

**Greater Orlando Aviation Authority  
Orlando International Airport  
&  
Orlando Executive Airport  
Budgets  
Fiscal Year 2016-2017**



**Greater Orlando Aviation Authority  
Orlando, Florida**

# Greater Orlando Aviation Authority

## *Fiscal Year 2017 Budget-in-Brief*



## **ECONOMIC OUTLOOK**

Central Florida continues to attract the most visitors of any destination in the United States. In 2015 more than 66 million people traveled to the region, marking a 5.5% increase over the previous year. The record-setting number translated into an all-time high of 38.8 million passengers moving through Orlando International Airport (MCO) and 33 million room nights sold at area hotels and resorts.

Increasing passenger traffic at MCO is indicative of the overall popularity and growth of the region. The result of the historic visitation is a multi-billion dollar surge in development across the community. As the global gateway of choice for the majority of Central Florida's visitors, Orlando International Airport has responded to both the current and projected demand for convenient access by implementing its own massive improvement plan. MCO's commitment to expanding its facilities parallels the investment by the city and county along with our tourism, medical, and high-tech partners. Central Florida continues to diversify its economy by emphasizing opportunities for business. Leading the way are developments in the medical research and health services sector, simulation industry, and sports. In addition to boasting three professional teams in the NBA's Orlando Magic, ECHL's Orlando Solar Bears, and MLS' Orlando City Lions, new venues are enhancing the region's sports profile. A renovated Camping World Stadium (formerly the Citrus Bowl Stadium) hosts professional and collegiate events. Construction has begun on a new soccer-specific stadium, and a \$200 million Sports Entertainment Complex adjacent to the Amway Center is in the planning stage.

Walt Disney World, Universal Orlando, and Sea World have all made substantial commitments to developing new attractions and refreshing current attractions. Examples include Disney Springs, Frozen Ever After,

Harry Potter's Diagon Alley, and Mako; Orlando's tallest, fastest, and longest roller coaster.

The State of Florida and several Central Florida local governmental entities are currently engaged in numerous projects to further enhance the region's infrastructure, competitive products, and quality of life. Included are the I-4 Ultimate project to overhaul one of the region's major highways, creation of the Wekiva Parkway, development of the Sun Rail commuter rail system, the Dr. Phillips Performing Arts Center, creation of the International Consortium for Advanced Manufacturing Research (ICAMR), and Creative Village.

The combination of private and public investment have contributed to Orlando being recognized among the top ten "American Cities of the Future" by FDI Magazine. Playing a significant role in that impressive evaluation is Orlando International Airport. As the first and last impression many visitors have of Central Florida, it is important that we strive to improve our facilities, enhance our customer service delivery, and maintain the standard of excellence that we define as The Orlando Experience®.

## **MAJOR INITIATIVES**

### **ORLANDO INTERNATIONAL AIRPORT**

Improvements to the existing terminal and expansion to the south portions of the airport are now underway with the approval of a \$3 billion Capital Improvement Plan (CIP). The CIP includes projects to increase capacity and reduce congestion. Modifications to the existing North Terminal Complex will accommodate passenger growth, expedite international passenger processing, improve public circulation in the ticket lobbies, enhance baggage handling systems, and improve terminal curb areas. The CIP also incorporates the South Airport Automated People Mover (APM) Complex which will support future multi-modal travel connections. The CIP includes

plans for South Terminal Complex - Phase 1 to be located approximately 1.5 miles south of the existing North Terminal Complex. The \$1.8 billion expansion project will consist of an airside terminal with 16 new gates, a landslide terminal, an expanded garage, and accompanying airfield and roadway improvements. The planned enhancements will enable Orlando International Airport to continue providing a high level of customer service while maintaining The Orlando Experience® for passengers.

Design of the first phase of the demand driven South Terminal Complex - Phase 1 programs began during fiscal year 2016. The landside building concept allows for the traveling public to purchase tickets, check baggage, claim baggage, and meet without congestion. The parking facility will add 2,400 more spaces to supplement the 2,500 space multi-story garage currently under construction as part of the South Airport APM program. The preliminary 16 gate airside terminal building is planned to accommodate both international and domestic air traffic.

