

Report of the Airport Consultant

Lee County, Florida

Airport Revenue Bonds, Series 2024 (AMT)

Prepared for:

Lee County Port Authority

Southwest Florida International Airport

Prepared by:

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Ricondo & Associates, Inc. (Ricondo) prepared this document for the stated purposes as expressly set forth herein and for the sole use of Lee County, Florida (County) and Lee County Port Authority (LCPA) and their intended recipients. The techniques and methodologies used in preparing this document are consistent with industry practices at the time of preparation, and this Report should be read in its entirety for an understanding of the analysis, assumptions, and opinions presented. Ricondo is not registered as a municipal advisor under Section 15B of the Securities Exchange Act of 1934 and does not provide financial advisory services within the meaning of such act.

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August 8, 2024 – DRAFT

Mr. Brian McGonagle
Deputy Executive Director Administration, CFO
Lee County Port Authority
Southwest Florida International Airport
11000 Terminal Access Road, Suite 8671
Fort Myers, FL 33913

RE: Report of the Airport Consultant for the Lee County, Florida, Airport Revenue Bonds,
Series 2024 (AMT)

Dear Mr. McGonagle:

Ricondo & Associates, Inc. (Ricondo) is pleased to present this Report of the Airport Consultant (Report) for inclusion as Appendix C in the Official Statement for the Lee County, Florida (County) Airport Revenue Bonds, Series 2024 (AMT) (2024 Bonds). This Report also includes Ricondo's consideration of the issuance of anticipated future issuances of Airport Revenue Bonds (Future Bonds), which are anticipated to be issued on parity with existing Airport Revenue Bonds.

The 2024 Bonds will be issued pursuant to Resolution No. 00-03-04, adopted by the Board of County Commissioners of Lee County (Board) on March 13, 2000, as amended and supplemented from time to time, and as particularly amended and restated in its entirety by Resolution No. [24-XX-XX], and as supplemented by Resolution No. [24-XX-XX], each adopted by the Board on September [5] 2024 (collectively, the Resolution). The 2024 Bonds are payable from the Net Revenues generated from the operation of Southwest Florida International Airport (the Airport) and any other aviation facility or airport acquired or constructed by the County, excluding Page Field except for purposes of utilizing proceeds of Bonds in accordance with the Resolution (collectively, the Airport System).

This Report presents the analysis Ricondo undertook to demonstrate the ability of the County and the Lee County Port Authority (Authority) to comply with the requirements of the Resolution on a pro forma basis for Fiscal Year (FY) 2026 through FY 2031 (the Projection Period), which is based on the assumptions regarding the planned issuance of the 2024 Bonds, Future Bonds, and the anticipated Capital Improvement Program provided by the Authority through consultation with its financial advisor and the underwriters. In developing its analysis, Ricondo reviewed historical trends and formulated projections on the basis of the assumptions put forth in this Report, which have been reviewed and agreed to by the Authority regarding the ability of the Airport to generate demand for air service, the trends in air service and passenger activity at the Airport, and the financial performance of the Airport System.

This Report is organized as follows:

- Summary of Findings
- Chapter 1: The 2024 Bonds
- Chapter 2: Southwest Florida International Airport
- Chapter 3: Capital Improvement Program and Funding Sources
- Chapter 4: Demographic and Economic Analysis
- Chapter 5: Passenger Demand and Air Service Analysis
- Chapter 6: Financial Analysis

On the basis of the analyses put forth in this Report, it is Ricondo's opinion that the Net Revenues of the Airport System in each year of the Projection Period are expected to be sufficient to comply with the requirements of the rate covenant established in the Resolution. It is also Ricondo's opinion that throughout the Projection Period, the Airport's airline rates and charges will remain reasonable on an airline cost per enplanement (CPE) basis, compared to other comparably sized US airports. Although summary information is provided in this letter, a complete understanding of the justification for Ricondo's opinion cannot be achieved without reading this Report in its entirety.

Founded in 1989, Ricondo is a full-service aviation consulting firm that provides airport physical and financial planning services to airport owners and operators, airlines, and federal and state agencies. Ricondo has prepared Reports of the Airport Consultant in support of more than \$46 billion of airport-related revenue bonds since 1996. Ricondo is not registered as a municipal advisor under Section 15B of the Securities Exchange Act of 1934. Ricondo is not acting as a municipal advisor and has not been engaged by the County or the Authority to provide advice with respect to the structure, timing, terms, or other similar matters regarding the issuance of the 2024 Bonds. The assumptions about such matters included in this Report were provided by the County and the Authority or the Authority's financial advisor or underwriters, or, with the Authority's approval, were derived from general, publicly available data approved by the Authority. Ricondo owes no fiduciary duty to the Authority. Ricondo recommends that the County and the Authority discuss the information and analyses contained in this Report with internal and external advisors and experts that the Authority deems appropriate, before taking any action. Any opinions, assumptions, views, or information contained herein are not intended to be, and do not constitute, "advice" within the meaning set forth in Section 15B of the Securities Exchange Act of 1934.

