



Florida Transportation Commission

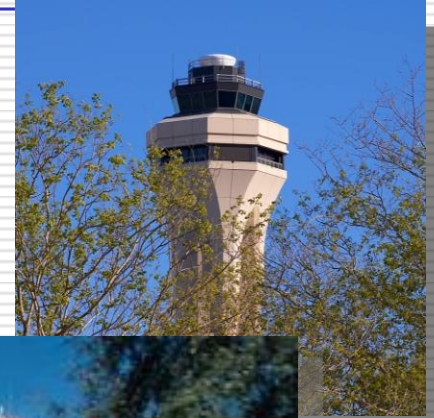
Florida Airports: Essential Infrastructure Case Study: MIAMI INTERNATIONAL AIRPORT

November 2008

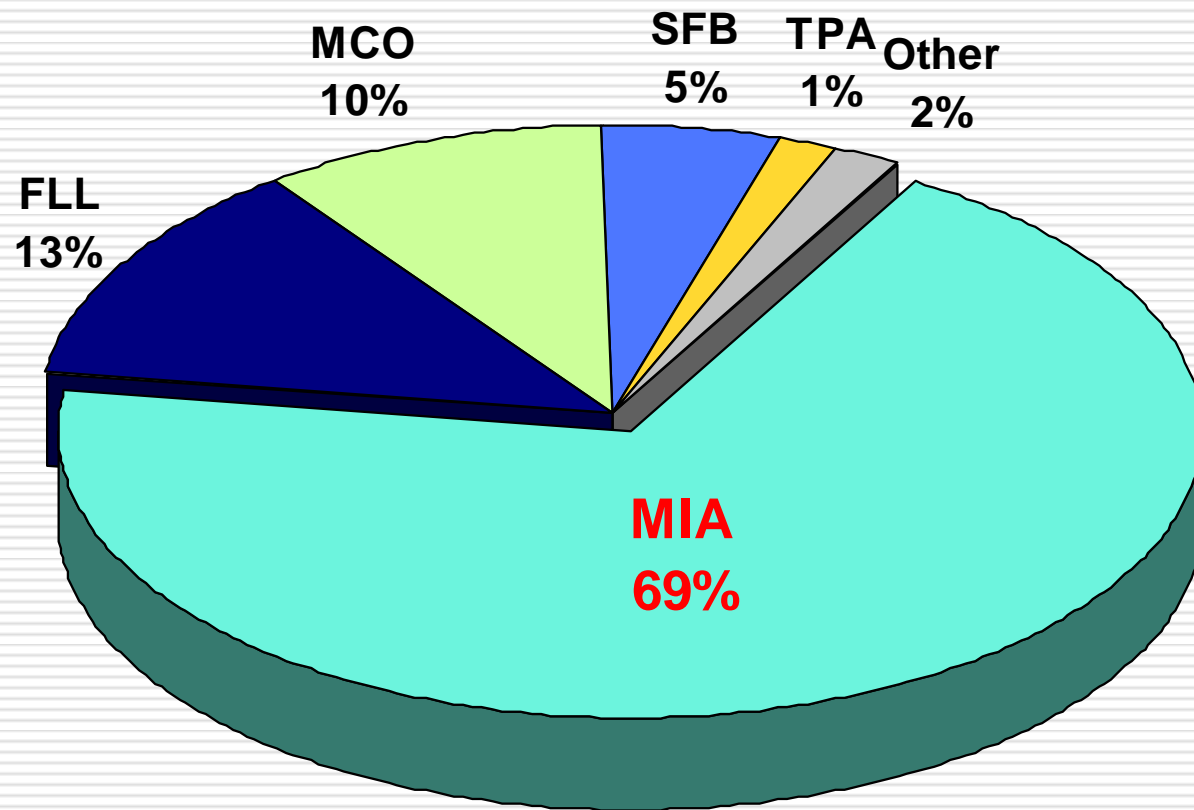


Essential Infrastructure for Florida's Economy

- **The largest drivers of Florida's economy are international trade, travel and tourism**
- **52% of Florida's visitor's arrive by air**
- **Almost 100% of international visitors arrive by air**
 - 69% arrive through MIA**
- **Air cargo shipments are 1/3 of Florida's international trade dollars**



MIA Accounts for Over Two-Thirds of Florida's International Passengers



Note: Includes Scheduled and Charter Services

Source: U.S. DOT T100 Database, CY 2007

Florida's International Trade Dollars

Florida's Air Trade 2007

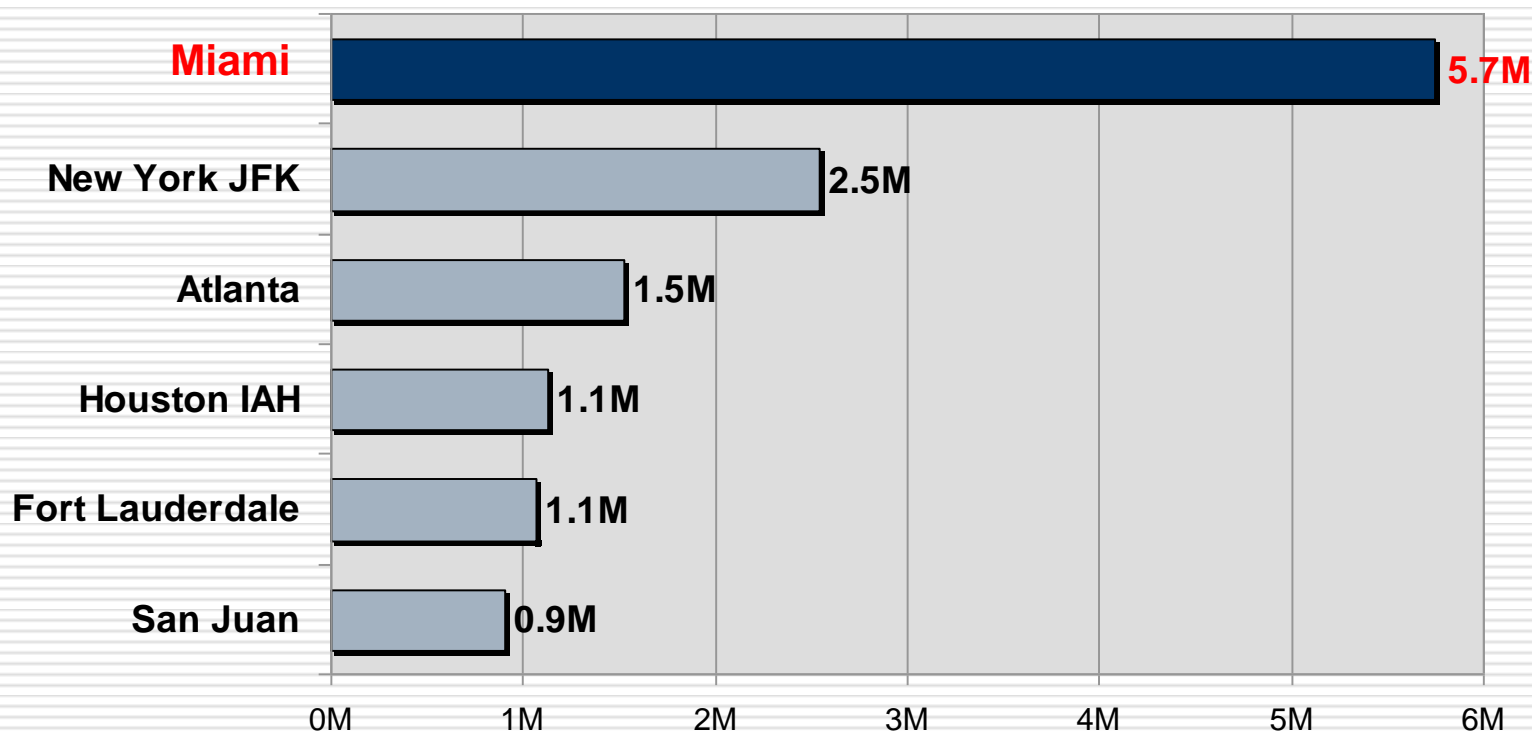
	Dollars	Tons
MIA	\$34,886,523,437	972,686
Central Florida	\$1,378,955,333	31,663
Total State of Florida	\$36,265,478,770	1,004,349
MIA as a percentage	96.2%	96.8%

