County the authority to accept on behalf of the County a proposal for the purchase of the Series 2025A Bonds so long as the proposal satisfies the terms and conditions of the 2025A Supplemental Resolution.

The proceeds of the Series 2025A Bonds will be used to finance various improvements at General Mitchell International Airport as described below, to fund the Reserve Account if necessary, and to pay the cost of issuing the Series 2025A Bonds.

1. **Passenger Loading Bridge Replacement (Phase 2) –** This project is the second phase in a multi-year project needed to replace passenger loading bridges at MKE and is estimated to cost $8.0 million. This phase includes the replacement of bridges at passenger gates C11, C14, D54, and D55. Passenger loading bridges are a critical piece of the infrastructure of the airport, and this program is slated to replace bridges as they exceed their useful life and become prone to excessive maintenance and breakdowns. The scope of work includes construction to replace passenger loading bridges and preconditioned air units as needed, as listed, with new equipment of similar size and function. This includes modifications to fuel pits, foundations, and electrical infrastructure as necessary. This project has an estimated completion date of December 2027.

2. **Passenger Loading Bridge Replacement (Phase 3) –** This project is the third phase in the replacement of passenger loading bridges at MKE and is estimated to cost $7.3 million. This phase is identical in scope to Phase 2 and includes the replacement of bridges at passenger gates C9, C12, C15, and C25. This project also has an estimated completion date of December 2027.

3. **MKE Saver Lot A Parking Rehab (Design only)** – This project is for the design of the rehabilitation of Saver Lot A at MKE, which is estimated to cost $0.4 million. The rehabilitation of the parking lot will be funded when the construction timeline is determined.

SOURCES AND USES OF FUNDS

The proceeds of the Series 2025A Bonds will be applied as follows.

Sources and Uses

Sources:	Series 2025A Bonds
Par Amount	$15,170,000.00
Original Issue Premium	1,078,226.75
Total Sources of Funds	$16,248,226.75
Uses:	
Project Fund Deposit	$15,687,890.00
Debt Service Reserve Fund	232,554.11
Estimated Costs of Issuance/Underwriter's Discount	324,964.53
Additional Proceeds	2,818.11
Total Uses of Funds	$16,248,226.75

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THE COUNTY

General

The County is located in southeastern Wisconsin on the Lake Michigan shoreline. The County covers an area of approximately 242 square miles and consists of 10 cities and nine villages. The City of Milwaukee, which is the County seat, contains approximately 61% of the County's population and 45% of its taxable property value. The County serves as the population, economic and financial center of the state.

The County was first incorporated in 1835 by the Michigan Territorial Government. In 1837, territory was removed from the County by the Wisconsin Territorial Legislature. Nine years later, territory was removed again, and the County attained its present size.

Government and Administration

The County is governed by a County Executive and an 18-member County Board. The County Executive is elected on a nonpartisan basis to a four-year term. County Board supervisors are elected on a nonpartisan basis to two-year terms. Each supervisor is elected from a district with an average population of approximately 53,000. In addition, six constitutional and two statutory officers are elected on a partisan basis to serve four-year terms as shown below.

County Officials

(Year first sworn into office follows name)

County Executive:	David Crowley (2020)
County Clerk:	George L. Christenson (2017)
Register of Deeds:	Israel Ramón (2019)
Treasurer:	David Cullen (2014)
Clerk of Circuit Court:	Anna Maria Hodges (2022)
Sheriff:	Denita R. Ball (2022)
District Attorney:	Kent Lovern (2025)
County Comptroller:	Liz Sumner (2024)

Board of Supervisors

Marcelia Nicholson - Chairwoman (2016)
Steven Shea - 1st Vice Chairperson (2018)
Priscilla E. Coggs-Jones - 2nd Vice Chairperson (2021)

Deanna Alexander (2022)
Justin Bielinski (2024)
Sky Z. Capriolo (2024)
Jack Eckblad (2024)
Caroline Gomez-Tom (2023)
Willie Johnson, Jr. (2000)
Patti Logsdon (2018)
Felesia A. Martin (2018)
Juan Miguel Martinez (2022)
Anne O'Connor (2024)
Shawn Rolland (2020)
Sequanna Taylor (2016)
Steve F. Taylor (2022)
Kathleen Vincent (2022)
Sheldon A. Wasserman (2016)

County Executive's Office

The County was the first county in the State of Wisconsin to establish an executive branch. The following five cabinet officers are appointed by the County Executive to assist in carrying out these executive functions**:**

- Director - Department of Administrative Services
- Director - Department of Health and Human Services
- Director - Department of Human Resources
- Director - Department of Parks, Recreation and Culture
- Director - Department of Transportation

In addition, the County Executive appoints and manages heads of the following departments:

- Zoological Gardens
- Emergency Management
- Medical Examiner
- Strategy, Budget, and Performance
- Corporation Counsel
- Government Affairs
- Community Reintegration Center
- Behavioral Health Services
- Office of Equity
- Child Support Services

Functions of the County Executive's office include: coordination and direction of administrative and management functions of the County government not otherwise vested by law in boards, commissions or other elected officers; appointment of department heads, except where statute provides otherwise, and members of boards and commissions, subject to confirmation by the County Board; preparation and submission of an annual County budget to the County Board; submission annually, and otherwise if necessary, of a message to the County Board setting forth the condition of the County and recommending changes and improvements in County programs and services; and review for approval or veto of all resolutions and ordinances enacted by the County Board.

Legislative

The County Board determines County policy and directs the activities of County government by the adoption of ordinances and resolutions, under authority vested in it by the Wisconsin Statutes. At its annual meeting in November of each year, the County Board adopts the next calendar year's budget. It meets regularly to transact official business, and its committees also meet regularly to hold hearings, gather information and take testimony preparatory to making recommendations to the full County Board.

The Chairperson of the County Board is elected by the members of the County Board following their election every two years and is responsible for presiding at County Board meetings; ruling on procedural matters; representing the County Board at official functions; and making appointments to County Board committees, special subcommittees, boards and commissions.

The standing committees of the County Board meet periodically and make recommendations to the County Board, which formally approves, modifies or disapproves those recommendations. Standing committees include:

- Finance
- Audit
- Personnel
- Committee of the Whole
- Intergovernmental Relations
- Health, Equity, Human Needs, and Strategic Planning
- Transportation and Transit
- Community, Environment and Economic Development
- Judiciary, Law Enforcement, and General Services
- Parks and Culture

County Employee Pension Benefits

The Milwaukee County Employees' Retirement System (the "MCERS") was established in 1938 and is a single-employer defined benefit pension plan. The MCERS was substantially noncontributory until 2011. In that year, employees were required under 2011 Wisconsin Act 10 ("Act 10") to begin contributing half of the Actuarial Required Contribution ("ARC") to the MCERS. Public safety employees are specifically exempted from this requirement under Act 10, but similar employee pension contributions have been negotiated with public safety worker unions. As of December 31, 2024, there were 12,424 participants with vested benefits in MCERS of which 7,658 are receiving benefits. The most recent valuation of the MCERS dated December 31, 2024 indicates a 71.6% funded status. This funded ratio is based on a Plan Fiduciary Net Position of $1,733,860,345 and a Total Pension Liability of $2,420,348,778.

The County established the OBRA 1990 Retirement System of the County of Milwaukee ("OBRA") to cover seasonal and certain temporary employees who are not enrolled in MCERS. As of December 31, 2024, there were 5,474 participants with vested benefits in OBRA of which 63 are receiving benefits. The most recent valuation of the OBRA dated December 31, 2024 indicates a 91.2% funded status. This funded ratio is based on a Plan Fiduciary Net Position of $4,990,004 and a Total Pension Liability of $5,470,746.

The Board of Trustees of MCERS has the responsibility for the overall performance of the Retirement System (MCERS and OBRA). The Board is the fiduciary of the MCERS and OBRA and is responsible for carrying out the investment functions solely in the interest of the members and benefit recipients. Requests for MCERS financial information should be sent to: MCERS, 901 N. 9th Street Room 210C, Milwaukee, WI 53233. Financial information regarding MCERS and OBRA can also be obtained at: https://county.milwaukee.gov/EN/Human-Resources/Retirement-Services/Financial-Reports. Such information is prepared by the entity maintaining such website, and no such information is incorporated herein by this reference.

2023 Wisconsin Act 12 ("Act 12") was enacted on June 20, 2023. Act 12 contained various provisions that have fiscal impacts to the County, including local government program funding for shared revenue, additional sales tax authority, and potential changes to MCERS. Act 12 provided the County with the option to increase its sales tax collection rate by 0.4%, from 0.5% to 0.9%, which the County adopted with sales tax collections beginning in January 1, 2024. The sales tax proceeds are only available to fund both the unfunded pension liability and Pension Obligation Bonds ("POBs") until the ERS is fully funded or thirty years, whichever is earlier.

Tax levy dollars that were previously spent on the unfunded pension liability are now available to support County services and to offset a structural deficit that is projected in future years. Because the County has adopted the sales tax increase, the County is required to have all new employees, who start after January 1, 2025, join the Wisconsin Retirement System ("WRS"). This resulted in a "soft close" of MCERS. There will be additional costs of joining WRS, since the continuing "normal cost" of that plan is higher than MCERS. However, WRS is one of the top-rated pension plans in the country and has historically had little to no unfunded liability.

Airport Pension Contributions and Liabilities

The Airport contributed a total of $3,144,729 in 2024 to the County for its active and retired employees' pensions, compared to $3,107,427 in 2023. These amounts make up a portion of the County's total contribution. The County contributed a total of $58,029,539 in 2023 and $71,920,800 in 2024. The most recently available net pension liability attributable to the Airport is as of December 31, 2023 and assumes a discount rate of 6.80%. The total net pension liability of the County was $686,488,433 in 2024. Of this amount, the Airport's net pension liability was $29,351,559. Below is a summary of the Airport's contributions and liabilities from 2024 and 2023:

	2024	2023
MCERS' net pension liability	686,488,433	729,360,414
Airport MCERS' net pension liability	29,351,559	24,151,928
ERS' County contribution	58,029,539	58,029,539
Airport contribution	3,144,729	3,107,427

With respect to costs related to active employees, pension costs are allocated based upon a percentage of active employees' pensionable wages (which excludes overtime and sick leave payouts). Beginning in 2018, with respect to retired employees, pension costs are allocated based on the 25-year historical number of full time equivalents ("FTE") by department and adjusting for the likelihood that those FTEs are currently receiving pension benefits. Prior to 2018, a three-year average of active pensionable wages were charged to the Airport.

County's Deficit and Five-Year Outlook

The County has experienced structural deficits since the Comptroller began publishing five-year forecasts in 2013 and expects to continue facing structural deficits. From 2026 to 2030, the average cost-to-continue, which assumes annual shortfalls are addressed without the use of one-time revenues or one-time expenditure reductions, is projected to be $34.3 million. This is a significant increase from the $13.8 million estimated in the 2025-2029 forecast. The increase is primarily driven by the use of tax levy savings to fill a gap in the operating budget, which resulted from redirecting 0.4% sales tax revenues to cover pension-related expenses in 2024 and 2025. Additional contributing factors include rising employee-related costs and the expected exhaustion of remaining federal stimulus funds for Transit operations, as further discussed below. Without long-term, sustainable solutions to the mounting fiscal pressures, the County could expect a structural deficit of $69.8 million in 2027 growing to $171.6 million by 2030, barring any unforeseen issues or significant changes to the assumptions within this forecast.

Structural Deficit and Cost-to-Continue
2026 - 2030

Year	Expenditure	Revenue	Structural Deficit	Cost-to-Continue*
2025	$ 1,300,198,516	$ 1,300,198,516	$ 0	$ 0
2026	$ 1,363,105,720	$ 1,316,450,649	$ (46,655,071)	$ (46,655,071)
2027	$ 1,404,365,539	$ 1,334,567,087	$ (69,798,452)	$ (23,143,380)
2028	$ 1,446,724,121	$ 1,335,716,318	$ (111,007,803)	$ (41,209,351)
2029	$ 1,495,683,368	$ 1,356,710,455	$ (138,972,913)	$ (27,965,111)
2030	$ 1,540,895,169	$ 1,369,308,403	$ (171,586,766)	$ (32,613,853)
			Average Cost-to-Continue:	$ (34,317,353)

*Cost-to-continue assumes that the prior year gap was eliminated with long-term solutions.

Cost-to-continue in the current model increased from the prior model, with the prior model projecting an average annual cost-to-continue of $13.8 million over the forecast period and the current model projecting an average annual cost-to-continue of $34.3 million. This year-over-year change is notably the most drastic year-over-year change the County has confronted in the last decade. The most consequential impacts originate from personnel-related increases and revised revenue forecasts, with the transit fiscal cliff still a major financial risk in the 2028 fiscal year.

Other important notes about the Five Year Outlook are included below:

- *The 2024 and 2025 budgets consumed the entire $50.0 million in one-time savings realized from the 0.4% sales tax to fund growing expenditures in those years. So, for 2026 and beyond, there are no remaining savings available to reduce the estimated structural deficit.* The County passed legislation that authorized an additional 0.4% sales tax (which commenced on January 1, 2024) and closed the County's pension system, MCERS, which closed to new entrants as of January 1, 2025. With the ability to use the 0.4% sales tax to fund various pension-related expenses in lieu of property taxes, the County realized roughly $50.0 million in one-time property tax levy savings. That $50.0 million was budgeted to offset the cost-to-continue increases within the 2024 and 2025 budgets. This savings provided policymakers with a short reprieve from the difficult budget decisions that have plagued the County for at least two decades. But, beyond the relief the 0.4% sales tax provides in terms of funding growing pension expenses, there are no additional savings to help offset future structural deficits.

- *The additional 0.4% sales tax provides $82.7 million in revenue in 2026, enough revenue to offset the $57.8 million unfunded actuarial accrued liability ("UAAL") cost, $18.9 million of the $37.0 million POB payment, and $6.0 million of the ERS normal cost.* With the approval of the additional 0.4% sales tax allowed under Act 12 came several changes to various aspects of the ERS, including a maximum amortization period of 30 years and an annual investment return assumption that is the same as or less than the annual investment return assumption used by the WRS. These changes result in an estimated UAAL payment of $57.8 million for 2026. Further, Act 12, and subsequently 2023 Wisconsin Act 40, provide that after first making the payment towards the UAAL, any additional 0.4% sales tax revenue can be used for payments towards the County's POBs, or for additional payments to the UAAL, or for payments towards the employer normal cost contribution to the ERS. This forecast assumes that the distribution of the 0.4% sales tax in the 2025 budget is carried forward into 2026 so that the UAAL payment of $57.8 million is fully funded, $18.9 million of the $37.0 million POB payment is funded, and $6.0 million of the ERS normal cost is funded.
- *Historic property tax reductions in 2024 will be negated by a $14.9 million property tax increase expected in 2026 as the debt service for the Milwaukee Public Museum comes due; future increases expected as debt for the Center for Forensic Science and Protective Medicine is issued in 2026.* The County makes its best effort to maintain a relatively flat debt service payment over time, but a debt levy increase of $11.9 million will be required in 2026 to pay the anticipated debt service on previously approved projects, including funding for the Milwaukee Public Museum. Debt levy for future years also increases as debt service for the Center for Forensic Science and Protective Medicine is expected in 2027. For 2026, general operating levy will also increase by $2.9 million resulting in a total property tax levy increase of $14.9 million.
- *Earlier forecasts predicted that by 2025 the Department of Transportation ("DOT") – Transit Division would require an additional $25.1 million in tax levy to support operations. This "fiscal cliff" was partially mitigated by an unprecedented tax levy increase of $17.8 million in 2024 but will require another $17.8 million in property tax levy support by 2028 without any additional aid.* Based on most recent projections, the DOT – Transit Division will extend its remaining allocation of federal stimulus funding through 2027 and increase its share of Federal Section 5307 used in the operating budget to absorb cost increases over the next two years. By 2027, the estimated gap between operating expenditures and revenues hits $2.5 million, growing to $17.8 million by 2028, and will likely fall to the property tax unless additional revenue sources are secured.
- *The County workforce experienced a substantial decline during the pandemic years but has been steadily recovering alongside steep increases in wages and employee benefits costs, significantly expanding the County's two largest cost centers - wage-related items ($321.5 million) and health, pension, and other benefits ($269.9 million).* These two cost centers make up over 43.2% of the County's expenditure budget and are slated to grow by over $40.2 million, or 7.3% in 2026. Emerging trends in wages and overtime are putting stronger fiscal pressure on the forecast than in previous years. From 2021 to 2025, salaries are estimated to grow 37.0% which is in stark contrast to the 7.1% growth from 2017 to 2021. That jump coincides with a significant increase in overtime expenses as well. While further examination is necessary, it appears unlikely that the cost of overtime will decrease without significant investments in additional staffing or changes in operations. And while the 0.4% sales tax lifted a significant pension burden off the County's property tax levy, the once positive healthcare trends the County experienced are reversing, teeing up increases the County had avoided for several years.
- *The fundamental conclusion from this forecast is the same as every other: even with a dedicated funding source to help pay for the County's sizable pension-related expenses, the annual structural deficit persists because expenditures grow faster than revenues.* From 2026 to 2030, the average cost-to-continue, which

assumes long-term, sustainable fiscal solutions are applied annually, is projected to be $34.3 million. This is a significant increase from the $13.8 million estimated in the 2025-2029 forecast which is largely due to the end of one-time benefits of the 0.4% sales tax in the 2024 and 2025 budget, upward trends in employee-related expenditures, and the looming transit fiscal cliff. Without long-term, sustainable solutions to the mounting fiscal pressures, the County could expect a structural deficit of $69.8 million in 2027 growing to $171.6 million by 2030, barring any unforeseen issues or significant changes to the assumptions within this forecast.

County Employee Other Post-Employment Benefits ("OPEB")

The County administers single-employer defined benefit healthcare and life insurance plans for retired employees. The plans provide health and life insurance contributions for eligible retirees and eligible spouses through the County's self-insured health insurance plan and the County's group life insurance plan. The County stopped providing post-retirement health care and life insurance for most employees who began work with the County after January 1, 1994. Employees who started prior to this date and worked 15 years with the County are eligible for post-retirement health care.

During 2018, the County adopted GASB 75 – Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions ("GASB 75"). GASB 75 requires calculation of an OPEB liability. The County is on a pay-as-you-go basis for its OPEB liability and thus has not established a trust for the payment of these liabilities. The OPEB liability is the present value of the amounts needed to pay OPEB health and life benefits earned by each participant based on meeting minimum service requirements and eligibility rules as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date.

An actuarial valuation report was prepared as of January 1, 2023 for the County, based on GASB 75. The County's liability for OPEB for all funds, excluding the Milwaukee County Transit System, was estimated at $719,427,000, based on a 4.00% discount rate. The discount rate used for an unfunded plan is based on a 20-year municipal bond yield, as required by GASB 75.

The OPEB income for the year ended December 31, 2024 for the County was $66.9 million, which included service cost of $2.3 million and interest cost on the OPEB liability of $35.5 million, and amortization of experience and assumption changes of ($104.7 million). The OPEB liability decreased by $127.7 million for 2024. The change in liability consisted of increases from OPEB service and interest costs of $37.8 million and changes of assumptions of $16.5 million. Offsetting these increases were changes between expected and actual experience of ($129.0) million and employer contributions of ($53.0) million.

Airport OPEB Contributions and Liabilities

The Airport contributed $1,945,000 in 2024 to the County for OPEB liability and retiree healthcare costs, compared $1,798,000 in 2023. The total net OPEB liability of the County was $719,427,000 in 2024. Of this amount, the Airports' net OPEB liability was $26,542,000.

For active employees, the Airport's allocation is based on the number of FTE positions in the Airport for each pay period. Beginning in 2018, expenses related to retiree health care are allocated based on the 25-year historical number of FTEs by department and adjusting for the likelihood that those FTEs are currently receiving retiree healthcare benefits. Prior to 2018, the allocation for retirees was based upon the three-year average of active FTE employees for the Airport compared to the total FTEs of the County.

THE AIRPORT SYSTEM

General

The County owns and operates the Airport and Timmerman Airport, which together comprise the Airport System. The Airport is the major air carrier airport in Wisconsin, serving a primary air service area of approximately 1.6 million people and a total catchment area of approximately seven million people.

The County began operating its first airport in 1919. In 1926, the Airport opened the County's first terminal and Northwest Airlines began offering flights from Milwaukee to Chicago and Minneapolis. A two-story terminal building was constructed in 1940, and a new two-level terminal with 23 gates was added in 1955. In 1985, a greatly expanded terminal complex with larger concession, ticketing, and baggage claim areas was built. In 1990, 15 additional gates were added to Concourse D. In 2007, the Airport completed several terminal concourse improvement projects, which included improvements for Concourses C, D, and E. A 4,440-space parking garage was completed in 1980, which has been expanded to total approximately 8,005 public parking spaces currently.

Timmerman Airport is a general aviation reliever airport for the Airport, containing two paved runways and three instrument approaches.

The Airport System is accounted for as an enterprise fund within the County. The Airport System includes the operations of the Airport and Timmerman Airport.

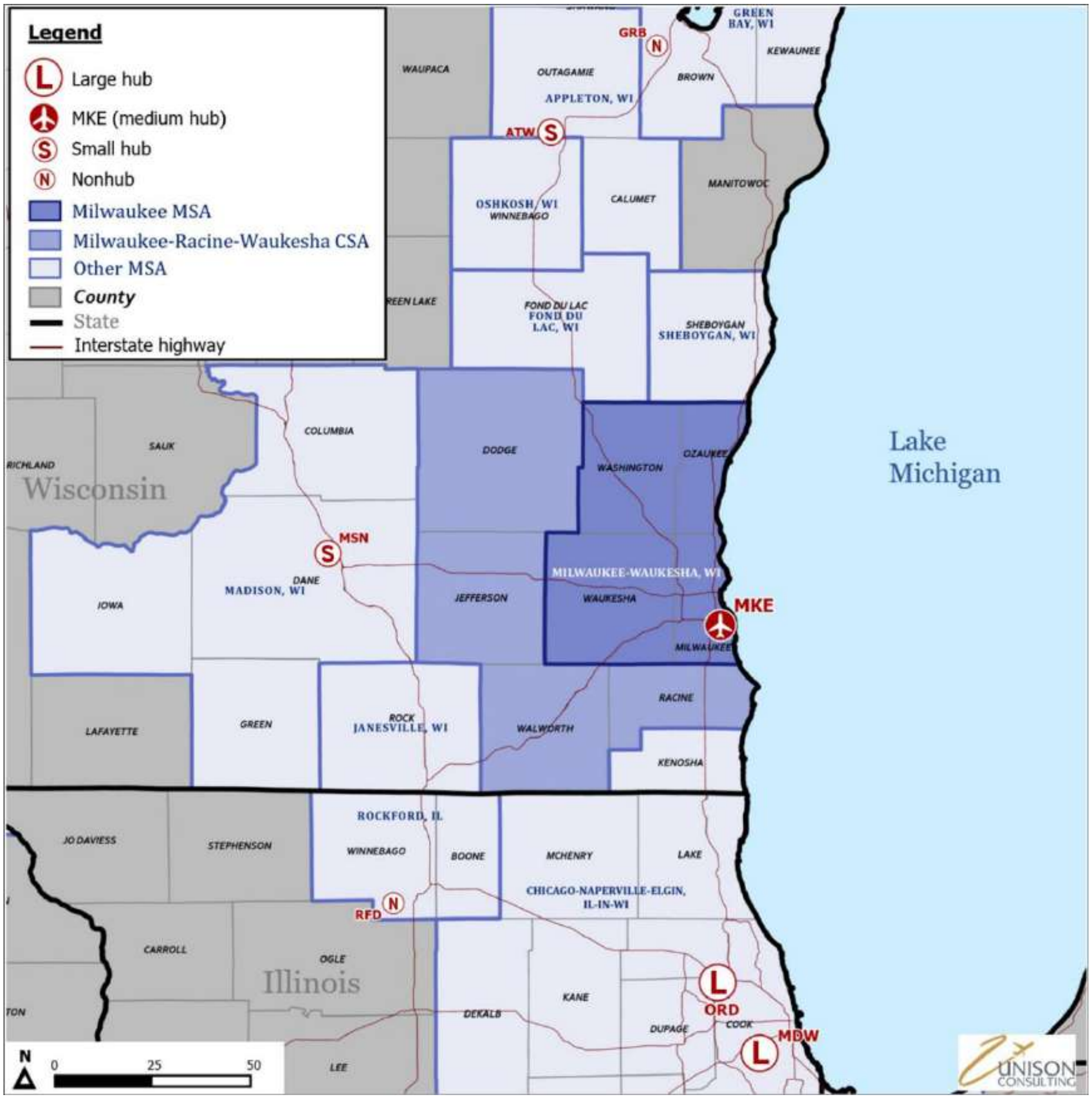
Included within APPENDIX B to this Official Statement is the Statement of Revenues, Expenses and Changes in Net Assets and Balance Sheet of the Airport System excerpted from the County's audited basic financial statements audited by Baker Tilly US, LLP for the years ended December 31, 2020 through 2024. The accounts of the Airport System are not separately audited.

The Airport System is economically self-sustaining and operates solely on revenue generated from operations and concessions, plus federal and state funding of primarily airfield improvements. For financial purposes, and in the calculation of airline rates and charges, the County combines the financial operations of the Airport and Timmerman Airport.

Airport Service Area

The Airport's primary service area has a population of approximately 1.6 million and includes the Milwaukee-Waukesha Metropolitan Statistical Area (Milwaukee MSA), which includes the counties of Milwaukee, Ozaukee, Washington, and Waukesha.

The Airport's Service Area



Public transportation in the Airport catchment area includes bus service to all major cities and train service between Chicago and Milwaukee. See APPENDIX A "FINANCIAL FEASIBILITY REPORT" for a description of the local Milwaukee economy.

Presence of Other Airports

The Airport is the major commercial airport in Wisconsin. Located 73 miles from Chicago O'Hare International Airport and 98 miles from Chicago Midway Airport, the Airport's strategic location makes it an accessible alternative airport for Northern Illinois residents. The Airport is also able to capture traffic from markets served by the smaller regional airports, primarily because the Airport offers lower fares and more flights.

Other airports within approximately 130 miles of the Airport include Austin-Straubel International Airport in Green Bay (127 miles north of the Airport), Appleton International Airport (113 miles north of the Airport), Chicago/Rockford International Airport (99 miles southwest of the Airport) and Dane County Regional Airport in Madison (83 miles west of the Airport). The table on the following page includes a comparison of these surrounding airports.

MILWAUKEE MITCHELL INTERNATIONAL AIRPORT
LOCAL AREA COMMERCIAL SERVICE AIRPORTS

Airport Information				Distance from MKE		Enplanements			
Name	State	Code	FAA Hub[7]	Miles	Drive Time	2019	2024	2019-2024 Change	Share of 2024 US EP
Chicago O'Hare	IL	ORD	Large	73	1h 12m	40,876,846	38,558,136	-5.7%	3.49%
Chicago Midway	IL	MDW	Large	98	1h 41m	10,063,812	10,348,134	2.8%	0.94%
Milwaukee Mitchell	WI	MKE	Medium	0	N/A	3,449,987	3,154,811	-8.6%	0.29%
Dane County Regional	WI	MSN	Small	83	1h 30m	1,152,652	1,146,409	-0.5%	0.10%
Appleton	WI	ATW	Small	113	1h 55m	385,698	539,549	39.9%	0.05%
Austin Straubel	WI	GRB	Nonhub	127	1h 58m	339,279	329,012	-3.0%	0.03%
Chicago Rockford	IL	RFD	Nonhub	99	1h 39m	113,962	128,159	12.5%	0.01%

Sources: FAA, Google Maps, U.S. Department of Transportation, and Unison Consulting, Inc.
Driving times vary by day of the week, time of day, and traffic.

Airport System Management

An Airport Director manages the Airport System. The County Executive appoints the Director of Transportation to whom the Airport Director reports. The Airport Director oversees 238 full-time equivalent employees. Key members of the Airport System Management include the Airport Director, the Director of Finance, the Director of Operations and Maintenance, and the Director of Business and Commercial Development.

Airport Director. Brian Dranzik, A.A.E., was appointed Airport Director in 2017 by the Milwaukee County Executive. Mr. Dranzik formerly held the position of Deputy Director of Transportation and then Director of Transportation for the County where he oversaw the divisions of Highway, Transit, Fleet, Administration, and the Airport from 2008 to 2017.

Mr. Dranzik earned his full accreditation as an Accredited Airport Executive in 2020. He holds a Master of Urban Planning degree from the University of Wisconsin-Milwaukee and has worked in transportation for over 20 years.

Director, Finance. Samta Bhatnagar was appointed as the Director of Finance in November 2024. Prior to joining the Airport, Ms. Bhatnagar was the Revenue Cycle Director for the Milwaukee County Department of Health and Human Services, and was responsible for revenue management from varied sources, including insurance, state, and federal organizations. Prior to that, she served as the Financial Administrator for the Milwaukee County Department on Aging and was responsible for all financial operations. She has been with the County for 10 years and has two decades of experience in various public and private sector financial roles. Ms. Bhatnagar holds a Master's in Business Administration degree from the University at Buffalo with concentrations in Finance and Accounting.

Director, Operations and Maintenance. Spencer Langhart, C.M., was appointed Director of Operations and Maintenance in 2024. Mr. Langhart previously held an airport position with the Dane County Regional Airport in Madison, Wisconsin. He earned his Certified Membership to the American Association of Airport Executives in 2022 and has 12 years of aviation and airport experience. Mr. Langhart holds a bachelor's degree in aviation administration from Western Michigan University.

Director, Business and Commercial Development. Matthew Hoffman, A.A.E., was appointed Director for Business and Commercial Development in 2018. Mr. Hoffman previously held positions at multiple airports including Portland International, Hillsboro, Troutdale, Gerald R. Ford International, and Abraham Lincoln Airports. He earned the status of Accredited Airport Executive from the American Association of Airport Executives in 2002 and has more than 28 years of experience in aviation/airports. Mr. Hoffman is also a commercial pilot and turbojet flight engineer. He earned a bachelor's degree in aviation business administration from Embry-Riddle Aeronautical University.

Facilities and Services

Airfield and Aircraft Parking Aprons. The Airport's existing airfield configuration consists of two air carrier runways and three other runways, as follows:

RUNWAY DESCRIPTIONS

	Runway 1L-19R	Runway 7R-25L	Runway 1R-19L	Runway 7L-25R	Runway 13-31
Length (ft)	9,990	8,300	4,182	4,797	5,537
Width (ft)	200	150	150	100	150
Instrumentation	-1L CAT III	-7R CAT I	-1R GPS	-7L GPS	-13 GPS
	-19R CAT I	-25L Localizer & GPS	-19L GPS	-25R GPS	-31 GPS
Pavement Material	Concrete & Asphalt	Concrete & Asphalt	Concrete & Asphalt	Concrete & Asphalt	Concrete & Asphalt

Runways 1L-19R and 7R-25L accommodate all air carrier operations, while Runways 1R-19L and 7L-25R serve general aviation propeller, piston, and turboprop aircraft. Runway 13-31 is available for certain air carrier operations, smaller jet aircraft, general aviation aircraft, and occasional commercial operations under specific wind conditions. The taxiway system provides access between all runway ends. In addition, Runways 1L-19R and 7R-25L are serviced by partial parallel taxiways and the other runways are served by either crossing runways or taxiways. All of the taxiways are 75 feet wide, except one, which is 50 feet wide. The terminal apron area surrounds all three concourses and totals approximately 70 acres. As noted in the updated Airport Master Plan approved in 2022, Runway 1R-19L and Runway 13-31 are scheduled to be decommissioned and then subsequently removed. The environmental review phase has been completed, with an estimated decommission and removal beginning in 2026. These runways handle less than 1 percent of the Airport's traffic and are not eligible for federal funding. The removal of these runways is aimed at rightsizing the Airport's facilities.

Terminal Facilities. The Airport's main terminal complex contains approximately 810,000 square feet and is currently comprised of a central terminal building and two active passenger concourses, with 32 gates and corresponding hold-room areas. The third concourse, Concourse E, is currently unused and closed. Following the demolition of Concourse E, scheduled to begin in CY2025, construction of a new concourse will begin, which will serve as the new International Arrivals Terminal ("IAT"). Initially, this new space will have two gates with associated hold room areas and will serve international and domestic passenger flights. The existing IAT, located east of Concourse C and the terminal building, contains 20,830 square feet of space and has one additional gate. Following the completion of the new IAT project, there are no plans for the current IAT space.

Bridge structures connect the main level of the central terminal building to the concourses. The central terminal building consists of four levels. The basement level contains the inbound baggage delivery system, mechanical and utility equipment rooms, Airport storage rooms, concession storage rooms, and a tornado shelter. The ground or lower-level contains ticketing operations, airline offices, outbound baggage and support systems, baggage claim, and baggage service offices. The second level contains concessions, the hold-room areas located in the concourses, administrative offices, a first aid center, and an aviation museum. The Airport operations offices and the control center room are on the mezzanine level.

Two pedestrian bridges connect the main level of the central terminal building to the existing six-level automobile parking structure. The Airport has separate enplaning and deplaning roadways, which provide curbside access to the main terminal complex. A spur roadway off the main terminal departure road provides access to the current IAT.

Public Parking. The Airport has approximately 11,691 public parking spaces, consisting of approximately 8,005 spaces in the parking garage (short-term and long-term) and approximately 3,686 surface spaces. Of the spaces in the surface lots, approximately 550 are located near the terminal complex, with the remainder located in remote lots served by parking shuttle buses. On December 19, 2018, Airport System management implemented the Smart Park parking program which offers a reservation system, loyalty programs and valet parking.

AMTRAK Station. An Amtrak station is located on the western edge of the Airport along the Canadian Pacific Railway lines. The station serves rail passengers using the Airport for travel, along with rail-only passengers using Amtrak's Hiawatha Service that provides seven daily round trips between Milwaukee and Chicago. The station also serves as a stop on the new Amtrak Borealis, launched in 2024, which offers daily roundtrip service between Chicago and St. Paul Minnesota. The County and the Airport also provide a free shuttle bus connection between the Airport and the Amtrak station, including a vehicle parking facility.

Other Facilities. Other facilities located at the Airport include car rental, general aviation, air cargo, and aviation support facilities. The Airport has four on-Airport car rental companies that lease rental car parking space, customer counter space and office space in the parking garage for eight rental car brands. General aviation facilities include aircraft storage hangars, aircraft maintenance hangars, and private passenger terminal buildings. Air cargo facilities include building and apron facilities, along with a new 337,000 square foot air cargo facility that can be accessed by widebody aircraft. Construction of the new air cargo facility started in February 2025 and is scheduled to be completed by the second half of 2026. This new facility is located in the MKE Regional Business Park, which is within the Airport's perimeter fence. In addition to the new air cargo facility, Freight Runners Express occupies a large hangar from which it maintains its aircraft fleet used to transport air cargo and charter passengers. Air Wisconsin, Air Cargo Carriers, and SkyWest also have maintenance facilities at the Airport. Aviation support facilities include an aircraft rescue and fire-fighting facility, a hydrant fuel service system and above-ground and underground storage tanks, a ground runup enclosure, ground service equipment maintenance facilities, and an air traffic control tower.

Environmental, Social and Governance Considerations

The County and the Airport are working to address strategic considerations related to ongoing environmental, social and governance matters for the benefit of the County and the Airport.

Environmental

In 2017, inspired by the aviation industry's definition for airport sustainability, the Airport developed a Sustainability Management Plan ("SMP") to build a holistic management approach to reducing its environmental footprint. Through a collaborative approach with airport stakeholders, the SMP identified several focus areas with goals and action items. Examples of these include energy management, waste management, water management, and creating sustainable buildings and infrastructure.

The Airport has made great strides since adopting the SMP, aptly titled Journey to Sustainability. The Airport has retrofitted installation of LED light fixtures and energy efficient equipment. Through a robust tenant outreach program and the deployment of liquid collection stations at security checkpoints, the Airport has increased recycling capabilities and better managed waste streams at our facilities. All of the public area restrooms at the Airport have been retrofitted with low-flow automated fixtures and toilets to ensure that we apply responsible water management practices. The Airport has also worked alongside our airline tenants to reinforce their corporate sustainability plans by supporting the use of battery-operated Ground Support Equipment, reducing greenhouse gas emissions along with particulate matter.

Social

In May 2019, the County became the first jurisdiction in the nation to declare racism a public health crisis. This action was codified in the Milwaukee Code of General Ordinances Chapter 108. Chapter 108.04(1)(a) requires County leaders, managers, and staff to report written or orally regarding the prior year's accomplishments by April 30 of each year.

After the creation of the Ordinance, the County developed its strategic plan focused on how it provides service to the community through a racial equity lens. This is supported by the County's vision of "By achieving racial equity, Milwaukee County will be the healthiest county in Wisconsin" with supporting values of:

- Inclusion: We actively seek diverse perspectives when making decisions.

- Influence: We collectively use our power to positively impact our community
- Integrity: We do the right thing even when no one is looking.

The County established three strategic focus areas with nine objectives to guide its work moving forward as follows:

Creating Intentional Inclusion

- Reflect the full diversity of the County at every level of County Government.
- Create and nurture an inclusive culture across the County.
- Increase the number of County contracts awarded to minority and women-owned businesses.

Bridge the Gap

- Determine what, where and how we deliver services based on the resolution of health disparities.
- Break down silos across County government to maximize access to and quality of services offered.
- Apply a racial equity lens to all decisions.

Investment in Equity

- Invest "upstream" to address root causes of health disparities.
- Enhance the County's fiscal health and sustainability.
- Dismantle barriers to diverse and inclusive communities.

The Airport has established an MKE Cares initiative that encompasses the essence of the strategic focus areas. Work done in association with MKE Cares includes:

- ADA accessible lactation stations and nursing rooms in terminal and each concourse.
- ADA-approved adult changing tables in the terminal and each concourse, above the ADA standard.
- Free Aira access point glasses to assist passengers with low visibility.
- Meditation room.
- Hidden disability Sunflower Program.
- Outdoor and Indoor pet relief areas in the terminal and each concourse for service animals.
- Partnered with the County's Department of Health and Human Services Housing division to collect change at security entry points to funding housing initiatives for Milwaukee's homeless population.
- Support the Aviation Career Education program in conjunction with the State of Wisconsin Department of Transportation to provide aviation career awareness to traditionally underprivileged youth.
- Partnering with minority focused organizations to promote aviation careers and participate in hiring events.
- Support Girls in Aviation Day to provide aviation career exposure to young girls.
- Included local small, woman, and minority business access to our concessions program through our retail concessions partner.
- Signed USDOT pledge for anti-human trafficking and all staff have had human trafficking training.
- Favorable brand awareness in the community by being Awarded "Best Airport North America 5-15 million" in 2021 and 2022 from Airport's Council International – Airport Service Quality award. An independent international standardized survey asked to random passengers regarding several aspects of their airport experience.

Governance

The County owns and operates the Airport and Timmerman Airport, which together comprise the Airport System. The Airport Director reports to the Director of Transportation who is a member of the County Executive's appointed cabinet.

The County is governed by a County Executive and an 18-member County Board. The County Executive is elected on a nonpartisan basis to a four-year term. County Board supervisors are elected on a nonpartisan basis to two-year terms.

The County Board determines County policy and directs the activities of County government by the adoption of ordinances and resolutions, under authority vested in it by the Wisconsin Statutes. At its annual meeting in November of each year, the County Board adopts the next calendar year's budget. It meets regularly to transact official business, and its committees meet regularly to hold hearings, gather information and take testimony preparatory to making recommendations to the full County Board. (See "THE COUNTY" herein.)

The Airport is focused on:

- Maintaining a safe and efficient airfield that remains open to air traffic within the region.
- Providing a world-class experience for its users with a focus on inclusive customer service.
- Project delivery through a planned process with continuous review of market pricing and project cost, against the financial capacity of various funding sources available to the airport and project type.
- Promoting the airport's value to the community and individual consumer.
- Growing the airport service profile that accommodates the traveling needs of catchment area.

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AMENDED AIRLINE-AIRPORT USE AND LEASE AGREEMENT

The Amended Airline Use and Lease Agreement ("AULA") specifies the terms and conditions of the Signatory Airlines' use of the Airport facilities and their operations at the Airport. The primary airline rates charged by the County for the use of the Airport are landing fees, terminal rents, flexible response security charges, and apron fees. The revenues generated by these fees are used to finance the activities of the Airport, including operating and maintaining the terminal complex and the airfield and apron facilities. The major provisions of the Amended AULA are:

Term

- January 1, 2024, to December 31, 2028

A residual rate methodology with deposits to the Airport Development Fund Account (ADFA)

- An amount equal to 10 percent of Airport concession and parking revenues is deposited into the ADFA annually, provided that the balance does not exceed $20 million.
    - Monies can be used for capital improvements or any lawful Airport System purpose, subject to certain limitations.
    - Projects funded with monies from the ADFA will be depreciated but will not be included in airline rates and charges.
- The County can transfer up to $4 million over the 5-year term of the AULA from the ADFA to the Airport Development Fund – Depreciation (ADF-D).
    - Monies can be used for capital improvements or any lawful Airport System purpose, subject to certain limitations.
    - Projects funded with monies from the ADF-D will be depreciated and will affect airline rates and charges.

The 5-year CIP from CYs 2024 to 2028 approved by the airlines in accordance with the Amended AULA.

- As approved originally, the total project costs for the 5-year CIP for the years 2024 to 2028 are $169.8 million.
- The 5-year CIP project costs to be included in the calculation of airline rates and charges are limited to a Net (Airline) Financing Requirement Cap. In the Amended AULA the Net Financing Cap was $47.1 million. In July and then on October 23, 2024, the signatory airlines voted to approve increasing the Net Financing Requirement Cap to $58.9 million to be used during CYs 2024 to 2028.
- The current 5-Year CIP for CYs 2025-2029 totaling $257.5 million includes the 5-year CIP from the Amended AULA and previously approved carryover projects along with a few small projects that will require Airline approval under a future AULA or MII ballot.
- The County can add or modify projects without Majority-In-Interest (MII) approval provided that the Net (Airline) Financing Requirement Cap on the total CIP is not exceeded.
- The airline MII process will continue to apply for additional capital projects that exceed the Net (Airline) Financing Requirement Cap.

Other

- The Flexible Response Security cost center is eliminated.
    - The airlines will not be charged a separate fee for Flexible Response Security.
    - The expenses that were previously allocated to the Flexible Response Security cost center will be included with Security expenses.
    - Security expenses are allocated in accordance with Exhibit M of the Amended AULA.
- The total net requirement from the MKE Business Park cost center is allocated to the Airfield cost center.
- Non-Signatory Airlines pay 125 percent of the rates paid by Signatory Airlines.
- The Terminal cost center has two differential Terminal Rental Rate classifications:

- Airline space with public access is set at the base rate.
- Airline space with no public access is equal to 75 percent of the base rate.

Airline Rates and Charges

The primary rates charged to the airlines for their use of the Airport facilities are landing fees, terminal rents, and apron fees. The County has established various cost centers within the Airport System to which it allocates the direct and indirect costs of providing the facilities within such cost centers and from which it recovers such costs from the users of such facilities. Under a "residual rate" methodology, for each cost center, the County first allocates all Revenues received from sources other than the Signatory Airlines to recovery of such costs, including both Operation and Maintenance Expenses and debt service on the Outstanding Bonds and other capital costs, and then allocates the remaining unrecovered costs to the Signatory Airlines.

In establishing the rates and charges for the use of such facilities for each year, including the landing fee, terminal rentals and apron fees, the County first develops a budget for each cost center. Then it determines the Revenues that are expected to be received with respect to each cost center from sources other than the Signatory Airlines and subtracts such amounts from the expected costs allocable to the applicable cost centers. Thus, the Signatory Airlines bear the risk of revenue shortfalls and benefit from stronger revenues from non-Signatory Airlines and from concessions. For the aeronautical cost centers, the remaining amount is allocated to the Signatory Airlines, either through the landing fee based upon the Signatory Airlines' projected landed weights for the coming year or through terminal rentals on the basis of rented square feet of terminal space occupied by each Signatory Airline. Non-Signatory Airlines are required to pay 125% of the rates charged to the Signatory Airlines. Other aeronautical revenues, including non-Signatory Airline landing fees, air cargo building rentals, general aviation revenues and the net income of the MKE Regional Business Park are credited to the Airfield cost center. 90% of concessions revenues, which include parking, rental car revenues (excluding customer facility charges), in-terminal concessions and other concessions fees, are credited to the Terminal cost center. The remaining 10% may be deposited into the ADFA. Leased terminal space is charged on the basis of space rented, but for common use facilities, costs are allocated to the airlines, with 20% of such costs shared equally by all Signatory Airlines and 80% of such costs allocated by the proportion of the passengers of each Signatory Airline compared to all passengers enplaned at the Airport. Apron costs are similarly recovered. Rates for apron and other facilities used in common or jointly by the Signatory Carriers are allocated proportionally on the basis of the actual linear feet of apron occupied by the airline.

At the end of each year, the County performs a "true up." It calculates the actual direct and indirect costs and the actual Revenues received and, if the amounts paid by Signatory Airlines exceed the actual costs, then the excess is paid to the Signatory Airlines and if the actual costs are less than the amounts paid by the Signatory Airlines, the amount of any shortfall is invoiced to the Signatory Airlines. Thus, the Signatory Airlines provide a "backstop," ensuring that the County is able to recover its actual direct and indirect costs allocable to the Airport, including operation and maintenance expenses and debt service on the Outstanding Bonds.

For more information on airlines rates and charges, particularly the methodology for calculating these fees, see APPENDIX F, "SUMMARY OF AIRLINE LEASES – Payments by Airlines."

Airline Airport Affairs Committee

The Amended AULA provides for an Airline Airport Affairs Committee ("AAAC") composed of one representative per Signatory Airline who is authorized to represent and vote on items subject to AAAC review, approval, or concurrence. Each Signatory Airline advises the County's Airport Director of the name of the principal representative and not more than two alternate representatives to the AAAC. See Appendix F, "SUMMARY OF AIRLINE LEASES" herein for a more complete discussion of the AAAC.

AIRPORT SYSTEM REVENUES

Airport System Revenues, as defined in the Bond Resolutions, consist of all monies received by the County from any Airport System source, including all rates, fees, charges, rents and other income derived by the County from the ownership or operation of the Airport System, except as hereinafter described. Revenues do not include PFC Revenues, except to the extent PFC Revenues are specifically designated as included in Revenues in a Supplemental Resolution. Unless and to the extent otherwise provided by a Supplemental Resolution, Revenues do not include (a) proceeds of Bonds or other borrowings by the County, or interest earned thereon, (b) proceeds of grants and gifts for limited purposes or the proceeds of the disposition of property financed by such grants and gifts, (c) condemnation proceeds or insurance proceeds, except those received from rental or business interruption insurance, (d) all income and revenue collected and received by the County with respect to properties and facilities which are not included in the definition of Airport System, (e) Special Facility Revenues, or (f), except as specified above, PFC Revenues.

Under the 2025A Supplemental Resolution, PFC Revenues are pledged to the payment of the Series 2025A Bonds to the extent that any of the Series 2025A Projects are eligible for PFC funding, however none of the Series 2025 Projects will be repaid with PFC Revenues. Other Supplemental Resolutions authorizing the issuance of other series of Outstanding Bonds have also pledged PFC Revenues to the payment of such series of Outstanding Bonds to the extent that the projects financed and or refinanced by such series of Outstanding Bonds could be funded with PFC Revenues.

The Revenues of the Airport System are derived from rentals, fees and charges paid by users of the Airport System. In the Amended AULA, the Signatory Airlines have agreed to pay for their usage of the Airport based on a series of formulae designed to allow the County to recover its costs of providing facilities and services for the Airport System. The costs are apportioned among the Signatory Airlines based on usage. See "AIRPORT SYSTEM REVENUES" and APPENDIX F for a more detailed description of the Amended AULA, and the cost recovery formulae.

The County has approval to include in the rates charged to the Signatory Airlines any amounts necessary to pay the principal and interest on the Series 2025A Bonds as a Debt Service Expense under the Amended AULA.

Airfield Revenues

Airfield Revenues consist of landing fees from Signatory Airlines and non-Signatory Airlines, revenues from general aviation operations, and air cargo rentals. Total Airfield revenues increased from approximately $24.6 million in 2023 to approximately $26.6 million in 2024. Total Airfield revenues are estimated to increase to $34.7 million in 2025 and are projected to increase to approximately $36.8 million in 2030, as described in the following paragraphs.

a. Landing Fee Revenues. Landing Fee revenues consist of fees collected from Signatory Airlines and non-Signatory Airlines based on the landed weight of each carrier's aircraft landed at the Airport. The airlines pay fees established to recover the Airfield Requirement, which equals total Airfield expenses minus non-airline Airfield revenues, non-Signatory Airline landing fee revenues, general aviation revenues, and net revenues from the MKE Regional Business Park. Landing Fee Revenues increased at a compound annual growth rate ("CAGR") of 10.6% per year from 2020 to 2024, primarily due to air service activity, rising O&M expenses and the use of Federal Relief Funds reducing the Airfield Requirement and landing fees.

b. General Aviation and Other Revenues. General Aviation and Other Revenues include the following line items:

   - Hangar Rentals – rents collected for land occupied by hangars and fees collected for County-owned Hangars. Hangar Rentals increased from approximately $814,000 in 2020 to $966,000 in 2024.
   - Fuel and Oil Charges – a per-gallon fuel flowage fee is assessed to general aviation fuel purchases in lieu of landing fees. Fuel and Oil Revenue increased at a CAGR of 12.1% per year from approximately $189,000 in 2020 to $299,000 in 2024.
   - Fixed Base Operator Revenues – rents collected from FBOs for land, apron, hangars, and other buildings. FBO revenues increased at a CAGR of 4.9% per year from approximately $557,000 in 2020 to $676,000 in 2024. There is one Fixed Based Operator ("FBO") located at Timmerman Airport. There are three

FBOs located at Milwaukee Mitchell International Airport, with the third having opened for business in 2023.

- Other Revenues – includes all miscellaneous revenues paid that are credited to the Airfield, including but not limited to landing fees collected by FBOs, other rental income, interest on investments, other federal grants, reimbursements, and fleet maintenance fees. Other Revenues increased at a CAGR of 11.6% per year from approximately $1.3 million in 2020 to $2.1 million in 2024.
- Air Cargo Rentals. Air Cargo Rental revenues are generated from the following three sources: (1) building rent received for space rented in the air cargo building owned by the County, (2) air cargo ramp rent, and (3) ground rent received from a private developer who owns an air cargo building and leases building space to various tenants. Air Cargo Rentals increased at a CAGR of 3.7% per year from approximately $551,000 in 2020 to $637,000 in 2024.

Terminal Revenues

Terminal Revenues consist of Terminal rents received from the airlines and non-airline revenues such as Terminal concession revenues, rental car revenues, and parking revenues. Terminal Revenues Include:

a. *Signatory Airline Space Rental*. Signatory Airline space rental revenue consists of rents collected from Signatory Airlines for space occupied in the Airport Terminal. The Signatory Airlines pay fees established to recover the Terminal Requirement, which equals total Terminal expenses minus a portion of non-airline revenues such as Terminal concessions revenues, rental car revenues, and public parking revenues. Signatory Airline space rental revenues decreased from approximately $8.6 million in 2020 to a negative $6.9 million in 2024. The increases in 2020 and 2021 were due to a reduction in the concession and parking credits applied to offset the Terminal Requirement due to the reduced revenues caused by the pandemic. However, in 2022 and 2023, the Space Rental revenue decreased due to a rise in concession, rental car, and parking revenues, as well as the Airport's increased use of Federal Relief Funds as credit to the Terminal Requirement. The Signatory Space Rental revenue declined further in 2024 because of higher non-airline revenues and $9.2 million of Federal Relief Funds being applied. The negative Signatory Space Rental revenue is primarily due to actual non-airline revenues and Federal Relief Funds exceeding what was budgeted in the 2024 terminal rate.

b. *Other Charges and Fees*. This category includes other tenant revenue from passenger service fees (a $7.50 per-passenger fee collected from airlines for international flights processed through the International Arrivals Building). Other Charges and Fees increased at a CAGR of 24.5% per year from approximately $488,000 in 2020 to $1.2 million in 2024. The increase in these fees was caused by the airlines' increased usage of the County owned gates.

c. *Concessions*. Concession revenues consist of fees collected from Airport concession operators. The major categories of concession revenues are: Car Rental, Gifts and Novelty, Food and Beverage, Public Parking, Transportation Network Companies and Other.

    - Public Parking revenues increased at a CAGR of 31.6% per year from $11.1 million in 2020 to $33.5 million in 2024 as passengers returned and the Airport implemented a parking rate increase of $2.00 per day. An additional $1 parking rate increase was budgeted for 2025. Parking revenues for the remainder of the forecast period will increase with projected enplanements.
    - Car Rental revenues increased at a CAGR of 19.2% per year from approximately $6.3 million to $12.8 million from 2020 to 2024. The increases were due to customers renting vehicles for longer periods (longer contract duration) and price increases implemented by the rental car companies. The County receives the greater of a percentage of the revenues collected by the rental car companies and a minimum annual guaranty ("MAG").
    - Gifts and Novelties revenues increased from approximately $1.1 million in 2020 to $2.3 million in 2024.

- Food and Beverage revenues decreased at a CAGR of 1.2% per year from 2020 to 2024, from approximately $3.6 million to $3.4 million. The County receives the greater of a percentage of the revenues collected from these in-Terminal concessions and a MAG.
- Transportation Network Companies ("TNCs") began operating at the Airport in 2016. For TNCs utilizing MKE, there is a $3 pickup fee. Beginning in 2025, TNC's are also charged a drop off fee of $3 per ride. TNC revenues increased from approximately $296,000 in 2020 to $937,000 in 2024.

Other concession revenues include, but are not limited to peer-to-peer car rentals, taxi pick-up fees, fees received from the display advertising, automated teller machines, shoeshine stands, rents collected from the County for Airport lands and building space used for highway maintenance and other purposes as well as interest earnings. Other concession revenues increased from approximately $934,000 in 2020 to approximately $2.3 million in 2024.

Lease Expiration Dates and MAG - MKE International Airport

Concession	Description	Lease Executed	Lease Expiration	Options	MAG (adjustment)
SSP America, Inc.	Food & Beverage	11/01/2008	10/31/2031	None	85% of previous year rental
Host International, Inc.	Food & Beverage	11/01/2008	10/31/2031	None	85% of previous year rental
Taste Inc. dba Vino Volo	Food & Beverage	04/01/2022	08/31/2032	None	85% of previous year rental
Paradies - Mark II, LLC	News & Gift	09/01/2019	8/31/2032	None	85% of previous year rental
Lamar Advertising	Advertising	03/01/2022	02/28/2027	1, 5-year County option	85% of previous year rental
Avis/Budget Group – brands: *Avis, Budget*	Rental Car	07/01/2024	12/31/2029	1, 5-year County option	85% of previous year rental
Enterprise Holdings – brands: Enterprise, National, Alamo	Rental Car	07/01/2024	12/31/2029	1, 5-year County option	85% of previous year rental
Hertz Global Holdings – brands: *Hertz,Dollar*	Rental Car	07/01/2024	12/31/2029	1, 5-year County option	85% of previous year rental
SixT – brand: SixT	Rental Car	07/01/2024	12/31/2029	1, 5-year County option	85% of previous year rental
SP Plus Corporation	Parking Operator	06/01/2024	12/31/2030	2, 1-year County option	N/A

Apron Fees

The Signatory Airlines pay Apron Fees established to recover the Apron Requirement, which equals total Apron expenses minus Non-Signatory revenues and non-airline revenues. Signatory Apron Fees decreased from approximately $1.2 million in 2020 to approximately $864,000 in 2024. These revenues are projected to increase to $1.7 million in 2030. The increase is expected to occur because of increased O&M expenses and the reduction of the Apron credits since the Federal Relief Funds are no longer available after 2024.

Other Revenues

The Airport generates other revenues from rental income from the MKE Business Park. Also, until 2024, the Airport received reimbursements from the airlines for the Airport's security costs (Flexible Response Security Charges). Further detail is provided as follows:

- Flexible Response Security Charges revenue represented amounts collected from the airlines for services primarily provided by the County Sheriff's Department at the concourse checkpoints. Flexible Response Security Charges revenue increased from $952,000 in 2020 to $2.2 million in 2023. Under the Amended

AULA, the Flexible Response Security cost center was eliminated in 2024. The expenses previously allocated to this cost center are now distributed to the Terminal (66.7%) and Airfield (33.3%) cost centers.

- MKE Regional Business Park revenue is rental income generated from the old military base located on Airport grounds. Per the Amended AULA, the annual net revenue or loss generated from the MKE Business Park is credited to the Airfield cost center. MKE Regional Business Park revenues decreased from approximately $746,000 in 2020 to $375,000 in 2024. These are budgeted lower at $177,000 in 2025 as leases were terminated in 2024 to allow for the construction of a new 337,000 square foot cargo facility in 2026. MKE Business Park gross revenues are projected to grow from $1.0 million in 2026 to $1.6 million by 2030.

PFC Pledged Revenues

The Aviation Safety and Capacity Expansion Act of 1990 allows public agencies controlling commercial service airports with regularly scheduled service and enplaning passengers of 2,500 or more annually to charge each enplaning passenger using the airport a facility charge, referred to as a "PFC." The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century ("AIR 21"), adopted in 2000, increased the maximum allowable PFC that may be charged by qualifying airports from $3.00 to $4.50.

Public agencies wishing to impose and use PFCs are required to apply to the FAA for such authority and meet the requirements specified in 49 U.S.C. § 40117 (the "PFC Act") and regulations issued by the FAA. Regardless of the number of PFC applications that have been approved by the FAA, an airport may collect a maximum of $4.50 on each enplaning passenger.

Airports may use PFCs to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition.

The County imposes a PFC of $4.50 on all eligible passengers enplaned at the Airport. On July 29, 2025, the FAA issued a Final Agency Decision ("FAD") for PFC 21 that approved the authority to impose and use PFC revenue for 14 projects totaling $100.2 million. Based on the additional project costs approved in PFC 21, the FAA estimates MKE's PFC Program charge expiration date to be extended to April 1, 2033, with a total collection authority of $506.2 million. The FAD for PFC 21 provides approval for most PFC eligible projects included in the approved 5-year CIP for CY2024-2028 that was approved in the Amended AULA.

PFCs are not defined as Revenues in the General Bond Resolution unless pledged as Revenues in a Supplemental Resolution adopted by the County. Under the 2025A Supplemental Resolution, PFC Revenues are pledged to the payment of the Series 2025A Bonds to the extent that the projects being financed by the Series 2025A Bonds are PFC-eligible; however, none of the Series 2025 Projects will be paid with PFC Revenues. PFCs are currently being used to pay debt service on PFC-approved projects financed with the Series 2016A Bonds, Series 2019A Bonds, Series 2023A Bonds, Series 2023B Bonds, and Series 2024A Bonds and on a PAYGO basis for other FAA-approved projects.

Federal Relief Funds

The CARES Act established the Coronavirus Relief Fund in March 2020 by the United States Treasury to provide financial assistance to States and eligible units of local government impacted by the COVID-19 pandemic, including approximately $10.0 billion awarded to U.S. airports. The Airport was awarded approximately $29.1 million in grants from the CARES Act Fund.

The Coronavirus Response and Relief Supplemental Appropriations Act "CRRSA" of 2021 included billions in supplemental appropriations for COVID-19 relief that were allocated to the transit industry during the COVID-19 pandemic, including almost $2.0 billion awarded to U.S. airports. The Airport was awarded a total of approximately $8.5 million from the CRRSA Fund. These funds were composed of funds available to cover eligible O&M Expenses and debt service costs ($7.7 million) and funds available to provide relief to concessionaires that operate at the Airport ($0.7 million).

The American Rescue Plan Act ("ARPA") was passed by Congress in March 2021 to provide additional relief to address the continued impact of COVID-19, including approximately $6.0 billion awarded to U.S. airports. In 2021, the Airport was awarded approximately $26.7 million in ARPA funds, of which $23.8 million was awarded to be used for O&M Expenses and debt service costs, and $2.9 million was awarded to provide relief to concessionaires that operate at the Airport.

The Airport applied Federal Relief Funds to airline costs totaling $22.5 million in 2020, $1.7 million in 2021, and $13.9 million ($11.0 million to airline costs and $2.9 million to concessionaires) in 2022. The Airport applied the relief funds to each cost center based on each cost center's percent of total O&M. In addition, the Airport applied the concession related relief funds to the concessionaires in accordance with the FAA's guidelines.

In 2023, the Airport applied approximately $10.9 million of Federal Relief Funds to airline costs and $532,000 to concessionaires. In 2024, the Airport used approximately $9.2 million to reduce airline fees and $41,000 for concessionaires. Finally, the Airport plans to use $6.5 million of remaining CARES Act funds for the purchase of Snow Removal Equipment.

Over collected Airline Revenues

In 2020, Airport management identified a liability account containing $6.6 million of undistributed over collections from various airlines serving the Airport between approximately 1980 and 2000. After further internal review, it was determined these funds should be applied to reduce the airlines rates and charges as an additional revenue credit. The total revenue credit was allocated to each Airline cost center based on the proportionate percent share of the cost center's 2021 and 2022 O&M expenses.

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The following table presents Airport Revenues for fiscal years 2020 through 2024. Total Revenues increased from $84.9 million to $98.1 million from 2020 to 2024, which corresponds to a CAGR of 3.7%.

MILWAUKEE COUNTY AIRPORT SYSTEM
AIRPORT REVENUE
FOR FISCAL YEARS 2020-2024

Airport Revenues	Actual					CAGR
	2020	2021	2022	2023	2024	2020-2024
Airfield						
Landing Fees						
Signatory Landing Fees	$ 13,749,580	$ 16,805,044	$ 14,597,437	$ 19,050,469	$ 19,515,755	9.2%
Non-Signatory Landing Fees	909,983	1,000,002	612,703	670,104	2,413,446	27.6%
Total Landing Fees	$ 14,659,563	$ 17,805,046	$ 15,210,140	$ 19,720,574	$ 21,929,201	10.6%
General Aviation and Other						
Hangar Rentals	813,804	826,949	882,393	927,633	966,348	4.4%
Fuel and Oil Charges	189,393	285,593	316,079	311,625	298,750	12.1%
Fixed Based Operator	557,394	597,877	615,406	642,426	675,702	4.9%
Other	1,335,518	1,865,771	1,723,744	2,344,978	2,071,922	11.6%
Total GA and Other	$ 2,896,110	$ 3,576,190	$ 3,537,622	$ 4,226,662	$ 4,012,722	8.5%
Air Cargo Rentals	550,539	544,643	598,214	611,115	637,106	3.7%
Total Airfield Revenues	**$ 18,106,212**	**$ 21,925,879**	**$ 19,345,976**	**$ 24,558,351**	**$ 26,579,029**	10.1%
Terminal						
Signatory Airlines						
Space Rentals	8,635,771	11,491,760	5,440,323	331,917	(6,943,315)	N/A
Other Charges and Fees	487,841	860,920	1,479,359	587,285	1,173,594	24.5%
Total Signatory Airlines	$ 9,123,612	$ 12,352,680	$ 6,919,682	$ 919,202	$ (5,769,721)	N/A
Concessions						
Car Rental	6,323,086	9,063,767	11,057,681	12,024,156	12,766,885	19.2%
Gifts & Novelty	1,082,742	1,678,401	1,391,493	2,328,772	2,323,165	21.0%
Food & Beverage	3,612,088	1,571,337	1,802,883	2,946,604	3,446,265	-1.2%
TNC	296,385	460,842	671,073	819,807	936,816	33.3%
Other	933,967	1,095,962	1,489,132	1,718,642	2,292,843	25.2%
Total Concessions	$ 12,248,268	$ 13,870,310	$ 16,412,262	$ 19,837,982	$ 21,765,973	15.5%
Public Parking	11,143,718	18,467,093	25,577,201	28,553,441	33,459,456	31.6%
Other Terminal Revenues	1,891,950	2,140,336	1,693,276	2,674,557	2,843,637	10.7%
Total Terminal Revenues	**$ 34,407,548**	**$ 46,830,419**	**$ 50,602,421**	**$ 51,985,182**	**$ 52,299,345**	11.0%
Apron						
Signatory Apron Fees	1,210,177	1,089,515	971,801	1,205,625	863,674	-8.1%
Other Apron Fees	213,262	192,864	416,487	155,045	409,014	17.7%
Total Apron Revenues	$ 1,423,439	$ 1,282,379	$ 1,388,288	$ 1,360,670	$ 1,272,689	-2.8%
Other						
Flexible Response Security	951,542	2,307,575	2,175,805	2,199,026	-	N/A
MKE Business Park	745,637	546,881	543,925	394,558	374,577	-15.8%
Total Other Revenues	$ 1,697,179	$ 2,854,456	$ 2,719,730	$ 2,862,893	$ 374,577	-31.5%
PFC Pledged Revenues	8,415,328	8,321,360	8,357,832	8,143,199	8,323,166	-0.3%
Federal Relief Funds	22,494,687	1,663,926	11,054,436	10,942,221	9,206,687	N/A
Federal Relief Funds- Concessions			2,890,553	532,377	40,874	N/A
PFC Reimb of ADF				311,667	-	N/A
PFC for Admin Expenses				47,684	-	N/A
PFC Interest Applied				101,963	-	N/A
Deferred Federal Relief Funds	(1,663,926)	-	-	-	-	N/A
Overcollected Airline Revenue	-	3,431,982	3,191,286	-	-	N/A
TOTAL AIRPORT REVENUES	**$ 84,880,467**	**$ 86,310,401**	**$ 99,550,521**	**$ 100,846,206**	**$ 98,096,367**	3.7%

OPERATION AND MAINTENANCE EXPENSES

Airport System Operation and Maintenance Expenses are incurred in the operation and maintenance of the Airport System. As described in "SECURITY FOR THE SERIES 2025A BONDS – Flow of Funds" herein, Airport System Revenues are first applied to the Operation and Maintenance Fund for the payment of current Operation and Maintenance Expenses. These expenses are categorized as follows: Salaries and Fringe Benefits; Contractual Services (Utilities, Repairs/Maintenance, Professional Services/Administration and Other); Intra-County Services (Sheriff, Fleet Maintenance, Professional Services, Insurance, Central Service Allocation, and Other); Commodities; Major Maintenance; and Other.

Salaries and Fringe Benefits

This expense category is related to the compensation of personnel. During the historical period 2020 to 2024, Salaries and Fringe Benefits increased from approximately $23.4 million to approximately $24.3 million, or a CAGR of 0.9%. Salaries and Fringe Benefits are estimated to increase to $30.8 million in 2030, a CAGR of 2.1%.

Contractual Services

Contractual Services is the largest group of O&M Expense for the Airport System. Contractual Services includes expenses incurred for services provided to the Airport System, as follows:

- Utilities – electricity, natural gas, sewage, telephone, water, and internet services.
- Repair and Maintenance – expenses incurred for the repair and maintenance of facilities and equipment.
- Professional Services and Administration – expenses for contracts for professional services including but not limited to the parking management, housekeeping service, security fees, bank service fees, legal fees and any other fees incurred from professional service contracts.
- Other Contractual Services – expenses for waste removal, software licensing, and other miscellaneous expenses related to contractual services.

Contractual Services increased at a CAGR of 10.4% per year from 2020 to 2024, from approximately $17.3 million to $25.7 million. The inflated CAGR is a result of depressed 2020 costs due to impacts of the COVID-19 pandemic and a return to pre-pandemic spending levels over the subsequent years.

Intra-County Services

Intra-County Services consist of costs charged to the Airport System by other County departments, including Sheriff, Fleet Maintenance, Professional Services, Insurance, and other expenses, with Sheriff expenses representing the largest component of the total. Expenses for Intra-County Services increased from $13.7 million in 2020 to $17.6 million in 2024, or at a CAGR of 6.3% during this period.

Commodities

Commodities include building, plumbing, roadway, snow removal chemicals, and other materials and supplies, including technological supplies. This category often fluctuates as a result of the harshness of winter and the number of snowfalls. Commodities expenses were approximately $2.4 million in 2020. These expenses increased to $3.7 million in 2024 due to the recovery of activity at the Airport and weather-related impacts.

Major Maintenance

Major Maintenance expenses consist of expenditures for major repairs and maintenance of facilities and equipment, land improvements, and utility relocation. Major Maintenance expenses decreased from $193,000 in 2020 to $55,000 in 2022 primarily due to management deferring certain large maintenance projects to mitigate the pandemic impacts. Major Maintenance expenses increased to approximately $1.6 million in 2024 due to large maintenance projects being initiated coupled with the Airport increasing its capitalization threshold from $2,500 for general assets and $1,000 for computing assets to $50,000 for each to match the Amended AULA.

Other

Other expenses include interest and penalties, bad debt expense, and other miscellaneous charges. These expenses increased to $2.7 million in 2020 due to an increase in bad debt expenses that were caused by the COVID-19 Pandemic. These expenses fluctuated in subsequent years to $477,000 in 2024. This category also contains year end accounting related entries that can create variances from budget to actual results.

The following table presents Operation and Maintenance Expenses for fiscal years 2020 through 2024. Total O&M Expenses were approximately $59.7 million in 2020 and grew at a CAGR of 5.3% per year to $73.4 million in 2024.

MILWAUKEE COUNTY AIRPORT SYSTEM
TOTAL AIRPORT SYSTEM O&M EXPENSES
FOR FISCAL YEARS 2020-2024

Airport Expenses	Actual					CAGR
	2020	2021	2022	2023	2024	2020-2024
BY EXPENSE CATEGORY						
Salaries	$12,926,787	$13,159,847	$13,344,543	$15,085,504	$15,678,787	4.9%
Fringe Benefits	10,465,427	10,337,703	10,725,522	10,784,007	8,575,946	-4.9%
Salaries and Fringe Benefits	$23,392,214	$23,497,550	$24,070,065	$25,869,511	$24,254,733	0.9%
Contractual Services						
Utilities	$ 4,771,438	$ 5,252,325	$ 5,673,687	$ 5,662,523	$ 5,393,081	3.1%
Repairs/Maintenance	3,201,695	4,010,122	4,389,002	4,985,631	4,901,295	11.2%
Prof. Services/Admin	8,210,079	8,998,337	10,193,384	13,580,269	13,629,316	13.5%
Other	1,116,393	1,285,941	1,447,652	1,717,141	1,771,863	12.2%
Subtotal	$17,299,605	$19,546,725	$21,703,725	$25,945,564	$25,695,555	10.4%
Intra-County Services						
Sheriff	$ 7,569,086	$ 7,925,839	$ 7,960,278	$ 8,651,864	$ 8,038,546	1.5%
Fleet Maintenance	2,619,234	2,228,790	2,849,718	3,568,608	2,997,307	3.4%
Prof. Service	589,669	631,718	788,922	686,682	626,023	1.5%
Insurance	467,671	1,117,177	1,450,969	1,466,780	-	N/A
Central Services Allocation	-	-	-	-	5,202,451	N/A
Other	2,481,162	2,451,631	2,156,712	2,533,497	689,640	-27.4%
Subtotal	$13,726,822	$14,355,155	$15,206,599	$16,907,430	$17,553,967	6.3%
Commodities	$ 2,350,378	$ 3,196,708	$ 4,422,861	$ 4,035,709	$ 3,739,984	12.3%
Major Maintenance	$ 192,762	$ 161,498	$ 55,000	$ 874,814	$ 1,640,098	70.8%
Other	$ 2,705,254	$ 140,469	$ 61,212	$ 792,835	$ 476,980	-35.2%
Total O & M Expenses	**$59,667,034**	**$60,898,105**	**$65,519,462**	**$74,425,864**	**$73,361,317**	5.3%

HISTORICAL ENPLANEMENTS

The Airport experienced relatively steady growth during the 2000s, interrupted only by the September 11 terrorist attacks in 2001, and the Great Recession in 2008 and 2009. Following an expansion of network hubs by the former Midwest Airlines and AirTran Airways, and later the expansion of low-cost carrier ("LCC") service by AirTran, Frontier Airlines, and Southwest Airlines, the Airport reached its peak air traffic shortly after the Great Recession, rising to 4.9 million enplanements in 2010.

The Airport passenger traffic faced a sharp downturn after 2010, falling to 3.3 million enplanements in 2013. One contributing factor was Frontier's financial troubles and subsequent shift from hub-and-spoke to point-to-point low-cost carrier service. While Frontier initially saw a significant increase in enplanements from 559,148 in 2010 to 1.4 million in 2011 following its merger with Midwest Airlines, it struggled to sustain the rise and quickly dropped to 148,448 enplanements in 2013. Alongside Frontier's service cuts was Southwest's buyout of AirTran—Southwest retained service to nearly all of AirTran's large markets but discontinued all commuter connections that did not align with its point-to-point network. As a result, the Airport's total enplanements fell below 3.3 million by 2013. Now consisting mainly of O&D traffic, MKE's annual enplanements gradually rose to around 3.5 million during the three years (2017-2019) before the pandemic.

In 2020, lockdown measures and travel restrictions to contain the spread of COVID-19 caused the Airport's enplanements to fall 62% from 3.5 million enplanements to about 1.3 million enplanements. The Airport had not seen that level of air traffic since at least 1990, and 2020 easily marked the largest single-year decline for the Airport. The following years brought progress toward recovery, with annual enplanements reaching 3.2 million in 2024. However, the Airport has yet to return to the pre-pandemic passenger traffic level, with its 2024 enplanement total having reached about 91% of its 2019 level.

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AIRPORT AND U.S. ENPLANEMENTS
2002- May 2025

Year	MKE Enplanements (1000s)	U.S. Enplanements (1000s)	Milwaukee Market Share of U.S.
2002	2,791	670,604	0.42%
2003	3,074	700,864	0.44%
2004	3,331	763,710	0.44%
2005	3,630	800,850	0.45%
2006	3,642	808,103	0.45%
2007	3,868	835,510	0.46%
2008	4,001	809,822	0.49%
2009	3,982	767,817	0.52%
2010	4,928	787,478	0.63%
2011	4,761	802,135	0.59%
2012	3,780	813,123	0.46%
2013	3,266	825,322	0.40%
2014	3,279	851,850	0.38%
2015	3,277	896,632	0.37%
2016	3,383	931,989	0.36%
2017	3,453	964,765	0.36%
2018	3,549	1,013,213	0.35%
2019	3,450	1,052,981	0.33%
2020	1,310	398,655	0.33%
2021	2,260	700,560	0.32%
2022	2,721	937,367	0.29%
2023	3,011	1,053,310	0.29%
2024	3,155	1,107,080	0.28%
YTD 2024	1,290	441,194	0.29%
YTD 2025	1,174	435,519	0.27%
	Compound Annual Growth Rate		
2002-2010	7.4%	2.0%	
2010-2019	-3.9%	3.8%	
2019-2024	-1.8%	1.0%	

Sources: Airport records and US Bureau of Transportation Statistics for U.S. system.
YTD = January through May

The Airport serves primarily O&D traffic, which accounted for nearly all total passengers in recent years. O&D traffic is a more stable air service market than connecting traffic. It arises from market demand and generally follows growth in both the local and national economies. Unlike connecting traffic, O&D traffic is less vulnerable to changes in individual airlines' network strategies, business models, and financial conditions. Of O&D traffic, residents account for approximately 60%, while visitors account for approximately 40%, based on the U.S. Department of Transportation's DB1B data.

The Airport also served primarily domestic traffic, which accounted for over 99% of total passengers in 2024.

O&D AND CONNECTING ENPLANEMENTS
2010-2024

Year	O&D		Connecting		Total Enplanements
	Actual	Share	Actual	Share	Actual
2010	3,866,789	78.5%	1,060,770	21.5%	4,927,558
2011	3,754,817	78.9%	1,006,136	21.1%	4,760,952
2012	3,281,412	86.8%	498,904	13.2%	3,780,315
2013	3,079,463	94.3%	186,847	5.7%	3,266,309
2014	3,151,574	96.1%	127,246	3.9%	3,278,820
2015	3,157,015	96.3%	120,341	3.7%	3,277,356
2016	3,287,206	97.2%	96,066	2.8%	3,383,271
2017	3,392,771	98.3%	59,773	1.7%	3,452,544
2018	3,507,279	98.8%	41,538	1.2%	3,548,817
2019	3,416,115	99.0%	33,872	1.0%	3,449,987
2020	1,299,380	99.2%	10,587	0.8%	1,309,967
2021	2,248,730	99.5%	10,944	0.5%	2,259,674
2022	2,711,275	99.7%	9,493	0.3%	2,720,768
2023	2,999,761	99.6%	10,940	0.4%	3,010,701
2024	3,140,962	99.6%	13,911	0.4%	3,154,811
Compound Annual Growth Rate					
2010-2024	-1.5%	-	-26.7	-	-3.1%

[1] Connecting enplanements are calculated as one-half of on-line transfer passengers. O&D enplanements are calculated as the difference between total enplanements and connecting enplanements.

Source: Airport records.

DOMESTIC AND INTERNATIONAL ENPLANEMENTS
2010-2024

Year	Domestic		International		Total
	Enplanements	Share	Enplanements	Share	Enplanements
2010	4,896,990	99.4%	30,568	0.6%	4,927,558
2011	4,712,624	99.0%	48,328	1.0%	4,760,952
2012	3,737,482	98.9%	42,833	1.1%	3,780,315
2013	3,219,249	98.6%	47,060	1.4%	3,266,309
2014	3,223,691	98.3%	55,129	1.7%	3,278,820
2015	3,220,905	98.3%	56,451	1.7%	3,277,356
2016	3,330,924	98.5%	52,347	1.5%	3,383,271
2017	3,386,317	98.1%	66,227	1.9%	3,452,544
2018	3,491,976	98.4%	56,841	1.6%	3,548,817
2019	3,395,787	98.4%	54,200	1.6%	3,449,987
2020	1,285,104	98.1%	24,863	1.9%	1,309,967
2021	2,252,742	99.7%	6,932	0.3%	2,259,674
2022	2,694,822	99.0%	25,946	1.0%	2,720,768
2023	2,983,597	99.1%	27,104	0.9%	3,010,701
2024	3,112,102	98.7%	32,709	1.3%	3,154,811
Compound Annual Growth Rate					
2010-2024	-3.2%	-	0.5%	-	-3.1%

AIRLINE SERVICE PROVIDERS

The Airport is served by each of the industry's four major domestic airlines. Mainline airlines accounted for 88.2% of enplanements in 2024. Including affiliates, Southwest accounted for 37.8%; Delta, 24.7%; American, 15.3%; and United, 10.4%. Frontier, Spirit, and other smaller airlines accounted for the remaining 11.8%. LCCs, including Southwest and JetBlue, as well as ULCCs, including Allegiant, Frontier, Spirit, and Sun Country accounted for just under 47% of enplanements. Additional details are found on the table "AIRLINE ENPLANEMENTS AND MARKET SHARES, 2020 – 2024," located on page 41.

The table below shows the air service trends from 2019 through 2025 for Southwest, Delta, and American, currently the three largest passenger carriers at the Airport, as well as United, Frontier, and Spirit. The Airport experienced decreases in all three measures below, primarily due to declines by Southwest, Delta, and Frontier from 2019 to 2023. As the Airport's largest carrier by enplanement share, Southwest also maintained the highest numbers in all three measures from 2019 through the advance schedules of 2024. However, Southwest suffered the second-largest drop in both seats and departures in 2020, with average daily departures decreasing by 10 (a 31.5% drop), and average daily seats decreasing by 1,557 (a 31.2% drop). While every other airline began to recover the following year, both measures for Southwest continued to decrease through 2021 and 2022, finally turning upward in 2023. MKE's second-largest carrier, Delta, experienced the largest declines in average daily seats and departures in 2020, dropping by 1,659 seats (down 53.1%) and by 12 departures (down 46.6%). Unlike Southwest, Delta's recovery began immediately the next year, although it had not yet returned to 2019 levels as of 2024. In 2023, Delta's average daily seats reached 2,611, and its average daily departures reached 22. These measures are expected to continue rising in 2025's advance schedules, up to daily averages of 2,579 seats and 23 departures.

A common trend among airlines at the Airport is the increased seat capacity per aircraft departure in the years following the start of the pandemic, evident in the faster recovery of daily seats relative to daily departures (or, in some cases like Southwest and American, the continued reduction in departures).

SCHEDULED PASSENGER SERVICE
2019-2025

Scheduled Service at MKE Airline	2019	2020	2021	2022	2023	2024	2025	
Southwest								
Number of Nonstop Destinations	23	20	20	18	16	18	19	↑
Average Daily Departures	33	23	22	21	24	26	27	↑
Average Daily Seats	4,996	3,440	3,306	3,262	3,853	4,200	4,257	↑
Delta								
Number of Nonstop Destinations	9	8	6	7	7	11	8	↓
Average Daily Departures	25	13	16	20	20	22	23	↑
Average Daily Seats	3,127	1,468	1,876	2,236	2,437	2,611	2,579	↓
American								
Number of Nonstop Destinations	5	6	6	6	7	8	7	↓
Average Daily Departures	17	12	14	12	12	16	17	↑
Average Daily Seats	1,440	970	1,224	1,241	1,347	1,614	1,678	↑
United								
Number of Nonstop Destinations	16	14	12	6	4	5	11	↑
Average Daily Departures	16	8	12	13	14	14	15	↑
Average Daily Seats	1,032	502	761	919	1,079	1,080	1,072	↓
Frontier								
Number of Nonstop Destinations	9	6	5	5	4	6	3	↓
Average Daily Departures	4	2	2	2	2	1	1	=
Average Daily Seats	722	416	486	316	385	298	119	↓
Spirit								
Number of Nonstop Destinations	0	0	8	9	3	6	9	↑
Average Daily Departures	0	0	2	3	2	2	2	=
Average Daily Seats	0	0	307	587	390	384	332	↓
Other								
Number of Nonstop Destinations	10	2	8	11	13	14	19	↑
Average Daily Departures	3	1	1	3	3	4	3	↓
Average Daily Seats	337	147	168	445	546	621	459	↓
All Airlines								
Number of Nonstop Destinations	45	37	45	42	43	45	49	↑
Average Daily Departures	98	60	70	75	78	86	86	=
Average Daily Seats	11,654	6,942	8,130	9,007	10,036	10,807	10,496	↓
Avg. Daily Seats Per Departure	118	116	117	120	129	126	122	↓

Source: OAG Schedules Analyzer, last accessed on May 16, 2025. Advance schedules for 2025 beyond the access date are subject to change.

Note: Nonstop destinations for United from the years 2021 through 2024 are instead sourced from the Airport.

Note: Spirit had 1 recorded departure and 62 recorded seats in 2020, both of which result in values that round down to 0 when calculating annual daily averages.

AIRLINE ENPLANEMENTS AND MARKET SHARES
2019-2024

Annual Enplanements by Airline (1000s)							**CAGR**
Airline	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2019-2024**
American	434	217	358	386	413	484	2.2%
Delta	901	262	493	672	751	778	-2.9%
Frontier	223	92	124	87	99	69	-21.0%
Southwest	1,443	577	926	991	1,121	1,193	-3.7%
Spirit			81	165	115	103	
United	316	116	220	276	330	327	0.7%
Other	133	46	58	145	182	201	8.6%
Total	**3,450**	**1,310**	**2,260**	**2,721**	**3,011**	**3,155**	**-1.8%**
AGR	**-2.8%**	**-62.0%**	**72.5%**	**20.4%**	**10.7%**	**4.8%**	

Annual Enplanement Shares by Airline						
Airline	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
American	12.6%	16.5%	15.8%	14.2%	13.7%	15.3%
Delta	26.1%	20.0%	21.8%	24.7%	24.9%	24.7%
Frontier	6.5%	7.0%	5.5%	3.2%	3.3%	2.2%
Southwest	41.8%	44.0%	41.0%	36.4%	37.2%	37.8%
Spirit			3.6%	6.1%	3.8%	3.3%
United	9.2%	8.9%	9.8%	10.1%	10.9%	10.4%
Other	3.9%	3.5%	2.5%	5.3%	6.1%	6.4%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Airport records.

