Tampa International Airport

2013 Strategic Business Plan

November 2013

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1.1 Background

In November 2011, Hillsborough County Aviation Authority ("the Authority") embarked on its most recent Master Plan update for Tampa International Airport. Typically, airports in the United States develop master plans based on passenger forecasts every five to seven years to establish a blueprint for development over a 20-year period. These plans consider land use requirements and facility needs for passenger terminals, airfield and airspace zones, cargo, parking, rental cars, roadways and various other facilities. The 2012 Master Plan update was completed in March 2013 and was approved by the Authority's Board of Directors in April 2013. This Master Plan update replaces the previous version of the Master Plan which was issued in January 2006. The Authority is currently embarking on a separate General Aviation Master Plan project that will provide a 20-year outlook for the three general aviation airports. This separate GA Master Plan is projected to be completed in early 2015.

Authority policy requires that any approved Master Plan be accompanied by a detailed Strategic Business Plan to estimate costs and identify funding strategies for major capital projects over a 10-year planning horizon. The Authority's first Strategic Business Plan was based on the 1999 Master Plan and presented to the Board on September 6, 2001. It was updated in February 2003, June 2006 and May 2010.

The 2013 Strategic Business Plan represents a major change in focus for the Authority from the 2006 and 2009 versions of the Business Plan. Both the 2006 and 2009 Plans were focused on facilities development tied to anticipated passenger growth with construction timelines tied specifically to enplanement triggers. Through this approach, in 2009, the Authority was approximately 6 months away from beginning construction on the North Terminal concept contained in both the 2006 and 2009 Plans. The negative impact of the current recession, combined with the projected construction timelines of the 2009 Business Plan, would have resulted in the Authority opening the new North Terminal complex in 2015 with both passenger and operations levels substantially below the enplanement levels that would have triggered the beginning of construction. If implemented, the North Terminal would have had significant negative impacts on the Authority's financial performance with Authority O&M increases projected to increase by approximately $27 million annually in a facility which, unbeknownst to the Authority at that time, would not be necessary in 2015.

The 2013 Business Plan represents a much more conservative and fiscally responsible approach given the current economic reality, focusing instead on extending the life of the current Main Terminal facility. The 2013 Business Plan focuses on identifying and remediating the operating issues that were the driving forces behind the perceived need for the North Terminal complex in the 2006 and 2009 Plans. By solving these operational issues, Management would be able to maintain Tampa International Airport's current reputation as a world-class facility, and would enable the facility to continue to serve as an economic driver for the entire Tampa Bay region. HNTB, the Authority's Master Planners, identified that if the curbside, road congestion and car rental operations issues were not addressed by 2016, Tampa International Airport would cease to function as it does today, with the constraints limiting growth not only of the facility but also of the region. In addition, this approach results in the Authority being able to defer several billion dollars in alternative development costs by approximately 30 years, with the North Terminal project now not being needed until the 2040-2045 timeframe.

In January 2011, the Authority underwent a fundamental strategic change with the appointment of a new Chief Executive Officer, Joseph Lopano. This change in executive leadership, and the accompanying restructuring of senior leaders resulted in a major shift in pace and direction at the Authority. With a greater emphasis on marketing, data analytics and driving revenues, the Authority entered a new phase of its development. At the same time, the Authority began to focus on sustainability as a core principle, seeking to consider social and environmental opportunities and responsibilities into the airport's development

The new strategic direction, combined with a stabilization of the Authority's passenger traffic which had seen a 14% drop in three years prompted the Authority to re-evaluate its short, medium and long term plans triggering this current Master Plan update. With passenger traffic seeing slow but steady growth, the new management team at the Authority was able to compare the longer term goals shown in the previous Master Plan to the new vision of the Authority.

This Strategic Business Plan summarizes the updated capital improvement program and outlines appropriate business and funding strategies necessary to implement the 20-year development program through 2033. Greatest emphasis is placed on Phase 1 of the Master Plan, which covers the 2014-2018 period. This phase takes care of immediate growth needs due to rental car and parking constraints, congestion on the curbside and roadways and crowded passenger circulation areas on the transfer level of the main terminal.

The national recession, changes in the airline industry and BP oil spill contributed to a 14% decline in passenger levels at Tampa International Airport over three consecutive years, beginning in 2008 and hitting bottom in 2010 at 16.6 million passengers.

Since then, the Authority has seen consistent annual growth in the 1%-2% range. Unlike in prior periods where the Authority experienced significant double-digit "bounce-backs" from economic downturns, changes in the national economy combined with greater discipline in the airline industry are resulting in a much more gradual recovery. The Authority anticipates serving16.9 million passengers in the October 2012-September 2013 fiscal year representing a 0.8% increase over FY2012.

This Strategic Business Plan is based upon a slow but steady economic recovery with Tampa International Airport projected to experience slightly higher growth rates in 2015 and then stable growth rates of between 2.0% and 2.1% through the remainder of the Business Plan period. The Authority is projecting higher growth rates in the near term due to a greater emphasis on air service development and marketing efforts based on detailed analysis of passenger behavior in the airport's catchment area which includes 7 million people within a two hour drive of Tampa. Tampa International Airport has already begun to see increased traffic levels through the introduction of additional services on existing routes as well as greater success in attracting new domestic and international services. International passenger traffic increased 20 percent in 2012 compared to the previous year.

In 2011, international traffic on nonstop services accounted for only 2.5% of Tampa's overall passenger traffic. The Authority's Master Planning consultant projects that international traffic will almost triple as a percentage of total passengers, and will account for more than 7% of total traffic by 2031.

The 2012 Master Plan update sets activity and business triggers for major development projects with an estimated timeline for reaching those triggers. Phase 1 which covers the 2014-2018 period addresses immediate needs to decongest the main terminal. Phases 2 and 3 will begin as triggers are reached. For planning purposes, it is assumed Phase 2 will begin sometime between 2018 and 2023 and is composed of a series of enabling projects designed to prepare the terminal facility for future growth. Phase 3 covers the 2020-2028 period and contains a series of growth projects designed to extend the life of the existing facility. Projects not related to passenger growth are tied to real estate development, existing facility life cycles and best maintenance practices.

On October 3, 2002, the Board adopted a policy regarding the Authority's strategic Business Plan which states the following:

> The plan will provide a detailed funding analysis of operating expenses, revenues, and projected airline charges and establish development and financial goals along with measurement criteria. The plan's overriding objective is to place the Authority in a healthy financial position without overburdening the air carriers while maintaining competitive airline rates and charges. Funding strategies and recommendations will ensure airport facilities and improvements are brought on line when needed, based on established trigger points, funded in a manner that preserves the Authority's competitive cost structure, and maintains maximum flexibility under changing circumstances.

Whereas the 2006 plan anticipated rapid growth to 25 million annual passengers by 2015 and the development of the North Terminal to meet demand, the current management team at Tampa International Airport focused on extending the useful life of the existing Terminal Complex during the 2012 Master Plan Update largely by expanding the main terminal building and moving rental car facilities out of the terminal. Through this new approach the Authority is expected to be able to remain in the current facility through approximately 2041 when the airport is projected to be handling almost 35 million passengers. This approach preserves the 254-acre footprint of the planned North Terminal for future growth and allows the Authority to utilize those lands for other uses until which time a new terminal facility is required.

Key components of the 2012 Master Plan update are a consolidated car rental center (“ConRAC”) connected to the main terminal by an Automated People Mover (“APM”), both of which are projected to open in Fall 2017. In addition to serving rental car customers, the APM will transport economy garage parkers, airport employees, commercial vehicle passengers and private vehicle passengers from the South Development Area to the terminal. It is designed to be eventually extended to a north terminal and south to a potential regional multimodal center in the Westshore Business District.

In preparing this Strategic Business Plan, the Authority focused on the following two primary objectives;

- To provide a detailed financial structure that allows the Authority to;
    - Maintain its current annual debt service levels, thus minimizing any increase in cost per enplanement for the Authority’s air carriers
    - Maintain its current strong debt ratings
    - Provide financial flexibility for the future through responsible financial planning and execution.

- To match financial milestones with planning and development timelines to ensure smooth implementation of the Master Plan projects.

1.2 Purpose and Scope

Based on the objectives outlined above, the Strategic Business Plan ensures airport facilities are brought on line when they are needed, funded in a manner that preserves the airport’s cost competitive structure, and planned to afford the Authority maximum flexibility under changing circumstances. The Business Plan supports the responsible and resilient development and operation of Tampa International Airport.

The Strategic Business Plan also provides a framework for decision making by Authority management and the Board, as well as informing other stakeholders about the key components related to airport development. The Plan summarizes future facility requirements, establishes the necessary time frames for development, estimates the cost impacts of the required investments, maintains an acceptable non-airline revenue ratio and identifies a strategy for maintaining a cost competitive environment.

This document will provide detailed implementation and financial impact statements for each of the three planning horizons, will include projected cost per enplanement ("CPE") figures for the traditional 10-year Business Plan period, detailed annual capital program funding information as well as long term debt projections through 2050. The CPE projections will be provided with low, medium and high sensitivities.

1.3 Acknowledgement

The Strategic Business Plan update would not be possible without the contributions of internal staff, the Authority's Airport Consultant, Ricondo and Associates as well as its Financial Advisor, PFM, led by Kenneth Fullerton. Passenger growth, operations and landed weight projections were provided by the Authority's Master Planning consultant, HNTB Inc. and were updated by Ricondo and Associates, the Authority's Airport Consultant.

2.1 Hillsborough County Aviation Authority Mission, Vision and Goals

The Authority's mission is to be a major driver in the economic growth of the Tampa Bay region. Through this mission, the Authority team will be leading edge innovators to create global access and extraordinary customer experiences through our people and facilities to build prosperity for our stakeholders and the region. This mission also reflects the Authority's commitment to balancing the social and environmental aspects of Tampa International Airport's development and operation.

The Authority's vision is to be a vibrant aviation gateway for Tampa Bay, providing access and economic opportunity for our stakeholders. The goal of this mission and vision is to make Tampa International Airport America's favorite airport by 2017.

Five specific strategic objectives underpin both the mission and vision statements:

- ***Customer Service Excellence.*** The Authority is focused on providing an industry leading customer experience, from airport entry to the gate, as well as from arrival gate to airport exit. The primary goal of every Authority staff member is to provide airport customers the very best travel experience available at any airport.

- ***People, Culture and Community.*** The Authority recognizes that its success is closely tied to the success of its people, and that the Authority's success will play a significant part in the overall success of the Tampa Bay community as a whole. As such, the Authority is expending substantial resources in the continued development of its employees and involvement in the community. The Authority strives to be a catalyst for change in the Tampa Bay region, identifying and implementing opportunities to drive growth at a regional level.

- ***Safety and Security.*** Providing a safe and secure environment is required before any of the Authority's other primary goals or objectives can be met. As such, goals tied to successful completion of the FAA Part 139 Audit, the Transportation Security Administration safety audit, and to a reduction of passenger injuries have been incorporated into the Authority-wide goals.

- **Growth and Financial Strength.** In addition to focusing on maintaining a cost competitive structure for businesses operating at our facilities, and maximizing revenue opportunities, the Authority is continuing to build sufficient reserves to create a more stable financial base for the future operations.

- ***Innovation and Process Improvement***. The Authority is focusing on continually upgrading its processes and infrastructure through cutting edge technology, internal and external process review, and continually developing its employees.

Development Goals

To support the mission and overall direction of the Authority, Management identified five prerequisites for the development program:

- ***Just-in-Time Capital Development Programs.*** All airport development will be linked to activity or management triggers, and specific projects will only be built to meet projected demand. This approach allows the Authority to open facilities at the time they are needed based on predetermined activity levels.

- ***Cost Effective Development.*** Projects will be designed and constructed to deliver safe, secure, convenient and efficient facilities. Facilities will be designed to deliver the most cost effective approach balancing functionality, aesthetics, sustainability, life cycles and security requirements.

- ***Customer Convenience.*** Development will ensure customer convenience is maintained and improved upon. Standards associated with walking distances, way finding, customer amenities and ease of using the facilities will continue to define facility development.

