



Growth and Change in the MAC Airport System

Brian D. Ryks, Executive Director and CEO
Metropolitan Airports Commission



Metropolitan Airports Commission

Our Vision

Providing your best airport experience

Our Mission

Connecting you to your world



Recent Accolades

- **Top 10 Best Airport**, *Skytrax*
- **Excellence in Concessions**, *Airports Council International*
- **Environmental Leader Project of the Year**, *Environmental Leader Project Awards*
- **Top 10 US Airport**, *Conde Nast Traveler*
- **5th Most Affordable Large U.S. Airport**, *Cheapflights*
- **Travelers' Choice Favorite**, *Trip Advisor*
- **Sustainable Infrastructure Award**, *Airports Going Green*
- **Technology and Innovation Award**, *MNDoT Office of Environmental Stewardship*
- **3rd Most Efficiently Managed Airport in the World**, *Air Transport Research Society*
- **Top 5 in the World Easiest to Get To**, *MSN*
- **Wellness by Design Award**, *Hennepin County*
- **America's Best Bathroom**, *Cintas*

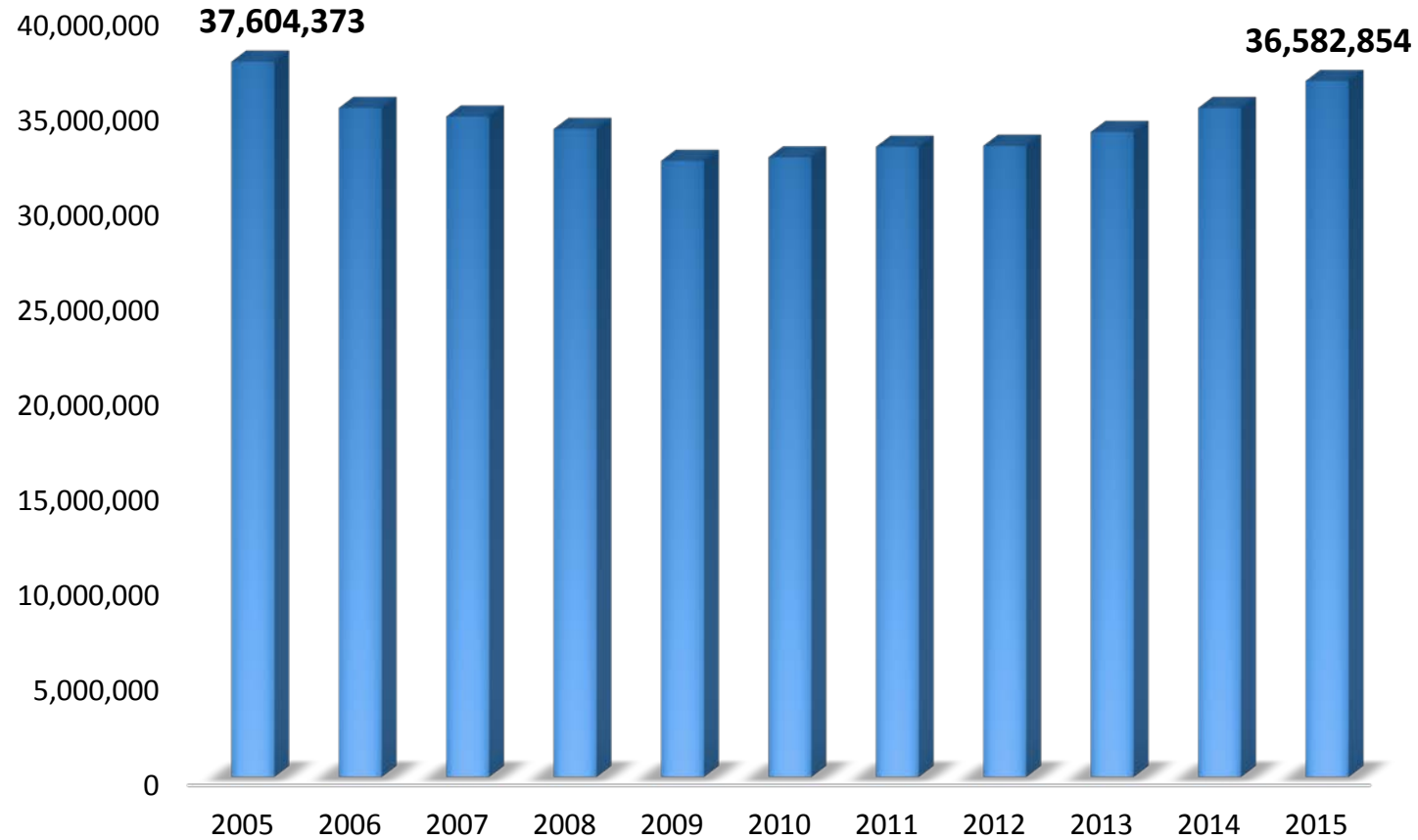
Air Service Through MSP International Airport

Rank	Airport	2015 Passengers
1	Atlanta, GA (ATL)	101,491,106
2	Chicago, IL (ORD)	76,949,504
3	Los Angeles, CA (LAX)	74,937,004
4	Dallas-Fort Worth, TX (DFW)	64,074,762
5	New York, NY (JFK)	56,827,154
6	Denver, CO (DEN)	54,014,502
7	San Francisco, CA (SFO)	50,057,887
8	Las Vegas, NV (LAS)	45,443,900
9	Charlotte, NC (CLT)	44,876,627
10	Miami, FL (MIA)	44,350,247
11	Phoenix, AZ (PHX)	44,003,840
12	Houston, TX (IAH)	43,023,224
13	Seattle, WA (SEA)	42,340,537
14	Orlando, FL (MCO)	38,727,749
15	Newark, NJ (EWR)	37,494,704
16	Minneapolis-St. Paul (MSP)	36,582,854
17	Boston, MA (BOS)	33,515,905
18	Detroit, MI (DTW)	33,440,112
19	Philadelphia, PA (PHL)	31,444,403
20	New York, NY (LGA)	28,437,668

MSP now has competitive air service on a record 52 of its 157 routes.



