Recovery Through the Pandemic

Brian Ryks, CEO of Metropolitan Airports Commission
January 27, 2021
The Metropolitan Airports Commission

- A public corporation of the state created in 1943

- Legislated purpose:
  - Promote efficient, safe and economical air commerce
  - Develop the full potentialities of the metropolitan area as an aviation center
  - Minimize the environmental impact from air transportation and the public’s exposure to noise and safety hazards around airports

- Can own and operate airports within a 35-mile radius of downtown Minneapolis and St. Paul
The MAC Airport System

The MAC owns and operates seven airports, providing convenient access to air transportation for all parts of the Twin Cities metropolitan area.
Our Mission
Connecting you to your world
Our Vision
Providing your best airport experience
• 650+ employees

• Operates much like a city, with its own:
  • Police
  • Fire
  • 9-1-1 dispatch
  • Building inspection
  • Planning and Development
  • Maintenance Department
  • Finance Department

• Funded by rents and fees paid by airport users, not by local income or property taxes
COVID-19 Impacts
COVID-19 – Industry Impact

- U.S. airport losses = $23 billion
  March 2020- March 2021

- Newest Projections -
  $17 billion in losses - April 2021 – April 2022

- MAC – projected $194 million drop in revenues in 2020

- $245 million decline - total estimate
COVID-19 Travel Impact - Enplanements in 2020

MONTHLY ENPLANEMENTS IN 2020

COVID-19 IMPACT ON MONTHLY ENPLANEMENT
MSP

Enplanement

0 250,000 500,000 750,000 1,000,000 1,250,000 1,500,000 1,750,000 2,000,000
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC

2019 2020 % Difference from 2019

% Difference from 2019

-65.4% -68.1% -70.4% -75.4% -91.7% -95.4% -86.1% -70.4% -66.1% -65.4%
COVID-19 Travel Impact - Routes

ACTIVE VS SUSPENDED ROUTES SINCE COVID-19

Direct Active/Suspended Routes

<table>
<thead>
<tr>
<th>Date</th>
<th>Number of Routes</th>
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<tbody>
<tr>
<td>Mar. 15-21</td>
<td>223</td>
</tr>
<tr>
<td>Mar. 29-4</td>
<td>91</td>
</tr>
<tr>
<td>Apr. 12-18</td>
<td>105</td>
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<tr>
<td>Apr. 26-2</td>
<td>Active</td>
</tr>
<tr>
<td>May 10-16</td>
<td>Suspended</td>
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<td>May 24-30</td>
<td>155</td>
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<td>Jun 7-13</td>
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<td>Jun 21-27</td>
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<td>Jul 5-11</td>
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<td>Jul 19-25</td>
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<td>Aug 8-16</td>
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<td>Aug 30-5</td>
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<td>Sept 13-19</td>
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<td>Oct 11-17</td>
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<td>Oct 25-31</td>
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<td>Nov 8-14</td>
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<td>Nov 22-28</td>
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<td>Dec 6-12</td>
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<td>Dec 20-26</td>
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<td>Jan 3-9</td>
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<tr>
<td>Jan. 17-23</td>
<td>62</td>
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</table>

- Green line: Active
- Red line: Suspended
Revenue and Travel Rebound

Parking: Average of 5,000 + vehicles daily

Parking: Revenues have reached 25% of 2019 levels

Concessions: 54% of venues now open.

Flights Operations: 30-40% below 2019
COVID-19 MAC Board Actions

- Provided relief to key partners:
  - More than $15 million in waivers and deferrals to airlines, auto rental and concessionaires
  - $41 million in reduced fees to airlines
  - $4.7 million rent and fee reduction package for concessionaires that also includes longer lease terms and the ability to charge a hospitality fee of up to 4 percent.
Reliever Airport Operations

WES METRO

Rising interest in flight lessons is fueling steady traffic at Twin Cities suburban airports

A rising interest in flight lessons is fueling steady traffic at Flying Cloud and Blaine airports

By Erin Adler Star Tribune | NOVEMBER 30, 2020 — 4:54AM
Health Safety Program
Playbook