- ***Timely Reaction to Tenant Demands and Growth.*** Airport development will be accomplished in a timely manner using various delivery methods to reduce the amount of time it takes to respond to tenant requests for facility modifications and demand driven expansion.

- ***Minimize Customer Impacts During Construction.*** Avoid negative impacts and congestion during construction.

Financial Goals

The Authority is focused on revenue growth and has operated in a conservative and fiscally responsible manner. Management has focused on the diversification of operating revenues, has maintained very strict control of day-to-day operating costs, and has limited the growth of personnel expenditures. Through this approach, the Authority has been able to direct more than $13 million into new Authority reserve accounts over a three year period. The Authority's financial projections over the initial 10-year planning horizon have been created utilizing the same conservative philosophy.

The Authority has also taken a very conservative approach to managing the its annual Capital Plan, capping expended Authority funds, which has traditionally been between $19 million and $24 million per year, with a 2% growth rate per year through the period of the Plan. Authority staff, in conjunction with the airport's financial advisor, PFM, has devised a financial structure that would allow the airport to implement the entire three-phase project without substantial increases in the airports costs to the airlines while maintaining its debt coverage at healthy levels.

The Authority has developed a series of financial objectives designed to maximize its financial health. These objectives mirror the Authority's overriding principals which are designed to make Tampa International Airport the model for other organizations industry-wide. The following objectives constitute the base structure necessary for the Authority to operate in a fiscally successful manner

- **Continue to Increase Profits**: The Authority has increased its net profits each of the past three years, with revenue growth far outpacing passenger growth. This, combined with a fiscally conservative approach to expenses, has resulted in consecutive increases in the Authority's reserve accounts.

- **Reward and Retain Our Talented Team:** The Authority has amassed one of the very best employee teams in the airport industry and must ensure that its staff members are compensated fairly to retain its talent.

- **Maintain a Competitive Cost Environment:** A competitive cost environment will allow Tampa International Airport to more easily attract additional air carriers as well as to increase services with incumbent airlines.

To accomplish these objectives, five financial goals were established under the Strategic Business Plan as follows:

- ***Maximize Revenue Generation*****:** Maximizing revenues will allow the Authority to fund a greater percentage of development and capital costs while also contributing to maintaining a lower cost base. By the end of FY2014, overall revenues are projected to have increased over four years by more than 12% on a 4% increase in traffic, primarily driven by diversification of revenue sources and the introduction of new services and concessions.

- ***Minimize Authority Long Term Debt*****:** Minimizing the Authority's long term debt will allow it to fund larger annual capital programs as well as drive additional funds to the Authority's reserve accounts.

- ***Diversify non-airline revenue sources:*** The Authority has embarked on a program designed to increase and diversify non-airline revenue sources with new emphasis being placed on revenue generators such as commercial real estate as well as additional services in existing areas such as parking and concessions.

- **Maintain Authority-Funded Debt Service at Current Levels:** By maintaining existing debt service levels in an environment with increasing revenues, the Authority will be able to drive additional funds towards the annual capital programs and reserves.

- ***Maintain Existing Debt Ratings.*** Maintaining its current strong debt ratings is critical to the Authority as it enters Phase 1 of the 2012 Master Plan projects. The Authority will be financing several hundred million dollars of a $2.5 billion program and in order to maintain acceptable annual debt service levels, the current ratings must be preserved. The Authority and its financial advisor, PFM, have created a financing structure which is projected to allow the Authority to maintain its current ratings even with the new debt.

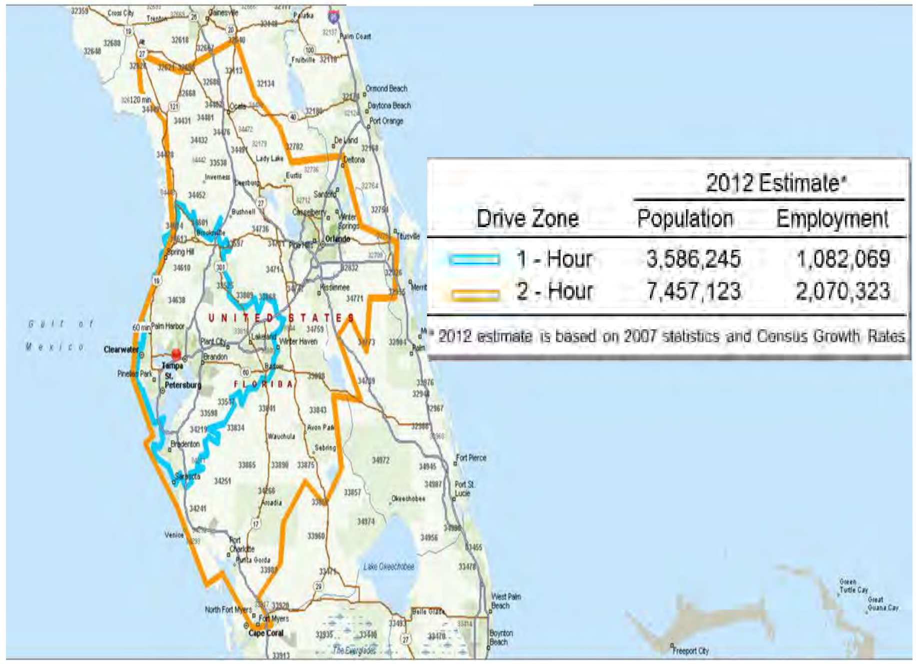
3.1 Forecast Review

Future development at the Authority through the term of this Strategic Business Plan will be tied very closely to projected passenger growth, capacity constraints, and new revenue opportunities. The short term development contained in this plan is being driven by existing facility constraints related to the Authority's rental car facilities. Phases 2 and 3 of the Master Plan, plus most of the other projects in the Authority's longer term Capital Plan, will be triggered by passenger and activity levels, as well as traditional replacement schedules and revenue growth opportunities. The timeline provided by HNTB, the Authority's Master Planners, projected that the beginning of Phases 2 and 3 would start between 2018 and 2020, with new facilities online in 2023. A more recent passenger forecast by Ricondo, the Authority's Airport Consultant, is projecting lower passenger enplanements than the HNTB forecast from two years ago resulting in the delay of some projects within Phases 2 and 3 of the Master Plan until the 2024-2026 timeframe.

All financial projections and project schedules listed in this Strategic Business Plan are based on the more conservative Ricondo forecast. If passenger levels increase at a greater rate than the 2.1% average projected by Ricondo, the project timelines could accelerate. Operational triggers, such as the accelerated introduction of additional international widebody services could also begin Master Plan Phases 2 and 3 earlier than currently planned. In addition to the passenger forecast, analysis of the current economic environment, projected industry performance and overall population and Gross Domestic Product growth, comparing both the Tampa Bay region and the U.S. and global economies were considered.

The Tampa International Air Trade Area, defined as Hillsborough County, Pinellas County, Pasco County and Hernando County, has averaged a 1.5% average annual growth rate since 2000. This is in line with the 1.6% rate for the entire state of Florida, and is greater than the 0.9% rate experienced at a national level over the same period. Population growth rates are projected to slow slightly for the Air Trade Area over the 10-year period of the Strategic Business Plan, averaging 1.3% per year through 2023. GDP in the Air Trade Area has traditionally lagged behind that of the nation, averaging 1.6% growth per year over the 2005-2012 period versus 2.6% average growth at the national level. Ricondo is projecting that over the initial 10-year period of the Strategic Business Plan, that the Air Trade Area growth rates will increase significantly as the larger U.S. economy recovers, and will also close the gap with the national rate. For the 2012-2023 period, the Air Trade Area annual growth is projected at 4.2% which almost matches the 4.4% rate projected for the U.S. as a whole.

Exhibit 3A



The Tampa Bay region contains more than seven million people within a two-hour drive of Tampa International Airport and remains one of the most vibrant areas within the State of Florida. Exhibit 3A displays a recent drive time map of the region that illustrates that Tampa International Airport is able to attract passengers from a large percentage of the State.

The Air Trade Area has seen great improvement in its business climate with several leading indicators showing significant growth. Average home prices have increased by 9.6% during the most recent 12 months while new home construction has increased by 47.7%. The Air Trade Area has also been successful in attracting new businesses to locate in the Tampa Bay area with over 1,900 new jobs created in Hillsborough County via the expansion or introduction of 13 new major companies.

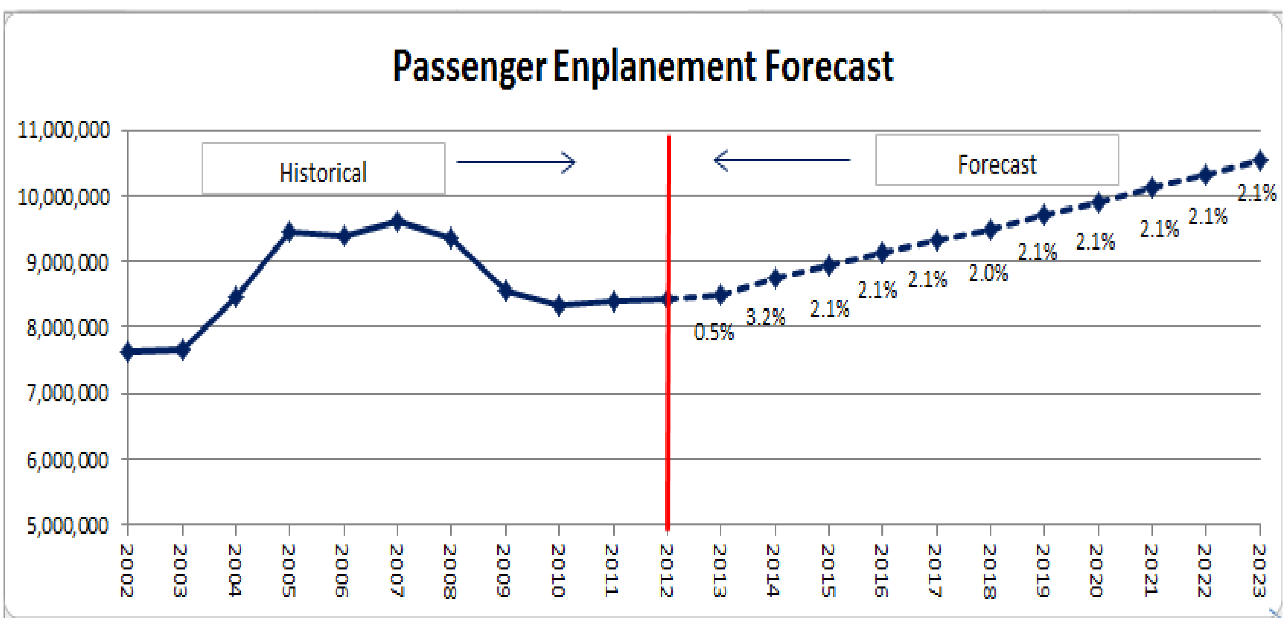
The condition of the U.S. airline industry will be the primary driver of passenger traffic at Tampa International Airport. The industry, through a series of consolidations and fundamental changes in how the airlines do business, has recovered strongly over the most recent two years with many carriers recording record profits. Greater capacity discipline, higher average fares, and the introduction of anciliary fees such as those for checked baggage and pre-reserved seats have created a much more stable environment.

Over the past 10 years, Tampa International Airport passenger traffic has typically declined faster than the national average during recessions, and increased at a faster rate than the national average during economic recoveries. This was primarily due to the majority of Tampa's passengers being inbound leisure traffic, as well as the airline industry's focus on market share. With the new focus on profitability and resulting scaling back of growth plans, Tampa International Airport, and the airport industry as a whole, will see much more measured increases and decreases moving forward. Tampa International Airport has seen this pattern evolve over the past several years. After seeing enplanement figures increase by double digit annual percentages followed by a decline of more than 14% during the 2008-2010 period, the airport has experienced a stabilization and very gradual recovery, averaging approximately 0.3% per year from2011 to 2013 period. The airport is projecting full year figures of 16.9 million passengers during FY2013 which represents a 0.8% increase compared to FY2012. Both Ricondo and the Authority expect that the Airport will experience measured growth over the Strategic Business Plan period with international growth outpacing the more mature domestic market.