Florida's Air + Ocean Trade 2007

Central Florida	\$32,164,765,628	30,715,141
Miami	\$77,485,260,603	21,915,142
Total State of Florida	\$109,650,026,231	52,630,283
MIA as a percentage	31.8%	41.6%

Miami is the Largest U.S. Gateway for Caribbean/Latin American Passengers

Departing Passengers to Caribbean and Latin American Destination by U.S. Gateway
In millions



MIA's Economic Impact

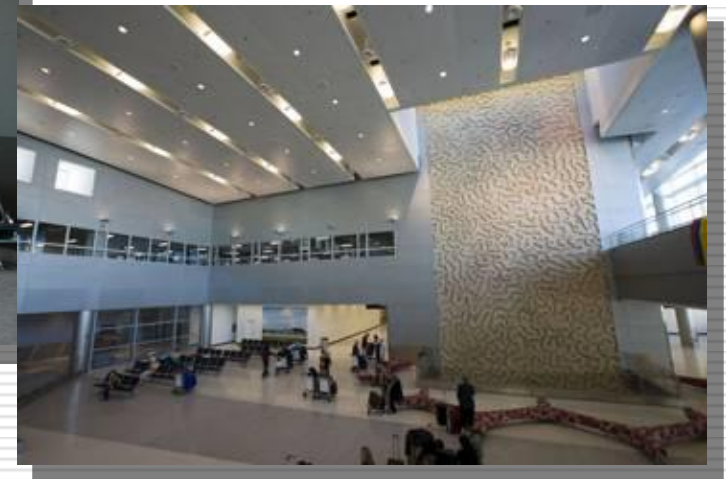
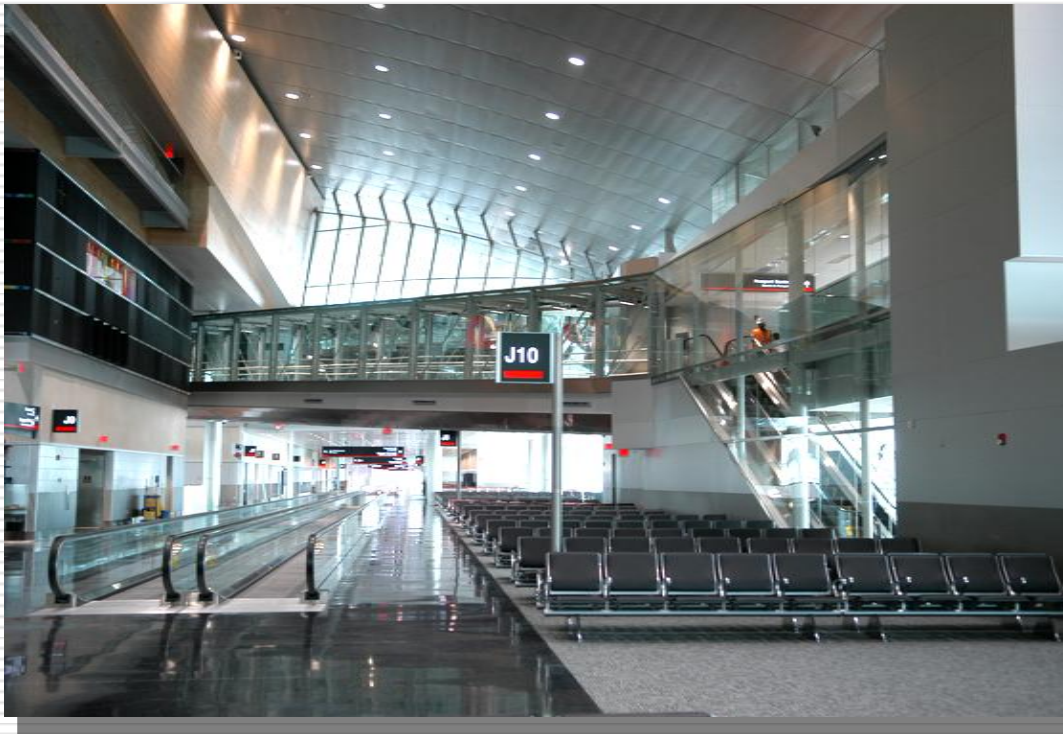
- ❑ 272,376 jobs in Miami-Dade County
- ❑ One out of every four jobs in the County
- ❑ \$25.6 billion in business revenue
- ❑ \$9.8 billion in wages and salaries
- ❑ CIP generates 8,581 jobs,
- ❑ \$418.1 million in wages