The table below lists the Airport's top 25 O&D domestic markets from Q4 of 2023 through Q3 of 2024, all of them in the United States. These 25 airports account for 77.0% of the Airport's O&D passenger traffic. The top three markets are Orlando (Frontier, Southwest, Spirit, and Sun Country), New York City Metropolitan Area (Delta and United), and Phoenix (American, Southwest, and Sun Country). As of September 1, 2025, all but Los Angeles and San Francisco have scheduled nonstop service from the Airport.

MILWAUKEE MITCHELL INTERNATIONAL AIRPORT
TOP 25 O&D MARKETS BY SHARE OF O&D PASSENGERS
Q4 2023 – Q3 2024

Rank	Metro Market	Airports	O&D PAX	Share of O&D
1	Orlando, FL	MCO	469,550	8.2%
2	New York City, NY	EWR, JFK, LGA	371,850	6.5%
3	Phoenix, AZ	PHX	323,490	5.6%
4	Denver, CO	DEN	316,090	5.5%
5	Las Vegas, NV	LAS	310,160	5.4%
6	Washington, DC	BWI, DCA, IAD	290,520	5.0%
7	Dallas, TX	DFW, DAL	233,030	4.0%
8	Atlanta, GA	ATL	210,710	3.7%
9	Boston, MA	BOS, PVD	185,670	3.2%
10	Fort Myers, FL	RSW	176,120	3.1%
11	Los Angeles, CA	LAX, SNA, BUR, LGB, ONT	168,780	2.9%
12	Tampa, FL	TPA	160,790	2.8%
13	Miami, FL	MIA, FLL	143,660	2.5%
14	Seattle, WA	SEA	135,520	2.4%
15	Houston, TX	IAH, HOU	126,920	2.2%
16	Nashville, TN	BNA	123,440	2.1%
17	Minneapolis, MN	MSP	100,070	1.7%
18	San Francisco, CA	SFO, OAK, SJC	94,690	1.6%
19	Charlotte, NC	CLT	93,090	1.6%
20	San Diego, CA	SAN	83,500	1.5%
21	Philadelphia, PA	PHL	81,220	1.4%
22	Kansas City, MO	MCI	64,010	1.1%
23	Detroit, MI	DTW	59,120	1.0%
24	Salt Lake City, UT	SLC	56,200	1.0%
25	St. Louis, MO	STL	52,570	0.9%
	Top 25 O&D Metro Markets		**4,430,770**	**77.0%**
	Other		**1,323,690**	**23.0%**
	Total O&D		**5,754,460**	**100.0%**

Source: U.S. Bureau of Transportation Statistics DB1B, last accessed on May 19, 2025

CAPITAL IMPROVEMENT PROJECTS

The current CIP provides a list of projects that the Airport plans to pursue during this period. The 5-Year CIP CY2025-2029 contains various projects costing $257.5 million, including project costs in 2029, which will require additional airline approval from the future AULA. The Amended AULA included a 5-Year CIP from CYs 2024 to 2028, which totaled $169.8 million and was approved following the execution of the Amended AULA. The remainder of the projects are carryovers from previous approvals that are being completed during the period. The following is a summary of projects contained in specific cost centers for the current 5-year CIP CYs 2025 to 2029. Airfield ($61.2 million) for taxiway and runway rehabilitation projects, Equipment ($15.0 million) comprised of snow removal equipment and aircraft rescue and firefighting equipment, Terminal ($155.2 million) for the redevelopment of Concourse E, replacement of several passenger loading bridges, concourse roof replacement, and ticketing lobby remodeling, Parking Projects ($21.0 million) and Other Projects ($5.3 million) comprised of improvements to Lawrence J. Timmerman airport facilities.

A summary of key projects and related funding sources of the Airport's current 5-Year CIP 2025-2029 is further detailed in Table 2 of "FINANCIAL FEASIBILITY REPORT" attached as APPENDIX A hereto.

AIRPORT SYSTEM INDEBTEDNESS

Airport Revenue Debt

The County has issued general airport revenue bonds, which are paid from Airport System Revenues. The following two tables provide the Airport revenue debt by issue and by payment source, respectively, and include the Series 2025A Bonds.

AIRPORT REVENUE DEBT BY ISSUE

Date of Issue	GARB Issue	Amount Issued	Final Maturity	Interest Rates Outstanding	Principal Outstanding
11/10/2016	Airport Revenue Ref., Series 2016A (AMT)	$ 46,165,000	12/01/2032	5.00%	$ 25,170,000
10/30/2019	Airport Revenue Ref., Series 2019A	26,945,000	12/01/2031	5.00%	15,715,000
10/04/2023	Airport Revenue Ref., Series 2023A (AMT)	27,245,000	12/01/2037	5.00%	25,295,000
10/04/2023	Airport Revenue Ref., Series 2023B (AMT)	10,135,000	12/01/2029	5.00%	8,445,000
10/02/2024	Airport Revenue, Series 2024A (AMT)	$ 6,615,000	12/01/2039	5.00%	6,615,000
	Subtotal - Existing Debt				$ 81,240,000
10/01/2025	Airport Revenue, Series 2025A (AMT)	$ 15,170,000	12/01/2040	5.00%	$ 15,170,000
	TOTAL				$ 96,410,000

Although the Bonds are payable on a parity basis from all Net Revenues of the Airport System, under the Amended AULA, the County expects to recover debt service on the Outstanding Bonds and the Series 2025A Bonds by either allocating PFC Revenues to pay principal of and interest on such Bonds or by adding such costs to the rates and charges paid by the Signatory Airlines for use of airfield, terminal or apron facilities, or a combination of the foregoing. The following table shows the County's expected sources of funds to pay principal of and interest on the Outstanding Bonds and the Series 2025A Bonds.

AIRPORT REVENUE DEBT BY PAYMENT SOURCE

GARB Issue	Airfield	Terminal	Apron	PFC	Total
Airport Revenue, Series 2016A	0.9%	7.2%	0.5%	91.4%	100.0%
Airport Revenue Ref., Series 2019A	--	62.6%	--	37.4%	100.0%
Airport Revenue Ref., Series 2023A	0.7%	77.4%	--	21.9%	100.0%
Airport Revenue Ref., Series 2023B	--	4.8%	--	95.2%	100.0%
Airport Revenue, Series 2024A	0.0%	69.6%	6.3%	24.1%	100.0%
Airport Revenue, Series 2025A	0.0%	100.0%	0.0%	0.0%	100.0%

Airport Revenue Debt Service

The following table provides general airport revenue bond debt service as of the issuance of the Series 2025A Bonds.

AIRPORT REVENUE DEBT SERVICE

	Currently Outstanding		Series 2025A Bonds		
Year	Principal	Interest	Principal	Interest	Total D.S.
2025	$ 9,500,000	$ 2,031,000	$ --	$ --	$ 11,531,000
2026	9,765,000	3,587,000	1,015,000	884,917	15,251,917
2027	9,930,000	3,098,750	1,015,000	707,750	14,751,500
2028	10,110,000	2,602,250	1,015,000	657,000	14,384,250
2029	10,300,000	2,096,750	1,015,000	606,250	14,018,000
2030	8,805,000	1,581,750	1,010,000	555,500	11,952,250
2031	6,835,000	1,141,500	1,010,000	505,000	9,491,500
2032	3,155,000	799,750	1,010,000	454,500	5,419,250
2033	2,390,000	642,000	1,010,000	404,000	4,446,000
2034	2,390,000	522,500	1,010,000	353,500	4,276,000
2035	2,390,000	403,000	1,010,000	303,000	4,106,000
2036	2,390,000	283,500	1,010,000	252,500	3,936,000
2037	2,390,000	164,000	1,010,000	202,000	3,766,000
2038	445,000	44,500	1,010,000	151,500	1,651,000
2039	445,000	22,250	1,010,000	101,000	1,578,250
2040	--	--	1,010,000	50,500	1,060,500
Total	$ 81,240,000	$ 19,020,500	$ 15,170,000	$ 6,188,917	$ 121,619,417

Future Financings

The County anticipates issuing airport revenue bonds for airport projects every year from 2026-2029. See APPENDIX A "FINANCIAL FEASIBILITY REPORT."

FINANCIAL FEASIBILITY REPORT

The County has retained the Airport Consultant to prepare a financial review (the "Report") of the projected operating revenues, expenses, and air traffic activity at the Airport, which is attached hereto as APPENDIX A "FINANCIAL FEASIBILITY REPORT." The Report includes historic and projected debt service coverage following the issuance of the Series 2025A Bonds. The Report should be read in its entirety for an explanation of the assumptions and projections used therein.

The conclusions, projections, and much of the other information included in the Report are based on the assumptions stated therein. Such assumptions are based on present circumstances and information currently available, which was furnished by the Airport System management and other sources. The Airport Consultant expresses no opinion as to the accuracy of the financial source data or other materials utilized in preparing the Report. Prospective purchasers should be aware that there might be differences between the projected and actual results, because events and circumstances may not occur as expected, and those differences may be material. The achievement of any financial projection is dependent upon future events that cannot be assured.

The assumptions described above and the analyses contained in the attached Report have resulted in the findings described below:

- The local demographic and economic trends reflect a diverse and growing socio-economic base that will continue to support growth in air travel demand.
- Under the base forecast, the Airport's enplanements are projected to reach 3.0 million in 2025 and 2026, and subsequently resume growth, approaching 3.5 million by the end of 2030 (a CAGR of 1.5%)
- The base forecast has been developed using actual airline enplanements through March 2025, and scheduled airline service through November 2025.
- Total Airport System Revenues, using the base enplanement forecast, are projected to increase from approximately $112.0 million in 2025 to approximately $127.0 million in 2030.
- The airline cost per enplaned passenger, under the base enplanement forecast, is projected to decrease during the forecast period from $10.83 in 2026 to $9.57 in 2030 with the projected increase in passenger enplanements and non-airline concession revenues.
- Annual net discretionary cash flow is projected to range between approximately $6.1 million and $7.3 million during the years 2025 - 2030.

Debt service coverage for the base enplanement forecast is projected to range from 1.80 to 1.99 during the forecast period, which remains above the 1.25 debt service coverage minimum requirement.

The financial projections presented in the Report are based on information and assumptions that have been provided by Airport System management or developed by the Airport Consultant and reviewed with and confirmed by Airport System management. Based upon their review, the Airport Consultant believes that the information is accurate and that the assumptions provide a reasonable basis for the projection. However, some variations may be material. The Report should be considered in its entirety for an understanding of the projections and the underlying assumptions.

MILWAUKEE COUNTY AIRPORT SYSTEM
DEBT SERVICE COVERAGE
For Fiscal Years 2025 – 2030
BASE CASE PROJECTIONS

Debt Service Coverage	Budget	Projected				
	2025	2026	2027	2028	2029	2030
AIRPORT SYSTEM REVENUES						
Total Revenues	$111,963,389	$112,778,774	$117,167,313	$122,893,248	$125,892,804	$127,044,143
O&M Expenses	85,437,822	86,204,212	88,718,571	91,361,016	93,462,320	95,705,415
Net Revenues	**$26,525,567**	**$26,574,562**	**$28,448,742**	**$31,532,232**	**$32,430,484**	**$31,338,728**
COVERAGE CALCULATION						
Net Revenues	$26,525,567	$26,574,562	$28,448,742	$31,532,232	$32,430,484	$31,338,728
Add Other Available Funds: [1]						
Series 2016A Bonds - PFC	1,032,770	1,034,370	1,034,027	1,034,027	1,035,399	1,033,399
Series 2016A Bonds - Rate Based	96,855	97,005	96,973	96,973	97,101	96,914
Series 2019A Bonds - PFC	283,659	273,153	262,647	252,141	241,635	231,129
Series 2019A Bonds - Rate Based	474,029	456,472	438,916	421,359	403,802	386,246
Series 2023A Bonds - PFC	176,138	170,795	165,179	159,851	154,523	149,194
Series 2023A Bonds - Rate Based	627,550	608,517	588,508	569,524	550,540	531,556
Series 2023B Bonds - PFC	502,586	482,480	462,374	442,268	420,973	-
Series 2023B Bonds - Rate Based	25,477	24,458	23,438	22,419	21,340	-
Series 2024A Bonds - PFC	44,529	45,916	44,562	43,208	41,854	40,500
Series 2024A Bonds - Rate Based	140,460	144,834	140,563	136,292	132,021	127,750
Series 2025 Bonds - Rate Based	-	474,979	430,688	418,000	405,313	391,375
Future Series 2026 Bonds - PFC	-	-	356,414	356,414	356,414	356,414
Future Series 2026 Bonds - Rate Based	-	-	291,251	291,251	291,251	291,251
Future Series 2027 Bonds - PFC	-	-	-	514,195	514,195	514,195
Future Series 2027 Bonds - Rate Based	-	-	-	213,439	213,439	213,439
Future Series 2028 Bonds - Rate Based	-	-	-	-	337,478	337,478
Future Series 2029 Bonds - Rate Based	-	-	-	-	-	160,013
Net Revenues plus Other Available Funds	$29,929,618	$30,387,542	$32,784,281	$36,503,593	$37,647,760	$36,199,580
Debt Service:						
Series 2016A Bonds - PFC	4,131,081	4,137,480	4,136,109	4,136,109	4,141,595	4,133,595
Series 2016A Bonds - Rate Based	387,419	388,020	387,891	387,891	388,405	387,655
Series 2019A Bonds - PFC	1,134,634	1,092,611	1,050,587	1,008,564	966,540	924,517
Series 2019A Bonds - Rate Based	1,896,116	1,825,889	1,755,663	1,685,436	1,615,210	1,544,983
Series 2023A Bonds - PFC	704,550	683,182	660,718	639,404	618,091	596,777
Series 2023A Bonds - Rate Based	2,510,200	2,434,068	2,354,032	2,278,096	2,202,159	2,126,223
Series 2023B Bonds - PFC	2,010,343	1,929,920	1,849,496	1,769,073	1,683,891	-
Series 2023B Bonds - Rate Based	101,907	97,830	93,754	89,677	85,359	-
Series 2024 Bonds - PFC	178,115	183,662	178,246	172,830	167,414	161,998
Series 2024 Bonds - Rate Based	561,841	579,338	562,254	545,170	528,086	511,002
Series 2025 Bonds - Rate Based	-	1,899,917	1,722,750	1,672,000	1,621,250	1,565,500
Future Series 2026 Bonds - PFC	-	-	1,425,655	1,425,655	1,425,655	1,425,655
Future Series 2026 Bonds - Rate Based	-	-	1,165,003	1,165,003	1,165,003	1,165,003
Future Series 2027 Bonds - PFC	-	-	-	2,056,779	2,056,779	2,056,779
Future Series 2027 Bonds - Rate Based	-	-	-	853,756	853,756	853,756
Future Series 2028 Bonds - Rate Based	-	-	-	-	1,349,912	1,349,912
Future Series 2029 Bonds - Rate Based	-	-	-	-	-	640,054
Total GARB Debt Service	13,616,206	15,251,917	17,342,158	19,885,443	20,869,106	19,443,409
Debt Service Coverage	**2.20**	**1.99**	**1.89**	**1.84**	**1.80**	**1.86**

Source: Milwaukee County records, PFM Financial Advisors LLC., and Unison Consulting, Inc.
[1] Reflects the Coverage Fund.

MILWAUKEE COUNTY AIRPORT SYSTEM
AIRLINE COST PER ENPLANED PASSENGER
For Years 2024 – 2030
BASE CASE PROJECTIONS

Year	Landing Fees [1]	Terminal Rents & Charges	Apron Fees	Total Airline Payments	Enplaned Passengers	Cost Per Enplaned Passenger
2024 Actual	$19,080,354	($5,769,721)	$1,272,689	$14,583,321	3,154,811	$4.62
2025 Budget	$26,719,938	$4,369,085	$1,712,499	$32,801,522	3,449,024	$9.51
2026 Proj.	$25,512,624	$5,219,014	$1,702,386	$32,434,024	2,995,157	$10.83
2027 Proj.	$26,019,937	$5,411,557	$1,748,836	$33,180,330	3,071,590	$10.80
2028 Proj.	$27,037,468	$4,795,352	$1,797,585	$33,630,405	3,199,700	$10.51
2029 Proj.	$27,781,776	$4,007,101	$1,834,285	$33,623,162	3,333,307	$10.04
2030 Proj.	$28,490,929	$2,714,874	$1,875,764	$33,081,567	3,457,977	$9.57

Source: Milwaukee County records and Unison Consulting, Inc.
[1] Excludes landing fees paid by cargo carriers and military aircraft.

The above table presents actual, estimated, and projected airline cost per enplanement ("CPE") for the years 2024 – 2030. The CPE is derived from dividing the costs charged to the airlines for use of the Airport by the actual or estimated enplanements from historic data or the prepared forecast, respectively. The CPE is budgeted to increase from $4.62 in 2024 to $9.51 in 2025 due to higher budgeted O&M expenses combined with less Federal Relief Funds used to offset the Total Requirement. The CPE is projected to continue fluctuating during the forecast period to $9.57 in 2030 with projected increases in debt service resulting from future bond issues. The Airport's projected CPEs for the forecast period are considered reasonable by the Airport Consultant.

INVESTMENT CONSIDERATIONS

This section contains a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Series 2025A Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Series 2025A Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the Series 2025A Bonds are advised *to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to making of an informed investment decision. Any one or more of the investment considerations discussed below, among others, could adversely affect the financial condition of the Airport System or the County's ability to make scheduled payments on the Series 2025A Bonds. There can be no assurance that other risks not discussed herein will not become material in the future.*

Use of Financial Assumptions by the County

Operation of the Airport System and the setting of rates and charges by the County with respect to the Airport System are based on a number of assumptions, which the County believes are reasonable, although one or more of these assumptions may prove incorrect. Such assumptions include, among others, that (a) there will not be significant reductions in the level of aviation activity and enplaned passengers at the Airport, or if there are, that rates and charges to airlines operating at the Airport can be adjusted upward to offset any such reduction, (b) airlines operating at the Airport will remain able to pay amounts owing under the Amended AULA, (c) various federally authorized airport funding programs (including Airport Improvement Program grants and the cap on PFCs) will continue at approximately current levels, (d) projections of Operation and Maintenance Expenses and non-airline revenues for the Airport System are reasonably accurate, (e) there are not significant changes in the airline industry generally which adversely affect the Airport System. Any significant variation in any of these and other assumptions could have a material adverse effect on the Airport System, the financial condition of the Airport System and the forecasts contained in APPENDIX A hereto.

Assumptions in the Financial Feasibility Report

The Financial Feasibility Report incorporates numerous assumptions as to the utilization of the Airport and other matters and states that any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the forecast period will vary, and the variations may be material. See APPENDIX A "FINANCIAL FEASIBILITY REPORT."

Forecast Uncertainty and Risk Factors

The forecasts of aviation activity have been developed based on specific assumptions about the availability and characteristics of airline service at the Airport, key measurable factors that drive demand for air travel, and information available at the time of the analysis. There are broader factors affecting the entire aviation industry that introduce risk and uncertainty into the forecasts. Some of these factors are discussed below.

Disease Outbreaks

Passenger air travel demand is sensitive to disease outbreaks, which impact customer confidence, public health, international travel policies, and airport/airline staff well-being. The COVID-19 pandemic exemplifies this risk, initially causing a dramatic downturn before travel gradually recovered with widespread vaccination and the lifting of travel restrictions. Continued vigilance and health safety practices are essential to minimize future impacts.

While the COVID-19 pandemic has passed, global health authorities focus on other health risks. Mpox (formerly known as monkeypox), posed a threat to public health in 2024, with several countries, including the United States, implementing Mpox screening protocols at major international airports to prevent the spread of the virus across borders.[2] Measles is another more recent outbreak that may impact forecast activity, with a total confirmed 1,046 cases reported by 31 jurisdictions as of May 22, 2025.[3] About 67 percent of cases afflict individuals aged 19 or younger, meaning the measles outbreak is more likely to affect leisure/family travel more than business travel.

Economic Conditions

The aviation industry is pro-cyclical, with traffic rising during economic expansions and falling during economic recessions. Economic downturns can be triggered by various factors—for example, the COVID-19 pandemic and the extreme mitigation measures at the time. The U.S. economy ended 2024 with strong fundamentals: moderate GDP growth, sustained consumer spending, a strong labor market, low unemployment, and low inflation. However, 2025 brings heightened uncertainty and downside risks from federal policy changes, particularly those involving trade, immigration, and federal spending, a cooling labor market, weakening consumer confidence, and spillover global economic impacts, amid continuing conflicts in Europe and the Middle East.

Impact of U.S. Tariff Policies

U.S. tariff policies have created substantial uncertainty in the U.S. aviation industry, making it difficult for airlines to forecast and plan for the future. American Airlines, Southwest Airlines, and Alaska Airlines have pulled back their full-year outlooks as a result, and United Airlines has issued two separate forecasts, one for a stable economy and another for a recessionary one, which directly highlights the forecasting challenges posed by the unclear nature of the tariffs.

This uncertainty surrounding the tariffs also affects consumers' willingness to travel. American Airlines, Southwest Airlines, and Alaska Airlines have reported a softening in leisure travel, noting that people are hesitant to plan

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[2] "Mpox Screening Introduced at Airports Worldwide Amid Rising Concerns Over Global Health Security," Travel and Tour World, August 23, 2024, https://www.travelandtourworld.com/news/article/mpox-screening-introduced-at-airports-worldwide-amid-rising-concerns-over-global-health-security/.

[3] "Measles Cases and Outbreaks," *Centers for Disease Control and Prevention*, updated May 23, 2025, https://www.cdc.gov/measles/data-research/index.html

international or domestic vacations. In addition, Canadian air travel demand to the U.S. has also decreased – over the course of Q2 2025, Air Canada's U.S. travel decreased by 11% compared to the same period last year[4]. This decline in U.S. travel demand feeds into the difficulty airlines face in attempting to plan for the future, as consumer demand has become unpredictable under these conditions. As a result, airlines have taken a cautious approach, which means less hiring, slower or potentially halted fleet expansion, and ultimately a reduction in overall economic activity.

U.S. Airline Industry Volatility

The U.S. airline industry is inherently volatile, with financial results susceptible to many external factors. Economic downturns, fluctuating oil prices, adverse weather, disease outbreaks, travel restrictions, terrorism threats, geo-political tensions, and aircraft groundings all directly impact airline revenues and net profits.

The COVID-19 pandemic serves as a stark example of this vulnerability. While the seven years preceding the COVID-19 pandemic saw steady profits, thanks to restructuring, capacity restraint, cost-cutting, and productivity improvements implemented after the Great Recession, the industry experienced a dramatic downturn in 2020 as passenger travel ground to a halt. Despite government aid packages[5], US passenger airlines incurred a staggering net loss of over $30 billion in 2020—the largest annual loss since 1977.

Oil Price Volatility and Aviation Fuel Costs

Oil price fluctuations directly affect aviation fuel costs, a significant component of airline operating expenses[6]. Rising oil prices, as seen in the 2000s, can strain airline finances and contribute to industry losses. Conversely, lower oil prices can boost airline profits, as experienced in the mid-2010s. In 2020, the global economic recession and an oil supply glut led to a temporary drop in oil and fuel prices, which provided airlines some cost relief during the pandemic.

Financial Condition of the Airlines

Although global health and the underlying economic conditions of the Air Service Area likely will continue to be the most important factor driving passenger demand at the Airport, the ability of the Airport to generate revenues from operations depends largely upon the financial health of the airline industry as a whole. The financial results of the airline industry are subject to substantial volatility and, at times, many carriers have had overlapping, extended periods of unprofitability. In recent years the industry has undergone significant changes, including mergers, acquisitions, major restructuring, bankruptcies and closures. Additionally, the COVID-19 pandemic and its resultant economic impact had severe negative effects on demand for air travel and the airline industry, and resulted in substantial financial challenges for airlines serving the Airport, including substantial financial losses and a reduction in workforce that has impacted service. Airlines operating at the Airport have filed for bankruptcy protection in the past and may do so in the future. See "—Effect of Airline Bankruptcies." Even in the absence of any airline bankruptcy filing, the Airport may encounter significant expenses, delays, and potentially nonpayment of amounts owed if it is required to pursue legal action to enforce agreements with the airlines. While the Airport has seen passenger traffic return after or grow through airline bankruptcies and consolidations and other events that have historically affected the airline industry, the COVID pandemic is an unprecedented event, and its near-term and long-term effects on the airline industry cannot be predicted with any certainty.

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[4] Allessandra Passalalpi, "Air Canada Applauded By Canadians For Replacing Dipping U.S. Travel With An Unexpected Market," *The Travel,* July 30, 2025, https://www.thetravel.com/air-canada-applauded-by-canadians-for-replacing-dipping-us-travel-with-an-unexpected-market/

[5] To alleviate the negative financial impact of the COVID-19 pandemic on U.S. airlines' finances, the U.S. federal government provided financial relief to U.S. airlines in three federal aid packages: the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA); and the American Rescue Plan Act of 2021 (ARPA).

[6] The correlation coefficient between the monthly average prices of West Texas Intermediate (crude oil) and aviation fuel is approximately 0.994.

The industry is cyclical and subject to intense competition and variable demand and is highly sensitive to a variety of factors, including (i) the cost and availability of labor, fuel, efficient aircraft and insurance, (ii) general economic conditions, (iii) international trade, (iv) currency values, (v) competitive considerations, including the effects of airline ticket pricing, (vi) traffic and airport capacity constraints, (vii) governmental regulation, including security regulations and taxes and fees imposed upon airlines and passengers, (viii) increases in maintenance and environmental requirements and costs, (ix) passenger demand for air travel, (x) disruptions caused by airline accidents, natural disasters, health crises, criminal incidents and acts of war or terrorism, (xi) strikes and other union activities and (xii) political risk, including regulatory issues and federal funding and/or staffing shortfalls resulting from actions, or inaction, of Congress.

The price of fuel is a significant factor impacting the passenger and cargo airline industry and continues to be an important and uncertain determinant of an air carrier's operating economics. Historically, aviation fuel prices have been particularly sensitive to worldwide political instability. Continued or new hostilities in petroleum-producing regions or affecting key shipping lanes could dramatically impact the price and availability of aviation fuel. Economic expansion in emerging markets also contributes to higher aviation fuel prices. Natural disasters affecting refineries may also result in higher aviation fuel prices. Although some airlines hedge fluctuations in fuel prices through the purchase of futures contracts and although fuel prices have declined significantly in the past several years, a substantial increase in fuel prices can have a material effect on profitability and airline aircraft and route decisions at the Airport. Future fuel price increases or sustained higher prices and volatility in supply have affected and likely will continue to affect the financial condition of airlines, their capacity and route decisions and the level of service the airlines provide at the Airport.

Airline Market Concentration

A high concentration of market share held by a single airline can lead to market power abuse and excessive fare increases. Higher airfares reduce passenger demand, especially for discretionary travel or shorter trips with ground transportation alternatives. However, at MKE, Southwest Airlines' market share has decreased below 40 percent, with increases in Delta and United's market shares and Spirit's entry, alleviating concerns about airline market concentration.

Airline Economics, Competition, and Airfares

Airfares influence passenger demand, particularly for relatively short trips where the automobile (or occasional bus or train) is a viable alternative and for price-sensitive "discretionary" vacation travel. Airfares are affected by airline operating costs and debt burden, passenger demand, capacity and yield management, market presence, and competition.

The aviation activity forecasts for the Airport assume that, over the long term, annual increases in airfares do not exceed inflation. If they do, the increases in airfares will dampen forecast traffic growth.

While no other commercial service airport is within a 60-minute drive, six airports are within a 72- to 120-minute drive:

- Chicago O'Hare International Airport (ORD) - 1 hour and 12 minutes
- Chicago Midway International Airport (MDW) - 1 hour and 41 minutes
- Dane County Regional Airport (MSN) - 1 hour and 30 minutes
- Appleton International Airport (ATW) - 1 hour and 55 minutes
- Chicago-Rockford International Airport (RFD) - 1 hour and 39 minutes
- Green Bay Austin Straubel International Airport (GRB) - 1 hour and 58 minutes

These airports compete with MKE for passengers, particularly those on the edges of the Milwaukee MSA. The level of competition they present varies. ORD and MDW are large hub airports offering considerably more air service than MKE, a medium hub airport. The other airports are smaller than MKE: ATW and MSN are small hubs, while GRB and RFD are nonhub airports.[7]

Airline Mergers

The airline industry has been consolidating in response to competition, cost, and regulatory pressure. Airline mergers can affect service and traffic at airports by consolidating facilities, optimizing route networks, and changing connecting traffic flows. The impact on typically occurs within a few years and depends on the merging airlines' market share and connecting traffic volume at the affected airport.

Recent merger activity involves JetBlue's attempted takeover of Spirit and Alaska's acquisition of Hawaiian Airlines. Blocked by the U.S. Department of Justice ("DOJ") in January 2024, JetBlue officially announced the termination of the merger agreement on March 4, 2024. According to the DOJ, JetBlue's acquisition of Spirit would have eliminated an ultra-low-cost competitor, resulting in fewer choices and higher fares for travelers. Inversely, the DOJ approved Alaska and Hawaiian's merger in August 2024, and in the following month, the Department of Transportation also cleared the deal, allowing the completion of the merger on September 18, 2024[8]. Alaska and Hawaiian's merger is not expected to affect MKE. Alaska accounts for a minimal share of MKE's enplanements (just over 2% in 2024), and Hawaiian does not operate at MKE.

Structural Changes in Demand and Supply

Major crises can trigger lasting structural shifts in aviation demand and supply. For example, the 2001 terrorist attacks led to stricter airport security measures requiring passengers to arrive much earlier for departing flights, reducing travel time advantages for short-haul flights. The COVID-19 pandemic has had similar long-term consequences. Demand-side changes include altered travel preferences due to safety concerns or a shift towards virtual meetings. Supply-side changes have involved airlines maintaining streamlined operations due to labor and fleet constraints. One favorable trend is the adoption of no-touch technologies, which speed up passenger processing and stimulate traffic growth.

Labor Supply Constraints

The COVID-19 pandemic led to airline employee layoffs and early retirements, creating workforce shortages that limit airline capacity and potentially hinder air traffic growth. While this scarcity still impacts smaller regional airlines, the pilot shortage has since been resolved for mainline carriers, with pilot hires surging through the past couple of years to replace pilots who have retired or been furloughed during the height of the COVID-19 pandemic. A more recent slowdown in pilot hiring is now due to supply chain issues on the aircraft side, particularly on Boeing experiencing delivery delays following recent safety events and quality problems.[9] However, the supply of pilots versus demand remains a consideration for future years. Boeing's forecast on the demand for aviation personnel from 2024-2043 projects a total need for 123,000 pilots in the United States.[10] The FAA-mandated pilot retirement age is 65 years old, and when combined with the fact that the U.S. Government Accountability Office found that 27 percent of actively certified pilots are between the ages of 55 and 64. That means thousands of pilots are set to retire in the coming years, and new pilots will be required to replace them.

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[7] The FAA classifies airports into hub sizes based on share of annual U.S. total enplanements:

- Nonhubs serve less than 0.05 percent of the annual U.S. total and more than 10,000 enplanements.
- Small hubs serve 0.05-0.25 percent of U.S. enplanements.
- Medium hubs serve 0.25-1.0 percent of U.S. enplanements.
- Large hubs serve more than 1 percent of U.S. enplanements.

[8] Alison Slider, "Transportation Department Blesses Alaska Air-Hawaiian Merger, With Strings," *Wall Street Journal*, September 17, 2024, https://www.wsj.com/business/airlines/transportation-department-blesses-alaska-air-hawaiian-merger-with-strings-d1edc2d5.

[9] Antonio Ferraz, "Pilot Hiring is cooling down in the U.S.: Is the pilot shortage over?" Wader Aviation, August 3, 2024, https://www.waderaviation.com/post/current-us-pilot-job-market-2024.

[10] Boeing, https://www.boeing.com/commercial/market/pilot-technician-outlook

Aircraft engineers are also in short supply. Boeing's forecast suggests a need of more than 600,000 new engineers over the 20-year period. About a third of aircraft engineers are approaching retirement, and there are not enough new workers to replace them, an issue exacerbated by a 2 to 3-year pause in the training of new aircraft engineers during the pandemic[11].

A significant shortage of air traffic controllers is another nationwide problem. As of September 2023, nearly half of the 290 FAA air traffic control facilities were understaffed. The FAA has attributed recent understaffing to the COVID-19 pandemic pausing or reducing training, a long training process (2-to-3 years), and yearly attrition. Currently, the FAA has roughly 10,700 fully certified controllers, which is about 3,000 short of its target. Adding onto that issue, about 500 controllers are eligible for retirement in the near-term, with the mandatory retirement age for controllers being 56.

Aging Air Traffic Control Infrastructure

In addition to staffing shortages, the FAA faces challenges with facilities over 60 years old and radar and communication systems decades beyond their lifecycle. The aging air traffic control infrastructure poses growing safety and capacity risks, leading to flight delays, cancellations, and, recently, the fatal collision of a commercial passenger aircraft and a military helicopter in Washington, DC in January 2025. In response, the FAA is rolling out a multi-billion-dollar modernization program that includes facilities replacement, major hardware upgrades, and technological transformations under NextGen. However, many upgrades will not be completed until the early to mid-2030s without sustained funding and consistent political support.

Geopolitical Conflicts and the Threat of Terrorism

Geopolitical conflicts and terrorism disrupt air travel. The terrorist attacks of September 11, 2001, serve as a constant reminder of the severe threat to the aviation industry. Travel advisories and heightened security measures can deter passengers due to longer screening times and increased anxiety.

In recent years, the Russian invasion of Ukraine (since February 24, 2022) and the Israel-Hamas war (since October 7, 2023) led to airspace closures, increased costs, and longer flight times. Responding to Russia's invasion of Ukraine, the United States, Canada, and the European Union have closed their airspace to Russian aircraft. In retaliation, Russia has limited its airspace to many foreign-flag carriers. As a result, airlines have had to change flight routes, significantly increasing flight times for global travel. The Israel-Hamas war caused the immediate cancellation and suspension of flights to Tel Aviv by three U.S. major airlines (American, Delta, and United). Additionally, overall air travel demand dropped for destinations near the warzone, such as Egypt, Morocco, Tunisia, and Saudi Arabia.

Over the course of 2024 and 2025, the conflict escalated into direct armed conflict between Israel and Iran, with the United States joining the war on Israel's side as of June 22, 2025. Immediately effects include the closure/avoidance of Iranian airspace, as well as the disruption and diversion of aviation routes causing longer flights, delays, and increased fuel costs. Another potential impact is a spike in oil prices—Iran is the world's ninth largest oil-producing country, and the owner of the Strait of Hormuz, an important shipping chokepoint that facilitates the transportation of roughly 20 million barrels of crude oil and petroleum liquid per day[12]. A ceasefire was established on June 25, 2025, though many airlines still have routes through the Middle East suspended in case armed attacks start up again[13].

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11 Sam Sprules, "Opinion: Industry Collaboration Needed To Solve MRO's Workforce Crisis," Aviation Week Network, September 13, 2023, https://aviationweek.com/mro/workforce-training/opinion-industry-collaboration-needed-solve-mros-workforce-crisis.

12 "Airspace, Oil Prices, All-Out War: 5 Major Impacts Of Iran-Isreal Conflict," *NDTV World*, June 14, 2025, https://www.ndtv.com/world-news/iran-israel-war-impact-airspace-oil-prices-all-out-war-5-major-impact-of-iran-israel-conflict-8665380

13 Anupreeta Das and Niraj Chokshi, "From Iran-Isreal Straikes to Russia's War: How Conflicts Reshape Air Travel," New York Times, June 30, 2025, https://www.nytimes.com/2025/06/30/world/asia/iran-israel-airlines-war.html.

Another recent geopolitical factor concerns the current presidential administration's travel bans across twelve countries and restrictions on seven others that took effect on June 9, 2025. Most of these bans and restrictions are focused on countries in central/northeast Africa and the Middle East, including Chad, Sudan, Iran, and Afghanistan, among others. A few additional banned/restricted countries include Cuba, Haiti, Venezuela, Myanmar, and Laos. These travel bans and the heightened immigration screening of visitors under the current U.S. administration discourage visits into the United States. Since February 2025, total U.S. international passenger traffic has been decreasing year over year, based on the U.S. Department of Transportation's T100 data.

Technological Innovations

New technologies are currently being developed and are likely to continue to be developed in the future. The impact of these new technologies on current operations and practices at the Airport are not all known and may have an effect on airlines and operations at the Airport.

In connection with the expansion of wireless broadband operations into the 3.7-3.98 GHz frequency band service ("5G service") on January 19, 2022, the FAA issued certain guidelines for aircraft manufacturers, aircraft operators and airports because 5G service uses frequencies in a radio spectrum that the FAA has determined may interfere with those used by radar altimeters, which are important equipment in certain aircraft.

The FAA continues to work with aircraft equipment manufacturers and airlines to clear aircraft models, versions and airlines to operate at airports nationally, including the Airport, in low visibility conditions. Throughout this process, visual approaches, standard Category I instrument approaches, and other instrument procedures, including GPS-based approaches, are unaffected by 5G service. The deployment of 5G technology has not impacted the Airport's operations or the County's revenues.

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 County makes every effort to anticipate demand shifts, there may be times when the County's expectations differ from actual outcomes. In such event, revenue from one or more ground transportation modes may be lower than expected. The County 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 County 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.

In addition, improved teleconferencing technologies and increased acceptance of these methods of communicating could reduce the demand for business travel, though the long-term impact of such technologies on the demand for business travel is not known.

Growth of Low Cost Carriers

Low cost carriers ("*LCCs*") are carriers that take advantage of an operating cost structure that is typically significantly lower than the cost structure of the network carriers and an increased reliance on fee revenues. These advantages can include lower labor costs, greater labor flexibility, a streamlined aircraft fleet (i.e., fewer different types of aircraft in a given airline's fleet) and a generally more efficient operation. These low costs suggest that the LCCs can offer a lower fare structure to the traveling public than network carriers while still maintaining profitability. Further, increased access to major markets for LCCs may moderate average airfare increases that can typically result from airline consolidation.

As the larger U.S. carriers consolidated and became more focused on capacity discipline, fare increases took hold. LCCs began to emerge in larger markets where passenger levels were high enough for the LCCs to overcome certain barriers to entry caused by the larger carriers, for example, control of the majority of airport gates and slots. The cost structure of LCCs allows for lower fares, which has stimulated traffic and driven LCCs into more and larger markets. One result of the consolidation of carriers and their capacity discipline and the associated fare increases is that certain price-sensitive travelers are flying less. Recently, these budget conscious flyers have emerged as an underserved segment which has helped to expand the LCC market to include the ultra-low cost carriers ("*ULCCs*"), such as Allegiant, Frontier, Spirit, and Sun Country. Frontier, Spirit, and Sun Country have a presence at the Airport. The ULCC business model is characterized by extreme unbundling of services; the purchase of a ticket on a ULCC covers only the seat. Other amenities such as seat choice, food or drink, checked or carry-on luggage or a paper boarding pass are then available for additional a la carte purchase.

Effect of Bankruptcy on Air Carriers

Airlines operating at the Airport have filed for bankruptcy in the past and may do so in the future. A bankruptcy of a Signatory Airline (or of any other airline, non-airline tenant or concessionaire at the Airport) can result in significant delays, significant additional expenses and/or significant reductions in payments, or even in non-payments, to the County and consequently in a reduction in the amount of Net Revenues.

For the Airport, which has residual ratemaking, expectations would be that the amounts other airlines would be required to pay would be sufficient to make up any shortfalls attributable to an airline in bankruptcy. However, the other airlines likely would not be required to make up for unpaid post-bankruptcy usage and rental of terminal and concourse space and ramps, and no assurances can be given that the other airlines would be able to pay such additional amounts when needed, particularly if the bankruptcy occurred during a period in which many of the Signatory Airlines were struggling.

The automatic stay provisions of the Bankruptcy Code could prevent (unless approval of the bankruptcy court was obtained) any action to collect any amount owing by the airline to the County, any action to remove the airline from possession of any premises or other space, any action to terminate any agreement with the airline, or any action to enforce any obligation of the airline to the County. With the authorization of the bankruptcy court, the airline may be able to repudiate some or all of its agreements with the Airport and stop performing its obligations (including payment obligations) under such agreements. Such a repudiation could also excuse the other parties to such agreements from performing any of their obligations. The airline may be able, without the consent and over the objection of the County, the Trustee, and the holders of the Series 2025A Bonds, to alter the terms, including the payment terms, of its agreements with the County, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, with the authorization of the bankruptcy court, the airline may be able to assign its rights and obligations under any of its agreements with the County to another entity, despite any contractual provisions prohibiting such an assignment. The Trustee and the holders of the Series 2025A Bonds may be required to return to the airline as preferential transfers any money that was used to make payments on the Series 2025A Bonds and that was received by the County or the Trustee from the airline during the 90 days immediately preceding the filing of the bankruptcy petition. Claims by the County under any lease, or any agreement that is determined to be a lease, with the airline may be subject to limitations.

There may be delays in payments on the Series 2025A Bonds while a court considers any of these issues.

There may be other possible effects of a bankruptcy of an airline that could result in delays or reductions in payments on, or other losses with respect to, the Series 2025A Bonds.

In connection with bankruptcy or similar proceedings outside of the United States, the County cannot predict what types of orders or relief could be issued by foreign tribunals or the extent of delays in connection with such proceedings or the extent to which such orders would be enforceable in the United States.

Regardless of any specific adverse determinations and delays in an airline bankruptcy proceeding, the fact of an airline bankruptcy proceeding, particularly a bankruptcy of a Signatory Airline, could have a material adverse effect on the liquidity and value of the Series 2025A Bonds and could cause a material reduction in Revenues.

Effect of Other Tenant or Concessionaire Bankruptcies

A bankruptcy of a non-airline tenant or concessionaire would raise challenges similar to those described above in connection with airline bankruptcies. Many of the major rental car companies operating at the Airport filed for bankruptcy in recent years, and it is possible that rental car companies or other non-airline tenants or concessionaires will file for bankruptcy in the future.

Aviation Safety and Security

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of potential international hostilities and terrorist attacks, may influence passenger travel behavior and air travel demand. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

Intensified security precautions instituted by government agencies, airlines, and airport operators have vastly increased costs, some of which have been or will be passed on to travelers and airlines. Despite the increased security measures, additional acts of terrorism resulting in disruption to the North American air traffic system, increased passenger and flight delays, damage to the Airport, reductions in Airport passenger traffic, decreased airline profitability, and/or reductions in Revenues, remain possible. Terrorist attacks, civil disturbances, or any other events that undermine confidence in the safety of air travel or the travel industry as a whole likely would have an immediate and material effect on air travel demand.

On April 27, 2023, the TSA issued its Aviation Worker Screening National Amendment (TSA-NA-23-02), which became effective on September 25, 2023, and required all airport operators to conduct random physical screening of aviation workers entering Secured or Sterile Areas of U.S. domestic, federally-regulated airports. The intent of this amendment is to enhance deterrence and detection of insider threats in sensitive areas at the Airport. Action items are set forth as a mandatory requirements of certain regulated airport operators to develop a policy, train the policy, and research and acquire proper equipment. The action items include: signage at all access points, a program to staff and train screening teams at each access point, and acquire proper equipment to conduct the screenings. TSA-NA-23-02 does not provide funding to airports to accomplish the federal mandate. The Airport is one of several airports across the nation that took legal action against this mandate.

On August 22, 2025, the U.S. Court of Appeals for the District of Columbia Circuit reached a decision and vacated TSA-NA-23-02. The Court found that TSA did not follow the Administrative Procedure Act's (APA) notice and comment procedures which required public notice and an opportunity to comment before finalizing TSA-NA-23-02. TSA provided notice and the opportunity for comment to Airport Directors, only.

However, the Court withheld, or stayed, its mandate and permitted TSA time to adopt a procedurally sound rule compliant to the APA. Until then, or until TSA informs the Court that no such rule is necessary, TSA-NA-23-02 remains in place. MKE has complied with TSA-NA-23-02 since it was finalized, and will continue to do so in accordance with the Court's August 22, 2025 opinion. MKE and its peers believe this mandate should be administered by the TSA, given that they are the agency tasked with the screening of individuals into the sterile area of airports and administering other screening checks per the Airport Security Program.

The matter remains pending.

Aviation Public Health Considerations

Public health and safety concerns have also affected air travel demand from time to time. Disease outbreaks pose an unpredictable danger in various ways, such as customer confidence, health and safety, international travel policies, and the well-being and availability of sufficient staffing and labor. In 2020, the COVID-19 pandemic became a significant threat to the entire aviation industry. Widespread vaccination helped contain the spread of the disease, restoring people's confidence in the public health and safety of air travel, and increasing people's comfort level with crowded spaces. It aided the recovery of air travel and the overall U.S. economy. The World Health Organization ended COVID-19's global emergency status as of May 5, 2023, and soon after on May 11, 2023, the United States also ended its federal COVID-19 public health emergency. That said, continuous awareness of COVID-19 and proper health safety practices remain essential to minimize serious illness, hospitalizations, and fatalities while maintaining public confidence. Other previous travel alerts or advisories include the 2016 travel alert by the U.S. Centers for Disease Control and Prevention warning pregnant women to avoid travel to areas where outbreaks of the Zika virus, which has been linked to birth defects, were occurring. Future outbreaks or pandemics, of greater severity or duration than the COVID pandemic, could occur, resulting in decrease in air traffic, disruption to the global supply chain, interruption in manufacturing and construction operations and other unexpected incidents, of a magnitude greater than what the Airport has experienced during the COVID pandemic, that could materially interfere with the Airport's implementation of its CIP and other operations, or the operations of the airlines operating at Airport.

FAA Reauthorization and Federal Funding

The County depends on federal funding for the Airport in connection with grants and PFC authorizations, as well as for the funding that provides for TSA, FIS, air traffic control and other FAA staffing and facilities. Federal funding must be appropriated by Congress for these services. From time to time, there may be a gap in appropriation authority due to Congressional or Presidential inaction. When this occurs, federal agencies must discontinue all nonessential, discretionary functions until new funding legislation is enacted and signed into law, while essential services and mandatory spending programs continue to function. Air traffic controllers, TSA screeners and Customs and Border Protection ("CBP") agents providing services at U.S. airports are considered essential federal employees that are required to work without pay during any gaps in appropriation authority. It is possible that a future gap in federal appropriation authority could result in significant operational or financial effects on the County.

Federal funding also is impacted by sequestration under the Budget Control Act of 2011. Except to the extent changed by Congress from time to time, sequestration is a multi-year process and could continue to affect FAA, TSA and CBP budgets and staffing, which results in staffing shortages and furloughs and traffic delays at the Airport and nationwide. Some of the TSA funding shortages are being addressed by increasing the amount (and removing the cap) on the security fees on tickets, but such fees have been controversial, and no assurance can be given that such fees will be sufficient or that the increased ticket costs will not result in lower passenger enplanements.

The FAA currently operates under the FAA Reauthorization Act of 2024, which was signed into law on May 16, 2024 and authorizes its operations and programs and provides funding through September 30, 2028. In the future, if the FAA authorization were to expire without a long-term reauthorization or short-term extension, during such period FAA programs would be unauthorized, including FAA programs providing funding for the Airport.

The FAA may reduce discretionary grants in the future. The reduction in discretionary grants awarded to the Airport increases by a corresponding amount the capital expenditures that the County needs to fund from other sources, including operating revenues, PFCs and Bond proceeds. Project costs are subject to audit by the funding agencies to ensure that the costs are allowable under the grant agreements. If any project costs are disallowed, amounts recorded as grants receivable will be reduced or refunded to the respective funding agencies.

The FAA currently disburses grant funds to the Airport through the AIP, proposals to reduce or eliminate AIP funding have been made and may be made in the future. Further, AIP grants to airports are subject to passage of annual congressional appropriation bills and funding may be reduced or eliminated in any year.

It is difficult for the County to predict the occurrence of the events or changes to the programs described in this section captioned "Federal Funding Considerations" or the potential effect of such events or changes on the finances and operations of the County and its revenues until the extent and duration of such events or changes are known.

On November 15, 2021, the Infrastructure Investment and Jobs Act ("IIJA"), Pub. L. 117-58 (also referred to as the Bipartisan Infrastructure Legislation, or BIL) was signed into law. The IIJA included two new limited duration grant programs for airports: 1) the Airport infrastructure program ("AIG") (primarily a formula funding program); and 2) the Airport Terminal program ("ATP") (a competitive or discretionary funding program). AIG funds can be used for any capital development that is eligible to receive AIP grants. ATP eligibility is limited to passenger terminal development as defined in the AIP statute, plus certain rail access projects eligible for passenger facility charge funding. The IIJA also substantially expanded the scope of airport capital development that can qualify for credit assistance under the Transportation Infrastructure Finance and Innovation Act of 1998 ("TIFIA") and modified other aspects of the TIFIA program. The BIL appropriates a total of $15 billion spread equally over five years (or $3 billion per year) for federal fiscal year 2022 through 2026.

Shifting political priorities, due to changes in presidential administrations or agency leadership could adversely affect the availability, amount, or timing of federal funding. The current presidential administration has undertaken multiple actions to drastically reduce federal spending and to assess the consistency of all federal programs and expenditures with the administration's policies and numerous executive orders. Legal challenges to the President's authority to control various federal funds are ongoing. There is no guarantee that the President's policies will not result in a reduction or elimination of various federal programs, contracts, grants, loans or other awards. Potential delays of grant funding may affect project starts until funding is in place.

On July 10, 2025, the County joined multiple other counties, municipalities, and transportation/transit authorities across the U.S. in a lawsuit challenging the FAA's new proposed conditions to the Airport Improvement Program Grant Assurances which require the recipients of federal grant funds to maintain and operate their facilities in accordance with specific conditions. That litigation is pending. The Airport is currently in compliance with grant conditions related to the federal funding it has already received. The lawsuit, as it relates to the County, pertains to federal funding the Airport has yet to receive. The intent behind the County's entry into the lawsuit was to clarify the County's obligations upon receipt of future federal funds (to the Airport) because the conditions as written are potentially open to multiple interpretations. Should a Court find that the FAA's proposed grant condition language is appropriate as written, the County will comply with the conditions.

Federal Law Affecting Rates and Charges

Rates and charges for aeronautical use of an airport imposed pursuant to a written agreement between the air carriers operating at an airport and the operator of the airport are generally not subject to federal regulation except for regulations designed to ensure that such rates are not discriminatory. The Amended AULA between the Airport and the Signatory Airlines provides a formula for establishing rates and charges for use of the aeronautical facilities at the Airport. Accordingly, the County believes that the provisions of the Amended AULA are consistent with the FAA regulations and the County's grant assurances, to the extent the same are applicable. The Amended AULA is expected to expire (unless sooner terminated pursuant to their terms) on December 31, 2028.

Airlines operating at the Airport that do not execute the AULA are referred to as "Nonsignatory Airlines". Such airlines, as well as other aircraft utilizing the Airport on an itinerant basis, are charged a surcharge equal to 125% of the rates and charges imposed under the Amended AULA. Such Nonsignatory Airline operations constitute only a small percentage of total operations at the Airport. Under the FAA the applicable FAA regulations, a surcharge of 25% for non-signatory carriers is not considered discriminatory.

For rates and charges not determined pursuant to an agreement, federal aviation law requires, in general, that airport fees be reasonable and nondiscriminatory. To receive federal grant funding, all airport-generated revenues must be expended for the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the airport owner that are directly and substantially related to air transportation of passengers or property. Pursuant to the requirements of the Federal Aviation Administration Authorization Act of 1994, USDOT and FAA have promulgated regulations setting forth an expedited hearing process to be followed in determining the reasonableness of airport rates and charges, and have also promulgated a policy statement (the "Rates and Charges Policy"), which sets forth the standards that USDOT uses in determining the reasonableness of the fees charged to airlines and other aeronautical users.

Future FAA Rules, Regulations, or guidelines may limit the Airport's flexibility in negotiating new airline agreements or in setting rates and charges for use of the Airport's airfield and non-airfield facilities. While there are no currently pending proposals to effectuate such changes in Congress or by the FAA or USDOT, there can be no assurance that new proposals will not be forthcoming, which could impact the Airport's financial models. Any new FAA guidelines or any standards promulgated by a court in connection with a dispute could limit the amounts and allocation of costs payable by airlines serving the Airport. Until USDOT promulgates a new policy regarding rates and charges, the guiding principle for determining whether rates and charges established for use of airport assets is the requirement of federal law that such charges be reasonable.

PFC Revenues and Other Sources of Funding

The plan of finance for the County's 2024-2028 CIP for the Airport System assumes that PFC revenues, federal grants, and other sources of funding will be received in certain amounts and at certain times to pay certain project costs. See "AIRLINE-AIRPORT USE AND LEASE AGREEMENT – Five-Year Capital Improvement Plan" above. No assurance can be given that these sources of funding will be available in the amounts or on the schedule assumed.

The amount of PFC revenue collected by airlines for the Airport in past years has varied, and in future years will vary, based upon the actual number of passenger enplanements at the Airport. No assurance can be given that any level of enplanements will be realized. This adverse impact of decreased enplanements could be direct or indirect. For example, PFC shortfalls could result in increases in terminal rentals or landing fees at the Airport, thereby negatively impacting the airlines' desire to operate at the Airport. Furthermore, under the terms of the PFC Act, the FAA may terminate the County's authority to impose a PFC if the County's PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Act or the regulations promulgated thereunder, or if the County otherwise violates the PFC Act or regulations. The FAA may also terminate the County's authority to impose a PFC for a violation by the County of the Airport Noise and Capacity Act. The PFC termination provisions contained in the regulations provide both informal and formal procedural safeguards. The FAA's PFC regulations require Collecting Carriers (as defined in the PFC Act) to account for PFC collections separately, and indicate that such funds are to be regarded as trust funds held by the Collecting Carriers for the beneficial interest of the public agency imposing the PFC. In early cases in which PFCs were at issue, certain bankruptcy court decisions indicated that PFCs may not be treated as trust funds and that airports are not entitled to any priority over other creditors of the Collecting Carrier as to such funds. In the more recent cases, such as the American Airlines bankruptcy, however, the bankruptcy court has recognized the airports' interests in PFCs and taken steps to segregate PFCs from airline revenues. Where an air carrier files for bankruptcy protection and liquidates, however, such as the Direct Air bankruptcy, PFC revenues may not be recoverable if they have been expended by the carrier before such filing.

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 County may be required to issue an additional Series of Bonds (General Obligation Airport Bonds or GARBS not backed by PFC revenue) to pay the costs of such capital projects and to increase airline rates and charges to pay debt service on the Bonds and to fund the required coverage thereon. As an alternative to issuing Additional Bonds, the County 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 "FINANCIAL FEASIBILITY REPORT" in APPENDIX A.

Cybersecurity

The Airport, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats, including, but not limited to, hacking, phishing, viruses, malware, ransomware, and other attacks to its computing and other digital networks and systems (collectively, "*Systems Technology*"). As a recipient and provider of personal, private, or sensitive information, the Airport may be the target of cybersecurity incidents that could result in adverse consequences to the Airport's Systems Technology, requiring a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Airport's Systems Technology for the purposes of misappropriating assets or information, or causing operational disruption or damage. To mitigate the risk of business operations impact and/or damage by cybersecurity incidents or cyber-attacks, the County invests in multiple forms of cybersecurity and operational safeguards.

While the Airport's cybersecurity and operational safeguards are periodically tested, no assurance can be given by the County that such measures will ensure against other cybersecurity threats and attacks. Cybersecurity breaches could damage the Airport's Systems Technology, and cause material disruptions to the Airport's finances or operations. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity incidents could expose the County to material litigation and other legal risks, which could cause the County to incur material costs related to such legal claims or proceedings.

The airlines serving the Airport and other Airport tenants, as well as the FAA and TSA, also face cybersecurity threats that could affect their operations or finances. Notwithstanding security measures, information technology and infrastructure at 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 therein. Any such disruption or other loss of information could disrupt the operations of the Airport and/or the airlines serving the Airport and the services provided at the Airport, thereby adversely affecting the ability of the Airport to generate revenue.

In March 2023, the TSA issued a new cybersecurity amendment on an emergency basis to the security programs of certain TSA-regulated airport and aircraft operators, following similar measures announced in October 2022 for passenger and freight railroad carriers. This is part of the Department of Homeland Security's efforts to increase the cybersecurity resilience of U.S. critical infrastructure. TSA took the emergency action because of persistent cybersecurity threats against U.S critical infrastructure including the aviation sector. The new emergency amendment requires that impacted TSA-regulated entities develop an approved implementation plan that describes measures they are taking to improve their cybersecurity resilience and prevent disruption and degradation to their infrastructure. Affected TSA-regulated entities must also proactively assess the effectiveness of these measures, which include the following actions: develop network segmentation policies and controls to ensure that operational technology systems can continue to safely operate in the event that an information technology system has been compromised, and vice versa; create access control measures to secure and prevent unauthorized access to critical cyber systems; implement continuous monitoring and detection policies and procedures to defend against, detect, and respond to cybersecurity threats and anomalies that affect critical system operations; and reduce the risk of exploitation of unpatched systems through the application of security patches and updates for operating systems, applications, drivers, and firmware on critical cyber systems in a timely manner using a risk-based methodology.

Environmental Regulations

The FAA has jurisdiction over certain environmental matters, including soundproofing. Airport noise is a significant federal and local issue, which may require substantial capital investments by the industry and/or airport operators, including the Airport, from time to time to meet applicable standards.

The EPA is responsible for regulating air quality and water quality. The potential exists for additional federal regulation that may require capital expenditures or changes in operations at the Airport's facilities.

Per- and Polyfluoroalkyl Substances (PFAS) are a group of manufactured chemicals that have been used in industry and consumer products since the 1940s. Many organizations worldwide mandate the use of firefighting foam that contains PFAS, known as Aqueous Film Forming Foam (AFFF), because of its effectiveness in fighting aircraft fires. However, per the EPA, certain PFAS can cause serious health problems, including cancer, if people are exposed to them over a long period of time, and they can also be harmful to aquatic and terrestrial organisms. As a result, the FAA and the Department of Defense (DoD) have engaged in a significant research project to test fluorine-free foam (F3). In December 2022, Congress directed the FAA to prepare a transition plan to ensure an orderly move to military specification (MILSPEC) F3 for aircraft firefighting. The FAA published the Aircraft Firefighting Foam Transition Plan dated May 8, 2023 to satisfy the congressional directive. In January 2023, DoD published an F3 MILSPEC and foam manufacturers can now submit MILSPEC F3 agents for qualification by DoD. Once DoD certifies that a foam meets the new specification it will be added to the Qualified Product List. [14],[15]

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[14] https://www.faa.gov/airports/airport_safety/aircraft_rescue_fire_fighting/f3_transition*

[15] https://www.faa.gov/airports/airport_safety/aircraft_rescue_fire_fighting/f3_transition/aircraft-fireifighting-foam-transition-plan*

* Such website is not maintained by parties to this transaction and no information is incorporated herein by reference.

Airports are nationally understood to be locations for PFAS. The Airport is currently working with the Wisconsin Department of Natural Resources to produce a Site Investigation Report Addendum and Remedial Action Options Report. No assurance can be given that any future investigation and/or remediation costs for any such contamination will not be material.

Climate Change

Projections of the impacts of global climate change on the County and the Airport , and on the County and the Airport's operations are complex and depend on many factors that are outside the County's control. The various scientific studies that forecast the amount and timing of the adverse impacts of global climate change are based on assumptions contained in such studies, but actual events are proving to be unpredictable and may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the County is unable to forecast when adverse impacts of climate change (e.g., the occurrence and frequency of 100-year storm events) will occur. In particular, the County cannot predict the timing or precise magnitude of adverse economic effects, including, without limitation, material adverse impacts on the business operations or financial condition of the County and the local economy during the term of the bonds. While the impacts of climate change may be mitigated by the County's past and future investment in adaptation strategies, the County can give no assurance about the net effects of those strategies and whether the County will be required to take additional adaptive mitigation measures.

Beyond the direct adverse material impact of global climate change itself, present, pending and possible regulations aimed at curbing the effects of climate change may directly or indirectly materially impact the operations or financial condition of the County. Of particular importance are regulations pertaining to Greenhouse gas (GHG) emissions. According to the United States Environmental Protection Agency ("EPA"), aircraft account for 12% of all U.S. transportation GHG emissions and 3% of total U.S. GHG emissions. In 2016 the EPA finalized an "endangerment" finding that GHG emissions from aircraft cause or contribute to air pollution that endangers public health or welfare, triggering the Clean Air Act Section 231's requirement to regulate, aircraft GHG emissions. In March 2017, the International Civil Aviation Organization ("ICAO"), a specialized agency within the United Nations, adopted fuel-efficiency based GHG emission standards and GHG carbon neutral growth targets applicable to (i) new aircraft type designs as of 2020 and (ii) new deliveries of current in-production aircraft models from 2023. The global standard, which applies to aircraft over 5,700 kilograms that emit more than 10,000 metric tons of CO2, includes a cutoff date of 2028 for production of non-compliant aircraft. The ICAO also passed in October 2016 a market-based mechanism to curb emissions, the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA"). CORSIA is designed to achieve carbon-neutral growth for international (but not domestic) civil aviation from 2020 onwards, via pilot, volunteer and mandatory phases. As of January 31, 2018, 73 nations representing 87.7% of international aviation activity, including the United States, have indicated that they will participate in the pilot and volunteer phases of CORSIA. Two means for airlines to comply with CORSIA are through: 1) the purchase of carbon offsets and 2) claiming emission reductions through CORSIA eligible fuels. Consequently, CORSIA is expected to drive airline demand for sustainable aviation fuels (SAF) and potentially the need for future SAF infrastructure at airports.

In December 2020, as a result of the endangerment finding, EPA established CO2 emission standards for aircraft that match the standards adopted by ICAO in 2017. In March 2021, Airlines for America ("A4A"), the industry trade organization representing U.S. airlines, announced the commitment of its member carriers to achieve net-zero carbon emissions by 2050. As part of that commitment, A4A carriers pledged to work toward rapid expansion of the production and deployment of commercially viable SAF to make two billion gallons of SAF available to U.S. aircraft operators in 2030.

The County is unable to predict what additional laws and regulations with respect to GHG emissions or 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 County, airlines operating at the Airport, other County tenants, or the local economy. The effects, however, could be material.

Potential Limitation of Tax Exemption of Interest on the Series 2025A Bonds

From time to time, the President of the United States, the United States Congress and/or state legislatures have proposed and could propose in the future, legislation that, if enacted, could cause interest on the Series 2025A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners of the Series 2025A Bonds from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code of 1986, as amended (the "Code"), or court decisions may also cause interest on the Series 2025A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Code, or court decisions may also affect the market price for, or marketability of, the Series 2025A Bonds. Prospective purchasers of the Series 2025A Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Forward-Looking Statements

This Official Statement and APPENDIX A "FINANCIAL FEASIBILITY REPORT," contain statements relating to future results that are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "forecast," "projection," "intend," "expect," and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. Among the factors that may cause projected revenues and expenditures to be materially different from those anticipated are an inability to incur debt at assumed rates, construction delays, increases in construction costs, general economic downturns, factors affecting the airline industry in general, federal legislation and/or regulations, and regulatory and other restrictions, including but not limited to those that may affect the ability to undertake the timing or the costs of certain projects.

Municipal Bankruptcy

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Series 2025A Bonds are outstanding, in a way that would allow the County to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the County to file for relief under Chapter 9. If, in the future, the County were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the County could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the County is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the County could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Series 2025A Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Series 2025A Bonds, and there could ultimately be no assurance that holders of the Series 2025A Bonds would be paid in full or in part on the Series 2025A Bonds. Further, under such circumstances, there could be no assurance that the Series 2025A Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Series 2025A Bonds could be viewed as having no priority (a) over claims of other creditors of the County; (b) to any particular assets of the County, or (c) to revenues otherwise designated for payment to holders of the Series 2025A Bonds.

Moreover, if the County were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Series 2025A Bonds would not occur.

General

The County derives a substantial portion of its operating revenues from landing fees and facility rental fees paid by airlines using the Airport System. The financial strength and stability of these airlines, together with numerous other factors, influence the level of aviation activity within the Airport System and revenues, including PFCs, realized by the County. Individual airline decisions regarding level of service also affect total enplanements.

Performance of Major Airlines at the Airport

The performance of major airlines operating at the Airport can affect future passenger traffic. The four largest airlines accounted for approximately 88.2% of 2024 enplanements. The future operational and financial performances of these airlines will likely influence air traffic activity at the Airport.

Airline Information

Southwest, Delta, American, and United, the airlines with the highest market shares at the Airport, along with certain other major and national airlines serving the Airport or their respective parent corporations are subject to the periodic reporting requirements of the Exchange Act and, in accordance therewith, file reports and other information with the Securities and Exchange Commission. Certain information, including financial information, as of particular dates concerning such airlines or their respective parent corporations, is disclosed in certain reports and statements filed with the Commission. Such reports and statements can be inspected in the Public Reference Room of the Commission at 450 Fifth St., N.W., Washington, D.C. 20549, and at the Commission's regional offices at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and copies of such reports and statements can be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Additional information with respect to the filings of the airlines may be retrieved at the SEC.gov site using the SEC's EDGAR database. In addition, each airline is required to file periodic reports of financial and operating statistics with the Department of Transportation. Such reports can be inspected at the following location: Office of Aviation Information Management, Data Requirements and Public Reports Division, Research and Special Programs Administration, Department of Transportation, 400 7th Street, S.W., Washington, D.C. 20590.

Neither the County nor the Underwriter undertakes any responsibility for and make no representations as to the accuracy or completeness of the content of information available from the Securities and Exchange Commission or the U.S. Department of Transportation as discussed in the preceding paragraph, including, but not limited to, updates of such information or links to other internet sites accessed through the Commission's website.

LITIGATION

As certified by authorized representatives and officials of the County, there is no threatened or pending litigation of any nature against the County or its employees which is likely to result in a judgment that would affect the issuance and delivery of the Series 2025A Bonds or the setting and collection of rates, fees and charges necessary to pay the principal and interest thereon, and the corporate existence, the boundaries of the County, and the title of its present officers to their respective offices is not being contested.

There are lawsuits pending before the United States District Court for the Eastern District of Wisconsin, United States Court of Appeals for the Seventh Circuit, and Wisconsin state courts against the County as a body corporate or its employees. Based upon information and knowledge about such matters and past experience, the County does not believe that such litigation will result in a final judgment against the County or its employees that would materially affect the County's financial position; however, it is impossible to guarantee the outcome of any litigation, which is determined by various factors including the decisions of the courts and juries.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Series 2025A Bonds are subject to the approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin, and Emile Banks & Associates, LLC, Milwaukee, Wisconsin, Co-Bond Counsel (the "Co-Bond Counsel"), who have been retained by, and act as, Co-Bond Counsel to the County. Certain legal matters in connection therewith will be passed upon for the County by the Milwaukee County Corporation Counsel and for the Underwriter by its counsel, Butler Snow LLP.

Quarles & Brady LLP has been retained by the County to serve as Disclosure Counsel to the County with respect to the Series 2025A Bonds. Although, as Disclosure Counsel to the County, Quarles & Brady LLP has assisted the County with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Series 2025A Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Series 2025A Bonds for any investor.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, and Emile Banks & Associates, LLC, Milwaukee, Wisconsin, Co-Bond Counsel, will deliver legal opinions with respect to the federal income tax exemption applicable to the interest on the Series 2025A Bonds under existing law substantially in the following forms:

> "The interest on the Series 2025A Bonds is excludable for federal income tax purposes from the gross income of the owners of the Series 2025A Bonds, except for interest on any Series 2025A Bonds held by a "substantial user" of the facilities financed by the Series 2025A Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Series 2025A Bonds is, however, an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and is taken into account in determining the "adjusted financial statement income" for purposes of comparing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Series 2025A Bonds in order for interest on the Series 2025A Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Series 2025A Bonds. The County has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the County comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Series 2025A Bonds.

In addition, prospective purchasers of the Series 2025A Bonds should be aware that ownership of the Series 2025A Bonds may result in collateral federal income tax consequences to certain taxpayers. Co-Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Series 2025A Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time, legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Series 2025A Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Series 2025A Bonds may be enacted. Prospective purchasers of the Series 2025A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Co-Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The interest on the Series 2025A Bonds is not exempt from present Wisconsin income or franchise taxes.

Not Bank Qualified Obligations

The Series 2025A Bonds shall not be "Qualified Tax-Exempt Obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Bond Premium

To the extent that the initial offering price of certain of the Series 2025A Bonds is more than the principal amount payable at maturity, such Series 2025A Bonds ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has an amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather, the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors, also, with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors, also, with respect to the state and local tax consequences of owning the Premium Bonds.

UNDERWRITING

The Series 2025A Bonds are being purchased by Raymond James (the "Underwriter") subject to certain terms and conditions set forth in the Bond Purchase Agreement between the County and the Underwriter, including the approval of certain legal matters by Co-Bond Counsel and the existence of no material adverse change in the condition of the Airport System's finances from that set forth in this Official Statement.

The purchase price payable by the Underwriter for the Series 2025A Bonds is $16,185,807.03 representing the par amount plus net original issue premium of $1,078,226.75 and less an Underwriter's discount of $62,419.72. The Series 2025A Bonds are offered for sale to the public at the prices producing the yields set forth on the inside cover page of this Official Statement. The Series 2025A Bonds may be offered and sold to certain dealers at prices lower than such public offering prices, and the Underwriter may change such offering prices from time to time.

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

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

The Underwriter and its 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.

CO-FINANCIAL ADVISORS

The County has retained PFM Financial Advisors, LLC, Milwaukee, Wisconsin, and Independent Public Advisors, LLC, Kansas City, Missouri, as Co-Financial Advisors (the "Co-Financial Advisors") with respect to the issuance of the Series 2025A Bonds. The Co-Financial Advisors have relied upon governmental officials and other sources to provide assistance to the County. The Co-Financial Advisors have reviewed this Official Statement but have not been engaged, nor have they undertaken, to independently verify the accuracy of such information. The Co-Financial Advisors are not public accounting firms and have not been engaged by the County to compile, review, examine, or audit any information in this Official Statement in accordance with accounting standards. Both PFM Financial Advisors, LLC and Independent Public Advisors, LLC are registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a municipal advisor. The Co-Financial Advisors will not participate in the underwriting of the Series 2025A Bonds.

Requests for information concerning the County may be addressed to PFM Financial Advisors, LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, (414/771-2700).

RATINGS

The Series 2025A Bonds have been assigned municipal bond ratings of "A1" by Moody's Investors Service, Inc. ("Moody's"), and "A+" by Fitch Ratings ("Fitch").

The ratings do not constitute a recommendation by the rating agencies to buy, sell, or hold the Series 2025A Bonds. A further explanation of the significance of the ratings must be obtained from the rating agencies. The ratings are subject to revision or withdrawal at any time by the respective rating agency, and there is no assurance that a rating will continue for any period of time or that it will not be revised or withdrawn. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2025A Bonds.

AVAILABILITY AND INCORPORATION BY REFERENCE OF DOCUMENTS AND FINANCIAL INFORMATION

On August 5, 2025 the County filed with the Municipal Securities Rulemaking Board ("MSRB"), the Annual Comprehensive Financial Report of the County for the year ended December 31, 2024 (the "County ACFR"). There is hereby included in this Official Statement by this reference the information contained in the County ACFR with respect to the Airport System, which information should be read in its entirety in conjunction with this Official Statement.

A copy of the County ACFR may be obtained from the MSRB (http://emma.msrb.org/) or the County's website (http://county.milwaukee.gov/EN/Comptroller/Reports).

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with SEC Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, as amended, as authorized by the 2025A Supplemental Resolution, the County will enter into a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") for the benefit of the owners of the Series 2025A Bonds to provide certain financial information and operating data relating to the County to the MSRB through the Electronic Municipal Market Access system ("EMMA"), and to provide notices to EMMA of the occurrence of certain events enumerated in the Rule. The terms and conditions of the Continuing Disclosure Certificate, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the County at the time the Series 2025A Bonds are delivered. The Continuing Disclosure Certificate will be in substantially the form attached hereto as Appendix C.

In the previous five years, the County has not failed to comply in all material respects with any previous continuing disclosure undertakings under the Rule.

In recognition of the importance of complying with its obligations under the County's continuing disclosure certificates, the County implemented procedures in early 2013 to help ensure future compliance. The County has strengthened its internal controls by placing debt issuance and the associated disclosure requirements under the direct supervision of the Office of the Comptroller of the County.

A failure by the County to comply with the Continuing Disclosure Certificate will not constitute an event of default on the Series 2025A Bonds or under the Bond Resolutions (although owners of the Series 2025A Bonds will have the right to obtain specific performance under the Continuing Disclosure Certificate). Nevertheless, such a failure must be reported in accordance with the Rule.

CERTIFICATION

As of the date of the settlement of the Series 2025A Bonds, the Underwriter will be furnished with a certificate signed by the Comptroller, or her designee. The certificate will state that, as of the date of this Official Statement, this Official Statement did not and does not, as of the date of the certificate, contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

* * * * *

MILWAUKEE COUNTY, WISCONSIN

By: /s/ Liz Sumner

Title: Milwaukee County Comptroller

APPENDIX A

FINANCIAL FEASIBILITY REPORT

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Milwaukee County Airport System

Airport Revenue Bonds, Series 2025A

FINANCIAL FEASIBILITY REPORT

September 9, 2025

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SECTION 1 | INTRODUCTION

The purpose of the Financial Feasibility Report (the Report) is to evaluate the financial impact of the issuance of the Milwaukee County (the County) Airport Revenue Bonds, Series 2025A (AMT) (the Series 2025A Bonds). The Series 2025A Bonds are being issued at a par value totaling $15.2 million. The Series 2025A Bonds are being issued pursuant to the General Bond Resolution adopted by the County Board of Supervisors (the Board) on June 22, 2000, which established the airport revenue bond program (the General Resolution), as amended and supplemented, including the Supplemental Resolution adopted on March 20, 2025 (the 2025 Supplemental Resolution). The General Resolution and the 2025 Supplemental Resolution are collectively referred to as the Bond Resolution.

This Report addresses the use of proceeds from the Series 2025A Bonds, along with available cash, which will be used to (1) fund the cost of the phased replacement of selected Passenger Loading Bridges (PLBs) and the design cost of the MKE Saver Lot A rehabilitation (collectively, the Series 2025A Projects), (2) fund the debt service reserve account and (3) to pay for certain costs of issuance related to the issuance of the Series 2025A Bonds. The Series 2025A Bonds are being issued by the County, which owns and operates the General Mitchell International Airport (the Airport or MKE) and Lawrence J. Timmerman Airport (Timmerman Airport), which together comprise the Milwaukee County Airport System (the Airport System).

The Report is organized as follows:

- **Section 1 | Introduction** provides background information regarding the Airport System and its facilities, the County and its officials, the key members of the Airport System Management, and the Airport System's proposed calendar year (CY) 2025-2029 Capital Improvement Program (5-Year CIP).
- **Section 2 | Regional and Macroeconomic Environment** defines the Airport's air service area and discusses relevant demographic and economic trends. It provides context for the analysis and forecast of air traffic activity in Section 3.
- **Section 3 | Commercial Aviation Activity** reviews the historical commercial aviation activity at the Airport and explains the factors underlying trends. It presents two forecast scenarios for CYs 2025-2030, which provide input to the financial analysis in Section 4.
- **Section 4 | Financial Analysis** describes the framework for the financial operation of the Airport System, including a summary of the Amended Airport Use and Lease Agreement for CYs 2024-2028 (Amended AULA). It presents the Airport System's historical revenues and expenses for CYs 2020-2024, the budget for CY 2025, and projections of Revenues, Operation and Maintenance Expenses (O&M), Debt Service, Net Revenues, and Debt Service Coverage for CYs 2025-2030. The financial projections and sensitivity analysis use the forecasts of enplanements and landed weight developed in Section 3. CYs 2025-2030 follow the terms of the Amended AULA, which became effective January 1, 2024, and expires December 31, 2028,

and assumes similar AULA terms will continue through CY 2030 under a new or amended agreement.

1.1 | The Milwaukee County Airport System

The Airport is located approximately six miles south of Milwaukee's downtown area and one mile east of Interstate 94, which connects to the Airport via a spur freeway. It encompasses about 2,331 acres, including the MKE Regional Business Park. The Airport is the largest air carrier airport in the state of Wisconsin, serving the Milwaukee-Waukesha, WI, Metropolitan Statistical Area (the Milwaukee MSA), which consists of Milwaukee, Ozaukee, Washington, and Waukesha Counties in Wisconsin with a population of approximately 1.6 million people.[1] As of May 2025, the Airport had service from eight signatory passenger carriers – Alaska, American, Delta, Frontier, Southwest, Spirit, Sun Country, and United. In addition, there are two signatory cargo carriers: Federal Express Corporation (FedEx) and United Parcel Service (UPS). In 2024, the Airport accommodated approximately 3.2 million enplanements, an increase of approximately 4.8 percent from 2023. However, the Airport's airline traffic remains under its 2019 pre-COVID-19 pandemic level and is forecasted to remain under that level throughout the forecast period, which is further discussed in Section 3. The Airport's latest preliminary ranking in the United States by total passengers is 58th, based on CY2024 passenger boarding data for all commercial service airports in the FAA Air Carrier Activity Information System issued June 2025. The FAA classifies the Airport as a medium hub, an airport that enplanes between 0.25 percent and 1 percent of the total U.S. enplaned revenue passengers on certificated route air carriers.

Timmerman Airport is a general aviation reliever airport for the Airport, containing two paved runways and three instrument approaches. For its financial statement and calculation of airline rates and charges, the County combines the financial operations and reports as part of the Airport System.

The County began operating its first airport in 1919. In 1926, the County started airmail service and purchased a new airport facility. The following year, the Airport opened its first terminal with Northwest Airlines offering flights from Milwaukee to Chicago and Minneapolis. In 1940, the Airport constructed a new two-story terminal building.

In 1941, the Airport was officially named Billy Mitchell Field in honor of General William Mitchell, who served in the U.S. armed forces during World War I. Aircraft operations increased significantly after the first terminal's completion, ultimately leading to the construction of a new, two-level concourse with 23 gates in 1955. In 1986, the Board officially renamed the Airport General Mitchell International Airport, recognizing the increased national presence and the U.S. Customs operations at the Airport. In 1990, 15 gates were added to Concourse D, and a moving walkway to the new gate areas was installed. In the early 2000s, the Airport completed several terminal improvement projects, including Concourses C, D, and E improvements. In 2017, following the approval of the 2018 Budget, the initial funding for the redevelopment of Concourse E into a new International Arrivals

[1] U.S. Bureau of the Census.

Terminal (IAT) was identified. The new IAT will replace the current IAT, which has limited capacity and is not connected to the main terminal. Although initially planned to open in 2020, the construction of the new IAT has been delayed due to COVID-19 and has been rescheduled for CY2025 with a two-year construction timeframe. In addition to terminal improvements, the parking garage was expanded from its original 4,440 spaces to approximately 8,155 spaces in 2002. As of 2024, a small portion of the parking garage was reconfigured to allow expansion of the rental car ready car parking area, adjusting the number of public parking spaces to approximately 8,005.

Terminal Facilities

The Airport's main terminal complex contains an estimated 810,000 square feet. It houses a central terminal building with two active passenger concourses (Concourse C and D), with 32 gates and corresponding hold-room areas. The third concourse, Concourse E, is currently unused and closed. Following the demolition of Concourse E, scheduled to begin in CY2025, construction of a new concourse will begin, which will serve as the new IAT. Initially, this new space will have two gates with associated hold room areas and will serve international and domestic passenger flights. The existing IAT, located east of Concourse C and the terminal building, contains 20,830 square feet of space and has one additional gate. Following the completion of the new IAT project, there are no plans for the current IAT space.

The central terminal building consists of four levels. The basement level contains the inbound baggage delivery system, mechanical and utility equipment rooms, Airport storage rooms, concessions storage rooms, and a tornado shelter. The ground or lower-level houses ticketing operations, airline offices, outbound baggage and support systems, baggage claim, and baggage service offices. The second level contains concessions, hold-room areas in each concourse, administrative offices, a first aid center, United Service Organizations (USO), and an aviation museum. The Airport operations offices and the control center room are on the mezzanine level.

Two pedestrian bridges connect the main level of the central terminal building to the existing six-level automobile parking structure. The Airport has separate enplaning and deplaning roadways, which provide curbside access to the main terminal complex. A spur roadway off the main terminal departure road provides access to the current IAT.

Airfield and Aircraft Parking Aprons

The Airport's existing airfield configuration consists of two air carrier runways and three other runways (Table 1).

Table 1 | Runway Descriptions

	Runway 1L-19R	Runway 7R-25L	Runway 1R-19L	Runway 7L-25R	Runway 13-31
Length (ft)	9,990	8,300	4,182	4,797	5,537
Width (ft)	200	150	150	100	150
Instrumentation	-1L CAT III -19R CAT I	-7R CAT I -25L Localizer & GPS	-1R GPS -19L GPS	-7L GPS -25R GPS	-13 GPS -31 GPS
Pavement Material	Concrete & Asphalt	Concrete & Asphalt	Concrete & Asphalt	Concrete & Asphalt	Concrete & Asphalt

Runways 1L-19R and 7R-25L accommodate all air carrier operations, while Runways 1R-19L and 7L-25R serve general aviation propeller, piston, and turboprop aircraft. Additionally, Runway 13-31 is available for certain air carrier operations, smaller jet aircraft, and general aviation aircraft under specific wind conditions. The taxiway system provides access between all runway ends. In addition, Runways 1L-19R and 7R-25L are serviced by partial parallel taxiways, and the other runways are served by either crossing runways or taxiways. All taxiways are 75 feet wide except one, which is 50 feet wide. The terminal apron area surrounds all three concourses and totals approximately 70 acres. As noted in the Airport Master Plan update approved in 2022, Runways 1R-19L and 13-31 are scheduled to be decommissioned and then subsequently removed. The environmental review phase has been completed, with an estimated decommission and removal beginning in 2026. These runways handle less than one percent of the Airport's traffic and are not eligible for federal funding.

Public Parking

The Airport currently has approximately 11,691 public parking spaces, consisting of approximately 8,005 spaces in the parking garage (short-term and long-term) and approximately 3,686 surface spaces. Of the spaces in the surface lots, 550 are located near the terminal complex, with the remainder in remote lots served by shuttle buses.

Amtrak Station

An Amtrak station is located on the Airport's western edge along the Canadian Pacific Railway lines. The station serves rail passengers using the Airport for travel and rail-only passengers using Amtrak's Hiawatha Service, which provides seven daily round trips between Milwaukee and Chicago. The station also serves as a stop on the new Amtrak Borealis line, which offers daily round-trip service between Chicago and St. Paul, Minnesota. In addition, the County and the Airport also provide a free shuttle bus connection between the Airport and the Amtrak station, including a vehicle parking lot.