The annual passenger activity at Tampa International Airport is expected to grow to 20.7 million passengers by 2023. International traffic is projected to increase at an 8.3% average annual growth rate, more than four times greater than the 1.8% average annual growth projected for the domestic market. The most recent Master Plan evaluation determined that by 2016, projected passenger levels would begin to result in customer service degradation both within the Authority's rental car operations as well in the passenger circulation areas near the shuttle bays in the main terminal. Phase 1 of the 2012 Master Plan update, which included the movement of the Authority's car rental facilities to the South Development Area and the construction of an Automated People Mover ("APM"), has been designed to solve this issue, and is being implemented immediately with an anticipated opening date of Fall 2017. The "Enabling" and "Growth" phases of the Master Plan are currently expected to be implemented between 2020-2026 with the actual triggers for each phase dependent on both passenger and operational conditions and revenue growth opportunities.

Exhibit 3B shows both historical and projected passenger enplanement traffic growth at the airport. After an initial period of higher annual growth in the 2014-2015 period due to the introduction of increased marketing activities and increased international traffic, growth rates are projected to average approximately 2.1% per year with total enplanements expected to total 10.4 million by 2023.

Exhibit 3B



With airlines moving towards larger capacity aircraft, operations at Tampa International Airport are projected to grow at a slower rate throughout the Plan period than passenger volume. Passenger aircraft operations are projected to increase at a rate of 1.0% per year through 2023, with General Aviation ("GA") operations up 0.3% and both military and air cargo operations projected to decline by 2.8% and 2.9% per year respectively.

3.2 Capital Project Assessment

The Authority's capital program is continually evolving to combine major capital projects with the ongoing year-to-year maintenance capital expenditure needs of the Authority. This Strategic Business Plan includes the multi-phased $2.5 billion 2012 Master Plan update through 2031 as well as a 20 year look at the annual capital expenditure projects that typically cover replacement or enhancement of existing programs, systems or assets. The Capital Program identified in this document totals $4,180,890,000 in capital expenditures through the 2014-2033 period.

Exhibit 3C

	Period	Project Cost
Horizon 1	2014-2018	$ 1,507,488,000
Horizon 2	2019-2023	$ 550,997,100
Horizon 3	2024-2033	$ 2,122,404,900

The Capital Program in this Plan is broken into three horizons, with greater detail and emphasis placed on Horizons 1 and 2, which fall within the first 10-year window of this Strategic Business Plan. All three horizons include both the Master Plan as well as the Authority's ongoing capital projects through 2033. The Authority's Planning and Development Department has provided applicable escalated project costs and the Procurement Department has provided estimates regarding probable Federal and State funding assistance. Exhibit 3C illustrates the total project costs by Horizon through the 20 year plan period.

Horizon 1, which covers 2014-2018 and includes Phase 1 of the Master Plan, is projected to total $1.5 billion overall. Exhibit 3D illustrates the per-year cost of the Capital Program through Horizon 1, with most of the capital projects allocated during 2014 due to the construction of the Consolidated Rental Car Facility ("ConRAC") and the APM. Exhibit 3E illustrates that of the total program, approximately 85% of the total cost is related to Terminal and South Development Area improvements.

Exhibit 3D

Year	Project Cost
2014	$ 1,012,123,000
2015	$ 46,047,600
2016	$ 43,884,800
2017	$ 114,846,900
2018	$ 290,585,700

Exhibit 3E

Capital Expense	Horizon 1 Capital	% of Horizon 1
Cargo & Airport Support Facilities	$ 596,507,400	39.6%
Parking & Rental Car Facilities	$ 385,075,800	25.5%
Terminal Complex	$ 310,530,000	20.6%
Airfield	$ 123,725,400	8.2%
General Aviation	$ 38,223,800	2.5%
Roadways	$ 27,601,700	1.8%
Miscellaneous	$ 25,823,900	1.7%

Horizon 2, which covers 2019-2023 and is illustrated in Exhibit 3F, is projected to total $550 million overall, with $92 million due to 2012 Master Plan projects and $458 million due to ongoing maintenance capital needs. The 2019-2023 period will provide a relatively quiet development period before the larger scale Master Plan Phase 3 projects begin in 2024. Notable projects during Horizon 2 include a new hotel and office complex, the buyout of the Marriott lease and demolition of the existing hotel in 2020, the replacement of the Central Plant main chillers in 2021 and significant runway and taxiway work in 2023. Exhibit 3F illustrates the per-year allocation of project cost through the Horizon while exhibit G illustrates that over 70% of the total Phase 2 cost is related to Airfield and Terminal Complex projects.

Exhibit 3F

Year		Project Cost
2019	$	143,157,000
2020	$	148,489,900
2021	$	50,578,400
2022	$	40,348,000
2023	$	168,423,800

Exhibit 3G

Capital Expense		Horizon 2 Capital	% of Horizon 2
Airfield	$	197,719,900	35.9%
Terminal Complex	$	190,122,200	34.5%
Cargo & Airport Support Facilities	$	76,817,500	13.9%
General Aviation	$	57,848,100	10.5%
Miscellaneous	$	20,761,600	3.8%
Parking & Rental Car Facilities	$	6,940,500	1.3%
Roadways	$	787,300	0.1%

Horizon 3, which covers 2024-2033 and includes most of Phases 2 and 3 of the 2012 Master Plan, is projected to total $2.1 billion overall, with $1.1 billion spent in 2024 and 2026. Exhibit 3H illustrates the per-year cost of the capital program through Horizon 3, with most of the capital spend occurring during 2024-2026 due to the planned expansion of the Main Terminal to the north, construction of Airside D, the expansion of Airside C, the construction of a new consolidated TSA checkpoint and a new international Federal Inspection Service and Customs and Border Protection arrivals area. As shown in Exhibit 3I, most of the capital spend during this phase is related to terminal improvements.

Exhibit 3H

Year		Project Cost
2024	$	445,717,100
2025	$	105,151,200
2026	$	653,369,300
2027	$	250,528,500
2028	$	116,717,700
2029-2033	$	550,921,100

Exhibit 3I

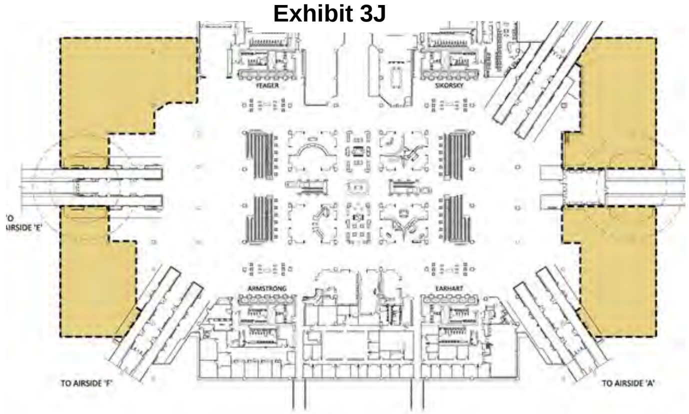
Capital Expense		Horizon 3 Capital	% of Horizon 2
Terminal Complex	$	1,149,702,100	54.2%
Airfield	$	749,648,800	35.3%
General Aviation	$	75,077,000	3.5%
Cargo & Airport Support Facilities	$	59,178,500	2.8%
Miscellaneous	$	47,880,900	2.3%
Parking & Rental Car Facilities	$	21,282,000	1.0%
Roadways	$	19,635,600	0.9%

The following is an overview of the major development programs over the next 20-year capital programming period.

3.2.1 Terminal Complex Facilities

The Authority is planning on investing over $1.66 billion in the Terminal Complex throughout the 20-year period addressed within the Plan. This investment, along with the South Development Area projects will allow Tampa International Airport to remain in the current Terminal Complex until 2041 when the Airport is projected to handle 34 million passengers. The Terminal Complex will be impacted through multiple large projects through the Strategic Business Plan period. The Transfer Level Expansion project, scheduled for completion by 2017, extends the East and West sides of the terminal building outwards to ease passenger congestion near the shuttle bays, accommodate new additional concessions spaces, and connect to an APM station to serve the South Development Area. Exhibit 3J illustrates a rendering of the Main Terminal after the Transfer Level Expansion.

Exhibit 3J



Horizon 3 of the Business Plan will include a significant expansion of the existing Terminal Complex on its north side. The following Master Plan Phase 2 enabling projects must be completed prior to any northward expansion: demolition of the Service Building, along with the Marriott Hotel, the existing Air Traffic Control Tower and the Red Side Garage. In addition, the APM guideways for Airsides C and D will be moved to the North of their current positions and will be located post-TSA checkpoint to allow passengers to transfer between Airsides without having to re-clear security.

In addition to the physical expansion of the Terminal Complex, the central Concessions areas within the Main Terminal will be reconfigured during the 2016-2018 timeframe, with the existing glass structures removed to create a more open environment. All of the escalators within the main terminal will also be refurbished or replaced within the Plan period. During Horizon 2, the Authority will relocate all of the main terminal central plant chillers and facilitate the northward expansion of the main terminal.

Exhibit 3K

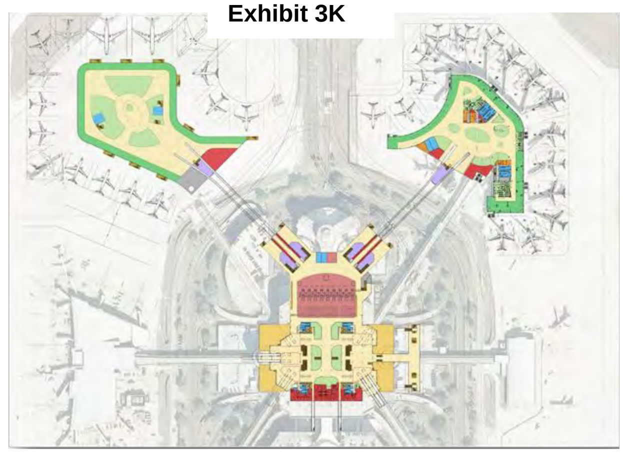


Exhibit 3K illustrates a rendering of the proposed main terminal after completion of Phase 3 of the Master Plan in approximately 2026-2027.
The Authority will also begin the initial implementation of a Common Use environment during 2014 and 2015 utilizing a very gradual approach. Common use will initially be implemented to create flexibility for new entrant

carriers as well as for existing carriers with less frequent services.

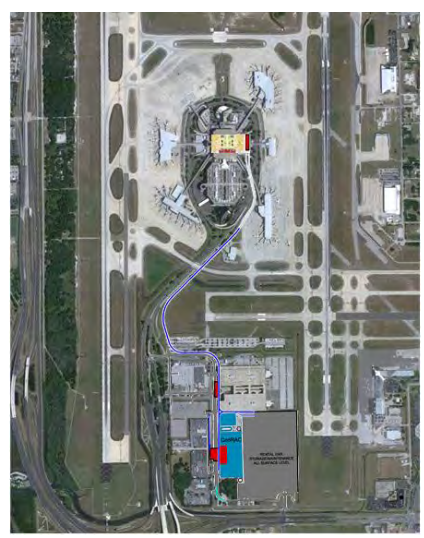
Exhibit 3L

In addition to the major projects listed above, the Authority will also continue its ongoing Main Terminal Modernization program. This group of projects started in 2011, is designed to renovate, refurbish and improve the existing 40-year old facility through a multi-year program targeting restrooms, flooring, furniture, signage and wall-coverings. During 2014 and 2015, the Authority will replace all of the major signage elements within the Main Terminal, as well as replace all of the transfer level furniture and information kiosks. Transfer level flooring will be replaced during 2015 with most of the existing carpeting replaced with a combination of carpet and tile, very similar to what was installed during 2013 on the ticketing level. Exhibit 3L illustrates a refurbished restroom which was completed as part of the Main Terminal Modernization program.

The Authority's ongoing Capital Program includes significant investment in the Terminal Complex over the next 10 years through projects such as boarding bridge replacements for all Airsides, upgrades to both the Authority's WiFi and Shared Tenant ("STS") networks, continuous upgrades to the Authority's information technology backbone as well as Airside roof rehabilitations among others.