South Terminal



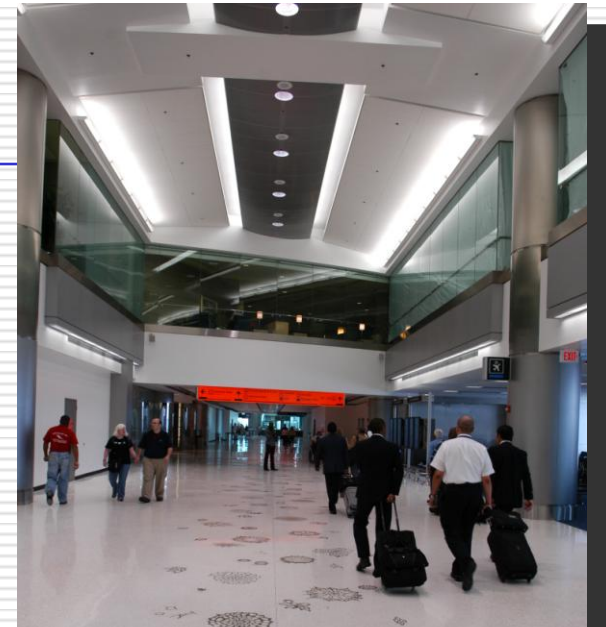
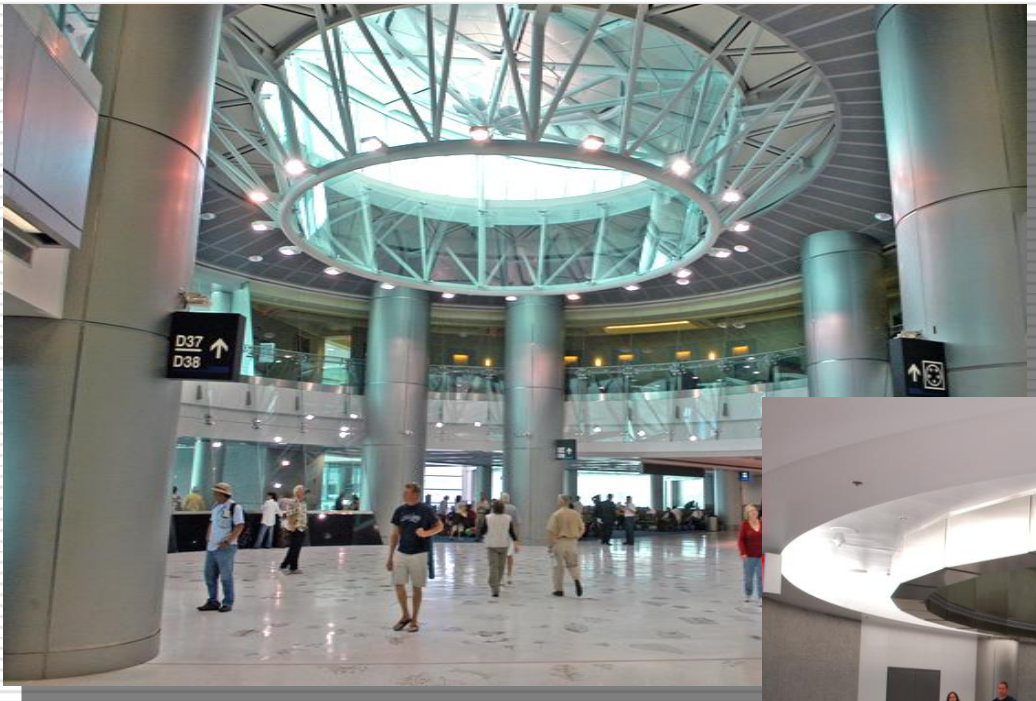
South Terminal



North Terminal



North Terminal

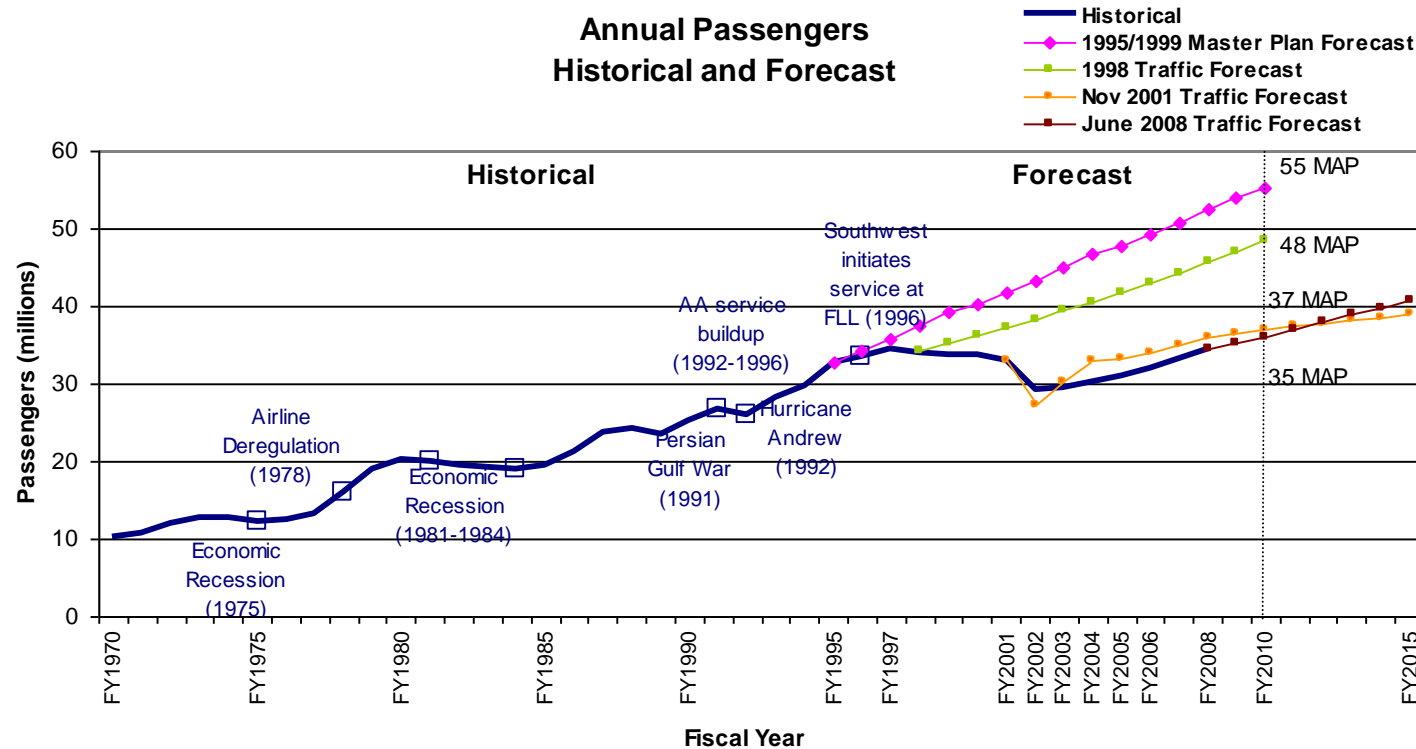


Airport System Funding is Derived from Revenues Generated by the Airports from Commercial Operations, Market Rents, Interest, and Payments by Airlines