The techniques and methodologies Ricondo used in preparing this Report are consistent with industry practices for similar studies in connection with the issuance of airport revenue bonds. Although Ricondo believes that the approach and assumptions used are reasonable, some assumptions regarding future trends and events discussed in this Report, including the implementation schedule of the Capital Improvement Program, the forecasts of passenger-related activity, and the projections of financial

Mr. Brian McGonagle
Lee County Port Authority
August 8, 2024 – DRAFT
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performance, might not materialize. Therefore, actual performance will likely differ from the forecasts and projections set forth in this Report, and the variations could be material. In developing our analyses, Ricondo used information from various sources, including the Authority, the underwriters, the financial advisor, federal and local governmental agencies, and independent providers of economic and aviation industry data, as identified in the notes accompanying the related tables and exhibits in this Report. Ricondo believes these sources to be reliable but has not audited the data and does not warrant their accuracy. The analyses presented are based on conditions known as of the date of this letter. Ricondo has no obligation to update this Report on an ongoing basis.

Sincerely,

DRAFT

RICONDO & ASSOCIATES, INC.

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SUMMARY OF FINDINGS

The Lee County Port Authority (Authority) commissioned Ricondo & Associates, Inc. (Ricondo) to prepare this Report of the Airport Consultant (Report) to demonstrate Southwest Florida International Airport's (RSW's or the Airport's) compliance with the provisions set forth in Resolution No. 00-03-04 adopted by the Board of County Commissioners of Lee County, Florida (Board) on March 13, 2000, as amended and restated in its entirety by Resolution No. [24-XX-XX], adopted by the Board on September [5], 2024, as supplemented by Resolution No. [24-XX-XX], adopted by the Board on September [5], 2024 (collectively, the Resolution), regarding the issuance of Lee County's (County's) Airport Revenue Bonds, Series 2024 (AMT)(2024 Bonds).¹ The 2024 Bonds are being issued for the principal purpose of funding a portion of the Terminal Expansion – Phase 2 (Concourse E) project.

The Report also demonstrates the Airport's ability to generate Net Revenues sufficient to meet its obligations under the Resolution, including the rate covenant established in the Resolution (Rate Covenant) and the existing Additional Bonds Test (ABT), on a pro forma basis for Fiscal Year² (FY) 2026 through FY 2031 (referred to in this Report as the Projection Period). In developing the analysis, Ricondo reviewed the terms of the Resolution and the related documents that govern the County's Airport debt; the estimated terms of the 2024 Bonds, as provided by the Authority's financing team; the Authority's outstanding and anticipated future financial obligations; the capacity of the Airport's existing and planned facilities to accommodate current and anticipated demand; the Airport's Capital Improvement Program (CIP) and proposed funding sources; and the purpose, cost, schedule, and expected benefits of the Airport capital projects discussed herein. In preparing this Report, Ricondo also considered the Authority's future ability to meet its debt obligations associated with one additional bond series (described as Future Bonds), anticipated to be issued in the fourth quarter of FY 2025: (1) approximately \$450 million of Airport Revenue Bonds. The Future Bonds would be secured by Net Revenues on parity with the 2024 Bonds, Airport Revenue Refunding Bonds, Series 2015 (Non-AMT), Series 2021A (AMT), and Airport Revenue Bonds, Series 2021B (AMT).

To develop the pro forma analysis of the Authority's financial performance, Ricondo reviewed the agreements that establish the business arrangements between the Airport and its various tenants, including the commercial airlines serving the Airport. The Airport generates most of its operating revenues from commercial airlines and private aircraft operators through airfield usage fees and various rentals for terminal and other spaces; fees and rents assessed to concessionaires providing various goods and services to passengers and other users of Airport facilities; fees and rents assessed to rental car operators serving the Airport; and fees for public parking and commercial vehicle access to Airport facilities. These revenues are in large measure driven by passenger demand for air service from the Airport, which is a function of national and local economic conditions, and the ability and willingness of the commercial airlines to supply service at a level commensurate with this demand. Thus, Ricondo reviewed the historical relationships between economic activity and demand for air service and the financial performance of the Airport according to forecast demand. In 2020, the airline industry and the Airport experienced significant changes resulting from the coronavirus pandemic of 2019 (COVID-19) and efforts to contain it. Ricondo's review of activity included considerations regarding the effect of the COVID-19 pandemic on airline travel and the airlines' provision

¹ Ricondo prepared this Report for the stated purpose as expressly set forth herein and for the sole use of the County and the Authority and their intended recipients. The techniques and methodologies used in preparing the analyses described in this Report are consistent with industry practices at the time of preparation, and this Report should be read in its entirety for an understanding of the analyses, underlying assumptions, and opinions presented. Ricondo is not registered as a municipal advisor under Section 15B of the Securities Exchange Act of 1934 and does not provide financial advisory services within the meaning of such Act.

² The Fiscal Year is 12 months ending September 30.

of air service going forward after COVID-19. The activity assumptions within this Report also include considerations regarding the impact of Hurricane Ian on activity levels at the Airport. From this historical review, Ricondo developed assumptions regarding these factors and relationships through the Projection Period, which provide the basis for the forecasts of passenger activity and the projections of financial performance presented in this Report. The following sections summarize Ricondo's assumptions, projections, and findings that are detailed in the body of the Report, which should be read in its entirety. Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statement or the Resolution.

THE 2024 BONDS

The County is issuing the 2024 Bonds primarily to fund, in whole or in part, certain Master Plan projects (including Concourse E). Specifically, proceeds from the 2024 Bonds are anticipated to be used to:

- i. provide approximately \$525 million in funding for the design and construction of Concourse E
- ii. fund a deposit to the Debt Service Reserve Fund
- iii. pay certain costs of issuance incurred in connection with the issuance of the 2024 Bonds

Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statement for the 2024 Bonds, or the Resolution.