3.2.2 Rental Car Facilities

Exhibit 3M



Phase 1 of the Master Plan and Horizon 1 of the Business Plan will result in a major shift in the Authority's Car Rental business with the construction of a consolidated rental car facility ("ConRAC") in the South Development Area, as well as the construction of a 1.3 mile automated people mover ("APM") that will connect the Terminal Complex with the new ConRAC. All projects within Phase 1, currently projected to cost approximately $943 million, are scheduled for completion before the Fall of 2017. The APM/ConRAC project will solve the increasing congestion and customer service issues which are expected to reach unsustainable levels in the current facility as early as 2016. Most of the existing rental car offices and facilities will be closed and eventually demolished in the 2018-2023 timeframe as the Authority progresses through Phase 2 of the Master Plan completing the enabling projects that will allow the Authority to construct to the North. Illustration 3M shows a

Exhibit 3N

rendering of the APM connecting the Main Terminal with the South Development Area while Illustration 3N shows a rendering of the APM station attached to the east side of the Main Terminal.

The ConRAC will be designed during 2014 with primary construction expected to commence in 2015. Early renderings, an example of which is shown in illustration 3O, show a 2.3-million square foot facility just South of the existing economy garages. It will accommodate all existing on-airport car rental companies as well as new-entrant off-airport operators. The new facility will provide more than 4,400 rental car return spaces to the car rental companies, an amount which is projected to provide sufficient capacity for growth.

Exhibit 3O

3.2.3 Cargo and Airport Support Facilities

Cargo carriage at the Authority is projected to increase gradually through the 20-year Plan period. In order to maintain the existing Federal Express operations, as well as enable the Authority to handle the increased growth, the Authority has allocated space for expansions of both the existing Federal Express facility as well as the existing Cargo building. At present the existing Cargo building is very close to full capacity and it is imperative that the expanded facility contain enough availability for new entrant carriers.

Airport support facilities typically include those airport buildings, aprons, parking areas and infrastructure systems that support non-passenger airline activities. As the Authority continues its development of the 225-acre Drew Park area, space has been allocated in the Northern section of Drew Park for an expanded Airport Support Facility.

As demand develops, Airport Support projects, including the construction of additional equipment storage facilities in the airport maintenance area, expansion of the Airport's Police Department facilities in the East Development Area, an expansion of the existing Cargo facility, and eventually the Phase 1 construction of a new multi-tenant Air Cargo facility in 2031 will be developed.

3.2.4 Airfield

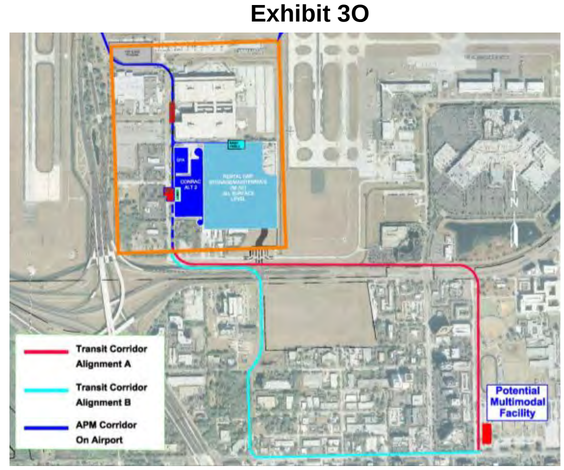
The Authority is planning on investing over $1.1 billion in Airfield projects throughout the 20 year period of the three listed horizons. Horizon 1, which includes Phase 1 of the Master Plan, will include projects such as the $30.6 million reconstruction of the Taxiway J bridge, designed to accommodate the new APM guideway. Horizon 2 includes $70 million in projects related to the construction of a third Maintenance, Repair and Overhaul ("MRO") hangar on the east side of the airfield as well as the associated improvements in the related MRO infrastructure. Horizon 3 is projected to include $749 million in Airfield projects including the construction of a fourth MRO hangar, construction of a new taxiway M, construction of a new west parallel runway, the closure and removal of taxilane A between Airsides C and D and the expansion of taxiway A to the end of runway 1R/19L.

3.2.5 Roadways

The Plan contains approximately $48 million in roadway improvements with most of the projects occurring during Horizon 1 with the construction of the APM and the development of the South Development Area. During Phases 1 and 2 of the Master Plan, Airport Service Road between the Post Office and Economy garages will be widened to accommodate both the APM and public transportation. The construction of new Authority offices, and potentially a new hotel, will result in increases in vehicle traffic necessitating greater access. To ease traffic flows for vehicles travelling between the South Development Area and Memorial Highway and on to Clearwater, the Authority may construct new flyover bridges immediately south of the Post Office. Exhibit 3P illustrates planned roadway improvements during Phase 1 of the 2012 Master Plan.

Exhibit 3P

Exhibit 3O



The new APM connecting the ConRAC facility and the main terminal is designed to serve as a connecting point to the future Westshore Multimodal center. The Authority, as well as other regional partners such as the Westshore Alliance, the City of Tampa, and both

Hillsborough and Pinellas counties recognize that the airport will be a key destination in any regional network, and that Tampa International Airport's new APM must be constructed to easily connect to any future network. At present, the APM would include stations at the main terminal, the economy parking garages, and the ConRAC, with the line potentially extending to the end of Tampa International Airport property. Current regional discussions are focusing on the potential construction of a regional multimodal center near I-275 at which point the community may want to consider extending the Airport APM off airport property. Exhibit 3Q illustrates potential extension of the APM to the proposed inter-modal center near I-275.

3.2.6 Public Parking

Construction of the ConRAC and the removal of rental car ready/return processing from the long term parking garage, adds 2,412 spaces to Tampa International Airport's long term parking capacity in 2017. This capacity increase will mitigate the peak period capacity constraints that have existed in the long term facility over the past several years. The Authority will install a new $22 million Parking Revenue Control System ("PARCS") in 2014 and 2015 that will allow the Authority to better manage its parking revenue base as well as provide additional services to its customers. In 2014 and beyond, Tampa International Airport will continue to develop its valet business which has seen an 11% increase in generated revenues over the past 12 months.

With the introduction of the new revenue control system, additional programs and services such as pre-reserved parking, corporate parking and VIP parking are set to be introduced between 2014 and 2016.

3.2.7 General Aviation

The Authority will update the 2003 General Aviation Master Plan in 2014 focusing on self-sustainability at each of the three general aviation facilities. At present, the Peter O. Knight, Tampa Executive and Plant City airports, require continued capital and O&M expenditure to sustain their operations. Combined, the three facilities operate with a net operating loss of approximately $50,000 per year to the Authority. The 2014 GA Master Plan will focus on commercial and operational strategies to minimize or eliminate that subsidy.

Through 2033, the Authority plans to invest approximately $163 million in capital improvement into the general aviation business, with an emphasis on refurbishment and replacement projects for various terminal, infrastructure and airfield systems and assets. However, based on the future master plan recommendations, project priorities may be modified to guide the general aviation facilities towards financial sustainability.

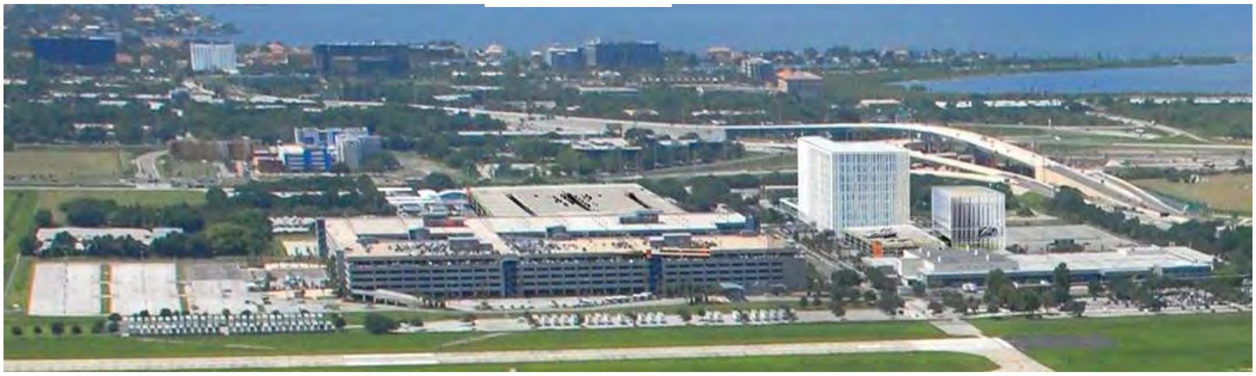
3.2.8 Commercial Real Estate Development

As part of its new focus on strengthening its financial base, the Authority committed substantial portions of the 2012 Master Plan update toward converting available Authority-owned lands to revenue-generating uses. Available lands are divided into three general categories, defined as the East Development Area, the South Development Area, and the Perimeter Properties. The East Development Area consists of approximately 205 acres in the old Drew Park acquisition area which is located directly east of Runway 1R/19L and is bordered by Hillsborough Avenue to the north and Airport Cargo Road to the east. This area consists of properties that have been purchased by the Authority over the past 15 years with the intention of eventually developing the parcels once acquisition was complete. Of the 177 original parcels within Drew Park, only seven parcels remain outside of Authority control. Through the 2012 Master Plan process, the Authority and HNTB developed a detailed plan to convert the available property into an MRO support corridor designed to support the PEMCO maintenance tenant, to expand the Authority's cargo facilities, and to develop property for manufacturing or warehouse operations that require quick access to airline operations. Exhibit 3R illustrates a rendering of the proposed East Development Area.

Exhibit 3R

The South Development Area consists of approximately 200 acres, which are bordered by George Bean Parkway to the west, Runway 10-28 to the north, Runway 1R/19L to the east and Boy Scout Blvd to the south. This area is currently utilized by the United States Post Office for a sorting facility, as well as the Authority's economy garages, rental car support facilities, flight kitchens and cell phone lot. Phase 1 of the 2012 Master Plan will result in the construction of the new Consolidated Rental Car Facility opening in 2017 as well as new hotel, offices and employee parking facilities in the South Area during Phase 2. Once the hotel and office projects are completed in approximately 2020, the Authority will complete development by building out remaining parcels with commercially appropriate uses. Exhibit 3S shows a rendering of how the South Development Area could look when finally completed.

Exhibit 3S



The Perimeter parcels, shown in illustration 3T, consist of seven independent parcels located across Tampa International Airport property. These properties were acquired by the Authority for various reasons ranging from creating a sound buffer for residential areas (Area 5), to land being held in reserve due to potential upcoming airfield projects (Areas 2, 3 and 4).

Exhibit 3T

Area	Current Land Use Designation	Proposed Land Use Designation
1	Airline Passenger Terminal and Public Use	Commercial
2	No Current Designation	Commercial
3	Scenic Reserve, Aircraft Operations, and Airport/Airline Support	Commercial
4	Scenic Reserve, Aircraft Operations, and Airport/Airline Support	Commercial
5	Scenic Reserve	Scenic Reserve
6	Commercial	Commercial
7	Scenic Reserve and Airport/Airline Support	Commercial

Each of these properties was analyzed and the best future use was identified by the Authority's master planners. With the exception of Area 5, the land designations on all perimeter parcels was converted to a Commercial status meaning that the Authority could begin generating additional revenues as opportunities arise. During the 2014 and 2015 period, the Authority's Commercial Real Estate department will develop standards and procedures for leasing the properties, which when completed will provide a framework for development deals that are expected to begin in 2016.

Funding Strategies

The Authority, both in its day-to-day financial management, as well as management of its capital development programs, operates in a fiscally conservative manner. In establishing a financing plan both for the 2012 Master Plan as well as for the Strategic Business Plan periods, the Airport focused on the following governing principles: minimizing airline cost per enplanement, maintaining or improving the Authority's debt coverage ratios; and providing a flexible financial structure to allow the Authority the ability to react appropriately to changes in industry/economic conditions.