MSP Passenger Levels



New Air Service in 2016-2017

Delta Air Lines

- Marquette, MI (2017)
- Pellston, MI
- Reykjavik, Iceland
- Rome, Italy
- Tokyo-Haneda, Japan
- West Palm Beach, FL

Sun Country Airlines

- Denver, CO
- Portland, OR
- West Palm Beach, FL

Boutique Air

- Thief River Falls

Southwest Airlines

- Baltimore, MD
- Nashville, TN (2017)

American Airlines

- Los Angeles, CA
- New York-La Guardia
- Washington National, DC

Spirit Airlines

- Atlanta, GA
- Boston, MA
- Philadelphia, PA

Alaska Airlines

- Portland, OR

Air Choice One

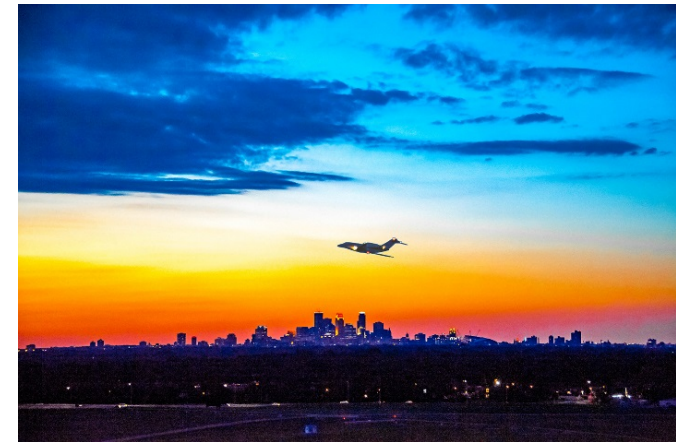
- Fort Dodge, IA
- Ironwood, MI
- Mason City, IA

Frontier Airlines

- Orlando, FL
- Chicago-O'Hare

KLM, Royal Dutch Airlines

- Amsterdam, Netherlands (2017)



Airline Industry Trends

Continued excellent industry earnings among a backdrop of ...



Relatively stable oil price environment



Continuing fare declines



Restrained capacity growth

... and a next (final?) step of the domestic industry consolidation wave

UNITED

DELTA

Southwest

American Airlines



Alaska



america

InterVISTAS

a company of Royal HaskoningDHV







Airline consolidation and capacity constraints, together with relatively low fuel prices, kept earnings strong in 2016, but competition from low cost carriers is putting pressure on fares.

Minneapolis Saint Paul
INTERNATIONAL AIRPORT

mSP

Airline Industry Earnings

YE 2Q16 annual operating earnings remain near historic highs

 DELTA	\$7.9 billion	20% operating margin
American Airlines 	\$6.1 billion	15% operating margin
UNITED 	\$4.7 billion	13% operating margin
Southwest 	\$4.5 billion	22% operating margin
<i>Alaska</i>	\$1.4 billion	25% operating margin
jetBlue	\$1.3 billion	20% operating margin
spirit <small>LESS MONEY. MORE GO.</small>	\$501 million	23% operating margin
 HAWAIIAN AIRLINES	\$483 million	21% operating margin
 allegiant <small>Travel Forward</small>	\$378 million	30% operating margin
FRONTIER AIRLINES	\$281 million	17% operating margin

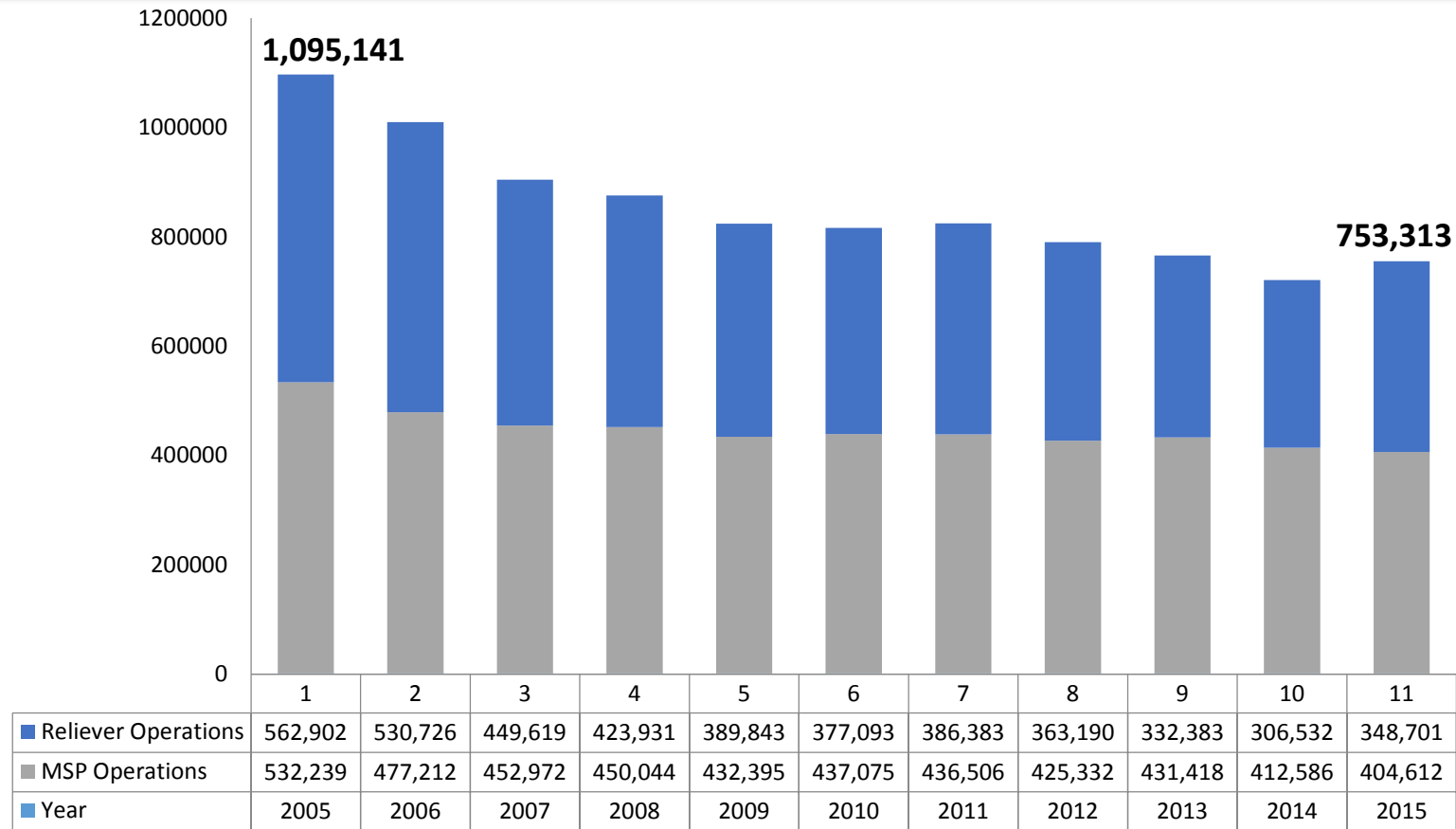
Note: Virgin America and Sun Country each generated less than \$200 million in operating earnings for the period