Table S-1 reflects the 2024 Bonds funding plan³.

TABLE S-1 2024 BONDS FUNDING PLAN

BONDS SERIES DESIGNATION	PAR AMOUNT OF BONDS ¹	TAX STATUS
Series 2024	\$565,155,000	AMT

NOTE:

1 The par amount of bonds is preliminary and subject to change.

SOURCE: PFM Financial Advisors LLC, July 2024.

SOUTHWEST FLORIDA INTERNATIONAL AIRPORT

The Airport is operated by the Authority, which Florida and the County have authorized to construct, improve, operate, and maintain the Airport. The Airport includes one runway, an adjacent taxiway system, a terminal with three concourses, terminal curbside, automobile parking facilities, a rental car building, and surface parking area, as well as air cargo, general aviation, and support facilities. In addition to the Airport, the Authority operates one additional airport for the use of private and business aircraft, Page Field. Currently, revenues and expenses of Page Field are not included for the purposes of the Resolution.

THE CAPITAL IMPROVEMENT PROGRAM AND FUNDING SOURCES

Chapter 3 presents the Airport's CIP for FY 2024 through FY 2031, which consists of approximately \$1.576 billion of total project costs. The Concourse E project is the primary component of the Airport CIP, totaling approximately \$1.042 billion. The remaining \$533.2 million of the CIP projects include other Airport renovation, rehabilitation, expansion, and replacement projects. Although the Authority may fund capital improvement projects of Page Field in accordance with the Resolution, projects associated with Page Field are not included in the Airport's CIP and are

³ The 2024 Bonds include PFC-Supported and Airport-Supported portions (see Chapter 1 for additional details).

not included in the financial analysis. Revenues and expenses associated with Page Field are not included in the definition of Net Revenues per the Resolution.

Airport CIP funding assumptions reflected in the financial analysis in this Report are described in Chapter 3, and the resulting financial impacts are discussed in Chapter 6.

DEMOGRAPHIC AND ECONOMIC ANALYSIS

The demand for air transportation at an airport is, to a large degree, dependent on the demographic and economic characteristics of the airport's air trade area. This relationship is particularly true for the largest demand component at the Airport— origin and destination (O&D) passenger traffic. O&D passenger traffic refers to passengers that either begin or end their trips at the Airport rather than connect through the Airport to other destinations. Therefore, the major portion of demand for air travel at the Airport is influenced more by the local socioeconomic characteristics of the area served than by individual air carrier decisions regarding service patterns in support of connecting activity.

Chapter 4 presents data indicating that the Airport's Air Trade Area has an economic base capable of supporting increased demand for air travel during the Projection Period. A summary of demographic and economic data described in Chapter 4 is presented in **Table S-2** below:

TABLE S-2 SUMMARY OF DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

VARIABLE	CY 2022 ³	CY 2031	CAGR CY 2022 – CY 2031
ATA Population	1,476,343	1,704,221	1.6%
Florida Population	22,245,521	24,725,589	1.2%
US Population	333,271,411	353,010,687	0.6%
ATA Per Capita Personal Income ¹	\$68,459	\$80,015	1.7%
Florida Per Capita Personal Income ¹	\$55,845	\$64,792	1.7%
US Per Capita Personal Income ¹	\$56,421	\$65,682	1.7%
ATA Gross Regional Product (GRP) ²	\$69,506	\$86,310	2.4%
Florida Gross Regional Product (GRP) ²	\$1,204,749	\$1,529,482	2.7%
US Gross Domestic Product (GDP) ²	\$21,788,014	\$26,495,363	2.2%

NOTES:

CAGR – Compound Annual Growth Rate

CY – Calendar Year

In this table, ATA refers to the Airport's Air Trade Area.

1 Figures are in 2017 dollars.

2 Figures are displayed in millions of 2017 dollars.

3 CY 2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for Woods & Poole's projections. Therefore, it is the last year of historical data displayed in this table. More recent data may be available from other sources.

SOURCE: Woods and Poole Economics, Inc., 2024 Complete Economic and Demographic Data Source (CEDDS), July 2024.

Key findings include the following:

- The Airport primarily serves the counties of Charlotte, Collier, Glades, Hendry, and Lee (the Air Trade Area), which, in calendar year (CY) 2022, had a total population of 1,476,343 residents. Population growth in the Air Trade Area since 2012 has been faster than the population growth experienced by Florida and the United States (US), and this trend is expected to continue throughout the Projection Period. Typically, a positive correlation

exists between population growth in a local area and air travel demand.

- Average annual unemployment rates (non-seasonally adjusted) for the Air Trade Area and Florida have been consistently below the unemployment rates for the US since CY 2017. The Air Trade Area's seasonally adjusted unemployment rate was 3.5 percent in April 2024, which is the most recent month of data available. This rate was below the unemployment rate experienced by the nation during the same period but slightly greater than that of Florida (3.3 and 3.9 percent, respectively).
- Approximately 30 private or public entities are in the Air Trade Area with nearly 1,000 or more employees. The largest employer in the Air Trade Area is Lee Health, with 13,558 employees, followed by Lee County Public Schools (11,174 employees); Lee County government (9,377 employees); Publix Super Markets (9,362 employees); and Collier County Public Schools (5,810 employees).
- As discussed in Chapter 4, the Air Trade Area is projected to outperform Florida and the US over the Projection Period on a variety of demographic and economic indicators shown to have a correlation with air travel demand.