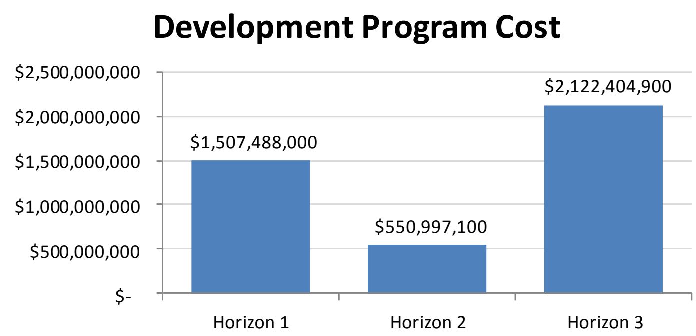
The Authority funds its capital program through standard funding mechanisms such as its own internally generated surplus funds, passenger facility charges (PFC's), Federal Airport Improvement Program Grants (AIP); and other funding options such as one-off Florida Department of Transportation (FDOT) grants, rental car Customer Facility Charges (CFC's) and Florida Strategic Intermodal System (SIS) grants. The Airport typically internally generates approximately $30 million each year that can be allocated to its capital program or reserves. Through its recent focus on diversification of revenues and overall revenue generation, the Airport intends to maximize the use of its surplus revenues and minimize the requirement for additional debt to the Authority.

The Authority underwent an extensive planning exercise analyzing projected financial performance and funding options across a range of different scenarios. The Authority created separate passenger and revenue forecasts, developed a series of cost estimates both for the 2012 Master Plan projects as well as for the annual capital program, and analyzed those inputs with differing outside funding options to determine projected costs per enplanement and impacts on the Authority's long term debt structure.

The Authority analyzed multiple funding scenarios in the creation of this Strategic Business Plan. The results illustrated in this document assume a scenario where the Authority expects to receive $294 million in Florida Department of Transportation grants towards the Master Plan projects included in Horizon 1 and an additional $460 million from FDOT in Horizons 2 and 3.

Overall, the Authority remains financially strong throughout the 20-year Plan period, with minimal impact on both CPE and debt coverage throughout. The greatest pressure on the Airport's financial structure occurs during Horizon 3 when the greatest need for additional debt financing, combined with a lack of availability of PFC funds, results in greater pressure on debt coverage ratios. CPE is projected to remain at low levels throughout the initial 10-year analysis period, with most of the increase over the 10-year period due to ongoing increases in operating expenses and not the Master Plan or development projects.

Exhibit 4A



The overall 20-year Development Program is projected to cost $4.1 billion with $2.5 billion related to 2012 Master Plan projects and an additional $1.6 billion included in the Authority's annual capital programs through 2033. Of the $1.6 billion in the annual capital programs,$178 million worth of projects have been designated as Level 2 or 3, or less critical projects that will be completed as funding is available. An additional $125 million of predominantly Horizon 2 and Horizon 3 projects are expected to be funded through public private partnerships ("P3"). As shown in illustration 4A, approximately $3.6 billion of the program will occur in Horizons 1 and 3 with the majority of those programs related to the 2012 Master Plan projects.

Exhibit 4B

Horizon 1 (2014-2018)	
Funding Source	**Funding Amount**
CFC Funds	$ 455,373,300
FDOT Grants - Master Plan	$ 294,366,800
Bond Funds	$ 284,065,700
Authority Funds	$ 159,816,800
PFC Funds	$ 119,676,900
FAA Grants	$ 61,380,000
TSA Grants	$ 58,000,000
FDOT Grants - Annual Funding	$ 38,527,300
AIP Grants	$ 36,281,200
Total Funding	**$1,507,488,000**

The Horizon 1 period illustrated in Exhibit 4B projects a $1.5 billion capital program over the 2014-2018 period, predominantly driven by Phase 1 of the Master Plan which is expected to account for approximately 62% of the Horizon total. The primary capital projects during the period, the construction of the consolidated rental car facility and the APM, are to be funded primarily using CFC funds and a combination of Master Plan FDOT grants, PFC funds and Bond Funds. Other major projects during this period will include the expansion of the Transfer Level and the Concessions Redevelopment Program.

Customer Facility Charge funds, also known as CFC's, which are fees collected by the rental car operators from customers and forwarded on to the Authority to fund rental car facility development, are expected to be the largest source of funds for Horizon 1 projects. The CFC proceeds will fund the capital construction of the ConRAC facility as well as approximately 40% of the APM. PFC funds and approximately $284 million in additional GARB and PFC-backed bonds will fund the remainder of the Master Plan Phase 1 projects. Authority funds, projected to total $159 million over the five year period if all level 1, 2 and 3 capital projects were implemented, would be reduced by $48.3 million to a total of $111 million if only level 1 projects were implemented. TSA Grants totaling $58 million have been included in the plan to fund replacement of the Baggage Explosive Detection System at the Authority. If funding is not forthcoming from the TSA, the project will be deferred until funding is secured.

Exhibit 4C

Horizon 2 (2019-2023)	
Funding Source	**Funding Amount**
Authority Funds	$ 145,892,100
Public Private Partnerships	$ 108,160,000
AIP Grants	$ 96,674,500
PFC Funds	$ 75,577,100
Bond Funds	$ 67,426,300
FDOT Grants - Annual Funding	$ 57,267,100
TSA Grants	$ -
FDOT Grants - Master Plan	$ -
FAA Grants	$ -
CFC Funds	$ -
Total Funding	**$550,997,100**

Horizon 2, depicted in Exhibit 4C, represents a relatively quiet development period between the construction of the ConRAC and APM in Horizon 1 and the expansion of Airside C, the construction of Airside D and the new international arrivals facility in Horizon 3. Horizon 2 projects will include the demolition of the existing Air Traffic Control Tower, Marriott Hotel and Service building, and will result in the simultaneous development in the South area of a replacement hotel and Authority offices. The new hotel and office developments in the South Area are expected to be funded through public/private partnerships.

The majority of the $550 million in capital spending during Horizon 2 is related to the Authority's ongoing capital program and is predominantly to be funded through Authority funds. Major bond funded projects during Horizon 2 will include $45 million to buy out the remaining lease of the Marriott Hotel as well as $25 million in ceiling replacement projects for the arrival and departure drives and $19.4 million for air conditioning chiller replacement. Authority funds are projected to account for $209.3 million, or 35.1% of the total capital program during Horizon 2. About $36.4 million of the total is linked to annual capital projects that have been identified as level 2 or 3 projects and may be delayed or may not be implemented.

Exhibit 4D

Horizon 3 (2024-2033)	
Funding Source	**Funding Amount**
Bond Funds	$ 743,270,000
FDOT Grants - Master Plan	$ 460,000,000
Authority Funds	$ 316,519,300
AIP Grants	$ 265,259,700
PFC Funds	$ 148,009,100
FDOT Grants - Annual Funding	$ 141,956,800
Public Private Partnerships	$ 47,390,000
TSA Grants	$ -
FAA Grants	$ -
CFC Funds	$ -
Total Funding	**$2,122,404,900**

Horizon 3, illustrated in Exhibit 4D, is the longest of the three horizons covering a 10-year period from 2024-2033 and is projected to total $2.1 billion in capital spend. This 10-year period includes all of the growth phase of the Master Plan including the expansion of Airside C and the construction of the new Airside D. Horizon 3 includes $743 million in new Authority bond funding which would be secured in multiple bond issues in 2020 and 2023. Major bond funded projects during Horizon 3 will include $200 million in 2024 for the expansion of the Transfer level for the consolidated Airsides C&D TSA checkpoint, new international passenger processing facilities, the expansion of Airside C to include a reconfigured APM station and a reconfigured APM alignment. An additional $302 million in bond funds would be utilized in 2026 with the majority allocated to the Airside D construction projects such as the construction of the international gates, the Airside D ramp reconfiguration and expansion, the creation of a new international curb for CBP facilities and the development of the new APM alignment for Airside D.

The Authority is including $460 million in FDOT Master Plan grant funding in its projections for Phases 2 and 3 based on its identification of eligible projects as well as its expectation of receiving similar FDOT support as other Florida facilities. Over the 10-year period the Authority is projected to spend over $317 million in Authority funds on projects included in its annual capital program. Major projects would include runway rehabilitation at Peter O. Knight Airport, the replacement of the Airside F shuttle cars, a $13 million replacement of the Authority's dynamic signage, a $13 million replacement of the Airside E boarding bridges and a $35 million pavement replacement in 2032. During this period, more than $50 million of the Authority funds would be allocated to rehabilitation and replacement projects related to the Authority's general aviation facilities. Approximately $8 million of the $317 million total are level 2 or 3 projects that may be delayed.

Over $265 million in AIP grants is currently included in the Horizon 3 plan, with $100 million allocated to the construction of the new west parallel runway, tentatively named 17L/35R. Other projects would include $40 million in 2029 for the expansion of the existing cargo ramp, $57 million for the construction of cross-taxiway M, and approximately $107 million for the construction of a fourth MRO hangar and associated ramp and access projects for the fourth hangar.

4.1 Financial Capacity Analysis

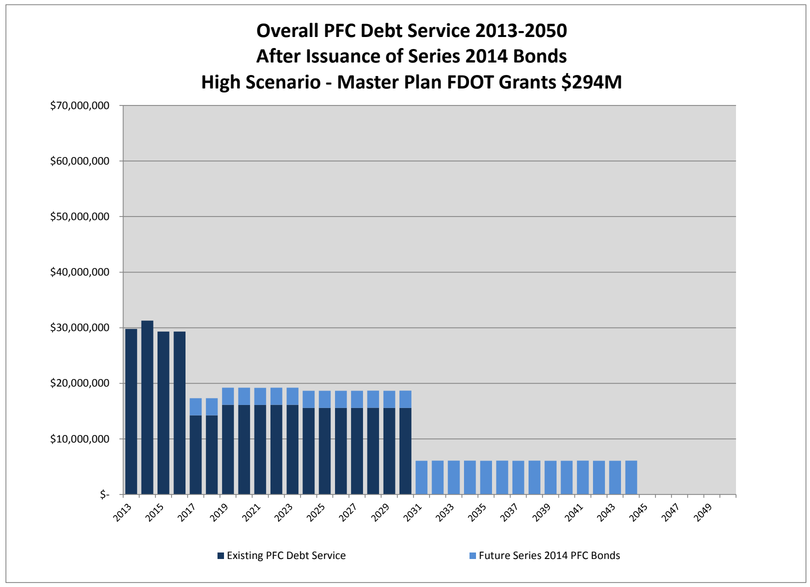
The Authority's ability to fund all of the projects comprising this 20-year plan is contingent upon a series of factors, including adequate internally generated Authority funds as well as the receipt of sufficient passenger and rental car fees, third party funding such as grants from both AIP and FDOT, and the Authority having sufficient access to capital markets.

Prior to determining the capacity for AIP and FDOT grants throughout the first five years of the Plan period, each identified capital project was evaluated for eligibility and assigned an expected grant level based upon amounts already identified in the FDOT five-year workplan. For projects through the remainder of the 20-year Plan period the Authority received guidance from FDOT regarding initial amounts to be included in the 20-year Capital Improvement Plan. Any FDOT grant amounts included in capital projects in the 2018-2033 period of the Plan are not confirmed and are subject to change. The Authority typically receives between $5 million and $8 million per year in ongoing FDOT funding for rehabilitation and replacement projects. In addition, the Authority also has access to FDOT Strategic Intermodal System (SIS) funds which are "as available" funds typically utilized for capacity-related projects as well as federal Airport Improvement Program funds which typically average approximately $3 million per year.

Under current guidelines, the Authority collects a PFC amount of $4.50 per eligible enplaned passenger. Based on current passenger projections, the Authority expects to generate approximately $370 million in PFC capacity through the initial 10-year Plan period. The financing plan will use a mixture of pay-as-you-go and long term debt financing for the PFC funded portion of the capital program with the goal of minimizing the amount of debt and maximizing the amount of pay-as-you-go financing.

The Authority currently holds approximately $150 million in existing PFC debt, with 100% of this debt scheduled to be paid off by 2018. The Authority is planning on refunding and restructuring some of its existing debt in October 2013 as the first step in funding Phase 1 of the Master Plan. That first step will result in this existing PFC debt being extended through 2023. The Authority plans on issuing $369 million in new PFC-backed debt through the 20-year plan period, with $59 million in new PFC-backed debt expected to be issued in 2015 and an additional $310 million in 2023. Exhibit 4E illustrates the planned PFC debt through the 20-year Plan period.