Other Facilities

Other facilities located at the Airport include car rental, general aviation, air cargo, and aviation support facilities. The Airport has four on-airport car rental companies that lease car rental parking space, customer counter space, and office space in the parking garage. General aviation facilities include aircraft storage hangars, maintenance hangars, and private passenger terminal buildings. Air cargo facilities include building and apron facilities, along with a new 337,000 square foot air cargo facility that can be accessed by widebody aircraft. Construction of the new air cargo facility started in February 2025 and is scheduled to be completed by the second half of 2026. This new facility is located in the MKE Regional Business Park, which is within the Airport's perimeter fence. In addition to the new air cargo facility, Freight Runners Express occupies a large hangar from which it maintains its aircraft fleet used to transport air cargo and charter passengers. Air Wisconsin, Air Cargo Carriers, and SkyWest also have maintenance facilities at the Airport. Aviation support facilities include an aircraft rescue and fire-fighting (ARFF) facility, a hydrant fuel system, above-ground and underground storage tanks, a ground runup enclosure, ground service equipment maintenance facilities, and an air traffic control tower.

1.2 | Milwaukee County Governance

Located in southeastern Wisconsin on the Lake Michigan shoreline, Milwaukee County occupies approximately 242 square miles and contains 10 cities and nine villages. The County's population estimate for 2024 was 941,139.[2] Interstate Highway 94 links Milwaukee County with Chicago to the south, Madison to the west, and other cities. Interstate Highway 43 and U.S. Highways 41 and 45 also provide access to the County from the north.

The County is governed by a County Executive and an 18-member Board. The County Executive is elected on a non-partisan basis every four years, and the Board Supervisors are elected on a non-partisan basis for two-year terms.[3] The County Executive was re-elected in April 2024. The most recent election for the Board was also in April 2024, and four new Supervisors were elected.

The Board is primarily responsible for legislating County policy and directing the activities of the County government by adopting ordinances and resolutions under the authority vested in it by state statutes. Board members elect a chairperson to preside at Board meetings, rule on procedural matters, make appointments to Board committees, represent the Board at official functions, and make appointments to Board committees, special subcommittees, boards, and commissions. The Board receives and formally approves, modifies, or disapproves the policy recommendations of various standing committees. The Board determines and adopts Airport System policy after reviewing recommendations from the Committee on Transportation and Transit.

The County Executive is responsible for the coordination and direction of the administrative and management functions of the County not otherwise vested by law in boards, commissions, or other elected officers; appointment of department heads, except where statute provides otherwise, and members of boards and commissions, subject to confirmation by the Board; preparation and submission of an annual County budget to the Board; submission of an annual message to the Board; and review for approval or veto of all resolutions and ordinances enacted by the Board. The Airport System is a division within the County's Department of Transportation. The County Executive

[2] Wisconsin Department of Administration, County Final Population Estimates, 2024.

[3] David Crowley is the County Executive, and Marcelia Nicholson is the Chairwoman of the Board.

appoints the Director of Transportation, to whom the Airport Director reports. The Airport Director is responsible for managing the day-to-day operations of the Airport System.

1.3 | Airport System Key Management

The Airport Director has an experienced staff to help him carry out the responsibilities of his position. Key members of the Airport System Management include the Airport Director, the Director of Finance, the Director of Operations and Maintenance, and the Director of Business and Commercial Development.

Airport Director

Brian Dranzik, A.A.E., was appointed Airport Director in 2017 by the Milwaukee County Executive. Mr. Dranzik formerly held the position of Deputy Director of Transportation and then Director of Transportation for Milwaukee County, where he oversaw the divisions of Highway, Transit, Fleet, Administration, and the Airport from 2008 to 2017.

Mr. Dranzik earned his full accreditation as an Accredited Airport Executive in 2020. He holds a Master of Urban Planning degree from the University of Wisconsin-Milwaukee and has worked in transportation for over 20 years.

Director, Finance

Samta Bhatnagar was appointed as the Director of Finance in November 2024. Prior to joining the Airport, Ms. Bhatnagar was the Revenue Cycle Director for the Milwaukee County Department of Health and Human Services, and was responsible for revenue management from varied sources, including insurance, state, and federal organizations. Prior to that, she served as the Financial Administrator for the Milwaukee County Department on Aging and was responsible for all financial operations. She has been with the County for 10 years and has two decades of experience in various public and private sector financial roles. Ms. Bhatnagar holds a Master's in Business Administration degree from the University at Buffalo with concentrations in Finance and Accounting.

Director, Operations and Maintenance

Spencer Langhart, C.M., was appointed Director of Operations and Maintenance in 2024. Mr. Langhart previously held an airport position with the Dane County Regional Airport in Madison, Wisconsin. He earned his Certified Membership to the American Association of Airport Executives in 2022 and has 12 years of aviation and airport experience. Mr. Langhart holds a bachelor's degree in aviation administration from Western Michigan University.

Director, Business and Commercial Development

Matthew Hoffman, A.A.E., was appointed Director for Business and Commercial Development in 2018. Mr. Hoffman previously held positions at multiple airports, including Portland International, Hillsboro, Troutdale, Gerald R. Ford International, and Abraham Lincoln Airports. He earned the status of Accredited Airport Executive by the American Association of Airport Executives in 2002 and has more than 28 years of experience in aviation/airports. Mr. Hoffman is also a commercial pilot and turbojet flight engineer. He earned a bachelor's degree in aviation business administration from Embry-Riddle Aeronautical University.

1.4 | The Airport System 5-Year Capital Improvement Program

This section provides an overview of the Airport System's 5-Year CIP for CYs 2025 to 2029 and summarizes the key funding sources anticipated to be used. It concludes with a discussion of the specific projects to be funded with a portion of the Series 2025A Bond proceeds. Table 2 provides a summary of the various projects that comprise the 5-Year CIP totaling $257.5 million. The Amended AULA included a 5-Year CIP for CYs 2024 to 2028, which totaled $169.8 million and a Net Financing Requirement Cap of $47.1 million. In July and then on October 23, 2024, the signatory airlines voted to approve increasing the Net Financing Requirement Cap to $58.9 million to be used during CYs 2024 to 2028. The current 5-Year CIP for CYs 2025 – 2029 includes additional projects that will require Airline approval under a future AULA.

The following is a brief discussion of the projects contained in the specific cost centers summarized on Table 2.

Table 2 | 5-Year CIP CY2025-2029 (in Thousands)

Project Name	Estimated Project Cost (CY2025 - CY2029)	2025	2026	2027	2028	2029
Airfield Projects:						
MKE North Airfield Taxiway Geometry Improvements (Remove 13/31 and Remove Taxiway G and U) (Design & Construction)	$16,438	$1,776	-	$14,662	$ -	$ -
MKE South Ramp Taxiway Strengthening (Construction)	10,500	10,500	-	-	-	-
MKE Rehabilitate Taxiway W, Runway 1R/19L South of Taxiway W, Taxiway S East of 1L, and convert Runway 1R/19L South of Taxiway W to a Taxiway (Design & Construction)	10,459	1,047	9,412	-	-	-
MKE Remove Runway 1R/19L (North of Taxiway W) (Design & Construction)	8,787	730	8,058	-	-	-
MKE Rehabilitate Bullseye (Design & Construction)	5,885	5,885	-	-	-	-
Other Airfield Projects [1]	9,109	7,381	173	-	1,555	-
Airfield Total	**$61,178**	**$27,318**	**$17,642**	**$14,662**	**$1,555**	**$ -**
Equipment Projects:						
MKE Snow Removal Equipment Replacement (Equipment)	$7,606	$4,215	$1,273	$ -	$ -	$2,118
Other Equipment Projects [2]	$7,350	$4,650	$1,000	-	-	$1,700
Equipment Total	**$14,956**	**$8,865**	**$2,273**	**$ -**	**$ -**	**$3,818**

[1] Includes an MKE North Apron project with a total cost of $2.7 million

[2] Includes an MKE ARFF Vehicle Replacement project with a total cost of $3.1 million

* The above amounts are rounded to the nearest thousand, and any differences in summation are due to rounding impact.

Table 2 (Continued) | 5-Year CIP CY2025-2029 (in Thousands)

Project Name	Estimated Project Cost (CY2025 - CY2029)	2025	2026	2027	2028	2029
Terminal Projects:						
MKE Concourse E Redevelopment (Design & Construction)	$88,970	$9,581	$43,991	$35,397	$ -	$ -
MKE Passenger Loading Bridge Replacement (Equipment)	26,577	16,294	10,283	-	-	-
MKE Passenger Loading Bridge Replacement - Part 2	15,830	-	1,580	-	7,300	6,950
MKE Ticketing Remodel (Design & Construction)	5,371	530	4,841	-	-	-
Other Terminal Projects [3]	18,412	4,205	1,191	7,751	-	5,264
Terminal Total	**$155,160**	**$30,611**	**$61,886**	**$43,149**	**$7,300**	**$12,214**
Parking Projects:						
MKE Parking Structure Rehabilitation (Construction)	$6,978	$2,288	$1,625	$1,416	$1,649	-
Other Parking Projects [4]	13,988	1,959	614	5,612	5,803	-
Parking Total	**$20,966**	**$4,247**	**$2,239**	**$7,028**	**$7,452**	**$ -**
Other Projects:						
Lawrence J. Timmerman (MWC) Projects	$4,568	$2,409	$300	$ -	$1,054	$804
Building Projects	562	436	-	-	127	-
MKE Gate C12 Fuel Pit (Design & Construction)	122	122	-	-	-	-
Other Total	**$5,252**	**$2,967**	**$300**	**$ -**	**$1,181**	**$804**
Grand Total 5-Year CIP 2025-2029	**$257,511**	**$74,007**	**$84,341**	**$64,839**	**$17,488**	**$16,836**

[3] Includes MKE Baggage Handling System Replacement and Concourse D Floor Replacement projects, with total costs of $4.4 million and $3.6 million, respectively
[4] Includes MKE Saver Lot A Rehab, Employee Lot Rehab, and Surface Lot Rehab with total costs of $4.1, $3.3, and $3.1 million, respectively
* The above amounts are rounded to the nearest thousand, and any differences in summation are due to rounding impact.

Airfield Projects

The Airfield Projects category totals $61.2 million and includes taxiway, runway, and rehabilitation projects. In addition, there are two runway removals, 13/31 and 1R/19L, which are underutilized, and their removal is consistent with the Airport's Master Plan update approved in 2022. These removals also include associated taxiway removals and reconfiguration.

Equipment Projects

This group totals $15.0 million and primarily consists of the replacement of various snow and ARFF equipment.

Terminal Projects

This category contains various terminal improvement projects anticipated for the period, totaling $155.2 million. The primary terminal project is the $89.0 million redevelopment of Concourse E into a new IAT, scheduled for completion in 2027. The remaining projects include the multi-year phased replacement of passenger loading bridges, which is being financed with a portion of the Series 2025A Bonds. The remaining terminal projects include designing and replacing Concourse D's roof and remodeling a section of the ticketing area.

Parking Projects

This category totals $21.0 million and consists of various improvements scheduled for the parking facilities. The key projects focus on infrastructure repairs for the parking structure and the rehabilitation and resurfacing of various parking lots. The design cost for the MKE Saver Lot A is being financed with a portion of the Series 2025A Bonds.

Other Projects

This category, totaling $5.3 million, primarily consists of various projects related to Lawrence J. Timmerman airport facilities.

1.5 | Funding Sources for the 5-Year CIP

Table 3 summarizes the funding plan anticipated for funding the 5-Year CIP. The key funding sources expected are listed and briefly discussed below:

- Capital Improvement Reserve Account (CIRA)
- Surplus Funds
    - Airport Development Funds Account (ADFA)
    - Airport Development Funds-Depreciation (ADF-D)
- Airport Improvement Program (AIP) – Entitlement
- Infrastructure Investment and Jobs Act (IIJA), previously called Bipartisan Infrastructure Program – Entitlement (AIG) and Discretionary (ATP)
- Passenger Facility Charges (PFCs)
- General Airport Revenue Bonds (GARBs)
- State Grants
- Other Funding

Table 3 | 5-Year CIP Funding Plan (in Thousands)

Project Name	Estimated Project Funding	CIRA	Surplus Fund	AIP Entitlement	IIJA/BIL		PFC PAYGO	PFC Bond	GARB [1]	State	Other [2]
					AIG	ATP					
Airfield Projects:											
MKE North Airfield Taxiway Geometry Improvements (Remove 13/31 and Remove Taxiway G and U) (Design & Construction)	$16,438	$ -	$ -	$7,983	$4,345	$ -	$2,055	$ -	$ -	$2,055	$ -
MKE South Ramp Taxiway Strengthening (Construction)	10,500	-	-	-	7,500	-	-	-	-	1,250	1,750
MKE Rehabilitate Taxiway W, Runway 1R/19L South of Taxiway W, Taxiway S East of 1L, and convert Runway 1R/19L South of Taxiway W to a Taxiway (Design & Construction)	10,459	-	-	-	7,844	-	131	1,176	-	1,307	-
MKE Remove Runway 1R/19L (North of Taxiway W) (Design & Construction)	8,787	-	-	-	6,590	-	1,098	-	-	1,098	-
MKE Rehabilitate Bullseye (Design & Construction)	5,885	-	171	-	4,414	-	83	482	-	736	-
Other Airfield Projects [3]	9,109	-	340	1,441	3,886	-	423	402	1,728	888	-
Airfield Total	**$61,178**	**$ -**	**$511**	**$9,425**	**$34,579**	**$ -**	**$3,790**	**$2,061**	**$1,728**	**$7,334**	**$1,750**
Equipment Projects:											
MKE Snow Removal Equipment Replacement (Equipment)	$7,606	$ -	$2,118	$ -	$ -	$ -	$5,488	$ -	$ -	$ -	$ -
Other Equipment Projects [4]	$7,350	-	1,600	-	-	-	5,750	-	-	-	-
Equipment Total	**$14,956**	**$ -**	**$3,718**	**$ -**	**$ -**	**$ -**	**$11,238**	**$ -**	**$ -**	**$ -**	**$ -**

[1] Some projects included in this column are being funded with proceeds from the Series 2024 Bonds

[2] Represents AIP Discretionary Grants, Customer Facility Charge (CFC), AIG General Aviation (GA), Federal Bipartisan Infrastructure Law (BIL) Competitive Tower, and Private Funding

[3] Includes an MKE North Apron project with a total cost of $2.7 million

[4] Includes an MKE ARFF Vehicle Replacement project with a total cost of $3.1 million

* The above amounts are rounded to the nearest thousand, and any differences in summation are due to rounding impact.

Table 3 (Continued) | 5-Year CIP Funding Plan (in Thousands)

Project Name	Estimated Project Funding	CIRA	Surplus Fund	AIP Entitlement	IIJA/BIL AIG	IIJA/BIL ATP	PFC PAYGO	PFC Bond	GARB [1]	State	Other [2]
Terminal Projects:											
MKE Concourse E Redevelopment (Design & Construction)	$88,970	$ -	$19,651	$ -	$5,875	$8,500	$20,000	$34,944	$ -	$ -	$ -
MKE Passenger Loading Bridge Replacement (Equipment)	26,577	-	-	-	-	-	-	-	26,577	-	-
MKE Passenger Loading Bridge Replacement - Part 2	15,830	-	-	-	-	-	-	-	15,830	-	-
MKE Ticketing Remodel (Design & Construction)	5,371	-	2,950	-	-	-	2,420	-	-	-	-
Other Terminal Projects [5]	18,412	1,130	9,297	-	-	277	1,000	$676	5,997	35	-
Terminal Total	**$155,160**	**$1,130**	**$31,898**	**$ -**	**$5,875**	**$8,777**	**$23,420**	**$35,621**	**$48,404**	**$35**	**$ -**
Parking Projects:											
MKE Parking Structure Rehabilitation (Construction)	$6,978	$2,371	$3,770	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$837
Other Parking Projects [6]	13,988	543	449	-	-	-	-	-	10,545	-	2,451
Parking Total	**$20,966**	**$2,913**	**$4,219**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$10,545**	**$ -**	**$3,289**
Other Projects:											
Lawrence J. Timmerman (MWC) Projects	$4,568	$180	$735	$ -	$ -	$ -	$ -	$ -	$ -	$122	$3,531
Building Projects	562	242	320	-	-	-	-	-	-	-	-
MKE Gate C12 Fuel Pit (Design & Construction)	122	-	32	-	-	-	-	-	90	-	-
Other Total	**$5,252**	**$422**	**$1,087**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$90**	**$122**	**$3,531**
Grand Total 5-Year CIP 2025-2029	**$257,511**	**$4,466**	**$41,432**	**$9,425**	**$40,454**	**$8,777**	**$38,449**	**$37,681**	**$60,766**	**$7,491**	**$8,570**

1 Some projects included in this column are being funded with proceeds from the Series 2024 Bonds

2 Represents AIP Discretionary Grants, CFC, AIG- GA, BIL Competitive Tower, and Private Funding

5 Includes MKE Baggage Handling System Replacement and Concourse D Floor Replacement projects, with total costs of $4.4 million and $3.6 million, respectively

6 Includes MKE Saver Lot A Rehab, Employee Lot Rehab, and Surface Lot Rehab with total costs of $4.1, $3.3, and $3.1 million, respectively

* The above amounts are rounded to the nearest thousand, and any differences in summation are due to rounding impact.

Capital Improvement Reserve Account

The Capital Improvement Reserve Account represents an amount equal to the depreciation payments received pursuant to the Amended AULA, less other deposits, if required, as further defined in the Bond Resolutions. Moneys in this fund can be used for Airport System capital projects or to pay debt service on subordinate airport obligations. The current funding plan anticipates using approximately $4.5 million of CIRA funding.

Surplus Fund

The Surplus Fund consists of unused money after all funding requirements have been satisfied. The Surplus Fund comprises the ADFA, ADF-D, and available money from other Airport sources. The other sources include – Customer Facility Charge, General Aviation grants both entitlement and discretionary, private funding, and other federal BIL Competitive Tower awards for a total of $8.6 million. The current plan anticipates using $40.1 million from the ADFA account and $1.3 million from the ADF Depreciation Account. The ADFA is periodically used to pre-fund PFC or grant-eligible projects that are pending approval from the FAA or DOT.

Airport Improvement Program Entitlement Grants

The AIP-Entitlement was established by the Airport and Airway Improvement Act of 1982. This Act authorized funding from the AIP for airport development and planning, and noise compatibility planning programs. An AIP grant is awarded to airports in two ways: (1) Entitlement grants, which are awarded annually based on a formula applied to the most recent calendar year enplanements reduced by 40 percent if the Airport collects a $3.00 PFC or 60 percent if the Airport collects a $4.50 PFC; (2) Discretionary grants, which are awarded on a competitive basis for capital projects that enhance safety, security and noise compatibility. While doing so, the Airport must preserve the existing infrastructure, meet critical expansion needs, and attain compatibility with neighboring communities. The current funding plan anticipates using entitlement funds totaling $9.4 million.

Infrastructure Investment and Jobs Act

On November 15, 2021, the Infrastructure Investment and Jobs Act (IIJA), Pub. L. 117-58 (referred previously as the Bipartisan Infrastructure Law, (BIL) was signed into law. The IIJA includes two new grant programs for airports: (1) the AIG; and (2) the ATP. The AIG is a formula-driven program based on an airport's enplaned passenger count. The ATP is a competitive or discretionary program. AIG funds can be used for any capital development that is eligible to receive AIP grants. ATP eligibility is limited to passenger terminal development as defined in the AIP statute, plus certain rail access projects eligible for passenger facility charge funding. Each program has a local matching requirement, i.e., the Airport must use its funds to pay a portion of project costs. The total amount of IIJA grants estimated to be available to finance a portion of the 5-Year CIP is approximately $40.4 million for AIG Grants and $8.8 million in ATP Funding, resulting in a total of $49.2 million.

Passenger Facility Charges

Section 40117 of Title 49 of the United States Code allows public agencies controlling commercial service airports (those with regularly scheduled service and enplaning 2,500 or more passengers annually) to charge enplaning passengers using the airport a $1, $2, $3, $4, or $4.50 charge, referred to as a Passenger Facility Charge (PFC). The Airport's current collection rate is $4.50 and has approved collection authority totaling $506.2 million, which is scheduled to expire April 1, 2033, following the approval of PFC 21 application on July 29, 2025.

The charge provides additional capital funding for the expansion of the national airport system. The proceeds generated from PFCs will finance eligible airport-related projects that preserve or enhance the safety, capacity, or security of the national air transportation system, reduce noise from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers.

The PFC proceeds and the interest earned thereon (collectively referred to as PFC Revenues) may be used in two ways: (1) to pay direct costs of FAA-approved projects (referred to as "pay-as-you-go" ("PAYGO") revenues) and (2) to pay debt service on bonds issued for approved PFC projects (referred to as "leveraging" the PFC Revenue stream). A portion of the 5-Year CIP contains eligible PFC projects that are planned to be funded on a PAYGO and leverage basis.

The 5-Year CIP anticipates using approximately $76.1 million of PFC Revenues, consisting of $38.4 million of PFC PAYGO funding and $37.7 million of PFC Bonds. These include PFC funded projects in previously approved applications and future approvals. Airport System Management will submit future PFC applications to obtain the additional approvals as needed.

Table 4 summarizes the sources and uses of PFC funds for the current forecast period ending in 2030. Total sources for the period 2025 to 2030 are projected to be approximately $114.7 million, which consists of a beginning balance of $43.2 million, and net PFC Revenues totaling $71.5 million.

Total uses for the period 2025-2030 are estimated to be approximately $99.8 million, which includes approximately $35.9 million for PFC PAYGO projects, approximately $57.0 million for PFC debt service, including coverage, and the balance consisting of administrative costs and repayment of PFC-fronted projects.

Table 4 | Passenger Facility Charge Sources & Uses (in Thousands)

		Budget			Projected		
		2025	2026	2027	2028	2029	2030
Enplanements		2,999	2,995	3,072	3,200	3,333	3,458
Eligible Enplanements	90%	2,699	2,696	2,764	2,880	3,000	3,112
PFC Collection Fee		$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39	$ 4.39
Annual PFC Deposit		$11,849	$11,834	$12,136	$12,642	$13,170	$13,662
PFC Fund Beginning Balance		$43,213	$37,372	$25,340	$19,329	$18,830	$20,840
Less: Project Fronting		1,994	10	1,007	1,833	1,000	359
Transfer to ADF		-	-	-	-	-	-
Add: Future PFC Recapture		(1,994)	(10)	(1,007)	(1,833)	(1,000)	(359)
PFC Administration Costs		(100)	(100)	(100)	(100)	(100)	(100)
Existing Debt Service		(8,159)	(8,027)	(7,875)	(7,726)	(7,578)	(5,817)
PFC Paygo for Preapproved CIP Prior to 2025		(4,995)	(13,429)	(7,738)			
PFC Paygo for CIP 2025-2035 [1]		(4,436)	(2,310)	(1,007)	(1,833)	-	(172)
Series 2026 Debt Service		-	-	(1,426)	(1,426)	(1,426)	(1,426)
Series 2027 Debt Service		-	-	-	(2,057)	(2,057)	(2,057)
PFC Fund Ending Balance		$37,372	$25,340	$19,329	$18,830	$20,840	$24,931

[1] This line item represents the PAYGO the County anticipates spending each year. The amounts may differ from what is shown in the 5-Year CIP.

General Airport Revenue Bonds (GARBs)

The GARBs (which include the Series 2025A Bonds, and prior and future bonds) are revenue bonds issued by the County payable solely from the Net Revenues of the Airport System as further defined in the Bond Resolutions. Currently, the funding plan for CYs 2025 - 2029 anticipates using a total of $60.8 million of rate-based bonds, which a portion of the projects will require Airline approval in a future AULA.[4] This will require a portion of the projects to be presented to the Airlines for approval. The County can issue additional bonds for additional projects under the Bond Resolutions as long as the proposed bonds meet the Additional Bonds Test, upon filing the following with the Trustee: (1) a certificate of the County executed by an Authorized Officer that to the best of the knowledge and belief of the Authorized Officer no Event of Default exists, of which he has knowledge, (2) a certificate of the County executed by an Authorized Officer that: (a) the Net Revenues for the last audited fiscal year and (b) the maximum debt service (including related credit facility obligations) on all outstanding bonds and the bonds to be issued in any fiscal year, demonstrates that such Net Revenues, together with other available funds, equal an amount not less than 125 percent of such debt service, (3) a certified copy of the Supplemental Resolution providing for the issuance of additional bonds, and (4) an opinion of bond counsel that the conditions precedent to issuance of the additional bonds have been satisfied.

State Funding

The Wisconsin Department of Transportation (WDOT) provides state funding to airports for capital improvement projects. WDOT will provide up to one-half of the local share for projects receiving AIP, IIJA AIG, and ATP grants. IIJA ATP is subject to certain State of Wisconsin limitations for funding terminal projects. For projects not receiving federal monies, the state of Wisconsin typically pays 80 percent of the cost of airside development and 50 percent of the costs associated with landside development projects. Total project costs anticipated to be covered by state funding are approximately $7.5 million.

Other Funding

The remainder of the funding requirement for the 5-Year CIP CY2025-2029 will be covered by other funds such as Airport Improvement Program Discretionary Grants, Customer Facility Charges, Airport Infrastructure Competitive Grants, Federal Infrastructure and Investment Jobs Act Competitive Tower Funding, and Private Funding. The total other funding will be approximately $8.6 million.

1.6 | Series 2025A Projects Funding Plan

Table 5 shows the funding plan for the Series 2025A Projects, with total costs of approximately $15.7 million to be funded from the proceeds of the Series 2025A Bonds.

[4] The Amended AULA indicates the Net Financing Requirement as $47.1 million, which was increased to $58.9 million with airline approval in October 2024.

The Series 2025A Bond proceeds are anticipated to fund the Series 2025A Projects described in more detail below.

Passenger Loading Bridge Replacement (Phase 2) – This project is the second phase in a multi-year project needed to replace passenger loading bridges at MKE and is estimated to cost $8 million. This phase includes the replacement of bridges at passenger gates C11, C14, D54, and D55. Passenger loading bridges are a critical piece of the infrastructure of the airport, and this program is slated to replace bridges as they exceed their useful life and become prone to excessive maintenance and breakdowns. The scope of work includes construction to replace passenger loading bridges and preconditioned air units as needed, as listed, with new equipment of similar size and function. This includes modifications to fuel pits, foundations, and electrical infrastructure as necessary. This project has an estimated completion date of December 2027.

Passenger Loading Bridge Replacement (Phase 3) – This project is the third phase in the replacement of passenger loading bridges at MKE and is estimated to cost $7.3 million. This phase includes the replacement of bridges at passenger gates C9, C12, C15, and C25. Passenger loading bridges are a critical piece of the infrastructure of the airport, and this program is slated to replace bridges as they exceed their useful life and become prone to excessive maintenance and breakdowns. The scope of work includes construction to replace passenger loading bridges and preconditioned air units as needed, as listed, with new equipment of similar size and function. This includes modifications to fuel pits, foundations, and electrical infrastructure as necessary. This project has an estimated completion date of December 2027.

MKE Saver Lot A Parking Rehab (Design only) – This project is for the design of the rehabilitation of Saver Lot A at MKE, which is estimated to cost $0.4 million. The rehabilitation of the parking lot will be funded when the construction timeline is determined.

Table 5 | Funding Plan for 2025 Projects (in Thousands)

	Total Project Cost	Other Funding				Series 2025 Bonds
		ADF	**AIP Entitlement**	**Federal ATP**	**State**	**GARBS**
MKE Passenger Loading Bridge Replacement - Phase 2	$7,971	$ -	$ -	$ -	$ -	$7,971
MKE Passenger Loading Bridge Replacement - Phase 3	7,303	-	-	-	-	7,303
MKE Saver Lot A Parking Rehab	414	-	-	-	-	414
Total Series 2025A Projects	**$15,688**	**$0**	**$0**	**$0**	**$0**	**$15,688**

The sources and uses of funds for the Series 2025A Bonds are summarized on Table 6.

Table 6 | Sources and Uses of Series 2025A Bonds

	Series 2025A Bonds
Sources:	
Par Amount	$15,170,000
Original Issue Premium	1,078,227
Total Sources of Funds	**$16,248,227**
Uses:	
Project Fund Deposit	$15,687,890
Debt Service Reserve Fund	232,554
Estimated Costs of Issuance/Underwriter's Discount	324,965
Additional Proceeds	2,818
Total Uses of Funds	**$16,248,227**

Source: PFM Financial Advisors LLC.

PFM Financial Advisors LLC provided the Sources and Uses schedule based on final pricing on September 9, 2025, for the Series 2025A Bonds. The Sources and Uses requirements are based on a true interest cost of 3.99 percent and a final maturity of December 1, 2040.

SECTION 2 | REGIONAL AND MACRO ECONOMIC ENVIRONMENT

Air travel demand at MKE is fundamentally driven by the demographic characteristics and economic vitality of its service region. As an origin and destination (O&D) airport that primarily serves the Milwaukee metropolitan area, MKE's passenger traffic closely mirrors regional economic conditions, population trends, and business activity levels.

This section assesses the economic and demographic factors that influence aviation demand at MKE, establishing the foundation for the air traffic forecasts in Section 3. The analysis examines current conditions and emerging trends that will shape the airport's future operating environment. The assessment follows three tiers:

- **Air service area:** Definition of MKE's air service area and assessment of MKE's position relative to competing airports.
- **Regional analysis:** Demographics and economic indicators for MKE's primary service area—the Milwaukee-Waukesha, WI Metropolitan Statistical Area (Milwaukee MSA).
- **Macroeconomic environment:** National economic trends and policy developments affecting travel demand.

The analysis highlights key structural changes and market dynamics, including the impacts of the COVID-19 pandemic, which are still evident in economic data. The COVID-19 pandemic (March 2020-May 2023) disrupted economic activity and travel patterns, leading to a deep economic recession and a sharp fall in air passenger traffic. While the World Health Organization (WHO) declared an end to the global pandemic in May 2023, the regional economy and aviation industry continue to experience structural shifts in demand patterns, work arrangements, and consumer behavior.

Regional economic health impacts aviation demand through business travel (driven by corporate activity and employment), leisure travel (influenced by household income and discretionary spending), visitor traffic (affected by regional attractiveness and business climate), and cargo activity (determined by manufacturing output and trade flows). Broader macroeconomic trends and policy developments influence regional economic performance and travel demand.

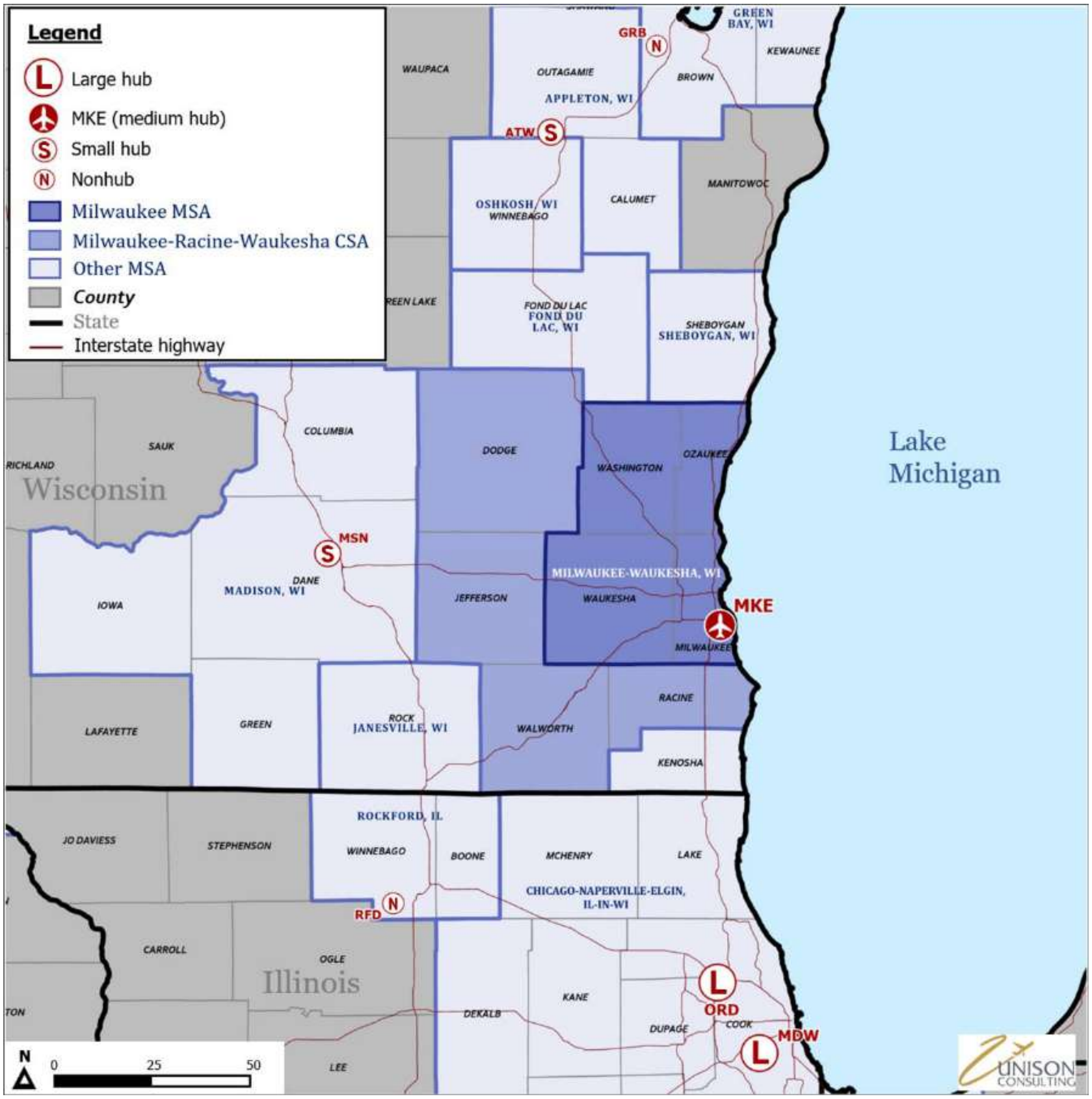
This comprehensive regional and macroeconomic assessment provides the economic context essential for understanding MKE's historical performance and developing realistic projections for future aviation activity.

2.1 | Airport Service Area

MKE draws traffic from a broad area defined by the Milwaukee-Racine-Waukesha, WI, Combined Statistical Area (CSA), which includes the Milwaukee MSA, along with Dodge, Jefferson, Racine, and

Walworth Counties (Figure 1).[5] Our analysis centers on MKE's primary service area, the Milwaukee MSA, encompassing Milwaukee, Ozaukee, Washington, and Waukesha Counties in Wisconsin. The Milwaukee MSA is bordered to the north by the Sheboygan and Fond du Lac MSAs, to the west by the Madison MSA, to the southwest by the Janesville and Rockford (IL) MSAs, and to the south by the Chicago MSA, which includes Kenosha County, WI.

Figure 1 | General Mitchell International Airport Service Area



Sources: ESRI and Unison Consulting, Inc.

[5] The Milwaukee MSA has included Milwaukee, Ozaukee, Washington, and Waukesha Counties since 2003. Prior to 2003, it also included Racine County.

Table 7 and Figure 2 illustrate the areas accessible within a 60-, 90-, and 120-minute drive from MKE. While no other commercial service airport is within a 60-minute drive, six airports are within a 72- to 120-minute drive:

- Chicago O'Hare International Airport (ORD) - 1 hour and 12 minutes
- Chicago Midway International Airport (MDW) - 1 hour and 41 minutes
- Dane County Regional Airport (MSN) - 1 hour and 30 minutes
- Appleton International Airport (ATW) - 1 hour and 55 minutes
- Chicago-Rockford International Airport (RFD) - 1 hour and 39 minutes
- Green Bay Austin Straubel International Airport (GRB) - 1 hour and 58 minutes

These airports compete with MKE for passengers, particularly those on the edges of the Milwaukee MSA. The level of competition they present varies. ORD and MDW are large hub airports offering considerably more air service than MKE, a medium hub airport. The other airports are smaller than MKE: ATW and MSN are small hubs, while GRB and RFD are nonhub airports.[6]

By the end of 2024, ATW, MDW, and RFD surpassed their 2019 enplanement levels, while the other airports—MKE, ORD, and MSN—remained between 0.5 and 9 percent below their 2019 figures. Their slower recovery from the pandemic can be attributed to a significant reliance on business traffic and, in the case of ORD, international traffic. Business and international travel recovered slower than personal and domestic travel.

Table 7 | Commercial Service Airports within Two Driving Hours of MKE

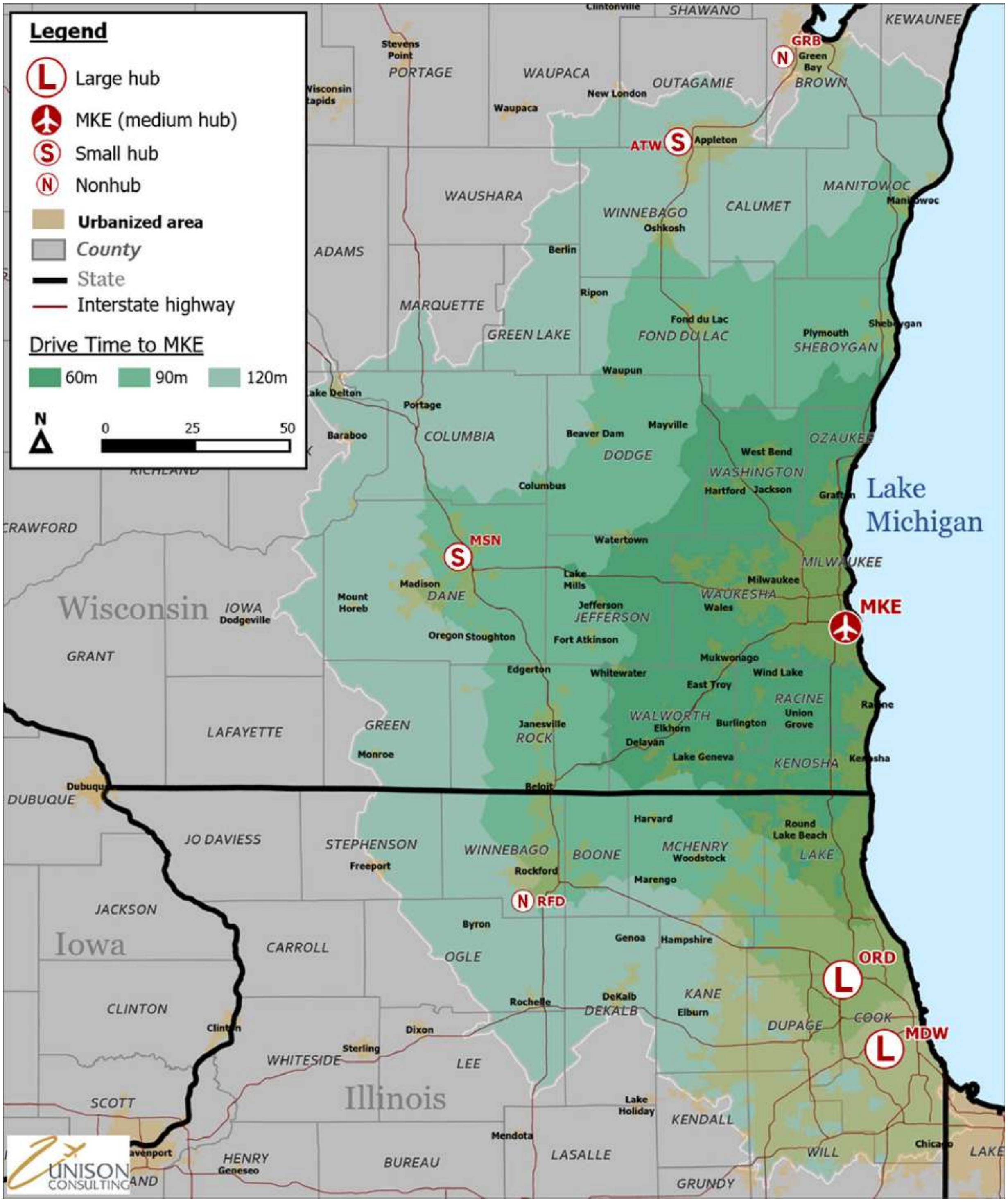
Airport Information				Distance from MKE		Enplanements			
Name	State	Code	FAA Hub[7]	Miles	Drive Time	2019	2024	2019-2024 Change	Share of 2024 US EP
Chicago O'Hare	IL	ORD	Large	73	1h 12m	40,876,846	38,558,136	-5.7%	3.49%
Chicago Midway	IL	MDW	Large	98	1h 41m	10,063,812	10,348,134	2.8%	0.94%
Milwaukee Mitchell	WI	MKE	Medium	0	N/A	3,449,987	3,154,811	-8.6%	0.29%
Dane County Regional	WI	MSN	Small	83	1h 30m	1,152,652	1,146,409	-0.5%	0.10%
Appleton	WI	ATW	Small	113	1h 55m	385,698	539,549	39.9%	0.05%
Austin Straubel	WI	GRB	Nonhub	127	1h 58m	339,279	329,012	-3.0%	0.03%
Chicago Rockford	IL	RFD	Nonhub	99	1h 39m	113,962	128,159	12.5%	0.01%

Sources: FAA, Google Maps, and Unison Consulting, Inc.
Driving times vary by day of the week, time of day, and traffic volume.

[6] The FAA classifies airports into hub sizes based on share of annual U.S. total enplanements:

- Nonhubs serve less than 0.05 percent of the annual U.S. total and more than 10,000 enplanements.
- Small hubs serve 0.05-0.25 percent of U.S. enplanements.
- Medium hubs serve 0.25-1.0 percent of U.S. enplanements.
- Large hubs serve more than 1 percent of U.S. enplanements.

Figure 2 | Drive Time to MKE and Competing Airports



Sources: ESRI and Unison Consulting, Inc.
Drive times are in minutes.

2.2 | Demographic Attributes

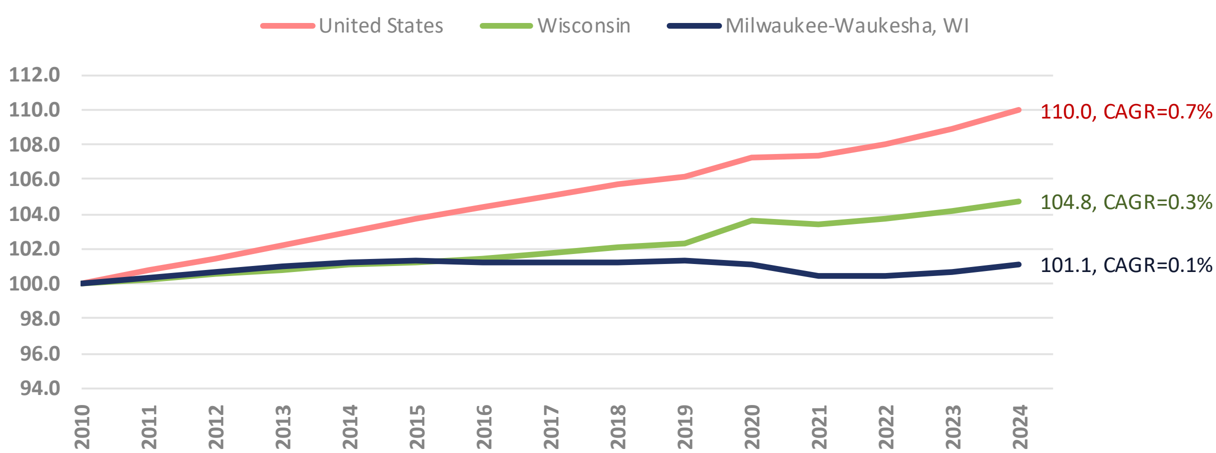
Demographics shape a region's workforce (supply) and consumer spending (demand), as well as its ability to attract visitors. Population size, growth, age distribution, immigration, and education levels determine the size, skill sets, and productivity of the workforce. These demographic factors, combined with income characteristics, also influence the demand for goods and services—specifically what and how much consumers buy, including air travel.

2.2.1 | Population

In 2024, the Milwaukee MSA had a population of 1.6 million, representing 77 percent of the Milwaukee CSA population of over 2 million. That year, the Milwaukee MSA ranked as the 64th largest (out of 387) metropolitan statistical area in the United States. It is comparable in size to the Raleigh, NC, and Providence-Warwick, RI-MA MSAs. About 59 percent of the Milwaukee MSA population resides in Milwaukee County, 27 percent in Waukesha County, and the remainder in Washington and Ozaukee Counties.[7]

Since 2010, the Milwaukee MSA has experienced limited overall population growth of only 1.1 percent, representing a compound annual growth rate (CAGR) of 0.1 percent. This growth lags behind Wisconsin's 4.8 percent and the nation's 10.0 percent growth (Figure 3). The Milwaukee MSA experienced negative net migration through the latter half of the 2010s, leading to slower growth than most U.S. metropolitan areas. Population movements during the pandemic resulted in further declines within the Milwaukee MSA in 2020 and 2021, although this trend began to reverse in 2022.

Figure 3 | Population Index (2010=100), 2010-2024



Sources: U.S. Census Bureau and Unison Consulting, Inc.
The gray area indicates an economic recession period.

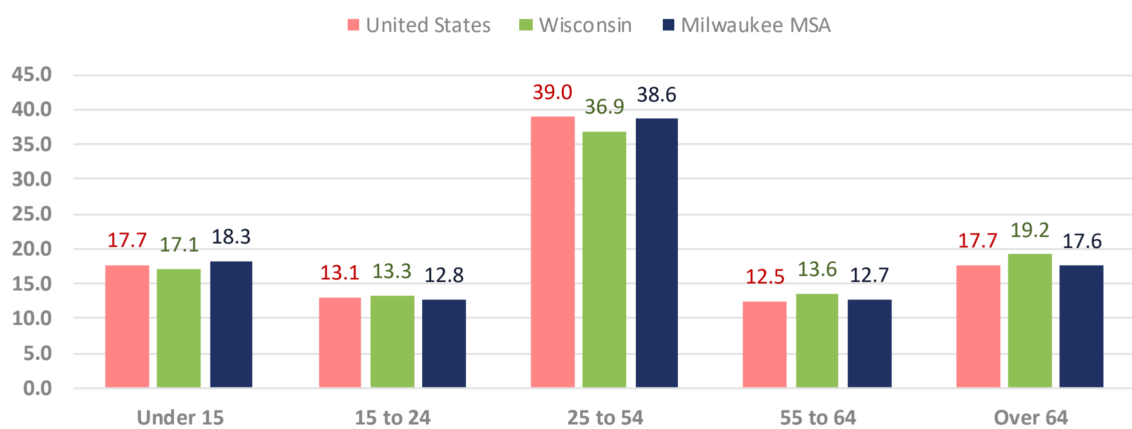
[7] U.S. Census Bureau, Population Estimates, 2024. The percentage shares are based on county populations estimated as of July 1, 2024.

The Milwaukee MSA's population growth accelerated in 2024 with a 0.4 percent increase from 2023—its highest annual population growth rate since 2010. Anecdotal evidence suggests there is potential for future expansion as people search for climate-resilient destinations. A 2023 TIME article featured individuals who have relocated to Midwestern cities like Milwaukee to avoid issues such as water scarcity, extreme heat, and natural disasters prevalent in other areas of the country. Milwaukee is described as being relatively immune to natural disasters like earthquakes and hurricanes, with access to Lake Michigan, affordable housing, a high quality of life, and racial diversity.[8]

Population Age Structure

The Milwaukee MSA mirrors national and state trends in population age distribution (Figure 4). It has a balanced age distribution with significant representation across different life stages.[9] In 2023, approximately 51 percent of its population was within the prime working age of 25 to 64, similar to the United States (52 percent) and Wisconsin (51 percent). A sizeable working-age population is essential for a robust local economy and a high standard of living.

Figure 4 | Population Age Structure, 2023



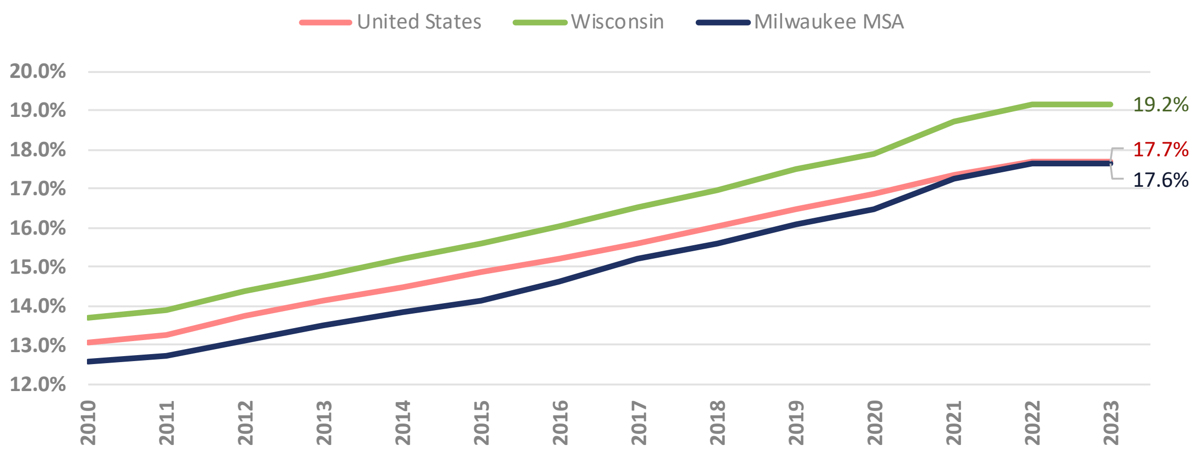
Sources: U.S. Census 2023 American Community Survey and Unison Consulting, Inc.
The chart's legend shows median age in parentheses.

[8] Alana Semuels, "Go Midwest, Young Man," *TIME*, October 2, 2023, https://time.com/6319053/go-midwest-young-man.

[9] Metropolitan Milwaukee Association of Commerce, Population Trends & Housing Data, https://www.mmac.org/population-and-housing.html.

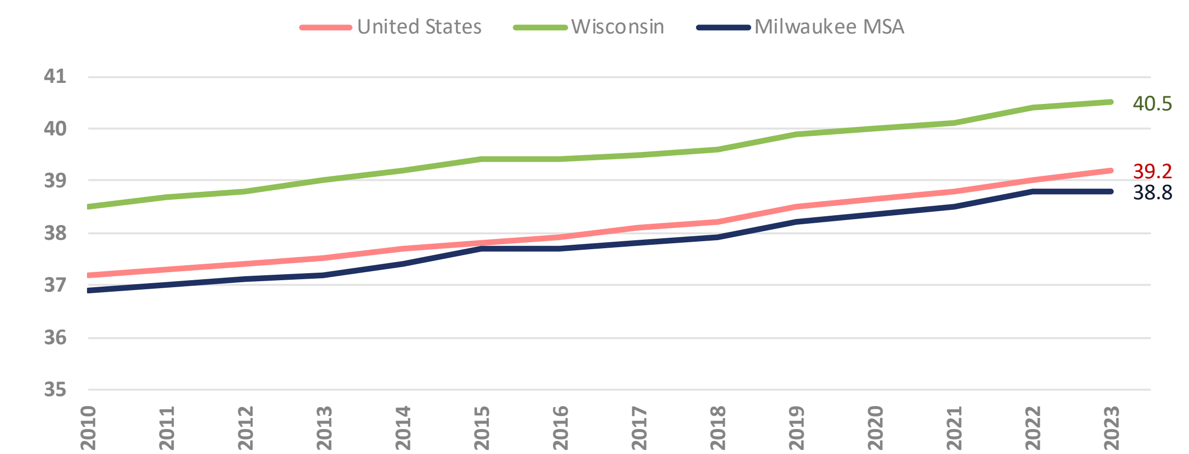
Overall, the Milwaukee MSA has a slightly younger population with a median age of 38.8 years, compared to the United States (39.2 years) and Wisconsin (40.5 years). This provides an advantage in workforce productivity, adaptability, and renewal, along with the potential for higher consumer spending. However, similar to the rest of the country, the Milwaukee MSA's population is gradually aging, with a growing senior population (Figure 5) and increasing median age (Figure 6).

Figure 5 | Share of Senior Population (65 and Older)



Sources: U.S. Census Bureau 2023 American Community Survey and Unison Consulting, Inc.
The gray area indicates an economic recession period.

Figure 6 | Median Age, 2010-2023



Sources: U.S. Census Bureau 2023 American Community Survey and Unison Consulting, Inc.
The gray area indicates an economic recession period.

Population aging has wide-ranging effects on an economy:

- Slower economic growth from a shrinking labor force and lower productivity growth.
- Shifts in consumer demand, savings, and investment patterns.
- Increased fiscal pressure from higher public spending for pensions, healthcare, and elder care services, with fewer working-age individuals contributing to government revenues.

Older adults, particularly retirees, tend to travel more frequently than younger working adults,[10,11] which has a positive effect on the demand for air service at the Airport.

Foreign-Born Population

Immigration helps alleviate the effects of population aging and declining birth rates.[12] Immigrants increase labor supply and productivity, while also expanding the regional market for goods and services, including air travel.[13] They generate demand for air service—especially international service—both for themselves and for visiting family and friends.

Milwaukee's immigrant population now represents 7.6 percent of its residents, up from 6.7 percent in 2010—a 0.9 percentage point increase. While this share remains below the national average of 13.7 percent, it exceeds Wisconsin's 5.1 percent. The modest gain nonetheless indicates a gradual diversification of the region, even as national and statewide immigrant shares have expanded more quickly (Figure 7).

Among the Milwaukee MSA's foreign-born population (Figure 8), 41 percent are from Latin America, followed by 36 percent from Asia and 15 percent from Europe. Compared to national trends, Milwaukee has a higher percentage of immigrants from Europe, Asia, and Africa.

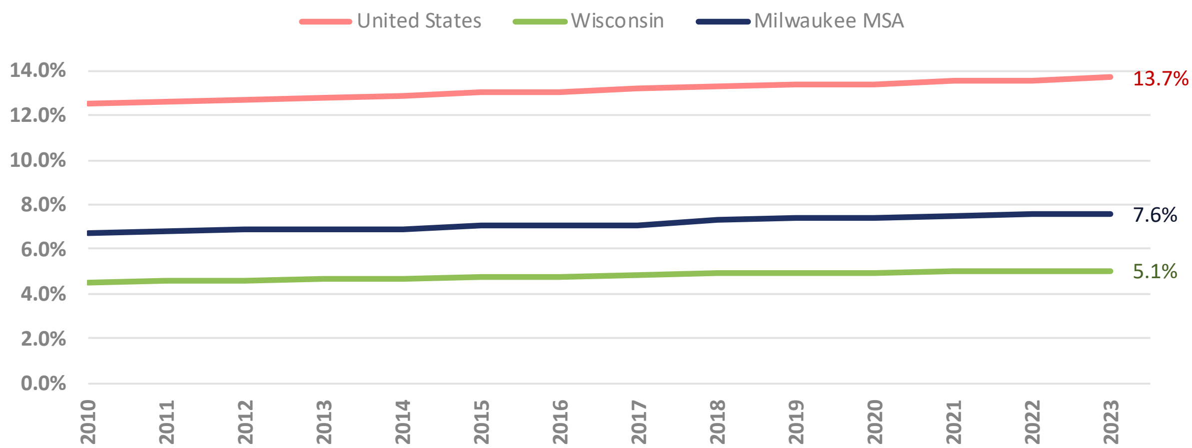
[10] V. Levy, "2024 Travel Trends: Despite High Costs and Travel Challenges, Older Travelers' Plans Hold Steady," *AARP Research*, February 28, 2024, https://www.aarp.org/pri/topics/social-leisure/travel/2024-travel-trends.

[11] AARP Research, *2019 Boomer Travel Trends*, November 2018, https://www.aarp.org/content/dam/aarp/research/surveys_statistics/life-leisure/2018/2019-boomer-travel-trends.doi.10.26419-2Fres.00263.001.pdf.

[12] P. Orrenius and C. Smith, "Without Immigration, U.S. Economy Will Struggle to Grow," *Dallas Fed Economics*, Federal Reserve Bank of Dallas, April 9, 2020, https://www.dallasfed.org/research/economics/2020/ 0409.

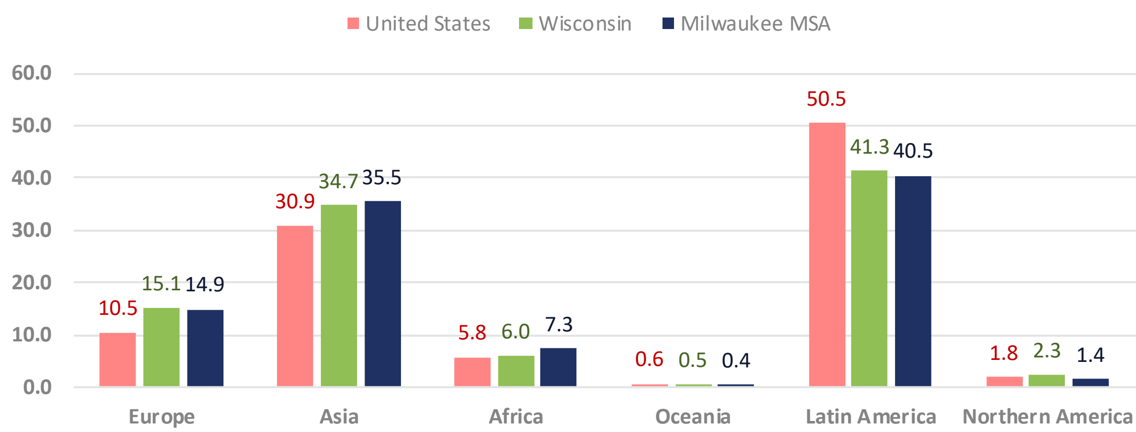
[13] G.J. Borjas, "Immigration and Economic Growth," National Bureau of Economic Research *Working Paper Series*, Working Paper 25836, May 2019, https://www.nber.org/system/files/working_papers/ w25836/w25836.pdf.

Figure 7 | Share of Foreign-Born Population, 2010-2023



Sources: U.S. Census Bureau 2023 American Community Survey and Unison Consulting, Inc.
The gray area indicates an economic recession period.

Figure 8 | Foreign Born Residents by Region of Origin, 2023



Source: U.S. Census Bureau 2023 American Community Survey and Unison Consulting, Inc.

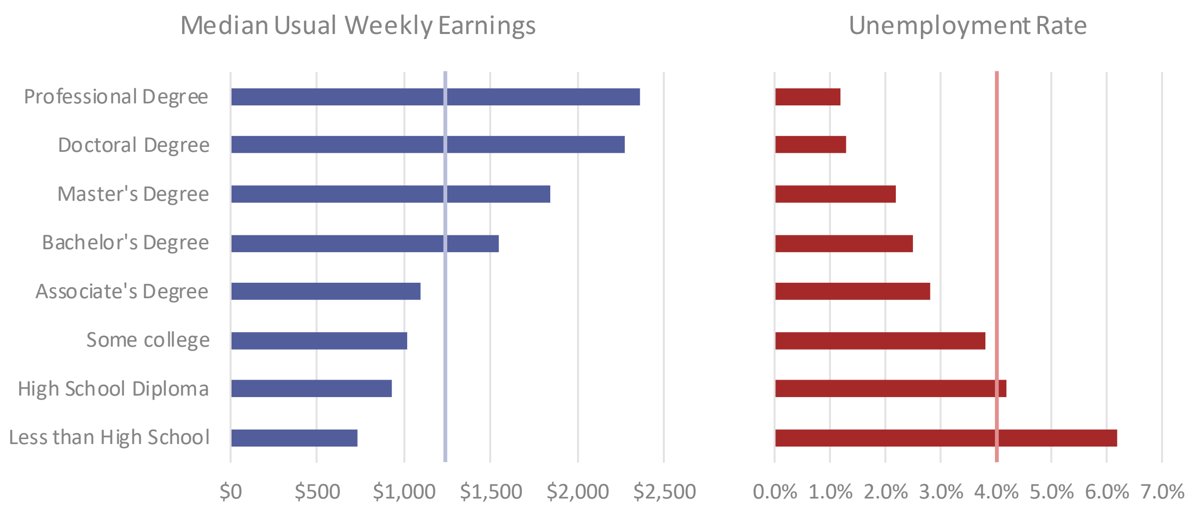
2.2.2 | Educational Attainment

Education promotes economic growth in several ways. In addition to raising productivity and boosting the value of human capital and overall output, education fosters innovation and the adoption of new technologies. A well-educated workforce can adapt to changing work environments and skill requirements.[14,15]

Cities with skilled workers thrive. Technological advancements have amplified the role of education in achieving economic success.[16] Regions that attract and retain educated workers enjoy greater prosperity.[17] Wages and unemployment rates further underscore the value of education. In 2024, the median weekly earnings for individuals with a bachelor's degree or higher exceeded the national median earnings by 26.4 to 93.5 percent, and they experienced lower unemployment than the average national rate by 1.5 to 2.8 percentage points (Figure 9).

The Milwaukee MSA has higher education levels than both the state and the nation (Figure 10). Nearly 41 percent of its adult residents aged 25 and over hold a college degree, exceeding the proportions in Wisconsin (34 percent) and the nation (36 percent).

Figure 9 | Weekly Earnings and Unemployment Rates by Educational Attainment, 2024



Source: U.S. Bureau of Labor Statistics,

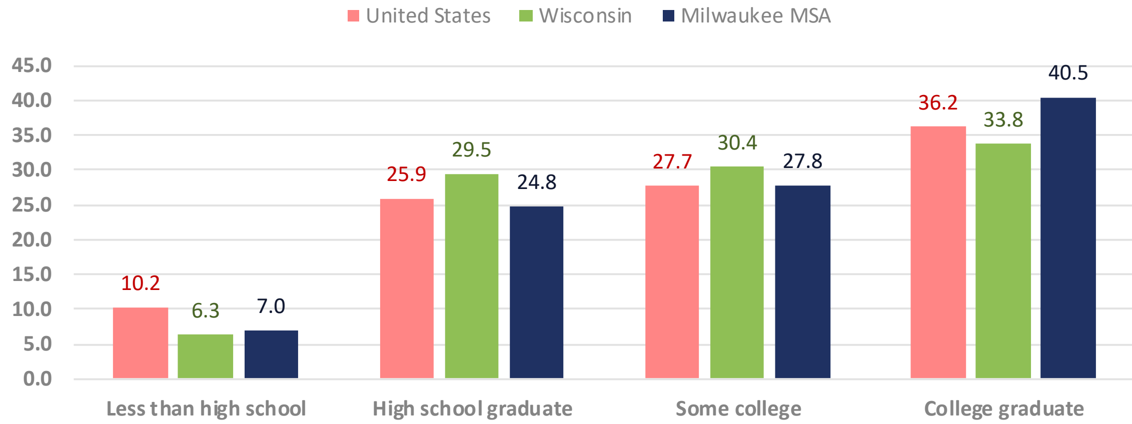
[14] E. Hanushek and L. Woessman, "Education and Economic Growth," International Encyclopedia of Education (Oxford: Elsevier, 2010), Vol. 2, pp. 245-252.

[15] D. Claude and L. Charlotte, "Human Capital and Economic Growth," *Encyclopedia of International Higher Education Systems and Institutions* (Dordrecht: Springer, 2019).

[16] Enrico Moretti, *The New Geography of Jobs* (Boston: Houghton Mifflin Harcourt, 2012).

[17] Edward Glaeser, *Triumph of the City* (New York: Penguin Books, 2012).

Figure 10 | Educational Attainment, 2023



Sources: U.S. Census 2023 American Community Survey and Unison Consulting, Inc.

2.2.3 | Income

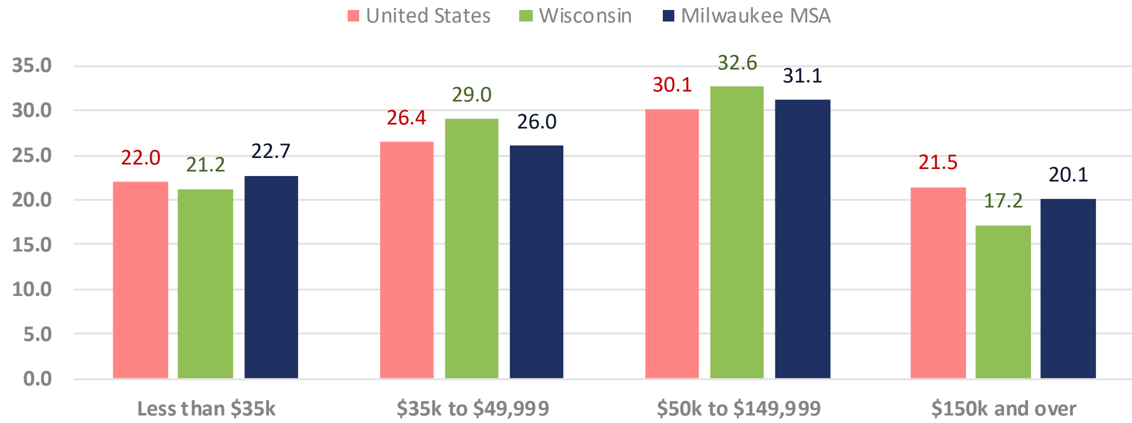
Higher income boosts air travel demand, with studies showing a strong correlation: as people earn more, they are more likely to fly. This relationship—known as income elasticity—is often greater than one for air travel, meaning that demand increases at a faster rate than income.[18]

The Milwaukee MSA's median household income is $77,006, above Wisconsin's ($74,631) but slightly below the national figure ($77,719) (Figure 11). The income distribution within the MSA mirrors national and state trends.

The Milwaukee MSA has enjoyed mostly steady growth in real per capita personal income since 2010, with declines limited to 2013 and 2022 (Figure 12). As a result, the MSA's per capita personal income has kept pace with both the nation and Wisconsin, with a CAGR of 1.7 percent. Moreover, real per capita income in the Milwaukee MSA has consistently surpassed the national and state figures since 2010. In 2023, real per capita income in the Milwaukee MSA ($60,018) was 3.6 percent higher than the U.S. average ($57,938) and a significant 11.3 percent above the state average ($53,926).

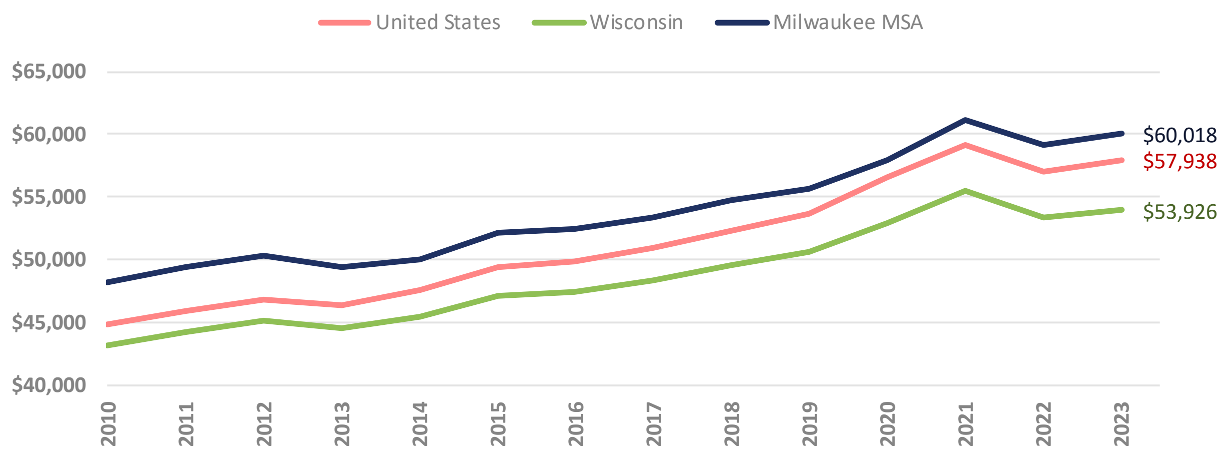
[18] For example, a 10 percent increase in income will generate more than a 10 percent increase in air travel demand. See C. A. Gallet and H. Doucouliagos, "The income elasticity of air travel: A meta-analysis," *Annals of Tourism Research* 49 (2014), 141-155.

Figure 11 | Household Income Distribution and Median Household Income, 2023



Sources: U.S. Census 2023 American Community Survey and Unison Consulting, Inc.
The legend shows the median household income in parentheses.

Figure 12 | Real Per-Capita Personal Income, 2010-2023



Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

Cost of Living

The Milwaukee MSA offers a lower cost of living than the national average, stretching incomes further (Table 8). Based on the MSA regional price parity index for 2023, prices in the Milwaukee MSA are about 4.5 percent below the U.S. average and about 7.0 percent lower than in the nearby Chicago MSA. Other nearby MSAs, including Madison and Grand Rapids, have roughly the same price parity as the Milwaukee MSA, with Appleton being marginally lower. All things equal, lower prices leave more discretionary income for travel.

Table 8 | Regional Price Parity Index (U.S. Average = 100), 2023

2023 Regional Price Parity Index		**RPP**	**Difference**
Rank	**Metropolitan Statistical Area**	**Index**	**From US Avg**
…	United States	100.0	0.0
1	San Francisco-Oakland-Berkeley, CA (Metropolitan Statistical Area)	118.2	18.2
2	Los Angeles-Long Beach-Anaheim, CA (Metropolitan Statistical Area)	115.5	15.5
3	Santa Maria-Santa Barbara, CA (Metropolitan Statistical Area)	113.5	13.5
	…		
	Milwaukee MSA and Nearby MSAs		
57	Chicago-Naperville-Elgin, IL-IN-WI (Metropolitan Statistical Area)	102.6	2.6
128	Madison, WI (Metropolitan Statistical Area)	95.8	-4.2
133	Milwaukee-Waukesha, WI (Metropolitan Statistical Area)	95.5	-4.5
138	Grand Rapids-Kentwood, MI (Metropolitan Statistical Area)	95.2	-4.8
164	Appleton, WI (Metropolitan Statistical Area)	93.6	-6.4
	…		
383	Fort Smith, AR-OK (Metropolitan Statistical Area)	85.1	-14.9
384	Monroe, LA (Metropolitan Statistical Area)	83.6	-16.4
385	Pine Bluff, AR (Metropolitan Statistical Area)	80.3	-19.7

Sources: U.S. Bureau of Economic Analysis.

2.3 | Economic Attributes

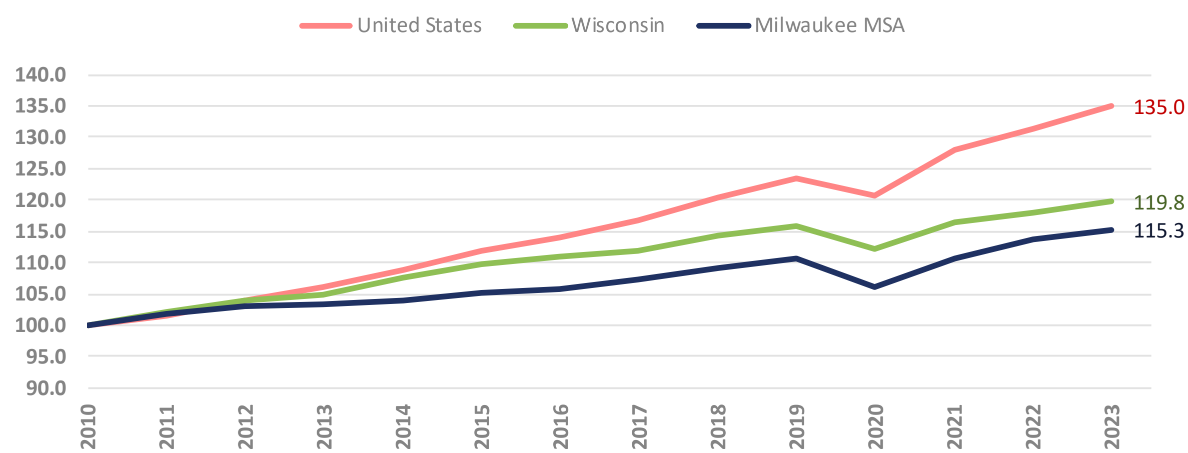
Air travel demand at the Airport is closely linked to the region's economic health. A region's economic vitality is demonstrated by trends in gross domestic product (GDP), labor market dynamics, industry composition, and tourism activity.

2.3.1 | Gross Domestic Product

GDP measures the total value of goods and services produced within a geographic region.[19] Sustained GDP growth indicates economic expansion, leading to increases in employment, incomes, and air travel. Conversely, prolonged declines in real GDP over two or more consecutive quarters signal a recession, during which employment, income, and air travel demand decrease.[20]

GDP growth trends in the Milwaukee MSA and Wisconsin follow U.S. cyclical patterns. However, both the Milwaukee MSA and the state experienced a deeper decline during the pandemic-induced recession in 2020, followed by a slower recovery (Figure 13). Overall, the Milwaukee MSA and Wisconsin lagged behind the nation in GDP growth. From 2010 to 2023, U.S. real GDP grew by 35 percent (2.3 percent CAGR) compared with 20 percent in Wisconsin (1.4 percent CAGR) and 15 percent (1.1 percent CAGR) in the Milwaukee MSA.

Figure 13 | Real GDP Index (2010=100), 2010-2023



Sources: U.S. Bureau of Economic Analysis and Unison Consulting, Inc.
The gray area indicates an economic recession period.

[19] In this report, GDP refers to economic output measured at both national and subnational levels.

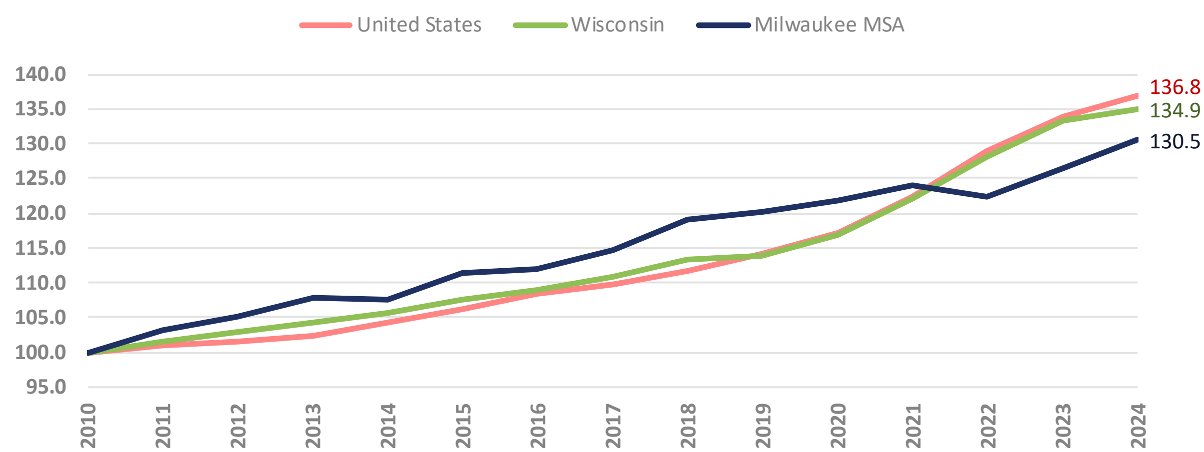
[20] Recessions are officially determined by the National Bureau of Economic Research (NBER) Business Cycle Dating Committee.

2.3.2 | Business Establishments

A growing number of business establishments indicates a healthy business climate and thriving entrepreneurial activity. The formation of new businesses creates jobs and stimulates economic growth, while a vibrant business ecosystem boosts business travel.

From 2010 to 2024, the Milwaukee MSA saw a 31 percent increase (1.9 percent CAGR) in business establishments (Figure 14). It outperformed both Wisconsin and the nation until a brief downturn in 2022 caused it to fall behind. Business establishments continued to grow in Wisconsin and the nation, with overall increases of 35 percent (2.2 percent CAGR) and 37 percent (2.3 percent CAGR), respectively. Recent slowdowns in business establishment growth for Wisconsin and the nation, alongside a steady pace in the Milwaukee MSA's growth, mean that the gap between the three indexes is currently on track to close.

Figure 14 | Business Establishment Index (2010=100), 2010-2024

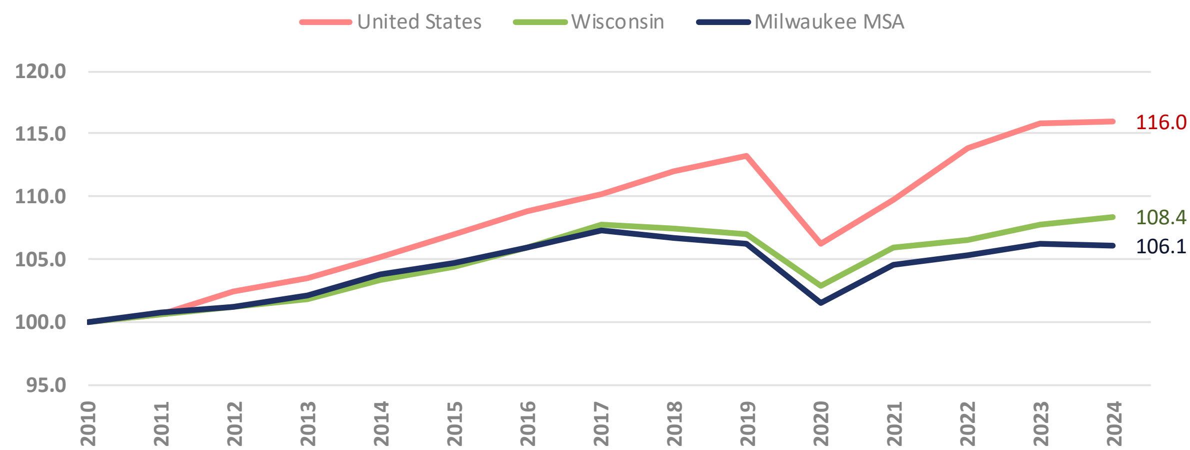


Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.
The gray area indicates an economic recession period.

2.3.3 | Employment

Employment growth increases personal income and boosts air travel. However, employment growth in the Milwaukee MSA has been modest. Between 2010 and 2024, civilian employment rose by only 6 percent (0.4 percent CAGR), lagging behind Wisconsin (8 percent, 0.6 percent CAGR) and the United States (16 percent, 1.1 percent CAGR) (Figure 15). Following a steady recovery from the Great Recession from 2010 to 2017, the Milwaukee MSA and Wisconsin experienced a downturn over the next three years through 2020, when the COVID-19 pandemic induced a deep economic recession. The subsequent recovery demonstrates a resilient labor market. However, the Milwaukee MSA has yet to fully recover to pre-pandemic peak employment, while Wisconsin and the United States have already surpassed their previous peaks.

Figure 15 | Employment Index (2010=100), 2010-2024



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.
The gray area indicates an economic recession period.

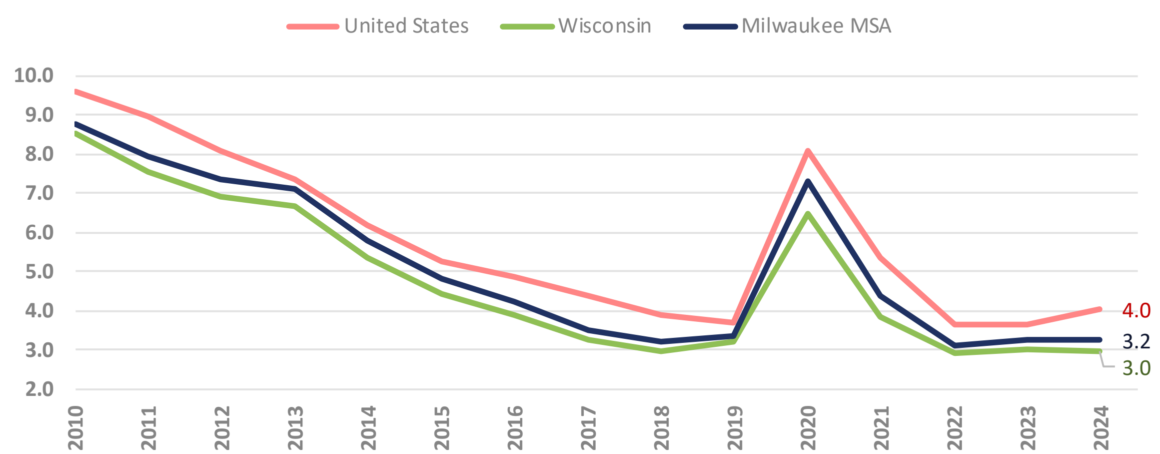
2.3.4 | Unemployment

The unemployment rate measures the percentage of the labor force that is actively seeking work, reflecting unmet job demand. Lower rates typically correlate with increased consumer spending and air travel. Generally, unemployment rates rise during economic recessions and fall during expansions.

Emerging from the Great Recession, significant slack existed in the labor market. In 2010, the annual average unemployment rate was 9.6 percent in the United States, 8.5 percent in Wisconsin, and 8.8 percent in the Milwaukee MSA. As the economy recovered, unemployment decreased to levels consistent with a state of "full employment," reaching as low as 3.3 percent in the Milwaukee MSA, 3.2 percent in Wisconsin, and 3.7 percent nationally by 2019.[21]

The pandemic reversed this trend. Lockdowns in 2020 caused spikes in unemployment: 8.1 percent in the United States, 6.5 percent in Wisconsin, and 7.3 percent in the Milwaukee MSA. However, by 2024, unemployment declined to 3.2 percent in the Milwaukee MSA, 3.0 percent in Wisconsin, and 4.0 percent nationally. In both Wisconsin and the Milwaukee MSA, these 2024 unemployment rates have dropped below their pre-pandemic 2019 levels of 3.2 percent for Wisconsin and 3.3 percent for the Milwaukee MSA.

Figure 16 | Annual Average Unemployment Rate, 2010-2024



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.
The gray area indicates an economic recession period.

[21] An unemployment rate of 5 percent or lower is often considered to indicate full employment. This level of unemployment prevents inflation and allows workers to move between jobs. It is low enough so that those looking for full-time work can find one. See Investopedia, https://www.investopedia.com/terms/f/fullemployment.asp.

2.3.5 | Nonfarm Employment by Industry

A diversified economy enhances resilience against economic shocks, while heavy specialization increases vulnerability. However, regional specialization arises from factors such as natural resources, geographic features, labor supply, and business climate, leading to industry concentration.

Figure 17 shows the employment distribution across various nonfarm industry sectors in the Milwaukee MSA compared to the United States as of December 2024. The largest industry sector in the MSA is education and health services (20 percent), followed by trade, transportation, and utilities (18 percent), and professional and business services (14 percent).

Figure 17 also presents each industry's location quotient (LQ), which measures the concentration of an industry within a region. An LQ of one indicates that an industry's share of regional employment matches its national share. Values below one suggest that the sector is underrepresented in the region, while values above one indicate a higher concentration, signifying regional specialization. An LQ threshold of 1.25 suggests moderate specialization, whereas a threshold of 1.5 or higher indicates significant specialization.