PASSENGER DEMAND AND AIR SERVICE ANALYSIS

As presented in Chapter 5, the Airport has had the benefit of a resilient passenger base served by a core of airlines. In FY 2024, passenger service is provided by 16 mainline airlines and five regional airlines at the Airport. The Federal Aviation Administration (FAA) classifies RSW as a medium-hub airport on the basis of its percentage of nationwide enplaned passengers, with approximately 5.1 million enplaned passengers in CY 2022. Other key points regarding historical and forecast aviation activities at the Airport are the following:

- From FY 2013 to FY 2019, the Airport experienced a 4.5 percent compound annual growth rate (CAGR) in enplaned passengers, compared to 3.8 percent growth for the nation. In FY 2020, the Airport experienced a 29.8 percent annual decrease in enplaned passengers, compared to an annual decrease of 44.5 percent for the nation due to the COVID-19 pandemic. In FY 2023, enplaned passengers at the Airport decreased 15.3 percent to 4.7 million, due to the impact of Hurricane Ian. Monthly enplaned passenger volumes in FY 2023 remained below corresponding monthly passenger volumes in FY 2022 until July 2023. From FY 2013 to FY 2023, enplaned passengers at the Airport increased at a CAGR of 2.0 percent, compared to an increase of 2.2 percent nationwide. Fiscal year-to-date (FYTD) 2024 (October to May) enplaned passengers increased 24.5 percent to 4.3 million compared to 3.5 million for FYTD 2023, as passenger demand recovered from the impact of Hurricane Ian. Monthly passenger volumes in FYTD 2024 exceed passenger volumes in all corresponding months in FYTD 2023.
- The Airport's stable scheduled passenger airline service includes 10 airlines that have provided service each year between FY 2013 and FY 2024. German airline Eurowings initiated service between Dusseldorf Germany and the Airport in FY 2018 and continued service through FY 2020. Formerly branded as Eurowings Discover, Discover Airlines initiated nonstop service between Frankfurt Germany and the Airport in FY 2022. Alaska Airlines (Alaska) initiated service at the Airport in November 2020. In addition, Avelo Airlines initiated service at the Airport in November 2021, followed by Breeze Airways initiation of service at the Airport in June 2022. In November 2023, Canadian based Porter Airlines initiated daily service to Toronto Pearson International. In March 2024, airlines offered nonstop scheduled service to 61 destinations (58 domestic and 3 international) at the Airport. Lynx Air, a Canadian ultra-low-cost carrier, began service in December 2023; however, Lynx Air filed for creditor protection and ceased all operations in February 2024. As a result, the number of mainline airlines serving the Airport increased from pre-pandemic levels of 11 airlines to 16 airlines (including Lynx Air) in FY 2024. In addition, the number of scheduled nonstop destinations increased from 44 to 51 over the same period.

- In FY 2023, Delta Air Lines represented the largest passenger airline at the Airport according to enplaned passengers (21.6 percent) and landed weight (20.1 percent).

Table S-3 summarizes the projection of enplaned passengers at the Airport through the Projection Period. Enplaned Projections of enplaned passengers were based on an average of acceptable results produced in the regression analyses of local and national socioeconomic and demographic factors, and enplaned passengers at the Airport are projected to increase from 4.7 million (FY 2023) to 6.4 million (FY 2031), a CAGR of 3.9 percent during the Projection Period (compared to 4.5 percent growth from 2013-2019, pre-pandemic).

TABLE S-3 ENPLANED PASSENGER PROJECTIONS

FISCAL YEAR	AIRPORT	
	TOTAL ENPLANED PASSENGERS	ANNUAL GROWTH
Historical		
2013	3,856,646	4.9%
2014	3,989,316	3.4%
2015	4,155,189	4.2%
2016	4,332,997	4.3%
2017	4,421,668	2.0%
2018	4,662,213	5.4%
2019	5,026,675	7.8%
2020	3,528,376	-29.8%
2021	4,534,976	28.5%
2022	5,571,537	22.9%
2023	4,721,401	-15.3%
FYTD 2023 ¹	3,477,717	-
FYTD 2024 ¹	4,321,008	24.5%
Projected		
2024	5,532,000	17.2%
2025	5,661,000	2.3%
2026	5,786,000	2.2%
2027	5,911,000	2.2%
2028	6,034,000	2.1%
2029	6,163,000	2.1%
2030	6,294,000	2.1%
2031	6,423,000	2.0%
Compound Annual Growth Rate		
2013 – 2019	4.5%	
2013 – 2023	2.0%	
2023 – 2031	3.9%	
2024 – 2031	2.2%	

NOTES:

Fiscal Year ending September 30.

¹ The Fiscal Year-to-date (FYTD) is for 8 months ending May 2023 and 2024 (latest data available).

SOURCES: Lee County Port Authority, July 2024; Cirium Diio, June 2024 (US Department of Transportation, T-100 data); Ricondo & Associates, Inc., July 2024.

