

**Greater Orlando Aviation Authority
Orlando International Airport
&
Orlando Executive Airport
Budgets
Fiscal Year 2015-2016**



**Greater Orlando Aviation Authority
Orlando, Florida**

Greater Orlando Aviation Authority

Fiscal Year 2016 Budget-in-Brief



ECONOMIC OUTLOOK

According to Visit Orlando, Orlando set another record of 62 million visitors to the City Beautiful in 2014; first U. S. destination to reach over 60 million visitors in a year. This is a 5 percent increase over 2013's record of 59 million visitors.

Locals and tourists alike will find an ever changing landscape in the Central Florida area. From new hotels and restaurants to changes at the local theme parks, to sporting and cultural events the Orlando area is sure to have something for just about everyone.

If a luxury get away is to your liking, three new five-star resorts; the Four Seasons Resort Orlando, the Ritz-Carlton Orlando, and the Waldorf Astoria Orlando are waiting to pamper your every need. Restaurants such as; Mangos Tropical Café, The Whiskey, Morimoto Asia, and STK Orlando will tempt your taste buds with a variety of outstanding menus.

International Drive is undergoing major changes with the opening of the I-Drive 360 complex complete with eating and retail establishments and new attractions including the Orlando Eye, a 400 foot high observation wheel with a view of the city and much of the Central Florida area; Madame Tussauds' wax museum where you can take all the selfies you like with any of the famous or infamous figures on exhibit; and SEA LIFE Orlando, where you can see over 5,000 different sea animals. If you want a bit more of a thrill, try Escapology and test you and your friends'

wits against the clock to unlock the puzzle and the door to freedom.

Walt Disney World Resort continues their updates to all four parks as well as the transformation of Downtown Disney into Disney Springs. Many of the major upgrades won't be completed until 2016, such as the "Frozen" attraction at the Norway pavilion in EPCOT; but others are already completed such as the New Fantasyland including an interactive queue at Peter Pan's flight, new seating and fireworks viewing areas around Cinderella's castle, and the first neighborhood at Disney Springs.

Universal Orlando Resort is enjoying their first full year of the expanded Wizarding World of Harry Potter – Diagon Alley with all the rides, restaurants, and shops created especially for Harry Potter fans. This summer though, the Minions are taking over the park and creating all kinds of mischief! There is a special scavenger hunt, food, and all sorts of trouble to enjoy with the little guys including a parade! 2016 will see additional changes at the resort with Skull Island: Reign of Kong to open along with the new Loews' Sapphire Falls Resort hotel.

Sea World Orlando has a new show this summer, Clyde & Seamore's Sea Lion High. Once again the sea lion duo, along with their walrus and otter friends is out to entertain audiences of all ages. Sea World has also announced it will be adding a new roller coaster in 2016.

Performing Arts fans will find the new Dr. Phillips Center for the Performing Arts a wonderful new addition to the area for Broadway productions, music, comedy, and the ballet. Soccer fans, your time has also arrived with the new Major League Orlando City Soccer Club! Currently playing at the refurbished Citrus Bowl, there are plans underway to build a new stadium in the downtown area.

MAJOR INITIATIVES

ORLANDO INTERNATIONAL AIRPORT

Expansion in the north and the south portions of the airport are now underway with the approval of a \$1.1 Billion dollar Capital Improvement Plan (CIP). Detailed in the CIP were projects carried over from the prior CIP, including the Airfield Improvements, Baggage Handling Systems (BHS) and Emergency Electrical Systems Upgrades. The CIP includes projects developed to modify and expand the existing North Terminal capacity to accommodate passenger growth in areas relating to international passenger processing public circulation in the ticket lobbies, and baggage screening. The CIP also includes the South Airport Automated People Mover (APM) Complex which will support future multi-modal travel connections. The planned enhancements will enable Orlando International Airport to continue providing a high level of customer service while maintaining *The Orlando Experience*® for our passengers.

Several other major construction programs started during this fiscal year. Design was completed on the major components of the \$146M Ticket Lobby Improvement Program, which is aimed at expansion of the ticket lobbies in Terminal A & B, to incorporate new technology and provide greater capacity. The improvements will cover areas between the ticket counter back walls moving outward toward the

enplane curbs. Construction on this program is anticipated to begin in the first quarter of FY 2016.