The South Terminal Complex - Phase 1 program is based on passenger growth targets. In 2015, the Authority adopted passenger activity triggers to start both the design and construction of this project. The project design was authorized in the spring of 2015 and began in the fall of 2015. The construction trigger of 38.5 million annual passengers was reached in May 2016. Construction is anticipated to begin in the first quarter of calendar year 2017, and is expected to be completed in the fall of 2019.

Several construction projects continued during this fiscal year. Construction started on the major elements of the \$146 million Ticket Lobby Improvement Program, which will improve public circulation in ticketing areas in Terminal A and B. The project will include moving the existing exterior walls outward toward the enplane curbs to increase circulation space, renovation of the ticket counters and back walls including the incorporation of new technology.

Construction also began on the Airside 4 Improvements Program, with an estimated program cost of \$129 million. This program includes improvements to the Federal Inspection Station (FIS), construction of a new central energy plant air handling unit, renovation of restroom facilities, and the conversion of domestic aircraft gates to international gates capable of accommodating international wide-body aircraft. In

addition, fiscal year 2016 saw the continuation of the multi-year South Airport APM Complex with an estimated project cost of \$427 million. Construction began on the four main components of the South Airport APM Complex, which include the APM Guideway, APM Station, Parking Facility, and Roadway Systems. Construction also began on the Intermodal Transportation Facility (ITF), co-located at the South APM Complex. The ITF will accommodate inter-city passengers between downtown Miami and MCO. The design and construction of the ITF is funded by a combination of grants and a loan from the Florida Department of Transportation (FDOT) totaling \$211 million.

In fiscal year 2014 a Design-Build-Operate-Maintain agreement was approved for the replacement of the Airsides 1 and 3 and South APM vehicles and operating systems. Replacement of the APM vehicles for Airsides 1 and 3 as well as the attendant fixed guideway systems is expected to begin in the fall of 2016.

## **BUDGET HIGHLIGHTS**

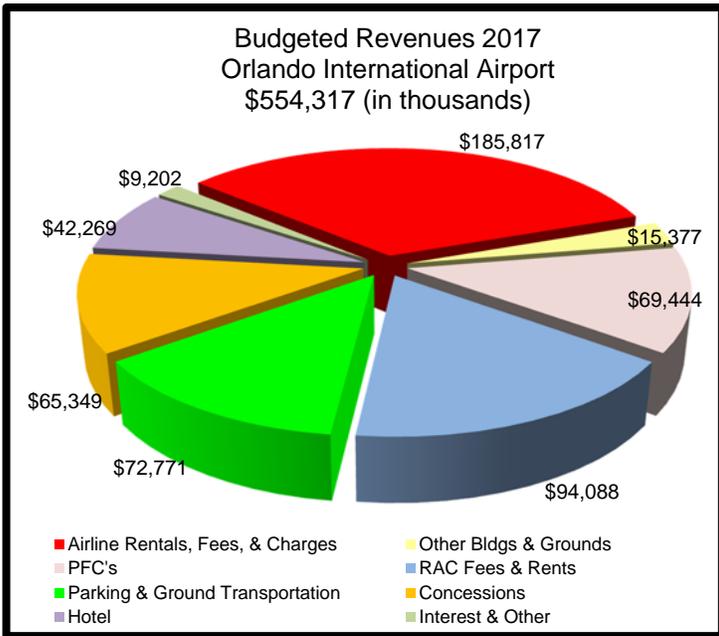
Some of the key principles on which the budget has been developed include:

- Basic services funded at adequate levels
- Revenues estimated at reasonable amounts
- Prioritization of capital and maintenance projects
- Fair and reasonable rates and charges