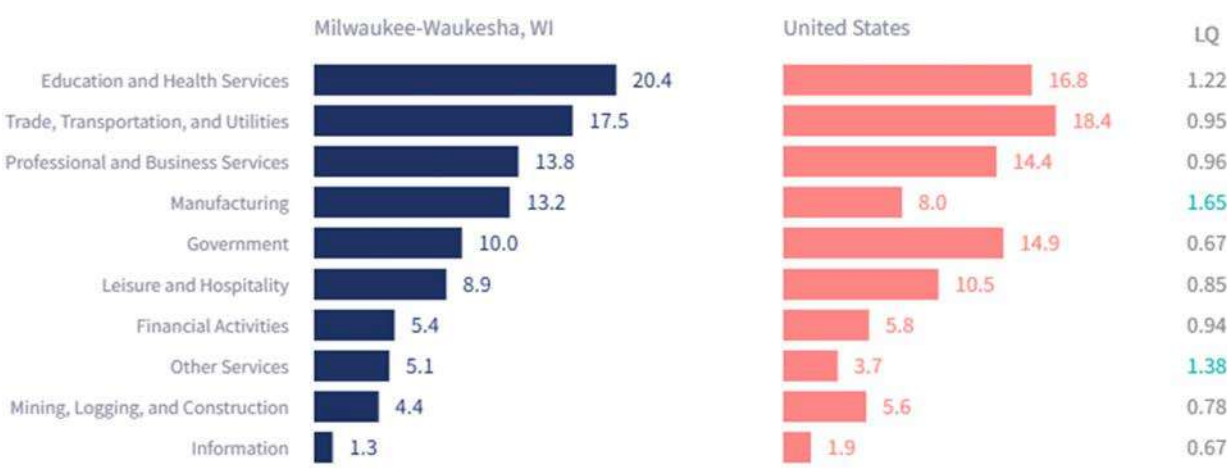
The Milwaukee MSA shows moderate to significant specialization in:

- Manufacturing (LQ: 1.65)
- Other services (LQ: 1.38)

Conversely, the following industry sectors are significantly smaller in the Milwaukee MSA:

- Government (LQ: 0.67)
- Information (LQ: 0.67)

Figure 17 | Percent Shares of Nonfarm Employment and Location Quotients – Selected Nonfarm Sectors, 2024



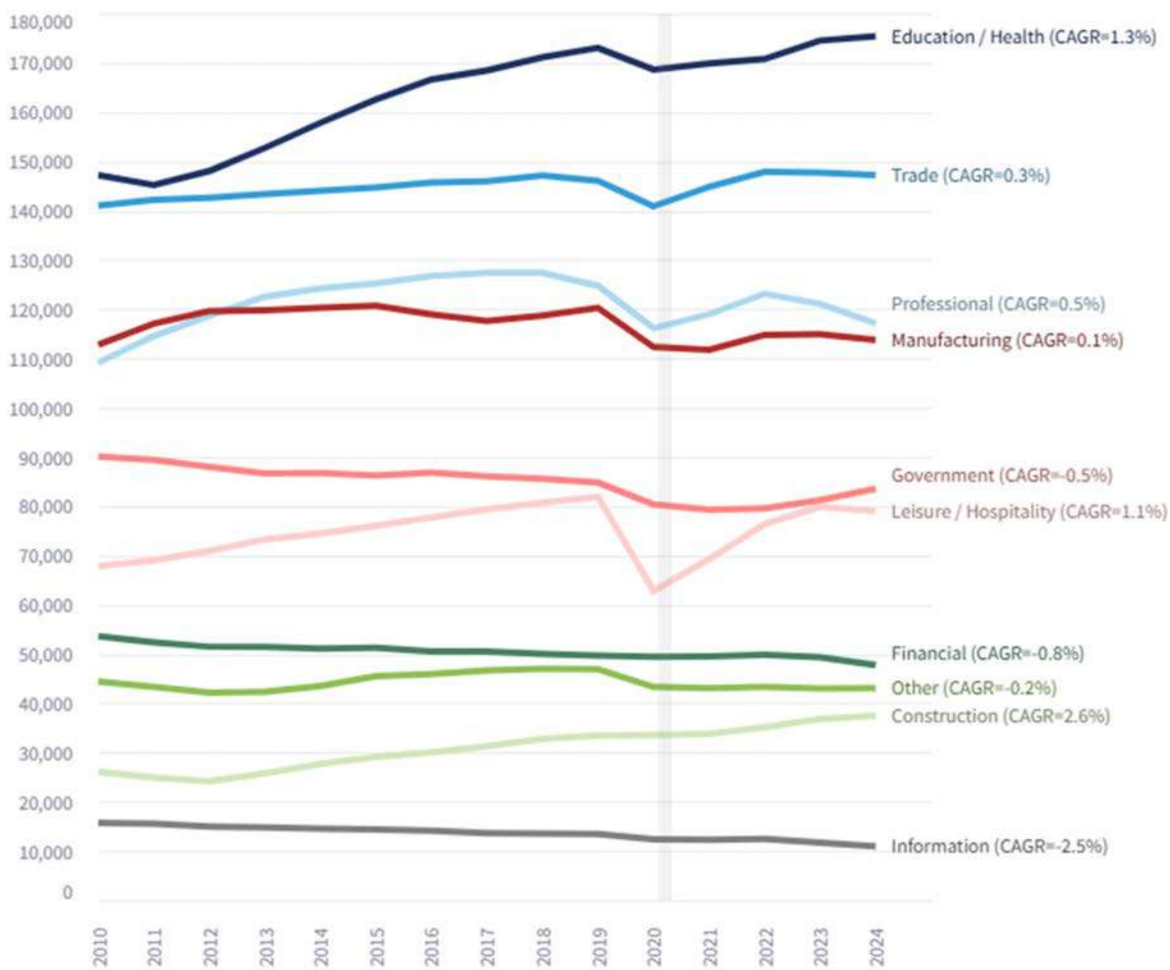
Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.
Shares may not sum to 100 due to rounding.
For full information on the composition of industry sectors, see the U.S. Census North American Industry Classification System (https://www.census.gov/naics/). The descriptions listed here are abbreviated.

Figure 18 shows employment trends in selected nonfarm sectors from 2010 through 2024. Analyzing employment trends across various sectors reveals gains in construction (2.6 percent CAGR), education and health services (1.3 percent CAGR), leisure and hospitality (1.1 percent CAGR), professional (0.5 percent CAGR), and trade (0.3 percent CAGR). Meanwhile, other sectors declined over that same period, including information (-2.5 percent CAGR), financial (-0.8 percent CAGR), government (-0.5 percent CAGR), and other services (-0.2 percent CAGR).

The last recession impacted all industry sectors—some more severely than others. The leisure and hospitality sector experienced the greatest job losses in 2020. While it has since recovered, it has not yet returned to its 2019 employment levels, similar to most other industries in the Milwaukee MSA.

By 2024, only the trade, transportation, and utilities, education and health services, and construction sectors exceeded 2019 employment levels. Except for the information sector, most other sectors are approaching their pre-pandemic levels.

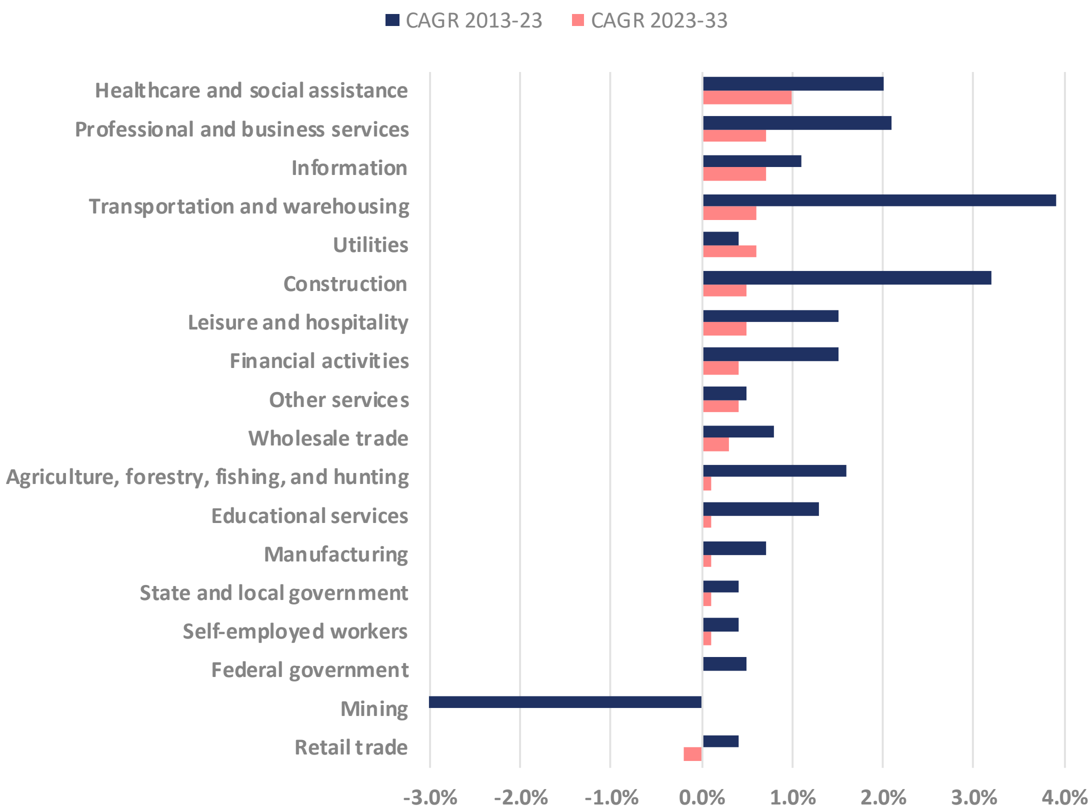
Figure 18 | Employment by Selected Industry, 2010-2024



Sources: U.S. Bureau of Labor Statistics and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

The employment outlook in the Milwaukee MSA is mixed, according to the 2023-2033 national employment growth forecasts for various industry sectors (Figure 19). The two largest industry sectors in the Milwaukee MSA—education and health services, and professional and business services—are projected to experience the highest growth. However, employment in manufacturing, which has the greatest concentration in the Milwaukee MSA compared to the national benchmark, is expected to slow to a nearly zero annual rate.

Figure 19 | Historical and Forecast Employment Growth Rates by Industry Sector, United States, 2013-2023 and 2023-2033



Sources: U.S. Bureau of Labor Statistics Employment Projections and Unison Consulting, Inc.

2.3.6 | Leading Employers

The Milwaukee MSA boasts a diverse employer base. Large public and private institutions, along with a network of smaller enterprises, form the backbone of the region's economy and generate business demand for air travel. Table 9 highlights the top 25 leading private employers in the Milwaukee MSA. Healthcare systems, including Advocate Health, Ascension Wisconsin, and Froedtert Health, dominate the list, while technology firms and power-utility providers also feature prominently.

Table 9 | Top 25 Leading Private Sector Employers in the Milwaukee MSA, 2024

Rank	Company Name	Local Employees	Sector
1	Advocate Health	39,000	Healthcare
2	Ascension Wisconsin	10,450	Healthcare
3	Northwestern Mutual	8,000	Financial Services
4	Quad	7,000	Marketing
5	Medical College of Wisconsin	6,730	Education
6	Froedtert Health	6,230	Healthcare
7	GE Healthcare	6,000	Technology/Healthcare
8	Children's Wisconsin	5,310	Healthcare
9	Kohl's Corporation	5,000	Apparel
10	ProHealth Care	4,900	Healthcare
11	Rockwell Automation	4,000	Technology
12	US Bank	3,700	Financial Services
13	Generac Holdings, Inc.	3,500	Power/Utility
14	WEC Energy Group	3,300	Power/Utility
15	The Marcus Corporation	3,100	Lodging/Entertainment
16	SC Johnson	2,500	Manufacturing
17	Harley-Davidson Inc.	2,320	Automotive
18	BMO Harris Bank	2,073	Financial Services
19	Johnson Controls International	1,790	Infrastructure
20	MolsonCoors	1,500	Food/Beverage
21	Rober W. Baird & Co, Inc.	1,350	Financial Services
22	Briggs & Stratton Corp.	1,200	Manufacturing
23	Smithfield Foods	1,200	Food/Beverage
24	Fiserv, Inc.	800	Financial Services
25	ManpowerGroup	550	Labor

Sources: Milwaukee Business Journal and Unison Consulting Inc.

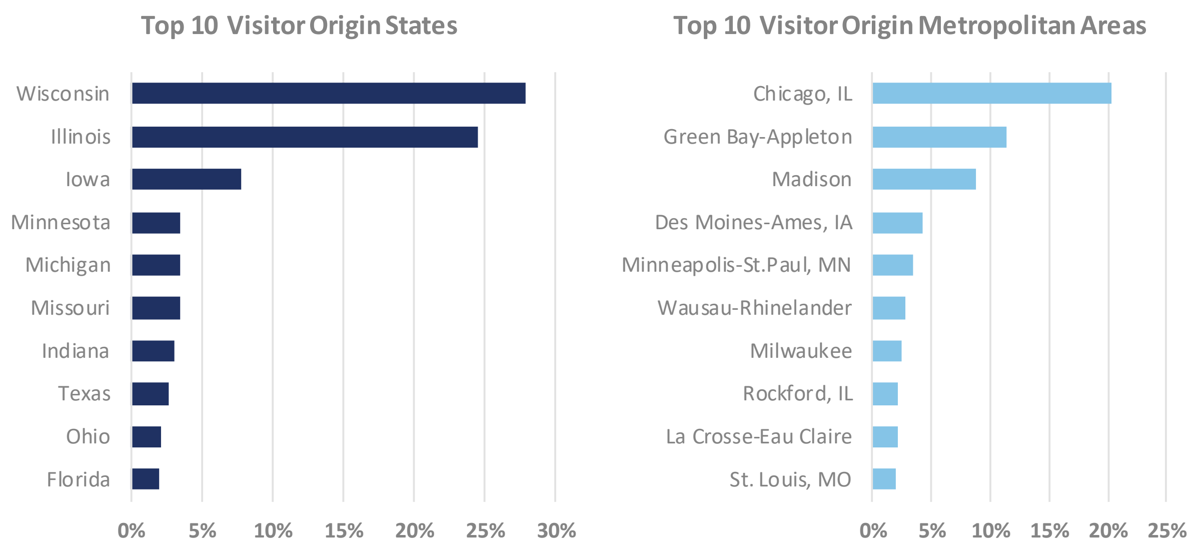
2.3.7 | Tourism

Tourism is vital to the regional economy. It boosts passenger traffic at the Airport and drives regional economic growth by bringing "new money" from visitor spending on food, lodging, recreation, and other services provided by local businesses.

Tourism contributes significantly to the Milwaukee MSA economy. In 2024, direct visitor spending surpassed $3.7 billion, supporting 45,208 full-time jobs, earning over $2.1 billion annually in labor income, generating nearly $6.6 billion in total business sales, and contributing $369 million in state and local taxes.[22]

Figure 20 reveals that most visitors to the Milwaukee MSA in 2024 come from neighboring states and MSAs within a day's drive. While this indicates a strong regional draw, it also suggests less reliance on the Airport. However, it highlights opportunities for expansion into new markets across the country and for MKE to play a more significant role in attracting visitors. Initiatives like the new Baird Center, alongside other local developments, hold promise for drawing visitors from farther distances and increasing the economic impact of tourism.[23]

Figure 20 | Origin of Visitors to Milwaukee MSA, 2024



Sources: Tourism Economics, via Visit Milwaukee, and Unison Consulting, Inc.

[22] Wisconsin Department of Tourism, via Visit Milwaukee, Tourism Insights, https://www.visitmilwaukee.org/tourism-insights/. Economic impact data was last updated June 2025 with 2024 insights.

[23] "Celebrating One Year of Baird Center's Bold Expansion," May 15, 2025, *Visit Milwaukee*, https://www.visitmilwaukee.org/blog/posts/post/bairdcenteranniversary/.

2.4 | Macroeconomic Outlook

Macroeconomic conditions drive visitor travel to Milwaukee and residents' air travel demand through influences on the regional economy. A robust national economy encourages travel and spending, boosting visitor arrivals at the Airport and revenue and employment in the region's leisure and hospitality sector. It also supports a robust regional economy, leading to job creation, higher income levels, and increased business activity, all contributing to air travel demand at the Airport.

The U.S. economy has demonstrated remarkable resilience and robustness. However, recent policy changes under the current U.S. administration—including higher tariffs and federal restructuring—have heightened uncertainty and downside risks. Moreover, concerns are growing about rising consumer debt burdens and the expanding federal deficit, which could hinder economic growth. As of June 2025, the Federal Reserve has paused its efforts to lower interest rates amid increasing economic uncertainty.[24] And economists are revising growth forecasts downward and raising inflation expectations. On a global scale, the Organization for Economic Co-operation and Development (OECD), the World Bank, and the International Monetary Fund forecast that U.S. tariffs will slow economic growth and accelerate inflation worldwide.

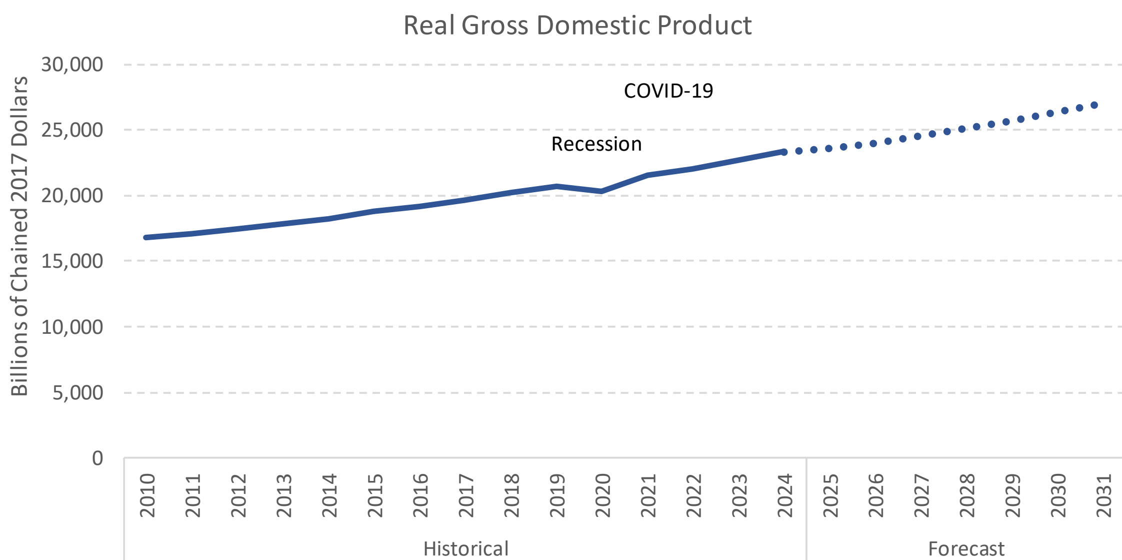
2.4.1 | U.S. Real Gross Domestic Product

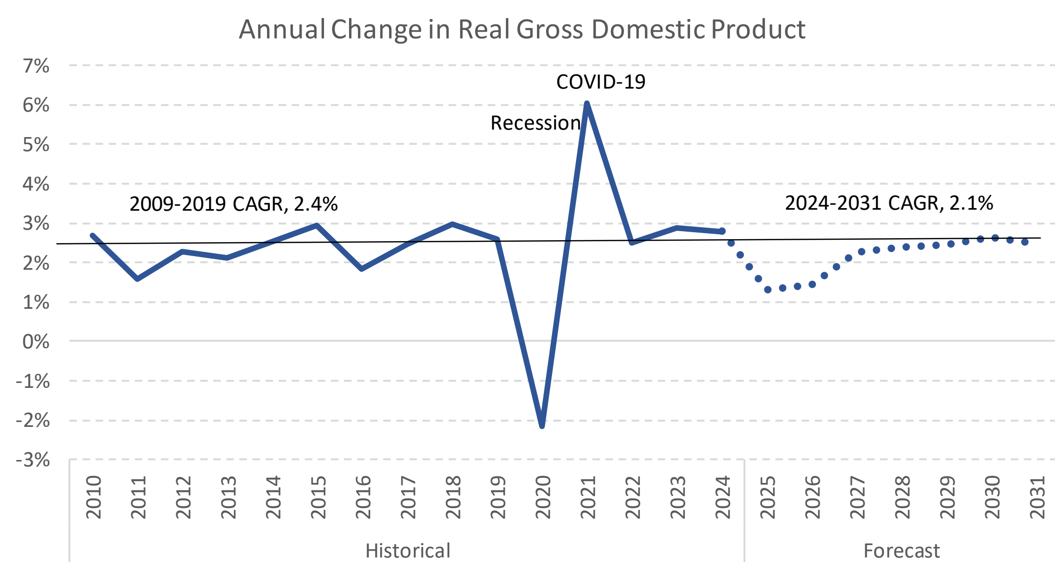
The U.S. economy has transitioned from a strong post-pandemic recovery to a more sustainable, moderate growth trajectory (Figure 21). The economy rebounded vigorously after a deep recession triggered by COVID-19 lockdowns and travel restrictions. Following a 2.2 percent contraction in 2020, real GDP surged by 6.1 percent in 2021—the highest annual growth rate since 1984.

Over the next three years, through the COVID-19 pandemic, the economy continued to grow at rates above the pre-pandemic average (2.4 percent) despite challenges such as COVID-19 resurgence, supply-chain disruptions, labor market constraints, the waning effects of fiscal stimulus, high inflation, and high interest rates. Robust consumer spending supported the U.S. economy, even as the Federal Open Market Committee (FOMC) raised interest rates to contain inflation.

[24] Nick Timiraos, "Fed Warns of Rising Economic Risks as It Leaves Rates Steady," *The Wall Street Journal*, May 7, 2025, https://www.wsj.com/economy/central-banking/fed-keeps-rates-steady-as-tariff-uncertainty-roils-outlook-55ebe99f.

Figure 21 | U.S. Real GDP, 2010-2031





Sources: U.S. Bureau of Economic Analysis, Moody's Analytics forecast as of February 2025, and Unison Consulting, Inc.

The U.S. economy entered 2025 with considerable momentum. However, the outlook has dimmed considerably amid significant policy shifts under the new administration.[25] Real GDP data shows the

[25] Clement Bohr, "UCLA Anderson Forecast Announces a Recession Watch: Trump Policies, If Fully Enacted, Promise a Recession," *UCLA Anderson Forecast*, March 2025, https://www.anderson.ucla.edu/about/centers/ucla-anderson-forecast/recession-watch-2025.

U.S. economy shrinking by 0.3 percent during the first quarter and expanding by 3 percent during the second quarter.[26]

According to Moody's Analytics' forecast from April 2025, real GDP growth is expected to slow to an annualized rate of 1.3 percent in 2025 and 1.4 percent in 2026. Through 2031, real GDP growth is projected to average 2.1 percent annually, which is lower than the pre-pandemic expansion average of 2.4 percent. More recent economic forecasts predict a more severe slowdown in 2025. The average real GDP growth forecast for 2025 in the April 2025 Wall Street Journal Economic Forecasting Survey is 0.8 percent, down from 2 percent in the January 2025 survey.[27,28]

2.4.2 | Key Risk Factors and Headwinds

The economic outlook is clouded by several significant risk factors, including tariffs and trade wars, uncertain monetary policy, a cooling labor market, the potential for rising inflation, slowing consumer spending and business investment, and a global economic slowdown.[29]

Trade Policy and Tariffs

Tariffs threaten to slow growth and accelerate inflation in the United States and abroad. The OECD estimates that the average U.S. household could forfeit roughly $1,600 in real income.[30] Higher duties are disrupting supply chains, increasing input costs, and prompting some firms to front-load imports before the levies take effect. Potential retaliation from trading partners adds another layer of uncertainty.

Monetary Policy Outlook

Increased economic uncertainty and risks of "stagflation"—economic stagnation with high inflation—have led the Federal Reserve to keep its benchmark federal funds rate steady at its June 2025 meeting and slow the pace of quantitative tightening (QT).[31] The Fed's median projection

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[26] U.S. Bureau of Economic Analysis, "Gross Domestic Product, 1st Quarter 2025 (Advance Estimate)," *U.S. Economy at a Glance*, April 30, 2025, https://www.bea.gov/news/glance.

[27] Paul Kiernan and Anthony DeBarros, "Economic Outlook Dives Just Three Months Into Trump's Term," *The Wall Street Journal*, April 12, 2025, https://www.wsj.com/economy/trade/us-economic-outlook-trump-b4e3469a?mod=article_inline.

[28] Anthony DeBarros, "About The Wall Street Journal Economic Forecasting Survey," *The Wall Street Journal*, Updated April 12, 2025, https://www.wsj.com/economy/economic-forecasting-survey-archive-11617814998.

[29] See the sources for recent U.S. economic forecasts on the previous page.

[30] OECD (2025), *OECD Economic Outlook, Interim Report March 2025: Steering through Uncertainty*, OECD Publishing, Paris, https://doi.org/10.1787/89af4857-en.

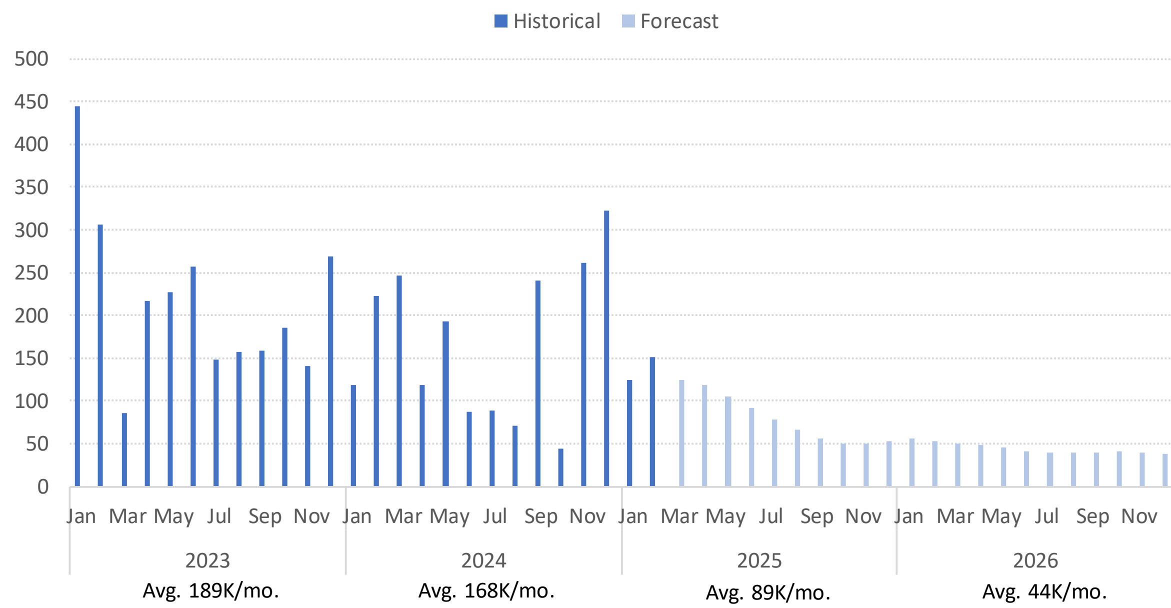
[31] Nick Timiraos, "The Fed Forecasts Stagflation," *The Wall Street Journal*, May 28, 20225, https://www.wsj.com/economy/central-banking/fed-minutes-highlight-concerns-over-higher-prices-169b36c5?mod=hp_lead_pos6.

continues to indicate 50 bps of rate cuts this year, although there is increasing divergence among FOMC members regarding the appropriate path for rates.[32]

Labor Market

The labor market, while still solid, shows clear signs of cooling. Job growth moderated in early 2025 and is expected to decelerate further. For example, Moody's Analytics' forecast shows a decrease in job growth from an average of 168,000 per month in 2024 to around 89,000 per month in 2025 and 44,000 per month in 2026 (Figure 22). Other sources expect a similar trend. Consequently, the unemployment rate, which stood at 4.1 percent in February 2025, is expected to rise to 4.3-4.7 percent later in the year.[33,34]

Figure 22 | U.S. All Employees, Total Nonfarm, Change, Thousands of Persons, Monthly, Seasonally Adjusted



Sources: U.S. Bureau of Economic Analysis, Moody's Analytics forecast as of February 2025, and Unison Consulting, Inc.

[32] Wells Fargo Economics, "FOMC Keeps Rates on Hold Amid Increased Uncertainty," *Special Commentary*, March 19, 2025, https://wellsfargo.bluematrix.com/links2/html/9b7edbfd-cdf7-4316-9a6e-fbc634644b8b.

[33] S&P Global Ratings forecasts the unemployment rate will drift higher and peak at 4.6 percent by midyear 2026. The Fed's median projection for the unemployment rate is 4.4 percent for 2025, 4.3 percent for 2026, and 4.3 percent for 2027. Wells Fargo expects the unemployment rate to drift up to 4.3 percent by the end of 2025. EY-Parthenon anticipates the unemployment rate rising above 4.5 percent this year.

[34] Paul Kiernan and Anthony DeBarros, "Economic Outlook Dives Just Three Months Into Trump's Term," The Wall Street Journal, April 12, 2025, https://www.wsj.com/economy/trade/us-economic-outlook-trump-b4e3469a?mod=article_inline.

Consumer Spending and Confidence

Consumer spending is expected to moderate after a strong performance in 2024. Recently, consumer sentiment has declined due to concerns about reduced federal spending and higher tariffs. In April 2025, the University of Michigan's Consumer Sentiment Index dropped to its lowest level (52.2) since June 2022 (50.0), which is even lower than its previous low (55.3 in November 2008) during the Great Recession. Concerns about inflation and job security are weighing on consumer morale.

Household debt continues to rise, with inflation-adjusted credit-card debt surpassing $10,000 per household in Q4 2024 for the first time since 2009. Delinquencies on auto loans and credit cards are approaching levels seen after the 2008-09 recession. Higher debt and weaker household income growth will rein in consumer spending.

Global Economic Impact

The global economy is expected to decelerate during 2025 due to trade policy uncertainty, tighter financial conditions, and diminished confidence. Core inflation is likely to remain persistent, and potential trade disruptions and financial market volatility present significant downside risks.[35],[36]

2.4.3 | Recession Risk

Business and consumer confidence have deteriorated markedly. Average recession-probability estimates rose to 45 percent in April 2025, from 22 percent in January. While a downturn is not the most likely scenario, policy missteps by the Fed or administration, or additional shocks, could readily tip the economy into contraction.

2.5 | Summary

The Milwaukee MSA presents a mixed economic profile with both strengths and challenges that influence aviation demand at MKE. Understanding these regional dynamics is crucial for forecasting airport activity and strategic planning.

Key Regional Strengths

The Milwaukee MSA demonstrates several competitive advantages that support air travel demand:

- **High educational attainment:** With nearly 41 percent of adults holding college degrees, significantly exceeding both state (34 percent) and national (36 percent) averages, the region has a skilled workforce that typically generates higher business travel demand.

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[35] OECD, "Global economic outlook shifts as trade policy uncertainty weakens growth," *Press Release*, June 3, 2025, https://www.oecd.org/en/about/news/press-releases/2025/06/global-economic-outlook-shifts-as-trade-policy-uncertainty-weakens-growth.html.

[36] World Bank, *Global Economic Prospects*, June 2025, https://www.worldbank.org/en/publication/global-economic-prospects.

- **High per capita income:** Real per capita personal income of $60,018 in 2023 exceeded the U.S. average by 3.6 percent and Wisconsin by 11.3 percent, providing discretionary income for air travel.
- **Low cost of living:** The regional price parity index of 95.5 means living costs are 4.5 percent below the national average, stretching household purchasing power.
- **Low unemployment:** At 3.2 percent in 2024, unemployment remains well below full employment thresholds, indicating economic stability.

Key growth sectors align favorably with the generation of air travel. Education and health services (20 percent of nonfarm employment) and professional and business services (14 percent of nonfarm employment)—two of the Milwaukee MSA's largest industry sectors—are projected to experience the highest national growth through 2033, supporting future business travel demand.

Regional Challenges

Several structural headwinds may constrain long-term aviation growth:

- **Population stagnation:** The 1.1 percent overall population growth since 2010 significantly lags Wisconsin (4.8 percent) and national (10.0 percent) growth, limiting the airport's natural catchment expansion.
- **Manufacturing dependence:** The region's manufacturing concentration (LQ: 1.65) faces projected near-zero national growth through 2033, potentially dampening overall economic growth.
- **Limited tourism profile:** The leisure & hospitality sector's lower regional concentration suggests untapped potential for visitor-driven traffic.
- **Recovery lag:** Several employment sectors, including leisure and hospitality, have yet to return to pre-pandemic levels, indicating incomplete economic recovery from the 2020 economic recession.

Macroeconomic Headwinds

The broader economic environment presents significant near-term uncertainties:

- **Policy-driven volatility:** New tariff policies and trade tensions create economic uncertainty, with recession probability estimates rising to 45 percent in April 2025.
- **Consumer pressure:** Rising household debt levels and weakening consumer confidence may constrain discretionary travel spending.
- **Labor market cooling:** Job growth is moderating from 168,000 monthly additions in 2024 to a projected 44,000 by 2026, with unemployment expected to rise.

Strategic Implications for the Airport

For MKE's outlook, these findings suggest:

- **Business travel focus:** The region's educated workforce and large professional services sector support continued business travel demand, but growth may be modest given population and macroeconomic constraints.

- **Leisure market development:** The tourism sector's relatively low regional concentration represents an opportunity for targeted marketing and service development to attract visitors from beyond the traditional drive-time catchment.
- **Local air travel demand:** High income levels and a low cost of living advantage create a strong local market for passenger demand.

The Milwaukee MSA's fundamentals remain solid despite structural challenges. While dramatic passenger growth appears unlikely given demographic constraints, the region's economic stability and educated workforce should support steady, if modest, aviation activity.

SECTION 3 | COMMERCIAL AVIATION ACTIVITY

This section analyzes historical commercial aviation trends at the Airport and presents forecasts of passenger traffic, aircraft operations, and landed weight through 2030. These forecasts provide the foundation for the financial projections and debt service coverage analysis in Section 4.

MKE operates as a medium hub airport serving the Milwaukee metropolitan area, with passenger traffic driven primarily by O&D demand rather than connecting traffic. The Airport accommodated approximately 3.2 million enplanements in 2024, served by eight signatory passenger carriers and two signatory cargo airlines.

Commercial aviation activity, consisting primarily of passenger traffic, reflects broader economic cycles and industry disruptions. The COVID-19 pandemic exemplifies this relationship—MKE's traffic plummeted 97 percent in April 2020 before beginning a gradual recovery that still continues. As of 2024, annual enplanements reached approximately 91 percent of the 2019 pre-pandemic level.

The analysis has four components:

- **Historical trends:** Historical performance trends (2013-2024), including traffic, market shares, and operations.
- **Industry context:** Industry context and comparative analysis with peer airports.
- **Aviation activity forecasts:** Three forecast scenarios (Base, High, Low) through 2030 using hybrid modeling that combines schedule analysis with econometric modeling.
- **Forecast risk and uncertainty:** External risk factors essential for interpreting forecast results.

3.1 | Significant Developments Shaping the U.S. Airline Industry

The U.S. airline industry has undergone a significant transformation since 1980, with each decade introducing a unique set of developments that have shaped the industry. The Airline Deregulation Act of 1978 removed government control over fares, routes, and the market entry of new airlines, leading to increased competition, lower fares, greater route flexibility, and hub-and-spoke networks. Amid a wave of consolidation, air service supply and demand expanded rapidly during the 1980s and 1990s with:

- the emergence of low-cost carriers (LCCs)
- technological advancements (fuel-efficient aircraft and improved navigation systems)
- the rise of the internet and online booking systems
- the formation of global airline alliances
- the U.S. 1990s economic boom

The 2000s saw a series of disruptions: the 2001 U.S. economic recession, the 9/11 terrorist attacks, soaring fuel costs, and the Great Recession. The 2001 recession was brief, and its effects were mild. However, the terrorist attacks on September 11, 2001, led to a steep decline in air travel. Heightened security measures discouraged short-haul trips, and airlines lowered airfares to stimulate demand. Meanwhile, the internet made it easier to compare airfares, making passengers more price-sensitive.

Jet fuel prices quadrupled from 2000 to 2008 and stayed elevated through 2014. Amid record fuel prices, the U.S. economy fell into the Great Recession (December 2007-June 2009). Air travel demand fell, exacerbating airlines' financial difficulties. Several major airlines sought bankruptcy protection and entered into mergers. Consolidation continued into the 2010s, leaving four major airlines—American, Delta, Southwest, and United—controlling 80 percent of U.S. domestic passenger traffic.

Airlines implemented cost-cutting measures. They renewed their fleets with larger, more fuel-efficient aircraft. They optimized their networks to increase revenues, shifting mainline and regional service routes to match seat capacity with demand and moving flights from less to more profitable markets. They changed pricing structures and created new revenue sources. They cut flight schedules, added seats on aircraft, and increased load factors to improve aircraft utilization. This capacity rationalization strategy disproportionately impacted smaller airports.

The 2010s saw the slowest recovery for the U.S. economy and air travel demand but also the longest expansion on record. Jet fuel prices began to fall in late 2014. U.S. airlines sustained profits, renewed fleets, and increased flight schedules while maintaining capacity discipline. Air traffic growth accelerated in the last quarter of the decade despite the grounding of the Boeing 737 MAX, a recent addition to the commercial passenger aircraft fleet.

COVID-19 was declared a global pandemic on March 11, 2020, nearly halting air travel, with U.S. passenger traffic plummeting by almost 97 percent in mid-April 2020. The pandemic induced structural changes in the demand for air travel and the supply of airline passenger service, favoring personal and domestic travel over business and international travel.

The WHO declared COVID-19 no longer a global pandemic as of May 5, 2023—six days later, on May 11, 2023, the U.S. Department of Health and Human Services announced the end of the national public health emergency in the United States. Unlike the aftermath of the Great Recession, consumer spending remained strong throughout the pandemic-induced recession. U.S. system enplanements recovered and began to surpass the pre-pandemic 2019 level in 2023, although recovery among individual airports has been uneven, with MKE among those airports that have yet to return to their 2019 enplanement level.

After a strong performance in 2023 and 2024, the aviation industry is facing a widespread slowdown in travel demand in 2025. Economic uncertainty stemming from the new U.S. administration's policy announcements is a significant factor contributing to this slowdown, along with falling consumer confidence, a pullback in discretionary spending, and concerns about increased U.S. border scrutiny deterring international travel. Several airlines, including Delta Air Lines, American Airlines, Alaska Air, Southwest Airlines, and Frontier, have either cut or withdrawn their financial forecasts or guidance for the year, amid slowing air travel demand and increased economic uncertainty.

3.2 | Operating Airline History

Through 2024, the Airport had service from eight signatory passenger carriers: Alaska, American, Delta, Frontier, Southwest, Spirit, Sun Country, and United. Air Canada did not renew its signatory status, and JetBlue changed its status to non-signatory as the Airport began the Amended AULA term for 2024-2028. In addition, there are two signatory air cargo carriers, Federal Express Corporation and United Parcel Service, along with affiliate carriers including Air Cargo Carriers, CS Air, Inc., Pro Aire Cargo, Inc., and UPS-Freight Runner Express.

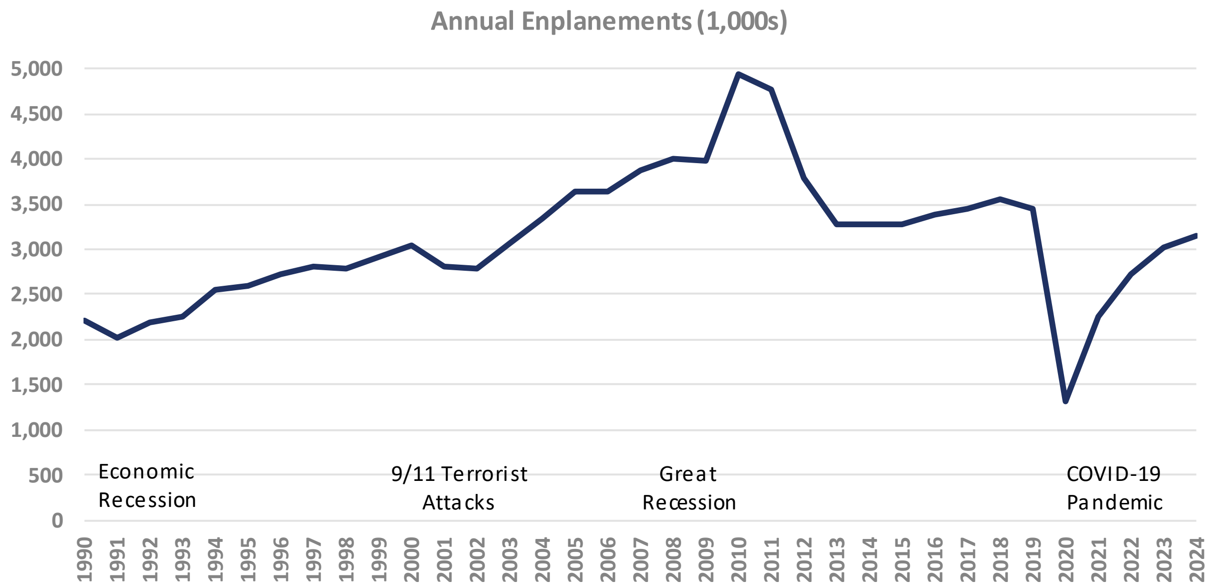
3.3 | Historical Enplanement Trends

Figure 23 shows the long-term enplanement history at MKE from 1990 through 2024. MKE experienced relatively steady growth during the 1990s and 2000s, interrupted only by the economic recession in 1991, the September 11 terrorist attacks in 2001, and the Great Recession in 2008 and 2009. Following an expansion of network hubs by the former Midwest Airlines and AirTran Airways and later the expansion of low-cost carrier (LCC) service by AirTran, Frontier Airlines, and Southwest Airlines, MKE reached its peak air traffic shortly after the Great Recession, rising from 2.2 million enplanements in 1990 to 4.9 million enplanements in 2010—a CAGR of 4.1 percent.

MKE passenger traffic faced a sharp downturn after 2010, falling to 3.3 million enplanements in 2013 (a CAGR of -12.8 percent). One contributing factor was Frontier's financial troubles and its subsequent shift from hub-and-spoke to point-to-point low-cost carrier service. While Frontier initially saw a significant increase in enplanements from 559,148 in 2010 to 1.4 million in 2011 following its merger with Midwest Airlines, it struggled to sustain the rise and quickly dropped to 148,448 enplanements in 2013. Alongside Frontier's service cuts was Southwest's buyout of AirTran—Southwest retained service to nearly all of AirTran's large markets but discontinued all commuter connections that did not align with its point-to-point network. As a result, MKE's total enplanements fell below 3.3 million by 2013. Now consisting mainly of O&D traffic, MKE's annual enplanements gradually rose to around 3.5 million during the three years (2017-2019) before the pandemic.

In 2020, lockdown measures and travel restrictions to contain the spread of COVID-19 caused MKE's enplanements to fall 62 percent from 3.5 million to about 1.3 million. MKE had not seen that level of air traffic since at least 1990, and 2020 easily marked the largest single-year decline for the Airport. The following years brought progress toward recovery, with annual enplanements reaching 3.2 million in 2024. However, MKE has yet to return to the pre-pandemic passenger traffic level, with its 2024 enplanement total having reached about 91 percent of its 2019 level.

Figure 23 | MKE Annual Enplanement Trends, 1990-2024



Source: Airport records.

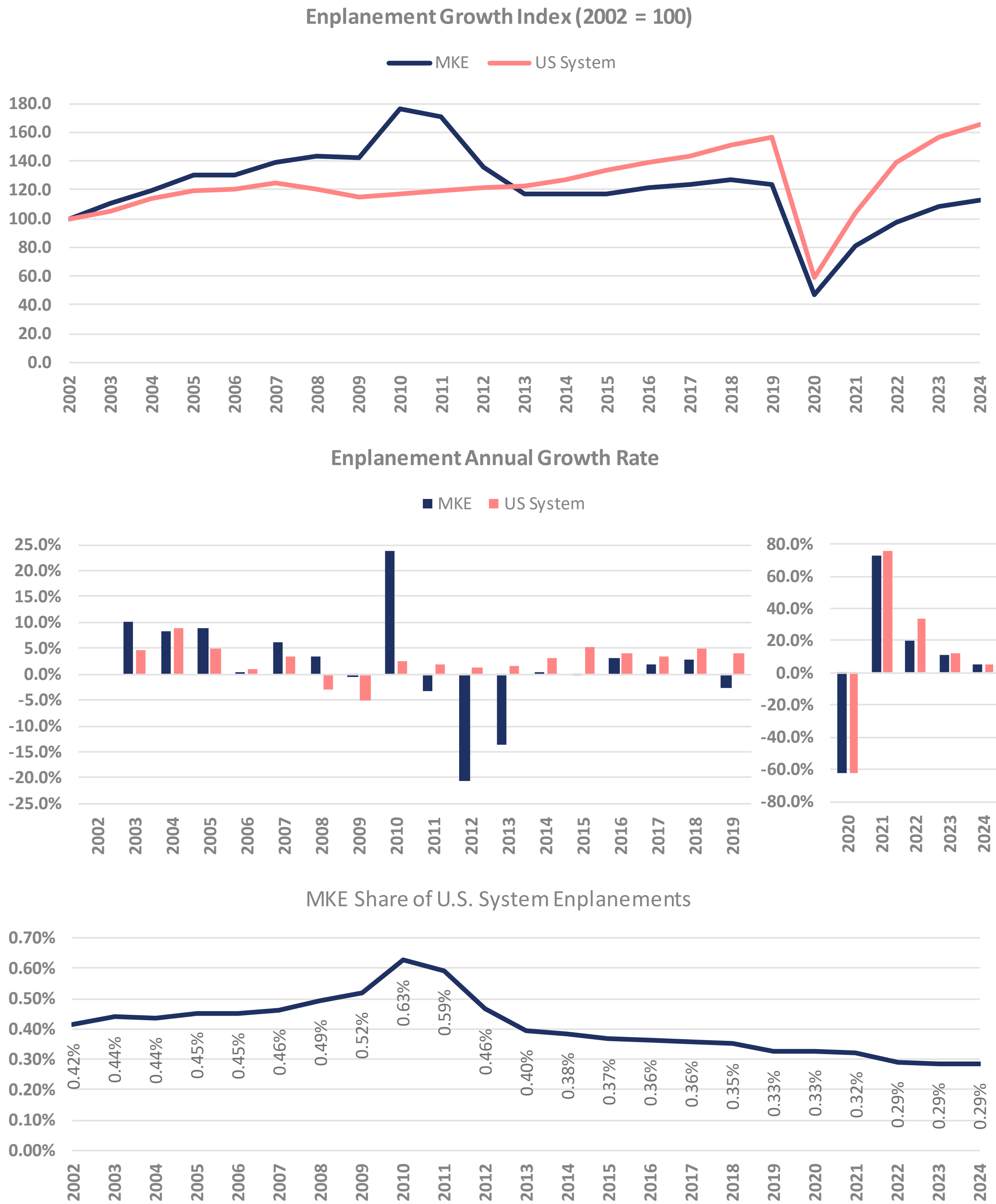
3.3.1 | Comparison with U.S. System Enplanement Trends

Figure 24 compares the growth trends in aviation activity between MKE and the U.S. system, from 2002 to 2024. Figure 25 shows a version of the enplanement growth chart indexed to 2013 instead of 2002, after the large decrease from Frontier's service cuts and Southwest discontinuing AirTran's commuter connections. MKE's enplanement growth mostly outpaced the national trend during the 2000s, with a sharp 23.7 percent increase in 2010 furthering the Airport's lead (versus a 2.6 percent increase for the U.S. system). However, due to factors explained in the prior subsection, MKE's enplanements declined in the following years, first decreasing 3.4 percent in 2011, then dropping 20.6 percent in 2012 and another 13.6 percent in 2013, bringing its growth rate below the national trend by 2013. Since then, the U.S. system's steady growth kept ahead of MKE, slowly widening the gap through the rest of the 2010s.

At the start of the pandemic in 2020, both the U.S. system and MKE suffered losses (both down 62 percent). However, recovery has been well on its way for both MKE and the U.S. system in 2021 through 2024, though MKE remains behind with a slower recovery rate (a 2020-2024 CAGR of 24.6 percent versus the U.S. system's CAGR of 29.1 percent for the same period).

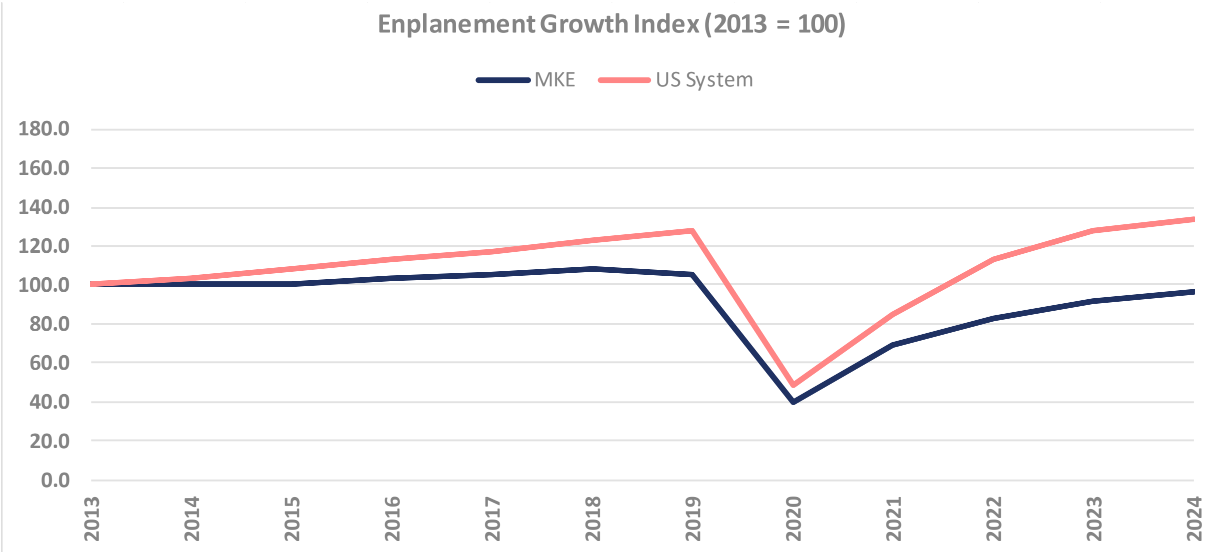
MKE's share of U.S. enplanements grew through the 2000s when its growth outpaced national trends, starting with a share of 0.42 percent and rising to 0.63 percent in 2010. When MKE's growth trends took a downward turn after 2010, its share shrank accordingly, down to 0.29 percent by 2022, where it has remained through 2024.

Figure 24 | Annual MKE vs. U.S. System Enplanement Trends, 2002-2024



Sources: Airport records for MKE and U.S. Bureau of Transportation Statistics for U.S. System.

Figure 25 | Annual MKE vs. U.S. System Enplanement Growth Index, 2013-2024



Sources: Airport records for MKE and U.S. Bureau of Transportation Statistics for U.S. System.

Table 10 shows the underlying data for the comparison of MKE versus U.S. system enplanements. So far, the first five months of 2025 show an 8.9 percent decrease over the same period in 2024.

Table 10 | Annual MKE and U.S. System Enplanements, 2002 – May 2025

	MKE		US System		MKE Share
Year	EP (1,000s)	AGR	EP (1,000s)	AGR	of U.S
2002	2,791		670,604		0.42%
2003	3,074	10.1%	700,864	4.5%	0.44%
2004	3,331	8.4%	763,710	9.0%	0.44%
2005	3,630	9.0%	800,850	4.9%	0.45%
2006	3,642	0.3%	808,103	0.9%	0.45%
2007	3,868	6.2%	835,510	3.4%	0.46%
2008	4,001	3.4%	809,822	-3.1%	0.49%
2009	3,982	-0.5%	767,817	-5.2%	0.52%
2010	4,928	23.7%	787,478	2.6%	0.63%
2011	4,761	-3.4%	802,135	1.9%	0.59%
2012	3,780	-20.6%	813,123	1.4%	0.46%
2013	3,266	-13.6%	825,322	1.5%	0.40%
2014	3,279	0.4%	851,850	3.2%	0.38%
2015	3,277	0.0%	896,632	5.3%	0.37%
2016	3,383	3.2%	931,989	3.9%	0.36%
2017	3,453	2.0%	964,765	3.5%	0.36%
2018	3,549	2.8%	1,013,213	5.0%	0.35%
2019	3,450	-2.8%	1,052,981	3.9%	0.33%
2020	1,310	-62.0%	398,655	-62.1%	0.33%
2021	2,260	72.5%	700,560	75.7%	0.32%
2022	2,721	20.4%	937,367	33.8%	0.29%
2023	3,011	10.7%	1,053,310	12.4%	0.29%
2024	3,155	4.8%	1,107,080	5.1%	0.28%
YTD 2024	1,290		441,194		0.29%
YTD 2025	1,174	-8.9%	435,519	-1.3%	0.27%
Compound Annual Growth Rate					
2002-2010	7.4%		2.0%		
2010-2019	-3.9%		3.8%		
2019-2024	-1.8%		1.0%		

Sources: Airport records for MKE and U.S. Bureau of Transportation Statistics for U.S. System.
YTD = January through May.

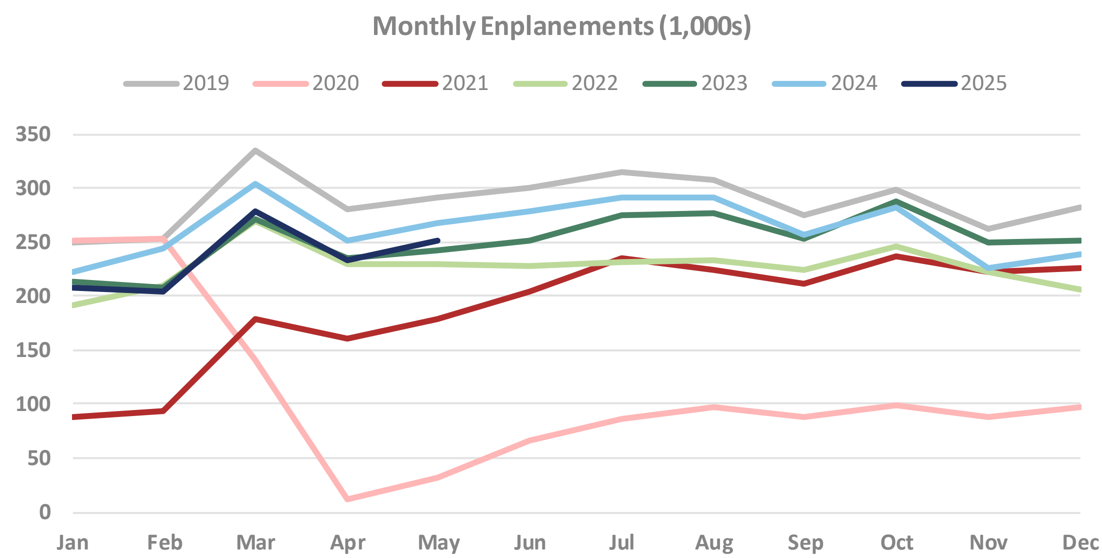
3.3.2 | Monthly Enplanement Trends

Figure 26 shows MKE's monthly enplanement levels from 2019 through May 2025, while Table 11 breaks down each year up to 2024 into its monthly enplanement shares (and dates further back to 2010). Before the pandemic, MKE had a consistent seasonal pattern each year, with its air traffic peaking in March, decreasing through the rest of the spring, and rising again for a secondary peak in July. MKE's least active months are almost always through the winter, just before abruptly spiking for the March peak.

In 2020, the pandemic disrupted the seasonal pattern, dropping MKE's monthly enplanements through March and April and keeping them under 100,000 the rest of the year. Recovery gained speed through 2021, then held steady in 2022 with a trend somewhat reminiscent of the pre-pandemic pattern. Growth slowed but still continued through 2023 and most of 2024.

The last two months of 2024 and the first five months of 2025 have seen minor decreases in monthly enplanements compared to the previous year. A primary factor contributing to this decline is JetBlue discontinuing service at MKE as of November 2024. Additionally, Frontier and Sun Country also contributed, with their total activity from November 2024 to May 2025 reduced by 48 percent and 8 percent, respectively, compared to the same period of the previous year.

Figure 26 | MKE Monthly Enplanements, 2019 – March 2025



Source: Airport records.

Table 11 | MKE Monthly Enplanement Shares, 2010-2024

MKE Monthly Enplanement Shares

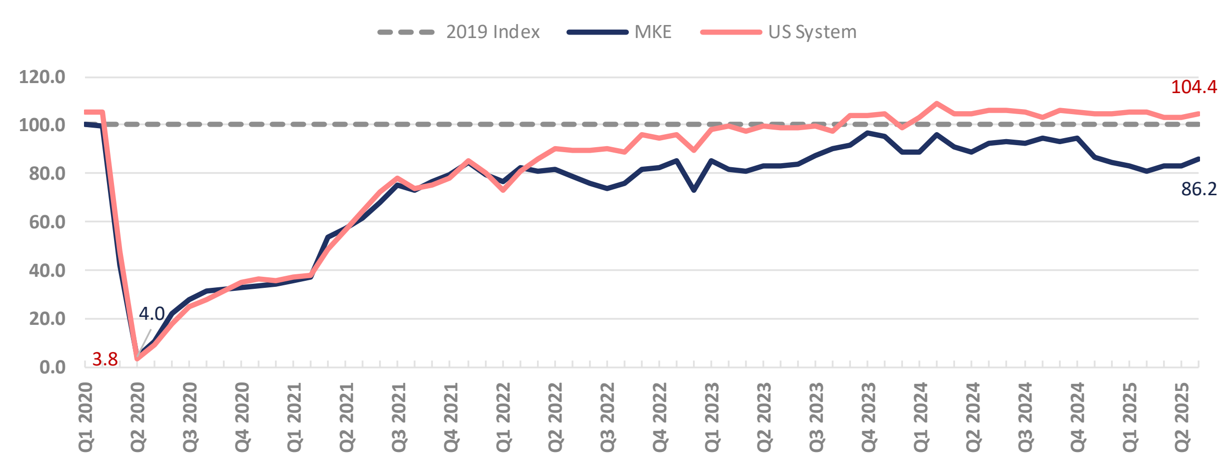
Month	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Jan	7.0%	7.5%	8.1%	7.6%	7.4%	7.3%	7.5%	7.3%	7.7%	7.2%	19.2%	3.9%	7.0%	7.1%	7.1%
Feb	6.7%	6.9%	8.0%	7.2%	7.2%	7.1%	7.4%	7.3%	7.6%	7.4%	19.4%	4.2%	7.7%	6.9%	7.7%
Mar	9.0%	9.6%	9.9%	9.4%	9.7%	9.7%	9.9%	9.6%	10.0%	9.7%	10.8%	7.9%	9.9%	9.0%	9.7%
Apr	8.2%	8.7%	9.0%	7.8%	8.6%	8.5%	7.8%	8.6%	7.7%	8.1%	0.8%	7.1%	8.4%	7.8%	7.9%
May	8.4%	9.1%	8.7%	8.6%	8.6%	8.3%	8.3%	8.2%	8.3%	8.4%	2.4%	7.9%	8.4%	8.0%	8.5%
Jun	9.3%	9.2%	8.9%	8.8%	8.9%	8.9%	8.9%	9.0%	8.7%	8.7%	5.0%	9.0%	8.4%	8.3%	8.8%
Jul	9.5%	9.5%	9.3%	9.0%	9.3%	9.4%	9.2%	9.2%	9.5%	9.1%	6.6%	10.4%	8.5%	9.1%	9.2%
Aug	9.6%	9.5%	8.9%	9.1%	9.1%	8.9%	8.7%	9.1%	8.9%	8.9%	7.4%	9.9%	8.6%	9.2%	9.3%
Sep	8.1%	7.8%	7.2%	7.8%	7.6%	7.8%	8.1%	7.5%	7.6%	8.0%	6.7%	9.4%	8.2%	8.4%	8.1%
Oct	8.6%	8.3%	8.0%	8.8%	8.6%	8.6%	8.7%	8.3%	8.6%	8.6%	7.6%	10.5%	9.0%	9.6%	8.9%
Nov	7.9%	7.1%	7.0%	7.7%	7.4%	7.8%	7.9%	8.1%	7.9%	7.6%	6.7%	9.8%	8.2%	8.3%	7.2%
Dec	7.9%	6.8%	6.8%	8.2%	7.7%	7.7%	7.6%	7.8%	7.5%	8.2%	7.5%	10.0%	7.6%	8.3%	7.6%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Third largest share percentage of annual total.
Second largest share percentage of annual total.
Largest share percentage of annual total.
Third smallest share percentage of annual total.
Second smallest share percentage of annual total.
Smallest share percentage of annual total.

Source: Airport records.

Figure 27 compares the monthly enplanement recovery trends, indexed to the corresponding month in 2019. Since the initial drop in air traffic through March and April 2020, MKE kept pace with the national recovery rate through February 2022. However, MKE's progress started to diverge after taking a slight downturn through the spring and summer of 2022, while the U.S. system recovery continued upward. Since then, MKE's recovery has lagged behind the U.S. system, as well as faced recent declines from October 2024 through February 2025 that widened the gap. As of May 2025, MKE sits at 86.2 percent of its 2019 pre-pandemic level, while the U.S. system sits at 104.4 percent.

Figure 27 | Monthly MKE vs. U.S. System COVID-19 Recovery Index (2019 = 100)



Sources: Airport records for MKE and U.S. Bureau of Transportation Statistics for the U.S. System.

3.3.3 | Composition of Passenger Traffic

MKE serves primarily O&D traffic, which accounted for nearly all total passengers in recent years. O&D traffic is a more stable air service market than connecting traffic. It arises from market demand and generally follows growth in both the local and national economies. Unlike connecting traffic, O&D traffic is less vulnerable to changes in individual airlines' network strategies, business models, and financial conditions. Of O&D traffic, residents account for approximately 60 percent, while visitors account for approximately 40 percent, based on the U.S. Department of Transportation's DB1B data, also known as the Airline Origin and Destination Survey.

MKE also serves primarily domestic traffic, which accounted for more than 99 percent of total passengers in 2024.

3.4 | Airline Market Shares

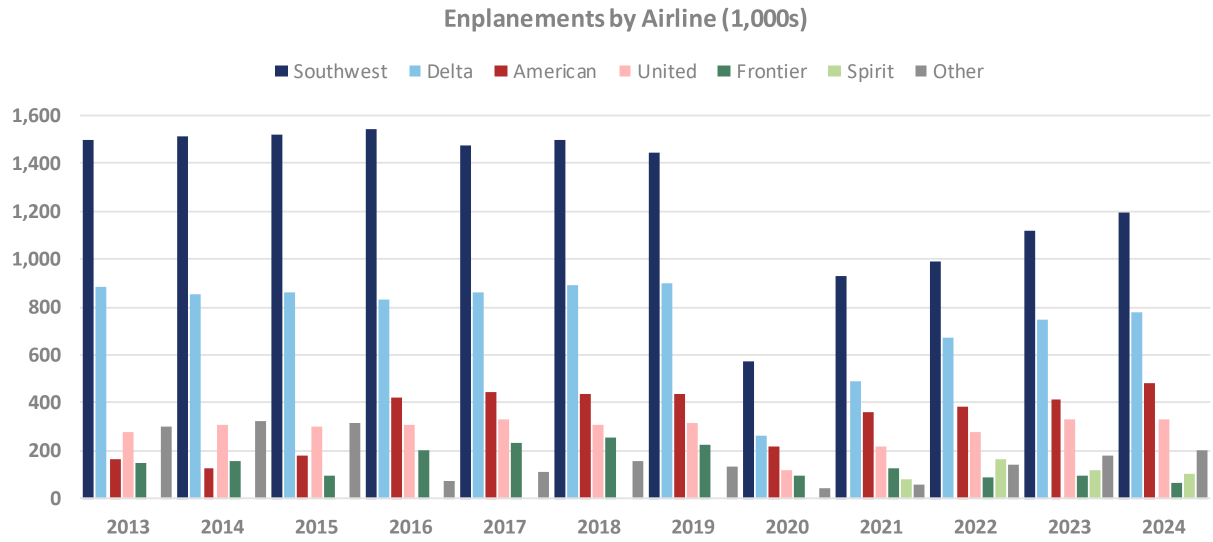
Figure 28 shows the enplanement levels at MKE by airline and breaks down each airline's market shares from 2013 through 2024. The airlines shown make up MKE's six largest service providers—Southwest, Delta, American, United, Spirit, and Frontier—with the rest combined in the "Other" category.

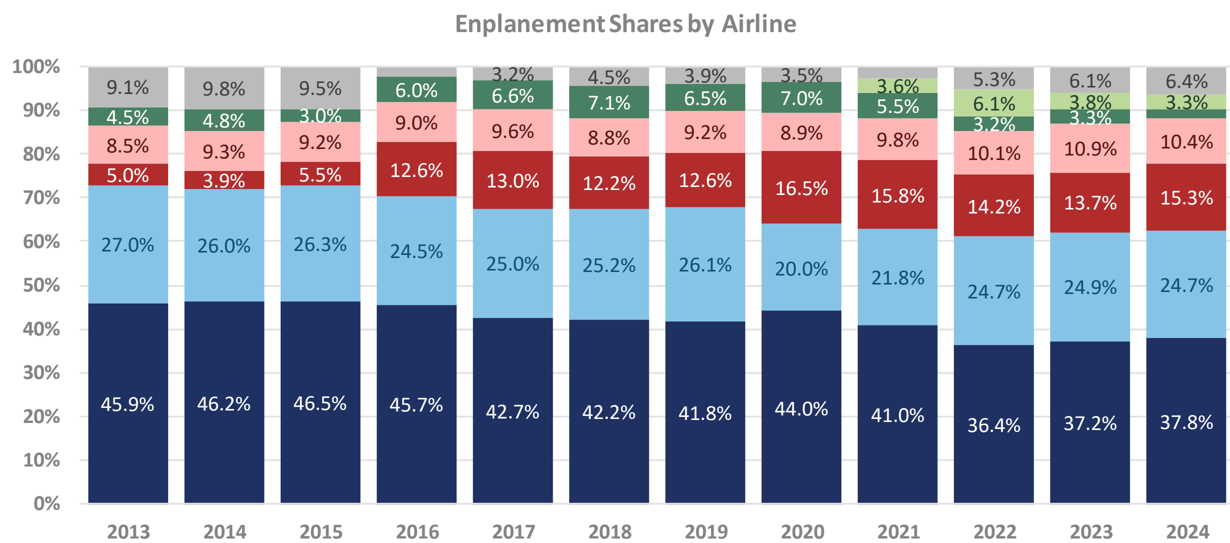
The airline composition at MKE changed significantly at the beginning of the 2010s, caused in part by the merging of Midwest and Frontier, as well as the buyout of AirTran by Southwest. AirTran's activity gradually switched to the Southwest brand until service under the AirTran brand finally ceased in 2013, and their combined activity led to Southwest gaining the largest share of the MKE market with 45.9 percent that year. Republic Airways Holdings, Inc. acquired Midwest and Frontier in 2009 and merged the two airlines' operations into Frontier in 2010, which led to a spike in its activity. However, Frontier faced continuing financial difficulties and failed to sustain the combined activity level, shrinking its share back down to 4.5 percent in 2013.

Once AirTran was fully integrated into the Southwest brand, the Airport settled into a relatively stable share distribution, with Southwest as the dominant airline with 45.9 percent and Delta as the second largest with 27.0 percent in 2013. From that year onward, changes in share composition became more gradual. Southwest and Delta remained the two largest airlines, maintaining shares in the 40 percent and 20 percent ranges, respectively, throughout the rest of the decade. American grew to become the third largest carrier in 2016 and has so far maintained that position.

In 2021, Spirit Airlines entered MKE and became the sixth-largest carrier that year with a 3.6 percent share. It then surpassed Frontier to become the fifth-largest airline in 2022. As of 2024, Southwest still holds the top position with a 37.8 percent share. Delta holds the second-largest share with 24.7 percent. American maintains its position as the third largest carrier with a 15.3 percent share, having experienced its first increase after gradually shrinking since 2020. United is fourth with a 10.4 percent share, followed by Spirit with 3.3 percent, and then Frontier with 2.2 percent. The "Other" category of smaller airlines combined makes up the remaining 6.4 percent of the MKE market. This category includes airlines such as Alaska, Allegiant, JetBlue, and Sun Country.

Figure 28 | Enplanement Trends by Airline, 2013-2024





Source: Airport records.
Note: Southwest Airlines activity includes AirTran enplanements in its total for 2013.

Table 12 | Annual Enplanements by Airline, 2013 – May 2025

Annual Enplanements by Airline (1000s)													**Jan-May YTD**		**CAGR**	
Airline	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024**	**2025**	**2013-2019**	**2019-2024**
Southwest	1,501	1,515	1,523	1,545	1,473	1,498	1,443	577	926	991	1,121	1,193	502	467	-0.6%	-3.7%
Delta	881	853	860	830	862	893	901	262	493	672	751	778	294	285	0.4%	-2.9%
American	162	128	181	425	448	433	434	217	358	386	413	484	188	187	17.8%	2.2%
United	276	305	301	306	330	311	316	116	220	276	330	327	119	108	2.3%	0.7%
Frontier	148	157	99	202	229	253	223	92	124	87	99	69	42	26	7.0%	-21.0%
Spirit									81	165	115	103	44	36		
Other	298	322	312	75	111	160	133	46	58	145	182	201	100	67	-12.6%	8.6%
Total	**3,266**	**3,279**	**3,277**	**3,383**	**3,453**	**3,549**	**3,450**	**1,310**	**2,260**	**2,721**	**3,011**	**3,155**	**1,290**	**1,174**	**0.9%**	**-1.8%**
AGR	**-13.6%**	**0.4%**	**0.0%**	**3.2%**	**2.0%**	**2.8%**	**-2.8%**	**-62.0%**	**72.5%**	**20.4%**	**10.7%**	**4.8%**		**-8.9%**		

Annual Enplanement Shares by Airline													**Jan-May YTD**	
Airline	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024**	**2025**
Southwest	45.9%	46.2%	46.5%	45.7%	42.7%	42.2%	41.8%	44.0%	41.0%	36.4%	37.2%	37.8%	38.9%	39.8%
Delta	27.0%	26.0%	26.3%	24.5%	25.0%	25.2%	26.1%	20.0%	21.8%	24.7%	24.9%	24.7%	22.8%	24.2%
American	5.0%	3.9%	5.5%	12.6%	13.0%	12.2%	12.6%	16.5%	15.8%	14.2%	13.7%	15.3%	14.5%	15.9%
United	8.5%	9.3%	9.2%	9.0%	9.6%	8.8%	9.2%	8.9%	9.8%	10.1%	10.9%	10.4%	9.3%	9.2%
Frontier	4.5%	4.8%	3.0%	6.0%	6.6%	7.1%	6.5%	7.0%	5.5%	3.2%	3.3%	2.2%	3.3%	2.2%
Spirit									3.6%	6.1%	3.8%	3.3%	3.4%	3.1%
Other	9.1%	9.8%	9.5%	2.2%	3.2%	4.5%	3.9%	3.5%	2.5%	5.3%	6.1%	6.4%	7.8%	5.7%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Airport records.
Note: Southwest Airlines activity includes AirTran enplanements in its total for 2013.

3.5 | Scheduled Passenger Service

Table 13 and Figure 29 show the scheduled service trends at MKE from 2019 through the advance schedules for 2025, with three different measures: number of nonstop destinations, average daily departures, and average daily seats.

MKE experienced decreases in all three measures, primarily due to declines by Southwest, Delta, and Frontier from 2019 to 2023. Average daily seats decreased from 11,654 in 2019 to 6,942 in 2020 due to the COVID-19 pandemic. MKE's average daily seats have since been gradually recovering each year, ending 2024 with 10,807 daily seats, though 2025 is projecting a decrease to 10,496 based on advance schedules. Average daily departures also decreased from 98 in 2019 to 60 in 2020 before recovering to 86 by 2024; advance schedules project that number to be maintained through 2025. The number of nonstop destinations served at MKE shows a different pattern, decreasing from 45 in 2019 to 37 in 2020, recovering back to 45 in 2021—after a minor decrease through the next two years, the number of nonstop destinations returned to 45 in 2024, and is projected to increase to 49 in the advance schedules of 2025.

As MKE's largest carrier by enplanement share, Southwest also maintained the highest numbers in all three measures from 2019 through the advance schedules of 2024. However, Southwest suffered the second-largest drop in both seats and departures in 2020, with average daily departures decreasing by 10 (a 31.5 percent drop), and average daily seats decreasing by 1,557 (a 31.2 percent drop). While every other airline began to recover in the following year, both measures for Southwest continued to decrease through 2021 and 2022, finally turning upward in 2023. Southwest's average daily seats saw an overall reduction from 4,996 in 2019 to 4,200 by 2024, average daily departures decreased from 33 in 2019 to 26 in 2024, and the number of nonstop destinations decreased from 23 in 2019 to 18 in 2024. All three of Southwest's measures are expected to see a minor increase in the advance schedules for 2025, with 19 nonstop destinations, an average of 27 daily departures, and an average of 4,257 daily seats.

MKE's second-largest carrier, Delta, experienced the largest declines in average daily seats and departures in 2020, dropping by 1,659 seats (down 53.1 percent) and by 12 departures (down 46.6 percent). Unlike Southwest, Delta's recovery began immediately the next year, although it had not yet returned to 2019 levels as of 2024. In 2023, Delta's average daily seats reached 2,611, and its average daily departures reached 22. Daily average departures are expected to continue rising in the 2025 advance schedules up to 23, but daily average seats are projected to decrease to 2,579 seats.

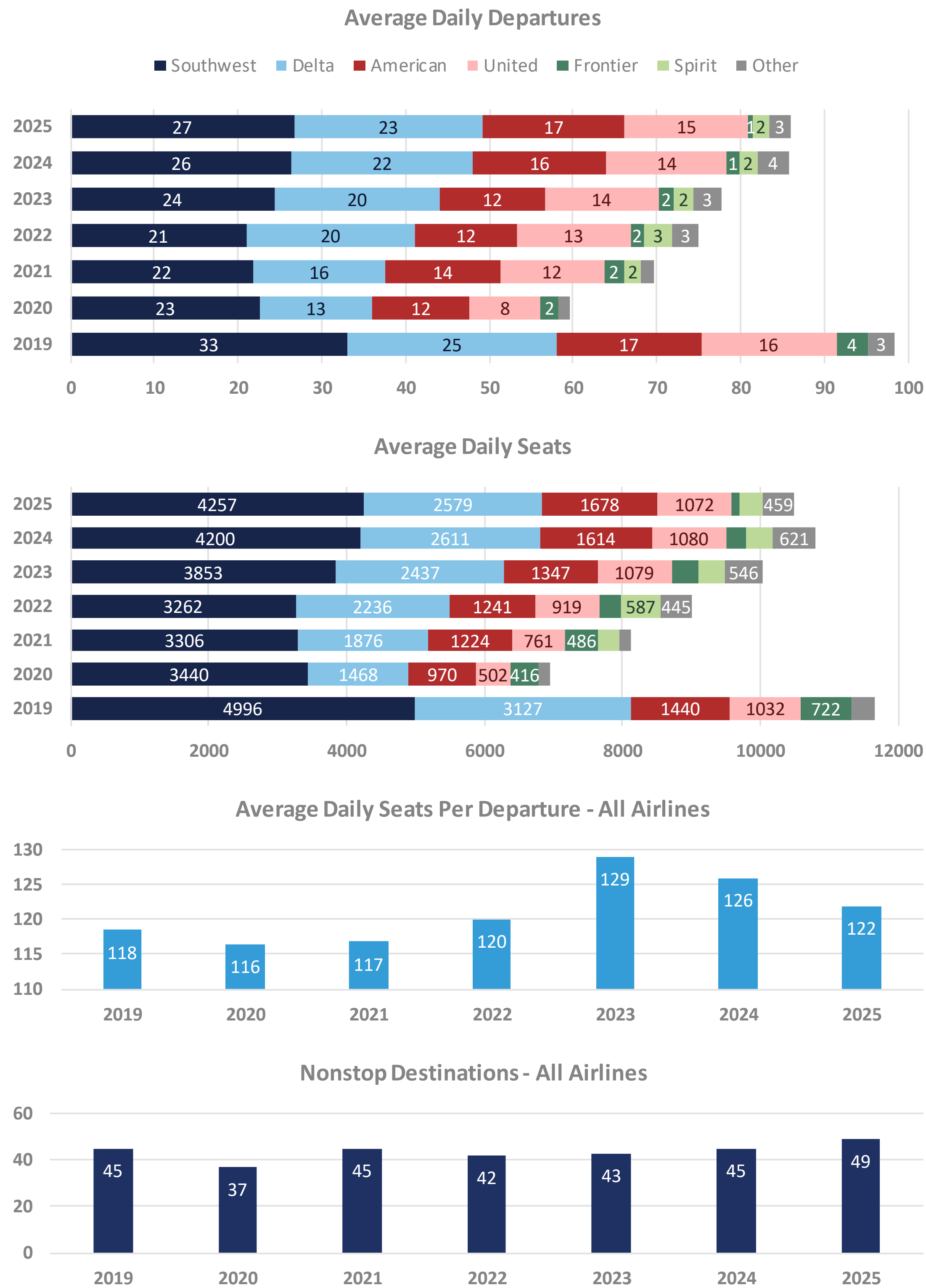
A common trend among airlines at MKE is the increased seat capacity per aircraft departure in the years following the pandemic's onset, evident in the faster recovery of daily seats relative to daily departures (or, in some cases, like Southwest and American, the continued reduction in departures). The Airport's average daily seats per departure across all airlines increased from 116 seats per departure in 2020 to a peak of 129 seats per departure in 2023, implying the use of larger aircraft with more capacity to serve more passengers per flight. However, this peak decreased to 126 in 2024, and is projected to decrease further to 122 seats per departure in 2025's advance schedules.

Table 13 | Scheduled Passenger Service at MKE, 2019-2025

Scheduled Service at MKE **Airline**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	
Southwest								
Number of Nonstop Destinations	23	20	20	18	16	18	19	↑
Average Daily Departures	33	23	22	21	24	26	27	↑
Average Daily Seats	4,996	3,440	3,306	3,262	3,853	4,200	4,257	↑
Delta								
Number of Nonstop Destinations	9	8	6	7	7	11	8	↓
Average Daily Departures	25	13	16	20	20	22	23	↑
Average Daily Seats	3,127	1,468	1,876	2,236	2,437	2,611	2,579	↓
American								
Number of Nonstop Destinations	5	6	6	6	7	8	7	↓
Average Daily Departures	17	12	14	12	12	16	17	↑
Average Daily Seats	1,440	970	1,224	1,241	1,347	1,614	1,678	↑
United								
Number of Nonstop Destinations	16	14	12	6	4	5	11	↑
Average Daily Departures	16	8	12	13	14	14	15	↑
Average Daily Seats	1,032	502	761	919	1,079	1,080	1,072	↓
Frontier								
Number of Nonstop Destinations	9	6	5	5	4	6	3	↓
Average Daily Departures	4	2	2	2	2	1	1	=
Average Daily Seats	722	416	486	316	385	298	119	↓
Spirit								
Number of Nonstop Destinations	0	0	8	9	3	6	9	↑
Average Daily Departures	0	0	2	3	2	2	2	=
Average Daily Seats	0	0	307	587	390	384	332	↓
Other								
Number of Nonstop Destinations	10	2	8	11	13	14	19	↑
Average Daily Departures	3	1	1	3	3	4	3	↓
Average Daily Seats	337	147	168	445	546	621	459	↓
All Airlines								
Number of Nonstop Destinations	45	37	45	42	43	45	49	↑
Average Daily Departures	98	60	70	75	78	86	86	=
Average Daily Seats	11,654	6,942	8,130	9,007	10,036	10,807	10,496	↓
Avg. Daily Seats Per Departure	118	116	117	120	129	126	122	↓

Source: OAG Schedules Analyzer, last accessed on May 16, 2025. Advance schedules for 2025 beyond the access date are subject to change.
Note: Nonstop destinations for United from the years 2021 through 2024 are instead sourced from the Airport.
Note: Spirit had 1 recorded departure and 62 recorded seats in 2020, both of which result in values that round down to 0 when calculating annual daily averages.

Figure 29 | Scheduled Passenger Service Trends, 2019-2025



Source: OAG Schedules Analyzer, last accessed on May 16, 2025.

3.6 | Top Domestic O&D Markets

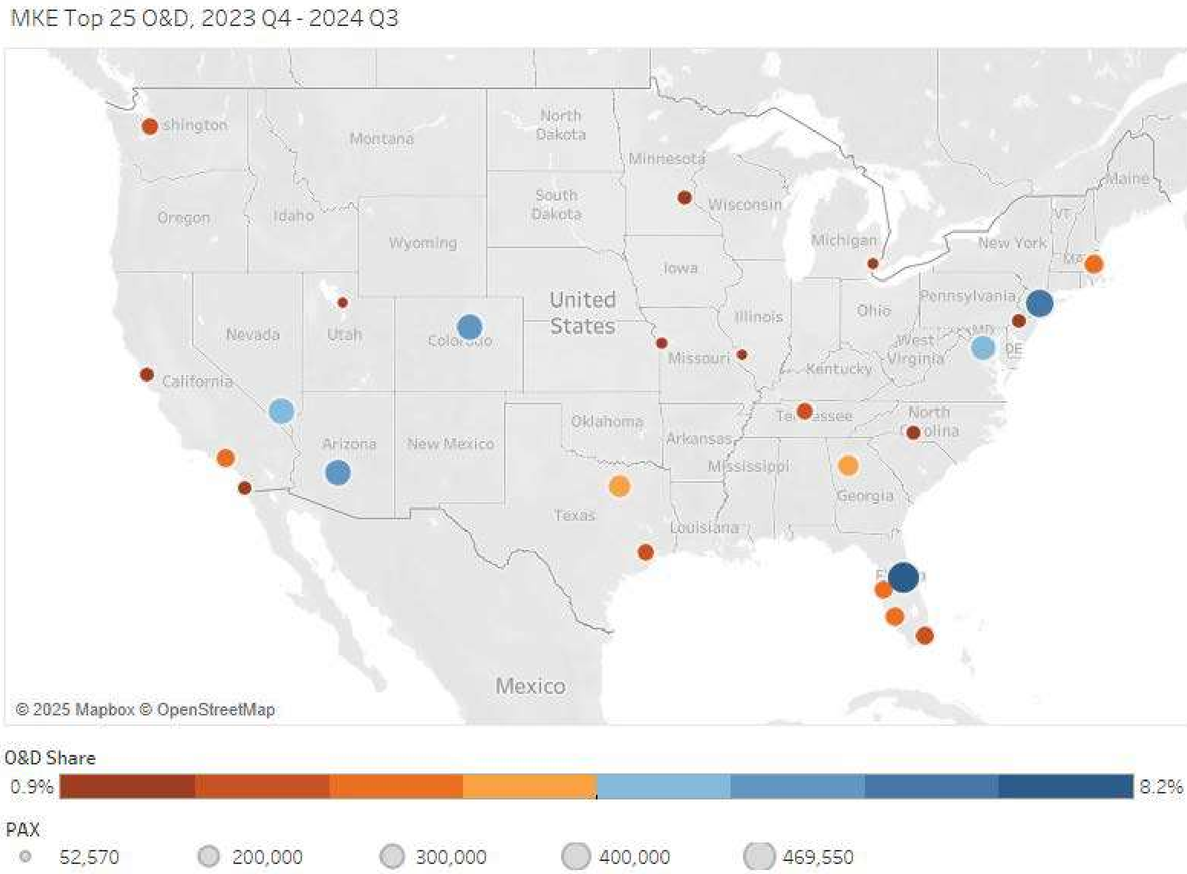
Table 14 and Figure 30 show MKE's top 25 domestic O&D markets from Q4 of 2023 through Q3 of 2024. Altogether, the top 25 markets make up 77.0 percent of O&D enplanements at MKE. Orlando, FL, held the largest O&D market share of 8.2 percent, followed by the New York City metropolitan area with 6.5 percent and Phoenix, AZ, with 5.6 percent. In addition to Orlando, three more of MKE's top 25 O&D markets are located in Florida: Fort Myers, Tampa, and the Miami metropolitan area. As a result, Florida made up 16.5 percent of MKE's O&D market in the period from Q4 of 2023 through Q3 of 2024.