FINANCIAL ANALYSIS

Chapter 6 presents the analysis Ricondo undertook to demonstrate the ability of the Authority and the County to comply with the requirements of the Resolution on a pro forma basis in each year of the Projection Period, which was based on the assumptions regarding the planned issuance of the 2024 Bonds and Future Bonds for the completion of Concourse E.

On the basis of the analysis in this Report and the financial projections presented in Chapter 6, it is Ricondo's opinion that the Net Revenues generated by the Airport in each year of the Projection Period are expected to be sufficient to comply with the Rate Covenant. It is also Ricondo's opinion that the Airport's airline rates and charges should remain reasonable on the basis of the expectation that these fees will not deter forecast demand for air traffic at the Airport as airlines continue to deploy capacity to airports going by available resources. The underlying strength of air traffic demand at the Airport is based on a combination of factors that are not materially affected by Airport rates and charges.

Results of the financial analysis presented herein can be summarized as follows:

- Current Expenses are projected to increase based on the type of expense, the incremental increases associated with the completion of capital projects, and the expectations of future inflation (assumed to be 2.0 percent annually), with total Current Expenses estimated to increase from approximately \$110.9 million in FY 2025 to approximately \$141.3 million in FY 2031, reflecting a CAGR of 4.1 percent.
- Parking and concessions revenues are budgeted to be \$75.0 million in FY 2025 and are projected to increase to approximately \$90.4 million in FY 2031, reflecting a CAGR of 3.2 percent based on anticipated air traffic growth, inflation, and impacts from the anticipated Terminal Expansion – Phase I in FY 2026 and the Concourse E project in FY 2028. Total Non-Airline Revenues, including concessions, are budgeted to be approximately \$99.9 million in FY 2025. Total Non-Airline Revenues are projected to increase to approximately \$117.7 million in FY 2031, reflecting a CAGR of 2.8 percent.
- After the 2024 Bonds are issued, total annual debt service is projected to be approximately \$64.6 million in FY 2025 and increase to \$76.4 million per year in FY 2026 because of the Future Bonds debt service. In FY 2027 total annual debt service increases to approximately \$87.6 million per year because of the first full year of debt service on the Future Bonds.
- Airline revenues calculated according to the terms of the Airline–Airport Use and Lease Agreement are estimated to increase from approximately \$86.1 million in FY 2025 to approximately \$124.9 million in FY 2031. The Airport's estimated average airline cost per enplanement (CPE) is estimated to increase from approximately \$13.64 in FY 2025 to approximately \$17.93 in FY 2031 as a result of increased capital costs associated with the Concourse E project.
- Extraordinary Coverage is not anticipated to be required in the Projection Period.
- Additional Concourse E Protection, as defined and described in Section 6.1.2 of this Report, is projected to be required in FY 2026 through the end of the Projection Period and is projected to increase from \$4.3 million in FY 2026 to \$11.1 million in FY 2027. Additional Concourse E Protection is projected to remain relatively flat from FY 2027 through the end of the Projection Period.
- Calculated in accordance with the Resolution, debt service coverage is estimated to be 1.60x in FY 2025, the first full year of debt service on the 2024 Bonds, calculated according to both the 1.25x and 1.00x tests. Debt service coverage is expected to exceed both debt service coverage requirements established in the Resolution in each year of the Projection Period.

1. THE 2024 BONDS

1.1 PLAN OF FINANCE AND THE 2024 BONDS

This chapter describes the Series 2024 Bonds and key provisions of the Resolution.

Lee County (County) is issuing the 2024 Bonds primarily to fund, in part, the Concourse E project. Specifically, proceeds from the 2024 Bonds are anticipated to be used to:

- i. provide approximately \$525 million in funding for the design and construction of Concourse E
- ii. fund a deposit to the Debt Service Reserve Fund
- iii. pay certain costs of issuance incurred in connection with the issuance of the 2024 Bonds

The 2024 Bonds will be issued on parity with the County's outstanding Airport Revenue Refunding Bonds, Series 2015 (Non-AMT), Airport Revenue Refunding Bonds, Series 2021A (AMT), and Airport Revenue Bonds, Series 2021B (AMT).

Table 1-1 presents the estimated sources and uses for the 2024 Bonds. The PFC-Support and Airport-Supported portions of the 2024 Bonds are shown separately for illustrative purposes, however the 2024 Bonds will be issued as a single series.

TABLE 1-1 2024 BONDS ESTIMATED SOURCES AND USES

	2024 PFC-SUPPORTED BONDS (AMT)	2024 AIRPORT-SUPPORTED BONDS (AMT)	TOTAL 2024 BONDS
Sources			
Par Amount of Bonds	\$188,385,000	\$376,770,000	\$565,155,000
Premium	\$2,283,021	\$4,565,704	\$6,848,725
Total Sources of Funds at Closing	\$190,668,021	\$381,335,704	\$572,003,725
Uses			
Project Fund Deposits	\$175,000,000	\$350,000,000	\$525,000,000
Debt Service Reserve Fund	14,252,6711	28,505,342	42,758,013
Cost of Issuance	470,963	941,925	1,412,888
Underwriters Discount	941,925	1,883,850	2,825,775
Additional Proceeds	2,462	4,587	7,050
Total Uses of Funds at Closing	\$190,668,021	\$381,335,704	\$572,003,725

NOTES:

PFC – Passenger Facility Charge

Numbers are preliminary and based on current market rates as of July 24, 2024, +75 Basis Points.