Source: US DOT Form 41 data via Diio online portal

InterVISTAS
a company of Royal HaskoningDHV

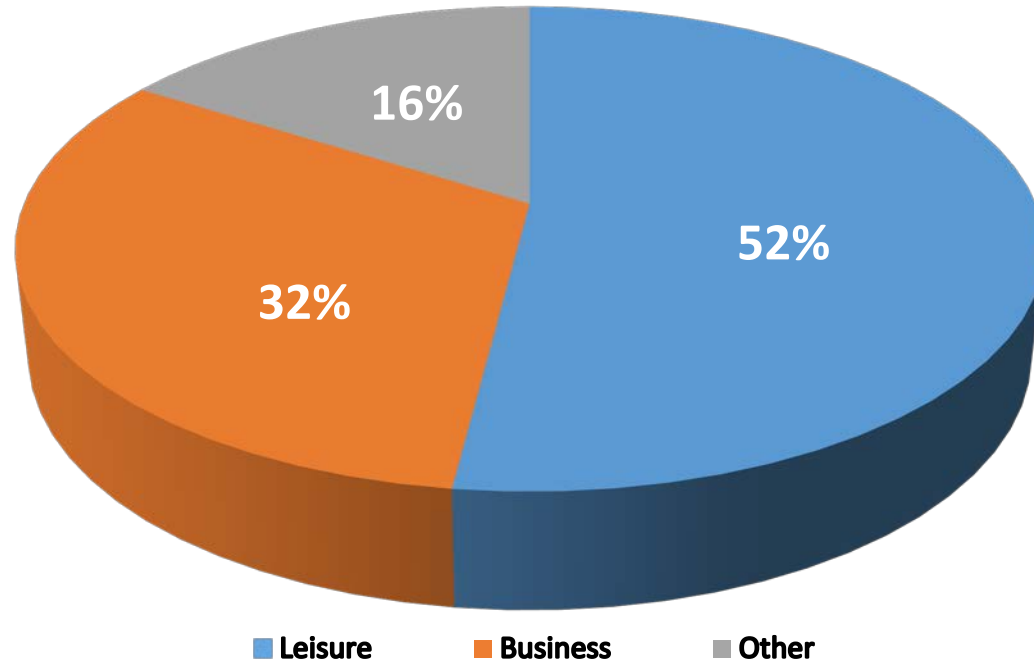
Minneapolis  Saint Paul
INTERNATIONAL AIRPORT
mSPTM