Exhibit 4E

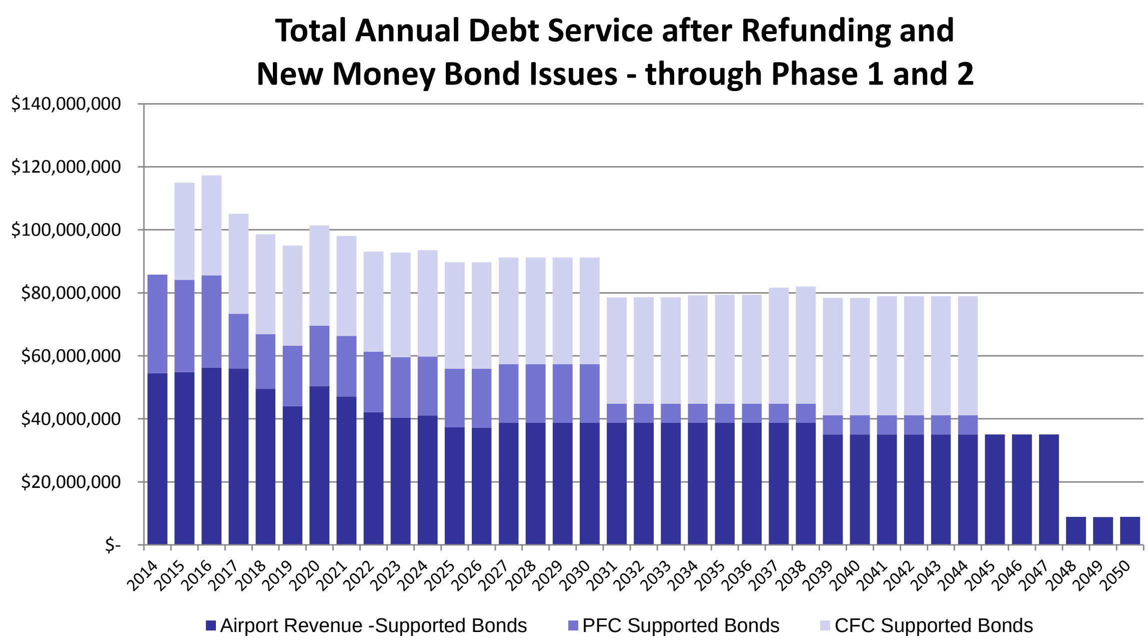


The President's current proposed 2014 Budget includes language which would raise the current $4.50 per enplaned passenger to $8.00 per enplaned passenger. If adopted, this would eliminate AIP entitlement funding for large hub airports but would maintain discretionary funding eligibility. This increase, if implemented would generate an additional $25-30 million in annual PFC funding for Tampa International Airport through 2033 but would eliminate some or all of the $223 million in AIP funding which is already programmed for the Airport over the same period. Implementation of the new provision would provide increased flexibility with PFC pay-as-you-go funding and a much shorter debt repayment plan or increased PFC utilization on projects with less reliance on General Airport Revenue Bond ("GARB") debt service than what is currently shown in this Business Plan update. For the sake of this Plan document, all financial calculations and projections have been made assuming the current level of $4.50 per passenger.

In September 2011, the Board approved the collection of a $2.50 per day per transaction Rental Car Facility Fee in order to pre-fund upcoming rental car development projects. To date the Authority has collected $15.3 million in CFC funds which have been held in escrow and separate from operating revenues. The CFC will be utilized to pay approximately $34.6 million in capital program expenses during Horizon 1. CFC-backed bonds, totaling $455 million, will fund 100% of the capital requirements of the new ConRAC and approximately 40% of the cost of the APM. The current $2.50 per day CFC fee will need to be increased to cover the bonding requirements. The new rate is currently being negotiated between the rental car companies and the Authority with the new rate expected to take effect in April 2014.

The Authority has developed its financing plan for the 20-year development program with two major focuses in mind; Minimizing ongoing cost per enplanement and maintaining its current debt ratings on its senior GARB debt. The Authority currently carries approximately $444 million in senior GARB debt that is pledged by internal Authority funds. Under its current structure, beginning in 2018 the Authority's annual debt service requirements will begin dropping from its current levels of approximately $55 million per year down to $15 million a year by 2027. The Authority will focus on designing a debt structure that caps the annual debt service at a level no higher than the current level of $55 million if possible. It is the Authority's intention to minimize long term debt as much as possible through the use of other funding sources, and to use GARBs as little as possible while minimizing the impact on CPE and the debt ratings.

Exhibit 4F

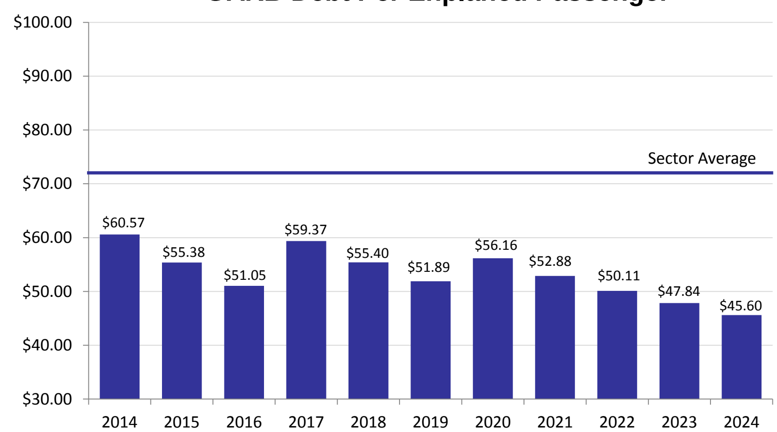


The financing plan begins with the refunding and reissuance of $311 million of existing debt, primarily the Series 2003 bonds and the conversion of $94 million from the Authority's SunTrust Note to new 2013 series bonds. As party to this transaction, SunTrust has agreed to increase the credit line on the Note from its current level of $130 million to a new maximum of $200 million. This transaction will create approximately $177 million in SunTrust capacity which will be utilized to fund initial Phase 1 design and construction projects through mid-2015.

The Authority plans on issuing new GARB debt in the amount of $177 million in 2015 to fund any remaining needs in Horizon 1, and additional debt offerings totaling $116 million in 2017, $75 million in 2020, and $290 million in 2023 to fund remaining amounts for Horizons 2 and 3. The Authority will utilize capitalized interest with the issuance of this new debt, making fiscal year 2019 the first year that debt service will be payable from airport revenues. As shown in Exhibit 4F, this debt program will provide for level annual debt service of $60 million resulting in little or no impact to airline rates and charges for the delivery of the entire 2012 Master Plan. The Authority will also have additional refunding opportunities available in 2015 and 2019. Market conditions prior to those dates will determine whether or not the Authority performs any additional refunding transactions.

Exhibit 4G

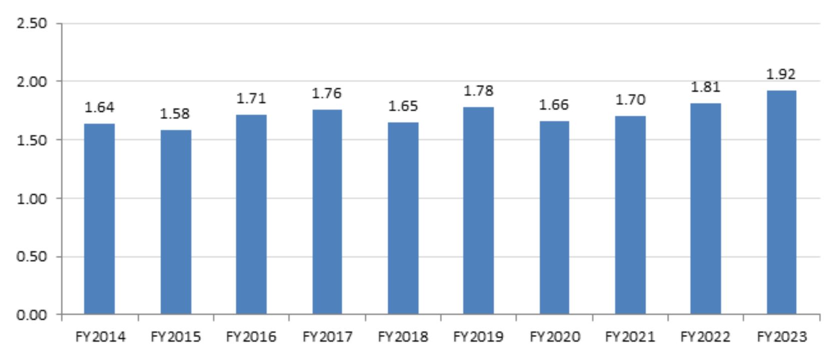
GARB Debt Per Enplaned Passenger



The Authority's general airport revenue bond debt, secured with airport revenues, has traditionally been below sector averages when analyzed on a per-enplanement basis. The Authority's GARB debt per enplaned passenger is projected to be less than $61 per enplaned passenger in 2014, well below the national median debt per O&D enplaned passenger of $71. The Authority is projecting that debt per enplaned passenger will decline into the $45 range by the end of the 10-year Plan period. Exhibit 4G illustrates the projected GARB debt per passenger through the Plan period

Exhibit 4H

Projected Debt Coverage



One of the main focuses of the development of the financing plan was enabling the Authority to maintain its current strong single-A debt rating on its senior debt. The Authority and its financial advisors, PFM Inc. focused on creating a structure that would allow the Authority to maintain a 1.50 debt rating at all times, thus minimizing any possibility of a ratings downgrade. Under the financing structure contained in this plan, senior debt coverage is projected to remain above 1.50 through the entire 10-year primary Business Plan period of 2014-2023. Exhibit 4H illustrates the projected debt coverage ratios for the Authority with debt coverage projected to remains well above the target level of 1.50 through the entire 10-year period.

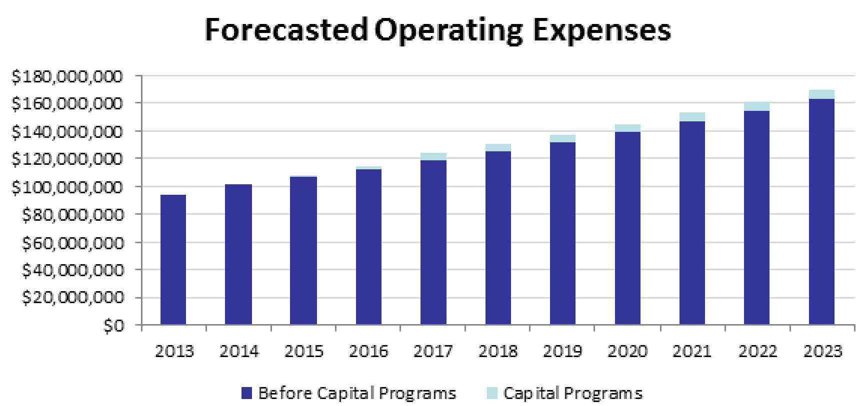
4.2 Operating Expense and Revenue Analysis

Included in the airline rates and charges model are projections of operating and maintenance (O&M) expenditures and non-airline revenues for the period of FY2014 through FY2023. These projections are based on a review of historical financial performance, estimated annual inflationary impacts, estimated future aviation activity levels, discussions with Authority staff as well as our Airport Consultant and impacts associated with undertaking projects contained in the development plan.

4.2.1 Operating & Maintenance Expenditures

The Authority defines O&M expenditures as traditional O&M expenses, purchases of all equipment with a unit cost less than $100,000 and capital projects with a cost less than $100,000. The projections included in this Plan were made after analyzing both historical and future expected inflationary trends as well as the O&M impact of planned capital programs through the Plan period. Future expenditure projections were calculated utilizing the following inflation factors to the various O&M categories: 6.0% for supplies; insurance and “other”; 4% for maintenance expenses; 3.5% for utilities and 6% for personnel related costs. Projected Operating Expenses through the initial 10-years of the Strategic Business Plan period are illustrated in Exhibit 4I.

Exhibit 4I



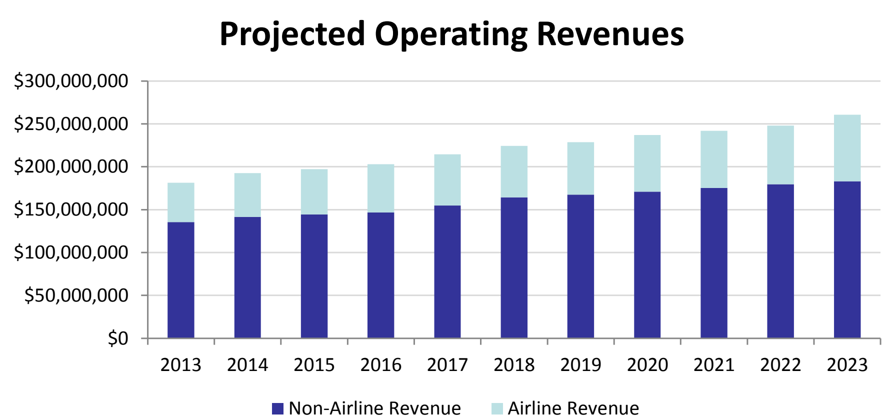
Through the initial 10-year period of the Strategic Business Plan, forecasted operating expenses are projected to increase by an average of 5.6% per year which is higher than projected national inflationary increases. The projected expenses include approximately $3.3 million in O&M costs tied to capital projects. Major capital projects within this period that contribute to this figure include 60% of the projected expenses of the Automated People Mover system scheduled to open in 2017, the new concessions warehouse scheduled to open in 2015 and the implementation of the SUPPS (Shared Use Passenger Processing System) project Phase 1 and 2 in 2014 and 2015 respectively. For this analysis, it is anticipated that all O&M expenses associated with the new ConRAC facility and 40% of the operating costs of the APM will be recovered through CFC funding from the car rental companies and thus are not included in the $3.3 million figure.