## **ORLANDO INTERNATIONAL AIRPORT**

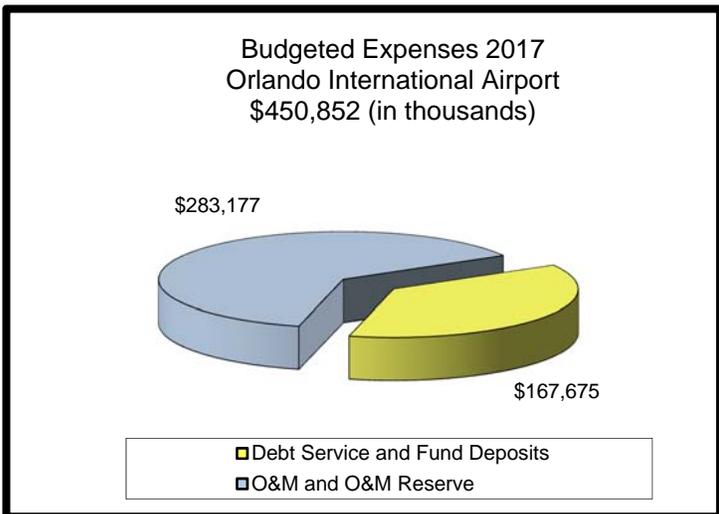
### **Revenues**

Revenues, excluding PFC available revenues, are projected to increase \$47.8 million, or 11 percent over the fiscal year 2016 budget. Airline rentals, fees, and charges are projected to increase \$25 million due to an increase in rates, and an overall projected increase in activity. Non-airline revenues are projected to increase \$22 million due to increases in car rentals, parking, concessions, and hotel.



## Expenses

Expenses include appropriations for Debt Service, the Operation and Maintenance Fund, and Fund Deposits. Expenses are budgeted at \$450,852,000 for 2017. This includes Debt Service payments of \$153,786,000; the Operation and Maintenance Fund and O&M Reserve of \$283,177,000; and Fund Deposits of \$13,889,000. Cost per enplanement is currently estimated at \$7.82.



### *Operation and Maintenance Fund*

At \$283,177,000; the Operation and Maintenance budget, including the O&M Reserve for 2017, is 11 percent over the fiscal year 2016 budget. Increases occurred in salaries with additional 32 positions, increases related to security contracts and the Orlando

Police Department, and increases related to maintenance contracts for the bag system, jet bridges, and automated people movers.

### *Debt Service Fund*

Debt service requirements are \$167,675,000 for fiscal year 2017, or 37 percent of the total budget. Of this amount, \$146,228,000 represents payments for senior debt, \$13,889,000 for PFC fund, and \$7,558,000 for other subordinated debt.

### *Capital*

The fiscal year 2017 capital requests for asset rehabilitation, repair, or replacement, including the hotel, total \$99 million and will be funded throughout the year as the various funding sources become available. Capital funds are used for airfield improvements, ground support equipment, building improvements, information technology improvements, and strategic initiatives at Orlando International Airport. Capital projects are funded from the surplus cash flows generated from revenues, grants, bonds, PFC's, or CFC's.

## MAJOR INITIATIVES

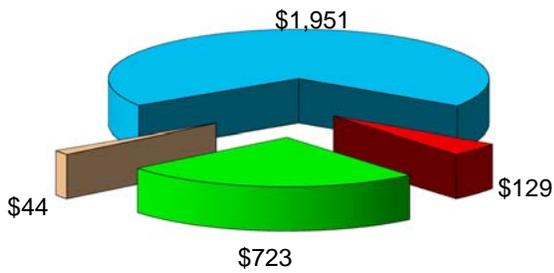
### ORLANDO EXECUTIVE AIRPORT

For fiscal year 2017, continuation of the key project is the update of the electronic Airport Layout Plan (eALP), which is required by the FAA in order to initiate any further airfield and airfield-related projects. Commercial property development initiatives will continue, primarily along the SR-50 corridor. Certain airfield projects partially funded by state grants are underway.

### Revenues

Revenues at Orlando Executive Airport increased \$105,000 or four percent from the 2016 budget. This was the result of an increase in Commercial Properties and Aviation Related revenues due to OEA hosting the NBAA (National Business Aviation Association) Convention in November and new land rentals.