- ❑ No tax dollars are used to support the County's airports. (except for grants)
- ❑ Airlines are the ultimate guarantors for the Aviation Department's operating expenses and debt service.
- ❑ Non-aeronautical revenues such as commercial revenues and non-terminal building rentals offset the amounts that airline would otherwise be required to pay.
- ❑ Each year the debt service coverage and the "net profit" earned by the Department by reducing expenses below budget or bringing in more revenues than budgeted are "transferred" over to the next year to lower the landing fees that the MIA airlines have to pay.

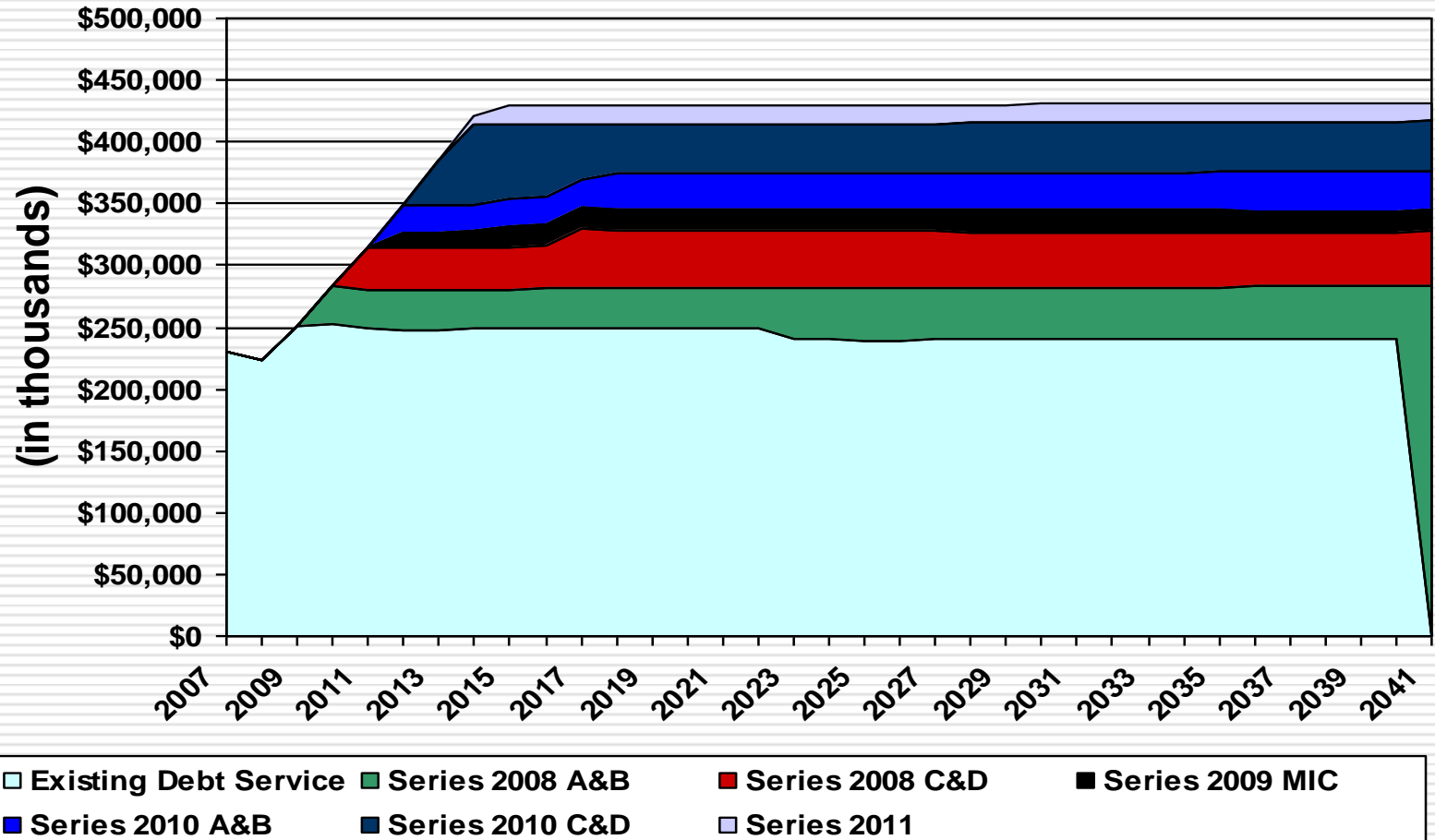
Airline Rates & Charges Approach			
Landing Fee Calculation			
Requirements			
Debt Service Plus Coverage			
Operating Expenses			
Operating Reserve			
Deposit to Reserve Maintenance Fund			
MINUS			
Revenues (Other than Landing Fees)			
Commercial Revenues			
Structures & Ground Rentals			
G/A Airports			
Terminal Rentals			
Aviation Fees			
Improvement Fund Deposit Surplus from Prior Year			
EQUALS			
Landing Fee Payments			
Divided by Estimated Landed Wgt			

MIA Has Faced a Prolonged Period of Nominal Passenger Growth Since 1995 Until the Past Two Years; Pax Growth Has Exceeded 3%