Table 14 | MKE Top 25 O&D Markets, Q4 2023 – Q3 2024

Rank	Metro Market	Airports	O&D PAX	Share of O&D
1	Orlando, FL	MCO	469,550	8.2%
2	New York City, NY	EWR, JFK, LGA	371,850	6.5%
3	Phoenix, AZ	PHX	323,490	5.6%
4	Denver, CO	DEN	316,090	5.5%
5	Las Vegas, NV	LAS	310,160	5.4%
6	Washington, DC	BWI, DCA, IAD	290,520	5.0%
7	Dallas, TX	DFW, DAL	233,030	4.0%
8	Atlanta, GA	ATL	210,710	3.7%
9	Boston, MA	BOS, PVD	185,670	3.2%
10	Fort Myers, FL	RSW	176,120	3.1%
11	Los Angeles, CA	LAX, SNA, BUR, LGB, ONT	168,780	2.9%
12	Tampa, FL	TPA	160,790	2.8%
13	Miami, FL	MIA, FLL	143,660	2.5%
14	Seattle, WA	SEA	135,520	2.4%
15	Houston, TX	IAH, HOU	126,920	2.2%
16	Nashville, TN	BNA	123,440	2.1%
17	Minneapolis, MN	MSP	100,070	1.7%
18	San Francisco, CA	SFO, OAK, SJC	94,690	1.6%
19	Charlotte, NC	CLT	93,090	1.6%
20	San Diego, CA	SAN	83,500	1.5%
21	Philadelphia, PA	PHL	81,220	1.4%
22	Kansas City, MO	MCI	64,010	1.1%
23	Detroit, MI	DTW	59,120	1.0%
24	Salt Lake City, UT	SLC	56,200	1.0%
25	St. Louis, MO	STL	52,570	0.9%
	Top 25 O&D Metro Markets		**4,430,770**	**77.0%**
	Other		**1,323,690**	**23.0%**
	Total O&D		**5,754,460**	**100.0%**

Source: U.S. Bureau of Transportation Statistics DB1B, last accessed on May 19, 2025.

Figure 30 | MKE Top 25 O&D Market Map, Q4 2023 – Q3 2024



Source: U.S. Bureau of Transportation Statistics DB1B, last accessed on May 19, 2025.

3.7 | Comparison With Peer Airports

This subsection compares MKE's air traffic and market fare history with six peer airports that are closest in enplanement counts to MKE, based on the 2019 pre-pandemic rankings. These airports include Kahului (OGG), Jacksonville International (JAX), and Palm Beach International (PBI) as the three closest airports directly above MKE's 2019 enplanement count, along with Bradley International (BDL), Hollywood Burbank (BUR), and Ontario International (ONT) as the three closest airports directly below MKE's 2019 enplanement count.

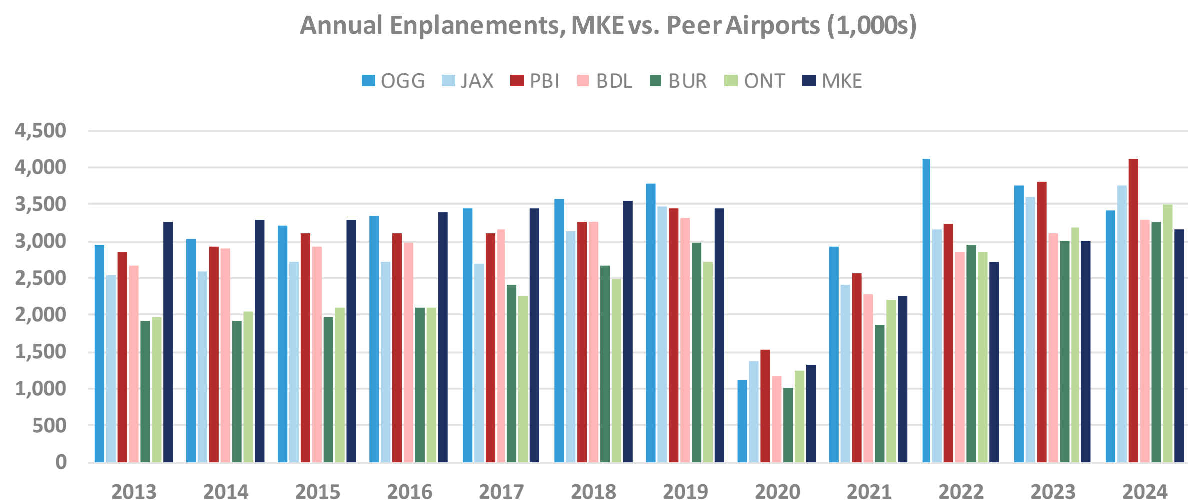
3.7.1 | Enplanement Trends vs. Peer Airports

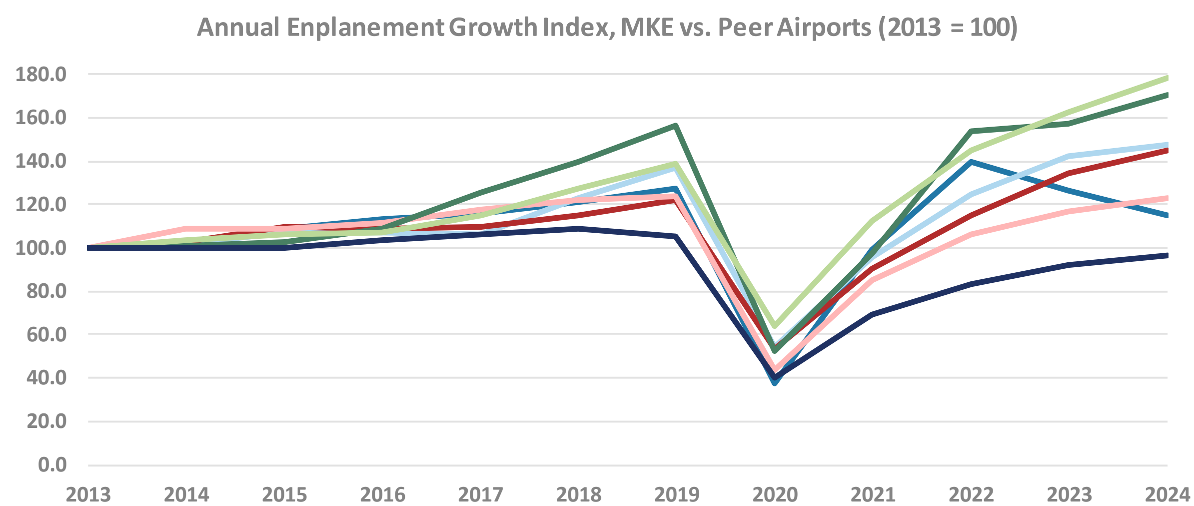
Figure 31 shows annual enplanements for MKE and its six peer airports from 2013 to 2024 and growth indexed to 2013. MKE entered the 2010s with significantly higher enplanements. However, following airline mergers and service cuts, MKE's enplanements decreased rapidly before stabilizing in 2013, the starting year for this comparison.

From there, MKE's growth remained relatively slow but still ahead of the peer airports, albeit with a closing gap with airports such as OGG and PBI. MKE maintained its lead until OGG slightly surpassed it in 2018. Soon after, JAX and PBI caught up and passed MKE in 2019, leading to its middle position in the sample that year.

As with the rest of the nation, all seven sample airports experienced a significant drop in 2020 and varying recovery levels by 2024. MKE's recovery placed lowest among the sampled airports with 3.2 million enplanements in 2024, about 91.4 percent of its 2019 level. That makes MKE one of three airports in the sample that are currently below their pre-pandemic levels, alongside OGG (90.3 percent of its 2019 level) and BDL (98.8 percent of its 2019 level).

Figure 31 | Annual Enplanement Growth Trends, MKE vs. Airports Closest in 2019 Enplanements, 2013-2024



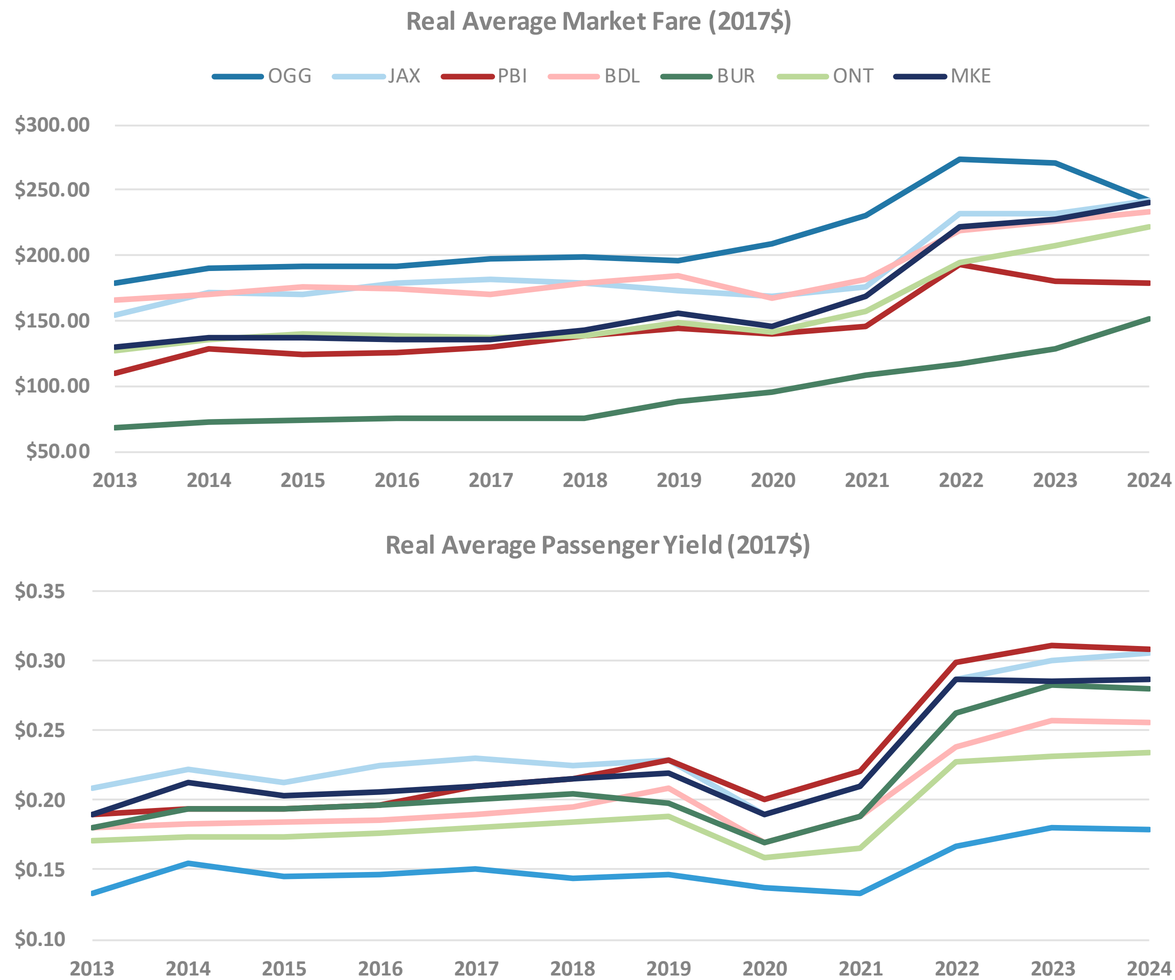


Sources: Airport records for MKE and U.S. Bureau of Transportation Statistics for peer airports.

3.7.2 | Airline Fare and Passenger Yield Trends vs. Peer Airports

Figure 32 shows the annual average market fare and passenger yield[37] levels for MKE and its six peer airports from 2013 to 2024, calculated in real 2017 dollars. MKE's real average market fare in 2013 was $129.47, placing in the median among the seven sampled airports. MKE's real average market fare stayed relatively stable and near the middle of its peers, with minor growth in 2018 and 2019. After dipping in 2020, MKE's average market fare rose faster in the following years, reaching $240.98 as of 2024, the third-highest average market fare among its peer airports. MKE's real average yield rose 10 percent from 2013 to 2014, then settled at around $0.21 until declining in 2020, after which it recovered and rose 51 percent over two years to $0.29 in 2022. As of 2024, however, MKE's real average yield has plateaued and remained at $0.29, the third highest among the sampled airports.

Figure 32 | Annual Market Fare and Yield, MKE vs. Airports Closest in 2019 Enplanements, 2013-2024



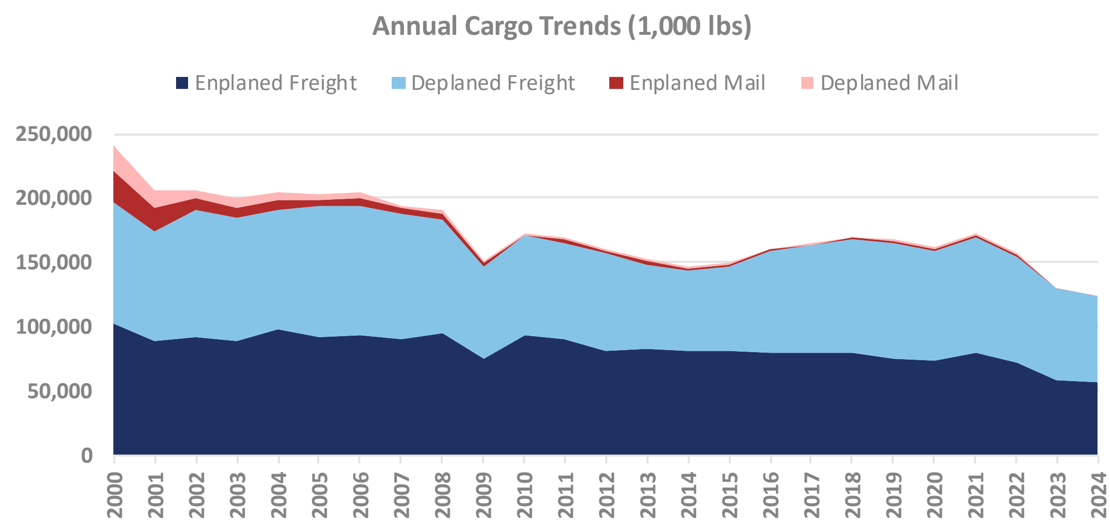
Source: U.S. Bureau of Transportation Statistics DB1B.

[37] Passenger yield is defined as the average fare per passenger mile flown.

3.8 | Air Cargo

As shown in Figure 33, MKE's air cargo activity gradually decreased from 241 million enplaned and deplaned pounds in 2000 down to 123 million pounds in 2024 (an overall CAGR of -2.8 percent). Two particularly sharp drops occurred in 2001 (down 14.5 percent) and 2009 (down 20.9 percent). The decline in 2001 did not see any recovery in the following years, and while 2010 partially recouped the 2009 decline, MKE's cargo levels never returned to pre-Great Recession levels. The onset of the pandemic in 2020 did not significantly impact air cargo, though the following year saw a 6.5 percent bump before returning to a downward trend that accelerated in 2023 with a 17.1 percent drop. As of 2024, cargo has decreased further, down to 123 million pounds.

Figure 33 | Annual Air Cargo Trends, 2000-2024

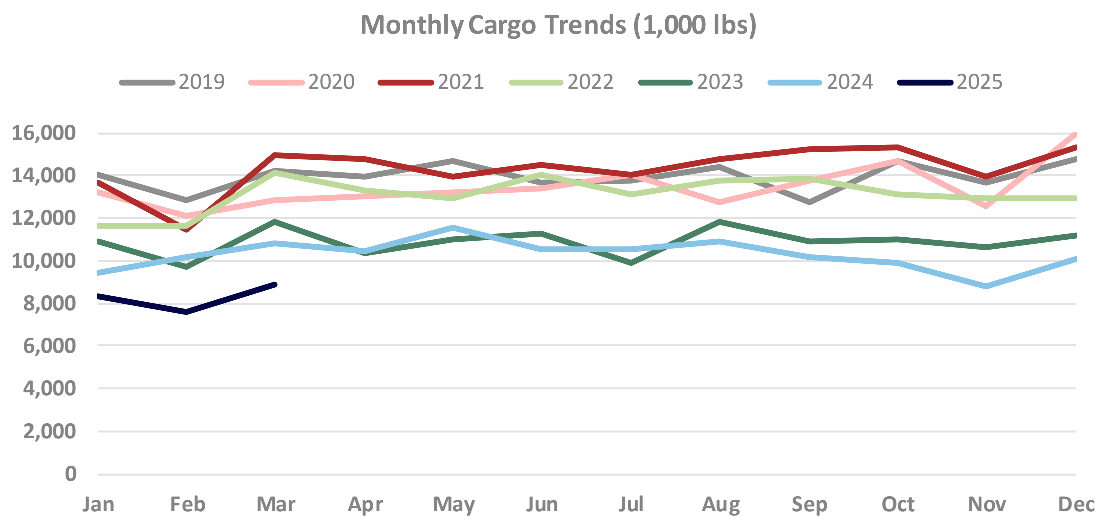


Source: Airport records.

Figure 34 shows MKE's monthly air cargo trends from 2019 through 2024. MKE's air cargo activity does not show consistent seasonal variation. December is the most frequently occurring peak month, although there are several instances where other months match or surpass it. February typically sees the least activity, except in 2017 when July showed the lowest monthly activity. Cargo has slowly declined after 2021, with 2023's cargo levels having a substantial gap below prior years for all 12 months. Cargo levels were mostly on par with 2023 levels through the first half of 2024, but decreased further from August 2024 onward.

The first quarter of 2025 shows notably lower cargo activity than in previous years, due in part to FedEx reducing its activity at MKE by more than half as of October 2024. FedEx was originally the largest contributor to MKE's cargo, but its January-to-March 2025 year-to-date total landed weight is roughly 60 percent less than its same period total for 2024. This also means UPS currently stands as MKE's largest cargo contributor in terms of landed weight. CSA and Pro Aire also reduced their activity within the first quarter of 2025. Nationwide, air cargo carried by U.S. airlines decreased 1.5 percent year-over-year through February.[38]

Figure 34 | Monthly Air Cargo Trends, 2019 – March 2025



Source: Airport records.

3.9 | Aircraft Landings and Landed Weight[39]

Figure 35 shows the annual trends for MKE's landings and landed weight from 2013 to 2024, broken down by airline, while Table 15 and Table 16 show the underlying data. Both landings and landed weight trends reflect those of enplanements, reducing rapidly through the first half of the decade.

Landings had already declined, from 50,272 in 2013 to 45,132 in 2019, before falling sharply to 29,393 at the start of the pandemic in 2020. Slow recovery has increased landings to 39,891 as of 2024, leading to an overall CAGR of -2.1 percent from 2013 to 2024. While Southwest leads the market with more enplanements than Delta, in terms of landing count, the two airlines have gradually become closer over the years. As of 2024, Southwest has operated 9,623 landings (a 24.1 percent market share), while Delta had a count of 7,997 landings (a 20.0 percent market share).

Landed weight trends show a similar pattern to landings, declining from 2013 through 2015, stabilizing through the latter half of the decade, then dropping again due to the pandemic. However, the decline from 4.5 billion pounds in 2013 to 4.3 billion pounds in 2024 (a CAGR of -0.5 percent) was not as proportionally significant as the decline in landings. Additionally, the rate of recovery in landed weight in the years after 2020 has outpaced that of landings, implying the use of larger,

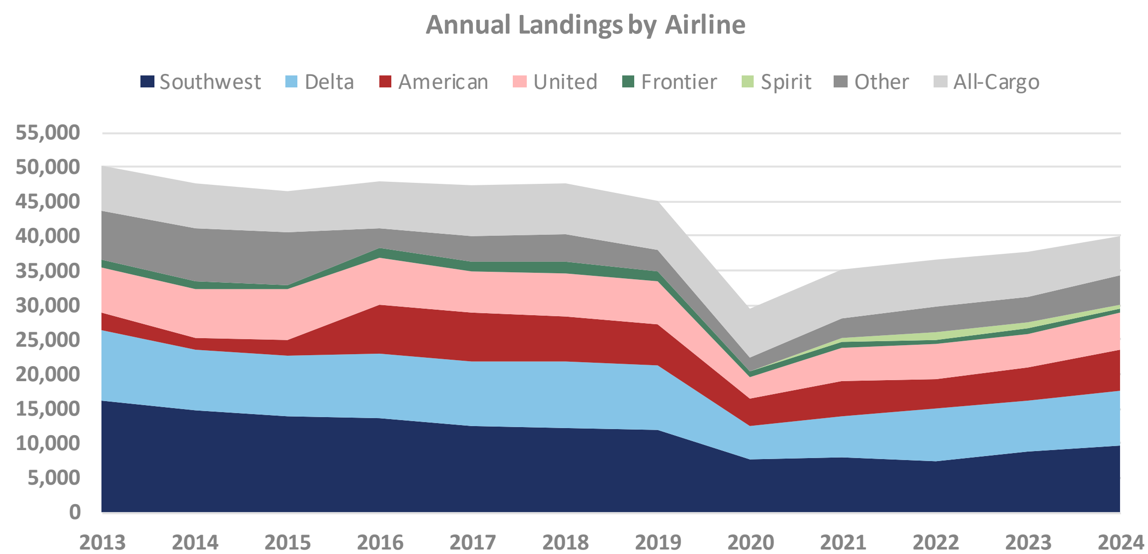
[38] Bureau of Transportation Statistics T-100 segment data.

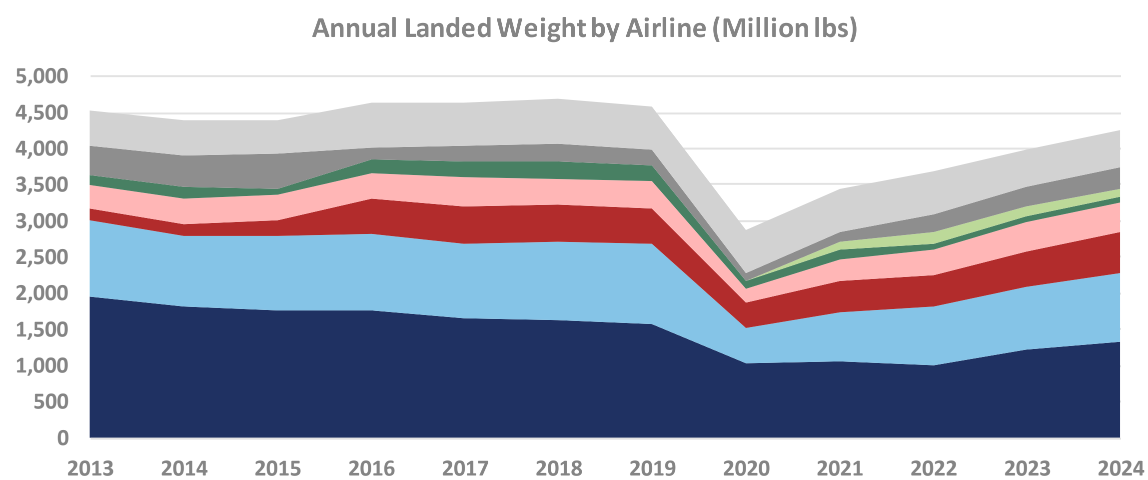
[39] Not including general aviation and military landings and landed weight.

higher-capacity aircraft. Southwest once again leads the market distribution in landed weight with a share of 31.3 percent.

The first quarter of 2025 currently shows declines in both measures for MKE compared to the same period in 2024. As of March 2025, the year-to-date landing total has decreased 3.7 percent from the same period in 2024, while the year-to-date landed weight total has decreased 7.9 percent. While the declines are evident in most airlines serving at MKE, American, Delta, and United still show year-to-date increases in their landing numbers, and American and Delta still show increases in their landed weight.

Figure 35 | Annual MKE Landings and Landed Weight Trends, 2013-2024





Source: Airport records.
Note: Southwest Airlines activity includes AirTran landings and landed weight in its total for 2013.

Table 15 | Annual Landings by Airline, 2013 – March 2025

Annual Landings by Airline													**Jan-May YTD**		**CAGR**	
Airline	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024**	**2025**	**2013-2019**	**2019-2024**
Southwest	16,218	14,635	13,916	13,703	12,619	12,242	11,832	7,709	7,903	7,495	8,862	9,623	4,183	4,002	-5.1%	-4.0%
Delta	10,074	8,829	8,835	9,275	9,234	9,706	9,358	4,786	5,996	7,428	7,372	7,997	3,023	3,299	-1.2%	-3.1%
American	2,758	1,764	2,180	7,137	7,010	6,531	6,187	4,006	5,030	4,426	4,678	5,971	2,291	2,458	14.4%	-0.7%
United	6,385	7,162	7,268	6,703	5,904	6,261	6,061	3,213	4,769	5,060	5,014	5,278	1,944	2,000	-0.9%	-2.7%
Frontier	1,118	1,151	754	1,387	1,511	1,544	1,383	755	900	590	679	525	334	167	3.6%	-17.6%
Spirit		1	1		5			1	712	1,185	793	770	323	288		
Other	7,211	7,606	7,730	2,850	3,637	3,967	3,190	2,079	2,835	3,654	3,915	4,098	1,777	1,501	-12.7%	5.1%
Subtotal	**43,764**	**41,148**	**40,684**	**41,055**	**39,920**	**40,251**	**38,011**	**22,549**	**28,145**	**29,838**	**31,313**	**34,262**	**13,875**	**13,715**	**-2.3%**	**-2.1%**
All-Cargo	6,508	6,373	5,792	6,871	7,332	7,483	7,121	6,844	7,037	6,778	6,408	5,629	2,419	2,075	1.5%	-4.6%
Total	**50,272**	**47,521**	**46,476**	**47,926**	**47,252**	**47,734**	**45,132**	**29,393**	**35,182**	**36,616**	**37,721**	**39,891**	**16,294**	**15,790**	**-1.8%**	**-2.4%**
AGR	**74.7%**	**-5.5%**	**-2.2%**	**3.1%**	**-1.4%**	**1.0%**	**-5.5%**	**-34.9%**	**19.7%**	**4.1%**	**3.0%**	**5.8%**		**-3.1%**		

Annual Landing Shares													**Jan-May YTD**	
Airline	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024**	**2025**
Southwest	32.3%	30.8%	29.9%	28.6%	26.7%	25.6%	26.2%	26.2%	22.5%	20.5%	23.5%	24.1%	25.7%	25.3%
Delta	20.0%	18.6%	19.0%	19.4%	19.5%	20.3%	20.7%	16.3%	17.0%	20.3%	19.5%	20.0%	18.6%	20.9%
American	5.5%	3.7%	4.7%	14.9%	14.8%	13.7%	13.7%	13.6%	14.3%	12.1%	12.4%	15.0%	14.1%	15.6%
United	12.7%	15.1%	15.6%	14.0%	12.5%	13.1%	13.4%	10.9%	13.6%	13.8%	13.3%	13.2%	11.9%	12.7%
Frontier	2.2%	2.4%	1.6%	2.9%	3.2%	3.2%	3.1%	2.6%	2.6%	1.6%	1.8%	1.3%	2.0%	1.1%
Spirit									2.0%	3.2%	2.1%	1.9%	2.0%	1.8%
Other	14.3%	16.0%	16.6%	5.9%	7.7%	8.3%	7.1%	7.1%	8.1%	10.0%	10.4%	10.3%	10.9%	9.5%
Subtotal	**87.1%**	**86.6%**	**87.5%**	**85.7%**	**84.5%**	**84.3%**	**84.2%**	**76.7%**	**80.0%**	**81.5%**	**83.0%**	**85.9%**	**85.2%**	**86.9%**
All-Cargo	12.9%	13.4%	12.5%	14.3%	15.5%	15.7%	15.8%	23.3%	20.0%	18.5%	17.0%	14.1%	14.8%	13.1%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Airport records.
Note: Southwest Airlines activity includes AirTran landings in its total for 2013.

Table 16 | Annual Landed Weight by Airline, 2013 – March 2025

Annual Landed Weight by Airline (1,000,000 lbs)													Jan-May YTD		CAGR	
Airline	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024**	**2025**	**2013-2019**	**2019-2024**
Southwest	1,947	1,806	1,773	1,758	1,645	1,624	1,563	1,022	1,047	1,015	1,228	1,338	577	560	-3.6%	-3.1%
Delta	1,052	998	1,021	1,050	1,032	1,083	1,108	504	687	802	869	936	353	367	0.9%	-3.3%
American	179	150	211	512	530	515	507	341	442	440	475	573	223	233	19.0%	2.5%
United	308	346	346	347	397	359	374	183	288	339	399	400	148	139	3.3%	1.3%
Frontier	153	159	103	195	220	234	207	110	134	86	104	81	51	26	5.2%	-17.2%
Spirit									100	174	115	114	47	44		
Other	392	434	473	153	203	251	213	120	140	235	272	297	144	104	-9.6%	6.9%
Subtotal	**4,031**	**3,894**	**3,927**	**4,016**	**4,027**	**4,064**	**3,973**	**2,279**	**2,839**	**3,091**	**3,463**	**3,739**	**1,542**	**1,473**	**-0.2%**	**-1.2%**
All-Cargo	485	496	460	614	612	628	610	601	618	592	526	531	215	155	3.9%	-2.7%
Total	**4,517**	**4,389**	**4,388**	**4,630**	**4,640**	**4,693**	**4,583**	**2,880**	**3,456**	**3,683**	**3,989**	**4,270**	**1,757**	**1,627**	**0.2%**	**-1.4%**
AGR	**146.3%**	**-2.8%**	**0.0%**	**5.5%**	**0.2%**	**1.1%**	**-2.3%**	**-37.2%**	**20.0%**	**6.6%**	**8.3%**	**7.0%**		**-7.4%**		

Annual Landed Weight Shares													Jan-May YTD	
Airline	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2024**	**2025**
Southwest	43.1%	41.1%	40.4%	38.0%	35.5%	34.6%	34.1%	35.5%	30.3%	27.5%	30.8%	31.3%	32.8%	34.4%
Delta	23.3%	22.7%	23.3%	22.7%	22.2%	23.1%	24.2%	17.5%	19.9%	21.8%	21.8%	21.9%	20.1%	22.5%
American	4.0%	3.4%	4.8%	11.1%	11.4%	11.0%	11.1%	11.8%	12.8%	12.0%	11.9%	13.4%	12.7%	14.3%
United	6.8%	7.9%	7.9%	7.5%	8.6%	7.6%	8.2%	6.3%	8.3%	9.2%	10.0%	9.4%	8.4%	8.6%
Frontier	3.4%	3.6%	2.3%	4.2%	4.8%	5.0%	4.5%	3.8%	3.9%	2.3%	2.6%	1.9%	2.9%	1.6%
Spirit									2.9%	4.7%	2.9%	2.7%	2.7%	2.7%
Other	8.7%	9.9%	10.8%	3.3%	4.4%	5.3%	4.7%	4.2%	4.0%	6.4%	6.8%	7.0%	8.2%	6.4%
Subtotal	**89.3%**	**88.7%**	**89.5%**	**86.7%**	**86.8%**	**86.6%**	**86.7%**	**79.1%**	**82.1%**	**83.9%**	**86.8%**	**87.6%**	**87.8%**	**90.5%**
All-Cargo	10.7%	11.3%	10.5%	13.3%	13.2%	13.4%	13.3%	20.9%	17.9%	16.1%	13.2%	12.4%	12.2%	9.5%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Airport records.
Note: Southwest Airlines activity includes AirTran landed weight in its total for 2013.

3.10 | Forecast Commercial Aviation Activity

Our forecast considers shifts in air service supply and demand, changes in the business environment, and the underlying factors driving passenger traffic growth. To project air traffic through different stages of growth, we use a hybrid modeling framework that integrates multiple forecasting methods and data sources.

We present two scenarios—Base and Low—each reflecting different paces of short- and long-term growth. The Base scenario assumes that recent economic and air traffic trends will continue. The Low scenario takes a more cautious view, considering longer-lasting labor and fleet constraints on airline capacity, dampening effects of high prices on discretionary travel spending, a cooling labor market, and slowing economic growth.

The two scenarios provide a reasonable range for planning and sensitivity analysis. However, forecasts are inherently uncertain, and many factors can cause actual performance to deviate from the projected range. In addition, structural changes in the airline industry and the broader economy heighten risks and uncertainties. At the end of this section, we will discuss various factors contributing to forecast risk and uncertainty.

3.10.1 | Forecast Methodology

Our hybrid modeling framework uses various forecasting methods and data sources to project air traffic in two distinct phases (Figure 36):

- Short-term recovery - We analyze recovery trends and project flights, seats, and enplanements at the airline level based on advance airline schedules, schedule completion rates, and boarding load factors. This process produces near-term projections through November 2025. Beyond that, we analyze the trends in monthly enplanements and assume a stabilization in enplanement growth through the remainder of 2025.
- Long-term growth - Once growth stabilizes, we switch to multivariate regression analysis to quantify the contribution of key market drivers (income and price) to air travel demand. We then forecast annual enplanement growth based on the projected trends in these drivers.

By dividing the forecast period into phases, we can apply the most appropriate methods, data, and assumptions to capture the factors driving air traffic trends in each phase. For example, airline schedules and operational factors provide a good basis for short-term projections. In the long run, market factors, such as income and price, primarily drive long-term passenger traffic, which in turn drives aircraft operations and landed weight. Multivariate regression analysis provides a better framework for linking long-term traffic growth to these market factors.

Figure 36 | Hybrid Forecast Development by Phase

SHORT-TERM TRANSITION PHASE

- Analyze traffic growth rates
- Use actual traffic data, TSA throughput, and airline schedules
- Project schedule completion rates and boarding load factors
- Methods: trend analysis

LONG-TERM GROWTH PHASE

- Market demand factors drive enplanement growth
- Forecast scenarios
- Method: multivariate time series regression

Source: Unison Consulting, Inc.

3.10.2 | Short-Term Phase

In this phase, forecast development considers the recent progress in traffic recovery based on actual airport activity (enplanements, departures, and landed weight) through March 2025, TSA screening throughput through May 2025, and advance airline schedules (accessed in May 2025).[40]

Advance airline schedules provide the starting point for projecting seats and enplanements only through November 2025. Beyond that, advance schedules become less reliable due to changes in airline networks and routes. To account for potential schedule adjustments, we apply a completion factor to scheduled seats. This considers weather and aircraft maintenance disruptions, as well as periodic schedule adjustments anticipating flight bookings and the projected availability of aircraft and crew. Table 17 shows the projected schedule completion rates decreasing from 100 percent to 97 percent in the Base scenario and 93 percent in the Low scenario by November 2025.

Table 17 | Projected Schedule Completion Rates and Seats

	Schedule Completion Rate		Projected Seats	
Month	Base	Low	Base	Low
Apr-25	100.0%	100.0%	319,929	319,929
May-25	100.0%	100.0%	322,526	322,526
Jun-25	100.0%	100.0%	335,578	335,578
Jul-25	100.0%	100.0%	343,473	343,473
Aug-25	100.0%	100.0%	329,714	329,714
Sep-25	99.0%	95.0%	319,008	306,119
Oct-25	98.0%	94.0%	344,805	330,731
Nov-25	97.0%	93.0%	300,897	288,489

Source: OAG Schedules Analyzer and Unison Consulting, Inc.

[40] After the forecast was completed, April airport statistics became available and showed trends similar to those observed in March.

We apply boarding load factors (BLFs) to projected seats to estimate monthly enplanements. The BLF assumptions in Table 18 reflect seasonal patterns and a stabilization in travel patterns. In 2024, the Airport's monthly BLF averaged 79.3 percent, 1.0 percentage points lower than 2019 levels (80.3 percent).

In 2025, based on trends through May, we expect the BLF to decrease slightly in the Base scenario and trend lower in the Low scenario. We project the average monthly BLF to be around 78.3 percent in the Base scenario and 75.3 percent in the Low scenario.

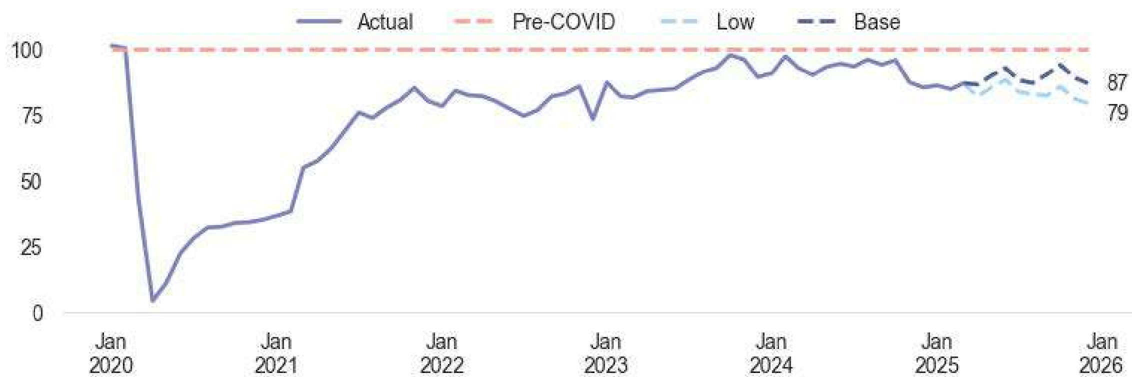
Table 18 | Actual and Projected Boarding Load Factors (BLFs)

	Historical			2025 Boarding Load Factors	
Month	**2019**	**2023**	**2024**	**Base**	**Low**
Jan	70.7%	79.6%	71.6%	73.9%	73.9%
Feb	76.9%	79.8%	79.2%	76.9%	76.9%
Mar	82.1%	85.5%	80.9%	78.7%	78.7%
Apr	75.9%	79.8%	76.3%	75.0%	71.0%
May	81.3%	82.1%	81.0%	80.0%	76.0%
Jun	84.9%	85.8%	82.7%	81.7%	77.7%
Jul	87.2%	84.3%	80.4%	79.7%	75.7%
Aug	85.4%	83.2%	81.1%	80.3%	76.3%
Sep	80.0%	78.6%	78.5%	77.2%	73.2%
Oct	82.0%	82.7%	81.7%	80.3%	76.3%
Nov	76.4%	79.3%	78.1%	76.9%	72.9%
Dec	80.9%	76.2%	80.1%	78.7%	74.7%
Average	80.3%	81.4%	79.3%	78.3%	75.3%

Source: Unison Consulting, Inc.
Notes: BLF = enplanements/OAG available seats. Forecasts begin in April 2025.

Monthly enplanements (indexed to 2019 in Figure 37) show a stabilization in air traffic patterns since mid-2024. By December 2025, monthly enplanements are expected to reach 87 percent and 79 percent of 2019 levels in the Base and Low scenarios, respectively.

Figure 37 | Monthly Enplanements: Actual and Forecast Indexed to 2019 Level

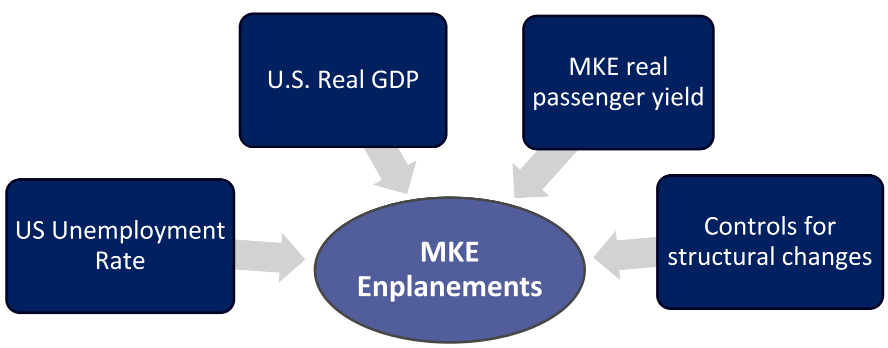


Source: Unison Consulting, Inc.

3.10.3 | Long-Term Phase

After 2025, we transition into the long-term forecasting phase and shift to a demand-driven approach. We assume that traffic growth will follow historical patterns, with market factors driving passenger traffic and airlines adjusting supply to meet demand. Multivariate time series regression analysis provides a rigorous quantitative framework for measuring the impact of market drivers (income and price indicators) on enplanement growth while considering structural changes (Figure 38).

Figure 38 | Key Drivers of Enplanement Growth



Source: Unison Consulting, Inc.

Forecasting using regression analysis involves two steps:

1. Model estimation – We estimate the regression equation using historical and short-term forecast data (1993-2025). The equation includes “coefficients” that measure the effect of each driver on enplanements.

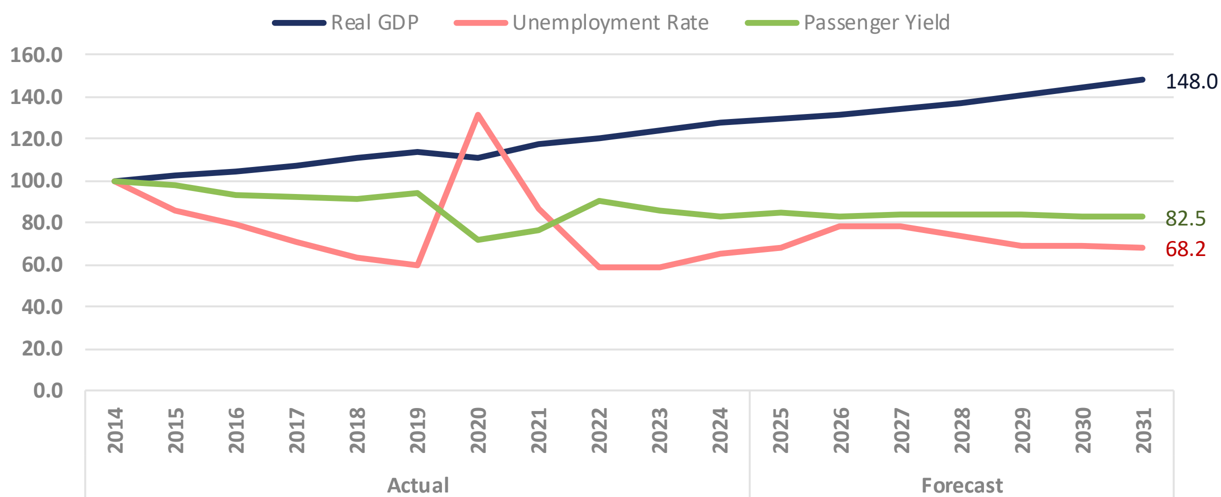
2. Forecast development – We combine the regression coefficient estimates with projections of market drivers to forecast enplanement growth.

The regression estimation method minimizes forecast errors, which measure the differences between the actual and predicted enplanement levels.

Consumer demand theory, along with our assessment of structural changes at the Airport and the aviation industry, informs the specification of the regression model. The dependent variable is enplanements, and the key explanatory variables include economic indicators (U.S. unemployment rate and real GDP) and a price indicator (MKE's real passenger yield).[41]

Figure 39 presents the historical and forecast trends for these variables for the Base scenario.[42] The projections for these variables utilize Moody's Analytics' April 2025 Base forecasts for U.S. real GDP, unemployment rate, and consumer price index. The Low scenario utilizes Moody's 75th- and 90th-percentile downside scenarios (March 2025 vintage) for U.S. unemployment rate and real GDP. Additionally, we adjusted Moody's Analytics forecasts to account for subsequent macroeconomic developments that increased downside risks, more recent economic forecasts from the WSJ Economic Forecasting Survey, and tariff impact estimates from The Budget Lab at Yale (April 2025).

Figure 39 | Key Regression Model Explanatory Variables: Historical and Forecast Trends



Sources: Moody's Analytics, U.S. Department of Transportation, and Federal Aviation Administration.

[41] "Real" GDP and "real" passenger yield refer to inflation-adjusted GDP and passenger yield, as opposed to their nominal counterparts.

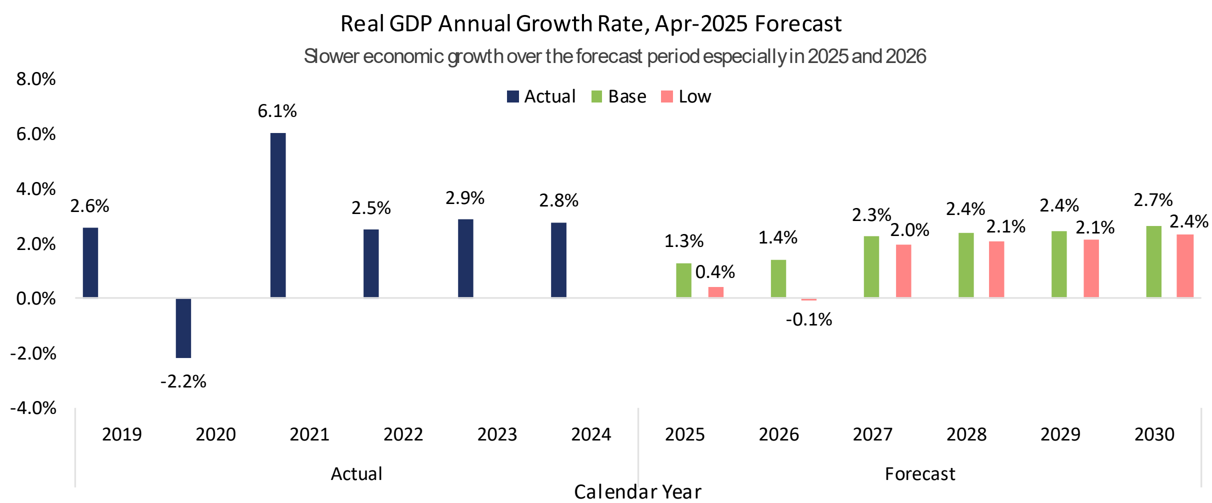
[42] For instance, the graph shows that real GDP in 2030 is expected to be 44 percent above the 2014 level.

U.S. Real Gross Domestic Product

U.S. real GDP is a comprehensive indicator of national economic conditions and income levels, both of which drive air travel demand. Holding all other factors constant, increases in real GDP stimulate enplanements, while decreases lower enplanements. The positive and statistically significant regression coefficient U.S. real GDP confirms this direct relationship.

As shown in Figure 40, the Base scenario projects an average annual growth rate of 2.1 percent between 2025 and 2030, with a slowdown in 2025-2026 (1.3-1.4 percent annual growth). This average growth rate is below both the historical average of 2.6 percent observed from 2014 to 2019 and the average of 2.4 percent recorded between 2019 and 2024. The Low scenario anticipates a contraction in 2026 and a slower ensuing recovery, yielding a modest average annual growth rate of 1.6 percent.

Figure 40 | Actual and Projected Real GDP Annual Growth Rate, 2019 - 2030



Sources: Moody's Analytics.

US Unemployment Rate

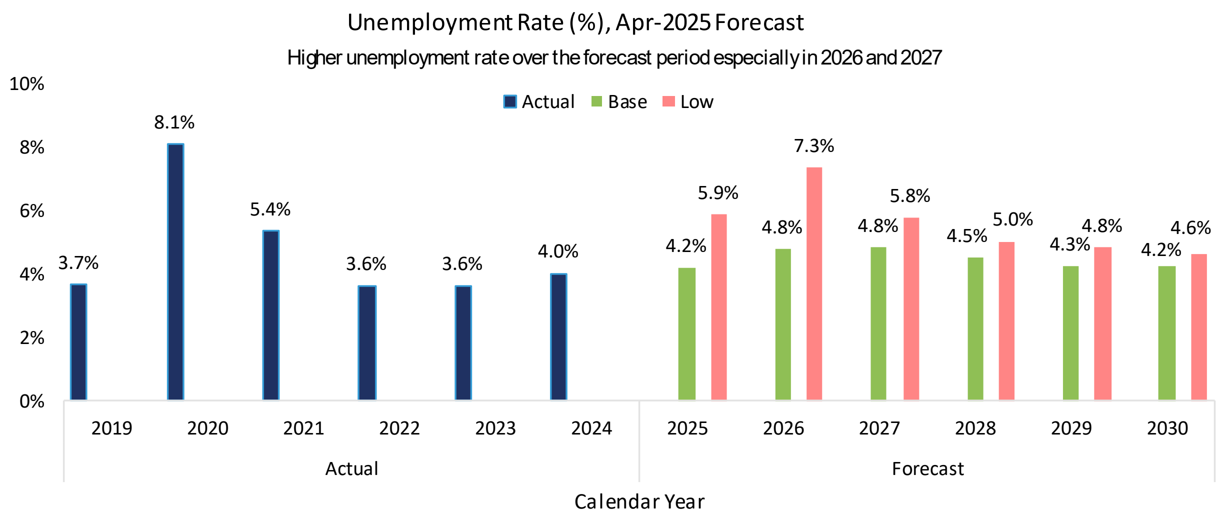
The national unemployment rate reflects the overall condition of the national labor market. Decreases in this measure indicate a growing economy, potentially leading to higher passenger traffic. The negative and statistically significant regression coefficient of this variable confirms an inverse relationship.

Prior to the pandemic, the U.S. unemployment rate had consistently declined, reaching historic lows in 2019. However, this trend reversed in 2020, with unemployment rates rising sharply during the 2020 recession. They also retreated quickly to pre-pandemic low levels in 2022 and 2023. The labor market began to show signs of cooling in 2024, with an uptick in the unemployment rate.

Under the Base scenario, unemployment is projected to rise to around 4.8 percent in 2026 and 2027 before falling to around 4.2 percent by 2031—all above current levels (Figure 41). Compared to the

Base scenario, the Low scenario anticipates a significant rise in unemployment rate in the near term to a peak of 7.3 percent in 2026, before falling to around 4.6 percent by 2030.

Figure 41 | Actual and Projected U.S. Unemployment Rate, 2019 – 2030



Sources: Moody's Analytics.

Real Passenger Yield at MKE

Consumer theory suggests an inverse relationship between airfare and passenger traffic. Holding all else constant, an increase in price decreases passenger traffic, while a decrease in price increases passenger traffic. Our measure of price is the average real passenger yield, calculated as total airline passenger revenues divided by revenue passenger miles, adjusted for inflation. This measure controls trip distance and is a better indicator of the price of air travel than average airfare. Regression analysis supports the theory, showing a negative and statistically significant regression coefficient for real passenger yield.

Before the pandemic, MKE's real passenger yield was relatively stable, ranging between $0.19 and $0.21 between 2012 and 2019. During the pandemic, airlines significantly reduced airfares to stimulate travel, lowering yields to a trough of $0.16. Since the traffic rebounded, airlines have raised airfares, and real passenger yield has risen to $0.17 by the end of 2024. Based on the FY2024- 2044 FAA Aerospace Forecast of U.S. domestic yields, we expect the Airport's real passenger yield to rise slightly in the near term before falling to $0.17 by 2030.

Structural Changes

The regression model accounts for structural changes due to historical events:

- The 9/11 terrorist attacks in 2001, significantly disrupting U.S. aviation.
- Southwest's entry in 2009 and expansion with its acquisition of AirTran, leading to significant growth in MKE enplanements.

- Frontier’s dehubbing beginning in 2010, leading to a slowdown in air traffic activity at the Airport.
- The COVID-19 pandemic that caused an unprecedented drop in passenger traffic.

The regression model also included an autoregressive term to control for serial correlation. Together, these explanatory variables prove to be strong predictors of changes in MKE’s enplanement levels.

3.10.4 | Forecast Results

Figure 42 presents the enplanement forecast results and compares them with the FAA's 2024 Terminal Area Forecast (TAF), published in January 2025. Detailed forecast data are provided in Table 19 through Table 26 and summarized below:

- **Base Scenario:** Annual enplanements are projected to reach 3.00 million in 2025 and 2026, and subsequently resume growth, approaching 3.46 million by the end of 2030 (CAGR: 1.5 percent).

- **Low Scenario:** Annual enplanements are expected to decrease to 2.8 million in 2025 and further to 2.7 million in 2025 before recovering. By 2030, enplanements are forecasted to reach 3.3 million (CAGR: 0.6 percent).

- **2024 FAA TAF (January 2025):** The TAF forecasts are on a federal fiscal year basis, ending September 30. Compared to the scenarios outlined in this study, the TAF anticipates a similar downturn in 2025 but expects a quicker recovery thereafter. By the end of the forecast period, TAF enplanements are projected at approximately 3.6 million, surpassing the Base scenario by 5 percent and the Low scenario by 11 percent. Given that the TAF was prepared in 2024, it may not fully account for subsequent economic deterioration and heightened downside risks.

Seats and aircraft departures (landings) are forecast based on projected annual enplanements, average seating capacities, and boarding load factors. By the end of the forecast period, annual aircraft departures are anticipated to reach:

- 43,933 departures under the Base scenario (CAGR: 1.6 percent)

- 41,834 departures under the Low scenario (CAGR: 0.8 percent)

Landed weight forecasts, derived from projected aircraft landings, indicate that by the end of the forecast period, total landed weight will reach:

- 4.6 billion pounds under the Base scenario (CAGR: 1.1 percent)

- 4.3 billion pounds under the Low scenario (CAGR: 0.3 percent)

Figure 42 | Forecast Commercial Aviation Activity at MKE

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.

Table 19 | Forecast Enplanements – Base Scenario at MKE

	Actual						Forecast						CAGR
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2024-2030**
Enplanements (1,000s)													
Alaska	51	19	40	53	58	71	71	71	73	76	79	82	2.5%
American	434	217	358	386	413	484	490	489	502	523	544	565	2.6%
Delta	901	262	493	672	751	778	749	748	767	799	832	864	1.7%
Frontier	223	92	124	87	99	69	32	32	33	34	35	37	-9.9%
Southwest	1,443	577	926	991	1,121	1,193	1,174	1,172	1,202	1,252	1,305	1,353	2.1%
Spirit	0	0	81	165	115	103	91	91	94	98	102	105	0.4%
Sun Country	5	3	7	15	25	54	52	52	53	55	57	60	1.8%
United	316	116	220	276	330	327	319	319	327	341	355	368	2.0%
Passenger - Signatory	3,387	1,286	2,202	2,683	2,959	3,025	2,978	2,974	3,050	3,177	3,310	3,434	2.1%
Passenger - Nonsignatory	63	24	58	38	52	130	21	21	22	22	23	24	-24.4%
Total	**3,450**	**1,310**	**2,260**	**2,721**	**3,011**	**3,155**	**2,999**	**2,995**	**3,072**	**3,200**	**3,333**	**3,458**	**1.5%**
Annual percentage change		-62.0%	72.5%	20.4%	10.7%	4.8%	-4.9%	-0.1%	2.6%	4.2%	4.2%	3.7%	
Enplanement Shares													
Alaska	1.5%	1.5%	1.8%	1.9%	1.9%	2.2%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	
American	12.6%	16.5%	15.8%	14.2%	13.7%	15.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	
Delta	26.1%	20.0%	21.8%	24.7%	24.9%	24.7%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
Frontier	6.5%	7.0%	5.5%	3.2%	3.3%	2.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	
Southwest	41.8%	44.0%	41.0%	36.4%	37.2%	37.8%	39.1%	39.1%	39.1%	39.1%	39.1%	39.1%	
Spirit	0.0%	0.0%	3.6%	6.1%	3.8%	3.3%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	
Sun Country	0.1%	0.2%	0.3%	0.6%	0.8%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	
United	9.2%	8.9%	9.8%	10.1%	10.9%	10.4%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	
Passenger - Signatory	98.2%	98.2%	97.5%	98.6%	98.3%	95.9%	99.3%	99.3%	99.3%	99.3%	99.3%	99.3%	
Passenger - Nonsignatory	1.8%	1.8%	2.5%	1.4%	1.7%	4.1%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.
Note: The table includes air traffic statistics for individual signatory air carriers, based on their status as of 2025. Due to changes in signatory status over time, the individual statistics may not sum up to the signatory subtotal prior to 2025.

Table 20 | Forecast Seats and Aircraft Departures – Base Scenario at MKE

	Actual						Forecast						CAGR
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2024-2030**
Seats (1,000s)													
Alaska	62	47	50	64	68	83	82	82	84	88	91	95	2.3%
American	526	354	447	453	492	589	610	606	621	647	673	698	2.9%
Delta	1,141	536	685	816	889	953	939	933	956	995	1,036	1,074	2.0%
Frontier	263	152	177	115	140	109	45	45	46	48	50	52	-11.7%
Southwest	1,824	1,256	1,207	1,191	1,406	1,533	1,543	1,532	1,570	1,635	1,702	1,765	2.4%
Spirit	0	0	112	214	142	140	127	126	129	134	140	145	0.6%
Sun Country	6	3	9	19	29	70	65	64	66	68	71	74	0.8%
United	377	183	278	336	394	394	390	387	397	413	430	446	2.1%
Passenger - Signatory	4,223	2,534	2,906	3,264	3,634	3,801	3,800	3,775	3,868	4,029	4,193	4,350	2.3%
Passenger - Nonsignatory	39	3	65	24	33	146	25	25	25	26	28	29	-23.8%
Total	**4,261**	**2,537**	**2,971**	**3,288**	**3,667**	**3,947**	**3,825**	**3,800**	**3,893**	**4,056**	**4,221**	**4,378**	**1.7%**
Annual percentage change		-40.5%	17.1%	10.7%	11.5%	7.6%	-3.1%	-0.7%	2.5%	4.2%	4.1%	3.7%	
Aircraft Departures (Landings)													
Alaska	365	335	341	359	390	471	481	479	491	510	530	548	2.6%
American	6,187	4,006	5,030	4,426	4,678	5,971	6,332	6,282	6,426	6,675	6,929	7,168	3.1%
Delta	9,358	4,786	5,996	7,428	7,372	7,997	8,133	8,069	8,253	8,574	8,900	9,207	2.4%
Frontier	1,383	755	900	590	679	525	216	215	220	228	237	245	-11.9%
Southwest	11,832	7,709	7,903	7,495	8,862	9,623	9,615	9,539	9,758	10,136	10,522	10,885	2.1%
Spirit	0	1	712	1,185	793	770	674	669	684	711	738	763	-0.2%
Sun Country	79	55	82	140	198	407	371	369	377	392	407	421	0.5%
United	6,061	3,213	4,769	5,060	5,014	5,278	5,470	5,427	5,552	5,767	5,986	6,193	2.7%
Passenger - Signatory	35,759	20,901	25,310	27,099	28,516	30,635	31,292	31,048	31,760	32,992	34,248	35,429	2.5%
Passenger - Nonsignatory	2,475	1,852	2,911	2,838	2,860	3,673	2,790	2,779	2,850	2,965	3,087	3,199	-2.3%
Subtotal - Passenger	**38,234**	**22,753**	**28,221**	**29,937**	**31,376**	**34,308**	**34,082**	**33,827**	**34,610**	**35,957**	**37,335**	**38,629**	**2.0%**
All-cargo - Signatory	3,209	2,849	5,055	4,402	4,285	3,616	3,581	3,789	3,685	3,737	3,711	3,724	0.5%
All-cargo - Nonsignatory	3,689	3,791	1,906	2,277	2,060	1,967	1,577	1,582	1,580	1,581	1,580	1,580	-3.6%
Subtotal - All-Cargo	**6,898**	**6,640**	**6,961**	**6,679**	**6,345**	**5,583**	**5,158**	**5,371**	**5,265**	**5,318**	**5,291**	**5,304**	**-0.8%**
Total	**45,132**	**29,393**	**35,182**	**36,616**	**37,721**	**39,891**	**39,240**	**39,197**	**39,874**	**41,275**	**42,626**	**43,933**	**1.6%**

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.
Note: The table includes air traffic statistics for individual signatory air carriers, based on their status as of 2025. Due to changes in signatory status over time, the individual statistics may not sum up to the signatory subtotal prior to 2025.

Table 21 | Forecast Enplanements per Departure, Seats per Departure, and Boarding Load Factors – Base Scenario at MKE

	Actual						Forecast					
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Enplanements per Departure												
Alaska	141	58	118	148	149	151	148	148	148	149	149	150
American	70	54	71	87	88	81	77	78	78	78	79	79
Delta	96	55	82	90	102	97	92	93	93	93	94	94
Frontier	161	122	137	147	146	131	147	148	149	149	150	150
Southwest	122	75	117	132	127	124	122	123	123	124	124	124
Spirit	0	0	114	139	145	134	136	137	137	137	138	138
Sun Country	63	49	84	111	127	132	139	140	140	141	141	142
United	52	36	46	54	66	62	58	59	59	59	59	59
Passenger - Signatory	95	62	87	99	104	99	95	96	96	96	97	97
Passenger - Nonsignatory	25	13	20	13	18	35	8	8	8	8	8	8
Total	**90**	**58**	**80**	**91**	**96**	**92**	**88**	**89**	**89**	**89**	**89**	**90**
Seats per Departure												
Alaska	170	141	146	177	174	176	171	171	171	172	172	173
American	85	88	89	102	105	99	96	96	97	97	97	97
Delta	122	112	114	110	121	119	115	116	116	116	116	117
Frontier	190	201	197	196	207	208	209	209	209	210	211	211
Southwest	154	163	153	159	159	159	160	161	161	161	162	162
Spirit	0	0	157	181	179	182	188	188	189	189	190	190
Sun Country	79	61	106	139	147	173	174	174	174	175	175	176
United	62	57	58	66	79	75	71	71	71	72	72	72
Passenger - Signatory	118	121	115	120	127	124	121	122	122	122	122	123
Passenger - Nonsignatory	16	2	22	8	12	40	9	9	9	9	9	9
Total	**111**	**112**	**105**	**110**	**117**	**115**	**112**	**112**	**112**	**113**	**113**	**113**
Boarding Load Factors												
Alaska	83.0%	41.3%	81.0%	83.3%	86.0%	85.7%	86.6%	86.6%	86.6%	86.6%	86.6%	86.6%
American	82.5%	61.2%	80.0%	85.2%	83.9%	82.1%	80.3%	80.7%	80.8%	80.8%	80.9%	80.9%
Delta	78.9%	48.9%	72.0%	82.3%	84.4%	81.7%	79.8%	80.2%	80.3%	80.3%	80.4%	80.4%
Frontier	84.6%	60.6%	69.6%	75.2%	70.5%	63.0%	70.6%	71.0%	71.1%	71.1%	71.1%	71.1%
Southwest	79.1%	45.9%	76.8%	83.2%	79.7%	77.8%	76.1%	76.5%	76.6%	76.6%	76.7%	76.7%
Spirit	0.0%	0.0%	72.7%	76.9%	80.9%	73.7%	72.1%	72.5%	72.6%	72.6%	72.7%	72.7%
Sun Country	80.0%	80.0%	79.1%	79.4%	86.2%	76.1%	80.1%	80.5%	80.6%	80.6%	80.7%	80.7%
United	84.0%	63.5%	79.3%	82.1%	83.7%	83.0%	81.9%	82.3%	82.4%	82.4%	82.5%	82.5%
Passenger - Signatory	80.2%	50.7%	75.8%	82.2%	81.4%	79.6%	78.4%	78.8%	78.9%	78.9%	78.9%	78.9%
Passenger - Nonsignatory	163.1%	714.9%	88.1%	158.8%	155.2%	89.0%	84.2%	84.7%	84.8%	84.8%	84.9%	84.9%
Total	**81.0%**	**51.6%**	**76.1%**	**82.7%**	**82.1%**	**79.9%**	**78.4%**	**78.8%**	**78.9%**	**78.9%**	**79.0%**	**79.0%**

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.
Note: The table includes air traffic statistics for individual signatory air carriers, based on their status as of 2025. Due to changes in signatory status over time, the individual statistics may not sum up to the signatory subtotal prior to 2025.

Table 22 | Forecast Landed Weight and Average Weight per Landing – Base Scenario at MKE

	Actual						Forecast						CAGR
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2024-2030**
Landed Weight (1,000,000 lbs.)													
Alaska	55	42	44	54	58	70	71	71	73	76	79	82	2.8%
American	507	341	442	440	475	573	600	596	610	636	662	686	3.0%
Delta	1,108	504	687	802	869	936	942	936	959	999	1,040	1,078	2.4%
Frontier	207	110	134	86	104	81	34	34	34	36	37	39	-11.6%
Southwest	1,563	1,022	1,047	1,015	1,228	1,338	1,342	1,333	1,365	1,422	1,480	1,535	2.3%
Spirit	0	0	100	174	115	114	102	101	104	108	113	117	0.5%
Sun Country	11	8	12	20	29	60	54	54	55	58	60	62	0.7%
United	374	183	288	339	399	400	399	397	406	423	441	457	2.3%
Passenger - Signatory	3,842	2,205	2,699	2,978	3,341	3,511	3,544	3,521	3,607	3,758	3,911	4,057	2.4%
Passenger - Nonsignatory	135	77	142	117	125	230	45	44	45	47	49	51	-22.3%
Subtotal - Passenger	**3,977**	**2,283**	**2,841**	**3,095**	**3,466**	**3,741**	**3,589**	**3,565**	**3,653**	**3,805**	**3,960**	**4,107**	**1.6%**
All-cargo - Signatory	502	499	530	500	445	374	301	345	324	335	329	332	-2.0%
All-cargo - Nonsignatory	104	98	85	88	78	154	104	123	113	118	115	116	-4.6%
Subtotal - All-Cargo	**606**	**597**	**616**	**588**	**523**	**529**	**404**	**468**	**436**	**452**	**444**	**448**	**-2.7%**
Total	**4,583**	**2,880**	**3,456**	**3,683**	**3,989**	**4,270**	**3,993**	**4,033**	**4,089**	**4,257**	**4,404**	**4,555**	**1.1%**
Avg. Landed Weight (1,000 lbs.)													
Alaska	152	125	128	150	148	148	148	148	148	149	149	149	
American	82	85	88	99	102	96	95	95	95	95	95	96	
Delta	118	105	115	108	118	117	116	116	116	117	117	117	
Frontier	149	146	149	146	152	154	156	156	156	157	157	158	
Southwest	132	133	132	135	139	139	140	140	140	140	141	141	
Spirit	0	20	141	147	145	147	151	152	152	152	153	153	
Sun Country	141	141	145	146	146	146	146	146	147	147	147	148	
United	62	57	60	67	80	76	73	73	73	73	74	74	
Passenger - Signatory	107	106	107	110	117	115	113	113	114	114	114	114	
Passenger - Nonsignatory	55	42	49	41	44	63	16	16	16	16	16	16	
Subtotal - Passenger	**104**	**100**	**101**	**103**	**110**	**109**	**105**	**105**	**106**	**106**	**106**	**106**	
All-cargo - Signatory	156	175	105	114	104	104	84	91	88	90	89	89	
All-cargo - Nonsignatory	28	26	45	38	38	78	66	78	71	74	73	74	
Subtotal - All-Cargo	**88**	**90**	**88**	**88**	**82**	**95**	**78**	**87**	**83**	**85**	**84**	**84**	
Total	**102**	**98**	**98**	**101**	**106**	**107**	**102**	**103**	**103**	**103**	**103**	**104**	

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.
Note: The table includes air traffic statistics for individual signatory air carriers, based on their status as of 2025. Due to changes in signatory status over time, the individual statistics may not sum up to the signatory subtotal prior to 2025.

Table 23 | Forecast Enplanements – Low Scenario at MKE

	Actual						Forecast						CAGR
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2024-2030**
Enplanements (1,000s)													
Alaska	51	19	40	53	58	71	68	63	69	72	75	78	1.5%
American	434	217	358	386	413	484	464	435	473	498	515	535	1.7%
Delta	901	262	493	672	751	778	710	665	722	760	787	817	0.8%
Frontier	223	92	124	87	99	69	31	29	31	33	34	36	-10.4%
Southwest	1,443	577	926	991	1,121	1,193	1,113	1,042	1,132	1,192	1,233	1,281	1.2%
Spirit	0	0	81	165	115	103	87	81	88	93	96	100	-0.6%
Sun Country	5	3	7	15	25	54	50	47	51	54	56	58	1.3%
United	316	116	220	276	330	327	302	283	307	324	335	348	1.0%
Passenger - Signatory	3,387	1,286	2,202	2,683	2,959	3,025	2,824	2,646	2,874	3,026	3,131	3,251	1.2%
Passenger - Nonsignatory	63	24	58	38	52	130	20	19	20	21	22	23	-25.2%
Total	**3,450**	**1,310**	**2,260**	**2,721**	**3,011**	**3,155**	**2,844**	**2,664**	**2,894**	**3,047**	**3,153**	**3,274**	**0.6%**
Annual percentage change		-62.0%	72.5%	20.4%	10.7%	4.8%	-9.9%	-6.3%	8.6%	5.3%	3.5%	3.8%	
Enplanement Shares													
Alaska	1.5%	1.5%	1.8%	1.9%	1.9%	2.2%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	
American	12.6%	16.5%	15.8%	14.2%	13.7%	15.3%	16.3%	16.3%	16.3%	16.3%	16.3%	16.3%	
Delta	26.1%	20.0%	21.8%	24.7%	24.9%	24.7%	24.9%	24.9%	24.9%	24.9%	24.9%	24.9%	
Frontier	6.5%	7.0%	5.5%	3.2%	3.3%	2.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	
Southwest	41.8%	44.0%	41.0%	36.4%	37.2%	37.8%	39.1%	39.1%	39.1%	39.1%	39.1%	39.1%	
Spirit	0.0%	0.0%	3.6%	6.1%	3.8%	3.3%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Sun Country	0.1%	0.2%	0.3%	0.6%	0.8%	1.7%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	
United	9.2%	8.9%	9.8%	10.1%	10.9%	10.4%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	
Passenger - Signatory	98.2%	98.2%	97.5%	98.6%	98.3%	95.9%	99.3%	99.3%	99.3%	99.3%	99.3%	99.3%	
Passenger - Nonsignatory	1.8%	1.8%	2.5%	1.4%	1.7%	4.1%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.
Note: The table includes air traffic statistics for individual signatory air carriers, based on their status as of 2025. Due to changes in signatory status over time, the individual statistics may not sum up to the signatory subtotal prior to 2025.

Table 24 | Forecast Seats and Aircraft Departures – Low Scenario at MKE

	Actual						Forecast						CAGR
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2024-2030**
Seats (1,000s)													
Alaska	62	47	50	64	68	83	81	76	81	84	87	90	1.4%
American	526	354	447	453	492	589	601	560	596	622	640	663	2.0%
Delta	1,141	536	685	816	889	953	926	863	917	956	984	1,019	1.1%
Frontier	263	152	177	115	140	109	45	42	45	47	48	50	-12.2%
Southwest	1,824	1,256	1,207	1,191	1,406	1,533	1,522	1,419	1,508	1,572	1,617	1,675	1.5%
Spirit	0	0	112	214	142	140	126	117	124	129	133	138	-0.3%
Sun Country	6	3	9	19	29	70	64	60	64	67	69	72	0.4%
United	377	183	278	336	394	394	384	358	381	397	408	423	1.2%
Passenger - Signatory	4,223	2,534	2,906	3,264	3,634	3,801	3,749	3,494	3,716	3,874	3,985	4,128	1.4%
Passenger - Nonsignatory	39	3	65	24	33	146	25	23	24	25	26	27	-24.6%
Total	**4,261**	**2,537**	**2,971**	**3,288**	**3,667**	**3,947**	**3,774**	**3,517**	**3,741**	**3,899**	**4,011**	**4,155**	**0.9%**
Annual percentage change		-40.5%	17.1%	10.7%	11.5%	7.6%	-4.4%	-6.8%	6.4%	4.2%	2.9%	3.6%	
Aircraft Departures (Landings)													
Alaska	365	335	341	359	390	471	475	442	470	490	504	521	1.7%
American	6,187	4,006	5,030	4,426	4,678	5,971	6,242	5,810	6,173	6,418	6,587	6,804	2.2%
Delta	9,358	4,786	5,996	7,428	7,372	7,997	8,022	7,466	7,926	8,239	8,454	8,732	1.5%
Frontier	1,383	755	900	590	679	525	214	200	214	223	229	237	-12.4%
Southwest	11,832	7,709	7,903	7,495	8,862	9,623	9,488	8,830	9,374	9,744	9,997	10,326	1.2%
Spirit	0	1	712	1,185	793	770	667	621	658	683	700	723	-1.0%
Sun Country	79	55	82	140	198	407	368	343	368	385	396	410	0.1%
United	6,061	3,213	4,769	5,060	5,014	5,278	5,393	5,019	5,327	5,536	5,680	5,866	1.8%
Passenger - Signatory	35,759	20,901	25,310	27,099	28,516	30,635	30,870	28,731	30,510	31,718	32,547	33,618	1.6%
Passenger - Nonsignatory	2,475	1,852	2,911	2,838	2,860	3,673	2,675	2,503	2,711	2,848	2,944	3,054	-3.0%
Subtotal - Passenger	**38,234**	**22,753**	**28,221**	**29,937**	**31,376**	**34,308**	**33,545**	**31,234**	**33,221**	**34,567**	**35,491**	**36,672**	**1.1%**
All-cargo - Signatory	3,209	2,849	5,055	4,402	4,285	3,616	3,431	3,714	3,572	3,643	3,608	3,625	0.0%
All-cargo - Nonsignatory	3,689	3,791	1,906	2,277	2,060	1,967	1,511	1,548	1,530	1,539	1,534	1,537	-4.0%
Subtotal - All-Cargo	**6,898**	**6,640**	**6,961**	**6,679**	**6,345**	**5,583**	**4,942**	**5,262**	**5,102**	**5,182**	**5,142**	**5,162**	**-1.3%**
Total	**45,132**	**29,393**	**35,182**	**36,616**	**37,721**	**39,891**	**38,486**	**36,496**	**38,323**	**39,749**	**40,633**	**41,834**	**0.8%**

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.
Note: The table includes air traffic statistics for individual signatory air carriers, based on their status as of 2025. Due to changes in signatory status over time, the individual statistics may not sum up to the signatory subtotal prior to 2025.

Table 25 | Forecast Enplanements per Departure, Seats per Departure, and Boarding Load Factors – Low Scenario at MKE

	Actual						Forecast					
Calendar Year	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Enplanements per Departure												
Alaska	141	58	118	148	149	151	142	143	146	148	149	149
American	70	54	71	87	88	81	74	75	77	78	78	79
Delta	96	55	82	90	102	97	88	89	91	92	93	94
Frontier	161	122	137	147	146	131	144	145	147	148	149	150
Southwest	122	75	117	132	127	124	117	118	121	122	123	124
Spirit	0	0	114	139	145	134	130	131	134	136	137	138
Sun Country	63	49	84	111	127	132	137	138	139	140	141	142
United	52	36	46	54	66	62	56	56	58	58	59	59
Passenger - Signatory	95	62	87	99	104	99	91	92	94	95	96	97
Passenger - Nonsignatory	25	13	20	13	18	35	7	7	7	7	7	7
Total	**90**	**58**	**80**	**91**	**96**	**92**	**85**	**85**	**87**	**88**	**89**	**89**
Seats per Departure												
Alaska	170	141	146	177	174	176	171	171	171	172	172	173
American	85	88	89	102	105	99	96	96	97	97	97	97
Delta	122	112	114	110	121	119	115	116	116	116	116	117
Frontier	190	201	197	196	207	208	209	209	209	210	211	211
Southwest	154	163	153	159	159	159	160	161	161	161	162	162
Spirit	0	0	157	181	179	182	188	188	189	189	190	190
Sun Country	79	61	106	139	147	173	174	174	174	175	175	176
United	62	57	58	66	79	75	71	71	71	72	72	72
Passenger - Signatory	118	121	115	120	127	124	121	122	122	122	122	123
Passenger - Nonsignatory	16	2	22	8	12	40	9	9	9	9	9	9
Total	**111**	**112**	**105**	**110**	**117**	**115**	**113**	**113**	**113**	**113**	**113**	**113**
Boarding Load Factors												
Alaska	83.0%	41.3%	81.0%	83.3%	86.0%	85.7%	83.2%	83.7%	85.2%	85.9%	86.3%	86.4%
American	82.5%	61.2%	80.0%	85.2%	83.9%	82.1%	77.2%	77.7%	79.3%	80.0%	80.5%	80.7%
Delta	78.9%	48.9%	72.0%	82.3%	84.4%	81.7%	76.6%	77.1%	78.7%	79.5%	80.0%	80.2%
Frontier	84.6%	60.6%	69.6%	75.2%	70.5%	63.0%	68.9%	69.2%	70.2%	70.6%	70.9%	71.0%
Southwest	79.1%	45.9%	76.8%	83.2%	79.7%	77.8%	73.1%	73.5%	75.1%	75.8%	76.3%	76.5%
Spirit	0.0%	0.0%	72.7%	76.9%	80.9%	73.7%	68.9%	69.3%	71.0%	71.8%	72.3%	72.5%
Sun Country	80.0%	80.0%	79.1%	79.4%	86.2%	76.1%	78.8%	79.3%	80.0%	80.3%	80.5%	80.6%
United	84.0%	63.5%	79.3%	82.1%	83.7%	83.0%	78.6%	79.0%	80.7%	81.6%	82.1%	82.3%
Passenger - Signatory	80.2%	50.7%	75.8%	82.2%	81.4%	79.6%	75.3%	75.7%	77.3%	78.1%	78.6%	78.7%
Passenger - Nonsignatory	163.1%	714.9%	88.1%	158.8%	155.2%	89.0%	80.2%	80.6%	82.8%	83.8%	84.4%	84.7%
Total	**81.0%**	**51.6%**	**76.1%**	**82.7%**	**82.1%**	**79.9%**	**75.4%**	**75.8%**	**77.4%**	**78.1%**	**78.6%**	**78.8%**

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.
Note: The table includes air traffic statistics for individual signatory air carriers, based on their status as of 2025. Due to changes in signatory status over time, the individual statistics may not sum up to the signatory subtotal prior to 2025.

Table 26 | Forecast Landed Weight and Average Weight per Landing – Low Scenario at MKE

	Actual						Forecast						CAGR
Calendar Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2024-2030
Landed Weight (1,000,000 lbs.)													
Alaska	55	42	44	54	58	70	70	65	70	73	75	78	1.9%
American	507	341	442	440	475	573	591	551	586	611	629	651	2.2%
Delta	1,108	504	687	802	869	936	929	866	921	960	987	1,022	1.5%
Frontier	207	110	134	86	104	81	33	31	33	35	36	37	-12.0%
Southwest	1,563	1,022	1,047	1,015	1,228	1,338	1,324	1,234	1,312	1,367	1,406	1,457	1.4%
Spirit	0	0	100	174	115	114	101	94	100	104	107	111	-0.4%
Sun Country	11	8	12	20	29	60	54	50	54	57	58	61	0.3%
United	374	183	288	339	399	400	394	367	390	406	418	433	1.3%
Passenger - Signatory	3,842	2,205	2,699	2,978	3,341	3,511	3,497	3,258	3,466	3,613	3,717	3,850	1.5%
Passenger - Nonsignatory	135	77	142	117	125	230	44	41	44	46	47	49	-22.8%
Subtotal - Passenger	**3,977**	**2,283**	**2,841**	**3,095**	**3,466**	**3,741**	**3,541**	**3,299**	**3,509**	**3,659**	**3,764**	**3,898**	**0.7%**
All-cargo - Signatory	502	499	530	500	445	374	288	338	314	326	320	323	-2.4%
All-cargo - Nonsignatory	104	98	85	88	78	154	99	120	109	114	112	113	-5.0%
Subtotal - All-Cargo	**606**	**597**	**616**	**588**	**523**	**529**	**387**	**458**	**423**	**441**	**432**	**436**	**-3.1%**
Total	**4,583**	**2,880**	**3,456**	**3,683**	**3,989**	**4,270**	**3,928**	**3,758**	**3,932**	**4,099**	**4,195**	**4,335**	**0.3%**
Avg. Landed Weight (1,000 lbs.)													
Alaska	152	125	128	150	148	148	148	148	148	149	149	149	
American	82	85	88	99	102	96	95	95	95	95	95	96	
Delta	118	105	115	108	118	117	116	116	116	116	117	117	
Frontier	149	146	149	146	152	154	156	156	156	157	157	158	
Southwest	132	133	132	135	139	139	140	140	140	140	141	141	
Spirit	0	20	141	147	145	147	151	152	152	152	153	153	
Sun Country	141	141	145	146	146	146	146	146	147	147	147	148	
United	62	57	60	67	80	76	73	73	73	73	74	74	
Passenger - Signatory	107	106	107	110	117	115	113	113	114	114	114	115	
Passenger - Nonsignatory	55	42	49	41	44	63	17	16	16	16	16	16	
Subtotal - Passenger	**104**	**100**	**101**	**103**	**110**	**109**	**106**	**106**	**106**	**106**	**106**	**106**	
All-cargo - Signatory	156	175	105	114	104	104	84	91	88	90	89	89	
All-cargo - Nonsignatory	28	26	45	38	38	78	65	78	71	74	73	74	
Subtotal - All-Cargo	**88**	**90**	**88**	**88**	**82**	**95**	**78**	**87**	**83**	**85**	**84**	**85**	
Total	**102**	**98**	**98**	**101**	**106**	**107**	**102**	**103**	**103**	**103**	**103**	**104**	

Source: Airport records, OAG airline seats, and forecasts by Unison Consulting, Inc.
Note: The table includes air traffic statistics for individual signatory air carriers, based on their status as of 2025. Due to changes in signatory status over time, the individual statistics may not sum up to the signatory subtotal prior to 2025.

3.11 | Sources of Forecast Risk and Uncertainty

Forecasts rely on available data, measurable air traffic drivers, and assumptions about future trends. Actual results may deviate materially from the forecasts if these assumptions do not hold or unexpected events cause significant disruptions. The Airport operates in a dynamic environment with various interconnected factors, many of which are volatile and uncertain, introducing downside and upside risks to forecast activity.

3.11.1 | COVID-19 and Potential Disease Outbreaks

Passenger air travel demand is sensitive to disease outbreaks, which impact customer confidence, public health, international travel policies, and airport/airline staff wellbeing. The COVID-19 pandemic exemplifies this risk, initially causing a dramatic downturn before travel gradually recovered with widespread vaccination and the lifting of travel restrictions. Continued vigilance and health safety practices are essential to minimize future impacts.

While the COVID-19 pandemic has passed, global health authorities focus on other health risks. Mpox (formerly known as monkeypox), posed a threat to public health in 2024, with several countries, including the United States, implementing Mpox screening protocols at major international airports to prevent the spread of the virus across borders.[43] Measles is another more recent outbreak that may impact forecast activity, with a total confirmed 1,046 cases reported by 31 jurisdictions as of May 22, 2025.[44] About 67 percent of cases afflict individuals aged 19 or younger, meaning the measles outbreak is more likely to affect leisure/family travel more than business travel.

3.11.2 | Economic Conditions

The aviation industry is pro-cyclical, with traffic rising during economic expansions and falling during recessions. Economic downturns can be triggered by various factors—for example, the COVID-19 pandemic and its extreme mitigation measures at the time. The U.S. economy ended 2024 with strong fundamentals: moderate GDP growth, sustained consumer spending, a strong labor market, low unemployment, and low inflation. However, 2025 brings heightened uncertainty and downside risks from federal policy changes, particularly those involving trade, immigration, and federal spending, a cooling labor market, weakening consumer confidence, and spillover global economic impacts, amid continuing conflicts in Europe and the Middle East.

3.11.3 | Impact of U.S. Tariff Policies

U.S. tariff policies have created substantial uncertainty in the U.S. aviation industry, making it difficult for airlines to forecast and plan for the future. American Airlines, Southwest Airlines, and Alaska

[43] "Mpox Screening Introduced at Airports Worldwide Amid Rising Concerns Over Global Health Security," *Travel and Tour World*, August 23, 2024, https://www.travelandtourworld.com/news/article/mpox-screening-introduced-at-airports-worldwide-amid-rising-concerns-over-global-health-security/.