MAC Airport System Operations



MSP Passenger Demographics

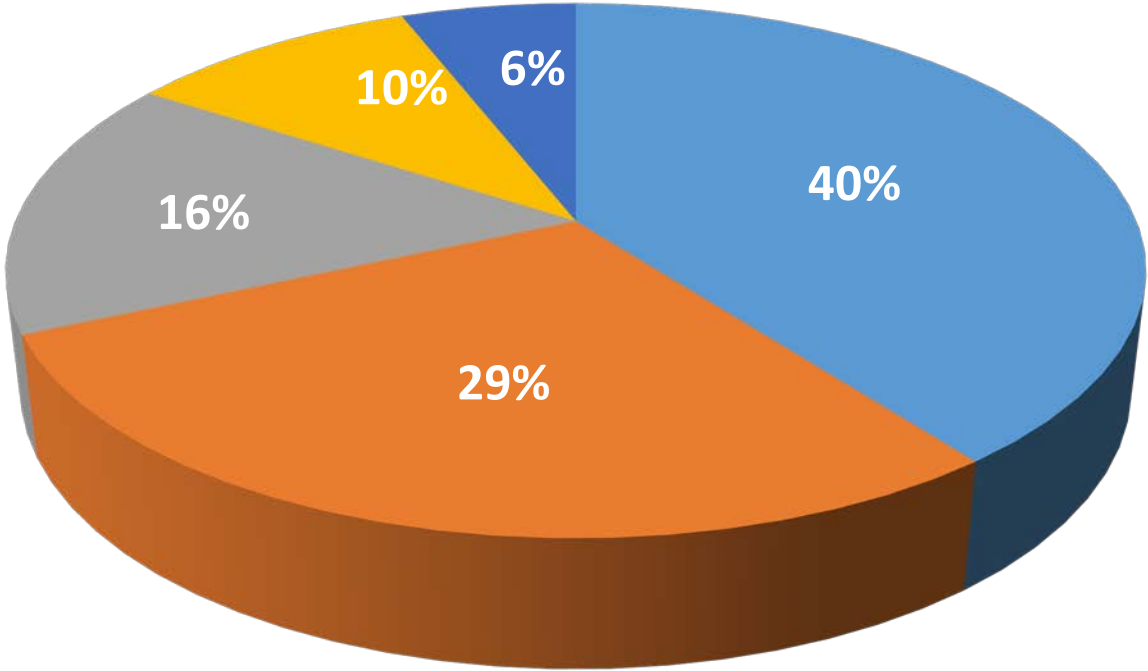
Reason for Travel



More than half the people traveling at MSP are doing so for leisure.

Nearly one-third are business travelers.

Number of Trips Annually From MSP

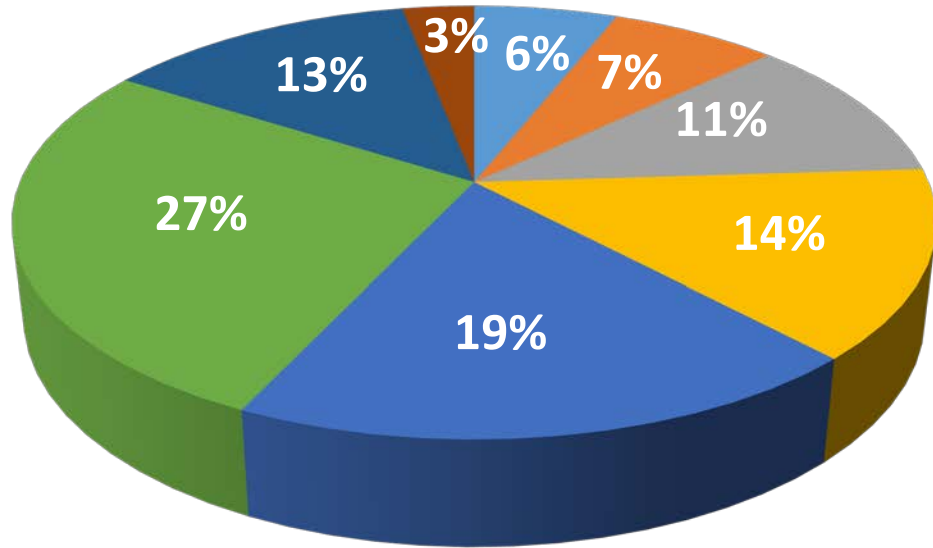


■ 1 to 2 ■ 3 to 5 ■ 6 to 10 ■ 11 to 20 ■ 21 or more

Nearly 70% of travelers fly five or fewer times per year.

Only 16% of MSP's travelers make 11 or more trips per year.

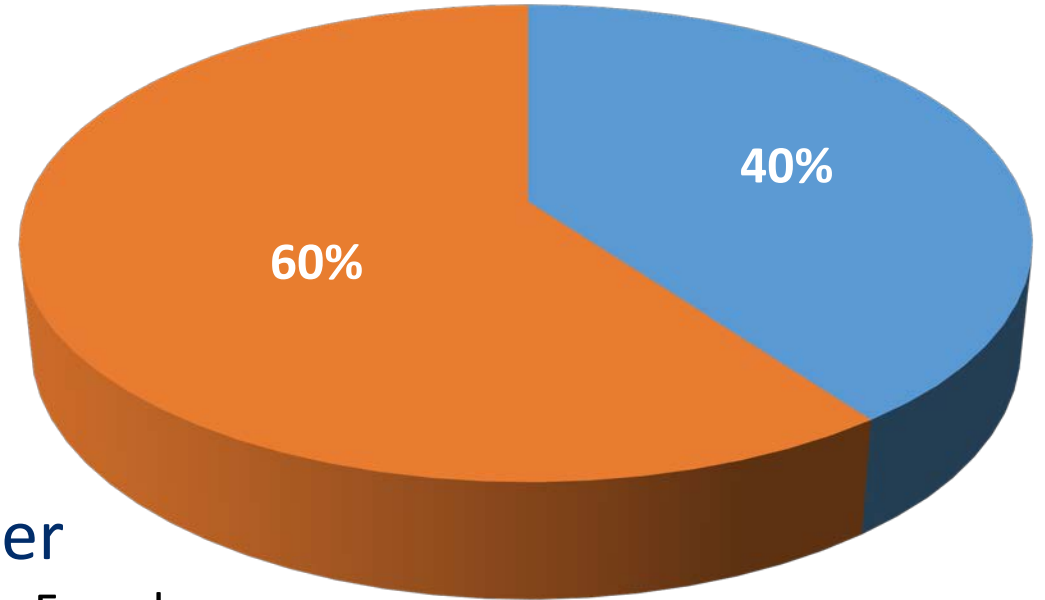
Age



■ 16 to 21 ■ 22 to 25 ■ 26 to 34 ■ 35 to 44 ■ 45 to 54 ■ 55 to 64 ■ 65 to 75 ■ 76 and Over