SOURCE: PFM Financial Advisors LLC, July 2024.

The 2024 Bonds are being issued pursuant to the provisions of the Resolution. The County adopted the Series Resolution, authorizing the issuance of the 2024 Bonds, on September [5], to be updated upon adoption of the Series 2024 Resolution, which is expected to be adopted at the September board meeting (the Series Resolution).

For the 2024 Bonds, the assumptions of the Authority's Financial Advisor are presented in **Table 1-2**.

TABLE 1-2 2024 BOND ASSUMPTIONS

	2024 BONDS
Delivery Date	10/09/2024
First Coupon	04/01/2025
Last Maturity Date	10/01/2054
Average Life	21.777 years
Net Interest Cost	5.147%

NOTE:

Numbers are preliminary and based on current market rates as of July 24, 2024, +75 Basis.

SOURCE: PFM Financial Advisors LLC, July 2024.

1.2 BOND RESOLUTION

1.2.1 SECURITY AND SOURCES OF PAYMENT

The 2024 Bonds shall have an irrevocable and nonexclusive first lien on the "Pledged Funds" as such term is defined in the Resolution on a parity with the Series 2015 (Non-AMT), Airport Revenue Refunding Bonds, Series 2021A (AMT), Airport Revenue Bonds, Series 2021B (AMT)(collectively, the Outstanding Parity Bonds), and any Additional Parity Bonds issued under the Resolution.

Upon issuance of the Series 2024 Bonds, the Series 2015 Bonds, Series 2021A Bonds, and Series 2021B Bonds will be outstanding in the aggregate principal amounts of, \$33.4 million, \$113.6 million, and \$211.6 million, respectively. The 2024 Bonds and the Outstanding Parity Bonds are secured by a lien upon and pledge of (i) Net Revenues; (ii) the amounts on deposit in the Sinking Fund and all Accounts therein except as expressly provided in the Resolution; the Subordinated Indebtedness Fund (other than the proceeds of Subordinated Indebtedness); the Renewal, Replacement, and Improvement Fund and the Airport Fund, each established by the Resolution; and (iii) until expended, the amounts on deposit in the applicable Subaccounts of the Project Fund with respect to any particular Series of Bonds (collectively, the Pledged Funds).

Net Revenues is currently defined in the Resolution to mean Revenues less the Current Expenses for such period. Revenues are defined in the Resolution to mean for any period all moneys paid or accrued for the use of and for services and facilities furnished by, or in connection with the ownership or operation of, the Airport, or any part thereof or the leasing or use thereof, including (1) rentals, (2) concession fees, (3) use charges, (4) landing fees, (5) license and permit fees, (6) service fees and charges, (7) moneys from the sale of fuel and/or other merchandise, (8) all gifts, grants, reimbursements or payments received from governmental units or public agencies for the Airport System's benefit which are lawfully available for the payment of debt service with respect to any Bonds, Subordinated Indebtedness, or payment of Operation and Maintenance Expenses, (9) Special Purpose Facility Revenues, to the extent designated as Revenues by Supplemental Resolution, (10) CFCs which are not Available Revenues, (11) PFCs which constitute Revenues pursuant to Section 3.02 hereof, and (12) any investment income that is required to be deposited in the Revenue Fund (but shall exclude all other investment income); provided, however, that Revenues shall not include (a) any revenue or income from Page Field or any additions, extensions or improvements thereto unless Page Field is added to the Airport System as provided in the definition of Airport System; (b) all gifts, grants, reimbursements or payments received from governmental units or public agencies for the Airport System's benefit which are not lawfully available for the payment of Current Expenses or payment of debt service with respect to any Bonds or Subordinated Indebtedness; (c) insurance proceeds, to the extent used by the Authority to repair or replace damaged property or to the extent the use of such proceeds is restricted by the

terms of the policy under which they are paid to a use inconsistent with the payment of Current Expenses or the payment of debt service with respect to Bonds and Subordinated Indebtedness; (d) any Transfers; (e) any Released Revenues; (f) any unrealized gains on securities held for investment by or on behalf of the Authority or County; (g) any gains resulting from changes in valuation of any Derivative Agreement; (h) any unrealized gains from the write-down, reappraisal or revaluation of assets; (i) the proceeds of Bonds and Subordinated Indebtedness; (j) Passenger Facility Charges, except to the extent provided as Revenues in Section 3.02 hereof; (k) Any Available Revenues; (l) investment income derived from any moneys or securities which may be placed in escrow or trust to defease Bonds or Subordinated Indebtedness; (m) cash subsidy payments or similar payments made by the U.S. Treasury or other federal or State governmental entity to or on behalf of the Authority or County for payment coming due on the Bonds or any portion thereof; (n) any arbitrage earnings which are required to be paid to the United States of America pursuant to Section 148 of the Code; (o) interest earnings or other investment earnings on any Account in the Project Fund established by any Supplemental Resolution unless otherwise provided in such Supplemental Resolution; and (p) Special Purpose Facility Revenues, except as otherwise provided by Supplemental Resolution.

PFCs are specifically excluded from "Revenues," unless otherwise provided for as an additional pledge in a Series Resolution. The Series Resolution for the 2024 Bonds includes a pledge of PFCs. PFCs also secure a portion of the Series 2021A Bonds, the Series 2021B Bonds, and the Series 2015 Bonds.