[44] "Measles Cases and Outbreaks," *Centers for Disease Control and Prevention*, updated May 23, 2025, https://www.cdc.gov/measles/data-research/index.html

Airlines have pulled back their full-year outlooks as a result, and United Airlines has issued two separate forecasts, one for a stable economy and another for a recessionary one, which directly highlights the forecasting challenges posed by the unclear nature of the tariffs.[45]

This uncertainty surrounding the tariffs also affects consumers' willingness to travel. American Airlines, Southwest Airlines, and Alaska Airlines have reported a softening in leisure travel, noting that people are hesitant to plan international or domestic vacations. In addition, Canadian air travel demand to the U.S. has also decreased—over the course of Q2 2025, Air Canada's U.S. travel decreased by 11 percent compared to the same period last year.[46] This decline in U.S. travel demand feeds into the difficulty airlines face in attempting to plan for the future, as consumer demand has become unpredictable under these conditions. As a result, airlines have taken a cautious approach, which means less hiring, slower or potentially halted fleet expansion, and ultimately a reduction in overall economic activity.

3.11.4 | U.S. Airline Industry Volatility

The U.S. airline industry is inherently volatile, with financial results susceptible to many external factors. Economic downturns, fluctuating oil prices, adverse weather, disease outbreaks, travel restrictions, terrorism threats, geopolitical tensions, and aircraft groundings all directly impact airline revenues and net profits. This volatility is illustrated by the historical data on U.S. scheduled passenger airlines' operating revenue and net income (Figure 43).

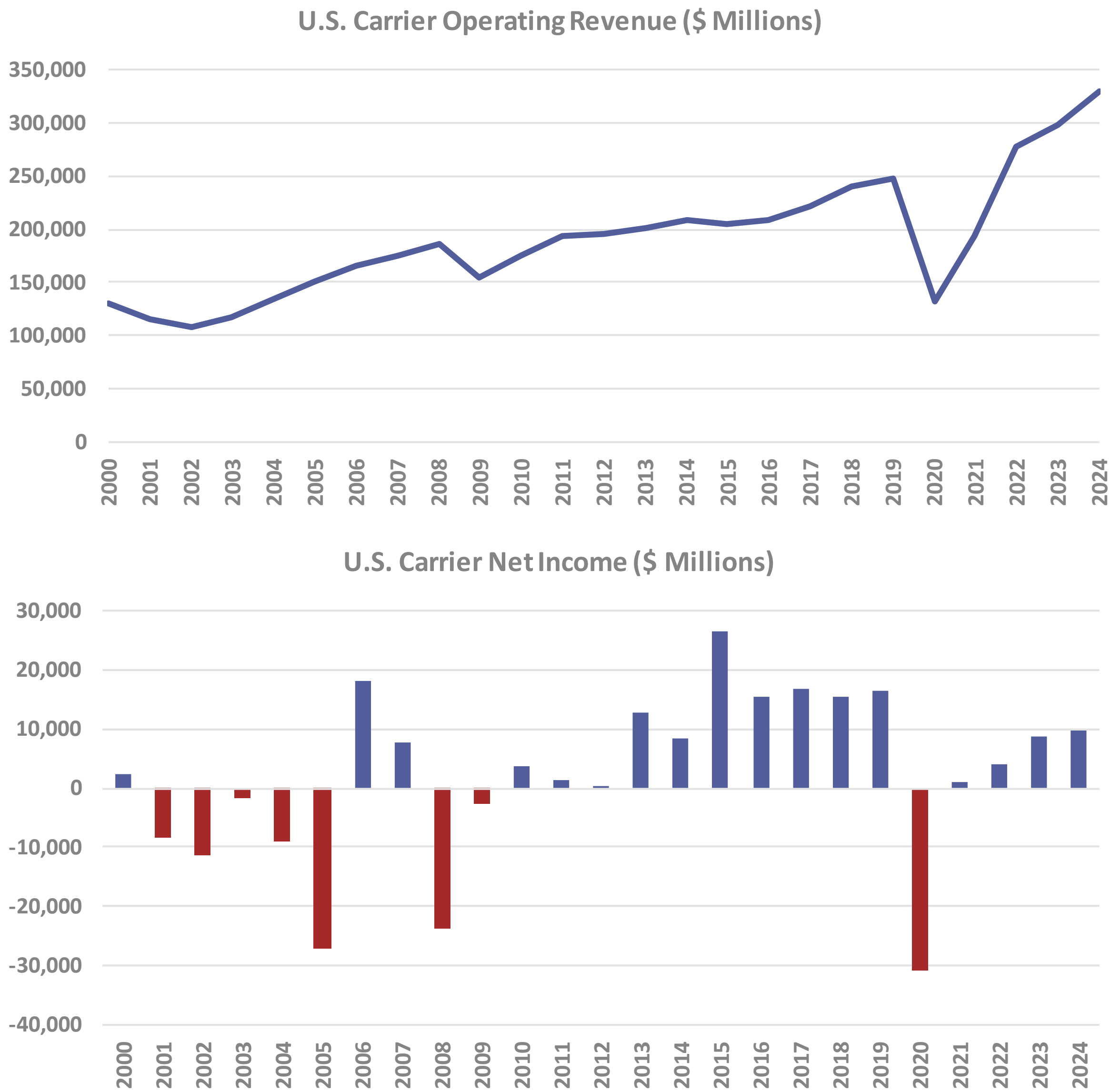
The COVID-19 pandemic serves as a stark example of this vulnerability. While the seven years preceding the COVID-19 pandemic saw steady profits, thanks to restructuring, capacity restraint, cost-cutting, and productivity improvements implemented after the Great Recession, the industry experienced a dramatic downturn in 2020 as passenger travel ground to a halt. Despite government aid packages,[47] US passenger airlines incurred a staggering net loss of over $30 billion in 2020—the largest annual loss since 1977.

[45] Lynn Cook, Alison Slider, Caitlin McCabe, "Corporate Giants Shred Outlooks Over Tariff Uncertainty," *Wall Street Journal*, April 24, 2025, https://www.wsj.com/business/company-earnings-tariffs-outlooks-2025-2ff68cd7.

[46] Allessandra Passalalpi, "Air Canada Applauded By Canadians For Replacing Dipping U.S. Travel With An Unexpected Market," *The Travel,* July 30, 2025, https://www.thetravel.com/air-canada-applauded-by-canadians-for-replacing-dipping-us-travel-with-an-unexpected-market/

[47] To alleviate the negative financial impact of the COVID-19 pandemic on U.S. airlines' finances, the U.S. federal government provided financial relief to U.S. airlines in three federal aid packages: the Coronavirus Aid, Relief, and Economic Security Act (CARES Act); the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA); and the American Rescue Plan Act of 2021 (ARPA).

Figure 43 | U.S. Scheduled Passenger Airlines' Annual Operating Revenue and Net Profit, 2000-2024



Source: U.S. Bureau of Transportation Statistics and Unison Consulting, Inc.
Gray areas indicate economic recession periods.

Financial results gradually recovered in the years following the pandemic, with a positive net income of $1.1 billion in 2021 that has increased to a net income of $9.7 billion as of 2024. Operating revenue recovery managed to surpass pre-pandemic 2019 levels by 2022, with a total operating revenue of $278 billion. Since then, operating revenue has further risen to $329 billion as of 2024.

3.11.5 | Airline Bankruptcy

Related to the volatility of the airline industry is the potential for one or more airlines to file for bankruptcy, especially if they cannot adapt to changes in the economic environment. The bankruptcy of an air carrier can have varying impacts, perhaps even recovering stronger afterward, but possible negative effects can include additional expenses, delayed or cut service schedules, or even a complete cessation of operations.

Airline bankruptcy was more common in the 2000s among major airlines including Delta and United. American Airlines was the last major airline bankruptcy in 2011, which ended upon completing a merger with U.S. Airways in 2013.[48] Later bankruptcies in the 2010s were mostly filed by smaller regional carriers. More recently, however, major ULCC Spirit Airlines filed for bankruptcy in November 2024 after a failed attempt to merge with JetBlue, but has since re-emerged in March 2025 after a financial restructuring.[49,50]

3.11.6 | Airline Mergers

The airline industry has been consolidating in response to competition, cost, and regulatory pressure. Airline mergers can affect service and traffic at airports by consolidating facilities, optimizing route networks, and changing connecting traffic flows. The impact typically occurs within a few years and depends on the merging airlines' market share and connecting traffic volume at the affected airport.

Recent merger activity involves JetBlue's attempted takeover of Spirit and Alaska's acquisition of Hawaiian Airlines. Blocked by the U.S. Department of Justice (DOJ) in January 2024, JetBlue officially announced the termination of the merger agreement on March 4, 2024. According to the DOJ, JetBlue's acquisition of Spirit would have eliminated an ultra-low-cost competitor, resulting in fewer choices and higher fares for travelers. Inversely, the DOJ approved Alaska and Hawaiian's merger in August 2024, and in the following month, the Department of Transportation also cleared the deal, allowing the completion of the merger on September 18, 2024.[51] Alaska and Hawaiian's merger is not

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[48] David Koenig, "New American Airlines emerges as deal closes," *APNews,* December 9, 2013, https://apnews.com/general-news-c9513985d18448be8dbae038404f3cbf.

[49] David Koenig, "Spirit Airlines files for bankruptcy as financial losses pile up and debt payments loom," *APNews,* November 18, 2024, https://apnews.com/article/spirit-airlines-bankruptcy-debt-losses-782c7fb892adf1d2f366411bab955668

[50] "Spirit Airlines Emerges from Financial Restructuring, Better Positioned to Advance its Transformation and Enhanced Guest Experience," *Spirit*, March 12, 2025, https://ir.spirit.com/news/news-details/2025/Spirit-Airlines-Emerges-from-Financial-Restructuring-Better-Positioned-to-Advance-its-Transformation-and-Enhanced-Guest-Experience/default.aspx

[51] Alison Slider, "Transportation Department Blesses Alaska Air-Hawaiian Merger, With Strings," *Wall Street Journal*, September 17, 2024, https://www.wsj.com/business/airlines/transportation-department-blesses-alaska-air-hawaiian-merger-with-strings-d1edc2d5.

expected to affect MKE. Alaska accounts for a minimal share of MKE's enplanements (just over 2 percent in 2024), and Hawaiian does not operate at MKE.

3.11.7 | Airline Market Concentration

High market concentration on a single airline can lead to market power abuse and excessive fare increases. Higher airfares reduce passenger demand, especially for discretionary travel or shorter trips with ground transportation alternatives. However, at MKE, Southwest Airlines' market share has decreased below 40 percent, with increases in Delta and United's market shares and Spirit's entry, alleviating concerns about airline market concentration.

This report's aviation activity forecasts for MKE assume that annual airfare increases will not exceed inflation. Otherwise, airfare increases would dampen forecast traffic growth.

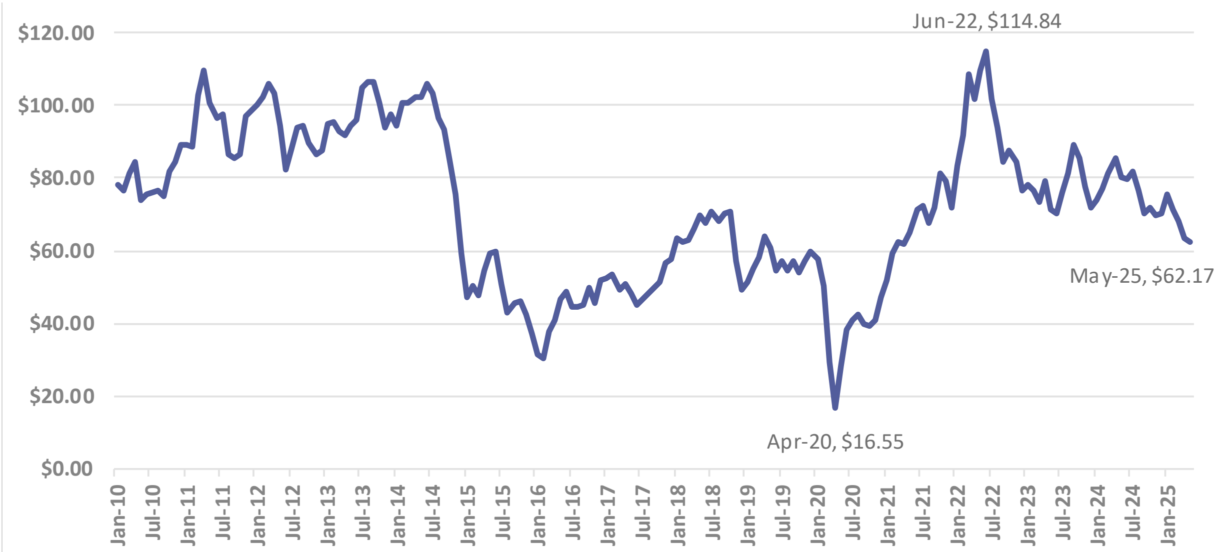
3.11.8 | Oil Price Volatility and Aviation Fuel Costs

Oil price fluctuations directly affect aviation fuel costs, a significant component of airline operating expenses.[52] Rising oil prices, as seen in the 2000s, can strain airline finances and contribute to industry losses. Conversely, lower oil prices can boost airline profits, as experienced in the mid-2010s. In 2020, the global economic recession and an oil supply glut led to a temporary drop in oil and fuel prices, which provided airlines some cost relief during the pandemic.

Figure 44 shows the history of oil prices from 2010 to May 2025, while Figure 45 shows the history of the cost of aviation fuel for the same period. In 2021, increased demand from the global economic recovery and supply disruptions from the Russia-Ukraine conflict began to raise oil prices. Between January 2021 and June 2022, the price of West Texas Intermediate (WTI) crude oil rose from $52 to $114 per barrel (121 percent), and the cost of aviation fuel increased from $1.51 to $4.04 per gallon (168 percent). Prices had dropped from those highs as of fall 2023 (WTI to $77.69 in November 2023 and aviation fuel to $3.12 in October 2023) and further in 2025 (WTI to $62.17 and aviation fuel to $2.24 in May).

[52] The correlation coefficient between the monthly average prices of West Texas Intermediate (crude oil) and aviation fuel is approximately 0.994.

Figure 44 | West Texas Intermediate Monthly Crude Oil Cost per Barrel, January 2010 - May 2025



Sources: U.S. Energy Administration.
Gray areas indicate economic recession periods.

Figure 45 | Monthly Aviation Fuel Cost per Gallon, January 2010 - May 2025

Sources: U.S. Bureau of Transportation Statistics.
Gray areas indicate economic recession periods.

3.11.9 | Structural Changes in Demand and Supply

Major crises can trigger lasting structural shifts in aviation demand and supply. For example, the 2001 terrorist attacks led to stricter airport security measures requiring passengers to arrive much earlier for departing flights, reducing travel time advantages for short-haul flights. The COVID-19 pandemic has had similar long-term consequences. Demand-side changes include altered travel preferences due to safety concerns or a shift towards virtual meetings. Supply-side changes involve airlines maintaining streamlined operations due to labor and fleet constraints. One favorable trend is the adoption of no-touch technologies, which speed up passenger processing and stimulate traffic growth.

3.11.10 | Labor Supply Constraints

The COVID-19 pandemic led to airline employee layoffs and early retirements, creating workforce shortages that limit airline capacity and potentially hinder air traffic growth. While this scarcity still impacts smaller regional airlines, the pilot shortage has since been resolved for mainline carriers, with pilot hires surging through the past couple of years to replace pilots who have retired or been furloughed during the height of the COVID-19 pandemic.

A more recent slowdown in pilot hiring is now due to supply chain issues on the aircraft side, particularly on Boeing experiencing delivery delays following recent safety events and quality problems.[53] However, the supply of pilots versus demand remains a consideration for future years. Boeing's forecast on the demand for aviation personnel from 2024-2043 projects a total need for 123,000 pilots in the United States.[54] The FAA-mandated pilot retirement age is 65 years old, and when combined with the fact that the U.S. Government Accountability Office found that 27 percent of actively certified pilots are between the ages of 55 and 64.[55] That means thousands of pilots are set to retire in the coming years, and new pilots will be required to replace them.

Aircraft engineers are also in short supply. Boeing's forecast suggests a need for more than 600,000 new engineers over the 20-year period. About a third of aircraft engineers are approaching retirement, and there are not enough new workers to replace them, an issue exacerbated by a 2 to 3-year pause in the training of new aircraft engineers during the pandemic.[56]

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[53] Antonio Ferraz, "Pilot Hiring is cooling down in the U.S.: Is the pilot shortage over?" *Wader Aviation*, August 3, 2024, https://www.waderaviation.com/post/current-us-pilot-job-market-2024.

[54] *Boeing*, https://www.boeing.com/commercial/market/pilot-technician-outlook

[55] U.S. Government Accountability Office, "Aviation Workforce: Current and Future Availability of Airline Pilots and Aircraft Mechanics," May 17, 2023, https://www.gao.gov/products/gao-23-105571

[56] Sam Sprules, "Opinion: Industry Collaboration Needed To Solve MRO's Workforce Crisis," *Aviation Week Network*, September 13, 2023, https://aviationweek.com/mro/workforce-training/opinion-industry-collaboration-needed-solve-mros-workforce-crisis.

A significant shortage of air traffic controllers is another nationwide problem. As of September 2023, nearly half of the 290 FAA air traffic control facilities were understaffed. The FAA has attributed recent understaffing to the COVID-19 pandemic pausing or reducing training, a long training process (2 to 3 years), and yearly attrition.[57] Currently, the FAA has roughly 10,700 fully certified controllers, which is about 3,000 short of its target.[58] Adding to that issue, about 500 controllers are eligible for retirement in the near term, with the mandatory retirement age for controllers being 56.

3.11.11 | Aging Air Traffic Control Infrastructure

In addition to staffing shortages, the FAA faces challenges with facilities over 60 years old and radar and communication systems decades beyond their lifecycle. The aging air traffic control infrastructure poses growing safety and capacity risks, leading to flight delays, cancellations, and, recently, the fatal collision of a commercial passenger aircraft and a military helicopter in Washington, DC in January 2025. In response, the FAA is rolling out a multi-billion-dollar modernization program that includes facilities replacement, major hardware upgrades, and technological transformations under NextGen. However, many upgrades will not be completed until the early to mid-2030s without sustained funding and consistent political support.

3.11.12 | Geopolitical Conflicts and the Threat of Terrorism

Geopolitical conflicts and acts of terrorism disrupt air transportation. The terrorist attacks of September 11, 2001, serve as a constant reminder of the severe threat to the aviation industry. Travel advisories and heightened security measures can deter passengers due to longer screening times and increased anxiety.

In recent years, the Russian invasion of Ukraine (since February 24, 2022) and the Israel-Hamas war (since October 7, 2023) have led to airspace closures, increased costs, and longer flight times. Responding to Russia's invasion of Ukraine, the United States, Canada, and the European Union have closed their airspace to Russian aircraft. In retaliation, Russia has limited its airspace to many foreign-flag carriers. As a result, airlines have had to change flight routes, significantly increasing flight times for global travel. The Israel-Hamas war caused the immediate cancellation and suspension of flights to Tel Aviv by three major U.S. airlines (American, Delta, and United).[59] Additionally, air travel demand dropped for destinations near the warzone, such as Egypt, Morocco, Tunisia, and Saudi Arabia.

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[57] USAFacts Team, "Is there a shortage of air traffic controllers?" *USAFacts,* March 31, 2025, https://usafacts.org/articles/is-there-a-shortage-of-air-traffic-controllers/.

[58] Andrew Tangel, "'I Don't Know Where You Are': The Race to Fix Air-Traffic Control," *Wall Street Journal*, May 5, 2025, https://www.wsj.com/business/airlines/air-traffic-control-fix-problems-2bffc11c.

[59] Shannon Thaler, "Airline stocks slump as carriers in US and abroad cancel flights to Tel Aviv," *New York Post*, October 9, 2023, https://nypost.com/2023/10/09/major-airlines-suspend-flights-as-war-escalates-in-israel/.

Over the course of 2024 and 2025, the conflict escalated into direct armed conflict between Israel and Iran, with the United States joining the war on Isreal's side as of June 22, 2025. Immediate effects include the closure/avoidance of Iranian airspace, as well as the diversion of aviation routes causing longer flights, delays, and increased fuel costs. Another potential impact is a spike in oil prices—Iran is the world's ninth largest oil-producing country, and the owner of the Strait of Hormuz, a shipping chokepoint that facilitates the transportation of roughly 20 million barrels of crude oil and petroleum liquid per day.[60] A ceasefire was established on June 25, 2025, though many airlines still have routes through the Middle East suspended in case armed attacks start up again.[61]

Another recent geopolitical factor concerns the current presidential administration's travel bans across twelve countries and restrictions on seven others that took effect on June 9, 2025.[62] Most of these bans and restrictions are focused on countries in central/northeast Africa and the Middle East, including Chad, Sudan, Iran, and Afghanistan, among others. A few additional banned/restricted countries include Cuba, Haiti, Venezuela, Myanmar, and Laos. These travel bans and the heightened immigration screening of visitors under the current U.S. administration discourage visits into the United States. Since February 2025, total U.S. international passenger traffic has been decreasing year over year, based on the U.S. Department of Transportation's T100 data.

[60] "Airspace, Oil Prices, All-Out War: 5 Major Impacts Of Iran-Isreal Conflict," *NDTV World*, June 14, 2025, https://www.ndtv.com/world-news/iran-israel-war-impact-airspace-oil-prices-all-out-war-5-major-impact-of-iran-israel-conflict-8665380

[61] Anupreeta Das and Niraj Chokshi, "From Iran-Isreal Strikes to Russia's War: How Conflicts Reshape Air Travel," *New York Times,* June 30, 2025, https://www.nytimes.com/2025/06/30/world/asia/iran-israel-airlines-war.html.

[62] Mariel Ferragamo, "A Guide to the Countries on Trump's 2025 Travel Ban List," *Council on Foreign Relations,* June 26, 2025, https://www.cfr.org/article/guide-countries-trumps-2025-travel-ban-list

SECTION 4 | FINANCIAL ANALYSIS

This section presents a review of the framework for the financial operation of the Airport System, an assessment of its recent financial performance, and an analysis of the impact of the Series 2025A Bonds on the Airport System's cash flow, airline rates and charges, and debt service coverage. This section includes projections of the Airport System Revenues, O&M Expenses, and Debt Service Requirements based on the relevant provisions of the Amended AULA and the base enplanement forecasts developed in Section 3.

The Amended AULA became effective January 1, 2024, for five years, expiring on December 31, 2028, and continues to provide similar provisions as the two-year AULA that expired December 31, 2023, except as noted below. The financial projections in this section cover the period CYs 2025-2030 and are based on the Amended AULA for the period January 1, 2024, through December 31, 2028, and assume the provisions of the Amended AULA will carry over to the new or amended AULA beginning in CY2029.

4.1 | Financial Framework

4.1.1 | Airport Accounting

The County operates the Airport as an Enterprise Fund following generally accepted accounting principles (GAAP) for governmental entities. The County prepares its financial statements based on its fiscal year, which corresponds with the calendar year (January 1- December 31). Following the end of each fiscal year, the County's financial statements are audited by independent certified public accountants to determine compliance with GAAP and the requirements of various state and federal agencies from which the County has received grants-in-aid.

The Airport's 2024 audited financial statements (the most recent year for which audited financial statements are available) show as of December 31, 2024, the Airport had total assets and deferred cash outflows of approximately $511.7 million, total liabilities of approximately $168.8 million, deferred inflows of resources of approximately $61.7 million, and net assets of approximately $281.2 million.

4.1.2 | Airline-Airport Use and Lease Agreement

The Amended AULA establishes rentals, fees, and charges payable by all Signatory Airlines. The Amended AULA between the County and Signatory Airlines became effective on January 1, 2024, with an initial term ending on December 31, 2028. If a signatory airline holds over after the expiration of the current AULA, the tenancy becomes month-to-month, and unless agreed to by the Airport Director, the airline is deemed a Holdover Airline and pays 150 percent of the rents and fees.

The financial projections presented in this section are based on the Amended AULA. The major provisions are:

- Term
  - January 1, 2024, to December 31, 2028

- A residual rate methodology with deposits to the ADFA
    - An amount equal to 10 percent of Airport concession and parking revenues is deposited into the ADFA annually, provided that the balance does not exceed $20 million.
        - Monies can be used for capital improvements or any lawful Airport System purpose, subject to certain limitations.
        - Projects funded with monies from the ADFA will not be included in the airline rates and charges.
    - The County can transfer up to $4 million over the 5-year term of the Amended AULA from the ADFA to the ADF-D.
        - Monies can be used for capital improvements or any lawful Airport System purpose, subject to certain limitations.
        - Projects funded with monies from the ADF-D will be depreciated and will affect airline rates and charges.
- The 5-year CIP for CYs 2024 to 2028 was approved by the airlines in accordance with the Amended AULA.
    - The total project costs for the 5-year CIP for the years 2024 to 2028 are $169.8 million.
    - The 5-year CIP project costs to be included in the calculation of airline rates and charges are limited to a Net (Airline) Financing Requirement Cap. In the Amended AULA, the Net Financing Requirement Cap was $47.1 million. In July 2024 and then on October 23, 2024, the signatory airlines voted to approve an increase to the Net Financing Requirement Cap to $58.9 million to be used during CYs 2024 to 2028. The current 5-Year CIP for CYs 2025-2029, totaling $257.5 million, includes additional projects that will require Airline approval under a future AULA.
    - The County can add or modify projects without Majority-In-Interest (MII) approval, provided that the Net (Airline) Financing Requirement Cap on the total CIP is not exceeded.
    - The airline MII process will continue to apply for additional capital projects that exceed the Net (Airline) Financing Requirement Cap.
- Other
    - The Flexible Response Security cost center is eliminated.
        - The airlines will not be charged a separate fee for Flexible Response Security.
        - The expenses that were previously allocated to the Flexible Response Security cost center will be included with Security expenses.
        - Security expenses are allocated in accordance with Exhibit M of the Amended AULA.

- The total net requirement from the MKE Business Park cost center is allocated to the Airfield cost center.
- Non-Signatory Airlines pay 125 percent of the rates paid by Signatory Airlines.
- The Terminal cost center has two differential Terminal Rental Rate classifications:
  - Airline space with public access is set at the base rate.
  - Airline space with no public access is equal to 75 percent of the base rate.

4.1.3 | Airline Rates and Charges

The primary rates charged to the airlines for their use of the Airport facilities are landing fees, terminal rents, and apron fees. The airline rates and charges are calculated using a cost center residual methodology, whereby the airlines are responsible for paying landing fees, terminal rentals, and apron rentals to recover the annual net requirements in the Airfield, Terminal, and Apron cost centers, respectively. The Airport uses the revenues generated from these fees to finance the activities of the Airport System, including operating and maintaining the Terminal complex and the airfield and apron facilities.

The methodology for calculating airline rates and charges, as specified in the Amended AULA, is discussed below.

Landing Fees

Signatory Airlines are responsible for paying landing fees in an amount necessary to recover the Airfield requirement, equal to the total annual Airfield costs minus a credit for non-signatory and non-airline Airfield revenues. The Airfield costs include:

- O&M expenses
- Depreciation
- Annual debt service (excluding debt service paid with pledged PFCs)
- Required deposits to Debt Service Coverage Fund

The Airfield Requirement is calculated by subtracting from the Airfield costs the following Airfield credits:

- Military landing fee revenue
- General aviation revenues (fuel flowage fees, hangar and land rent, and fixed-based operator rent)
- Air cargo rents (including cargo apron revenue)
- Non-Signatory Airline landing fee revenue
- Other non-airline revenue allocated to the Airfield
- Net revenue (deficit) from the MKE Regional Business Park

The Airfield Requirement is divided by the Signatory Airline landed weight (in thousand-pound units) to determine the Signatory Airline Landing Fee. Non-Signatory Airlines pay 125 percent of the Signatory Airline Landing Fee.

Terminal Rental Rate

Signatory Airlines pay annual Terminal rent in an amount necessary to recover the Terminal requirement, which equals total annual Terminal costs minus a credit for non-signatory and non-airline Terminal revenues. Terminal costs include:

- O&M expenses
- Depreciation
- Annual debt service (excluding debt service paid with pledged PFCs)
- Required deposits to Debt Service Coverage Fund

The Terminal Requirement is calculated by reducing the Terminal costs by 90 percent of the following Terminal concessions and parking revenues, with the remaining 10 percent deposited to the ADFA:

- Restaurant concession fees
- Gifts, souvenirs & novelty fees
- Car rental concession fees
- Public parking fees
- Other concession fees

The Terminal Requirement is further reduced by 100 percent of the following Terminal Credits:

- Non-Signatory Terminal use fees
- County gate use fees
- Other non-airline revenue allocated to the Terminal

The rental rate for Terminal space occupied by Signatory Airlines is calculated by dividing the Terminal requirement by the sum of 100 percent of the airline public square feet rented by Signatory Airlines and 75 percent of the airline non-public square feet rented by Signatory Airlines. The rental rate is further delineated into airline public space and non-airline public space. The airline public space rent is equal to the Terminal rental rate. The airline non-public space rent is equal to 75 percent of the Terminal rental rate.

Apron Fees

Signatory Airlines pay annual Apron fees in an amount necessary to recover the Apron requirement, which is equal to the total annual Apron costs minus a credit for non-signatory and non-airline Apron revenues. Apron costs include:

- O&M expenses
- Depreciation
- Annual debt service (excluding debt service paid with pledged PFCs)
- Required deposits to Debt Service Coverage Fund

The Apron Requirement is calculated by reducing the Apron costs by the following Apron credits:

- Non-Signatory Airline Apron fees
- Non-airline revenue allocated to the Apron

Under the Amended AULA, Airport System Management can conduct a review at any time during the year to compare the budgeted amounts with actual expenses and revenues. If the review indicates a variance of 10 percent or more, Airport System Management, in conformance with the County budget procedure and authorization, may adjust the rates per Article VI of the Amended AULA. Any such adjustment will be effective for the balance of the calendar year. Unless extraordinary circumstances warrant additional adjustments, the County shall limit any rate adjustment to no more than once during each calendar year. The County shall conduct a year-end reconciliation within 30 days after completing its accounting process. Reconciliation involves comparing actual expenses and revenues with amounts collected during the previous year. Any deficiency in the amount collected from Signatory Airlines will be billed to Signatory Airlines. If the amount collected is higher than the requirement, the difference will be remitted to the airlines by check within 60 days following the completion of the year-end settlement calculation.

4.1.4 | The Bond Resolutions

The Series 2025A Bonds are being issued by the County pursuant to the Bond Resolutions, which established the airport revenue bond program. Proceeds of the Series 2025A Bonds will be used to fund the Series 2025A Projects.

The Series 2025A Bonds are special obligations of the County payable solely from the Net Revenues of the Airport System and amounts on deposit in certain funds and accounts established under the Bond Resolutions. The 2025 Supplemental Resolution includes pledged PFC Revenues as Airport System Revenues to the extent that any of the Series 2025A Projects are eligible for PFC funding, which the current financing plan doesn’t anticipate.

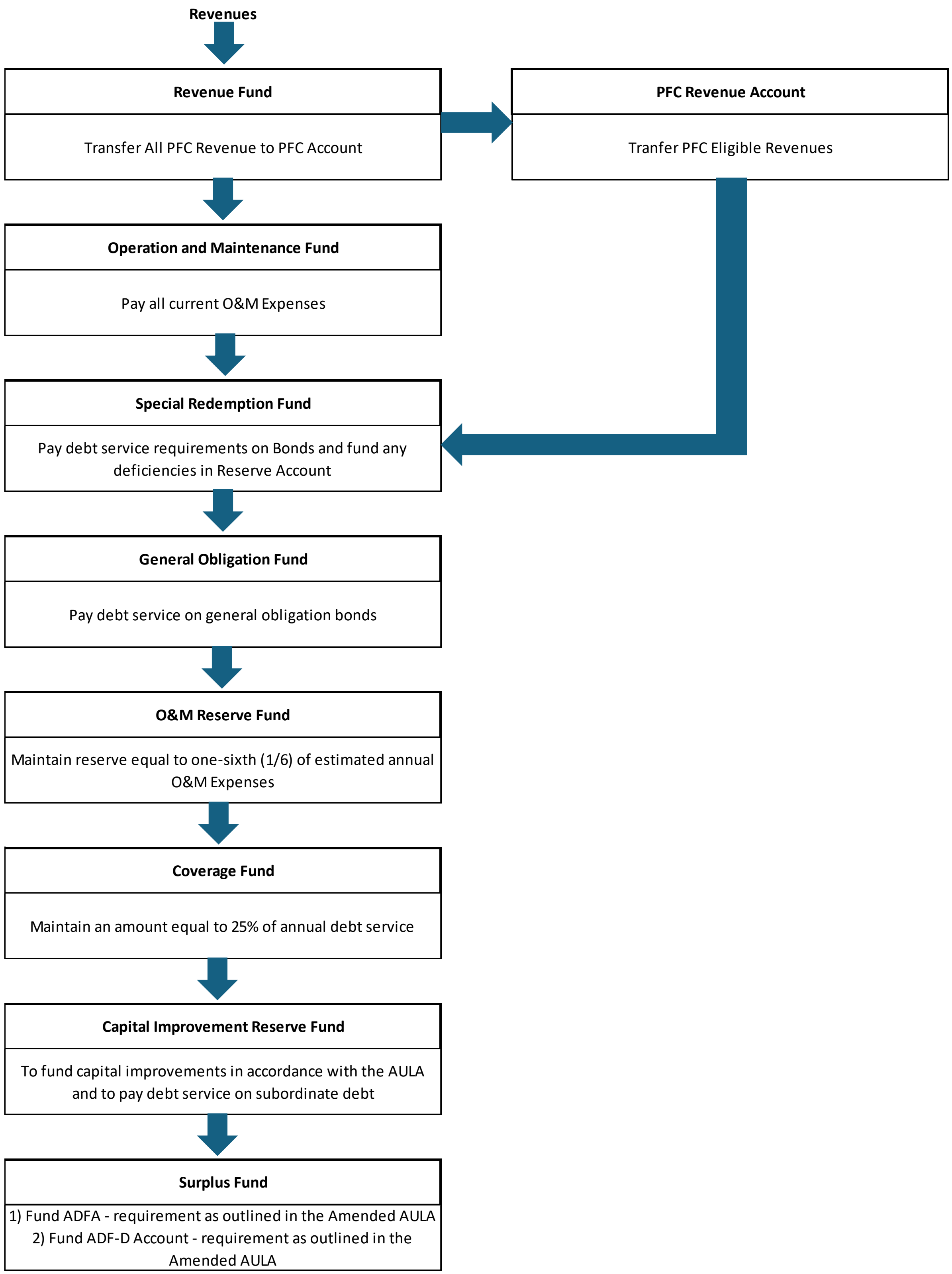
4.1.5 | Application of Revenues

Figure 46 illustrates the Flow of Funds and the priority in using amounts in the Revenue Fund. Within the Revenue Fund, the County has established the PFC Revenue Account in which all PFC Revenues shall be deposited. Monies accumulated in the PFC Revenue Account shall be applied: first, to the

Special Redemption Fund to pay debt service for all PFC-eligible projects, and second, to pay costs associated with other PFC-approved projects. All other monies in the Revenue Fund shall be applied in the following order of priority:

1. Operation and Maintenance Fund: to pay all O&M expenses.
2. Special Redemption Fund: deposit to the Interest and Principal Account to pay the interest on and principal and redemption price of the bonds, and to deposit to the Reserve Account, if necessary, to satisfy any deficiency in the Reserve Account.
3. General Obligation Bond Fund: to pay debt service on General Obligation bonds or promissory notes for the County issued for Airport System purposes. The County's current policy is not to issue any General Obligation debt for the Airport System. There is currently no outstanding General Obligation debt outstanding for the Airport System.
4. Operation and Maintenance Reserve Fund: to maintain a balance equal to one-sixth (1/6) of the estimated annual O&M expenses.
5. Coverage Fund: to be funded in an amount equal to 25 percent of the annual debt service on all outstanding bonds.
6. Capital Improvement Reserve Fund: deposit funds to be used for capital improvements in accordance with the Airline Use and Lease Agreement and to pay debt service on any subordinate debt.
7. Surplus Fund: any amounts remaining after application to the priority uses specified above. Amounts deposited in the Surplus Fund must first be used to fund the Airport Development Fund Account (ADFA) up to an amount equal to 10 percent of airport concession revenues, including parking, provided that the balance does not exceed $20 million as amended in the Amended AULA. Amounts on deposit in the ADFA can be used at the discretion of the Airport Director in conformance with the County budget procedures and authorization. Funds in the ADFA can also be used by the Airport Director to deposit up to $4 million into the ADF-D, which is a segregated account with the Surplus Fund. These accounts will be used to finance (a) future Capital Improvements or Major Maintenance Projects or (b) for any other Airport System purpose, subject to certain limitations. Funds from the ADFA or ADF-D do not require Airline approval for funding capital projects.

Figure 46 | Flow of Funds



Source: The Bond Resolutions and Amended AULA.

4.2 | Debt Service

The Series 2025A Bonds are special obligations of the County payable solely from Net Revenues of the Airport System (as defined in the Bond Resolutions) and amounts on deposit in certain funds and accounts established under the Bond Resolutions. The 2025 Supplemental Resolutions include pledged PFC Revenues as Airport System Revenues to the extent that PFCs are applied to pay debt service for any bonds that funded costs approved for PFC funding; however, none of the Series 2025 Projects will be repaid with PFC Revenues. This is on parity with the pledge of such Revenues made to secure the Series 2016A Bonds, the Series 2019A Bonds, the Series 2023A and 2023B Bonds, the Series 2024A Bonds, and any Additional Bonds that may be issued pursuant to the Bond Resolutions. Table 27 summarizes the projected Debt Service Fund Requirements for the Series 2025A Bonds and future GARB issues assumed.

From 2024 to 2025, annual debt service is projected to increase slightly to $13.6 million as a result of the Series 2024A bond debt service payments starting. The County plans to issue GARBs every year from 2025 through 2029, with maturities ranging between 15 and 20 years, depending on the type of projects to be funded. In the years 2026 and 2027 the County expects to issue GARBs that will be paid with pledged PFC revenues and GARBs that will be paid from airline rates and charges. In 2025, 2028, and 2029, the County expects to issue only GARBs that will be paid from airline rates and charges. The financial analysis assumes that the future bonds to be paid from airline rates and charges will include one year of capitalized interest (CAP-I), and the future GARBs to be paid with pledged PFC revenues will not include any CAP-I. The assumed interest rate for the remaining future GARBs is 5.5 percent.

Table 27 | Projected Annual Debt Service

DEBT SERVICE	2024	2025	2026	2027	2028	2029	2030
GARB BONDS							
Series 2016A Bonds - PFC	$ 4,140,909	$ 4,131,081	$ 4,137,480	$ 4,136,109	$ 4,136,109	$ 4,141,595	$ 4,133,595
Series 2016A Bonds - Rate Based	388,341	387,419	388,020	387,891	387,891	388,405	387,655
Series 2019A Bonds - PFC	1,176,658	1,134,634	1,092,611	1,050,587	1,008,564	966,540	924,517
Series 2019A Bonds - Rate Based	1,966,342	1,896,116	1,825,889	1,755,663	1,685,436	1,615,210	1,544,983
Series 2023A Bonds - PFC	773,189	704,550	683,182	660,718	639,404	618,091	596,777
Series 2023A Bonds - Rate Based	2,754,750	2,510,200	2,434,068	2,354,032	2,278,096	2,202,159	2,126,223
Series 2023B Bonds - PFC	2,167,130	2,010,343	1,929,920	1,849,496	1,769,073	1,683,891	-
Series 2023B Bonds - Rate Based	109,855	101,907	97,830	93,754	89,677	85,359	-
Series 2024A Bonds - PFC	-	178,115	183,662	178,246	172,830	167,414	161,998
Series 2024A Bonds - Rate Based	-	561,841	579,338	562,254	545,170	528,086	511,002
Series 2025A Bonds - Rate Based	-	-	1,899,917	1,722,750	1,672,000	1,621,250	1,565,500
Future Series 2026 Bonds - PFC	-	-	-	1,425,655	1,425,655	1,425,655	1,425,655
Future Series 2026 Bonds - Rate Based	-	-	-	1,165,003	1,165,003	1,165,003	1,165,003
Future Series 2027 Bonds - PFC	-	-	-	-	2,056,779	2,056,779	2,056,779
Future Series 2027 Bonds - Rate Based	-	-	-	-	853,756	853,756	853,756
Future Series 2028 Bonds - Rate Based	-	-	-	-	-	1,349,912	1,349,912
Future Series 2029 Bonds - Rate Based	-	-	-	-	-	-	640,054
Total Debt Service	$13,477,175	$13,616,206	$15,251,917	$17,342,158	$19,885,443	$20,869,106	$19,443,409
Total Debt Service	$13,477,175	$13,616,206	$15,251,917	$17,342,158	$19,885,443	$20,869,106	$19,443,409
Pledged PFC Revenue	8,323,166	8,158,724	8,026,856	9,300,813	11,208,416	11,059,967	9,299,323
Net Debt Service [1]	$ 5,154,009	$ 5,457,482	$ 7,225,061	$ 8,041,345	$ 8,677,027	$ 9,809,139	$10,144,087
Cost Center Allocation							
Terminal	$12,807,876	$12,874,299	$14,528,447	$16,491,307	$18,606,163	$19,470,950	$18,069,793
Airfield	647,231	673,213	653,289	782,096	1,211,944	1,332,210	1,309,133
Apron	22,069	68,694	70,182	68,755	67,336	65,946	64,484
Total Debt Service	$13,477,175	$13,616,206	$15,251,917	$17,342,158	$19,885,443	$20,869,106	$19,443,409

Source: Milwaukee County records and PFM Financial Advisor, LLC.

[1] Net Debt Service is net of PFCs pledged to pay debt service and represents the amount charged to the airline rates and charges.

4.3 | Airport Operation and Maintenance (O&M) Expenses

Table 28 presents the historical O&M Expenses from CYs 2020 through 2024, the most recent full year for which actual information is available. Total O&M Expenses increased from approximately $59.7 million in 2020 to $73.4 million in 2024, or by an average of 5.3 percent annually.

The largest components of 2024 O&M Expenses were Salaries (21.4 percent), Fringe Benefits (11.7 percent), Professional Services and Administration (18.6 percent), and Sheriff expenses (11.0 percent). Together, these four largest categories accounted for approximately 62.6 percent of total 2024 O&M Expenses. The inflated CAGRs for certain expense categories during the 2020-2024 historical period are a result of depressed 2020 costs due to the impacts of the COVID-19 pandemic and a return to pre-pandemic spending levels over the subsequent years. Historical O&M Expense trends are explained in more detail by category below.

Table 29 presents the growth in O&M Expenses from the 2025 Budget through projected 2030. The projected O&M Expenses are based on the Airport's 2025 approved budget and escalated by current inflation factors and information from Airport management. The 2025 Budget for total O&M Expenses was approved at $85.4 million, which represents a 16.5 percent increase over the 2024 Actual. The increases reflected during the forecast period result from Airport management capturing the impact of inflation in certain categories and a return to pre-pandemic spending levels appropriate to the Airport's post-pandemic operations. O&M Expenses are projected to increase from $85.4 million in budgeted 2025 to $95.7 million in 2030, rising at a CAGR of 2.3 percent.

Salaries and Fringe Benefits expenses increased gradually from $23.4 million in 2020 to $24.3 million in 2024, at a CAGR of 0.9 percent. They are budgeted at $27.8 million in 2025 and projected to reach $30.8 million in 2030, rising at a CAGR of 2.1 percent for the period 2025-2030.

Salaries

Salaries increased from $12.9 million in 2020 to $15.7 million in 2024. In 2020, the Airport management froze hiring in response to the COVID-19 pandemic's impact on operations. In 2023, Salaries increased to $15.1 million as Airport management resumed filling job vacancies through 2024. In 2025, budgeted Salaries increased approximately 13.0 percent to $17.7 million due to the Airport budgeting for all vacant positions becoming filled and anticipated salary increases. The remainder of the forecast period, 2026-2030, assumes no additional staff will be hired, and salaries will generally escalate in line with future inflationary increases. Salaries are projected to increase to $20.1 million in 2030.

Fringe Benefits

Fringe Benefits, which include medical insurance, pension costs, and other employee benefits, remained relatively flat during the five-year period 2020 through 2024 averaging approximately $10.2 million. In 2024, Fringe Benefits decreased to $8.6 million due to the implementation of a state-enacted additional sales tax that provided shared revenue to Milwaukee County. Per the parameters of the Wisconsin Act 12, the additional marginal County sales tax revenue must be used toward the funding of pension liabilities. In 2025, Fringe Benefits are budgeted at $10.1 million, 18.1 percent over the 2024 actual, due to increased healthcare and pension expenses resulting from a shortfall in projected sales tax revenue for the County. Fringe Benefits are projected to grow proportionately to the increase in Salaries and reach $10.8 million in 2030.

Table 28 | Historical O&M Expenses

Airport Expenses	Actual					CAGR
	2020	2021	2022	2023	2024	2020-2024
BY EXPENSE CATEGORY						
Salaries	$ 12,926,787	$ 13,159,847	$ 13,344,543	$ 15,085,504	$ 15,678,787	4.9%
Fringe Benefits	10,465,427	10,337,703	10,725,522	10,784,007	8,575,946	-4.9%
Salaries and Fringe Benefits	$ 23,392,214	$ 23,497,550	$ 24,070,065	$ 25,869,511	$ 24,254,733	0.9%
Contractual Services						
Utilities	$ 4,771,438	$ 5,252,325	$ 5,673,687	$ 5,662,523	$ 5,393,081	3.1%
Repairs/Maintenance	3,201,695	4,010,122	4,389,002	4,985,631	4,901,295	11.2%
Prof. Services/Admin	8,210,079	8,998,337	10,193,384	13,580,269	13,629,316	13.5%
Other	1,116,393	1,285,941	1,447,652	1,717,141	1,771,863	12.2%
Subtotal	$ 17,299,605	$ 19,546,725	$ 21,703,725	$ 25,945,564	$ 25,695,555	10.4%
Intra-County Services						
Sheriff	$ 7,569,086	$ 7,925,839	$ 7,960,278	$ 8,651,864	$ 8,038,546	1.5%
Fleet Maintenance	2,619,234	2,228,790	2,849,718	3,568,608	2,997,307	3.4%
Prof. Service	589,669	631,718	788,922	686,682	626,023	1.5%
Insurance	467,671	1,117,177	1,450,969	1,466,780	-	N/A
Central Services Allocation	-	-	-	-	5,202,451	N/A
Other	2,481,162	2,451,631	2,156,712	2,533,497	689,640	-27.4%
Subtotal	$ 13,726,822	$ 14,355,155	$ 15,206,599	$ 16,907,430	$ 17,553,967	6.3%
Commodities	$ 2,350,378	$ 3,196,708	$ 4,422,861	$ 4,035,709	$ 3,739,984	12.3%
Major Maintenance	$ 192,762	$ 161,498	$ 55,000	$ 874,814	$ 1,640,098	70.8%
Other	$ 2,705,254	$ 140,469	$ 61,212	$ 792,835	$ 476,980	-35.2%
Total O & M Expenses	**$ 59,667,034**	**$ 60,898,105**	**$ 65,519,462**	**$ 74,425,864**	**$ 73,361,317**	5.3%

Source: Milwaukee County records.

Table 29 | Projected O&M Expenses

Airport Expenses	Budget 2025	Projected 2026	2027	2028	2029	2030	CAGR 2025 -2030
BY EXPENSE CATEGORY							
Personnel Services							
Salaries	$ 17,712,497	$ 18,044,588	$ 18,585,925	$ 19,143,503	$ 19,583,803	$ 20,053,815	2.5%
Fringe Benefits	10,127,163	9,644,946	9,941,099	10,289,030	10,525,678	10,778,294	1.3%
Salaries and Fringe Benefits	$ 27,839,660	$ 27,689,534	$ 28,527,024	$ 29,432,533	$ 30,109,481	$ 30,832,109	2.1%
Contractual Services							
Utilities	$ 6,084,963	$ 6,224,917	$ 6,368,090	$ 6,514,556	$ 6,664,391	$ 6,824,337	2.3%
Repairs/Maintenance	5,855,981	5,990,669	6,128,454	6,269,408	6,413,605	6,567,531	2.3%
Prof. Services/Admin	17,406,606	17,806,958	18,216,518	18,635,498	19,064,114	19,521,653	2.3%
Other	2,279,542	2,281,844	2,334,327	2,388,016	2,442,941	2,501,571	1.9%
Subtotal	$ 31,627,092	$ 32,304,388	$ 33,047,389	$ 33,807,479	$ 34,585,051	$ 35,415,092	2.3%
Intra-County Services							
Sheriff	$ 8,883,815	$ 8,984,882	$ 9,254,428	$ 9,532,061	$ 9,751,298	$ 9,985,329	2.4%
Fleet Management	3,665,874	4,059,164	4,383,897	4,734,609	4,843,505	4,959,749	6.2%
Prof. Service	841,461	943,345	965,042	987,238	1,009,945	1,034,183	4.2%
Central Services Allocation	6,103,493	5,252,097	5,409,660	5,571,949	5,700,104	5,836,907	-0.9%
Other	628,404	873,459	893,548	914,100	935,124	957,567	8.8%
Subtotal	$ 20,123,047	$ 20,112,946	$ 20,906,575	$ 21,739,957	$ 22,239,976	$ 22,773,735	2.5%
Commodities	4,550,869	4,645,309	4,752,151	4,861,451	4,973,264	5,092,622	2.3%
Major Maintenance	874,154	894,260	914,828	935,869	957,394	980,371	2.3%
Other	423,000	557,775	570,604	583,728	597,154	611,486	7.6%
Total O & M Expenses	**$ 85,437,822**	**$ 86,204,212**	**$ 88,718,571**	**$ 91,361,016**	**$ 93,462,320**	**$ 95,705,415**	2.3%

Sources: Milwaukee County records and Unison Consulting, Inc. For projected inflation: https://knoema.com/kyaewad/us-inflation-forecast-2022-2023-and-long-term-to-2030-data-and-charts.

4.3.1 | Contractual Services

Contractual Services include expenses for Utilities, Repair and Maintenance, Professional Services and Administration, and Other Contractual Services. These expenses rose from $17.3 million in 2020 to $25.7 million in 2024 at a CAGR of 10.4 percent. The inflated CAGR is a result of depressed 2020 costs due to the impacts of the COVID-19 pandemic and a return to pre-pandemic spending levels over the subsequent years. In 2023, Contractual Services increased by approximately $4.2 million primarily due to increased Professional Services and Administration expenses, as further discussed below. Contractual Services expenses are budgeted at $31.6 million in 2025 and are projected to reach $35.4 million in 2030.

Utilities Expenses

Utilities expenses include payments for electricity, water, natural gas, sewage, telephones, and internet services. Utility expenses increased from $4.8 million in 2020, the first pandemic year, to $5.4 million in 2024. In 2021, Utility expenses began to rise as the use of the Airport facilities returned to pre-pandemic levels, and utility rates increased due to inflation.

Utilities expenses are budgeted to increase to $6.1 million in 2025 due to increased rates. They are projected to increase further to $6.8 million in 2030 at a CAGR of 2.3 percent.

Repair and Maintenance Expenses

Repair and Maintenance expenses rose from $3.2 million in 2020 to $4.9 million in 2024 as expenses returned to pre-pandemic levels. In 2021, Repair and Maintenance expenses increased by approximately 25% as the Airport completed deferred projects from 2020.

In 2025, the Repair and Maintenance budget increased to $5.9 million. The increase is due to contractual service providers performing tasks that were previously handled by Airport employees, as the Airport had difficulty hiring and retaining employees. Repair and Maintenance expenses are projected to increase further to $6.6 million in 2030.

Professional Services and Administration Expenses

Professional Services and Administration expenses include payments for parking management, housekeeping service, security fees, bank service fees, legal fees, and any other fees incurred from professional service contracts. These expenses increased from approximately $8.2 million in 2020 to $13.6 million in 2024 at a CAGR of 13.5 percent. They reached a low of $8.2 million in 2020, primarily resulting from management actions to seek cost efficiencies during the pandemic. Expenditures gradually increased to $13.6 million in 2023 with the return of passenger activity and more housekeeping and custodial services being contracted out instead of being provided by Airport staff.

In 2025, Professional Services and Administration expenses are budgeted to increase to $17.4 million, primarily due to anticipated increases in the Airport's use of contractual security services and Airport management anticipating spending for services that were deferred in 2024. They are projected to increase to $19.5 million in 2030 at a CAGR.

Other Contractual Services

Other Contractual Services include expenses for waste removal, software licensing, and other miscellaneous expenses related to contractual services. These expenses increased from $1.1 million in 2020 to $1.8 million in 2024 or an average of 12.2 percent per year.

These expenses were budgeted to increase to $2.3 million by 2025 because of software licensing, training/travel expenses, and annual inflation. They are projected to continue increasing to $2.5 million by 2030.

4.3.2 | Intra-County Services

Expenses for Intra-County Services consist of costs charged to the Airport System by other County departments, including Sheriff, Fleet Maintenance, Professional Services, Insurance, and Other expenses. Intra-County Service expenses increased by an average of 6.3 percent per year from $13.7 million in 2020 to $17.6 million in 2024.

Sheriff Expenses

Sheriff expenses increased from $7.6 million in 2020 to approximately $8.0 million in 2024. The increase in Sheriff expenses charged to the Airport from 2022 to 2023 is primarily due to higher wages from the 2021 – 2023 labor contract between Milwaukee County and the Milwaukee County Deputy Sheriff's Association, which was settled through mandatory interest arbitration at the end of 2023. Sheriff expenses are budgeted to reach $8.9 million in 2025 and projected to increase to $10.0 million in 2030.

Fleet Maintenance Expenses

Fleet Maintenance expenses fluctuated during the period 2020 to 2024 at a CAGR of 3.4 percent. The expenses decreased from $2.6 million in 2020 to $2.2 million in 2021 due to staffing challenges, before gradually increasing in subsequent years to $3.0 million in 2024. Fleet Maintenance expenses are budgeted to increase to $3.7 million in 2025 due to increased cost of parts, and are projected to increase to approximately $5.0 million in 2030, at a CAGR of 6.2 percent.

Intra-County Professional Service Expenses

Intra-County Professional Service expenses are comprised of Audit services, Corporation Counsel services, Risk Management services, and Professional Service Division services. They increased from approximately $590,000 in 2020 to $626,000 in 2024 or by an average of 1.5 percent per year. During the period, expenses fluctuated due to pandemic impacts and increased engineering services for the design of capital projects. Intra-County Professional Service expenses were budgeted to be $841,000 in 2025 and are projected to grow to $1.0 million in 2030.

Insurance Expenses

Insurance expenses increased from approximately $468,000 in 2020 to $1.5 million in 2023 due to an increase in the costs of airport liability coverage and auto coverage. Beginning in 2024, Insurance expenses were re-classified into the new Central Service Allocation category.

Central Services Allocation

The Central Service Allocation expenses include the Insurance and Facility Inspection Services expenses that were re-classified into it beginning in 2024, along with indirect costs for various functions such as Civil Service Commission, Human Resources, Payroll, and Information Technology service and systems. In 2025, Central Services Allocation expenses are budgeted at $6.1 million and are projected to decrease to $5.8 million in 2030.

Other Intra-County Expenses

Other Intra-County expenses remained relatively flat at $2.5 million from 2020 to 2023. Beginning in 2024, Central Service Allocation itself and Facility Inspection Services expenses within Other Intra-County were re-classified into the new Central Service Allocation category, which resulted in a decline in spending in this category. The remaining Other Intra-County expenses are budgeted at $628,000 in 2025 and are projected to increase to $958,000 in 2030.

4.3.3 | Commodities

Commodities expenses include building, plumbing, roadway, snow removal chemicals, and other materials and supplies, including technological supplies. They fluctuated between $2.4 million in 2020 and $3.7 million in 2024 due to the recovery of activity at the Airport post-COVID-19 pandemic and weather-related impacts. In 2025, Commodities expenses are budgeted at $4.6 million and are projected to increase to approximately $5.1 million in 2030.

4.3.4 | Major Maintenance

Major Maintenance expenses decreased from $193,000 in 2020 to $55,000 in 2022, primarily due to management deferring certain large maintenance projects to mitigate the pandemic impacts from 2020. Major Maintenance expenses increased to approximately $1.6 million in 2024 due to large maintenance projects being initiated, coupled with the Airport increasing its capitalization threshold in 2023 from $2,500 for general assets and $1,000 for computing assets to $50,000 for each to match the Amended AULA. In 2025, these expenses were budgeted to decrease to $874,000 due to Airport management not anticipating any additional large maintenance projects being initiated. Major Maintenance is projected to increase to approximately $1.0 million in 2030.

4.3.5 | Other

Other expenses include interest and penalties, bad debt expense, and other miscellaneous charges. These expenses increased in 2020 to $2.7 million due to an increase in bad debt expenses caused by the pandemic. These expenses decreased to $140,000 in 2021 and fluctuated in subsequent years to $477,000 in 2024. Other expenses are budgeted at approximately $423,000 in 2025 and are projected to increase to $611,000 in 2030. This category also contains year-end accounting-related entries that can create fluctuations in actual spending levels.

4.4 | Airport System Revenues

Airport System Revenues, as defined in the Bond Resolutions, consist of all monies received by the Airport System from any source, including all rates, fees, charges, rents, and other income derived by the County from the ownership or operation of the Airport System. Revenues do not include (a) proceeds of bonds or other borrowings by the County, or interest earned thereon, (b) proceeds of grants and gifts for limited purposes or the proceeds of the disposition of property financed by such grants and gifts, (c) condemnation proceeds or insurance proceeds, except those received from rental or business interruption insurance, (d) all income and revenue collected and received by the County with respect to properties and facilities which are not included in the definition of Airport System, or (e) Special Facility Revenues.

Table 30 presents Actual Airport System Revenues for the years 2020 to 2024. Airport System Revenues increased from $84.9 million in 2020 to approximately $98.1 million in 2024 with the Airport's recovery and the use of Federal Relief Funds. The inflated CAGR for certain Airport System Revenue categories during the 2020-2024 historical period are a result of lower base revenues in 2020 due to impacts of the COVID-19 pandemic and the Airport's activity recovery. Historical Airport System Revenue trends are explained in more detail by category below.

Table 31 presents the growth in Airport System Revenues from the 2025 Budget through projected 2030. The projected revenues were developed based on the 2025 budget, combined with changes in the base enplanement forecast, escalation factors, and discussions with Airport management. Total Airport System Revenues are projected to increase from $112.0 million in budget 2025 to $127.0 million in 2030, at a CAGR of 2.6 percent.

4.4.1 | Airfield Revenues

Airfield Revenues consist of landing fees from Signatory and Non-Signatory Airlines, revenues from general aviation operations, and air cargo rentals. Total Airfield revenues increased from approximately $18.1 million in 2020 to $21.9 million in 2021, then fluctuated in subsequent years, increasing to $26.6 million in 2024. They are budgeted to increase to $34.7 million in 2025 and are projected to increase to approximately $36.8 million in 2030. A portion of the projected increase after 2024, is due to remaining Federal Relief Funds used to reduce the Airfield requirement. The projected changes in the components are discussed in the following paragraphs.

4.4.2 | Landing Fees

Landing Fee revenues consist of fees collected from Signatory and Non-Signatory Airlines based on the landed weight of each carrier's activity at the Airport. As explained previously, the airlines pay fees established to recover the Airfield Requirement, which equals total Airfield expenses minus non-airline revenues. Landing Fee revenues increased from $14.7 million in 2020 to $17.8 million in 2021, primarily due to lower amounts of Federal Relief Funds applied to reduce landing fees. Landing Fee revenues fluctuated in subsequent years before increasing to $21.9 million in 2024 primarily due to air service activity, rising O&M expenses and the use of Federal Relief Funds reducing the Airfield Requirement and landing fees.

Landing Fee revenues are budgeted to increase to $30.2 million in 2025 due to no Federal Relief Funds to offset higher O&M expenses. Landing Fee revenues are projected to reach $31.8 million in 2030. Table 32 presents the Landing Fee Rate from 2025 Budget through projected 2030. The Signatory Landing Fee Rate is projected to increase from $6.62 per 1,000 pounds of landed weight in 2025 to $6.92 per 1,000 pounds of landed weight in 2030. According to the AULA, the Non-Signatory carriers pay a landing fee equal to 125 percent of the Signatory Landing Fee. The Non-Signatory Landing Fee Rate is projected to increase to $8.64 by 2030.

4.4.3 | General Aviation and Other Airfield

General Aviation and Other revenues include rents collected for land occupied by corporate hangars and fees collected for County-owned T-Hangars, fees assessed for general aviation fuel purchases in lieu of landing fees, rents collected from FBOs for land, apron hangars, and other buildings, and miscellaneous other Airfield revenues. These revenues increased from $2.9 million in 2020 to $4.0 million in 2024, at a CAGR of 8.5 percent. General Aviation and Other revenues are budgeted at $3.9 million in 2025 and projected to increase with inflation to $4.3 million in 2030.[63]

4.4.4 | Air Cargo Rentals

Air Cargo Rental revenues are generated from the following three sources: (1) building rent received for space rented in the existing air cargo building owned by the Airport, (2) air cargo ramp rent, and (3) ground rent received from a private developer who owns an air cargo building and leases building space to various tenants. Air Cargo Rental revenues increased by an average of 3.7 percent per year from approximately $551,000 in 2020 to $637,000 in 2024. These revenues are projected to increase with inflation from $623,000 budgeted in 2025 to $699,000 in 2030.

4.4.5 | Terminal Revenues

Terminal revenues consist of Terminal rents received from the airlines and non-airline revenues comprised of terminal concession revenues, rental car revenues, and parking revenues. Terminal Revenues increased from $34.4 million in 2020 to $52.3 million in 2024, primarily due to an increase in O&D enplanements, resulting from a return of passenger activity following the end of the pandemic.

Terminal revenues are budgeted to increase to $67.1 million in 2025 because of terminal rentals, parking, and concession revenues trending higher. They are projected to reach $77.4 million in 2030, at a CAGR of 2.9 percent for the period 2025-2030.

[63] https://knoema.com/kyaewad/us-inflation-forecast-2022-2023-and-long-term-to-2030-data-and-charts

Table 30 | Historical Airport System Revenues

Airport Revenues	Actual					CAGR
	2020	2021	2022	2023	2024	2020-2024
Airfield						
Landing Fees						
Signatory Landing Fees	$ 13,749,580	$ 16,805,044	$ 14,597,437	$ 19,050,469	$ 19,515,755	9.2%
Non-Signatory Landing Fees	909,983	1,000,002	612,703	670,104	2,413,446	27.6%
Total Landing Fees	$ 14,659,563	$ 17,805,046	$ 15,210,140	$ 19,720,574	$ 21,929,201	10.6%
General Aviation and Other						
Hangar Rentals	813,804	826,949	882,393	927,633	966,348	4.4%
Fuel and Oil Charges	189,393	285,593	316,079	311,625	298,750	12.1%
Fixed Based Operator	557,394	597,877	615,406	642,426	675,702	4.9%
Other	1,335,518	1,865,771	1,723,744	2,344,978	2,071,922	11.6%
Total GA and Other	$ 2,896,110	$ 3,576,190	$ 3,537,622	$ 4,226,662	$ 4,012,722	8.5%
Air Cargo Rentals	550,539	544,643	598,214	611,115	637,106	3.7%
Total Airfield Revenues	**$ 18,106,212**	**$ 21,925,879**	**$ 19,345,976**	**$ 24,558,351**	**$ 26,579,029**	10.1%
Terminal						
Signatory Airlines						
Space Rentals	8,635,771	11,491,760	5,440,323	331,917	(6,943,315)	N/A
Other Charges and Fees	487,841	860,920	1,479,359	587,285	1,173,594	24.5%
Total Signatory Airlines	$ 9,123,612	$ 12,352,680	$ 6,919,682	$ 919,202	$ (5,769,721)	N/A
Concessions						
Car Rental	6,323,086	9,063,767	11,057,681	12,024,156	12,766,885	19.2%
Gifts & Novelty	1,082,742	1,678,401	1,391,493	2,328,772	2,323,165	21.0%
Food & Beverage	3,612,088	1,571,337	1,802,883	2,946,604	3,446,265	-1.2%
TNC	296,385	460,842	671,073	819,807	936,816	33.3%
Other	933,967	1,095,962	1,489,132	1,718,642	2,292,843	25.2%
Total Concessions	$ 12,248,268	$ 13,870,310	$ 16,412,262	$ 19,837,982	$ 21,765,973	15.5%
Public Parking	11,143,718	18,467,093	25,577,201	28,553,441	33,459,456	31.6%
Other Terminal Revenues	1,891,950	2,140,336	1,693,276	2,674,557	2,843,637	10.7%
Total Terminal Revenues	**$ 34,407,548**	**$ 46,830,419**	**$ 50,602,421**	**$ 51,985,182**	**$ 52,299,345**	11.0%
Apron						
Signatory Apron Fees	1,210,177	1,089,515	971,801	1,205,625	863,674	-8.1%
Other Apron Fees	213,262	192,864	416,487	155,045	409,014	17.7%
Total Apron Revenues	$ 1,423,439	$ 1,282,379	$ 1,388,288	$ 1,360,670	$ 1,272,689	-2.8%
Other						
Flexible Response Security	951,542	2,307,575	2,175,805	2,199,026	-	N/A
MKE Business Park	745,637	546,881	543,925	394,558	374,577	-15.8%
Total Other Revenues	$ 1,697,179	$ 2,854,456	$ 2,719,730	$ 2,862,893	$ 374,577	-31.5%
PFC Pledged Revenues	8,415,328	8,321,360	8,357,832	8,143,199	8,323,166	-0.3%
Federal Relief Funds	22,494,687	1,663,926	11,054,436	10,942,221	9,206,687	N/A
Federal Relief Funds- Concessions			2,890,553	532,377	40,874	N/A
PFC Reimb of ADF				311,667	-	N/A
PFC for Admin Expenses				47,684	-	N/A
PFC Interest Applied				101,963	-	N/A
Deferred Federal Relief Funds	(1,663,926)	-	-	-	-	N/A
Overcollected Airline Revenue	-	3,431,982	3,191,286	-	-	N/A
TOTAL AIRPORT REVENUES	**$ 84,880,467**	**$ 86,310,401**	**$ 99,550,521**	**$ 100,846,206**	**$ 98,096,367**	3.7%

Source: Milwaukee County records.

Table 31 | Projected Airport System Revenues

Airport Revenues	Budget 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	CAGR 2025-2030
Airfield							
Landing Fees							
Signatory Landing Fees	$ 24,694,897	$ 25,118,319	$ 25,617,147	$ 26,620,356	$ 27,353,634	$ 28,052,778	2.6%
Sig Cargo Landing Fees	2,858,037	2,462,351	2,297,862	2,370,042	2,302,028	2,294,756	-4.3%
Non-Signatory Landing Fees	2,025,041	394,305	402,789	417,112	428,143	438,151	-26.4%
Non-Sig Cargo Landing Fees	654,681	1,093,176	1,000,680	1,041,192	1,006,660	1,005,740	9.0%
Total Landing Fees	$ 30,232,657	$ 29,068,151	$ 29,318,479	$ 30,448,702	$ 31,090,464	$ 31,791,425	1.0%
General Aviation and Other							
Hangar Rentals	932,295	953,738	975,674	998,114	1,021,071	1,045,577	2.3%
Fuel and Oil Revenue	315,000	322,245	329,657	337,239	344,995	353,275	2.3%
Fixed Base Operator	680,000	695,640	711,640	728,007	744,752	762,626	2.3%
Other	1,934,576	1,979,071	2,024,589	2,071,155	2,118,791	2,169,642	2.3%
Total GA and Other	$ 3,861,871	$ 3,950,694	$ 4,041,559	$ 4,134,515	$ 4,229,609	$ 4,331,120	2.3%
Air Cargo Rentals	623,000	637,329	651,988	666,983	682,324	698,700	2.3%
Total Airfield Revenues	**$ 34,717,527**	**$ 33,656,173**	**$ 34,012,026**	**$ 35,250,200**	**$ 36,002,397**	**$ 36,821,244**	1.2%
Terminal							
Signatory Airlines							
Space Rentals	$ 3,820,769	$ 4,747,184	$ 4,925,120	$ 4,325,035	$ 3,400,192	$ 2,313,304	-9.5%
Other Charges and Fees	239,076	257,257	263,822	274,826	286,301	297,009	4.4%
Non-Signatory Terminal Space Rent	51,660	214,572	222,615	195,491	153,689	104,561	15.1%
County Gate Use Fees		-	-	-	-	-	N/A
Total Space Rentals	$ 4,369,085	$ 5,219,014	$ 5,411,557	$ 4,795,352	$ 3,840,182	$ 2,714,874	-9.1%
Concessions							
Car Rental	13,679,667	13,929,569	14,541,505	15,401,416	16,307,880	17,194,943	4.7%
Gifts & Novelty	2,300,000	2,338,467	2,441,309	2,588,907	2,745,556	2,899,512	4.7%
Food & Beverage	3,780,569	3,843,799	4,012,842	4,255,453	4,512,942	4,766,002	4.7%
TNC	1,686,310	1,684,198	1,727,177	1,799,214	1,874,342	1,944,445	2.9%
Other Concessions	2,290,715	2,340,466	2,455,397	2,616,636	2,788,592	2,962,318	5.3%
Total Concessions	$ 23,737,261	$ 24,136,499	$ 25,178,228	$ 26,661,626	$ 28,229,312	$ 29,767,221	4.6%
Public Parking	37,650,000	37,602,841	38,562,422	40,170,785	41,848,164	43,413,337	2.9%
Other Terminal Revenues	1,378,108	1,409,804	1,442,229	1,475,401	1,509,335	1,545,559	2.3%
Total Terminal Revenues	**$ 67,134,453**	**$ 68,368,157**	**$ 70,594,437**	**$ 73,103,165**	**$ 75,426,994**	**$ 77,440,991**	2.9%
Apron							
Signatory Apron Fees	$ 1,537,520	$ 1,540,797	$ 1,582,838	$ 1,626,960	$ 1,660,176	$ 1,697,718	2.0%
Other Apron Revenues	174,979	161,589	165,998	170,625	174,109	178,046	0.3%
Total Apron Revenues	**$ 1,712,499**	**$ 1,702,386**	**$ 1,748,836**	**$ 1,797,585**	**$ 1,834,285**	**$ 1,875,764**	1.8%
Other							
MKE Business Park	177,202	1,025,202	1,511,202	1,533,882	1,569,161	$ 1,606,821	55.4%
Total Other Revenues	**$ 177,202**	**$ 1,025,202**	**$ 1,511,202**	**$ 1,533,882**	**$ 1,569,161**	**$ 1,606,821**	55.4%
PFC Pledged Revenues	8,158,723	8,026,856	9,300,813	11,208,416	11,059,967	9,299,323	2.7%
Federal Relief Funds	-	-	-	-	-	-	N/A
Federal Relief Funds - Concessions	62,984	-	-	-	-	-	N/A
TOTAL AIRPORT REVENUES	**$111,963,390**	**$112,778,774**	**$117,167,313**	**$122,893,248**	**$125,892,804**	**$127,044,143**	2.6%

Source: Milwaukee County records and Unison Consulting, Inc.

Source: For projected inflation. https://knoema.com/kyaewad/us-inflation-forecast-2022-2023-and-long-term-to-2030-data-and-charts

Table 32 | Projected Landing Fees

Landing Fee	Budget	Projected				
	2025	2026	2027	2028	2029	2030
Airfield Expenses						
O&M Expense	$ 31,305,796	$ 31,250,485	$ 32,161,983	$ 33,119,914	$ 33,885,588	$ 34,703,488
Deposits to O&M Reserve Fund	270,449	141,802	151,916	159,655	127,612	136,317
Series 2013A GARB d.s.						
Series 2016A GARB d.s.	39,624	39,686	39,672	39,672	39,725	39,648
Series 2023 GARB d.s.	20,877	20,244	19,578	18,947	18,315	17,684
Future Series 2025 GARB d.s.	-	-	-	-	-	-
Future Series 2026 GARB d.s.	-	-	72,498	72,498	72,498	72,498
Future Series 2028 GARB d.s.	-	-	-	-	143,213	143,213
Depreciation	2,040,630	1,480,028	1,225,738	1,179,243	1,100,000	1,100,000
Deposits to Coverage Fund	-	18,124	85,502	35,803	-	-
Total Airfield Expense	**$ 33,677,376**	**$ 32,950,369**	**$ 33,756,888**	**$ 34,967,741**	**$ 35,728,960**	**$ 36,554,856**
Less Credits:						
Federal Relief Funds Applied to O&M	$ -	$ -	$ -	$ -	$ -	$ -
General Aviation Revenues	2,505,638	2,563,267	2,622,222	2,682,533	2,744,232	2,810,093
Air Cargo Rentals including Cargo Apron	623,000	637,329	651,988	666,983	682,324	698,700
Non-Signatory Landing Fees	2,679,722	1,487,481	1,403,469	1,458,304	1,434,803	1,443,891
FBO & Military Landing Fees	672,792	688,266	704,096	720,291	736,857	754,542
Other Non-Airline Revenue	683,441	699,160	715,241	731,691	748,520	766,485
MKE Business Park	(1,040,151)	(705,804)	(255,138)	(282,459)	(273,437)	(266,388)
Total Credits	**$ 6,124,442**	**$ 5,369,699**	**$ 5,841,879**	**$ 5,977,344**	**$ 6,073,299**	**$ 6,207,323**
Airfield Requirement	$ 27,552,934	$ 27,580,670	$ 27,915,009	$ 28,990,397	$ 29,655,661	$ 30,347,534
Signatory Landed Weight	4,163,569	3,866,207	3,930,944	4,092,164	4,239,676	4,388,445
Signatory Landing Fee Rate	**$ 6.62**	**$ 7.13**	**$ 7.10**	**$ 7.08**	**$ 6.99**	**$ 6.92**
Pass. Non-Sig. Landed Wt.	44,918	44,218	45,376	47,102	48,967	50,688
Pass. Non-Sig. Landing Fee Rate	**$ 8.28**	**$ 8.92**	**$ 8.88**	**$ 8.86**	**$ 8.74**	**$ 8.64**

Source: Milwaukee County records and Unison Consulting, Inc.

4.4.6 | Space Rentals

Space Rental revenue consists of Signatory Space Rental revenue, Other Charges and Fees, Non-Signatory Terminal Space Rental revenue, and County Gate Use Fees.

Signatory Space Rental revenue comes from rent paid by Signatory Airlines for space in the Airport Terminal. This revenue fluctuated during the period 2020 to 2024. The higher Signatory Space Rentals during the early period were due to a reduction in the concession and parking credits applied to offset the Terminal Requirement due to the reduced revenues caused by the pandemic. However, in 2022 and 2023, the Space Rental revenue decreased due to the Airport's increased use of Federal Relief Funds as credit to the Terminal Requirement despite an increase in concession, rental car, and parking revenues.

Signatory Space Rental revenues declined further to a negative $6.9 million in 2024 because of higher non-airline revenues and $9.2 million of Federal Relief Funds being applied, which Airport management is considering alternative options for consideration during the Airline settlement. The negative Signatory Space Rental revenue is primarily due to actual non-airline revenues and Federal Relief Funds exceeding what was budgeted in the 2024 terminal rate. Signatory Space Rental revenues are projected to increase to $2.7 million in 2030.

Rental charges for Terminal space occupied by Signatory Airlines are based on Public and Non-Public Airline Space. As shown in Table 33, the Airline Public Space Rental Rate is projected to decrease from $25.15 in 2025 to $15.22 in 2030 as a result of projected increases in non-airline revenue credits allocated to the terminal. The Airline Non-Public Rental Rate is projected to decrease from $18.86 in 2025 to $11.42 in 2030.

4.4.7 | Other Charges and Fees

Other Charges and Fees include passenger service fees (a $7.50 per-passenger fee collected from airlines for international flights processed through the IAT), Non-Signatory Space Rental revenue, and fees paid for the use of County-owned gates (gates controlled by the County that airlines use on a per-use basis). This source of revenue increased from $488,000 in 2020 to $1.5 million in 2022 due to unplanned County-owned gate usage by a particular airline for an extended portion of the year. Other Charges and Fees declined in 2023 before increasing to $1.2 million in 2024 as County-owned gate usage rose and fell. In 2025, Other Charges and Fees are budgeted lower at $239,000 and projected to gradually increase to $297,000 in 2030.

Table 33 | Projected Terminal Rental Rate

Terminal Rental Rate	Budget 2025	Projected 2026	2027	2028	2029	2030
Terminal Expenses						
O&M Expense	$ 51,303,140	$ 51,664,383	$ 53,171,302	$ 54,754,987	$ 56,020,826	$ 57,373,007
Deposits to O&M Reserve Fund	455,327	234,432	251,153	263,947	210,973	225,364
Series 2016A GARB d.s.	325,779	326,284	326,176	326,176	326,608	325,977
Series 2019A GARB d.s.	1,896,116	1,825,889	1,755,663	1,685,436	1,615,210	1,544,983
Series 2019B GARB d.s.	-	-	-	-	-	-
Series 2023A GARB d.s.	2,489,323	2,413,824	2,334,454	2,259,149	2,183,844	2,108,539
Series 2023B GARB d.s.	101,907	97,830	93,754	89,677	85,359	-
Series 2024A GARB d.s.	515,163	531,205	515,541	499,876	484,211	468,547
Future Series 2025 GARB d.s.	-	1,899,917	1,722,750	1,672,000	1,621,250	1,565,500
Future Series 2026 GARB d.s.	-	-	1,092,505	1,092,505	1,092,505	1,092,505
Future Series 2027 GARB d.s.	-	-	-	511,747	511,747	511,747
Future Series 2028 GARB d.s.	-	-	-	-	1,206,700	1,206,700
Future Series 2029 GARB d.s.	-	-	-	-	-	640,054
Depreciation	3,626,960	2,927,332	2,829,138	2,962,748	2,900,000	2,900,000
Amortization						
Overcollection from Jan to Aug	-	-	-	-	-	-
Deposits to Coverage Fund	344,996	273,126	127,937	301,675	160,013	160,013
Total Terminal Expense	$ 61,058,711	$ 62,194,223	$ 64,220,372	$ 66,419,923	$ 68,419,246	$ 70,122,935
Less Credits:						
Federal Relief Funds Applied to O&M	-	-	-	-	-	-
Federal Relief Funds Applied to Concessio	62,984	-	-	-	-	-
Other Revenues and Fees	257,580	257,257	263,822	274,826	286,301	297,009
Other Terminal Revenues	1,378,108	1,409,804	1,442,229	1,475,401	1,509,335	1,545,559
Non-Signatory Terminal Space Rent	239,076	214,572	222,615	195,491	153,689	104,561
County Gate Use Fees	51,660	-	-	-	-	-
Concessions						
Car Rental Concessions	12,311,117	12,536,612	13,087,354	13,861,274	14,677,092	15,475,449
Gifts & Novelty	2,070,000	2,104,621	2,197,178	2,330,017	2,471,001	2,609,561
Food & Beverage	3,402,512	3,459,419	3,611,558	3,829,908	4,061,647	4,289,402
Public Parking	33,885,000	33,842,557	34,706,179	36,153,707	37,663,348	39,072,003
Transportation Network Companies	1,517,679	1,515,778	1,554,459	1,619,292	1,686,908	1,750,000
Other Terminal Concession Revenues	2,061,644	2,106,420	2,209,857	2,354,972	2,509,733	2,666,087
Total Credits [1]	57,237,942	57,447,039	59,295,252	62,094,888	65,019,054	67,809,632
Terminal Requirement	$ 3,820,769	$ 4,747,184	$ 4,925,120	$ 4,325,035	$ 3,400,192	$ 2,313,304
Rented Square Feet	151,949	151,949	151,949	151,949	151,949	151,949
Projected Terminal Rental Rate	**$ 25.15**	**$ 31.24**	**$ 32.41**	**$ 28.46**	**$ 22.38**	**$ 15.22**
Airline Public Space	65,395	65,395	65,395	65,395	65,395	65,395
Airline Public Space Rental Rate	$ 25.15	$ 31.24	$ 32.41	$ 28.46	$ 22.38	$ 15.22
Airline Public Space Revenue	$ 1,644,365	$ 2,043,071	$ 2,119,650	$ 1,861,389	$ 1,463,359	$ 995,589
Airline Non-Public Space	115,405	115,405	115,405	115,405	115,405	115,405
Airline Non-Public Space Rental Rate	$ 18.86	$ 23.43	$ 24.31	$ 21.35	$ 16.78	$ 11.42
Airline Non-Public Space Revenue	$ 2,176,404	$ 2,704,113	$ 2,805,470	$ 2,463,646	$ 1,936,833	$ 1,317,715
Total Rental Revenue	**$ 3,820,769**	**$ 4,747,184**	**$ 4,925,120**	**$ 4,325,035**	**$ 3,400,192**	**$ 2,313,304**

Source: Milwaukee County records and Unison Consulting, Inc.

[1] Adjusted to reflect the contribution to the Capital Improvement Fund.

4.4.8 | Concessions

Concession revenues consist of fees collected from Terminal concession operators, including car rental companies, gifts and novelty sales operators, food and beverage operators, transportation network companies (TNCs), and other concession operators. Total concessions revenues increased from $12.2 million in 2020 to $21.8 million in 2024, primarily due to the return of passenger traffic following the end of the pandemic and inflationary price increases. Concession revenues are budgeted at $23.7 million and projected to increase to $29.8 million in 2030, at a CAGR of 4.6 percent. The projected growth in Concession revenues is primarily a result of enplanement growth, combined with annual inflation rate assumptions.

Car Rental

Under the Car Rental Concession Agreements, each car rental company operating at the Airport pays the County the greater of 10 percent of gross revenues or a Minimum Annual Guarantee (MAG). Currently, the following four traditional car rental companies operate eight car rental brands at the Airport: Enterprise Holdings (operating brands Enterprise Rent-A-Car, National Car Rental, and Alamo Rent a Car), Avis Budget Group (operating brands Avis Car Rental and Budget Rent a Car), Hertz Global Holdings (operating brands Hertz and Thrifty Car Rental), and Sixt (operating brand Sixt). Direct peer-to-peer car rental operator Turo also operates at the Airport. Car Rental concession revenues increased from approximately $6.3 million in 2020 to $12.8 million in 2024 as passenger traffic began to recover, customers began renting vehicles for longer periods (longer contract duration), and the rental car companies implemented price increases. It is expected that revenues in this category will grow to approximately $17.2 million in 2030.

Gifts and Novelty

Gifts and Novelty revenues increased from approximately $1.1 million in 2020 to $1.7 million in 2021 as passenger activity recovered. In 2022, Gifts and Novelty revenues decreased to $1.4 million because Federal Relief Funds were applied to the concessionaires' revenue requirement. In 2021 and 2022, the Airport provided MAG relief to concessionaires and the lost revenue was offset by the use of Federal Relief Funds. Starting in 2023, there was no MAG relief, and Gifts and Novelty revenues increased to $2.3 million and remained flat through budgeted 2025. Gifts and Novelty revenues are projected to grow with enplanements and inflation to $2.9 million in 2030.

Food and Beverage

Food and Beverage revenues decreased from approximately $3.6 million in 2020 to $1.6 million in 2021, primarily due to temporary MAG relief granted by the County. Food and Beverage revenues increased in subsequent years reaching $3.4 million in 2024 as passengers continued to return and concessionaires no longer received MAG relief. These revenues are budgeted at $3.8 million in 2025 and projected to increase with enplanement growth plus inflation to $4.8 million in 2030.

Transportation Network Companies (TNC)

TNC revenues fell sharply in 2020 to $296,000 when passenger traffic decreased, then gradually increased to approximately $937,000 in 2024 as passengers returned. TNC revenues are budgeted to increase to approximately $1.7 million in 2025 due to the Airport instituting a $3 drop-off fee starting in 2025. Prior to 2025, the Airport only had a pickup fee of $3. After 2025, TNC revenues are projected to remain relatively flat at the new pricing level of $1.9 million in 2030.