60% Age 35-64
 22% Age 65+
 18% Age 22-34
 6% Less than 22

Gender

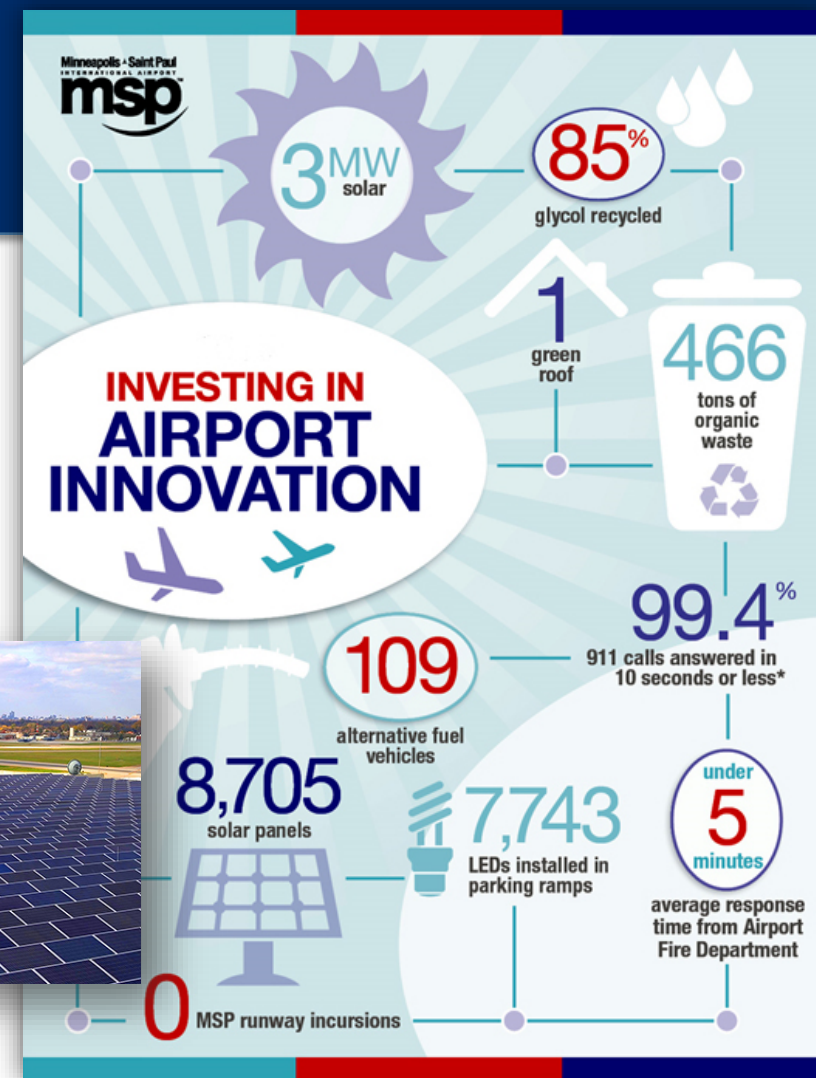


60% Female
 40% Male

■ Male ■ Female

Operating Sustainably

- Most extensive noise mitigation program in U.S.
- Phase 1 carbon accreditation
- Energy conservation and renewable energy sources
 - 3 megawatt solar energy facility at Terminal 1
 - 1.3 megawatt solar facility at Terminal 2
- Robust reuse and recycling



MSP'S First "Green" Roof



Preparing for the Future



Continue to implement 2030 long-term comprehensive plan.

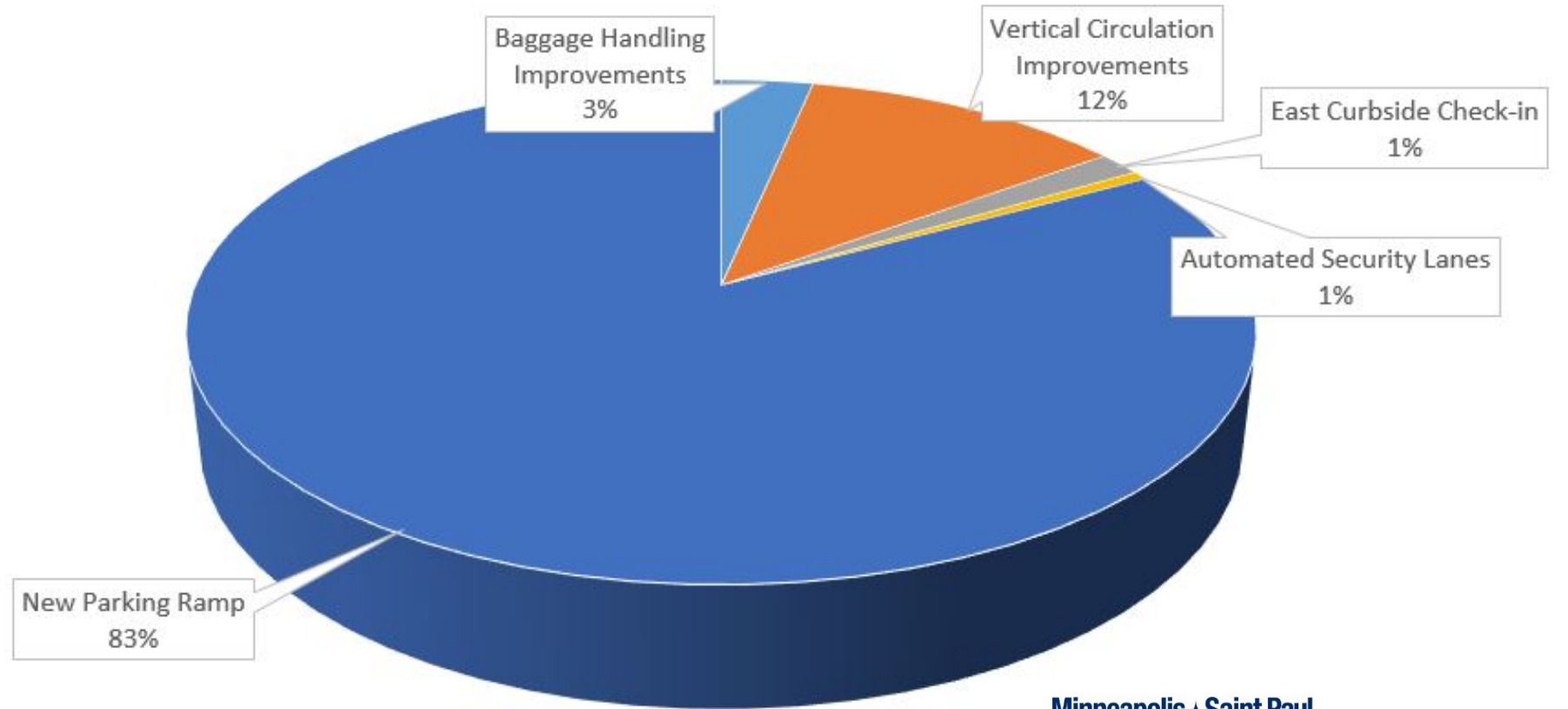
MSP is likely to serve more than **50 million passengers** annually by 2035.