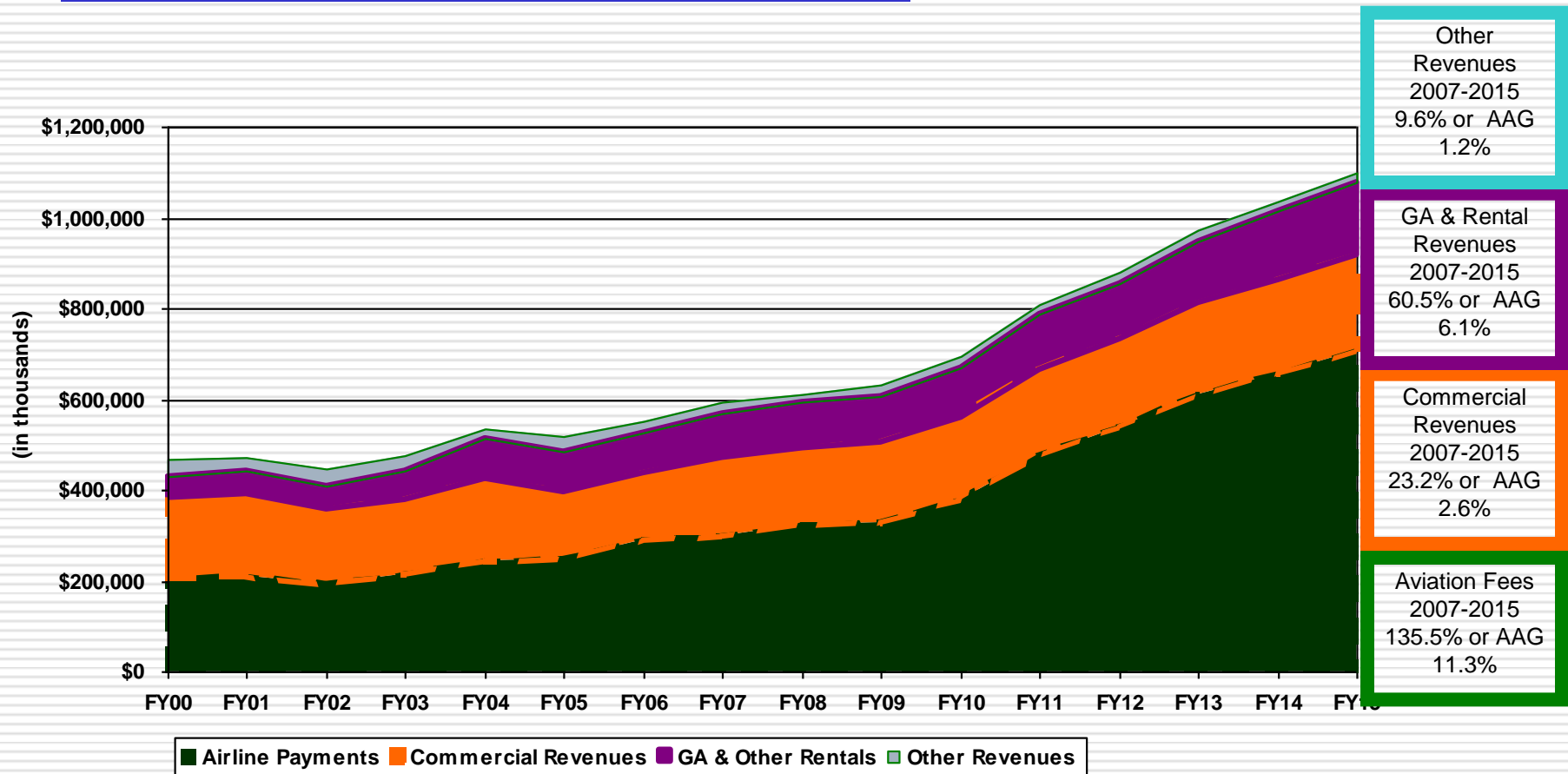
- CIP facilities were sized based on 1995/1999 Master Plan Forecast which is based on AA hub build up during early 90's
- Southwest and other LCC growth at FLL, competition from other international gateways, and international security issues have reduced long-term projection for passengers
- FLL capacity issues represent an important opportunity to surpass current forecast

The Aviation Department Will Be Paying High Levels of Debt Service to Fund the CIP for the Next 30 Plus Years Even with Many Important Projects Deferred Indefinitely