Other Concessions

Other Concession revenues consist of fees received from display advertising, WIFI, limousine and taxi, shoeshine stands, golf driving range, and other miscellaneous concessions. These revenues gradually increased from approximately $934,000 in 2020 to $2.3 million in 2024 and are projected to increase to approximately $3.0 million in 2030.

4.4.9 | Public Parking

The Airport currently offers over 11,000 public parking spaces located in various facilities to provide a full range of parking options to Airport passengers. Public Parking revenues increased from $11.1 million in 2020 to $33.5 million in 2024 as passengers returned and the Airport implemented a $2 parking rate increase to all the parking facilities effective January 1, 2024.

The daily maximum rates for the public parking facilities are currently set as follows: $26 for the Hourly Lot, $17 for the Daily Lot, $17 for the Surface Lot, $10 for the Saver Lot, and $10 for the Rail Lot. In addition, Valet parking is available by reservation on the MKE Smart Park app at $27 per day. An additional $1 rate increase on all public parking was budgeted for 2025, resulting in an increase to $37.7 million, with the remainder of the forecast period driven by increases in enplanements, resulting in parking revenues projected to increase to $43.4 million by 2030.

4.4.10 | Other Terminal Revenues

Miscellaneous revenues paid to the Terminal include other rental income, interest on investments, other federal grants, and reimbursements. These revenues fluctuated during the historical period at a CAGR of approximately 10.7 percent, increasing from $1.9 million in 2020 to $2.8 million in 2024. They are conservatively budgeted at $1.4 million in 2025 and are projected to grow with inflation to $1.5 million in 2030.

4.4.11 | Apron Revenues

Apron revenues include fees paid by Signatory Airlines for using Apron space. Other Apron revenues come from fees paid by the Non-Signatory Airlines for using Apron space and per-use fees for using Apron space at County-controlled gates. Total Apron revenues declined slightly from 2020 to 2024, at a CAGR of -2.8 percent. They are budgeted to be $1.7 million in 2025, rising to $1.9 million in 2030.

4.4.12 | Signatory Apron Fees

Signatory Airlines pay Apron Fees to cover the Apron Requirement, which equals total Apron expenses minus Non-Signatory and non-airline revenues. Signatory Apron Fees decreased from approximately $1.2 million in 2020 to $972,000 in 2022 due to increased non-airline credits and Federal Relief Funds applied. These fees increased in 2023 before falling to $864,000 in 2024 due to amounts of Federal Relief Funds being applied. In 2025, Signatory Apron Fees are budgeted to increase to $1.5 million and projected to rise to $1.7 million in 2030, due to a gradual increase in O&M expenses and a decrease in Apron credits once the Federal Relief funds are no longer available after 2024.

To project the Signatory Airlines Apron Fee rate, the annual Apron Requirement is divided by the leased linear footage of Apron space. This assumes that the leased linear footage remains constant during the projection period. According to Table 34, the Apron Fee Rate is projected to rise from $652.32 per Apron linear foot in 2025 to $720.29 in 2030.

Table 34 | Projected Apron Fee Rate

Apron Fee	Budget	Projected				
	2025	2026	2027	2028	2029	2030
Apron Expenses						
O&M Expense	$1,608,678	$1,623,420	$1,670,771	$1,720,534	$1,760,310	$ 1,802,799
Deposits to O&M Reserve Fund	21,437	7,366	7,892	8,294	6,629	7,081
Series 2016A d.s.	22,016	22,050	22,043	22,043	22,072	22,030
Series 2024A d.s.	46,678	48,131	46,712	45,293	43,873	42,454
Depreciation	2,020	1,418	1,418	1,422	1,400	1,400
Deposits to Coverage Fund	11,669	-	-	-	-	-
Total Apron Expense	**$1,712,499**	**$1,702,386**	**$1,748,836**	**$1,797,585**	**$1,834,285**	**$ 1,875,764**
Less:						
Federal Relief Funds Applied to O&M	$ -	$ -	$ -	$ -	$ -	$ -
Non-Airline Credits	174,979	161,589	165,998	170,625	174,109	178,046
Apron Requirement	**$1,537,520**	**$1,540,797**	**$1,582,838**	**$1,626,960**	**$1,660,176**	**$ 1,697,718**
Linear Feet	2,357	2,357	2,357	2,357	2,357	2,357
Apron Fee Rate	**$ 652.32**	**$ 653.71**	**$ 671.55**	**$ 690.27**	**$ 704.36**	**$ 720.29**

Source: Milwaukee County records and Unison Consulting, Inc.

4.4.13 | Other Apron Fees

Other Apron Fees include Apron fees paid by Non-Signatory airlines and fees paid for the use of Apron space at County-controlled gates. Other Apron Fees fluctuated between approximately $213,000 and $409,000 during the historical period at a CAGR of 17.7 percent due to changes in Non-Signatory activity. The Other Apron Fees are budgeted lower at $175,000 in 2025 and expected to increase to approximately $178,000 in 2030.

4.4.14 | Other Revenues

The Airport generates Other revenues from income from the MKE Business Park. Until 2024, the Airport received Security fees that were charged to all airlines based on the number of enplanements. The fee was determined by the O&M expenses allocated to the Flexible Response Security cost center minus any credits. The Non-Signatory Security fee was 125 percent of the Signatory Security fee. Flexible Response Security fees increased from $952,000 in 2020 to approximately $2.2 million in 2023.

Under the Amended AULA, the Flexible Response Security cost center was eliminated in 2024. The expenses previously allocated to this cost center are now distributed to the Terminal (66.7 percent) and Airfield (33.3 percent) cost centers.

The Airport generates rental income from the MKE Business Park, a converted military base on Airport grounds. Per the Amended AULA, the annual net revenue or loss generated from the MKE Business Park is credited to the Airfield cost center. MKE Business Park revenues decreased from approximately $746,000 in 2020 to $375,000 in 2024. These revenues are budgeted lower at $177,000 in 2025 as leases were terminated in 2024 to allow for the construction of a new 337,000 square foot cargo facility at the MKE Business Park. The revenues are projected to increase to approximately $1.5 million in 2027 due to expected occupancy from the new cargo facility, then increase with inflation for the remainder of the forecast period to approximately $1.6 million in 2030.

4.4.15 | Pledged PFC Revenues

In the Supplemental Resolutions for the Series 2016A, 2019A, 2023A, 2023B, and 2024A Bonds, the PFC Revenues are pledged to the payment of PFC-eligible debt service and the required deposit to the coverage account. Therefore, Total Airport Revenues shown in Table 31 include PFC Revenues in an amount equal to the PFC-eligible portion of debt service on the Series 2016A, 2019A, 2023A, 2023B, and 2024A Bonds and future bonds. The total pledged PFC Revenues are estimated to increase slightly from $8.2 million in budgeted 2025 to $9.3 million in 2030.

4.4.16 | Federal Relief Funds

Under the CARES Act, the U.S. Treasury established the Coronavirus Relief Fund in March 2020 to provide financial assistance to States and eligible units of local government impacted by the COVID-19 pandemic. As part of this program, around $10 billion was awarded to U.S. airports. The County received approximately $29.1 million in grants from the CARES Act Fund.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) of 2021 provided supplemental appropriations for COVID-19 relief to the transit industry, including almost $2 billion awarded to U.S. airports. The Airport received approximately $8.5 million allocated to pay eligible O&M Expenses and debt service costs ($7.8 million) and provide relief to the Airport concessionaires ($0.7 million).

The American Rescue Plan Act (ARPA), passed in March 2021, provided additional COVID-19 relief aid. Around $6 billion was granted to U.S. airports. The Airport received approximately $26.7 million, which was earmarked for O&M Expenses and debt service costs ($23.8 million) and relief to Airport concessionaires ($2.9 million).

The Airport applied $22.5 million of Federal Relief Funds to the airline costs in 2020, $1.7 million in 2021, and $13.9 million ($11.0 million to airline costs and $2.9 million to concessionaires) in 2022. The Airport applied the relief funds to each cost center based on each cost center's percentage of total O&M expenses. In addition, the Airport allocated concession relief funds to concessionaires following the FAA's guidelines.

In 2023, the Airport applied approximately $10.9 million of Federal Relief Funds to airline costs and $532,000 to concessionaires. In 2024, the Airport used approximately $9.2 million to reduce airline fees and $41,000 as relief for concessionaires. In 2025, the Airport plans to use approximately $63,000 of Federal Relief Funds for concessionaires. Finally, the Airport used $6.5 million of CARES Act funds to purchase Snow Removal Equipment.

4.4.17 | Over-collected Airline Revenues

In 2020, Airport management identified a liability account containing $6.6 million of undistributed over-collections from various airlines that served the Airport from 1980 to 2000. Upon internal review, Airport management determined these funds should be used as an additional revenue credit to reduce airline rates and charges. Each Airline cost center received credit allocation based on the cost center's percentage share of O&M expenses for 2021 and 2022.

4.5 | Key Financial Indicators

This sub-section discusses the projections of the following key financial indicators: (1) the Airport's ability to satisfy the rate covenants of General Resolution, (2) the annual deposit to the ADF, and (3) the Airline cost per enplaned passenger.

4.5.1 | Debt Service Coverage

To calculate debt service coverage, the sum of Net Revenues and Other Available Funds is divided by the total annual GARB Debt Service. Other Available Funds, as defined in the Bond Resolutions, include the unencumbered balances in the Coverage Fund and the Surplus Fund. However, Other Available Funds included in the debt service coverage calculation shall not exceed 25 percent of the current year's Debt Service. Under the Bond Resolutions, annual debt service coverage must be at least 1.25.

As shown in Table 35, annual debt service coverage for 2024 through 2030 is projected to exceed the 1.25 minimum requirement throughout the forecast period, ranging from a high of 1.99 in 2026 to a low of 1.80 in 2029.

4.5.2 | Deposit to the ADF

The Amended AULA allows the County to deposit 10 percent of the concession and parking revenues into the ADF provided the annual ADF balance does not exceed $20 million, as shown in Table 36. Airport management can use monies in the ADF for any lawful Airport purpose. The annual deposit to the ADF is projected to increase from approximately $6.1 million in 2025 to $7.3 million in 2030.

4.5.3 | Airline Cost per Enplaned Passenger

As part of the financial feasibility assessment, it is important to consider how the planned capital improvements and related financings affect airline rates and charges. Based on the financial projections discussed earlier, the airline cost per enplanement (CPE), shown in Table 37, increases from $4.62 in 2024 to $9.51 in 2025 due to higher budgeted O&M expenses combined with less Federal Relief Funds used to offset the Total Requirement. The CPE is projected to increase throughout the forecast period, ranging from a high of $10.83 in 2026 to a low of $9.57 in 2030, mainly due to changes in debt service resulting from future bond issues and the maturing of existing bonds. The Airport's current and projected CPE was compared with information in the FAA's 2024 Certification Activity Tracking System. The results indicated that the average CPE for medium hub airports was $11.63. Therefore, since the latest average medium hub airport's CPE is higher and does not include the costs of future capital programs, Unison feels the Airport's projected CPEs are reasonable.

4.6 | Sensitivity Analysis

This Report includes a sensitivity analysis using the low air traffic forecast scenario in Section 3. Table 38 summarizes the key financial projections under the low traffic scenario compared with the results using the base traffic scenario. The Landing Fee, Terminal Rental Rate, and CPE are all projected to increase in all years under the low scenario. In 2030, the required Landing Fee and Terminal Rental Rate are projected to be $0.35 and $21.79 higher, respectively. The 2030 CPE is projected to be $1.56 higher. The increase is mainly attributable to lower projected landed weight, coupled with lower revenues from concessions, car rental, and parking.

Debt service coverage is projected to remain well above the 1.25x requirement, although it decreases slightly under the low scenario.

The deposit to the ADF is projected to be lower by an average of $419,600 for the 2025-2030 period due to lower revenues from concessions, car rental, and parking.

Table 35 | Debt Service Coverage

Debt Service Coverage	Budget	Projected				
	2025	2026	2027	2028	2029	2030
AIRPORT SYSTEM REVENUES						
Total Revenues	$111,963,389	$112,778,774	$117,167,313	$122,893,248	$125,892,804	$127,044,143
O&M Expenses	85,437,822	86,204,212	88,718,571	91,361,016	93,462,320	95,705,415
Net Revenues	**$26,525,567**	**$26,574,562**	**$28,448,742**	**$31,532,232**	**$32,430,484**	**$31,338,728**
COVERAGE CALCULATION						
Net Revenues	$26,525,567	$26,574,562	$28,448,742	$31,532,232	$32,430,484	$31,338,728
Add Other Available Funds: [1]						
Series 2016A Bonds - PFC	1,032,770	1,034,370	1,034,027	1,034,027	1,035,399	1,033,399
Series 2016A Bonds - Rate Based	96,855	97,005	96,973	96,973	97,101	96,914
Series 2019A Bonds - PFC	283,659	273,153	262,647	252,141	241,635	231,129
Series 2019A Bonds - Rate Based	474,029	456,472	438,916	421,359	403,802	386,246
Series 2023A Bonds - PFC	176,138	170,795	165,179	159,851	154,523	149,194
Series 2023A Bonds - Rate Based	627,550	608,517	588,508	569,524	550,540	531,556
Series 2023B Bonds - PFC	502,586	482,480	462,374	442,268	420,973	-
Series 2023B Bonds - Rate Based	25,477	24,458	23,438	22,419	21,340	-
Series 2024A Bonds - PFC	44,529	45,916	44,562	43,208	41,854	40,500
Series 2024A Bonds - Rate Based	140,460	144,834	140,563	136,292	132,021	127,750
Series 2025 Bonds - Rate Based	-	474,979	430,688	418,000	405,313	391,375
Future Series 2026 Bonds - PFC	-	-	356,414	356,414	356,414	356,414
Future Series 2026 Bonds - Rate Based	-	-	291,251	291,251	291,251	291,251
Future Series 2027 Bonds - PFC	-	-	-	514,195	514,195	514,195
Future Series 2027 Bonds - Rate Based	-	-	-	213,439	213,439	213,439
Future Series 2028 Bonds - Rate Based	-	-	-	-	337,478	337,478
Future Series 2029 Bonds - Rate Based	-	-	-	-	-	160,013
Net Revenues plus Other Available Funds	$29,929,618	$30,387,542	$32,784,281	$36,503,593	$37,647,760	$36,199,580
Debt Service:						
Series 2016A Bonds - PFC	4,131,081	4,137,480	4,136,109	4,136,109	4,141,595	4,133,595
Series 2016A Bonds - Rate Based	387,419	388,020	387,891	387,891	388,405	387,655
Series 2019A Bonds - PFC	1,134,634	1,092,611	1,050,587	1,008,564	966,540	924,517
Series 2019A Bonds - Rate Based	1,896,116	1,825,889	1,755,663	1,685,436	1,615,210	1,544,983
Series 2023A Bonds - PFC	704,550	683,182	660,718	639,404	618,091	596,777
Series 2023A Bonds - Rate Based	2,510,200	2,434,068	2,354,032	2,278,096	2,202,159	2,126,223
Series 2023B Bonds - PFC	2,010,343	1,929,920	1,849,496	1,769,073	1,683,891	-
Series 2023B Bonds - Rate Based	101,907	97,830	93,754	89,677	85,359	-
Series 2024 Bonds - PFC	178,115	183,662	178,246	172,830	167,414	161,998
Series 2024 Bonds - Rate Based	561,841	579,338	562,254	545,170	528,086	511,002
Series 2025 Bonds - Rate Based	-	1,899,917	1,722,750	1,672,000	1,621,250	1,565,500
Future Series 2026 Bonds - PFC	-	-	1,425,655	1,425,655	1,425,655	1,425,655
Future Series 2026 Bonds - Rate Based	-	-	1,165,003	1,165,003	1,165,003	1,165,003
Future Series 2027 Bonds - PFC	-	-	-	2,056,779	2,056,779	2,056,779
Future Series 2027 Bonds - Rate Based	-	-	-	853,756	853,756	853,756
Future Series 2028 Bonds - Rate Based	-	-	-	-	1,349,912	1,349,912
Future Series 2029 Bonds - Rate Based	-	-	-	-	-	640,054
Total GARB Debt Service	13,616,206	15,251,917	17,342,158	19,885,443	20,869,106	19,443,409
Debt Service Coverage	**2.20**	**1.99**	**1.89**	**1.84**	**1.80**	**1.86**

Source: Milwaukee County records, PFM Financial Advisors LLC., and Unison Consulting, Inc.

[1] Reflects the Coverage Fund.

Table 36 | Deposit to the ADF

DEPOSIT TO ADF	Budget	Projected				
	2025	2026	2027	2028	2029	2030
AIRPORT SYSTEM REVENUES						
Total Revenues	$111,963,389	$112,778,774	$117,167,313	$122,893,248	$125,892,804	$127,044,143
O&M Expenses	85,437,822	86,204,212	88,718,571	91,361,016	93,462,320	95,705,415
Net Revenues	**$26,525,567**	**$26,574,562**	**$28,448,742**	**$31,532,232**	**$32,430,484**	**$31,338,728**
NET DISCRETIONARY CASH FLOW						
Net Revenues	$26,525,567	$26,574,562	$28,448,742	$31,532,232	$32,430,484	$31,338,728
Less: Debt Service						
Series 2016A Bonds - PFC	4,131,081	4,137,480	4,136,109	4,136,109	4,141,595	4,133,595
Series 2016A Bonds - Rate Based	387,419	388,020	387,891	387,891	388,405	387,655
Series 2019A Bonds - PFC	1,134,634	1,092,611	1,050,587	1,008,564	966,540	924,517
Series 2019A Bonds - Rate Based	1,896,116	1,825,889	1,755,663	1,685,436	1,615,210	1,544,983
Series 2019B Bonds - Rate Based	-	-	-	-	-	-
Series 2023A Bonds - PFC	704,550	683,182	660,718	639,404	618,091	596,777
Series 2023A Bonds - Rate Based	2,510,200	2,434,068	2,354,032	2,278,096	2,202,159	2,126,223
Series 2023B Bonds - PFC	2,010,343	1,929,920	1,849,496	1,769,073	1,683,891	-
Series 2023B Bonds - Rate Based	101,907	97,830	93,754	89,677	85,359	-
Series 2024A Bonds - PFC	178,115	183,662	178,246	172,830	167,414	161,998
Series 2024A Bonds - Rate Based	561,841	579,338	562,254	545,170	528,086	511,002
Series 2025 Bonds - Rate Based	-	1,899,917	1,722,750	1,672,000	1,621,250	1,565,500
Future Series 2026 Bonds - PFC	-	-	1,425,655	1,425,655	1,425,655	1,425,655
Future Series 2026 Bonds - Rate Based	-	-	1,165,003	1,165,003	1,165,003	1,165,003
Future Series 2027 Bonds - Rate Based	-	-	-	853,756	853,756	853,756
Future Series 2028 Bonds - Rate Based	-	-	-	-	1,349,912	1,349,912
Future Series 2029 Bonds - PFC	-	-	-	-	-	-
Future Series 2029 Bonds - Rate Based	-	-	-	-	-	640,054
Less: Deposits to O&M Reserve Fund	744,359	391,160	419,060	440,408	350,217	373,849
Less: Deposits to Coverage Fund	356,666	291,251	213,439	337,478	160,013	160,013
Less: Depreciation	5,669,610	4,466,300	4,100,020	4,185,662	4,043,400	4,043,400
Deposit to ADF	**$6,138,726**	**$6,173,934**	**$6,374,065**	**$6,683,241**	**$7,007,748**	**$7,318,056**
ADF Beginning Balance	**$18,049,775**	**$14,913,609**	**$7,963,620**	**$4,703,570**	**$11,260,135**	**$11,886,337**
Deposit to ADF	$6,138,726	$6,173,934	$6,374,065	$6,683,241	$7,007,748	$7,318,056
Project Frontings and Repayments [1]	67,265	1,500,000	-	-	-	-
Less: CIP Expenditures [2]	(9,342,156)	(14,623,923)	(9,634,115)	(126,677)	(6,381,546)	(1,174,296)
ADF Ending Balance	**$14,913,609**	**$7,963,620**	**$4,703,570**	**$11,260,135**	**$11,886,337**	**$18,030,096**

Source: Milwaukee County records, PFM Financial Advisors LLC., and Unison Consulting, Inc.

[1] Represents the payments and reimbursements to/from the ADF for project costs that were initially paid from the ADF.

[2] Includes expenditures for preapproved CIP projects and 5-year CIP projects.

Table 37 | Airline Cost per Enplaned Passenger

Year	Landing Fees [1]	Terminal Rents & Charges	Apron Fees	Total Airline Payments	Enplaned Passengers	Cost Per Enplaned Passenger
2024 Actual	$19,080,354	($5,769,721)	$1,272,689	$14,583,321	3,154,811	$4.62
2025 Budget	$26,719,938	$4,369,085	$1,712,499	$32,801,522	3,449,024	$9.51
2026 Proj.	$25,512,624	$5,219,014	$1,702,386	$32,434,024	2,995,157	$10.83
2027 Proj.	$26,019,937	$5,411,557	$1,748,836	$33,180,330	3,071,590	$10.80
2028 Proj.	$27,037,468	$4,795,352	$1,797,585	$33,630,405	3,199,700	$10.51
2029 Proj.	$27,781,776	$4,007,101	$1,834,285	$33,623,162	3,333,307	$10.04
2030 Proj.	$28,490,929	$2,714,874	$1,875,764	$33,081,567	3,457,977	$9.57

Source: Milwaukee County records, PFM Financial Advisors LLC., and Unison Consulting, Inc.
[1] Excludes landing fees paid by cargo carriers and military aircraft.

Table 38 | Sensitivity Analysis

	Budget	Projected				
	2025	2026	2027	2028	2029	2030
Base Scenario Forecast						
Landing Fee	$ 6.62	$ 7.13	$ 7.10	$ 7.08	$ 6.99	$ 6.92
Terminal Rental Rate	$ 25.15	$ 31.24	$ 32.41	$ 28.46	$ 22.38	$ 15.22
CPE	$ 9.51	$ 10.83	$ 10.80	$ 10.51	$ 10.04	$ 9.57
Debt Service Coverage	2.20	1.99	1.89	1.84	1.80	1.86
Deposit to ADF	$6,138,726	$6,173,934	$6,374,065	$6,683,241	$7,007,748	$7,318,056
Low Scenario Forecast						
Landing Fee	$ 6.62	$ 7.65	$ 7.38	$ 7.36	$ 7.34	$ 7.27
Terminal Rental Rate	$ 25.15	$ 69.29	$ 53.00	$ 46.30	$ 43.58	$ 37.01
CPE	$ 9.51	$ 14.36	$ 12.58	$ 11.95	$ 11.65	$ 11.13
Debt Service Coverage	2.20	1.95	1.87	1.82	1.79	1.84
Deposit to ADF	$6,138,726	$5,505,764	$6,012,580	$6,370,027	$6,635,370	$6,935,320
Difference						
Landing Fee	$ -	$ 0.52	$ 0.28	$ 0.27	$ 0.35	$ 0.35
Terminal Rental Rate	$ -	$ 38.04	$ 20.58	$ 17.83	$ 21.20	$ 21.79
CPE	$ -	$ 3.53	$ 1.78	$ 1.44	$ 1.61	$ 1.56
Debt Service Coverage	0.00	(0.04)	(0.02)	(0.02)	(0.01)	(0.02)
Deposit to ADF	$0	($668,170)	($361,485)	($313,214)	($372,378)	($382,736)

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APPENDIX B

AIRPORT SYSTEM FINANCIAL INFORMATION

An independent public accounting firm audits the County annually. The County's audited Basic Financial Statements for the fiscal years ended December 31, 2020 through 2024 are included in the County's 2020 through 2024 Annual Comprehensive Financial Reports (the "County ACFR"), respectively. This appendix presents financial information of the Airport System, which has been excerpted from the County ACFR for the fiscal years ended December 31, 2020 through 2024. The Airport System is operated as an enterprise fund of the County. The Airport System's financial statements are prepared on the full accrual basis of accounting. Copies of the County ACFRs are available on-line: http://county.milwaukee.gov/EN/Comptroller/Reports

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COUNTY OF MILWAUKEE
Balance Sheet - Airport System
For the Years Ended December 31
(In Thousands)

	2020	2021	2022	2023	2024
Assets					
Current Assets:					
Cash and Investments	$ 75,966	$ 47,688	$ 64,197	$ 65,863	$ 94,102
Cash and Investments - Restricted	17,178	15,560	15,729	11,647	16,233
Receivables:					
Accounts (Net of Allowances for Uncollectible Accounts)	2,638	4,689	14,688	11,931	11,391
Due from Other Governments (Grants)	6,340	16,774	13,888	14,942	--
Prepaid Items	--	--	--	54	--
Total Current Assets	102,122 #	84,711 #	108,502 #	104,437	121,726
Noncurrent Assets:					
Capital Assets:					
Land and Land Improvements	262,820	255,079	262,190	292,018	295,448
Building and Improvements	408,103	407,214	412,544	421,573	433,246
Machinery, Vehicles and Equipment	27,657	31,244	33,808	38,837	51,321
Right to Use Asset - Subscriptions	--	--	--	--	623
Construction in Progress	23,747	46,373	44,850	9,456	12,308
Total Capital Assets	722,327	739,910	753,392	761,884	792,946
Less: Accumulated Depreciation	(344,979)	(366,070)	(400,790)	(432,227)	(463,678)
Net Capital Assets	377,348	373,840	352,602	329,657	329,268
Total Assets	479,470	458,551	481,166	448,349	496,688
Deferred Outflows of Resources	14,625	12,320	10,405	14,265	15,032
Total Assets and Deferred Outflows of Resources	$ 494,095	$ 470,871	$ 491,571	$ 462,614	$ 511,720
Liabilities					
Current Liabilities:					
Accounts Payable	$ 3,289	$ 3,593	$ 3,429	$ 2,610	$ 3,851
Accrued Liabilities	1,097	1,075	1,202	1,263	1,456
Accrued Interest Payable	524	476	428	654	393
Unearned Revenues	17,245	4,275	5,882	9,719	16,382
Due to Other Governments	39	152	109	142	--
Bonds Payable - General Obligation	--	--	--	--	--
Bonds Payable - Revenue Bonds	11,520	11,795	11,750	9,000	9,500
Subscription Payable #	--	--	--	--	201
Compensated Absences	1,291	1,139	1,443	1,515	1,589
Capital Leases	--	--	--	--	--
Financed Purchase Obligation - Current Portion	--	--	--	--	299
Other Liabilities	9	9	9	6	6
Total Current Liabilities	35,014	22,514	24,252	24,909	33,677
Long-Term Liabilities:					
Bonds Payable - General Obligation	--	--	--	--	--
Bonds Payable - Revenue Bonds	124,564	110,642	97,033	80,740	77,078
Subscription Payable	--	--	--	--	208
Compensated Absences	580	521	603	553	942
Other Post Employment Benefits	47,875	45,342	40,856	31,136	26,543
Net Pension Liability	21,054	17,381	7,885	24,152	29,351
Financed Purchase Obligation, Less Current Portion	--	--	--	--	1,000
Capital Leases	--	--	--	--	--
Total Long-Term Liabilities	194,073	173,886	146,377	136,581	135,122
Total Liabilities	229,087	196,400	170,629	161,490	168,799
Deferred Inflows of Resources	10,276	11,840	49,836	33,307	61,686
	10,276	11,840	49,836	33,307	61,686
Net Position					
Unrestricted	(42,898)	(39,221)	(30,533)	(25,696)	(23,692)
Restricted for:					
Debt Service	16,890	17,071	18,042	17,810	17,845
Capital Assets Needs	20,455	16,521	21,131	23,238	28,842
Commitments	1,955	1,917	3,666	1,650	1,905
Net Investment in Capital Assets	258,330	266,343	258,800	250,815	256,335
Total Net Position	254,732	262,631	271,106	267,817	281,235
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 494,095	$ 470,871	$ 491,571	$ 462,614	$ 511,720

COUNTY OF MILWAUKEE
Statement of Revenues, Expenses, and Changes in Net Position
Airport System
For the Years Ended December 31
(In Thousands)

	2020	2021	2022	2023	2024
Operating Revenues:					
Rentals and Other Service Fees	$ 49,659	$ 71,940	$ 64,750	$ 67,879	$ 65,469
Admissions and Concessions	12,181	13,700	16,515	19,897	21,315
Total Charges for Services	61,840	85,640	81,265	87,776	86,784
Other Revenues	696	29	58	247	170
Total Operating Revenues	62,536	85,669	81,323	88,023	86,954
Operating Expenses:					
Personnel Services	21,930	19,820	17,343	21,097	21,524
Contractual Services	17,300	19,547	21,704	25,946	25,696
Intra-County Services	13,727	14,355	15,207	16,907	17,554
Commodities	2,350	3,197	4,423	4,030	3,723
Depreciation and Amortization	32,122	29,713	34,720	34,878	30,905
Maintenance	196	161	55	7,715	1,427
Other	2,681	99	51	18	35
Total Operating Expenses	90,306	86,892	93,503	110,591	100,864
Operating Income (Loss)	(27,770)	(1,223)	(12,180)	(22,568)	(13,910)
Nonoperating Revenues (Expenses):					
Intergovernmental Revenues	22,739	1,016	14,170	11,719	9,337
Investment Income	986	41	902	2,842	3,226
Gain (Loss) on Sale of Capital Assets	16	81	56	(74)	17
Interest Expense	(4,300)	(4,154)	(3,821)	(2,331)	(3,374)
Total Nonoperating Revenues (Expenses)	19,441	(3,016)	11,307	12,156	9,206
Income (Loss) Before Contributions and Transfers	(8,329)	(4,239)	(873)	(10,412)	(4,704)
Capital Contributions	4,576	15,807	6,226	11,918	21,005
Transfers In	6,106	--	6,053	4,096	2,275
Transfers Out	(10,150)	(3,669)	(2,931)	(8,891)	(5,158)
Changes in Net Position	(7,797)	7,899	8,475	(3,289)	13,418
Net Position - Beginning	262,529	254,732	262,631	271,106	267,817
Net Position - Ending	$ 254,732	$ 262,631	$ 271,106	$ 267,817	$ 281,235

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION

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APPENDIX C
SUMMARY OF CERTAIN PROVISIONS OF GENERAL BOND RESOLUTION, AS AMENDED

The Series 2025A Bonds are being issued pursuant to the General Bond Resolution adopted by the County Board of Supervisors on June 22, 2000, which established an airport revenue bond program (as amended from time to time, the "General Bond Resolution"). The following is a brief summary of certain provisions of the General Bond Resolution, pursuant to which the Bonds are to be issued. This summary is not intended to be definitive and is qualified in its entirety by express reference to the General Bond Resolution for the complete terms thereof.

Definitions of Certain Terms

"Act" means Section 66.0621 of the Wisconsin Statutes, as amended, recreated or renumbered from time to time.

"Additional Bonds" means Bonds other than the initial Series of Bonds issued under the Resolution.

"Airline Leases" means the Airline Leases between the County and the airlines which use the Airport System, as amended from time to time.

"Airport Consultant" means an individual, firm or corporation in the airport management consulting business, from time to time appointed by the County which has a wide and favorable reputation for special skill and knowledge in methods of the development, operation, management and financing of airports and airport facilities, but which, in the case of an individual, is not a member of the County Board of Supervisors or an officer or employee of the County, and in the case of a firm or corporation, does not have a partner, director, officer or employee who is a member of the County Board of Supervisors or an officer or employee of the County.

"Airport System" means General Mitchell International Airport and Lawrence J. Timmerman Airport, which are now owned and operated by the County, and all properties of every nature in connection with such Airports or any other airport facilities now or hereafter owned by the County, including, without limitation, runways, hangars, loading facilities, repair shops, garages, storage facilities, terminals, retail stores in such terminals, restaurants, parking structures and areas and all other facilities necessary or convenient for the operation of the Airports, together with any improvements and extensions thereto, all real and personal property of every nature comprising part of and used or useful in connection therewith, and all appurtenances, contracts, leases, franchises and other intangibles.

"Authorized Officer" means the Director of the Airport System or any other person designated by the County.

"Bondowner" or "Owner" means any person who shall be the registered owner of any Outstanding Bond or Bonds, except that when Bonds are in book-entry form, it means the beneficial owners of the Bonds.

"Bonds" means the revenue bonds issued from time to time under the Resolution. Such revenue bonds may be issued in the form of Serial Bonds, Term Bonds, capital appreciation bonds, Variable Rate Bonds, bond anticipation notes, and other forms of indebtedness authorized by the Act, if and only to the extent that the County is then authorized to issue such obligations under the Act.

"Capital Improvement Reserve Fund" means the Airport Capital Improvement Reserve Fund created by the Resolution.

"Capitalized Interest Account" means the Capitalized Interest Account created in the Special Redemption Fund by the Resolution.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Fund" means the Airport Revenue Bond Construction Fund created by the Resolution.

"Consulting Engineer" means any registered or licensed professional engineer, any firm of such engineers, any licensed professional architect, or any firm of such architects, from time to time appointed and designated by the

County who has a wide and favorable reputation for skill and experience in the field of designing, preparing plans and specifications for, and supervising construction of, airports and airport facilities and who is entitled to practice and is practicing as such under the laws of the State of' Wisconsin; but who, in the case of an individual, is not a member of the County Board of Supervisors or an officer or employee of the County and, in the case of a firm or corporation, does not have a partner, director, officer or employee who is a member of the County Board of Supervisors or an officer or employee of the County.

"County" means Milwaukee County, Wisconsin.

"Coverage Fund" means the Coverage Fund created by the Resolution.

"Credit Facility" means any letter or line of credit, policy of bond insurance, surety bond, guarantee or similar instrument issued by a financial, insurance or other institution and which provides security and/or liquidity in respect of Bonds.

"Credit Facility Obligations" means repayment or other obligations incurred by the County in respect of draws or other payments or disbursements made under a Credit Facility, but only if such obligations have a lien on Revenues with the same priority as the lien thereon of the Bonds.

"Debt Service" means with respect to each Fiscal Year the aggregate of the following amounts to be set aside (or estimated to be required to be set aside) in the Interest and Principal Account in the Fiscal Year:

(a) the amount required to pay the interest coming due and payable on Outstanding Bonds;

(b) the amount required to pay principal coming due and payable on Outstanding Bonds (whether at maturity or by mandatory redemption); and

(c) the amount of redemption premium, if any, payable on Outstanding Bonds required to be redeemed in that Fiscal Year.

"Debt Service" shall not include the following with respect to any Bonds at the time of calculation then Outstanding: (a) debt service paid or to be paid from Bond proceeds or from earnings thereon or from any subsidy from the United States of America for that purpose; or (b) interest and principal on Bonds to the extent such interest or principal is to be paid from (i) amounts previously credited to the Interest and Principal Account, or (ii) any other available amounts irrevocably deposited hereunder for the payment of such interest or principal.

"Event of Default" means an Event of Default as defined in the Resolution.

"Fiscal Year" means the fiscal year of the County with respect to the Airport System as established from time to time. The Fiscal Year is now the twelve-month period ending December 31.

"Fitch" means Fitch Ratings, Inc., or any successor rating agency.

"General Obligation Bond Fund" means the Airport General Obligation Bond Fund created by the Resolution.

"Interest and Principal Account" means the Interest and Principal Account created in the Special Redemption Fund by the Resolution.

"Moody's" means Moody's Investors Service, Inc., or any successor rating agency.

"Net Revenues" means (i) for any period or year which has concluded at the time the calculation is made, the aggregate of the Revenues after deducting for such past period or year the aggregate of the Operation and Maintenance Expenses; and (ii) for any future period or year the aggregate of the Revenues that is estimated for such future period or year, after deducting for such future period or year the aggregate of the estimated Operation and Maintenance Expenses in such future year or period.

"Operation and Maintenance Expenses" means the reasonable and necessary expenses (under generally accepted accounting principles) of administering, operating, maintaining, and repairing the Airport System, and shall include, without limitation, the following items: (a) costs of collecting Revenues and of making any refunds therefrom lawfully due others; (b) engineering, auditing, legal and other overhead expenses directly related to the administration, operation, maintenance, and repair of the Airport System; (c) costs of all or a portion of the salaries, wages and other compensation of officers and employees and payments to pension, retirement, health and hospitalization funds and other insurance, including self-insurance for the foregoing, with respect to officers and employees of the County which are properly allocable to the Airport System; (d) costs of repairs, replacements, renewals and alterations occurring in the usual course of business of the Airport System; (e) taxes, assessments and other governmental charges, or payments in lieu thereof, imposed on the Airport System or any part thereof or on the operation thereof or on the income therefrom or on any privilege in connection with the ownership or operation of the Airport System or otherwise imposed on the Airport System or the operation thereof or income therefrom; (f) costs of utility services with respect to the Airport System; (g) costs and expenses of general administrative overhead of the County allocable to the Airport System; (h) costs of equipment, materials and supplies used in the ordinary course of business, including ordinary and current rentals of equipment or other property allocable to the Airport System; (i) contractual services and professional services for the Airport System, including but not limited to, legal services, accounting services and services of financial consultants and airport consultants; (j) costs of fidelity bonds, or a properly allocable share of the premium of any blanket bond, pertaining to the Airport System or Revenues or any other moneys held hereunder or required hereby to be held or deposited hereunder; (k) costs of carrying out the provisions of the Resolution, including Trustee and Paying Agents' fees and expenses; costs of insurance required under the Resolution, or a properly allocable share of any premium of any blanket policy pertaining to the Airport System or Revenues; and costs of recording, mailing and publication; and (l) all other costs and expenses of administering, operating, maintaining and repairing the Airport System arising in the routine and normal course of business; provided, however, the term "Operation and Maintenance Expenses" shall not include: (1) costs of extensions, enlargements, betterments and improvements to the Airport System or reserves therefor; (2) reserves for operation, maintenance, renewals and repairs occurring in the normal course of business; (3) payment (including redemption) of Bonds or other evidences of indebtedness or interest and premium thereof or reserves therefor; (4) allowances for depreciation and amounts for capital replacements or reserves therefor; and (5) operation and maintenance costs and expenses pertaining to any Special Facilities.

"Operation and Maintenance Reserve Fund" means the Airport Revenue Bond Operation and Maintenance Reserve Fund created by the Resolution.

"Operation and Maintenance Reserve Fund Requirement" means an amount equal to one-sixth (1/6) of the estimated Operation and Maintenance Expenses of the Airport System for that Fiscal Year as set forth in the Airport's annual budget.

"Opinion of Bond Counsel" means a written opinion of an attorney at law or a firm of attorneys acceptable to the County and the Trustee, if any, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Other Available Funds" means, for any Fiscal Year, the amount of unencumbered funds on deposit or anticipated to be on deposit, as the case may be, on the first day of such Fiscal Year in the Coverage Fund and the Surplus Fund; provided, however, that for purposes of issuing Additional Bonds and demonstrating compliance with the rate covenant described below, the amount of such funds treated as "Other Available Funds" for any Fiscal Year shall not exceed 25% of Debt Service in that Fiscal Year.

"Outstanding" with respect to a Bond has the meaning set forth in the Resolution. The Resolution provides that any Bond shall no longer be deemed to be Outstanding under the Resolution:

(i) when the Bond has been canceled or surrendered for cancellation, or has been purchased by the Trustee from moneys held by it under the Resolution (other than at the option of the owner thereof prior to its maturity); or

(ii) when payment of the principal or the redemption price of the Bond, plus interest on the principal to the due date (whether at maturity or upon redemption or otherwise) or to the date set for payment in the case of an overdue Bond, either (a) has been made or (b) has been provided for by irrevocably setting aside in escrow with the Trustee, if any, or with another suitable bank or trust company for the purpose (1) moneys sufficient to pay the principal or redemption price and interest or (2) Permitted Investments (which for the purposes of this definition shall include only those obligations described in item (1) of the definition of Permitted Investments) maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to pay the principal or redemption price and interest when required, and when all proper fees and expenses of the Trustee and Paying Agents pertaining to the Bond have been paid or provided for to the satisfaction of the Trustee and Paying Agents.

"Passenger Facility Charge" means the charge imposed at the Airport System pursuant to the Aviation Safety and Capacity Expansion Act of 1990, as amended or recreated from time to time, the Federal Aviation Regulations issued pursuant to said Act, as amended from time to time, and the Records of Decision of the Federal Aviation Administration relating to the Passenger Facility Charge, as amended or supplemented from time to time.

"Paying Agent" means the Trustee as to all the Bonds and, as to Bonds of a particular Series, the alternate Paying Agent or Agents (if any) designated for the payment of the principal of, premium, if any, and interest on the Series of Bonds in the Supplemental Resolution providing for their issuance.

"Permitted Investments" means any of the following, if and only to the extent that they are legal for the investment of funds of the County under Section 66.0603(lm) of the Wisconsin Statutes, as amended, recreated or renumbered from time to time:

(1) United States Treasury bills, bonds and notes or securities for which the full faith and credit of the United States are pledged for the payment of principal and interest (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States) and securities which represent an undivided interest in such direct obligations;

(2) Obligations issued by the following United States government agencies which represent the full faith and credit of the United States: the Export-Import Bank, the Farm Credit Financial Assistance Corporation, the Farmers Home Administration, the General Services Administration, the U.S. Maritime Administration, the Small Business Administration, the Government National Mortgage Association, the U.S. Department of Housing and Urban Development (PHAs) and the Federal Housing Administration;

(3) Senior debt obligations rated "Aaa" by Moody's and "AAA" by S&P issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation or senior debt obligations of other government-sponsored agencies, provided that such agencies are approved by each bond insurer then providing insurance for any Series of Bonds;

(4) Any repurchase agreement with any bank or trust company organized under the laws of any state of the United States or any national banking association, including the Trustee, or government bond dealer reporting to, trading with and recognized as a primary dealer by, the Federal Reserve Bank of New York, which agreement is secured at all times by collateral security described in clause (1) or (2) of this definition and in which the Trustee has a perfected security interest, and which collateral (a) is held by the Trustee or a third party agent, (b) is not subject to liens or claims of third parties, (c) has a market value determined as frequently and in an amount sufficient to satisfy the collateralization levels required by each of the Rating Agencies, and (d) is required to be liquidated due to a failure to maintain the requisite collateral level, provided that such repurchase agreement shall be acceptable to each bond insurer then providing insurance for any Series of Bonds;

(5) Bankers' acceptances which are issued by a commercial bank organized under the laws of any state of the United States or a national banking association, including the Trustee, eligible for purchase by the Federal Reserve System, which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P; provided, that such bankers' acceptances may not mature more than two hundred seventy (270) days after the date of purchase; and provided, further, that ratings on a holding company may not be considered the rating of such commercial bank;

(6) Commercial paper of "prime" quality which is rated at the time of purchase in the single highest classification "P-1" by Moody's and "A-1+" by S&P, issued by a corporation that is organized and operating within the United States, that has total assets in excess of $500,000,000 and that has an "A" or equivalent or higher rating for its long term debt as rated by Moody's and S&P at the time of purchase; provided that the commercial paper may not mature more than one hundred eighty (180) days after the date of purchase:

(7) A taxable or tax-exempt government money market portfolio restricted to obligations with maturities of one (1) year or less, and either issued or guaranteed as to payment of principal and interest by the full faith and credit of the United States of America and rated at the time of purchase "AAAm" or "AAAm-G" or better by S&P;

(8) Any investment contract or other security meeting the requirements of Section 66.0603(1m) of the Wisconsin Statutes, as amended, recreated or renumbered from time to time;

(9) Any investment agreement approved in writing by each bond insurer then providing insurance for any Series of Bonds, such investment agreement to be supported by appropriate opinions of counsel; and

(10) Any other investment approved in writing by each bond insurer then providing insurance for any Series of Bonds.

"PFC Act" means the Aviation Safety and Capacity Expansion Act of 1990, as amended or recreated from time to time.

"PFC Approvals" means the Records of Decision of the Federal Aviation Administration relating to the Passenger Facility Charge, as amended or supplemented from time to time.

"PFC Regulations" means the Federal Aviation Regulations issued pursuant to the PFC Act, as amended from time to time.

"PFC Revenues" means the proceeds of the Passenger Facility Charge or any analogous charge or fee that may hereafter be levied with respect to the Airport System which are received and retained by the County and any investment earnings thereon.

"Project" means any additions, improvements and extensions to the Airport System, including the acquisition of land, equipment or other property for the Airport System.

"Project Costs" means all costs of carrying out a Project and, without limiting the generality of the foregoing, may include (i) all preliminary expenses; (ii) the cost of acquiring all property, franchises, easements and rights necessary or convenient for the Project; (iii) engineering and legal expenses; (iv) expenses for estimates of costs and revenues, (v) expenses for plans, specifications and surveys; (vi) other expenses incident or necessary to determining the feasibility or practicability of the enterprise; (vii) administrative expenses; (viii) construction costs; (ix) permitting and impact fees; (x) interest on the Bonds issued to finance construction of the Project during the estimated period of construction and for a reasonable period thereafter; and (xi) such other expenses as may be incurred in the financing of the Project or in carrying it out, placing it in operation (including the provision of working capital) and in the performance of things required or permitted by the Act in connection with the Project.

"Rating Agencies" means Fitch, Moody's and S&P, but, in each instance, only so long as such rating agencies then maintain a rating on the Bonds.

"Regulations" means the regulations of the United States Department of the Treasury issued under the Code, as amended.

"Reserve Account" means the Reserve Account created in the Special Redemption Fund by the Resolution.

"Reserve Requirement" means, as of any date of calculation, an amount equal to the least of (a) maximum annual Debt Service on Outstanding Bonds during the then current or any future Fiscal Year, (b) 125% of the average annual Debt Service on Outstanding Bonds, or (c) 10% of the Principal Amount (as defined below) of all Outstanding Bonds upon original issuance thereof but shall not in any event exceed the maximum amount permitted to be on deposit in the Reserve Account pursuant to the Code and Regulations. For purposes of this paragraph, "Principal Amount" shall mean the stated principal amount of the issue, except that with respect to an issue that has more than a de minimis amount (as defined in Section 1.148-1(b) of the Regulations) of original issue discount or premium, it shall mean the issue price of that issue (net of pre-issuance accrued interest.)

"Resolution" means the General Bond Resolution, as amended or supplemented from time to time by Supplemental Resolutions.

"Revenue Fund" means the Airport Revenue Fund created by the Resolution.

"Revenues" means all moneys received from any source by the Airport System or by the County with respect to the Airport System, including, without limitation, all rates, fees, charges, rents and other income derived from the ownership or operation of the Airport System, including investment earnings on the funds and accounts established in the Resolution to the extent provided therein. Revenues shall not include PFC Revenues, except to the extent PFC Revenues are specifically designated as included in Revenues as provided in the Resolution. Revenues shall also not include any Airport System fund balances on hand as of the date of adoption of the Resolution which represent over recovery amounts to which the airlines have a claim pursuant to the Airlines Leases. Unless and to the extent otherwise provided by Supplemental Resolution, "Revenues" do not include (a) the proceeds of Bonds or other borrowings by the County, (b) the proceeds of grants and gifts for limited purposes or the proceeds of the disposition of property financed by such grants and gifts, (c) condemnation proceeds or insurance proceeds except insurance proceeds received from rental or business interruption insurance, (d) all income and revenue collected and received with respect to properties and facilities which are not included in the definition of Airport System, (e) Special Facility Revenues, or (f) PFC Revenues.

"S&P" means S&P Global Ratings, a division of S&P Global, or any successor rating agency.

"Serial Bonds" means Bonds other than Term Bonds.

"Series" or "Series of Bonds" or "Bonds of a Series" means a series of Bonds authorized by the Resolution.

"Special Facility" shall mean any facility, structure, equipment or other property, real or personal, which is at the Airport System or a part of any facility or structure at the Airport System and which is designated as a Special Facility pursuant to the Resolution.

"Special Facility Bonds" shall mean any revenue bonds, notes, bond anticipation notes, commercial paper, certificates of participation in a lease agreement or other evidences of indebtedness for borrowed money issued by the County to finance a Special Facility, the principal of, premium, if any, and interest on which are payable from and secured by the Special Facility Revenues derived from such Special Facility, and not from or by Revenues.

"Special Facility Revenues" shall mean the revenues earned from or with respect to a Special Facility and which are designated as such by the County to the extent they are needed to pay debt service on Special Facility Bonds or to meet other requirements of a Special Facility Bond financing, including but not limited to contractual payments to the County under a loan agreement, lease agreement or other written agreement with respect to the Special Facility by and between the County and the person, firm, corporation or other entity, either public or private, as shall operate, occupy or otherwise use the Special Facility. Special Facility Revenues shall not include any ground rentals received by the County with respect to a Special Facility.

"Special Redemption Fund" means the Airport Revenue Bond Special Redemption Fund created by the Resolution.

"Supplemental Resolution" means a resolution adopted by the County under the terms of the Resolution providing for the issuance of Bonds, and shall also mean a resolution adopted by the County under the terms of the Resolution amending or supplementing the Resolution.

"Surplus Fund" means the Airport Revenue Bond Surplus Fund created by the Resolution.

"Taxable Bonds" means any Bonds or Series of Bonds which are designated as such in the Supplemental Resolution providing for their issuance, the interest on which is not excluded from gross income for federal income tax purposes.

"Term Bonds" means Bonds which are subject to mandatory sinking fund redemption prior to maturity as specified in the Supplemental Resolution providing for their issuance. A Series of Bonds may include both Serial Bonds and Term Bonds and may include more than one set of Term Bonds, each of which has its own maturity date.

"Trustee" means the Trustee appointed pursuant to the Resolution and its successor or successors.

"Variable Rate Bonds" means Bonds issued under the Resolution, the interest rate on which is not established at a fixed or constant rate to maturity.

Pledge of Revenues

The Bonds are special obligations of the County. The principal of, premium, if any, and interest on the Bonds are payable solely from, and are secured equally and ratably by, a pledge of Net Revenues of the Airport System.

Creation of Funds; Flow of Funds

The Resolution creates the following funds and accounts:

– Revenue Fund
– PFC Revenue Account
– Operation and Maintenance Fund
– Special Redemption Fund
– Interest and Principal Account
– Reserve Account
– Capitalized Interest Account
– General Obligation Bond Fund
– Operation and Maintenance Reserve Fund
– Coverage Fund
– Capital Improvement Reserve Fund
– Surplus Fund

All of the funds, other than the Special Redemption Fund, will be held by the County. The Special Redemption Fund will be held by the Trustee.

Revenue Fund. Upon the issuance of the initial Series of Bonds the County shall deposit all of the Revenues into the Revenue Fund as promptly as practical after receipt (other than the Revenues expressly required or permitted by the Resolution to be credited to or deposited in any other account or fund). Within the Revenue Fund, the County shall create a "PFC Revenue Account" into which the County shall pay all PFC Revenues. However, such PFC Revenues shall be applied to pay debt service on Bonds only to the extent that such PFC Revenues are specifically pledged to payment of Bonds and are allocable to projects financed through the issuance of Bonds. Any remaining PFC Revenues shall be applied to pay the costs of Passenger Facility Charge approved projects in accordance with applicable federal regulations.

The County shall transfer funds from the Revenue Fund into the following funds in the following order of priority, in accordance with the Resolution:

(1) Operation and Maintenance Fund. Revenues shall first be used to pay Operation and Maintenance Expenses. There shall be charged against the Revenue Fund, and credited to the Operation and Maintenance Fund, a sum sufficient to provide for payment of the Operation and Maintenance Expenses of the Airport System as they are incurred.

(2) Special Redemption Fund. There has been created a Special Redemption Fund, which will be held by the Trustee to pay debt service on the Bonds.

(a) Interest and Principal Account. Within the Special Redemption Fund a separate account has been created known as the "Interest and Principal Account," which shall be used to pay the interest on, and principal and redemption price of, the Bonds. No later than the tenth day of each calendar month, there shall be paid from the Revenue Fund into the Interest and Principal Account the amount necessary to pay the interest next coming due on the Outstanding Bonds, less amounts already on deposit therein and available for such purpose, divided by the number of months remaining to such interest payment date, and the amount necessary to pay the principal next coming due on the Outstanding Bonds, whether such principal is being paid at maturity or upon mandatory redemption, less amounts already on deposit therein and available for such purpose, divided by the number of months remaining to such payment date.

(b) Reserve Account. Within the Special Redemption Fund there has also been created a separate account titled the "Reserve Account." The purpose of the Reserve Account is to provide a reserve for the payment of the principal or redemption price of and interest on the Bonds. There shall be deposited from the proceeds of each Series of Bonds into the Reserve Account the amount necessary so that there will be on deposit in the Reserve Account immediately after their issuance an amount equal to the Reserve Requirement. The Reserve Requirement may also be satisfied by crediting to the Reserve Account a surety bond or other credit facility in lieu of the deposit of cash, as discussed in more detail below.

Unless there is adequate provision made through the Airline Leases to permit the County to charge the airlines for principal due on the Bonds as such, the County, as part of the annual budget required pursuant to the Resolution, shall determine whether the depreciation charges to the airlines for that Fiscal Year under the Airline Leases (the "Depreciation Charges") will equal or exceed the principal to come due (whether at maturity or by mandatory redemption) on all Outstanding Bonds in that Fiscal Year (the "Principal"). If Depreciation Charges do not equal or exceed such Principal, the County shall immediately notify the Trustee of the projected shortfall, and the Trustee shall, on the first day of the Fiscal Year, transfer an amount equal to the projected shortfall from the Reserve Account to the Interest and Principal Account to make up the projected shortfall. The resulting deficiency in the Reserve Account shall be replenished from the Revenue Fund within 12 months as provided in the Resolution. The amount necessary to make such replenishment shall be included in the annual budget for that Fiscal Year.

(c) Capitalized Interest Account. Within the Special Redemption Fund there has also been created a separate account titled the "Capitalized Interest Account." Amounts on deposit in the Capitalized Interest Account shall be used to pay capitalized interest on Bonds. Upon the issuance of each Series of Bonds, there shall be deposited into the Capitalized Interest Account the amount of proceeds of the Bonds, if any, designated for that purpose in the Supplemental Resolution authorizing the issuance of such Series of Bonds. Such amounts shall be transferred to the Interest and Principal Account on the first day of the Fiscal Year in which the interest on such Series of Bonds is due.

(3) General Obligation Bond Fund. There has been created a special fund known as the "Airport General Obligation Bond Fund." Moneys in the General Obligation Bond Fund shall be used to pay debt service on general obligation bonds or promissory notes of the County issued for Airport System purposes and to reimburse the County for such debt service payments for which it has not previously been reimbursed. On or before the tenth day of each month but in no event prior to making the required deposit to the Special Redemption Fund, the County shall pay from the Revenue Fund into the General Obligation Bond Fund an amount so that sufficient amounts will be available, together with other available funds, to provide for the timely payment of debt service on all of the County's general obligation bonds or promissory notes heretofore and hereafter issued for Airport System purposes and for the

reimbursement of the County for such payments which it has previously made and for which it has not yet been reimbursed.

(4) Operation and Maintenance Reserve Fund. There has been created a special fund known as the "Airport Revenue Bond Operation and Maintenance Reserve Fund." On or before the tenth day of each month but in no event prior to making the required deposit to the Special Redemption Fund, the County shall pay from the Revenue Fund to the Operation and Maintenance Reserve Fund an amount equal to the lesser of (i) one-twelfth of the Operation and Maintenance Reserve Fund Requirement (defined as one-sixth of annual Operation and Maintenance Expenses) or (ii) the amount necessary so that the balance in the fund is not less than the Operation and Maintenance Reserve Fund Requirement.

Moneys in the Operation and Maintenance Reserve Fund may be transferred to the Operation and Maintenance Fund to pay Operation and Maintenance Expenses, or to the Interest and Principal Account to make up any deficiency in the amount needed to pay principal, redemption price or interest on the Bonds.

(5) Coverage Fund. There has been created a special fund known as the "Coverage Fund." The Coverage Fund shall be funded in an amount equal to 25% of the current Debt Service on all Outstanding Bonds for which a deposit in the Coverage Fund is required by the Supplemental Resolution (the "Coverage Fund Requirement"). Upon the issuance of any Series of Bonds or Additional Bonds for which a deposit in the Coverage Fund is required by the Supplemental Resolution, either (a) an amount necessary to satisfy the Coverage Fund Requirement (calculated by taking into account the Debt Service on the Bonds being issued) shall be deposited in the Coverage Fund at the time of the issuance of such Bonds or (b) the County shall covenant, in the Supplemental Resolution authorizing the Bonds, to deposit monthly on the tenth day of each month, commencing with the first month after the issuance of the Bonds and continuing until the Coverage Fund Requirement is on deposit in the Coverage Fund, an amount equal to one-thirty-sixth of the difference between the Coverage Fund Requirement upon the issuance of the Bonds and the amount on deposit in the Coverage Fund on the date of issuance of the Bonds.

Amounts on deposit in the Coverage Fund may be transferred to the Operation and Maintenance Fund to make up any deficiency in that Fund or to the Interest and Principal Account in the event of a deficiency in that Account.

If the amount in the Coverage Fund is less than the Coverage Fund Requirement (or such lesser amount which is required to be on deposit therein as provided in the Resolution on January 1 of any year, the County shall forthwith make up the deficiency from the Revenue Fund by making monthly deposits on or before the tenth day of each month thereafter, but in no event prior to making the required deposits to the funds set forth above, and continuing until the Coverage Fund Requirement is on deposit in the Coverage Fund, in an amount equal to one-twelfth of the deficiency. If the amount in the Coverage Fund is greater than the Coverage Fund Requirement on January 1 of any year, the excess shall be dealt with in the manner provided for earnings from the investment of the Coverage Fund.

If there is adequate provision made through the Airlines Leases to permit the County to charge the airlines an amount so that Net Revenues (without counting Other Available Funds) are sufficient to comply with the rate covenants discussed below, then the Coverage Fund may be dissolved and discontinued and funds therein shall be dealt with in the manner provided for earnings from the investment of the Coverage Fund.

(6) Capital Improvement Reserve Fund. There has been created a special fund known as the "Capital Improvement Reserve Fund. There shall be deposited into the Capital Improvement Reserve Fund an amount equal to the depreciation payments received pursuant to the Airline Leases less the amounts deposited to the Interest and Principal Account of the Special Redemption Fund and the General Obligation Bond Fund representing principal of Bonds or general obligation bonds or promissory notes of the County. In addition, there shall be deposited into the Capital Improvement Reserve Fund from the Revenue Fund, on or before the 10th day of each month, but in no event prior to making the required deposits to the funds set forth above, any amounts required by a resolution authorizing the issuance of subordinate airport revenue obligations. Moneys in the Capital Improvement Reserve Fund shall be used to finance capital projects at the Airport System in accordance with the terms of the Airline Leases or to pay debt service on subordinate airport revenue bonds.

(7) Surplus Fund. There has been created a special fund known as the "Airport Revenue Bond Surplus Fund." Moneys in the Surplus Fund shall first be used when necessary to meet requirements of the Operation and Maintenance Fund, the Special Redemption Fund, including the Reserve Account, the General Obligation Bond Fund, the Operation and Maintenance Reserve Fund, the Coverage Fund and the Capital Improvement Reserve Fund. Any money remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2) of the Wisconsin Statutes and provided further that such money may only be used for Airport System purposes.

Construction Fund. There has also been created a special fund known as the "Construction Fund." Moneys in the Construction Fund shall be applied to the payment of the Project Costs of the respective Projects for which the Bonds are issued, or, to the extent they represent funds borrowed to pay capitalized interest on Bonds, shall be transferred to the Interest and Principal Account on the first day of the Fiscal Year that they will be needed for that purpose.

Investment of Funds. The Resolution provides that, except as otherwise provided therein, all income from the investment of any fund or account established under the Resolution (including net profit from the sale of any investment) shall be retained in that fund or account until such fund or account is fully funded in accordance with the terms of the Resolution, and, thereafter, shall be treated as Revenues and deposited in the Revenue Fund, except that all income from the investment of the Reserve Account, when the Reserve Requirement is on deposit therein shall be transferred to the Interest and Principal Account and used for the purposes thereof. For the period until the date of substantial completion of a Project financed by Bonds (or until the Project is discontinued) income accruing from investment of the proceeds of Bonds issued to finance or refinance the Project which have been deposited in the Capitalized Interest Account, the Construction Fund or the Reserve Account, including income on the income, shall when received be deposited in the Construction Fund, or, if so directed by the County, in the Interest and Principal Account, or as otherwise provided by the Supplemental Resolution under which the Bonds are issued for the Project. Any loss from investment of a fund or account shall be charged to the fund or account but, unless otherwise made up, shall be set off against income from investment of the fund or account which would otherwise be deposited in another fund or account.

Reserve Account

As discussed above, the Resolution establishes a Reserve Account into which the County must deposit and maintain the Reserve Requirement. The moneys on deposit in the Reserve Account shall be used and applied to pay principal, redemption premium, and interest on the Bonds due and owing when a deficiency exists in the amounts on deposit for such purpose in the Interest and Principal Account of the Special Redemption Fund. Investments in the Reserve Account are valued at the market value thereof unless the Trustee determines that a lower valuation is necessary by reason of uncertainty of payment thereof or anticipated loss on sale prior to maturity.

In lieu of the deposit of moneys in the Reserve Account, or in substitution of moneys previously deposited therein, the County at any time may cause to be so credited a letter or line of credit, policy of bond insurance, surety bond, guarantee or similar instrument issued by a financial, insurance or other institution and which provides security and/or liquidity in respect of Bonds (a "Credit Facility") for the benefit of the Bondholders equal to the difference between the Reserve Requirement and all other amounts then on deposit (or, in the case of substitution of moneys previously on deposit therein, the amount remaining on deposit) in the Reserve Account. Any funds in the Reserve Account that are subsequently replaced by a Credit Facility will be transferred to the Interest and Principal Account or the Construction Fund, as the County directs, provided that the County may transfer such funds to any other fund or account under the Resolution upon receipt of an Opinion of Bond Counsel to the effect that such transfer will not adversely affect the tax-exempt nature of the interest on any Series of Outstanding Bonds. The Credit Facility shall be payable on any date on which moneys will be required to be withdrawn from the Reserve Account and applied to the payment of the principal or redemption price of or interest on any Bonds of such Series when such withdrawals cannot be made by amounts credited to the Reserve Account.

Additional Bonds

The Resolution permits the issuance of one or more additional Series of Bonds on a parity with Outstanding Bonds ("Additional Bonds") upon certain conditions. Any such series of Additional Bonds may be issued only upon the filing of the following with the Trustee:

(1)(a) A certificate of the County that to the best of the knowledge and belief of the Authorized Officer executing the Certificate, no Event of Default exists, and (b) a certificate of the Trustee that there is no Event of Default of which it has actual knowledge;

(2) A certificate of the County, executed on its behalf by an Authorized Officer, setting forth (i) the Net Revenues for the last audited Fiscal Year and (ii) the maximum Debt Service (including, without duplication, related Credit Facility Obligations) on all Outstanding Bonds and the Bonds to be issued in any Fiscal Year; and demonstrating that such Net Revenues, together with Other Available Funds, equal an amount not less than 125% of such Debt Service (including, without duplication, related Credit Facility Obligations); or, alternatively, a certificate prepared and signed by an Airport Consultant, setting forth for each of the three Fiscal Years commencing with the Fiscal Year following that in which the Projects financed by such Additional Bonds are estimated to be completed, the projected Net Revenues, the projected Other Available Funds, and the maximum Debt Service on all Outstanding Bonds and the Additional Bonds to be issued in any Fiscal Year; and demonstrating that for each such Fiscal Year the projected Net Revenues, together with the projected Other Available Funds, will be in an amount not less than 125% of such Debt Service (including, without duplication, related Credit Facility Obligations);

(3) A certified copy of the Supplemental Resolution providing for the issuance of the Additional Bonds; and

(4) An Opinion of Bond Counsel that the conditions precedent to the issuance of the Additional Bonds have been satisfied.

The certificates required by subparagraph (2) above shall not be required in connection with the issuance of Additional Bonds to pay costs of completing a Project for which Bonds have been previously issued; provided that the principal amount of such Additional Bonds issued under this paragraph shall not exceed 15% of the original principal amount of the Bonds previously issued for such Project; and provided further that Additional Bonds shall not be issued under this paragraph unless there has been filed with the Trustee a certificate of the Consulting Engineer (i) stating that the Project has not materially changed from its description in the Supplemental Resolution authorizing the Bonds initially issued to pay the Project Costs of the Project, (ii) estimating the revised aggregate Project Costs of the Project, (iii) stating that the revised aggregate Project Costs of such Project cannot be paid in full with moneys available for such Project in the Construction Fund, and (iv) stating that the issuance of the Additional Bonds is necessary to provide funds for the completion of the Project.

The certificates required by subparagraph (2) above shall not be required in connection with the issuance of Bonds to refund Bonds, provided that the average annual Debt Service on the refunding Bonds shall not be greater than the average annual Debt Service on the Bonds being refunded, but such certificates shall be required in the case of Bonds issued to refund obligations other than Bonds (including the issuance of Bonds to retire notes issued in anticipation of Bonds) as if the Bonds were being issued for the Projects financed by the refunded obligations.

In the Resolution, the County covenants that, until there is adequate provision made through the Airline Leases to permit the County to charge the airlines for principal due on Bonds as such, all Bonds issued under the Resolution will have amortization schedules such that in each Fiscal Year the scheduled depreciation on then existing Airport System facilities plus the scheduled depreciation on any new Airport System Projects then being financed with Bonds will equal or exceed the amount of principal of Bonds falling due in such Fiscal Year.

Issuance of Subordinate Securities and Special Facility Bonds

The Resolution provides that the County may issue subordinate lien securities for the purpose of the Airport System payable from the Revenues deposited in the Capital Improvement Reserve Fund.

The Resolution also includes provisions under which the County may issue Special Facility Bonds for the purpose of constructing a Special Facility at the Airport. A Special Facility is any facility, structure, equipment or other property, real or personal, which is at the Airport System or a part of any facility or structure at the Airport System and which is designated as a Special Facility by Supplemental Resolution. Such Supplemental Resolution shall provide that revenues earned by the County from or with respect to such Special Facility shall constitute Special Facility Revenues and shall not be included as Revenues. Any such Special Facility Bonds are required to be payable solely from Special Facility Revenues and will not be a charge or claim against the Revenue Fund or any other fund or account designated in the Resolution.

No Special Facility Bonds shall be issued by the County unless there shall have been filed with the Trustee a certificate of an Airport Consultant to the effect that:

(i) The estimated Special Facility Revenues with respect to the proposed Special Facility shall be at least sufficient to pay the principal (either at maturity or by mandatory sinking fund redemptions), premium of and interest on such Special Facility Bonds as and when the same shall become due, all costs of operating and maintaining such Special Facility not paid by a party other than the County, and all sinking fund, reserve fund and other payments required with respect to such Special Facility Bonds as and when the same shall become due; and

(ii) The estimated Net Revenues calculated without including the Special Facility Revenues and without including any operation and maintenance expenses of the Special Facility as Operation and Maintenance Expenses will be sufficient so that the County will be in compliance with its rate covenant during each of the five Fiscal Years immediately following the issuance of such Special Facility Bonds.

Covenants of the County

Rate Covenant. The County has covenanted in the Resolution to establish and impose a schedule of rates, rentals, fees and charges for the use and services of, and the facilities and commodities furnished by the Airport System, and to revise the same from time to time when necessary, and collect the income, rents, receipts and other moneys derived therefrom, so that in each Fiscal Year the Revenues will be at all times at least sufficient to provide for the payment of all amounts necessary to make the required deposits in such Fiscal Year under the Resolution.

In addition, the County is required to establish and collect rates, rentals, fees and charges sufficient so that in each Fiscal Year the aggregate of the Revenues after deducting for such year the aggregate of the Operation and Maintenance Expenses ("Net Revenues"), together with Other Available Funds (defined as the amount of unencumbered funds on deposit on the first day of the fiscal year in the Coverage Fund and the Surplus Fund in an amount up to 25% of Debt Service in the Fiscal Year), will be at least equal to 125% of Debt Service on all Bonds Outstanding including, without duplication, any repayment or other obligations incurred by the County in respect of draws or other payments or disbursements made under a Credit Facility, but only if such obligations have a lien on Revenues on the same priority as the lien thereof. PFC Revenues are treated as Revenues under the rate covenant only to the extent they are actually applied during the Fiscal Year to pay debt service on Bonds issued to finance or refinance Projects to which the PFC Revenues relate.

The failure to comply with the rate covenant, in the immediately preceding paragraph, does not constitute a default by the County under the Resolution if (i) the County promptly (a) causes an Airport Consultant to make a study for the purpose of making recommendations with respect to rates, rentals, fee and charges for the Airport System in order to provide funds for all the payments and other requirements described in the first paragraph above; (b) considers the recommendations of the Airport Consultant; and (c) takes such action as the County, in its discretion, deems necessary to comply with the rate covenant described in the immediately preceding paragraph, and (ii) in the following Fiscal Year, Net Revenues, together with Other Available Funds, are at least sufficient to meet the rate covenant described in the immediately preceding paragraph.

Annual Budget. At least sixty (60) days before the beginning of each Fiscal Year the County shall file a preliminary, annual Airport System operating budget with the Trustee. At least one (1) day before the beginning of each Fiscal Year the County shall adopt the annual Airport System operating budget and shall file a summary of such budget with the Trustee. As soon as such budget is published, but in no event later than February 1 of the year to which it relates, the County shall file a copy of such budget with the Trustee. The County may at any time adopt and file with the Trustee an amended or supplemental operating budget for the Fiscal Year then in progress. The budget shall show projected Operation and Maintenance Expenses, Debt Service and other payments from the Revenue Fund and the Revenues to be available to pay the same. The County shall not incur aggregate Operation and Maintenance Expenses in any Fiscal Year in excess of the aggregate amount shown in the annual budget as amended and supplemented except in case of emergency and shall promptly file a written report of any such excess expenditure with the Trustee.

Operation Maintenance and Improvement of the Airport System. The County will maintain, preserve, keep and operate or cause to be maintained, preserved, kept and operated, the properties constituting the Airport System (including all additions, improvements and betterments thereto and extensions thereof and every part and parcel thereof) in good and efficient repair, working order and operating condition in conformity with standards customarily followed in the aviation industry for airports of like size and character. The County will from time to time make all necessary and proper repairs, renewals, replacements and substitutions to said properties, and construct additions and improvements thereto and extensions and betterments thereof which are economically sound, so that at all times the business carried on in connection therewith shall and can be properly and advantageously conducted in an efficient manner and at reasonable cost.

Insurance. The County shall carry insurance with generally recognized responsible insurers with policies payable to the County against risks, accidents, or casualties at least to the extent that similar insurance is usually carried by airport operators operating properties similar to the Airport System; provided that the County may be self-insured against such risks, accidents or casualties to the extent appropriate to governmental procedure and policy. In the event of loss or damage to property covered by the insurance, the County shall promptly repair, replace or reconstruct the damaged or lost property to the extent necessary for the proper conduct of its operations and shall apply the proceeds of the insurance for that purpose to the extent needed; provided that no such repair, replacement or construction shall be required if the County files a certificate with the Trustee signed by an Authorized Officer to the effect that repair, replacement or reconstruction of the damaged or destroyed property is not in the best interest of the County and that failure to repair, replace or reconstruct the damaged or destroyed property will not cause Revenues in any future Fiscal Year of the County to be less than an amount sufficient to enable the County to comply with all covenants and conditions of this Resolution or impair the security or the payment of the Bonds. If the County elects to undertake the repair, replacement or reconstruction of the damaged or destroyed property and such proceeds of the aforesaid insurance are insufficient for such purpose, the amount of such insufficiency may be satisfied from moneys available within the Surplus Fund for any lawful purpose of the County. Any excess proceeds from property insurance shall be deposited in the Interest and Principal Account or, if the County receives an Opinion of Bond Counsel to the effect that the proposed use of such proceeds will not adversely affect the tax-exempt status of any Outstanding Bonds issued hereunder, in any other fund or account hereunder as directed by the County.

Within sixty (60) days after the close of each Fiscal Year, the County shall file with the Trustee a certificate describing the insurance then in effect.

Not to Encumber or Dispose of the Revenues or Properties of the Airport System. Except as set forth below, the County shall not sell, mortgage, lease or otherwise dispose of or encumber the Revenues or any properties of the Airport System.

(A) The County may sell, lease, or otherwise dispose of any portion of the properties and facilities (real or personal) comprising a part of the Airport System the disposal of which will not impede or prevent the use of the Airport System or its facilities for the conduct of air transportation or air commerce and which in the reasonable judgment of the County has become unserviceable, unsafe or no longer necessary in the operation of the Airport System or which is to be or has been replaced by other property of substantially equal revenue-producing capability and of substantially equal utility for the conduct of air transportation or air commerce. Proceeds of a sale, lease or other disposition pursuant to this paragraph shall be applied as determined by the County; provided, however, that to the extent that the original construction or acquisition of such properties or facilities was financed from moneys derived from grants or passenger facility charges, then such proceeds shall be deposited in a manner consistent with the conditions agreed to by the County with any governmental authority, or imposed on the County by law or any governmental authority, in obtaining such grants or passenger facility charges.

(B) The County may execute leases, licenses, easements and other agreements of or pertaining to properties constituting the Airport System in connection with the operation of the Airport System in the normal and customary course of business thereof, according to the County's policy regarding rates, rentals, fees and charges of the Airport System, which rates, rentals, fees and charges shall be part of Revenues and which properties shall remain part of the Airport System, but any such leasing shall not be inconsistent with the provisions of the Resolution, and no lease shall be entered into by which the security of and payment for the Bonds might be impaired or diminished. The County may enter into leases, licenses, easements and other agreements in connection with Special Facilities pursuant to and in accordance with the provisions of the Resolution.

(C) If any portion of the properties of the Airport System is taken by eminent domain, any moneys received by the County as a result shall be deposited in the Interest and Principal Account, Construction Fund or Capital Improvement Reserve Fund, as the County shall determine.

(D) The County may apply the Revenues as provided in the Resolution, may encumber the Revenues for the benefit of the Bondowners to the extent and in the manner provided in the Resolution and may otherwise encumber the Revenues to the extent and in the manner provided in the Resolution.

Other Leases and Contracts. The County shall perform all contractual obligations undertaken by it under leases or agreements pertaining to or respecting the Airport System and shall enforce its rights thereunder. The County shall not enter into any contract or lease pertaining to the Airport System by which the rights, payment or security of the Bonds might be impaired or diminished.

Books of Account; Annual Audit. The County shall keep proper books and accounts relating to the Airport System and shall cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants, and within two hundred seventy (270) days after the end of each Fiscal Year, the County shall file such audited financial statement with the Trustee. In addition to other matters required by law or sound accounting or auditing practice, the financial statement shall cover the transactions in the funds and accounts held by the Trustee or County under the Resolution. The report of the auditor shall state whether, in the course of examining the books and accounts relating to the Airport System which it would customarily examine in the course of preparing the audited financial statement required by this Section, there has come to the attention of the auditor any default by the County with respect to the Resolution or the Bonds and, if so, the nature of the default.

Payment of Taxes and Other Claims. The County shall make timely payments of all taxes, assessments and other governmental charges lawfully imposed upon the properties constituting the Airport System or upon the Revenues, as well as all lawful claims for labor, materials and supplies which, if not paid, might become a lien or charge upon any part of the Airport System, or upon any of the Revenues, or could impair the security of the Bonds; but the failure to do so will not be considered a violation of this Section so long as the County is in good faith contesting the validity of the tax, assessment, charge or claim.

Government Approval. The County will perform any construction, reconstructions, and restorations of, improvements, betterments and extensions to, and equipping and furnishing of, and will operate and maintain the Airport System at standards required in order that the same may be approved by the proper and competent Federal government authority or authorities for the landing and taking off of aircraft, and as a terminal point of the County for the receipt and dispatch of passengers, property and mail by aircraft.

Compliance With Terms of Grant-in-aid; Application Thereof: The County shall comply with the requirements of the federal government with respect to grants-in-aid accepted by the County.

To Carry Out Projects. The County will proceed with all reasonable dispatch to complete the acquisition, purchase, construction, improvement, betterment, extension, addition, reconstruction, restoration, equipping and furnishing of any properties certain costs of which are to be paid from the proceeds of Bonds or from any other moneys held under the Resolution. Notwithstanding the foregoing, the County may discontinue a Project by written notice to the Trustee, with a certificate of the Airport Consultant stating that, by reason of change in circumstance not reasonably expected at the time of the issuance of the Bonds, completion of the Project (or work) is no longer consistent with custom in the airport industry or is no longer necessary for the proper operation of the Airport System. The moneys for the Project in the Construction Fund not needed to pay Project Costs of the Project (as determined by a certificate of the Airport Consultant) shall be deposited in the Interest and Principal Account and used to pay debt service on Bonds.

Compliance with Applicable Law. The County shall comply with all applicable federal, state and local law in the operation and administration of the Airport System.

Events of Default and Remedies

Events of Default. There shall be an "Event of Default" if any of the following occurs:

(1) If there is a default in the payment of the principal of or redemption premium, if any, on any of the Bonds when due, whether at maturity or by proceedings for redemption or otherwise.

(2) If there is a default in the payment of any interest on any Bond, when due.

(3) If the County defaults in the performance of any other covenant or agreement contained in the Resolution and the default continues for thirty (30) days after written notice to the County by the Trustee, or to the County and the Trustee by the holders of not less than twenty-five per cent (25%) in principal amount of the Outstanding Bonds, provided that if the default is one that can be remedied but cannot be remedied within that thirty day period, the Trustee may grant an extension of the thirty day period if the County institutes corrective action within that thirty day period and diligently pursues that action until the default is remedied.

(4) If an order, judgment or decree is entered by a court of competent jurisdiction (a) appointing a receiver, trustee, or liquidator for the County or the whole or any substantial part of the Airport System, (b) granting relief in involuntary proceedings with respect to the County under the federal Bankruptcy Code, or (c) assuming custody or control of the County or of the whole or any substantial part of the Airport System under the provision of any law for the relief of debtors, and the order, judgment or decree is not set aside or stayed within sixty (60) days from the date of the entry of the order, judgment or decree.

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

Inspection of Records. If an Event of Default happens and has not been remedied, the books of record and account of the County relating to the Airport System shall at all times be subject to the inspection and use of the Trustee, the Owners of at least five per cent (5%) in principal amount of the Outstanding Bonds and their agents and attorneys.

Payment of Funds to Trustee; Application of Funds. If an Event of Default happens and has not been remedied, the County upon demand of the Trustee shall pay over and transfer to the Trustee (i) all funds and investments then held by the County in the funds and accounts held by it under the Resolution and (ii) as promptly as practicable all other or subsequent Revenues.

After a transfer of a fund or account under this paragraph, the Trustee shall administer the fund or account until all Events of Default have been cured.

If at any time the available funds are insufficient for the payment of the principal or redemption price and interest then due on the Bonds, the following funds and accounts (other than funds held in trust for the payment or redemption of particular Bonds) shall be used in the order named:

Interest and Principal Account
Capitalized Interest Account
Reserve Account

Surplus Fund
Capital Improvement Reserve Fund
Operation and Maintenance Reserve Fund
Coverage Fund
General Obligation Bond Fund
Construction Fund

and the County shall promptly restore from the Revenue Fund any amount taken for this purpose from any fund or account other than the Interest and Principal Account. The moneys shall be applied in the following order of priority:

First, to the payment of all unpaid interest on Bonds then due (including any interest on overdue principal and, to the extent permitted by law, interest on overdue interest at the same rate) in the order in which the same became due, and, if the amount available is sufficient to pay the unpaid interest which became due on any date in part but not in full, then to the payment of that interest ratably; and

Second, to the payment ratably of the unpaid principal or redemption price of Bonds then due.

Whenever moneys are to be so applied, they shall be applied by the Trustee at such times as it shall determine, having due regard to the amount available and the likelihood of additional moneys becoming available. The Trustee shall use an interest payment date as the date of payment unless it deems another date more suitable. On the date fixed for payment interest shall cease to accrue on the amounts of principal and interest to be paid on that date to the extent that the necessary moneys have been made available for payment. The Trustee shall give such notice of the date as it may deem appropriate and shall not be required to make payment to the Owner of any Bond unless the Bond is presented for appropriate endorsement.

Interest on overdue principal and interest (to the extent permitted by law) shall accrue and be payable daily but, for the purpose of applying the order of priority prescribed by this Section (and of calculating interest on interest), it shall be treated as if it became due on the regular interest payment dates.

Suits at Law or in Equity. (A) As provided in the Act, any Owner or Owners of the Bonds and the Trustee shall have the right in addition to all other rights:

(1) By mandamus or other suit, action or proceedings in any court of competent jurisdiction, to enforce their rights against the County, the County Board of Supervisors and any other proper officer, agent or employee of any of them, including the right to require the County, the County Board of Supervisors and any proper officer, agent or employee of any of them, to fix and collect rates, rentals, fees and charges adequate to carry out any agreement made in the Resolution as to rates, rentals, fees and charges, or to carry out the pledge of Revenues made by the Resolution, and to require the County, the County Board of Supervisors and any officer, agent or employee of any of them to carry out any other covenants or agreements made in the Resolution or in the Bonds and to perform their duties under the Act; and

(2) By action or suit in equity, to enjoin any acts or things which may be unlawful or a violation of the rights of the Owner or Owners of the Bonds under the Resolution or any Supplemental Resolution.

(B) As authorized by the Act, the County confers upon the Owners of not less than twenty-five per cent (25%) in principal amount of the Outstanding Bonds and upon the Trustee the right in case of an Event of Default:

(1) By suit, action or proceedings in any court of competent jurisdiction to obtain the appointment of a receiver of the whole or any part or parts of the Airport System. If a receiver is appointed he may enter and take possession of the same, operate and maintain it, and collect and receive all Revenues arising from it in the same manner as the County itself might do and shall deposit the Revenues in a separate account or accounts and apply the same in accordance with the obligations of the County.

(2) By suit, action or proceeding in any court of competent jurisdiction to require the County to account as if it were the trustee of an express trust.

(C) All rights of action under the Resolution may be enforced by the Trustee without the possession of any of the Bonds and without producing them at the trial or other proceedings.

(D) The Owners of not less than a majority in principal amount of the Outstanding Bonds may direct the time, method and place of conducting any remedial proceeding available to the Trustee, provided that the Trustee is provided with adequate security and indemnity and shall have the right to decline to follow the direction (i) if the Trustee is advised by counsel that the action or proceeding may not lawfully be taken or (ii) if the Trustee determines in good faith that the action or proceeding would involve the Trustee in personal liability or that the action or proceeding would be unjustly prejudicial to the owners of Bonds not parties to the direction.

Remedies Not Exclusive. No remedy conferred by the Resolution upon the Trustee or the Owners of the Bonds is intended to be exclusive of any other remedy, but each shall be in addition to every other remedy given under the Resolution or provided at law or in equity or by statute.

Waivers of Default. No delay or omission of the Trustee or of any Owner of Bonds to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or be construed to be a waiver of the Event of Default.

The Owners of Bonds with an aggregate principal amount in excess of fifty percent (50%) in principal amount of the Outstanding Bonds may on behalf of the Owners of all of the Bonds waive any past default under the Resolution and its consequences, except a default in the payment of the principal or redemption price of and interest on any of the Bonds. No such waiver shall extend to any subsequent or other default.

Notice of Events of Default. Within sixty (60) days after the occurrence of an Event of Default becomes known to the Trustee, the Trustee shall mail notice of the Event of Default to the Bondowners, unless the Event of Default has been cured before the giving of the notice; provided that the Trustee shall give the notice as promptly as the interests of the Bondowners appear to require and shall be protected in withholding notice if the board of directors, the executive committee, or a trust committee of the Trustee determines in good faith that the withholding of the notice is in the interests of the Bondowners.