To meet demand, the MAC plans to invest **\$1.6 billion** in airport improvements over the next several years – and **\$2.5 billion** by 2035.

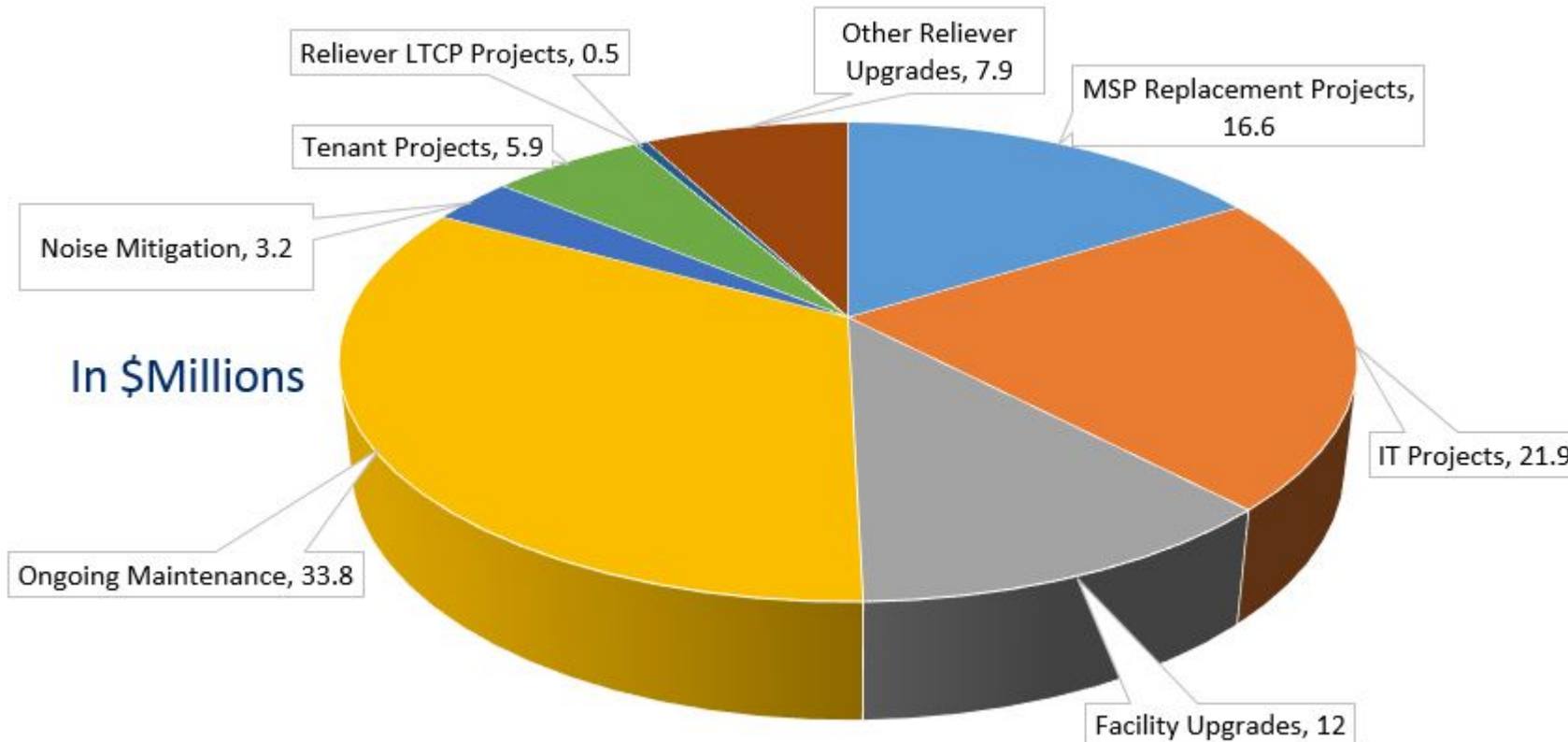


2017 MSP Long Term Comp Plan Capital Projects

The 2030 MSP long term comprehensive plan includes \$353.4 million in capital projects in 2017.

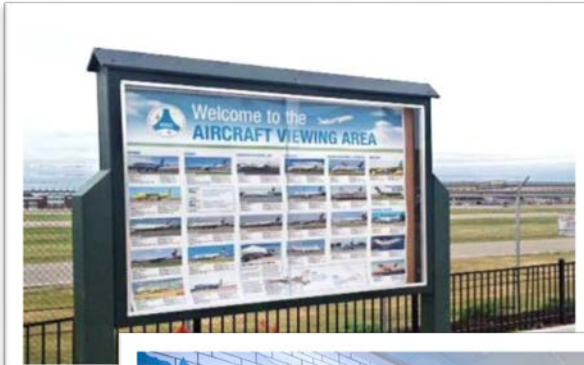
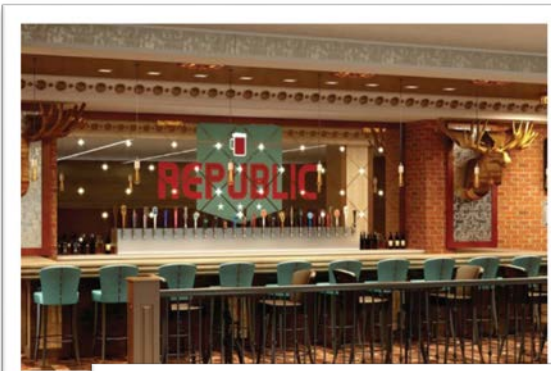


Other 2017 Capital Projects



The MAC plans to spend \$93.4 million on other capital projects at MSP in 2017 and \$8.4 million on improvements to the reliever airport system.