1.2.2 PLEDGE OF PASSENGER FACILITY CHARGES

The Authority has received approval for the collection and use of PFC funds for the design and construction of Concourse E as part of PFC Application number 24-11-C-00-RSW (PFC 24-11). The FAA's Final Agency Decision for PFC 24-11 was received April 11, 2024, and includes the approval of \$430,338,950 in PFC collections, including \$429,879,422 for projects related to Concourse E. The primary source of funding associated with Concourse E is the Series 2024 Bonds. Therefore, a portion of the 2024 Bonds is eligible for reimbursement from PFC funds. The Authority currently imposes a \$4.50 PFC per enplaned passenger.

The County adopted the Series Resolution, which pledges eligible PFC Revenues collected pursuant to PFC Application 24-11 and associated with the design and construction of the Concourse E as additional security for the 2024 Bonds beginning in FY 2024.

1.2.3 THE RATE COVENANT

The County and the Authority covenant in the Resolution to fix, establish, revise from time to time whenever necessary, maintain, and collect such rates, fees, rentals, and other charges for use of the services and facilities of the Airport System. The rates, fees, rentals, and other charges each FY will be at least equal to the greater of (1) Revenues, together with Transfers, in each FY sufficient to pay all Current Expenses of the Airport System in such FY, and 125 percent of the Bond Service Requirements in such FY (excluding for purposes of this calculation, redemption premium and debt service reserve payments); and (2) Revenues, without taking into account Transfers, in each FY sufficient to pay all Current Expenses of the Airport System in such FY, and 100 percent of the Bond Service Requirements (excluding for purposes of this calculation, redemption premium) in such FY and all other required payments under the Resolution, including any deposit to the Reserve Account and Renewal, Replacement, and Improvement Fund required in such Fiscal Year.

Such rates, fees, rentals, or other charges shall not be reduced so as to be insufficient to provide Revenues for such purposes.

In the event that Revenues for any FY are less than the amount previously specified, the County, before the end of the second month following the completion of the audit for such FY, will cause the Consultant to make its

recommendations as to a revision of such rates or charges, and copies of such request and of the recommendation of the Consultant shall be mailed to each Bond Holder who shall have filed with the Clerk for such purpose. The County covenants in the Resolution that, to the extent permitted by applicable law and the provisions of any use agreement then in effect at the Airport System, it will comply with the recommendations of the Consultant.

1.2.4 DEBT SERVICE RESERVE

The County is required to maintain a Reserve Account within the Sinking Fund in an amount equal to the Reserve Requirement for the Bonds. The Reserve Requirement is an amount, as of any date of calculation, that is equal to the lesser of (i) the Maximum Bond Service Requirement (ii) the maximum amount permitted under the Code as a reasonably required reserve or replacement fund, or (iii) such other amount as approved by Supplemental Resolution in accordance with Section 5.02(c)(5) of the Resolution. Amounts in the Reserve Account are used to pay the principal, premium, if any, and interest on the Bonds at times when the moneys in the other Accounts within the Sinking Fund are insufficient. The County may, at any time, substitute a Credit Facility for all or a portion of the moneys in the Reserve Account.

1.2.5 ADDITIONAL BONDS TEST

The Resolution authorizes the issuance of Additional Parity Bonds subject to certain conditions and tests, including that as a condition to the issuance of the 2024 Bonds, there shall first have been filed with the County:

- (1) With respect to Improvement Bonds, (i) a certificate of the Authority Representative demonstrating that the requirements of Section 5.04 of the Resolution were met in the last complete FY for which the audited financial statements of the Authority are available; and (ii) a report of the Consultant setting forth for each of the three FYs following the FY in which the Authority Representative estimates the completion of an Improvement to be completed (October 2027 with respect to improvements to be financed with Series 2024 Bonds); (l) estimates of Revenues to be received by the County and the Authority from the Airport System, including the Project to be financed with the Additional Parity Bonds; (2) estimates of Current Expenses for such FYs; (3) estimates of Transfers, if any, to be made in such FYs; (4) the Maximum Bond Service Requirement, including the Additional Parity Bonds then proposed to be issued; and (5) that Revenues, together with Transfers, will be sufficient to pay all Current Expenses and 125 percent of the Maximum Bond Service Requirement, including the Additional Parity Bonds then proposed to be issued (excluding for purposes of this calculation, redemption premium and debt service reserve payments), in each such FY.
- (2) With respect to Completion Bonds, a certificate demonstrating that the proceeds of the Completion Bonds to be issued and all previously issued Completion Bonds relating to the Project (net of issuance costs and any discounts) will be not more than 10 percent of the original Cost of such Project for the completion of which such Completion Bonds are then being issued.
- (3) With respect to Refunding Bonds that are not Crossover Refunding Bonds, a certificate demonstrating either (a) the Maximum Bond Service Requirement will not increase after the issuance of the Refunding Bonds and the application of the proceeds thereof or (b) the total Bond Service Charges will not increase after the issuance of such Refunding Bonds and the application of the proceeds thereof.
- (4) With respect to Refunding Bonds that are Crossover Refunding Bonds, a certificate demonstrating that the Maximum Bond Service Requirement immediately following the Crossover Date does not exceed the Maximum Bond Service Requirement immediately prior to the Crossover Date.