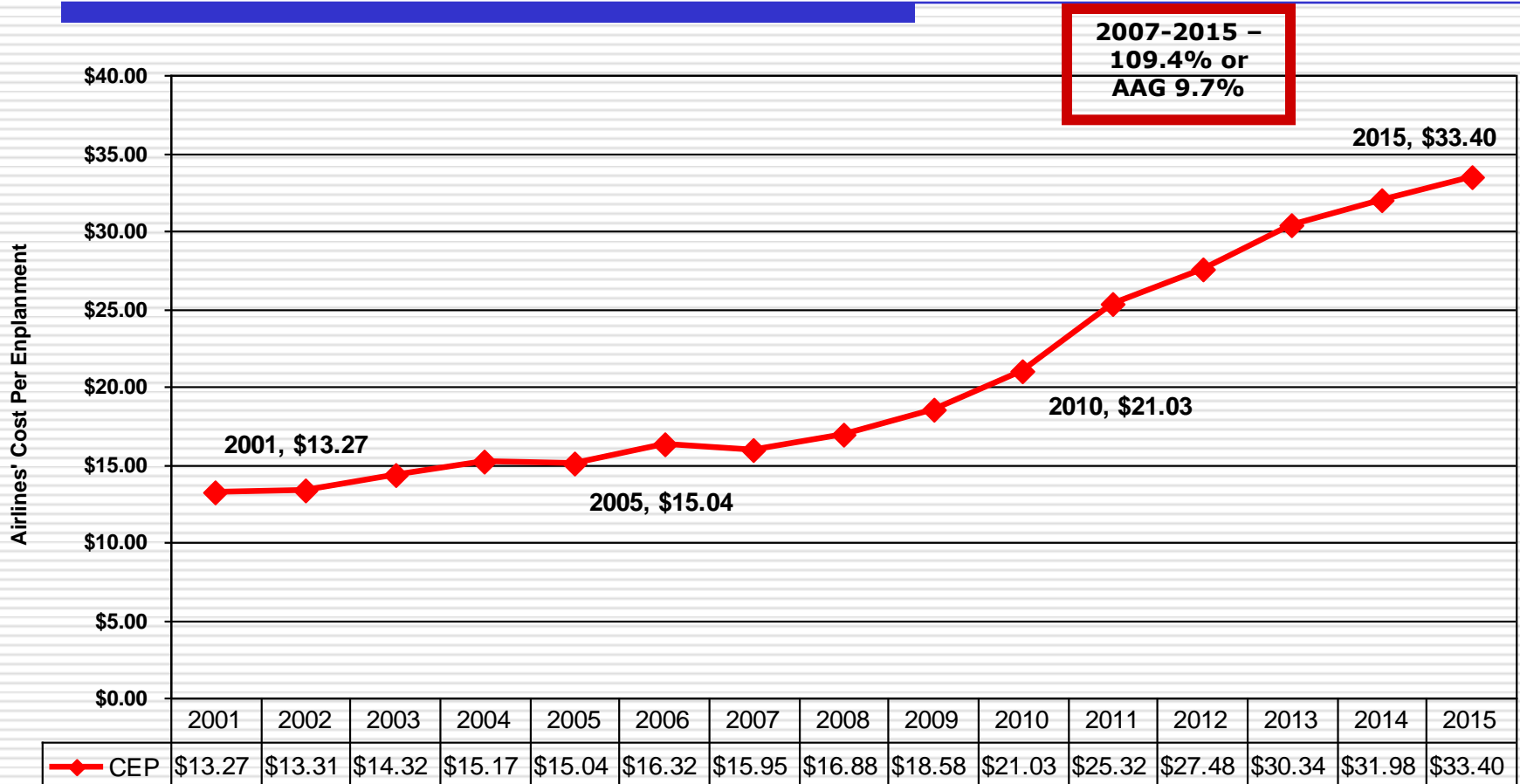


This chart does not reflect PFC revenues used to offset debt service.

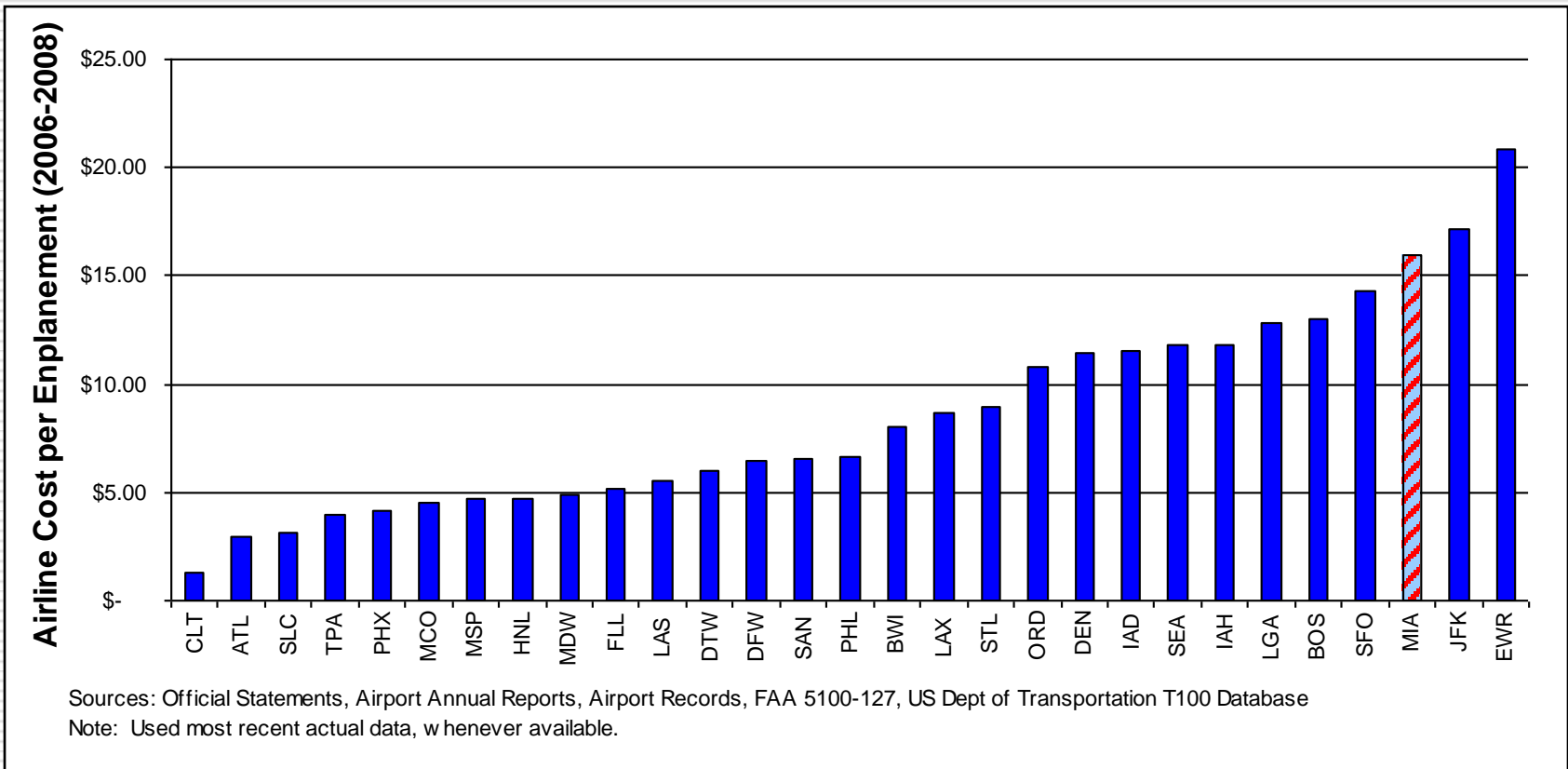
With Projected Conservative Growth in Passengers and Market Rentals, Airline Payments Will Have to Rapidly Grow to Cover Expenses