Numerous Improvements Made in 2015-2016



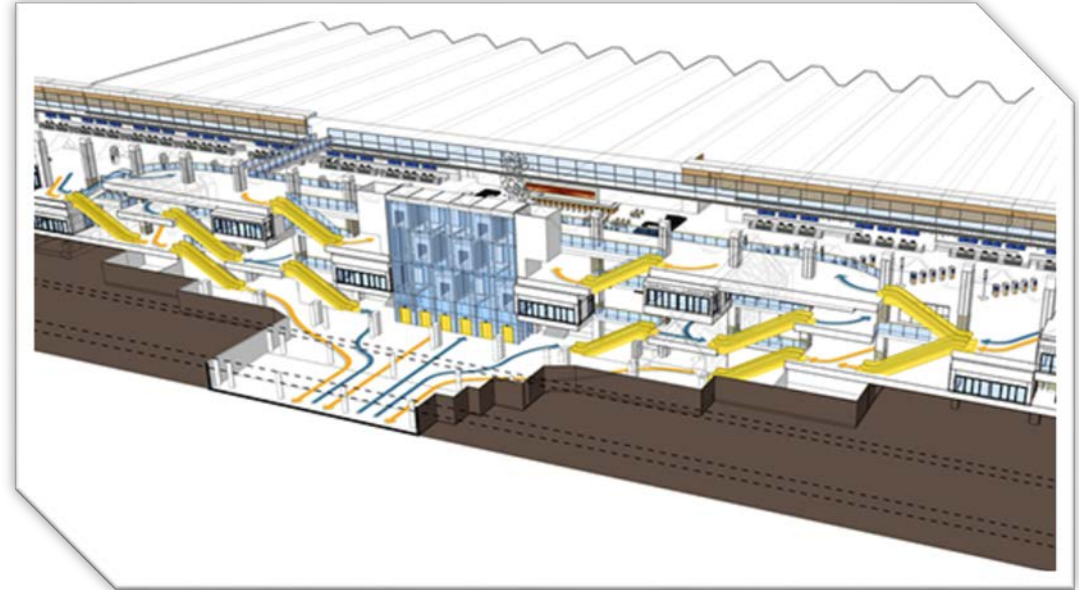
- Expanded Terminal 1 international arrivals area
- Terminal 2: new auto rental facilities
- Quick Ride Ramp at Terminal 1
- Aircraft viewing area
- First of 50 new food and retail venues. Up to 34 more restaurants to be bid in 2017
- North Security Checkpoint
- Award-winning restrooms



A four-gate Terminal 2 expansion opened October 20, providing room for growth by incumbent carriers Southwest and Sun Country – and for new entrants to the market.

The expansion includes a facility for nursing mothers and an indoor pet relief area.





Changes will make vertical circulation more intuitive so people can move easily between the terminal, parking and ground transportation, with less congestion.