4.2.2 Revenues

The Authority has focused on both diversifying and increasing its revenue base over the past three years. Over the next 10 years, overall revenues are projected to increase by 31.1% from $193.4 million in FY2014 to $262.5 million by 2023. Non-airline revenues, which are defined as all revenues with the exception of landing fees and terminal rents, are projected to increase by 29.5% over the same period.

The projections for non-airline revenues were calculated by creating projections for each of the individual variables and then combining into an overall total. Each individual variable projection took into account projected enplanement growth by year, combined with expected price inflation. New programs in Parking and Concessions were included as well as growth in the Commercial Real Estate business due to the rollout of the Authority's first overall commercial real estate plan. This plan assumes no change in the terms of the Authority's current airline agreement which will be renegotiated in 2015. However the Plan does anticipate changes in the Concessions agreement which is also up for renegotiation in 2015. Exhibit 4J is a summary of these revenues by fiscal year over the initial Strategic Business Plan timeframe.

Exhibit 4J



These revenue projections are based on an expected rate of recovery of the Tampa Bay, and larger Florida and U.S. economies. Any variation in the expected rate of recovery will have measurable impacts on actual revenue results moving forward. Keeping that in mind, the Authority has projected a very realistic 2.1% annual average growth rate for its passenger traffic, and a lower 1.9% average growth rate in flight operations.

4.3 Airline Costs

The second primary focus of the Authority in creating the Strategic Business Plan financing was maintaining Tampa International Airport's position as one of the lowest cost airports for its airline partners. Historically Tampa International Airport has operated with cost per enplanements in the $5.00 range and has been one of the lowest cost airports in the nation serving 15-25 million passengers annually. The Authority and its financial advisors have analyzed three specific scenarios differentiated by the level of FDOT funding which could be received during Horizon 1. Under these scenarios, the greater the level of FDOT funding received, the less of a requirement for additional Authority General Aviation Revenue Bonds. The issuance of fewer Authority GARBS will result in lower annual debt service and a lower cost per enplanement.

Exhibit 4K shows that Tampa International Airport's CPE is projected to increase by a combined average growth rate of 2.9% per year between 2014- 2023. The gradual growth over the 10-year Plan period is due to increasing O&M costs and is not project related until 2022 and 2023 when additional cost pressure from the beginning projects from Phase 2 of the 2012 Master Plan arrive.

Exhibit 4K

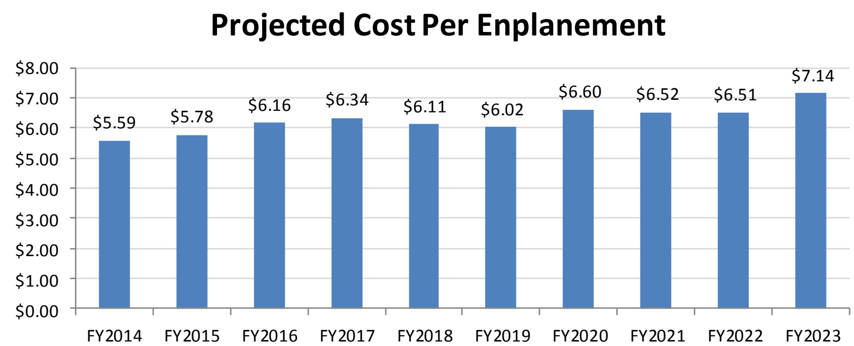


Exhibit 4L benchmarks Tampa International Airport's 2012 cost per enplanement versus the most recent cost per enplanement for all other North American airports in the 15-20 million passenger category, as well as Tampa's competing Florida airports. In 2013, Tampa's CPE of $4.99 placed it as the 2nd lowest cost airport in the 15-20 million passenger range in North America. Management anticipates that Tampa International Airport will maintain its position as one of the lowest cost North American airports throughout the entire 10-year Business Plan period.

Exhibit 4L

2012 Cost Per Enplanement	
Airport	**CPE**
Washington IAD	$25.84
Miami	$20.56
Washington DCA	$12.28
Chicago MDW	$9.38
Baltimore	$9.29
San Diego	$8.22
Vancouver	$5.73
Fort Lauderdale	$5.34
Orlando	$5.32
Tampa	$4.99
Salt Lake City	$3.97

4.4 Projected Bottom-Line Performance

Overall financial performance is projected to be strong at the Authority throughout the 10-year Plan period with Management projecting ongoing operations generating over $20 million to Authority reserves over the 2014-2023 period. Net profit is projected to trend upwards through the Plan period allowing the Authority to increase its annual capital expenditure programs

Exhibit 4M provides a detailed projection of Authority financial performance over the period. The projections assume implementation only of Phase 1 annual maintenance capital expenditure projects, an extension of the current revenue sharing formula for the Authority's airlines, and a 10-year average percentage of revenue airline settlement adjustment for each year.

Exhibit 4M

Summary Results (dollars in thousands)	FY2014 Budget	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected	FY2019 Projected	FY2020 Projected	FY2021 Projected	FY2022 Projected	FY2023 Projected
Revenues	194,071	199,765	205,627	216,652	226,162	230,240	238,837	243,519	249,840	262,451
Operating Expenses	(101,999)	(107,973)	(115,077)	(122,314)	(131,603)	(137,966)	(145,985)	(153,819)	(161,139)	(168,217)
Gross Profit	92,072	91,792	90,550	94,338	94,559	92,273	92,851	89,700	88,701	94,233
Net Debt Service	(54,504)	(54,794)	(56,245)	(56,023)	(49,567)	(44,066)	(50,409)	(47,156)	(42,155)	(40,348)
Funds Available	37,568	36,998	34,305	38,315	44,992	48,207	42,442	42,545	46,546	53,885
Estimated Airline Revenue Sharing	(7,493)	(7,145)	(6,483)	(7,361)	(8,954)	(9,921)	(8,316)	(8,411)	(9,389)	(11,083)
ASIP Waivers	(657)	(689)	(724)	(760)	(798)	(838)	(880)	(924)	(970)	(1,019)
Net Profit	$29,418	$29,164	$27,098	$30,195	$35,241	$37,449	$33,245	$33,210	$36,187	$41,783
Capital Improvements funded by Authority funds	(23,024)	(24,413)	(24,464)	(30,709)	(37,949)	(41,102)	(27,943)	(21,572)	(23,384)	(32,352)
Capital Equipment funded by Authority funds	(1,730)	(1,808)	(2,342)	(2,069)	(2,399)	(2,542)	(2,521)	(2,743)	(2,460)	(2,708)
Contribution to Reserves	$ 4,665	$ 2,943	$ 292	$ (2,584)	$ (5,108)	$ (6,195)	$ 2,782	$ 8,895	$ 10,342	$ 6,723
Cumulative Authority Reserves	$ 19,672	$ 22,615	$ 22,907	$ 20,323	$ 15,215	$ 9,020	$ 11,802	$ 20,697	$ 31,039	$ 37,762
Days Cash On Hand	369.1	358.7	337.4	327.0	320.6	334.3	328.6	343.5	362.8	377.0
Cost Per Enplaned Passenger	**$ 5.59**	**$ 5.78**	**$ 6.16**	**$ 6.34**	**$ 6.11**	**$ 6.02**	**$ 6.60**	**$ 6.52**	**$ 6.51**	**$ 7.14**

The 2013 Strategic Business Plan is comprised of three distinct periods, defined as Horizons within this planning document. Each of these Horizons is defined by a differing set of operational and developmental requirements for the Authority.

5.1 Horizon 1 (2014 – 2018)

This first horizon contains the $943 million “Decongestion” phase of the 2012 Master Plan as well as over $560 million in maintenance-related capital projects. Phase 1 of the Master Plan focuses on eliminating identified congestion issues within the Main Terminal complex, specifically related to the Authority’s rental car operations as well as on curbsides on both the ticketing and baggage claim levels. The decongestion focus of Horizon 1 is consistent with the Authority’s sustainability commitment, which favors the optimized utilization of existing facilities where possible, rather than the development of new facilities. During this horizon, the Authority will greatly reduce the amount of automobile traffic that utilizes the terminal roadways as well as begin the process of moving most of the Authority’s employees from the main terminal complex down to the South Development Area. Horizon 1 will include the moving of the Authority’s entire car rental operation from its current terminal locations on both the red and blue sides to a new purpose-built consolidated rental car facility in the South Development Area. A 1.3 mile APM will also be constructed to transport car rental customers, Economy Parking garage users, Authority and tenant employees, hotel guests and other passengers between the South area and the Main Terminal. In addition, Horizon 1 will also fund the expansion of the Transfer Level, continue the Main Terminal Modernization program, which is designed to refurbish and modernize the Main Terminal by replacing flooring, wall-coverings, signage, and furniture throughout the Main terminal and Airsides. During this initial horizon, the Authority will also begin planning the South Development Area, which may ultimately contain a new office building, employee parking and a hotel.

5.1.1 Challenges

- **Slow Economic Recovery.** Although the Tampa Bay regional economy has begun to rebound at a faster rate than the national economy, the slow recovery of the U.S. economy will continue to restrict passenger traffic growth rates to between 1% and 2% per year, much lower than in historical economic recoveries.

- **Maintaining Acceptable Returns In the Face of Increasing Uncontrollable Costs**. The Authority will continue to focus on revenue diversification as it works to maximize its financial performance. Increased external costs such as utilities, healthcare and the Florida Retirement System will continue to pressure Authority results.

- **Balancing the utilization of the existing facilities while maintaining customer service levels.** As the existing car rental facilities reach their maximum capacity during peak periods, customer service levels will be compromised before the new ConRAC and APM open. The ability to develop improved operational plans that ease congestion and ensure exceptional customer service will be paramount during this timeframe.

- **Providing Safe and Secure Facilities.** The Authority will continue its proactive approach of working with the Transportation Security Administration (TSA) to ensure a secure and efficient environment. In addition, the Authority is continuing to expand its security programs to combat cyber threats.

- **Accommodating Changing Airline Requirements.** The Authority will face the challenge of identifying what airlines will look like in Tampa over the next several years. Technological advancements have resulted in airline footprints changing dramatically at airports around the world over the past few years. Passenger processing is changing dramatically with many airlines moving towards self-boarding and self-bag tagging amongst other changes.

- **Passenger Facility Charge increases.** The Authority will continue its efforts to increase the Passenger Facility Charge from $4.50 per enplaned passenger to $8.00, to improve its ability to meet future development goals and maintain a competitive rate structure.

- **Ensuring Excellent Customer Service Levels.** With significant construction projects scheduled during this horizon for both the Main Terminal as well as the George Bean Parkway, maintaining the Authority's exceptional customer service levels will need to be managed throughout Horizon 1. The Authority's concessions program will be significantly renovated during this Horizon with most of the central transfer level being impacted by construction. The Authority will constantly monitor customer requirements and service level indicators during construction and develop transition plans to minimize impacts and ensure projects are delivered when needed.

5.1.2 Action Items - Business

- Through the use of improved analytics and well-developed research and marketing functions, the Authority must continue to develop new revenue streams and optimize the existing revenue base.

- Negotiate a new airline/airport use agreement that provides the framework to support necessary capital development and continued strong financial performance while still producing a cost competitive rate structure for air carriers.

- Negotiate a new concessions agreement allowing the Authority to maximize its revenue potential and provide increased customer choice while maintaining excellent customer service levels.

- Initiate the implementation of a common use passenger processing environment to provide air carriers with an improved platform for information technology passenger processing at check-in and gate operations.