Budgeted Revenues 2017  
Orlando Executive Airport  
\$2,847 (in thousands)

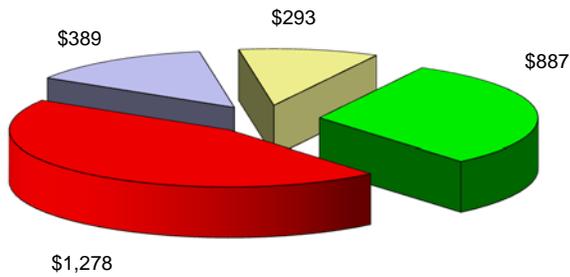


- Aviation Related
- Commercial Properties
- Other Revenue
- Contribution from Revenue Fund

## Expenses

For fiscal year 2017, expenses increased \$21,000 from the 2016 budget due to CPI increases in contractual and maintenance services. Capital projects for fiscal year 2017 are budgeted at \$344,000.

Budgeted Expenses 2017  
Orlando Executive Airport  
\$2,847 (in thousands)



- Personnel
- Other
- Maintenance
- Contractual Services

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO INTERNATIONAL AIRPORT  
FISCAL BUDGET**

	Budget <u>2017</u>	Budget <u>2016</u>
<b>ANTICIPATED REVENUE</b>		
Airline Rentals, Fees and Charges	\$ 185,817,000	\$ 160,441,000
Nonairline Revenues	296,195,000	274,600,000
Available PFC Revenues	69,444,000	34,303,000
Interest Revenue	2,861,000	2,071,000
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Total Deposits	<u>\$ 554,317,000</u>	<u>\$ 471,415,000</u>
 <b>APPROPRIATIONS</b>		
1998 Debt Service Fund	\$ 543,000	\$ 883,000
2007 Debt Service Fund	16,729,000	16,731,000
2008 Debt Service Fund	33,920,000	24,507,000
2009 Debt Service Fund	21,121,000	21,121,000
2010 Debt Service Fund	12,659,000	12,577,000
2011 Debt Service Fund	9,996,000	10,001,000
2012 Debt Service Fund	1,853,000	1,853,000
2013 Debt Service Fund	9,808,000	18,966,000
2015 Debt Service Fund	9,391,000	9,346,000
2016 Debt Service Fund	30,208,000	1,800,000
Operation and Maintenance Fund	278,622,000	251,293,000
Operating Reserve Fund	4,555,000	3,056,000
Discretionary Fund	21,446,000	22,948,000
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Total Appropriations	<u>\$ 450,851,000</u>	<u>\$ 395,082,000</u>
Remaining Revenues	<u>\$ 103,466,000</u>	<u>\$ 76,333,000</u>

**GREATER ORLANDO AVIATION AUTHORITY  
ORLANDO EXECUTIVE AIRPORT  
FISCAL BUDGET  
2016-2017**

	Budget <u>2017</u>	Budget <u>2016</u>
<b>ANTICIPATED REVENUE</b>		
Aviation Related	\$ 723,000	\$ 671,000
Commercial Properties	1,951,000	1,902,000
Other Revenue	<u>44,000</u>	<u>40,000</u>
Total Anticipated Revenue	2,718,000	2,613,000
Contribution from OEA Revenue Fund	<u>129,000</u>	<u>213,000</u>
Total Deposits	<u><u>\$ 2,847,000</u></u>	<u><u>\$ 2,826,000</u></u>
<b>APPROPRIATIONS</b>		
Operations & Facilities	807,000	802,000
Safety & Security	1,116,000	1,091,000
Administration	572,000	580,000
Other Expenses	<u>352,000</u>	<u>353,000</u>
Total Appropriations Before Capital	<u>2,847,000</u>	<u>2,826,000</u>
Total Appropriations	<u><u>\$ 2,847,000</u></u>	<u><u>\$ 2,826,000</u></u>