• Guidelines for MSP airport community

• Ensure safety of customers and employees

• Best practices from health agencies and aviation industry

• Consistent and trusted experience for all
Travel Confidently MSP Program

- Robust Cleaning
- Hand Sanitizing
- Face Covering
- Social Distancing
- Shields
- Touchless Parking
Travel Confidently MSP Campaign

• High profile campaign

• Travelers can learn before they fly

• Signs: banners, stanchion belts and toppers, floor markers, and digital displays

• Reminders: hand washing, face covering, social distancing
Travel Confidently MSP Program

COVID-19 SALIVA TESTING
Travel Confidently Campaign

Traveler Care Packages
Accreditations for Best-in-Class Cleaning/Infectious Disease Prevention

GBAC Star Program:
• Developed by American Association of Airport Executives in partnership with the Global Bio-risk Advisory Council
• Recognizes airports maintaining a standard that minimizes risk from coronavirus and other infectious agents

Airport Health Accreditation Program:
• Developed by Airports Council International
• Assesses how MSP health measures align with ICAO Council Aviation Restart Task Force recommendations
• Focuses on best practices in the areas of cleaning and disinfection, physical distancing, staff protection, physical layout, passenger communications and passenger facilities
Industry Path to Recovery

- National traffic forecast for 2020: 36% of 2019 domestic traffic levels
- Beyond vaccine, economy will dictate the full recovery, which could take 4+ years
- Carriers will pursue capacity discipline to offset pandemic losses
- Recovery will be uneven geographically
- MSP well-positioned as Delta hub
- Long-term impacts?
2021 and Beyond
Annual Enplanement Forecast

MSP Enplaned Passengers (000's)
(% versus 2019 levels)

- 2019 Actual: 19,783
- 2020 Estimated: 7,453 (-62%)
- 2021 Budget: 13,816 (-30%)
- 2022 Forecast: 16,816 (-15%)
- 2023 Forecast: 18,794 (-5%)
- 2024 Forecast: 19,783 (0%)
Budgeted 2021 Operating Revenues

$331 Million
Budgeted 2021 Operating Expenses

$195 Million
5

MSP Reimagined and Other Projects
## 2021 CIP Summary

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost</th>
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<tbody>
<tr>
<td>MSP Long Term Plan Projects</td>
<td>$57,675,000</td>
</tr>
<tr>
<td>MSP Maintenance/Facility Upgrade Projects</td>
<td>$49,125,000</td>
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<tr>
<td>MSP End of Life Replacement Projects</td>
<td>$33,300,000</td>
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<td>MSP On-Going Maintenance Programs</td>
<td>$21,950,000</td>
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<td>MSP IT Projects</td>
<td>$12,600,000</td>
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<td>Reliever LTCP Projects</td>
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<td>Reliever Mx/Facility Upgrade Projects</td>
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<td>MSP Noise Mitigation</td>
<td>$1,500,000</td>
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<tr>
<td>MSP Tenant Projects</td>
<td>$0</td>
</tr>
</tbody>
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**Year 2021 CIP Total**

$185,070,000
Operational Improvements - Ticketing
Operational Improvements – Baggage Claim
G Concourse & Delta Sky Club
Lake Elmo Runway 14-32 Relocation – Phase 3

- $5,000,000
- Grading and paving of new longer runway
- Significant storm water design and construction
- Conversion of existing Runway 14-32 to a taxiway in Phase 4
Crystal Airport- Runway 14-32 Extension

- $4,557,000
- Longer runway for operations
- Reconstructed airfield pavements
- Incorporated latest safety design measures
- New fueling system
$15.9 Billion
Total Economic Output

$7.1 Billion
Direct Economic Impact

$973 Million
Taxes generated for local, state and federal programs

$2.5 Billion
Visitor Spending

86,900
Jobs

$3.7 Billion
Employee Earnings

Reliever Airports:
• $756 million in total economic output
• 1,030 direct jobs
• $56 million in direct wages
Thank you