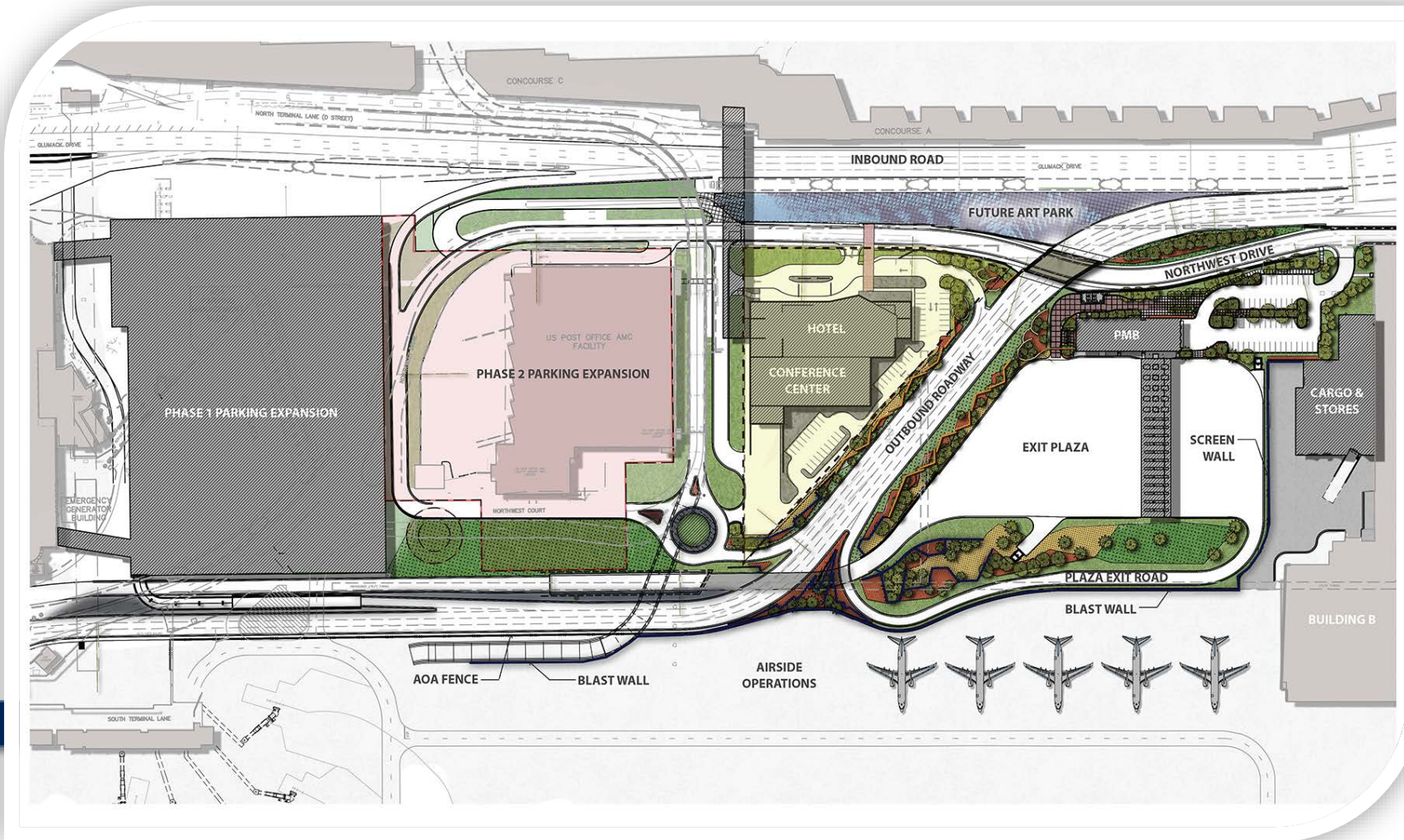


Graves Hospitality is developing a 300-room Intercontinental Hotel, spa and conference facility, to be completed in the summer of 2018.



PARKING, GROUND TRANSPORTATION & ROADWAYS

reimaginemsp.com

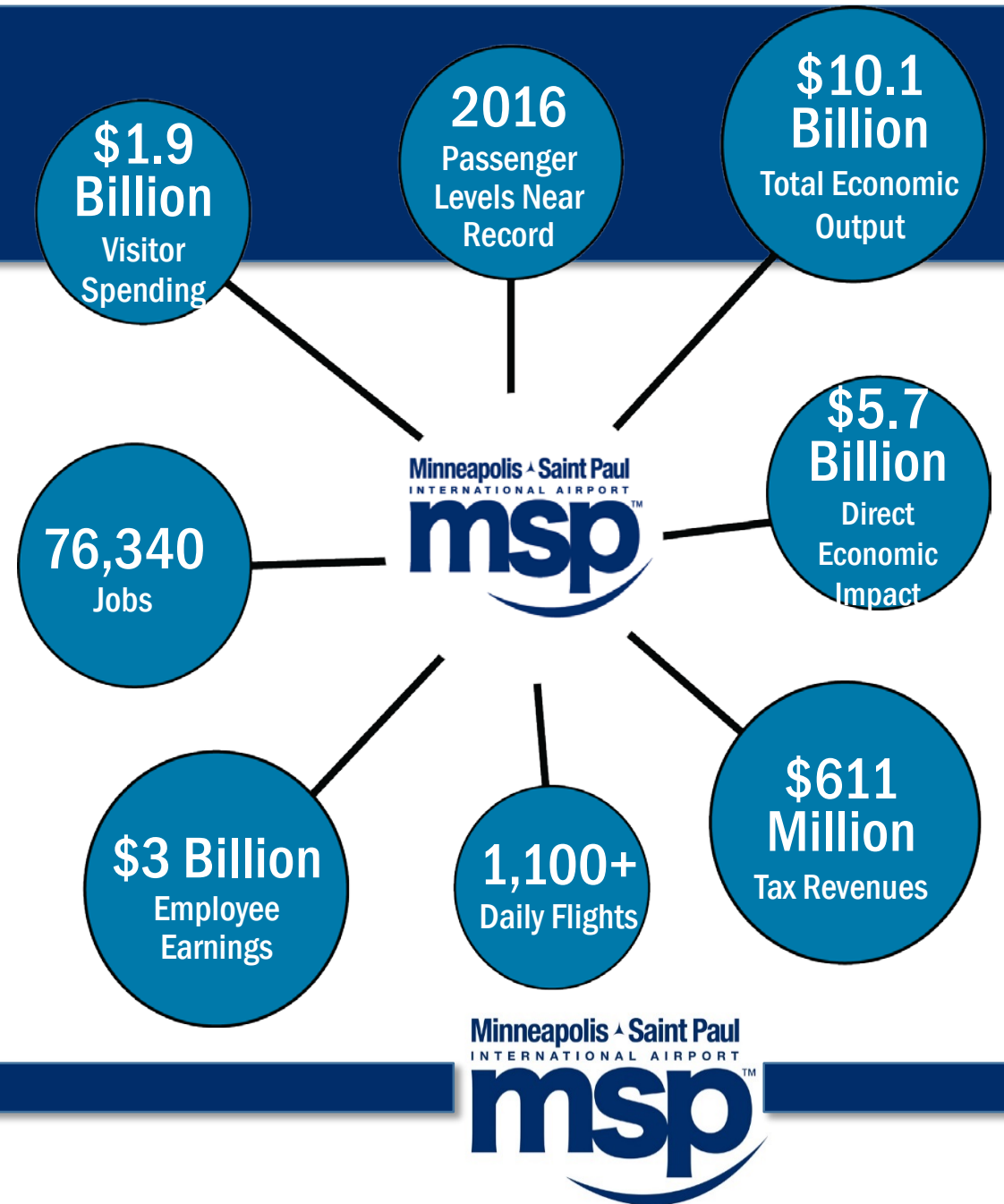


Work is well underway on a new hotel, parking management building, exit plaza and roadway changes, with construction of a new 5,000-space parking ramp to commence this summer.



Economic Impact

The region's job growth, economic output, and businesses all depend on having strong connections to the world, and MSP nurtures those connections to keep our economy robust.



Questions?



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