Design efforts were also completed on the Airside 4 Improvements Program, with an estimated program cost of \$114M, which includes improvements to the federal inspection services facilities, construction of a new central energy plant air handling unit, conversion of domestic gates to swing gates to accommodate increased international service, and renovation of restroom facilities. Construction on the program is anticipated to begin in the first quarter of FY 2016.

In addition, fiscal year 2015 saw the start of the multi-year South Airport APM Complex with an estimated project cost of \$426M. Design work was completed on the four main components of the South Airport APM Complex, which include the APM Guideway, APM Station, Parking Facility, and Roadway Systems, and construction for these work elements is underway. Additionally, a Design-Build-Operate-Maintain agreement was approved in fiscal year 2014 for the replacement of the Airsides 1 and 3 and South APM vehicles and operating systems and construction started during fiscal year 2015.

BUDGET PRINCIPLES

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

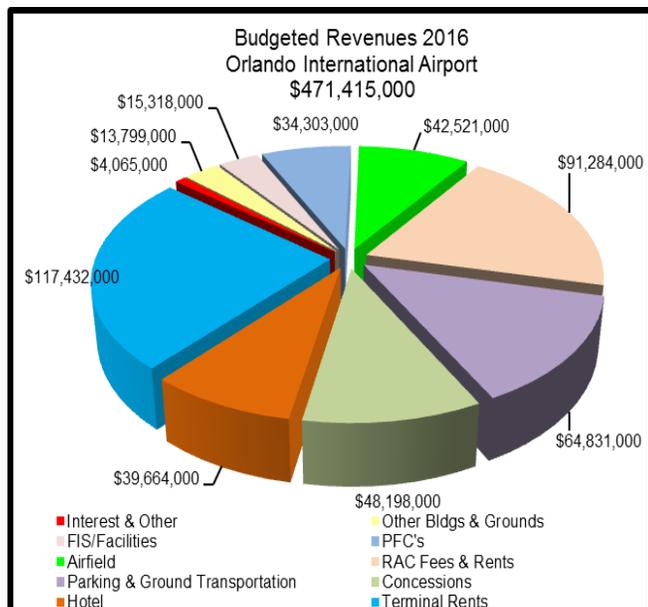
BUDGET HIGHLIGHTS

ORLANDO INTERNATIONAL AIRPORT

Airline rates and charges incorporated in the Fiscal Year 2016 budget were developed using a compensatory ratemaking methodology designed to comply with applicable legal requirements. Capital projects are funded from the surplus cash flows generated from revenues, grants, bonds, PFC's, or CFC's. Simply stated a compensatory methodology requires airlines to pay only for the cost allocable to the portion of the airport system they use (i.e. airfield, apron, terminal building space, loading bridges and baggage system).

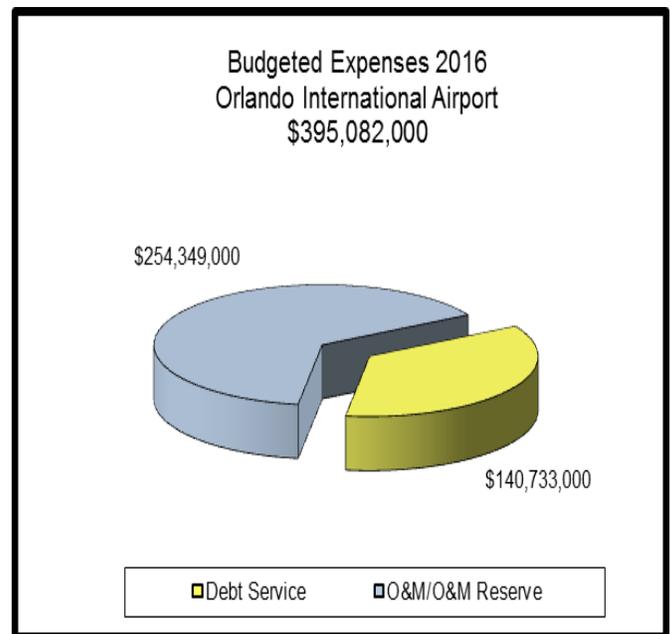
Revenues

Revenues, excluding PFC available revenues, are projected to increase \$36 million or 9 percent over the fiscal year 2015 budget. Airline rentals, fees, and charges are projected to increase \$16 million due to an increase in rates, and an overall projected increase in passenger activity. Nonairline revenues are projected to increase \$21 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 \$395,082,000 for 2016. This includes Debt Service payments of \$133,872,000, the Operation and Maintenance Fund/O&M Reserve of \$254,349,000, and Fund Deposits of \$6,861,000. Cost per enplanement is currently estimated at \$6.92.