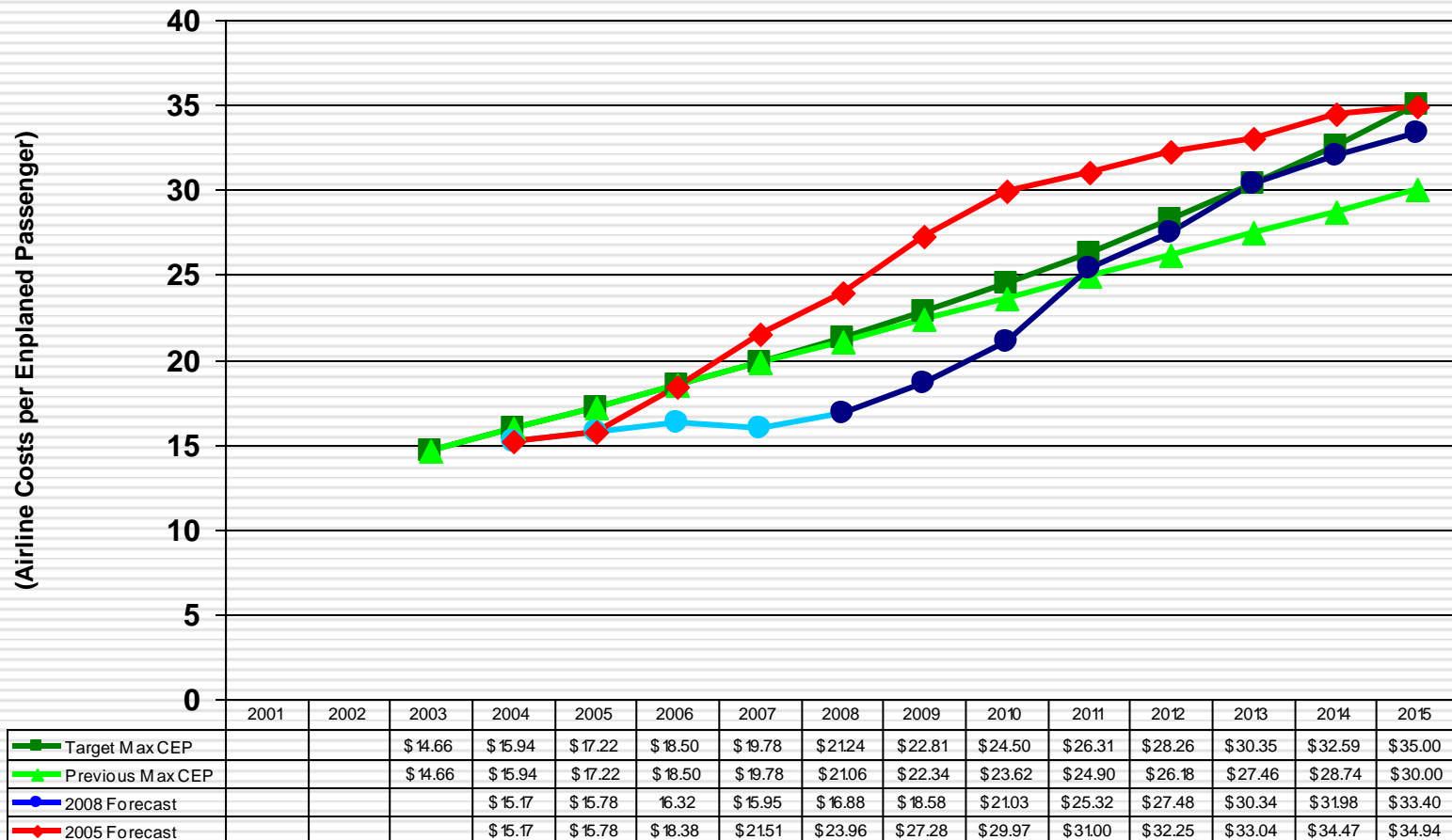
Airline Payments Measured By Each Enplaned Passenger Will More Than Double



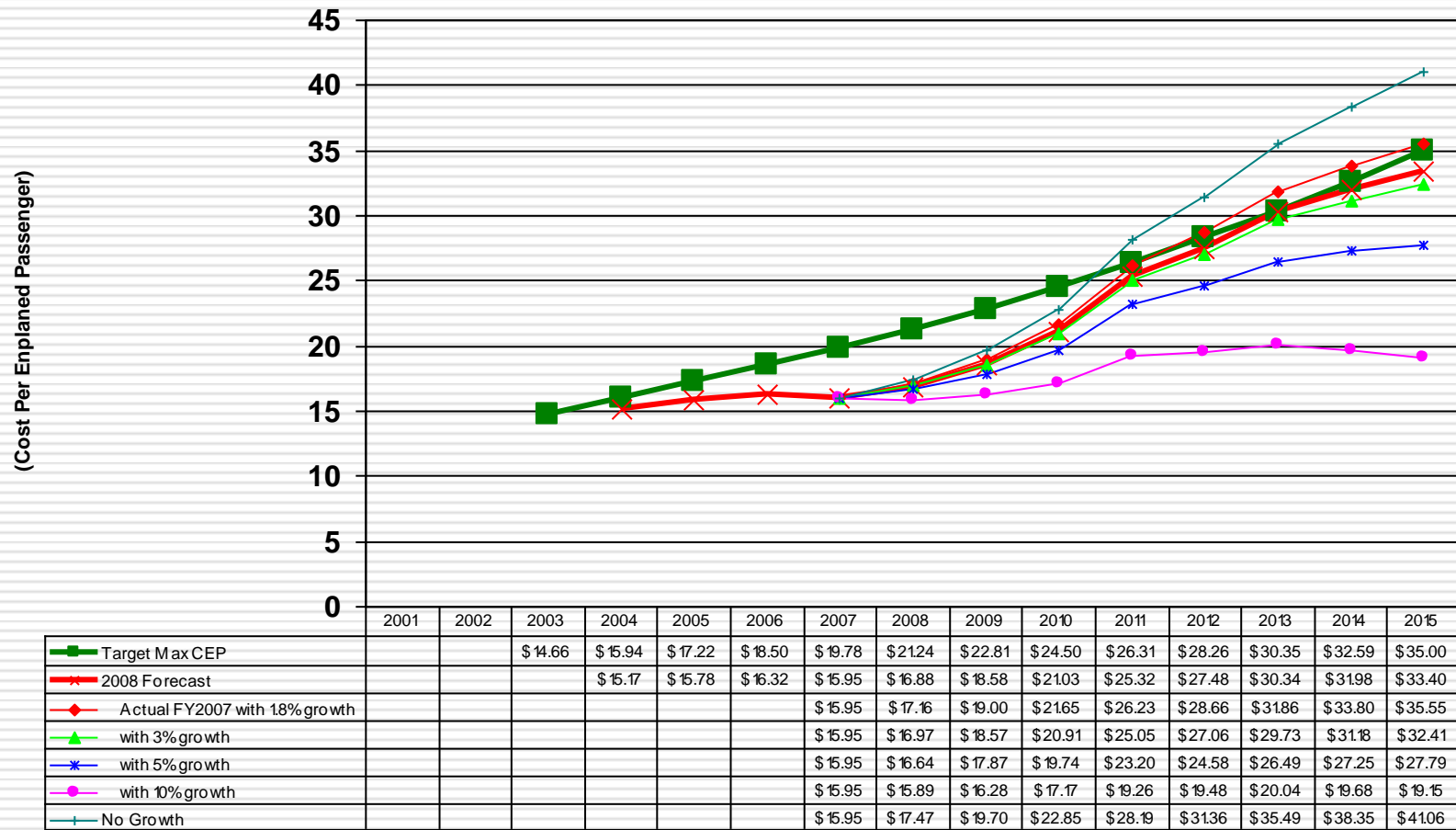
MIA's Charges to Airlines Are Already High Today Compared with Other Large US Airports