- Finalize a Commercial Real Estate Development Plan for the East Side Development Area, the South Side Development Area and six of the seven perimeter properties, and begin actively marketing properties to generate additional revenues for the Authority.

- Actively work with state representatives to maintain or improve FDOT funding opportunities, allowing the Authority to minimize long-term debt levels.

- Develop and execute a detailed financing plan to fully fund Phase 1 of the Master Plan without impacting rates and charges for Tampa International Airport's airline partners.

- Complete the 2014 General Aviation Master Plan, and execute the findings to create a sustainable business model for the three general aviation airports.

- Negotiate a new short term credit facility either to extend or to replace the existing SunTrust Note which expires in 2018.

5.1.3 Action Items - Development

- Finalize the procurement, design and construction of the new ConRAC and APM projects. These two projects will substantially reduce the traffic and congestion issues projected for the Airport post-2016.

- Complete the widening and expansion of the Taxiway J Bridge, which will assist in the construction of the new APM guideways to connect the Main Terminal with the South Development Area.

- Expand the east and west sides of the Main Terminal through the Transfer Level Expansion and Concessions redevelopment program. Increasing the terminal footprint on the two sides will reduce congestion around the shuttle lobbies and provide additional space for revenue generating opportunities.

- Replace all 15-year-old dynamic signage in the main terminal with newer LED/LCD technology. Newer signage will provide greater revenue opportunities to the Authority through increased marketing and advertising opportunities.

- Reconstruct the roadway network in and around the South Development Area to allow greater access to the new ConRAC, and greater exit flow to I-275, the Veterans Expressway and Courtney Campbell Causeway.

- Upgrade and optimize Tampa International Airport's checked baggage system allowing for greater security and efficiency through improved technology. This project will go forward if significant funding is received from the TSA.

- Implement a new parking revenue control system which will result in the reconstruction of the parking toll plazas. The new PARCS design will result in quicker entrance and exiting from the parking facilities as well as greater customer service opportunities.

- Implement an extensive runway and taxiway rehabilitation program. This project will see asphalt work on 13 taxiways across Tampa International Airport as well as runway 1R/19L.

5.2 Horizon II Period (2019– 2023)

Horizon 2 of the Strategic Business Plan represents a five year period that will serve as an enabling phase to make room for the Horizon 3 terminal expansion. The enabling focus of Horizon 2 is consistent with the Authority's sustainability commitment, which favors the logical and balanced development and maintenance of facilities that considers the impacts to passengers and tenants while also maintaining the fiscal stability of the Authority. During Horizon 2, the Authority will continue to develop the South Development Area around the new APM, office buildings and hotel with appropriate commercial opportunities as well as a series of robust annual capital programs. While much smaller than either the $1.5 billion Horizon 1 or the $2.1 billion Horizon 3, the development program during Horizon 2 will still total almost $600 million.

Many of the larger development projects during this phase are related to the replacement or rehabilitation of airfield assets such as concrete or asphalt replacement of a large number of taxiways and runway 19L/1R and the replacement of the main fuel line for the Authority. The Authority will begin some of the enabling projects during this period which will allow it to move forward with the growth projects beginning in 2024.

5.2.1. Challenges

- **Minimizing airline costs before Horizon 3.** The Authority will begin to experience higher costs per enplanement at the end of Horizon 2 due to the combination of higher O&M costs and increasing impact from the enabling projects.

- **Maintaining and upgrading existing infrastructure.** Most of the larger projects scheduled in the development program during this period are related to major rehabilitation efforts on the

Airfield. A large number of taxiways and the primary West runway will be under construction during this period.

- **Ensure that the Authority is properly staffed and ready for Horizon 3.** The construction phase of Horizon 3 will impact the Authority more than either Phase 1 or Phase 2 both in terms of financing but also in terms of staff resource. The Authority must ensure efficient processes to optimize the performance of the staff.

5.2.2 Action Items - Business

- Continue final planning efforts to issue new long term debt for Horizon 3 and the growth phase of the 2012 Master Plan. Structure the debt in such a manner that allows the Authority to achieve its financial goals while maintaining flexibility.

- Continue developing the South Development Area, adding additional services and choices for our passengers.

- Optimize the use of Public/Private partnerships to help minimize the capital outlay of the Authority. Actively pursue P3 relationships not only for development but for sustainability projects such as solar.

- Continue to focus on making the general aviation facilities self-sustainable to assist in strengthening the Authority bottom line.

5.2.3 Action Items – Development

- Refurbish and update existing facilities at all four airports to maintain and improve existing service levels and ensure operational capacity.

- Replace several major information systems including access control, public parking and financial systems.

- Rehabilitate Taxiways A, B, C, D, E, G, H, N-1, V and W as well as runway 1L/19R before the major growth projects commence in 2024.

- Complete the construction of the east-west taxiway system by constructing a new elevated Taxiway M and eliminating the existing portion of Taxilane A to provide efficient airfield utilization, eliminate vehicle crossings and enable the development of a new ground transportation corridor to serve the future North Terminal Complex.

- Construct a new control tower, office building, and hotel after demolishing the existing control tower and hotel as well as the red side garage and administration building.

5.3 Horizon III Period (2024 – 2033)

Horizon 3 of the Strategic Business Plan represents the largest overall development period in Tampa International Airport's history totaling $2.1 billion in development within a 10-year period. This horizon includes both the "Enabling" and "Growth" projects from Phases 2 and 3 of the 2012 Master Plan update. The Authority will significantly change the footprint of the Main Terminal during this period. Once the major Master Plan projects are completed in 2026, the existing Main Terminal facility will remain viable until passenger traffic reaches approximately 34 million passengers which is estimated to occur in 2041. The growth focus of Horizon 3 is consistent with the Authority's sustainability commitment, which favors the renovation and repurposing of the built environment to accommodate growing demand without overbuilding or overcommitting Authority resources, while also remaining sensitive to the natural environment and the social aspects of growth.

Once the major enabling projects have been completed during 2024, the Authority will begin design and construction on $1 billion in growth projects focused on an expansion of existing Airside C as well as the construction of a new Airside D. The enabling projects, combined with the proposed Airside C/D design, and a realignment of the existing Airside C APM guideways will allow the Authority to create a facility that will facilitate easier connections for passengers arriving and departing between these two Airsides. In addition, a new international arrivals environment including a modern FIS/CBP facility will be created in the new footprint created in the Main Terminal north expansion.

Other major Master Plan related projects during Horizon 3 include the $60 million construction of a runup taxilane and ramp to a fourth hangar site, the $47 million construction of a fourth MRO hangar, a $40.2 million expansion of the existing Air Cargo Ramp, a $30 million extension of Taxiway A to the South end of runway 1R/19L and the construction of a new $24 million Air Cargo building.

During this period the Authority will also be implementing over $863 million in projects from the annual capital programs. Major projects to be implemented during this period include $60 million for taxiway A and E expansion and realignment in 2025, a $7.4 million project to replace dynamic signage on the George Bean Parkway; and a $4.7 million project to replace the parking ticketing control plazas in 2026. In 2027, the Authority will be spending approximately $18 million to replace the access control system across the facility as well as $13.7 million to replace the Airside E boarding bridges and associated equipment. In 2028, plans call for the $12 million replacement of the main terminal dynamic signage as well as a $7.5 million asphalt overlay project on the George Bean Parkway.

5.3.1 Challenges

- **Maintaining Existing Debt Ratings Throughout Horizon 3.** The Authority will be issuing $675 million in new debt around the end of Horizon 2 and the beginning of Horizon 3 resulting in additional pressure on the Authority's financial structure. The Authority and its financial advisor have created a financial plan that is focused on maintaining the existing debt ratings while also minimizing project cost impact on Tampa International Airport's carriers.

- **Maintaining Exceptional Customer Service Levels**: As many of the major projects included in Horizon 3 will be underway concurrently, the Authority will need to be cognizant of managing construction schedules to minimize customer impacts during this period. The Airport's ability to manage the multiple projects will have a direct correlation on its ability to maintain its current high customer service rating during this development program.

- **Maintaining a Cost Competitive Rate Structure.** Maintaining the existing CPE levels below national and regional airport rates will be a significant challenge to the Authority as it begins implementation of over $1.2 billion in development during this period. The Authority's financing team has created a structure that will maintain airline CPE below $7.50 through 2023. The Authority must continue its aggressive approach to generating new revenues for this cost structure to come to fruition.

- **Maintaining and upgrading our existing infrastructure.** In addition to over $1 billion in growth projects during this period, the Authority will also be implementing over $800 million in rehabilitation or replacement projects at the same time. Major projects are scheduled for completion across the Authority but specifically in the information technology, maintenance and airfield infrastructure areas during this 10-year period.

- **Ensuring future passenger facility capacity.** Increasing facility utilization with the implementation of the Airside facilities and construction of the new main terminal CBP/FIS facilities represents the single most challenging task during this horizon. Ensuring just-in-time development of the expanded Airside C and new Airside D will require a delivery method that provides the shortest development window for the major facility projects.

5.3.2 Action Items - Business

- Ensure the $675 million in additional GARB and PFC bonding capacity in 2020 and 2023 is completed in time to fund the construction of the expanded Airside C, the new Airside D and the new Main Terminal FIS/CPB facilities. Ensure maximum use of available passenger facility charges to minimize project impact on carrier cost per enplanements.

- Ensure that all new concessions spaces in Airsides C and D are designed to maximize revenue per square foot. Ensure the right mix of food & beverage and retail with proper identified brands are installed in the new spaces.

- Continue to keep airline rates and charges well below the national average both prior to and following the opening of the Horizon 3 master plan projects.

- Continue to identify additional revenue sources to maximize revenues and reduce airport carrier rates and charges.

- Work with FDOT to generate approximately $460 million in grant funding over the first five to seven years of the Horizon 2 and 3 periods. Additional grant funding will assist the airport in controlling its cost per enplanement through lower debt requirements.

5.3.3 Action Items – Development

- Complete the Airside C expansion, Airside D construction and main terminal CBP/FIS facility on schedule and on budget in 2029. This will include a combined main terminal TSA checkpoint, reconfigured APM guideways, and reconstructed concessions areas among other projects.

- Through public private partnerships, construct a fourth MRO hangar and associated taxiways and other infrastructure to support a growing maintenance, repair and overhaul business. Continued growth of the MRO business at Tampa International Airport will lead to greater job growth across and around the Tampa Bay region.

- Prepare and plan the construction of the parallel runway directly west of 1L/19R, scheduled for 2032.

- Continue the refurbishment, rehabilitation and updating of existing facilities, infrastructure and systems at Tampa International Airport and the three general aviation airports to maintain and improve existing service levels.

Summary

The primary purpose of this 2013 Strategic Business Plan is to provide guidance to the Authority's stakeholders regarding the Authority's ability to manage both the upcoming development and financial requirements at the Authority.

This Strategic Business Plan demonstrates that the Authority has the inherent financial strength and a development plan capable of implementing both the 2012 Master Plan projects as well as 20 years of annual capital programs. It also amplifies the Authority's commitment to taking a sustainable approach to the development and operation of the Airport. Management intends to successfully implement the development projects and programs referenced in this Plan while simutaneously focusing on the Authority mission of growing Tampa International Airport to be a major driver in the economic growth of the Tampa Bay region as well as becoming America's favorite airport by 2017.

The funding mechanisms identified within this document are sufficient to allow the Authority to implement the 2012 Master Plan projects and ongoing capital requirements while achieving the Authority's pre-Plan goals of maintaining Tampa International Airport as one of the lowest cost airports in its passenger range and also generating debt coverage ratios that would allow it to maintain its current strong single A debt rating.

6.1 Updates to the Plan

The assumptions and results illustrated through this Strategic Business Plan are based upon a current set of assumptions and are subject to change as a result of a very fluid environment with regard to air service, economic growth factors and the health of the national economy as a whole. This Plan represents an informed projection of results based on our understanding of the airport requirements of the future.

The Strategic Business Plan financial analysis will be updated in conjunction with the creation of each new Master Plan or significant operational changes such as significant air service shifts or sustained economic downturns. The Capital Development Program will be updated on an annual basis through the develoment of each annual Authority budget.