Amendments and Supplements

Without Consent of Bondowners. The County may from time to time, without the consent of any Bondowner, adopt Supplemental Resolutions, (i) to provide for the issuance of Additional Bonds pursuant to the Resolution; (ii) to make changes in the Resolution which may be required to permit the Resolution to be qualified under the Trust Indenture Act of 1939, as amended; and (iii) for any one or more of the following purposes:

1. To cure or correct any ambiguity, defect or inconsistency in the Resolution;

2. To add additional covenants and agreements of the County for the purpose of further securing the payment of the Bonds;

3. To limit or surrender any right, power or privilege reserved to or conferred upon the County by the Resolution;

4. To confirm any lien or pledge created or intended to be created by the Resolution;

5. To confer upon the Owners of the Bonds additional rights or remedies or to confer upon the Trustee for the benefit of the Owners of the Bonds additional rights, duties, remedies or powers;

6. To make any other change in the Resolution which does not, in the opinion of the Trustee, have a material adverse impact on the interests of the Owners of the Bonds; and

7. To modify the Resolution in any other respect; provided that the modification shall not be effective until after the Outstanding Bonds cease to be Outstanding, or until the Bondowners consent pursuant to the Resolution.

The written concurrence of the Trustee shall be required for any Supplemental Resolution described in (ii) or (iii) above.

With Consent of Bondowners. With the written concurrence of the Trustee and the consent of the Owners of Bonds with an aggregate principal amount in excess of fifty percent (50%) in principal amount of the Outstanding Bonds, the County may from time to time adopt Supplemental Resolutions for the purpose of making other changes in the Resolution; provided, however, that, without the consent of the Owner of each Bond which would be affected, no Supplemental Resolution shall (1) change the maturity date for the payment of the principal of any Bond or the dates for the payment of interest on the Bond or the terms of the redemption of the Bond, or reduce the principal amount of any Bond or the rate of interest on the Bond or the redemption price, (2) reduce the percentage of consents required under this proviso for a Supplemental Resolution, or (3) give to any Bond any preference over any other Bond; and provided further that, without the consent of the Owners of Bonds with an aggregate principal amount in excess of fifty percent (50%) in principal amount of the Outstanding Term Bonds of each Series and maturity which would be affected, no Supplemental Resolution shall (a) change the amount of any sinking fund installments for the retirement of Term Bonds or the due dates of the installments or the terms for the purchase or redemption of Bonds from the installments, or (b) reduce the percentage of consents required under this proviso for a Supplemental Resolution.

It shall not be necessary that the consents of the Owners of the Bonds approve the particular wording of the proposed Supplemental Resolution if the consents approve the substance. After the Owners of the required percentage of Bonds have filed their consents with the Trustee, the Trustee shall mail notice to the Bondowners in the manner provided in the Resolution. No action or proceeding to invalidate the Supplemental Resolution or any of the proceedings for its adoption shall be instituted or maintained unless it is commenced within sixty (60) days after the mailing of the notice. The validity of a Supplemental Resolution shall not be affected by any failure to give notice by mail or by any defect in the mailed notice.

Defeasance

Discharge of Pledge: Bonds No Longer Deemed Outstanding. The obligations of the County under the Resolution and the pledge, covenants and agreements of the County made in the Resolution shall be discharged and satisfied as to any Bond and the Bond shall no longer be deemed to be Outstanding under the Resolution:

(i) when the Bond has been canceled or surrendered for cancellation, or has been purchased by the Trustee from moneys held by it under the Resolution (other than at the option of the Owner prior to the scheduled maturity date); or

(ii) when payment of the principal or the redemption price of the Bond, plus interest on the principal to the due date (whether at maturity or upon redemption or otherwise) or to the date set for payment in the case of an overdue Bond, either (a) has been made or (b) has been provided for by irrevocably setting aside in escrow with the Trustee, if any, or with another suitable bank or trust company for the purpose (1) moneys sufficient to pay the principal or redemption price and interest or (2) Permitted Investments (which for the purposes of this Section shall include only those obligations described in item (1) of the definition thereof) maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to pay the principal or redemption price and interest when required, and when all proper fees and expenses of the Trustee and Paying Agents pertaining to the Bond have been paid or provided for to the satisfaction of the Trustee and Paying Agents.

When a Bond is deemed to be no longer Outstanding under the Resolution pursuant to clause (i) or (ii)(a) above or, if the Bond has become due, pursuant to clause (ii)(b), it shall cease to draw interest. When a Bond is deemed to be no longer Outstanding under the Resolution pursuant to either clause (i) or clause (ii) above, it shall no longer be secured by the Resolution except for the purpose of payment from the moneys or Permitted Investments set aside for its payment pursuant to clause (ii)(b).

Notwithstanding the foregoing, in the case of Bonds which are to be redeemed prior to their stated maturities, no deposit under clause (ii)(b) above shall operate as a discharge and satisfaction until the Bonds have been irrevocably called or designated for redemption and proper notice of the redemption has been given or provision satisfactory to the Trustee has been irrevocably made for giving the notice.

Any moneys deposited with the Trustee as provided in this Section may be invested and reinvested in Permitted Investments of the types described earlier in this Section maturing in the amounts and times as required and any income from the investment not required for the payment of the principal or redemption price and interest on the Bonds shall be paid to the County and credited to the Revenue Fund.

In the event that the Resolution is defeased with respect to Bonds pursuant to this Section, the Trustee shall mail notice of the defeasance to the Owners of those Bonds within ninety (90) days after the defeasance.

Notwithstanding any other provision of the Resolution, all moneys or Permitted Investments set aside pursuant to this subsection for the payment of the principal or redemption price of and interest on Bonds shall be held in trust and used solely for the payment of the particular Bonds with respect to which the moneys or Permitted Investments have been set aside.

The County may at any time surrender to the Trustee for cancellation Bonds which the County has acquired, and the Bonds shall thereupon be deemed paid and no longer Outstanding.

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APPENDIX D

PROPOSED FORMS OF CO-BOND COUNSEL OPINION

[Form of Co-Bond Counsel Opinion]

October 1, 2025

Re: Milwaukee County, Wisconsin ("Issuer")
$15,170,000 Airport Revenue Bonds, Series 2025A,
dated October 1, 2025 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. 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.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are issued pursuant to Section 66.0621, Wisconsin Statutes, and a resolution adopted by the County Board of Supervisors of the Issuer on June 22, 2000, as amended from time to time (the "General Resolution") and a supplementing resolution adopted by the County Board of Supervisors of the Issuer on March 20, 2025 (the "Supplemental Resolution") (hereinafter the General Resolution and the Supplemental Resolution shall be referred to as the "Resolutions"). Pursuant to the Resolutions, the Bonds are issued on a parity with the Issuer's outstanding Airport Revenue Refunding Bonds, Series 2016A, dated November 10, 2016, Airport Revenue Refunding Bonds, Series 2019A, dated October 30, 2019, Airport Revenue Refunding Bonds, Series 2023A, dated October 4, 2023, Airport Revenue Refunding Bonds, Series 2023B, dated October 4, 2023 and Airport Revenue Bonds, Series 2024A, dated October 2, 2024 (collectively, the "Prior Bonds"). The Issuer covenanted in the Resolutions that net revenues derived from the operation of the Airport System (the "System") of the Issuer (the "Revenues") shall at all times be sufficient to pay the principal of and interest on the Prior Bonds and the Bonds as the same falls due.

The Bonds are numbered R-1 and upward; bear interest at the rates set forth below; and mature on December 1 of each year, in the years and principal amounts as follows:

Year	Principal Amount	Interest Rate
2026	$1,015,000	5.00%
2027	1,015,000	5.00
2028	1,015,000	5.00
2029	1,015,000	5.00
2030	1,010,000	5.00
2031	1,010,000	5.00
2032	1,010,000	5.00

Year	Principal Amount	Interest Rate
2033	$1,010,000	5.00%
2034	1,010,000	5.00
2035	1,010,000	5.00
2036	1,010,000	5.00
2037	1,010,000	5.00
2038	1,010,000	5.00
2039	1,010,000	5.00
2040	1,010,000	5.00

Interest is payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2026.

The Bonds maturing on December 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on December 1, 2034 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

We further certify that we have examined the form of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Issuer is duly created and validly existing under the Constitution and laws of the State of Wisconsin with the power to adopt the Resolutions, perform the agreements on its part contained therein and issue the Bonds.

2. The Resolutions have been duly adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer.

3. The Bonds have been lawfully authorized and issued by the Issuer pursuant to the laws of the State of Wisconsin now in force and are valid and binding special obligations of the Issuer enforceable upon the Issuer in accordance with their terms, payable solely from the Revenues of the System. The Bonds, together with interest thereon, do not constitute an indebtedness of the Issuer nor a charge against its general credit or taxing power.

4. The interest on the Bonds is excluded for federal income tax purposes from the gross income of the owners of the Bonds, except for interest on any Bonds held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is, however, an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined by Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross

income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

We express no opinion regarding the creation, perfection or priority of any security interest in the Revenues or other funds created by the Resolutions or on the sufficiency of the Revenues.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

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.

APPENDIX E

CONTINUING
DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Milwaukee County, Wisconsin (the "Issuer") in connection with the issuance of $15,170,000 Airport Revenue Bonds, Series 2025A, dated October 1, 2025 (the "Securities"). The Securities are being issued pursuant to a Resolution adopted by the Governing Body of the Issuer on March 20, 2025, as supplemented by a Certificate of Comptroller Approving the Details of Airport Revenue Bonds, Series 2025A (collectively, the "Resolution") and delivered to Raymond James & Associates, Inc. (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the final Official Statement dated September 9, 2025 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as 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.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the County Board of Supervisors of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means Milwaukee County, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Capital Finance Manager of the Issuer who can be contacted at the Office of the Comptroller, Milwaukee County Courthouse, Room 301, 901 North Ninth Street, Milwaukee, Wisconsin 53233, phone (414) 278-4396, fax (414) 223-1245.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 270 days after the end of the Fiscal Year, commencing with the year that ends December 31, 2025, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. 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 Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. AMENDED AIRLINE - AIRPORT USE AND LEASE AGREEMENT (excluding Airline Airport Affairs Committee) - pages 26 - 27
2. Table: MILWAUKEE COUNTY AIRPORT SYSTEM AIRPORT REVENUE - page 33
3. Table: MILWAUKEE COUNTY AIRPORT SYSTEM TOTAL AIRPORT SYSTEM O&M EXPENSES - page 35
4. Table: O&D AND CONNECTING ENPLANEMENTS - page 38
5. AIRPORT SYSTEM INDEBTEDNESS - pages 43-44
6. Table: MILWAUKEE COUNTY AIRPORT SYSTEM DEBT SERVICE COVERAGE - page 46

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 or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;

7. Modification to rights of holders of the Securities, if material;

8. Securities calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution or sale of property securing repayment of the Securities, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;

13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake

such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing 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 Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

<u>Section 6. Termination of Reporting Obligation</u>. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

<u>Section 7. Issuer Contact; Agent</u>. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

<u>Section 8. Amendment; Waiver</u>. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of material events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 1st day of October, 2025.

Chairperson of the County Board

County Clerk

Approved as to Form:

Corporation Counsel

Countersigned:

County Executive

Comptroller

APPENDIX F

SUMMARY OF
AIRLINE LEASES

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SUMMARY OF AMENDED AIRLINE LEASES

The following is a summary of certain provisions of the Amended AULA (the "AULA"). The summary is subject in all respects to the detailed and complete provisions of the AULA; copies of the AULA may be inspected at General Mitchell International Airport, 5300 South Howell Avenue, Milwaukee, Wisconsin 53207.

SUMMARY OF THE AULA

DEFINITIONS

When used in this Appendix, such terms shall have the meanings given to them by the language employed in this Appendix defining such terms unless the context clearly indicates otherwise. Capitalized terms not defined in this Appendix, but defined in the Official Statement, shall have the meanings given to them in the Official Statement. The following terms shall have the following meanings in this Appendix:

"2024 AULA" shall mean the new amended AULA executed between the County and each Airline on January 1, 2024 and terminating on December 31, 2028. The 2024 AULA has substantially similar terms as those contained in the Amended AULA.

"Accounting System" means the system for collection, allocation, and reporting of revenues, expenses, and debt service associated with the operation of Airport Cost Centers and the Airport System as a whole, which was established by the County to provide data to support the calculation of airline rates and fees required under the AULA.

"Additional Bonds" shall mean the additional parity revenue Bonds and PFC-Backed Airport Revenue Bonds which the County reserves the right to issue in the future as provided in the Bond Resolution and obligations issued to refund any of the foregoing on a parity with the Bonds.

"ADF Depreciation Account" shall mean that account with such name established in the AULA.

"Affiliate" shall mean any commercial air transportation company designated in writing by each Airline as an affiliate that is operating under the same flight code designator and either (1) is a parent or subsidiary of the Airline or is under the common ownership and control of the Airline or (2) is under contract (*e.g.,* capacity purchase agreement) with the Airline in respect to such operation. Each Affiliate shall execute an operating agreement with the County with terms consistent with the AULA. Each of Affiliate's Originating Passengers, Enplaned Passengers and landed weight shall be counted and recorded jointly with the Airline's and rents and fees shall be at the same rate. The Rents and Landing Fees for the Airline calculated in accordance with the AULA shall include the Originating Passengers and landed weight of each of its Affiliates. Each Airline shall serve as financial guarantor for all rentals and landing fees incurred by the Airline and its Affiliate(s).

"Aircraft Parking Apron" shall mean that part of the Ramp Area contiguous to the arrival and departure gates at the Airport, as shown in the AULA, which is used for the parking of aircraft and support vehicles and the loading and unloading of passengers and cargo.

"Airline" shall mean each airline that has signed the AULA.

"Airline-Airport Affairs Committee" or *"AAAC"* shall mean a Committee composed of a representative of each Signatory Airline and Signatory Cargo Airline to consult and coordinate with the County in matters related to the planning, promotion, development, operation and financing of the Airport System.

"Airline Non-Public Space" shall mean areas available to be rented by one or more airlines on an exclusive, joint use or common use basis that are not accessible to the public or airline passengers without an escort, including concourse lower level offices, concourse upper level offices, ticket counter offices, baggage makeup areas, holdroom stairwells and baggage tug tunnels.

"Airline Premises" shall mean Exclusive Use Premises, Preferential Use Premises and Joint Use Premises.

"Airline Public Space" shall mean areas available to be rented by one or more Airlines on an exclusive, joint use or common use basis that are accessible to the public or airline passengers without an escort, including ticket counters, e-ticketing machine areas, club rooms, gate holdrooms, baggage service offices and baggage claim areas.

"Airport" shall mean General Mitchell International Airport, owned and operated by the County.

"Airport Concession Revenues" shall mean all concession revenues earned at the Airport including, but not limited to, the items listed in the AULA and described below in subsection (B) under the caption "TERMINAL RENTAL RATES."

"Airport Development Fund Account" or *"ADFA"* shall mean that account established in the AULA.

"Airport System" shall mean the Airport and the Lawrence J. Timmerman Airport.

"Airport Terminal Building" shall mean the main terminal and the International Arrivals Building at the Airport and the appurtenances thereto, including skywalks, as shown in the AULA.

"Amended AULA" shall mean the AULA and all executed amendments effective through December 31, 2023. Also see 2024 AULA.

"AULA" shall mean each Airline – Airport Use and Lease Agreement between the County and Airline, as the same may be amended or supplemented from time to time.

"Bond Resolution" shall mean the General Bond Resolution adopted June 22, 2000, and as further amended and supplemented from time to time, that is the authorizing document for all outstanding revenue Bonds issued to finance facilities at the Airport.

"Bonds" shall mean the bonds authorized by the Bond Resolution and issued by the County and all Additional Bonds and other obligations issued as permitted by the Bond Resolution, including Existing Bonds, General Airport Revenue Bonds, PFC-Backed Airport Revenue Bonds and General Obligation Bonds, but does not include Special Facility Revenue Bonds.

"Calendar Year" shall mean the then-current annual accounting period of the County for its general accounting purposes, which is the period of twelve consecutive calendar months ending with the last day of December of any year.

"Capital Improvement" shall mean any improvement or equipment having a useful life of greater than one year and a total cost of at least $200,000, which is amortized or depreciated over its estimated useful life.

"Capital Improvement Reserve Fund" or *"CIRF"* shall mean that fund with such name established in the Bond Resolution and as further described in the AUA.

"Commencement Date" shall mean 12:01 A.M. on January 1, 2024 if the 2024 AULA is executed by an Airline within ninety (90) days of January 1, 2024, otherwise the Commencement Date shall be the date on which the 2024 AULA is signed.

"Common Use" shall mean the nonexclusive use in common by an Airline and other duly authorized tenants of Airport facilities and appurtenances together with all improvements, equipment, and services which have been or may hereafter be provided for such Common Use.

"Common Use Premises" means the areas leased by the County to an Airline for use by the Airline in common with all other air transportation companies, including without limitation, the tug tunnel and its associated circulation space, the inbound baggage carousels, the inbound baggage system and a small amount of general storage space whether or not signatory to the AULA, as shown in the AULA.

"Cost Centers" means the areas (and functional activities associated with such areas) used in accounting for the amortization, the depreciation, the debt service and the Operation and Maintenance Expenses of the Airport for the purposes of calculating rents, fees, and charges, as shown in the AULA and as may hereafter be modified or expanded, and as more particularly described below:

> (A) *"Airfield Cost Center"* means areas of the Airport used for the landing, taking-off, taxiing and movement of aircraft, including runways, taxiways, navigational aids, hazard designation and warning devices, the cargo airline aprons, aircraft deicing areas, airfield security roads and fencing, blast fencing, lighting, clear zones and safety areas, aviation easements, including land utilized in connection therewith or acquired for such future purpose or to mitigate aircraft noise, and associated equipment and facilities,

the acquisition, construction or installation cost of which is wholly or partially paid by the County. The net requirement of Timmerman Airport will be included in the Airfield Cost Center.

(B) *"Former 440th Military Base"* means the land and improvements conveyed to the County that formerly housed the USAF 440th Airlift Wing. The revenues, expenses and debt service and other fund requirements of the Former 440th Military Base shall be calculated to determine its net income or loss. The entire net income or loss shall be allocated to the Airfield Cost Center.

(C) *"Aircraft Parking Apron Cost Center"* shall mean that portion of the Ramp Area immediately adjacent to the Airport Terminal Building that is used for the parking of aircraft and support vehicles and the loading and unloading of passengers and cargo.

(D) *"Passenger Loading Bridges Cost Center"* means the passenger loading bridges and appurtenant equipment acquired by the County in accordance with the AULA, and available for use at any of the Gates in the Airport Terminal Building.

(E) *"Terminal Cost Center"* means the area comprising the passenger terminal complex including all supporting and connecting structures and facilities and all related appurtenances to said building and concourses, excluding County-owned loading bridges. The Terminal Cost Center includes the revenues and expenses of the International Arrivals Building (IAB). The Terminal Cost Center also includes Airport Concession Revenues, of which ninety percent (90%) of those revenues listed in the AULA and described in subsection (B) under the caption "TERMINAL BUILDING RENTS" is credited to the Terminal Cost Center and ten percent (10%) is credited to the Airport Development Fund Account.

(F) *"Other Cost Centers"* - the County reserves the right under the AULA to establish other subsidiary cost centers.

"Cost of Capital" shall mean five percent (5%) per annum.

"Debt Service Coverage Fund" shall mean the fund by that name established under the Bond Resolution which shall at all times equal 25% of the Debt Service Requirement.

"Debt Service Reserve Fund" shall mean the Reserve Account established within the Airport Revenue Bond Special Redemption Fund under the Bond Resolution which shall at all times equal 100% of the Debt Service Requirement.

"Debt Service Requirement" shall mean the total, as of any particular date of computation for any particular period or year, the (a) scheduled amounts required during such period or year for the payment of principal of and interest on all Bonds, during such period or Calendar Year and (b) other amounts required by the Bond Resolution.

"Director" shall mean the Airport Director or Acting Airport Director as from time-to-time appointed by the County and shall include such person or persons as may from time-to-time be

authorized in writing by the County Executive or by the Transportation and Public Works Director of the Milwaukee County Department of Transportation to act for such person with respect to any or all matters pertaining to the AULA.

"Enplaned Passengers" means all revenue and non-revenue originating, on-line transfer, and off-line transfer passengers boarded at the Airport.

"Exclusive Use Premises" shall mean those premises leased to an Airline for the Airline's sole use and occupancy subject to the rules, regulations, and provisions of any federal, state, county and municipal jurisdiction, as shown in the AULA.

"Existing Bonds" shall mean the General Obligation Bonds, PFC-Backed Airport Revenue Bonds and General Airport Revenue Bonds authorized and issued by the County before the Effective Date of the AULA in whole or in part for Airport System facilities and improvements, and remaining outstanding, are set forth in the AULA.

"Federal Aviation Administration," hereinafter referred to as FAA, shall mean that agency of the United States Government created and established under the Federal Aviation Act of 1958, or its successor, which is vested with the same or similar authority.

"Five Year CIP" means the Five Year Capital Improvement Program for calendar years 2016 to 2020, as described in the AULA.

"General Obligation Bonds" shall mean any General Obligation Bonds and/or bond anticipation notes authorized and issued by the County of Milwaukee for construction of or on the Airport.

"General Airport Revenue Bonds" or *"GARBs"* shall mean any bonds and/or bond anticipation notes secured by general airport revenues authorized and issued by the County of Milwaukee for construction of or on the Airport.

"Joint Use Premises" means the ticket counters, baggage makeup area and EDS area, which is leased by County for use by one or more airlines.

"Leased Premises" shall mean the Exclusive Use Premises, Preferential Use Premises, Joint Use Premises and Common Use Premises leased to an Airline by the County.

"Major Maintenance Project – Capitalized" shall mean any improvement or equipment having a useful life of greater than one year and a total cost of at least $50,000 but not more than $200,000, funded by the Capital Improvement Reserve Fund, which is amortized or depreciated over five years or those funded by the Airport Development Fund Account, the cost of which is not amortized or depreciated. No MII approval is required in order for the County to proceed with a Major Maintenance Project – Capitalized.

"Major Maintenance Project – Expensed" shall mean any improvement or equipment having a total cost of less than $50,000, which is expensed in one year.

"Majority-In-Interest" or *"MII"* means those Signatory Airlines (and Signatory Cargo Airlines only with respect to projects located in the Airfield Cost Center or the Former 440th Military Base) that: (i) represent no less than 51% in number of the Signatory Airlines (and Signatory Cargo Airlines, for applicable projects), and (ii) paid no less than 51% of the total rents, fees, and charges paid by all Signatory Airlines (and Signatory Cargo Airlines, for applicable projects) during the immediately preceding Fiscal Year. No airline shall be deemed to be a Signatory Airline or a Signatory Cargo Airline for purposes of this definition if such airline is under an Event of Default pursuant to, and has received notice in accordance with, the AULA.

"Maximum Gross Certificated Landing Weight" means the maximum weight, in one thousand (1,000) pound units, at which each aircraft operated by an Airline is authorized by the Federal Aviation Administration to land, as recited in the Airline's flight manual governing that aircraft.

"Net Financing Requirement" shall mean the amount of project cost remaining to be funded after deducting federal and state grant proceeds, PFC revenues, ADFA funds and any other equity funding not recoverable from airline rates and charges.

"Net Financing Requirement Cap" shall mean one hundred percent (100%) of the Net Financing Requirement of the Net Financing Requirement as shown in the New Five Year CIP in the 2024 AULA.

"Non-Signatory Airline" shall mean an airline which is not a party to the AULA.

"*New Five Year CIP*" means the Five Year Capital Improvement Program for calendar years 2024 to 2028 that is the subject of the 2024 AULA.

"Originating Passengers" means all originating revenue passengers boarded at the Airport.

"Operation and Maintenance Expenses" or *"O&M"* shall mean the reasonable, lawful and necessary current expenses of the County, as determined by the County, paid or accrued in administering, operating, maintaining and repairing the Airport System. Without limiting the generality of the foregoing, the term "Operation and Maintenance Expenses" shall include all costs directly related to the Airport System, including, but not limited to: (1) costs of collecting Revenues and of making any refunds therefrom lawfully due others; (2) engineering, auditing, legal and other overhead expenses directly related to its administration, operation, maintenance and repair; (3) costs of all or a portion of the salaries, wages and other compensation of officers and employees and payments to pension, retirement, health and hospitalization funds and other insurance, including self-insurance for the foregoing with respect to officers and employees of the County which are properly allocable to the Airport System; (4) costs of repairs, replacements, renewals and alterations not constituting a Capital Improvement or a Major Maintenance Project – Capitalized, occurring in the usual course of business of the Airport System; (5) taxes, assessments and other governmental charges, or payments in lieu thereof, imposed on the Airport System or any part thereof or on the operation thereof or on the income therefrom or on any privilege in connection with the ownership or operation of the Airport System or otherwise

imposed on the Airport System or the operation thereof or income therefrom; (6) costs of utility services with respect to the Airport System; (7) costs and expenses of general administrative overhead of the County allocable to the Airport System; (8) costs of equipment, materials and supplies used in the ordinary course of business not constituting a Capital Improvement or a Major Maintenance Project - Capitalized including ordinary and current rentals of equipment or other property allocable to the Airport System; (9) costs of fidelity bonds, or a properly allocable share of the premium of any blanket bond, pertaining to the Airport System or Revenues or any other moneys held under the Bond Resolution or required by the Bond Resolution to be held or deposited under the Bond Resolution; (10) costs of carrying out the provisions of the Bond Resolution, including trustee paying agents' fees and expenses; costs of insurance required by the Bond Resolution, or a properly allocable share of any premium of any blanket policy pertaining to the Airport System or Revenues, (11) costs of recording, mailing and publication; and (12) all other costs and expenses of administering, operating, maintaining and repairing the Airport system arising in the routine and normal course of business; *provided, however,* the term "Operation and Maintenance Expenses" shall not include: (a) costs of extensions, enlargements, betterments and improvements to the Airport System or reserves therefor; (b) reserves for operation, maintenance renewals and repairs occurring in the normal course of business; (c) payment (including redemption) of Bonds or other evidences of indebtedness or interest and premium thereof or reserves therefor; (d) allowances for depreciation and amounts for capital replacements or reserves therefor; and (e) operation and maintenance costs and expenses pertaining to any Special Facility.

"O&M Reserve Fund" shall mean that fund maintained by the County in an amount at all times equal to two months of Operation and Maintenance Expenses as required by the Bond Resolution.

"PFC" shall mean a passenger facility charge as established by 14 CFR Part 158.

"PFC-Backed Airport Revenue Bonds" shall mean any Bonds and/or any bond anticipation notes secured by general airport revenues and by Passenger Facility Charges authorized and issued by the County for construction of or on the Airport.

"Preferential Use Premises" are those premises shown in each AULA leased to an Airline for its use and occupancy on a basis that gives the Airline priority of use over all other users, subject to the provisions of the AULA and the rules, regulations, and provisions of any federal, state, county and municipal jurisdiction.

"Ramp Area" shall mean the aircraft parking and maneuvering areas in the vicinity of the Airport Terminal Building.

"Revenue Landing" shall mean an aircraft landing at the Airport in conjunction with a flight for which such Airline makes a charge or from which revenue is derived for the transportation by air of persons or property including flights diverted from other airports, but "Revenue Landing" shall not include any landing of an aircraft which, after having taken off from the Airport, and without making a landing at any other airport, returns to land at the Airport because of meteorological conditions, mechanical or operating causes, or any other reason of emergency or precaution.

"Revenues" shall mean all moneys received from any source by the Airport System or by the County with respect to the Airport System, including, without limitation, all rates, fees, charges, rents and other income derived from the ownership or operation of the Airport System, including investment earnings on the funds and accounts established in the Bond Resolution to the extent provided in the Bond Resolution. Revenues shall not include any passenger facility charges described substantially in the manner provided in Section 1113 of the Federal Aviation Act of 1958, as amended, or the rules and regulations promulgated thereby, or any other similar charges that may be imposed pursuant to federal law unless all or a portion of passenger facility charges are pledged as "Revenues" under the Bond Resolution. Unless and to the extent otherwise provided by supplemental Bond Resolution, "Revenues" do not include (a) the proceeds of Bonds or other borrowings by the County, (b) the proceeds of grants and gifts for limited purposes or the proceeds of the disposition of property financed by such grants and gifts, (c) condemnation proceeds or insurance proceeds except insurance proceeds received from rental or business interruption insurance, (d) all income and revenue collected and received with respect to properties and facilities which are not included in the definition of Airport System, or (e) payments from any Special Facility.

"Rules and Regulations" means any rules, regulations, statutes and ordinances promulgated by federal, state, County or any local government for the orderly use of the Airport System by both the airlines and other tenants and users of the Airport System as the same may be amended, modified, or supplemented from time to time. Copies of the current Rules and Regulations are available upon request to the County.

"Scheduled Air Carrier" shall mean an air transportation company performing or desiring to perform, pursuant to published schedules, commercial air transportation services over specified routes to and from the Airport, and holding any necessary authority to provide such transportation from the appropriate federal or state agencies.

"Signatory Airline" shall mean a Scheduled Air Carrier which has executed the AULA with the County that includes the lease of Exclusive Use Premises and Preferential Use Premises directly from the County.

"Signatory Cargo Airline" shall mean a scheduled cargo carrier which has executed an agreement with the County or from the County's third party developer that includes the lease of cargo building space and preferential cargo ramp space directly from the County for a term comparable to the term of the AULA.

"Special Facility" shall mean any capital improvements or facilities, structures, equipment and other property, real or personal, at the Airport System, which is designated as a "Special Facility" under the Bond Resolution.

"Special Facility Bonds" shall mean any revenue bonds, notes, bond anticipation notes, commercial paper, certificates of participation in a lease agreement or other evidences of indebtedness for borrowed money issued by the County to finance a Special Facility, the principal of, premium, if any, and interest on which are payable from and secured by the Special Facility Revenues derived from such Special Facility, and not from or by Revenues.

"Surplus Fund" shall mean the fund by that name as established under the Bond Resolution.

"Timmerman Airport" shall mean the general aviation reliever airport owned by the County, as shown in the AULA.

"Total Landed Weight" means the sum of the Maximum Gross Certificated Landing Weight for all aircraft arrivals of each Airline over a stated period of time.

TERM

The term of the 2024 AULA shall begin on the Commencement Date and shall terminate at midnight on December 31, 2028, unless sooner terminated under the provisions the AULA.

LEASED PREMISES

The County leases to each Airline, subject to the provisions of the AULA, the Airline Premises set forth in the AULA. Each Airline accepts the Airline Premises in as is condition, with no warranties or representations, expressed or implied, oral or written, made by the County or any of its agents or representatives.

The County, acting by and through the Airport Director, and an Airline may, from time to time by mutual agreement, add to or delete space from Airline Premises, but it is the intent of the County not to delete a significant amount of leased airline space unless another tenant will immediately add substantially all of the space to its premises. Any such addition shall be subject to the rates and charges set forth in the AULA and described below.

The County, acting by and through the Airport Director, shall advise an Airline, in writing, if and when the Airline is found to be operating in space other than the Exclusive Use Premises or Preferential Use Premises and such space is not displayed in the AULA. The Airline shall upon receipt of Airport Director's written Notice promptly (*i.e.*, within seventy-two (72) hours) cease its use of any and all space not leased to the Airline. In the event the Airline does not immediately cease its use of space, the County shall immediately bill the Airline for the Airline's use of the additional space and, at its option, may require the Airline to vacate the space within 30 days or execute an amendment to its lease for such additional space.

All space added to Airline Premises, pursuant to the AULA, will become Airline Premises and will be subject to all the terms, conditions, and other provisions of the AULA and the Airline shall pay to the County all rentals, fees and charges applicable to such additional premises in accordance with the terms of the AULA.

Notwithstanding the above, each Airline executing an AULA recognizes and agrees that from time to time the County's Capital Improvement Program may include Terminal Improvements which may include additions to or major renovations of the Terminal facilities. In order to facilitate the planned capital improvements, each Airline agrees to cooperate with the Airport's plan for the relocation of Airlines, as required. Each Airline further agrees that the

County, at its option and upon one hundred and twenty (120) days written notice to the Airline, may recapture the premises leased to the Airline if said premises are required by the County to implement its capital improvement program. In such event, the County agrees to provide the Airline with comparable facilities, which shall be substituted for the Airline Premises in accordance with the AULA. The County further agrees to pay reasonable relocation expenses if and when the Airline is required to relocate.

PREFERENTIAL USE GATES

Gates are leased to an Airline on a preferential-use basis. The Airline shall have a priority in using its Preferential Use Gates as follows:

(A) The Airline's right to its Preferential Use Gates shall be subject to a Gate utilization requirement of three and one-half (3.5) flight departures per day for each Gate assigned to the Airline. For purposes of this Section, flight departures by Affiliates shall be counted towards the Airline's Gate utilization requirement.

(B) The Airline shall have the right to permit the occasional use of any of its Preferential Use Gates by other airlines to accommodate non-routine operational anomalies. Such use shall not be considered a sublease arrangement.

(C) If an Airline fails to meet the Gate utilization requirement set forth in the AULA as described above in subsection (A) as an average for any gate during the preceding twelve-month period, the Airline may be subject to losing its preferential right to one or more Gates. If an Airline is required by the County to relinquish any Gate(s) in accordance with the AULA as described below in subsection (D), such Gate(s) shall be deleted prospectively from the Airline's Airline Premises and the Airline's rent obligation with respect to such Gate(s) shall cease.

(D) If the County requires an Airline to relinquish one or more of its Preferential Use Gates due to a need for the gate(s) as determined by the Airport Director, the Airport Director and the Airline will confer to determine whether Gates should be relinquished, and if so, which Gates should be relinquished. If after 15 days of good faith negotiations no agreement is reached, the Airport Director shall select the Gate(s) to be relinquished. In making such selection, the Airport Director shall take into consideration the best interest of the traveling public and the operations of the Airport.

(E) If there is no Event of Default with respect to an Airline, the County shall pay all reasonable costs associated with the removal or relocation of Airline's equipment, fixtures, furniture, and signage from the relinquished Preferential Use Gate, and shall reimburse the Airline for the undepreciated value of the tenant's improvements that cannot be relocated pursuant to the provisions of this Section; *provided, however,* that in lieu of reimbursing the undepreciated value of the Airline's tenant improvements, the County may replace such tenant improvements with like improvements. If the Airline is under an Event of Default pursuant to, and has received Notice in accordance with, the AULA, the Airline shall remove or relocate its improvements at its sole cost and expense.

(F) If an Airline leases a preferential use gate but does not lease the operations areas below the gate, the Airline will be required to allow access across the Airline's Aircraft Parking Apron to others renting the operations areas below the gate.

RELOCATION OF LEASED PREMISES

In order to optimize use of Airport facilities, the County reserves the right to reassign any or all of an Airline's Airline Premises after Notice, followed by a consultation period of no less than 90 days. In making such determination, the Airport Director shall take into consideration the best interests of the traveling public and the operations of the Airport, and will be guided by all pertinent factors, including the Airline's historical and then-present space utilization, the known planned use for such premises, and the Airline's operational space adjacencies. If any such reassignment occurs, the Airline shall be assigned space reasonably comparable in size, quality, finish, and location. An Airline's costs shall not increase as a result of any relocation unless the Airline requests additional space and/or replacement space in a different Cost Center. An Airline's relocation of any of its Airline Premises resulting from such reassignment shall be at the County's sole expense. An Airline shall be reimbursed for its reasonable out-of-pocket expenses incurred as part of the relocation and for the undepreciated value of its tenant improvements that cannot be relocated; *provided, however,* that in lieu of reimbursing the undepreciated value of Airline's tenant improvements; the County may replace such tenant improvements with like improvements in the new space.

GENERAL COMMITMENT

Effective January 1, 2016, and each Calendar Year thereafter during the term of the AULA, rents, fees, and charges shall be calculated based on the principles and procedures set forth in the AULA. The methodology for the calculation of rents, fees, and charges is described in this section.

In addition, for and in consideration of County's ongoing costs and expense in constructing, developing, equipping, operating and maintaining the Airport System, each Airline, notwithstanding any provision contained in the AULA, agrees to pay County rates, fees and charges as will enable the County, after taking into account revenues derived from other users of the Airport System, to pay the principal of and interest on all Outstanding Bonds now or hereafter issued, to meet any debt service coverage requirements related to such Outstanding Bonds and to fund the funds and accounts established with respect to the Outstanding Bonds and, specifically, to make the required deposits in each Fiscal Year into the Operation and Maintenance Fund, the Special Redemption Fund, the General Obligation Bond Fund, the Operation and Maintenance Reserve Fund, the Coverage Fund, and the Capital Improvement Reserve Fund (all as defined and described in the Bond Resolution). Without limiting the generality of the foregoing, it is understood and agreed that in order to facilitate compliance with the terms of the Bond Resolution, the County may, under the AULA, impose and collect rates, rentals, fees and charges sufficient so that in each fiscal year its Net Revenues including Other Available Funds will be at least equal to 125% of Debt Service on all Bonds outstanding including, without duplication, any Credit Facility Obligations (as defined in the Bond Resolution).

During each Calendar Year the County shall allocate to each applicable Cost Center the debt service on outstanding Bonds as shown in the AULA. Also, during each Calendar Year the County shall allocate direct and indirect Operation and Maintenance Expenses to each applicable Cost Center using the methodology described in the AULA.

PAYMENTS BY AIRLINE

Terminal Building Rents and Passenger Loading Bridge Charges. Terminal Building rents for the use of the Leased Premises, including Passenger Loading Bridge Charges shall be due and payable on the first day of each month in advance without invoice from the County.

Landing Fees. Landing fees for the preceding month shall be due and payable 20 days after the date of invoice.

Other Fees. All other rents, fees, and charges required under the AULA shall be due and payable within 20 days of the date of the invoice.

Interest Charges and Late Charges on Overdue Payment.

(i) *Interest.* Unless waived by the County Board, air carriers and air transportation companies shall be responsible for the payment of interest on amounts not remitted in accordance with the requirements of the AULA. The rate of interest shall be the statutory rate in effect for delinquent county property taxes (presently one (1) percent per month or fraction of a month) as described in s. 74.80(1), Wis. Stats. The obligation or payment and calculation thereof shall commence upon the day following the due dates established in the AULA.

(ii) *Penalty.* In addition to the interest described above, air carriers and air transportation companies shall be responsible for payment of penalty on amounts not remitted in accordance with the terms of the AULA. Said penalty shall be the statutory rate in effect for delinquent county property taxes (presently five-tenths (0.5) percent per month or fraction of a month) as described in section 6.06(1) of the Code and s. 74.80(2), Wis. Stats. The obligation for payment and calculation thereof shall commence upon the day following the due dates established in the AULA.

TERMINAL BUILDING RENTS

Each Airline shall pay the County for the use of its Exclusive Use Premises and Preferential Use Premises a monthly rent equal to the applicable Terminal Rental Rates calculated in accordance with the AULA multiplied by the amount of space in the Airline's Exclusive Use Premises and Preferential Use Premises set forth in the AULA.

Each Airline shall pay the County for the use of Common Use Premises a monthly rent based on the Terminal Rental Rates calculated in accordance with the AULA as described in this section, as follows:

(i) Common Use space shall be multiplied by the appropriate annual square foot rate calculated in accordance with the AULA. Twenty percent (20%) of the total monthly amount calculated shall be divided equally among all Signatory Airlines using the Common Use Premises.

(ii) Eighty percent (80%) of the total monthly amount calculated for each category and area shall be prorated among all Signatory Airlines using the Common Use Premises based on the ratio of each such Signatory Airline's Originating Passengers (including their Affiliates) during the calendar month for which such charges are being determined, to the total of all Originating Passengers during said calendar month.

(iii) Non-Signatory Airlines shall pay a fee per Originating Passenger established by County based upon 125% of the estimated total annual cost of the Common Use Premises divided by the estimated total annual Originating Passengers. The estimated Non-Signatory Airline common use charges shall be deducted from the common use requirement for the Signatory Airlines.

Each Airline shall pay the County for the use of Joint Use Premises a monthly rent based on the Terminal Rental Rates calculated in accordance with the AULA, as follows: Airline's monthly share of rent for the Joint Use Premises shall be calculated by the ratio of the number of its ticket counter positions divided by the total number of ticket counter positions serving the Joint Use baggage make-up area.

The rental rates for the Airport Terminal Building shall be calculated as provided in the AULA.

(A) The total costs attributable to the Terminal Cost Center shall be calculated by adding together the following:

(i) direct and indirect Operation and Maintenance Expenses, any required deposits to the O&M Reserve Fund, and Major Maintenance Projects - Expensed allocable to the Terminal Cost Center;

(ii) total debt service charged for Major Maintenance Projects - Capitalized and Capital Improvements financed with Bonds and allocable to the Terminal Cost Center put into service on or before the end of the following Calendar Year;

(iii) depreciation on land improvements, buildings and structures allocable to the Terminal Cost Center;

(iv) amortization of Major Maintenance Projects - Capitalized and Capital Improvements financed with Capital Improvement Reserve Fund funds allocable to the Terminal Cost Center that have been or will be placed in service prior to the end of the following Calendar Year;

(v) any required deposits to the Debt Service Coverage Fund resulting from the issuance of Additional Bonds allocable to the Terminal Cost Center; and

(vi) any replenishment of the Debt Service Reserve Fund, and other reserve or restricted purpose funds allocable to the Terminal Cost Center, as may be required by the Bond Resolution.

(B) The net “Terminal Requirement” shall then be calculated by subtracting from the total costs of the Terminal Cost Center ninety percent (90%) of the income from a number of Airport Concession Revenue accounts including, but not limited to:

(i) Public Parking Fees

(ii) Car rental concession fees (not including Customer Facility Charges)

(iii) Gifts, Souvenirs & Novelty Fees

(iv) Restaurant Concession Fees

(v) Catering Fees

(vi) Displays Concessions Fees

(vii) Public Transportation Concession Fees

(viii) Golf Driving Range Concession Fees

(ix) Bank Commissions

(C) The net “Terminal Requirement” shall then be further calculated by subtracting one hundred percent (100%) of the income from all other terminal cost center revenue accounts not itemized above.

(D) The annual Airport Terminal Building Rental Rates shall then be calculated by dividing the net Terminal Requirement calculated in accordance with the AULA as described above in subsections (A), (B) and (C) by the sum of (a) the total number of square feet rented by the airlines that is Airline Public Space plus (b) seventy-five percent (75%) of the number of square feet rented by the airlines that is Airline Non-Public Space in the Airport Terminal Building. The rental rate for Airline Non-Public Space shall be seventy-five percent (75%) of the rental rate for Airline Public Space. The respective monthly Terminal Rental Rates shall be 1/12 of the annual Terminal Rental Rates.

(E) Notwithstanding the calculation methodology described above, the minimum terminal building rental rate for Airline Public Space established at the beginning of each year during the term of the AULA shall be ten dollars ($10.00) per square foot and for Airline Non-Public Space shall be seven dollars and fifty cents ($7.50) per square foot. Notwithstanding these minimum billing rates, the year-end adjustment and settlement process described below under the caption "ANNUAL READJUSTMENT OF RENTAL FEES AND CHARGES" shall apply to the Terminal Cost Center.

PASSENGER LOADING BRIDGE CHARGES

Each Airline shall pay the County a monthly use fee equal to the applicable fee calculated in accordance with the AULA multiplied by the number of County-owned passenger loading bridges in use by the Airline.

The Passenger Loading Bridge Charge, shall be computed as provided in the AULA and is described as follows:

(A) The total cost of the Passenger Loading Bridges Cost Center shall be calculated by adding together the following:

(i) direct and indirect Operation and Maintenance Expenses, any required deposits to the O&M Reserve Fund, and Major Maintenance Projects - Expensed, if any, allocable to the Passenger Loading Bridges Cost Center;

(ii) amortization of Major Maintenance Projects - Capitalized and Capital Improvements allocable to the Passenger Loading Bridges Cost Center and financed with Airport Capital Improvement Fund funds that have been or will be placed in service prior to the end of the following Calendar Year;

(iii) total debt service charged for Major Maintenance Projects - Capitalized and Capital Improvements allocable to the Loading Bridges and financed with bond proceeds that have been or will be placed into service on or before the end of the following Calendar Year; and

(iv) any replenishment of the Debt Service Reserve Account, and other reserve or restricted purpose funds allocable to Loading Bridge, as may be required by the Bond Resolution.

(B) The annual Passenger Loading Bridge Charge applicable to each County-owned passenger loading bridge shall be calculated by dividing the total cost and charges allocable to the Passenger Loading Bridges Cost Center in accordance with the AULA as described above in subsection (A) by the total number of County-owned passenger loading bridges then assigned for airline use or located at rented County-Controlled gates. The monthly Passenger Loading Bridge Charge shall be 1/12 of the annual Passenger Loading Bridge Charge as calculated above.

LANDING FEE RATES

Each Airline shall pay to the County landing fee charges for Revenue Landings for the preceding month at the rate and in the amount calculated in accordance with the AULA.

The landing fee rate for the use of the Airfield shall be calculated as provided in the AULA and is described as follows:

(A) The total costs of the Airfield Cost Center shall be calculated by adding together the following:

(i) direct and indirect Operation and Maintenance Expenses, any required deposits to the O&M Reserve Fund, and Major Maintenance Projects - Expensed allocable to the Airfield Cost Center;

(ii) total debt service charged for Major Maintenance Projects - Capitalized and Capital Improvements financed with bonds and allocable to the Airfield Cost Center and put into service on or before the end of the following Calendar Year;

(iii) depreciation on land improvements, buildings and structures allocable to the Airfield Cost Center;

(iv) Amortization of Major Maintenance Projects - Capitalized and Capital improvements financed with Airport Capital Improvement Fund funds allocable to the Airfield Cost Center that has been or will be placed in service prior to the end of the following Calendar Year;

(v) any required deposits to the Debt Service Coverage Fund resulting from the issuance of Additional Bonds allocable to the Airfield Cost Center;

(vi) any replenishment of the Debt Service Reserve Fund and other reserve or restricted purpose funds allocable to the Airfield Cost Center, as may be required by the Bond Resolution; and

(vii) any net loss incurred at Timmerman Airport.

(B) The "Airfield Requirement" shall then be calculated by subtracting the following revenue items from the total costs of the Airfield Cost Center:

(i) general aviation revenues including FBO income, rentals of hangars, T-hangars and buildings and land in the Airfield Cost Center, fuel and oil charges, and utility resale and reimbursements;

(ii) air cargo building rentals;

(iii) signatory cargo airline apron fees;

(iv) Non-Signatory Airline landing fees and military use fees, if any;

(v) other non-airline revenues including other rental income, catering fees, interest charges and other miscellaneous revenues;

(vi) the net income of the Former 440th Military Base; and

(vii) any net income incurred at Timmerman Airport.

(C) The Signatory Airline landing fee rate shall be calculated by dividing the Airfield Requirement by the projected aggregate Landed Weight of all Signatory Airlines and cargo airlines for the particular Calendar Year.

APRON USE CHARGE

Each Airline shall pay the County for the use of its Apron area a monthly rent equal to the Rate calculated in accordance with the AULA multiplied by the Airline's total amount of linear feet of apron area in accordance with the AULA.

The rate for the use of the Aircraft Parking Apron shall be calculated as provided in the AULA.

(A) The total costs of the Aircraft Parking Apron Cost Center shall be calculated by adding together the following:

(i) direct and indirect Operation and Maintenance Expenses, any required deposits to the O&M Reserve Fund, and Major Maintenance Projects - Expensed allocable to the Aircraft Parking Apron Cost Center;

(ii) total debt service charged for Major Maintenance Projects - Capitalized and Capital Improvements financed with Bonds and allocable to the Aircraft Parking Apron Cost Center and put into service on or before the end of the following Calendar Year;

(iii) depreciation on land improvements, buildings and structures allocable to the Aircraft Parking Apron Cost Center;

(iv) amortization of Major Maintenance Projects - Capitalized and Capital Improvements financed with Capital Improvement Reserve Fund funds allocable to the Aircraft Parking Apron Cost Center that has been or will be placed in service prior to the end of the following Calendar Year;

(v) any required deposits to the Debt Service Coverage Fund resulting from the issuance of Additional Bonds allocable to the Aircraft Parking Apron Cost Center; and

(vi) any replenishment of the Debt Service Reserve Fund, and other reserve or restricted purpose funds allocable to the Aircraft Parking Apron Cost Center, as may be required by the Bond Resolution.

(B) The net "Apron Requirement" shall be calculated by subtracting the following revenues items from the total Aircraft Parking Apron Cost Center:

(i) Apron parking fees

(ii) Hydrant fueling fees

(C) The Aircraft Parking Apron Rate shall be calculated by dividing the net Apron Requirement of the Aircraft Parking Apron Cost Center by the total leased linear feet of Aircraft Parking Apron as measured twenty (20) feet from the face of the adjoining terminal building or as otherwise agreed upon by an Airline and the County. Each Airline's charge for use of the Aircraft Parking Apron shall be based upon its leased number of linear feet of Aircraft Parking Apron. The monthly Aircraft Parking Apron Fee shall be 1/12 of the annual Aircraft Parking Apron Fee as calculated above.

O&M CHARGES FOR JOINT USE FACILITIES

It is further understood and agreed by and between the parties that in addition to the rentals, fees, and charges described herein, each Airline, together with other Signatory Airlines occupying the Joint Use baggage makeup areas and leased ticket counter areas including all conveyor systems and walkways, will pay actual operating and maintenance costs for the Outbound Baggage Handling System (OBHS) owned and installed by the County in the shared baggage make-up area. Said operating and maintenance costs shall include labor and related overhead charges as are necessary to provide maintenance on the units.

FEES AND CHARGES FOR PARKING OF AIRCRAFT AND USE OF OTHER FACILITIES OF COUNTY

The County may, at the County's option, designate alternate parking areas for an Airline's aircraft other than the Aircraft Parking Apron described above under the caption "APRON USE CHARGE." For the parking of aircraft on such parking areas, an Airline shall pay to the County such amounts as shall be set forth in a fee schedule to be established by the County by ordinance and as same may be amended from time to time. In addition to the rentals, fees, and charges, the Airline will, for the use of other facilities of the County, including the International Arrivals Building, pay such fees or charge as the County shall set forth in the ordinance.

INTERNATIONAL ARRIVALS BUILDING FACILITIES CHARGES

An Airline shall pay charges for use of the International Arrivals Building Facilities at the rates and in the amounts established by the County.

Commitment for Airport Revenues

The County covenants and agrees in the AULA that insofar as legally permitted to do so under federal and state law and the Bond Resolution, all revenues and receipts from rents, fees, charges, or income from any source received or accruing to the Airport System shall be used exclusively by the County for Airport System purposes as contemplated in the AULA.

Rate Adjustment

If, at any time during any Calendar Year, the County projects that the total costs attributable to the Airport Terminal Building, the total costs attributable to the Airfield Cost Center, or the aggregate Landed Weight for all Signatory Airlines, including Affiliates, will vary 10% or more from the estimates used in setting rents, fees, and charges in accordance with the provisions of the AULA, such rates may be adjusted based on the new estimates and in accordance with the principles and procedures set forth in the AULA. Such adjustments shall be made at the County's discretion and the resulting new rates shall be effective for the balance of such Calendar Year. The County shall notify an Airline of a meeting for the purpose of discussing any such rate adjustment, along with a written explanation of the basis for such rate adjustment, 45 days prior to the effective date of the new rates. Unless extraordinary circumstances warrant additional adjustments, the County shall limit any such rate adjustment to no more than once during each Calendar Year.

Annual Readjustment of Rentals Fees and Charges

Following the completion of the County's accounting period 14-3 for each Calendar Year, but no later than 30 days thereafter, the County shall provide each Airline with an accounting of the total costs actually incurred, revenues and other credits actually realized (reconciled to the year-end closeout financial statements of the County), and actual Originating Passengers and total Landed Weight during such Calendar Year with respect to each of the components of the calculation of rents, fees, and charges, and the County shall recalculate the rents, fees, and charges, and provide to the Airline a settlement required for the Calendar Year based on those actual numbers. Following reasonable notification, the County shall convene a meeting with the Signatory Airlines and Signatory Cargo Airlines to discuss the calculation of the year-end settlement and shall give due consideration to the comments and suggestions made by the Signatory Airlines and Signatory Cargo Airlines before finalizing the settlement calculations.

If the Airline's Terminal Building Rents and Aircraft Parking Apron Fees paid during the Calendar Year combined are more than the required amount of Terminal Building Rents and Aircraft Parking Apron Fees as calculated during the year-end rate settlement process, such excess amount shall be transferred to the Operation and Maintenance Fund and will be refunded to the Airline by check written from the Operation and Maintenance Fund as an Operation and Maintenance Expense within 60 days following the completion of the year-end settlement calculation. Similarly, if the Airline's landing fees paid during the Calendar Year are more than the required amount of landing fees as calculated during the year-end rate settlement process, such excess amount shall be transferred to the Operation and Maintenance Fund and will be refunded to the Airline by check written from the Operation and Maintenance Fund as an Operation and Maintenance Expense within 60 days following the completion of the year-end settlement calculation. Each Signatory Airline and Signatory Cargo Airline shall receive a share of the excess amount in proportion to the total amount that they paid in landing fees during that Calendar Year. However, the year-end settlement rate process may be modified at any time in the event that the process is determined to be illegal or, in the opinion of the Airport Director or County bond counsel, that the year-end settlement will result in a higher rate of interest being paid by County on its Bonds.

If the Airline's (i) Terminal Building Rents and Aircraft Parking Apron Fees or (ii) landing fees paid during the Calendar Year are less than the required amount of (i) Terminal Building Rents and Aircraft Parking Apron Fees or (ii) landing fees as calculated during the year-end rate settlement process, such deficiencies will be billed to the Airline.

OTHER FEES AND CHARGES

Other charges payable by an Airline, in addition to those specified elsewhere in the AULA, shall be as follows:

(A) *Employee Parking Charges*. Should an Airline elect to furnish parking for its employees, such Airline shall pay to the County in advance by the first day of each December charges as are reasonably established by the County for the use of employee parking areas designated in the AULA. The County will refund to an Airline the prorated annual parking charge for parking spaces no longer used by Airline employees.

(B) *Miscellaneous*. Charges for miscellaneous items or activities not specified in the AULA (*e.g.* badges, extraordinary electrical usage, personal property storage, etc.) shall be assessed by the County as reasonably determined by the Airport Director and paid by the Airline.

An Airline shall pay all other charges which are assessed by the County for the use of other Airport facilities or for services that may be provided by the County to the Airline from time to time.

SECURITY INTERESTS

All PFCs collected by an Airline for the benefit of the County that are in the possession or control of the Airline are to be held in trust by the Airline on behalf and for the benefit of the County. To the extent that the Airline holds any property interest in such PFCs, and notwithstanding that the Airline may have commingled such PFCs with other funds, the Airline pledges to the County and grants the County a first priority security interest in such PFCs, and in any and all accounts into which such PFCs are deposited to the extent of the total amount of such PFCs (net of the airline compensation amounts allowable in accordance with 14 C.F.R. §158.53) held in such accounts.

As a guarantee by an Airline for the payment of all rents, fees, and charges, and all PFC remittances due to the County, each Airline pledges to the County and grants the County a security interest in all of its leasehold improvements and fixtures located on or used by Airline at the Airport.

AIRLINE AS GUARANTOR OF ITS AFFILIATES

Each Airline unconditionally guarantees all rents, landing fees and all PFC remittances of any of its Affiliates accrued during the period of such designation, to the extent that such Affiliate's operations at the Airport were performed for the benefit or in the name of the Airline. Upon receipt of Notice of default by any such Affiliate from the County due to nonpayment of such rents, landing fees or PFC remittances, such Airline shall pay all amounts owed to the County on demand in accordance with the payment provisions of the AULA.

MAINTENANCE AND OPERATION BY COUNTY

Each Airline will furnish janitorial service to its Exclusive Use Premises, Preferential Use Premises and its preferential Aircraft Parking Apron. Each Airline will maintain its Exclusive Use Premises, Preferential Use Premises and its preferential Aircraft Parking Apron in safe and proper working order as specified in the AULA.

Responsibility for maintenance, cleaning and operation of facilities shall be as set forth in the AULA.

The airlines may, subject to the approval of the Airport Director, establish a consortium which will be responsible for the maintenance and operation of facilities and equipment at the Airport. The Airport Director will also approve the standards to which the facilities and equipment will be maintained.

RULES AND REGULATIONS

The County shall have the right to and shall adopt and amend from time to time and enforce reasonable rules and regulations of general application, which each Airline agrees to observe and obey, with respect to each Airline's use of the Airport and its facilities, *provided* that such rules and regulations shall not be inconsistent with safety and with rules, regulations, and orders of the Federal Aviation Administration and other applicable governmental agencies and with the procedures prescribed or approved from time to time by the Federal Aviation Administration or other applicable governmental agencies with respect to the operation of Airline's aircraft.

DAMAGE, DESTRUCTION, ABATEMENT

If any part of the Airline Premises, or adjacent facilities directly and substantially affecting the use of the Airline Premises, shall be partially damaged by fire or other casualty, but said circumstances do not render Airline Premises unusable as reasonably determined by the County and the related Airline, the same shall be repaired to usable condition with due diligence by the County as provided in the AULA with no rental abatement whatsoever.

If any part of the Airline Premises, or adjacent facilities directly and substantially affecting the use of the Airline Premises, shall be so extensively damaged by fire or other casualty as to render any portion of said Airline Premises unusable but capable of being repaired, as reasonably determined by the County and the related Airline, the same shall be repaired to usable condition with due diligence by the County as provided in the AULA. In such case, the rent payable under the AULA with respect to the Airline's affected Airline Premises shall be paid up to the time of such damage and shall thereafter be abated equitably in proportion as the part of the area rendered unusable bears to total Airline Premises until such time as such affected Airline Premises shall be restored adequately for the Airline's use. The County shall use its best efforts to provide the Airline with suitable alternate facilities to continue its operation while repairs are being completed, at a rental rate not to exceed that provided in the AULA for the unusable space.

If any part of the Airline Premises, or adjacent facilities directly and substantially affecting the use of the Airline Premises, shall be damaged by fire or other casualty, and is so extensively damaged as to render any portion of said Airline Premises incapable of being repaired as reasonably determined by the County and the related Airline, the County shall notify the Airline within a period of ninety (90) days after the date of such damage of its decision to reconstruct or replace said space, *provided* the County shall be under no obligation to replace or reconstruct such Airline Premises. The rentals payable under the AULA with respect to the affected Airline Premises shall be paid up to the time of such damage and thereafter shall cease until such time as replacement or reconstructed space shall be available for use by Airline.

In the event the County reconstructs or replaces the affected Airline Premises, the County shall use its best efforts to provide the related Airline with suitable alternate facilities to continue its operation while reconstruction or replacement is being completed, at a rental rate not to exceed that provided in the AULA for the damaged space; *provided, however,* if such damaged space shall not have been replaced or reconstructed, or the County is not diligently pursuing such replacement or reconstruction within ninety (90) days after the date of such damage or destruction, the Airline shall have the right, upon giving the County thirty (30) days advance written notice, to cancel that portion of the AULA relating to the affected Airline Premises, but the AULA shall remain in effect with respect to the remainder of said Airline Premises, unless the affected Airline Premises render use of the remaining Airline Premises impracticable, in which case the Airline may terminate the entire AULA upon thirty (30) days written notice.

In the event the County does not reconstruct or replace the affected Airline Premises, the County shall meet and consult with the Airline on ways and means to permanently provide the Airline with adequate replacement space for the affected Airline Premises; *provided however,* the Airline shall have the right, upon giving the County thirty (30) days advance written notice, to cancel that portion of the AULA relating to the affected Airline Premises, but the AULA shall remain in full force and effect with respect to the remainder of said Airline Premises, unless the affected Airline Premises render use of the remaining Airline Premises impracticable, in which case Airline may terminate the entire AULA upon thirty (30) days written notice.

Notwithstanding the provisions of the AULA, in the event that due to the negligence or willful act of an Airline or of its employees (acting within the course or scope of their employment) or agents, any Airline Premises shall be damaged or destroyed by fire, other casualty or otherwise, there shall be no abatement of rent during the restoration or replacement of said Airline Premises and the Airline shall have no option to cancel the AULA under the provisions of the AULA. To the extent that the cost of repairs shall exceed the amount of any insurance proceeds payable to the County by reason of such damage or destruction, the Airline shall pay the amount of such cost to the County.

The County shall maintain levels of insurance required under the Bond Resolution, *provided, however,* that the County's obligations to reconstruct or replace under the provisions of the AULA shall in any event be limited to restoring the affected Airline Premises to substantially the condition that existed prior to the improvements made by the Airline and shall further be limited to the extent of insurance proceeds available to the County for such reconstruction or replacement. The Airline agrees that if the County elects to reconstruct or replace as provided in the AULA, then the Airline shall proceed with reasonable diligence and at its sole cost and expense to reconstruct and replace its improvements, signs, fixtures, furnishings, equipment and other items provided or installed by the Airline in or about the Airline Premises in a manner and in a condition at least equal to that which existed prior to its damage or destruction.

FIVE YEAR CAPITAL IMPROVEMENT PROGRAM

The County has developed a New Five Year (CY 2024-CY 2028) Capital Improvement Program (*"New Five Year CIP"*) for the Airport, which is attached to and is expected to be incorporated within the 2024 AULA. The total projected cost of the New Five Year CIP is $169,846,597 and the projected Net Financing Requirement is $47,138,631. The Net Financing Requirement Cap during the term of the AULA is established as one hundred percent (100%) of the projected Net Financing Requirement. The total cost of the New Five Year CIP may be revised without MII approval as long as the Net Financing Requirement Cap is not exceeded.

COORDINATION PROCESS

By May 15 of each year and upon request, an Airline shall provide the County with an estimate of the total maximum certificated gross landed weight of all aircraft expected to be landed at the Airport by the Airline and each of its Affiliates during the following Calendar Year. If the Airline has not provided the County with the estimate of total landed weight for the following calendar year by June 1, the County shall provide its own estimate of landed weight by using the total landed weight for the Airline and its Affiliates from the previous Calendar Year and the current year.

By August 1 of each year, the County shall present to the AAAC the Airport's Operation and Maintenance and Capital Improvement budgets and the County's preliminary calculation of rent, fees, and charges for the following Calendar Year.

On or about August 1 of each year, the County shall convene a meeting with the AAAC to review and discuss the County's preliminary calculation of rents, fees, and charges for the following Calendar Year. The County shall give due consideration to the comments and suggestions made by the AAAC representatives pertaining to the Operation and Maintenance and Capital Improvement budgets and the preliminary rents, fees and charges. The County shall prepare a final calculation of rents, fees, and charges for the following Calendar Year, and will make its best efforts to provide a copy to each Airline no later than the last business day of the month preceding the start of the new Calendar Year. Notwithstanding anything else to the contrary, the County's final calculation of rents, fees, and charges shall take effect on the first day of each Calendar Year.

ADDITIONAL APPROVED CAPITAL IMPROVEMENTS

(A) Each Airline recognizes that, from time to time, the County may consider it necessary, prudent, or desirable to undertake Capital Improvements other than those identified in the Five Year CIP (*"Additional Approved Capital Improvements"*).

(B) Contemporaneously with the coordination process set forth in the AULA and described above under the caption "COORDINATION PROCESS," and otherwise at any time during each Calendar Year as needed, the County shall review and discuss all such proposed Additional Approved Capital Improvements with the AAAC. Following such meeting, the relevant Additional Approved Capital Improvements shall be deemed approved.

(C) Notwithstanding the provisions of the AULA as described above in the final paragraph under the caption "FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM" and below under the caption "CAPITAL IMPROVEMENT REVIEW AND APPROVAL PROCESS," the County may undertake Additional Approved Capital Improvements, and recover the Net Requirement attributable to each such Additional Approved Capital Improvement through rents, fees, and charges, if such Additional Approved Capital Improvement is undertaken under certain circumstances described in the AULA without Airline approval.

(D) The County may also proceed with any additional Capital Improvement that does not impact Airline's rates and charges through depreciation or amortization charges.

CAPITAL IMPROVEMENT REVIEW AND APPROVAL PROCESS

If the County plans to initiate a Capital Improvement project that will result in a revised Five Year CIP for which the Net Financing Requirement will exceed the Net Financing Requirement Cap, then the County and the AAAC will follow the following process:

> (A) The Airport Director shall submit a report on the proposed Capital Improvement(s) to the AAAC including for each project an estimate of its construction and operating costs, description of the work proposed, its benefits and funding sources. Subsequent to receipt of said report, the following procedural steps are established:
>
> (B) MII of the Signatory Airlines (including Signatory Cargo Airlines, for projects located in the Airfield Cost Center or the Former 440th Military Base) will either approve, disapprove, or make no comment within thirty (30) days of receipt of the information.

(C) The AAAC may request a meeting with the Airport Director for the purpose of commenting on any proposed Capital Improvement.

(D) Each Capital Improvement referred to in the report shall be deemed approved unless written disapproval is received by the Airport Director within thirty (30) days of AAAC receipt of the report. The AAAC may, notwithstanding any prior written disapproval, rescind such action and approve in writing any Capital Improvement at any of the County's established procedural steps.

(E) The County may resubmit substantially the same Capital Improvement in the second Calendar Year for AAAC action and the aforesaid procedural steps shall again be followed.

(F) The County may proceed with any disapproved Capital Improvement at any time during the first two Calendar Year submissions, *provided, however,* that the cost of said Capital Improvement shall not at any time, directly or indirectly, become part of the calculation of residual rates, fees and charges assessed to the Signatory Airlines. However, if the County makes a Capital Improvement and an Airline subsequently decides to occupy and/or use the Capital Improvement, it shall pay such rentals, fees and charges as shall be set by the County.

(G) After the second calendar year budget submittal, should the County desire to proceed with a Capital Improvement, the aforesaid procedural steps shall again be followed.

(H) The County may proceed with any Capital Improvement during the third calendar year submission without AAAC approval and include its costs in the calculation of the airline rentals, fees and charges.

MAJOR MAINTENANCE PROJECTS — EXPENSED

For the purposes of calculating rents, fees, and charges in accordance with the AULA, the cost of Major Maintenance Projects - Expensed shall be allocated to the applicable Cost Center and expensed in the Calendar Year in which they occur. The County will make its best efforts to disclose all proposed Major Maintenance Projects - Expensed for each Calendar Year as part of the coordination process in accordance with the AULA. Each Airline recognizes, however, that certain unbudgeted Major Maintenance Projects - Expensed may be required to be undertaken during the course of any Calendar Year in order to properly operate, maintain, or repair the Airport facilities. The County reserves the right to undertake such Major Maintenance Projects - Expensed as it deems necessary; *provided, however,* that the County shall not subdivide Capital Improvements into smaller projects solely for the purpose of re-characterizing such Capital Improvements as Major Maintenance Projects - Expensed to avoid a Majority-In-Interest review in accordance with the AULA.

PASSENGER LOADING BRIDGE PROGRAM

Notwithstanding any provision in the AULA, the County may elect during the term of the AULA to: (i) replace any existing County-owned passenger loading bridges, and/or (ii) purchase passenger loading bridges to be installed at Gates lacking such equipment.

EXPENDITURES FOR PLANNING AND PRELIMINARY DESIGN

Each Airline recognizes in the AULA that, from time to time, the County may engage with outside professionals to provide planning and preliminary design services to define the scope and costs of proposed Capital Improvements. The County reserves the right to undertake such services, and the County reserves the right to include the Net Requirement of such services in the rents, fees, and charges upon completion of such Capital Improvements, or if and when such projects are ultimately cancelled. Net Requirement of planning and preliminary design for projects that proceed to construction shall be amortized over the useful life of the project. Net Requirement of planning and preliminary design of projects that are cancelled shall be amortized over five years. Contemporaneously with the coordination process set forth in the AULA, the County shall review and discuss with the Signatory Airlines any actions proposed to be taken in accordance with the AULA during the upcoming year.

ALTERATIONS AND IMPROVEMENTS BY AN AIRLINE

An Airline may construct and install, at the Airline's sole expense, such improvements in its Airline Premises as the Airline deems to be necessary for its operations under the terms and provisions set forth in the AULA. No reduction or abatement of rents, fees, and charges shall be allowed for any interference with the Airline's operations by such construction.

EVENTS OF DEFAULT AND REMEDIES

Each of the following shall constitute an "Event of Default by Airline":

(A) Any Airline fails to pay rentals, fees and charges when due, and such default continues for a period of fifteen (15) days after receipt by the Airline of written notice thereof.

(B) Any Airline fails after the receipt of written notice from the County to keep, perform or observe any term, covenant or condition of the AULA (other than as described above in subsection (A)) to be kept, performed or observed by the Airline, and such failure continues for thirty (30) days after such receipt or if by its nature such Event of Default cannot be cured within such thirty (30) day period, if the Airline shall not commence to cure or remove such Event of Default within said thirty (30) days and to cure or remove same as promptly as reasonably practicable.

(C) Any Airline shall become insolvent; shall take the benefit of any present or future insolvency statute; shall make a general assignment for the benefit of creditors; shall file a voluntary petition in bankruptcy or a petition or answer seeking a reorganization or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States or of any state thereof; or shall consent to the appointment of a receiver, trustee, or liquidator of all or substantially all of its property.

(D) An Order for Relief shall be entered at the request of any Airline or any of its creditors under the federal bankruptcy or reorganization laws or under any law or statute of the United States or any state thereof.

(E) A petition under any part of the federal bankruptcy laws or an action under any present or future insolvency law or statute shall be filed against any Airline and shall not be dismissed within sixty (60) days after the filing thereof.

(F) By or pursuant to or under the authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, or agency, an officer, receiver, trustee, or liquidator shall take possession or control of all or substantially all of the property of any Airline and such possession or control shall continue in effect for a period of fifteen (15) days.

(G) Any Airline shall become a corporation in dissolution or voluntarily or involuntarily forfeit its corporate charter other than through merger with a successor corporation, as set forth in the AULA.

(H) The rights of any Airline under the AULA shall be transferred to, pass to, or devolve upon, by operations of law or otherwise, any other person, firm, corporation, or other entity, as a result of any bankruptcy, insolvency, trusteeship, liquidation, or other proceedings or occurrence described above in subsection (C) through (G), inclusive.

(I) Any Airline shall voluntarily discontinue its operations at the Airport for a period of thirty (30) days unless otherwise agreed to by the County and the Airline.

Upon the occurrence of an Event of Default by any Airline, such Airline shall remain liable to the County for all arrearages of rentals, fees and charges payable under the AULA and for all preceding breaches of any covenant contained in the AULA. The County, in addition to the right of termination and to any other rights or remedies it may have at law or in equity, shall have the right of reentry and may remove all Airline persons and property from the Airline Premises. Upon any such removal, the Airline property may be stored in a public warehouse or elsewhere at the cost of, and for the account of, the Airline. Should the County elect to reenter, as provided in the AULA, or should it take possession pursuant to legal proceedings or pursuant to any notice provided by law, it may, at any time subsequent to an Event of Default by the Airline, terminate the AULA relating to that Airline and relet such Airline Premises and any improvements thereon or any part thereof for such term or terms (which may be for a term extending beyond the term of the AULA) and at such rentals, fees and charges and upon such other terms and conditions as the County in its sole discretion may deem advisable, with the right to make alterations, repairs or improvements on said Airline Premises. No reentry or reletting of the Airline Premises by the County shall be construed as an election on the County's part to forfeit its rights under the AULA and shall not affect the obligations of the Airline for the unexpired term of the AULA. In reletting the Airline Premises, the County shall be obligated to make a good faith effort to obtain terms and conditions no less favorable to itself than those contained in the AULA and otherwise seek to mitigate any damages it may suffer as a result of the Airline's Event of Default.

Even if the County elects to terminate the AULA, the Airline shall remain liable for and promptly pay all rentals, fees and charges accruing under the AULA until expiration of the AULA subject to the provisions of the AULA.

In the event that the County relets, rentals, fees and charges received by the County from such reletting shall be applied: *first,* to the payment of any indebtedness other than rentals, fees and charges due under the AULA from the Airline to the County; *second,* to the payment of any cost of such reletting; *third,* to the payment of rentals, fees and charges due and unpaid under the AULA; and the remaining balance, if any, shall be held by the County and applied in payment of future rentals, fees and charges as the same may become due and payable under the AULA. Should that portion of such rentals, fees and charges received from such reletting which is applied to the payment of rentals, fees and charges under the AULA, be less than the rentals, fees and charges payable during applicable periods by the Airline under the AULA, then the Airline shall pay such deficiency to the County. The Airline shall also pay to the County, as soon as ascertained, any costs and expenses incurred by the County in such reletting not covered by the rentals, fees and charges received from such reletting.

Notwithstanding anything to the contrary in the AULA, if a dispute arises between the County and the Airline with respect to any obligation or alleged obligation of the Airline to pay money, the payment under protest by the Airline of the amount claimed by the County to be due shall not waive any of the Airline's rights, and if any court or other body having jurisdiction determines that all or any part of the protested payment was not due, then the County shall as promptly as reasonably practicable reimburse the Airline any amount determined as not due.

The Airline shall pay to the County all costs, fees, and expenses incurred by the County in the exercise of any remedy upon an Event of Default by the Airline.

To the extent that the County's right to terminate the AULA as a result of an event described in this section is determined to be unenforceable under the Federal Bankruptcy Code, as amended from time to time, or under any other statute, then the Airline and any trustee who may be appointed agree: (i) to perform promptly every obligation of the Airline under the AULA until the AULA is either assumed or rejected under the Federal Bankruptcy Code; (ii) to pay on a current basis all rentals, fees, and charges set forth in the AULA; (iii) to reject or assume the AULA within sixty (60) days of a filing of a petition under the Federal Bankruptcy Code; (iv) to cure or provide adequate assurance of a prompt cure of any default of the Airline under the AULA; and (v) to provide to the County such adequate assurance of future performance under the AULA as may be requested by the County, including a tender of a Performance Guarantee as set forth in the AULA.

Notwithstanding any other legal effect of or remedy for Airline's default or breach under the AULA, any acts of default or breach under the following agreements shall also constitute a default or breach under the AULA. Any agreement related to or involving the following operations and activities at the Airport, regardless of the other parties to such agreement:

(1) The operation and management of the airport/airline hydrant fuel system;

(2) The operation and management of any portion of the Airport Terminal Building by an Airline consortium; or

(3) Any other consortium approved by the Airport Director.

TERMINATION OF LEASE BY AIRLINE

Each of the following events shall constitute an "Event of Default by County":

(A) The County fails after receipt of written notice from an Airline to keep, perform or observe any term, covenant or condition in the AULA contained to be kept, performed, or observed by the County and such failure continues for thirty (30) days or if by its nature such Event of Default cannot be cured within such thirty (30) day period, if the County shall not commence to cure or remove such Event of Default within said thirty (30) days and to cure or remove the same as promptly as reasonably practical.

(B) The permanent closure of the Airport as an air carrier airport by act of any Federal, state or local government agency having competent jurisdiction.

(C) The assumption by the United States Government or any authorized agency of the same (by executive order or otherwise) of the operation, control or use of the Airport and its facilities in such a manner as to substantially restrict Airline from conducting its operations, if such restriction be continued for a period of ninety (90) days or more.

Upon the occurrence of an Event of Default by the County, an Airline shall have the right to suspend or terminate the AULA and all rentals, fees and charges payable by the Airline under the AULA shall abate during a period of suspension or shall terminate, as the case may be. In the event that the Airline's operations at the Airport should be restricted substantially by action of any governmental agency having jurisdiction thereof, then the Airline shall, in addition to the rights of termination granted in the AULA, have the right to a suspension of the AULA, or part thereof, and abatement of a just proportion of the payments to become due under the AULA, from the time of giving written notice of such election until such restrictions shall have been remedied and normal operations restored.

INDEMNITY AND INSURANCE BY AIRLINE

Each Airline covenants and agrees under the AULA to fully indemnify and hold harmless, the County and the elected officials, employees, directors, volunteers and representatives of the County, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions demands, causes of actions, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the County to the extent directly or indirectly arising out of resulting from or related to the Airline's activities in, on or about Airline Premises, or from any operation or activity of the Airline upon the Airport Premises, or in connection with its use of Airline Premises, including any acts or omissions of the Airline, any agent, officer, director, representative, employee, consultant or subcontractor of the Airline, and their respective officers, agents, employees, directors and representatives while in the exercise or performance of the rights or duties under the AULA, all without however, the County waiving any governmental immunity or other rights available to the County under Wisconsin Law and without waiving any defenses of the parties under Wisconsin law. The provisions of this indemnity are solely for the benefit of the parties to the AULA and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. The Airline shall promptly advise the County in writing of any claim or demand against the County or the Airline known to the Airline related to or arising out of the Airline's activities under the AULA and shall see to the investigation and defense of such claim or demand at Airline's cost. The County shall have the right, at its option and at its own expense, to participate in such defense without relieving Airline of any of its obligations described in this paragraph.

Each Airline has agreed to obtain and maintain the following types of insurance under the AULA:

TYPE OF INSURANCE	LIMITS OF LIABILITY
Comprehensive Airline Liability Insurance, Including Premises Liability and Aircraft Liability, in respect of all aircraft owned, used, operated or maintained by Named Insured	$100,000,000 each accident

Commercial General Liability insurance to include coverage for the following:

• General Aggregate	$10,000,000 per occurrence; $25,000,000 general aggregate or its equivalent in Umbrella or Excess Liability coverage.
(A) Premise/Operations	$10,000,000
(B) Pollution Liability*	$5,000,000/occurrence/annual aggregate $500,000/self–insurance retention
(C) Products/Completed Operations	$10,000,000
(D) Contractual Liability	$10,000,000
(E) Explosion, Collapse. Underground	$10,000,000
(F) Fire legal liability	$50,000
• Business Automobile Liability (airside and landside) • Scheduled Autos • Owned/Leased Automobiles • Non–owned Automobiles • Hired Automobiles	Combined Single Limit for Bodily Injury and Property Damage of $5,000,000
• Worker's Compensation	Statutory
• Employer's Liability	$1,000,000 / $1,000,000 / $1,000,000
• Property Insurance	Value of Airline Property on premises, to include improvements and betterments.

- If the Airline has been approved as self-funded under Wisconsin Law and complies with the County of Milwaukee Self-Insurance requirements, the County may accept the Airline's certificate of self-funding or self-insurance.

AIRPORT DEVELOPMENT FUND ACCOUNT

The County shall establish an Airport Development Fund Account (the *"ADFA"*) during the term of the AULA, which shall be a special, segregated account maintained in the Surplus Fund, and shall be subject to the terms and provisions of the Bond Resolution. The annual contributions to the ADFA are to be equal to (a) ten percent (10%) of Airport Concession Revenues described in subsection (B) under the caption "TERMINAL BUILDING RENTS" and (b) income received from the investment of monies in the ADFA. Such Fund shall be used by the Airport Director, as appropriations permit, to finance (a) future Capital Improvements or Major Maintenance Projects – Capitalized or portions thereof at the Airport or at Timmerman Airport, or (b) for any other Airport System purpose permitted by, and subject to, the permitted uses of the Surplus Fund under the terms and provisions of the Bond Resolution. The monies on deposit in the ADFA, like other monies on deposit in the Surplus Fund, are subject to the terms and provisions of the Bond Resolution which may require use of such monies in the ADFA to fund deficiencies in the other funds and accounts established and held under the Bond Resolution. The County Accounting System will not include depreciation or amortization in airline rates, fees and charges for those portions of improvements paid for by monies from the Airport Development Fund Account, from federal or state grants or from Passenger Facility Charges specifically provided for that purpose or for the cost of those projects that are paid for by other parties.

The maximum amount that may be held in the Airport Development Fund Account from time to time is $20,000,000; *provided,* that if amounts on deposit in the ADFA are less than $20,000,000 at any time, deposits will continue to be made to the ADFA. If at the end of any Calendar Year the amount of cash in the Airport Development Fund Account exceeds $20,000,000, such excess amount shall be transferred to the Operation and Maintenance Fund and will be refunded by check written from the Operation and Maintenance Fund as an Operation and Maintenance Expense within 60 days following the completion of the year-end settlement calculation. Each Signatory Airline shall receive a share of the excess amount in proportion to the total amount that they paid in Terminal Building Rents during that calendar year.

Notwithstanding anything in the AULA to the contrary, during the term of the Amended AULA the County may transfer up to an additional $4,000,000 from the ADFA to the ADF Depreciation Account established pursuant to the AULA.

ADF DEPRECIATION ACCOUNT

The County shall establish an ADF Depreciation Account during the term of the AULA, which shall be a special, segregated account in the Surplus Fund, and shall be subject to the terms and provisions of the Bond Resolution. Such account shall be used by the Airport Director, as appropriations permit, to finance (a) future Capital Improvements or Major Maintenance Projects – Capitalized or portions thereof at the Airport or at Timmerman Airport, or (b) for any other Airport System purpose permitted by, and subject to, the permitted use of the Surplus Fund under the terms and provisions of the Bond Resolution. The monies on deposit in the ADF Depreciation Account, like other monies on deposit in the Surplus Fund, are subject to the terms and provisions of the Bond Resolution which may require use of such monies in the ADF Depreciation Account to fund deficiencies in the other funds and accounts established and held under the Bond Resolution. Notwithstanding anything in the AULA to the contrary, during the term of the Amended AULA the County may expend up to an additional $4,000,000 from the ADF Depreciation Account and include depreciation or amortization in airline rates, fees and charges resulting from these expenditures. The depreciation or amortization charges will be credited to the ADF Depreciation Account.

NON-SIGNATORY RATES

In recognition of the fact that an Airline and other airlines which are signatory to the AULA will be making a long-term commitment to pay rentals, fees, and charges for the use and occupancy of Airport, for the right to use and occupy same, the County recognizes the need, appropriateness, and equity of imposing on non-signatory airlines utilizing said Airport, by ordinance or other appropriate method, rentals, fees and charges for all such services and facilities used that are one hundred twenty-five (125) percent of the rentals, fees, and charges being imposed on Airline and other Signatory Airlines pursuant to the AULA. A Signatory Cargo Airline will be considered a Signatory Airline for the purpose of charging landing fees. The non-signatory rates will be adjusted concurrent with the adjustment of the rates of the Signatory Airlines. However, non-signatory rates may be discontinued at any time in the event that they are determined to be illegal or, in the opinion of the Airport Director or County bond counsel that the existence of non-signatory rates will result in a higher rate of interest being paid by County on Airport bonds.

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

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BOOK-ENTRY-ONLY SYSTEM

The information contained in the following paragraphs of this subsection "Book-Entry-Only System" has been extracted from a document prepared by DTC entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE." The County makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC, New York, New York, will act as securities depository for the Series 2024A Bonds. The Series 2024A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2024A Bonds, in the aggregate principal amount of the Series 2024A Bonds, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 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. DTC 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 S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2024A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024A Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2024A Bonds, except in the event that use of the book-entry system for the Series 2024A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024A 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 Series 2024A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of Series 2024A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024A Bonds, such as redemptions, tenders, defaults, and amendments to the Bond documents. For example, Beneficial Owners of Series 2024A Bonds may wish to ascertain that the nominee holding the Series 2024A 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 Paying Agent/Registrar and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC. If less than all the Series 2024A Bonds within an issue are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2024A Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2024A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Series 2024A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent/Registrar; disbursement of such payments to Direct Participants will be the responsibility of DTC; and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024A Bonds at any time by giving reasonable notice to the County or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but neither the County nor the underwriters takes responsibility for the accuracy thereof.

MILWAUKEE COUNTY, WISCONSIN • AIRPORT REVENUE BONDS, SERIES 2025A (AMT)

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