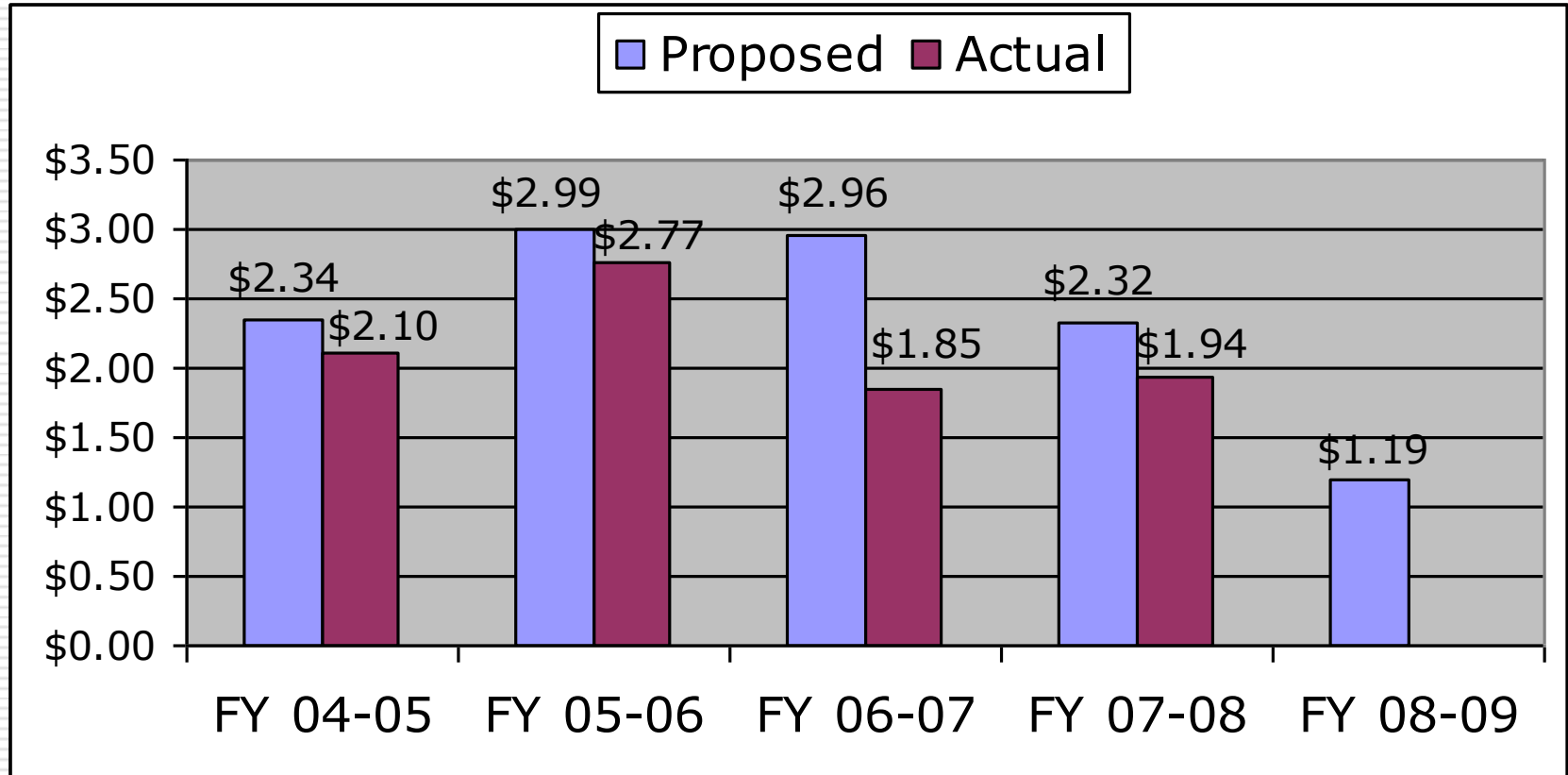
To Maintain a Competitive Position, MIA Has Established a Target Ceiling for its Charges to Airlines and Is Striving to Keep its Costs Below that Ceiling



Passenger Growth Can Play a Significant Factor in Bringing Airline Unit Charges Down



MIA's Actual Landing Fees over the Last Four Years Have Been Less than Forecast



5 Point Action Plan To Address Financial Challenges

- ☐ **Long-term commitment to operating costs controls**
- ☐ **Maximize non-aeronautical revenues and focus on all users paying their fair share**
- ☐ **Continually focus on maintaining a passenger friendly environment**
- ☐ **Reassess airport business model for charges and services provided to match airline needs**
- ☐ **Promote available capacity to airlines**

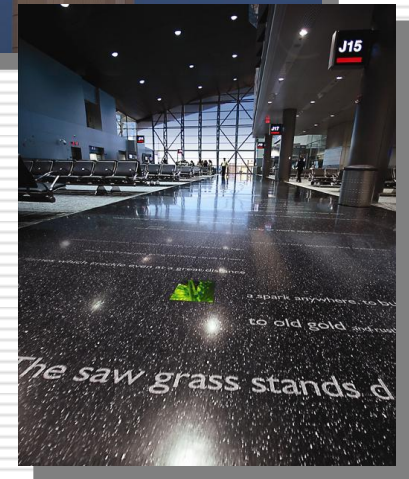
Florida Airports - Economic Impact

- ☐ **Generate more than \$96 billion annually in economic activity**
- ☐ **Provide more than \$26 billion in annual payroll**
- ☐ **Support more than 1 million direct jobs**



Florida Airports – A Great Investment in Our Future

- ❑ Investment of federal, state and local funds is crucial to expand, modernize and secure Florida's airports
- ❑ Florida's airport capital development needs for 2008-2012 time period approximate \$8 billion
- ❑ Florida has long been a leader in aviation funding with a \$170 million program this year
- ❑ And, it's a great investment with nearly a 600 to 1 return to Florida's economy!!!!
(Try getting that on Wall Street!)



Florida Airports

High Priority State Issues for 2009

- 1) Maintaining the State's Aviation Grants Program at no less than current levels**
- 2) Retaining SIS funding for critical airport intermodal projects**
- 3) Protecting airports from encroachment by incompatible land uses**