Operation and Maintenance Fund

At \$254,349,000 the Operation and Maintenance budget for 2016 is 8 percent over the fiscal year 2015 budget. Increases occurred in other professional services, management contracts including Orlando Police Department, shuttle, and hotel; other contractual services including baggage systems; and personnel services.

Debt Service Fund

Debt service requirements are \$140,733,000 for fiscal year 2016, or 36 percent of the total budget. Of this amount, \$117,784,000 represents payments for senior debt, \$6,860,000 for PFC

fund, and \$16,089,000 for other subordinated debt.

Capital

The fiscal year 2016 capital requests for asset rehabilitation, repair, or replacement, including the hotel, total \$54 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.

MAJOR INITIATIVES

ORLANDO EXECUTIVE AIRPORT

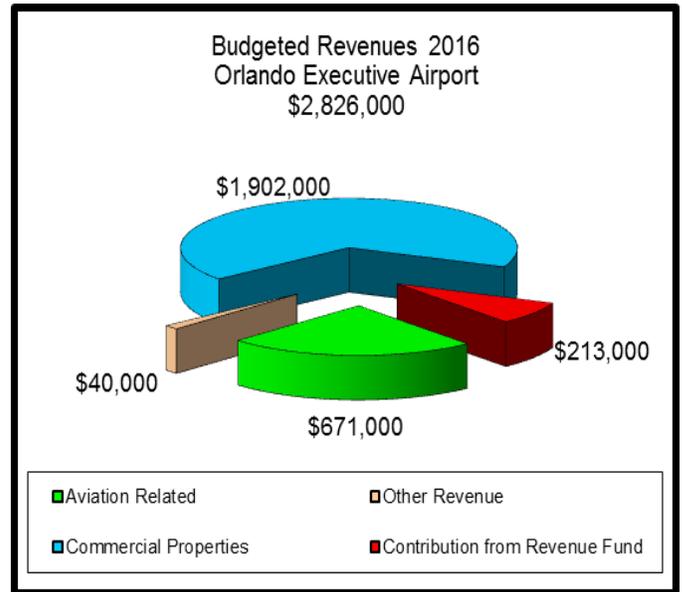
During fiscal year 2015 at OEA, the \$3.1M project for the rehabilitation of Taxiways B, E, and E6 was substantially completed. Additionally, a new 2,900 square foot maintenance facility for the Authority was constructed adjacent to the existing OEA Administration Building. Commercial properties at the corner of SR-50 and Rickenbacker Dr. were reconfigured by adding a service road and relocating utilities to create new sites for Gordon Food Service and Wawa stores which are now in operation.

For FY 16, 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.

Revenues

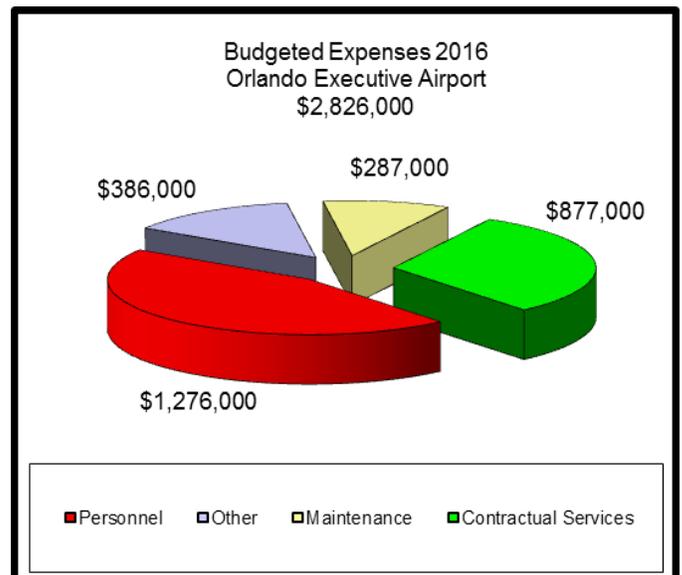
Revenues at Orlando Executive Airport decreased \$69,000 or 2.6 percent from the 2015 budget. This was the result of a decrease in Commercial Properties due to several vacant

properties. Since landing fees are not assessed to its users and because revenue is not shared with Orlando International Airport, Orlando Executive Airport relies heavily on funds generated through rental fees.



Expenses

For fiscal year 2016, expenses decreased slightly due to a reduction in professional services. Capital projects for fiscal year 2016 are budgeted at \$534,000.



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

	Budget <u>2016</u>	Budget <u>2015</u>
ANTICIPATED REVENUE		
Airline Rentals, Fees and Charges	\$ 160,441,000	\$ 144,892,000
Nonairline Revenues	274,600,000	253,281,000
Available PFC Revenues	34,303,000	47,548,000
Interest Revenue	2,071,000	1,994,000
	<hr/>	<hr/>
Total Deposits	<u>\$ 471,415,000</u>	<u>\$ 447,715,000</u>
 APPROPRIATIONS		
1998 Debt Service Fund	\$ 883,000	\$ 1,355,000
2007 Debt Service Fund	16,731,000	16,730,000
2008 Debt Service Fund	24,507,000	35,526,000
2009 Debt Service Fund	21,121,000	21,122,000
2010 Debt Service Fund	12,577,000	8,712,000
2011 Debt Service Fund	10,001,000	9,995,000
2012 Debt Service Fund	1,853,000	1,853,000
2013 Debt Service Fund	18,966,000	10,510,000
2015 Debt Service Fund	9,346,000	21,749,000
2016 Debt Service Fund	1,800,000	0
Operation and Maintenance Fund	251,293,000	232,956,000
Operating Reserve Fund	3,056,000	1,978,000
Discretionary Fund	22,948,000	16,761,000
	<hr/>	<hr/>
Total Appropriations	<u>\$ 395,082,000</u>	<u>\$ 379,247,000</u>
 Remaining Revenues		
	<u>\$ 76,333,000</u>	<u>\$ 68,468,000</u>

**GREATER ORLANDO AVIATION AUTHORITY
ORLANDO EXECUTIVE AIRPORT
FISCAL BUDGET
2015-2016**

	Budget <u>2016</u>	Budget <u>2015</u>	Budget 2016 vs. Budget 2015 <u>Variance %</u>
ANTICIPATED REVENUE			
Aviation Related	\$ 671,469	\$ 636,774	5.4%
Commercial Properties	1,902,381	2,003,208	-5.0%
Other Revenue	<u>39,530</u>	<u>42,018</u>	-5.9%
Total Anticipated Revenue	2,613,380	2,682,000	-2.6%
Contribution from OEA Revenue Fund	<u>747,220</u>	<u>409,060</u>	82.7%
Total Deposits	<u><u>\$ 3,360,600</u></u>	<u><u>\$ 3,091,060</u></u>	8.7%
APPROPRIATIONS			
Operations & Facilities			
Facilities (443)	\$ 783,820	\$ 757,490	3.5%
Kane Common (445)	18,000	22,000	-18.2%
Subtotal Operations & Facilities	<u>801,820</u>	<u>779,490</u>	
Safety & Security			
Operations (442)	379,880	303,900	25.0%
Border Protection (446)	169,020	162,000	4.3%
Crash/Fire/Rescue (442)	542,070	538,020	0.8%
Subtotal Safety & Security	<u>1,090,970</u>	<u>1,003,920</u>	
Administration			
Administration (441)	580,640	629,390	-7.7%
Employee Benefits (951)	442,730	443,590	-0.2%
Less: Employee Benefits Allocated (952)	<u>(442,730)</u>	<u>(443,590)</u>	-0.2%
Subtotal Administration	<u>580,640</u>	<u>629,390</u>	
Other Expenses			
Insurance, Contingency and Other (953)	<u>353,170</u>	<u>425,360</u>	-17.0%
Total Appropriations Before Capital	<u>2,826,600</u>	<u>2,838,160</u>	-0.4%
Capital Outlay and Improvements	534,000	253,400	110.7%
Total Appropriations	<u><u>\$ 3,360,600</u></u>	<u><u>\$ 3,091,560</u></u>	8.7%