In addition, the Authority Representative shall have filed a certificate with the Clerk to the effect that neither the County nor the Authority is in default in performing any of the covenants and obligations assumed under the

Resolution, and all payments required to have been made into the Funds and Accounts have been made to the full extent required.

Each Series Resolution authorizing the issuance of Additional Parity Bonds will recite that all the covenants in the Resolution will be applicable to such Additional Parity Bonds.

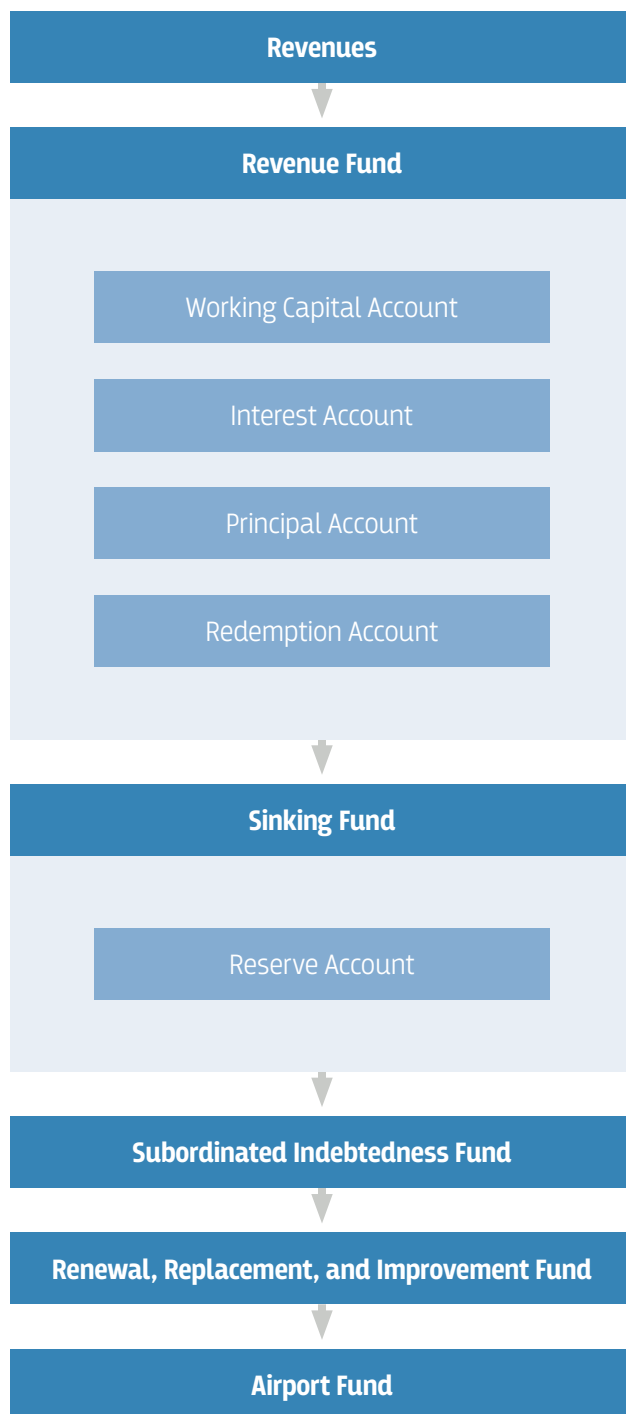
1.2.6 FLOW OF FUNDS

The Authority deposits all Revenues of the Airport System as promptly as possible after receipt into the Revenue Fund, which the County holds and administers. As shown on **Exhibit 1-1**, the moneys in the Revenue Fund are to be applied in the following order of priority:

- Working Capital Account
- Interest Account
- Principal Account
- Redemption Account
- Reserve Account
- Subordinated Indebtedness Fund
- Renewal, Replacement, and Improvement Fund
- Airport Fund

The Resolution authorizes the County to issue Airport Revenue Bonds. The requirements of the Resolution were adhered to in developing the application of revenues included in these financial analyses. The principal funds and accounts established within the Resolution and their use are summarized as follows:

- **Revenue Fund.** This fund receives all Revenues derived by the Authority, which are deposited or transferred to the following funds and accounts in the order listed:
 - **Working Capital Account.** After first paying the Current Expenses for the current month, the Working Capital Account is funded in an amount not in excess of the average monthly Current Expenses as shown on the Annual Budget times three. The Working Capital Account is used to pay monthly Current Expenses in the event that the monthly Current Expenses exceed the amount available in the Revenue Fund.
 - **Interest Account.** Revenues are next used to deposit into the Interest Account an amount equal to the interest due on the Bonds on the next Interest Payment Date (and payments, other than termination payments, under Derivative Agreements), less amounts (including Capitalized Interest) already on deposit for this use, divided by the number of months remaining to such interest payment date.
 - **Principal Account.** Revenues are next used to deposit into the Principal Account, during the 12 months preceding a Serial Bond maturity date, the amount necessary to pay the principal maturing on the Serial Bonds on the next maturity date, less amounts already on deposit for this use, divided by the number of months remaining to such maturity date.



SOURCE: Ricondo & Associates, Inc., August 2024.

EXHIBIT 1-1**BOND RESOLUTION FLOW OF FUNDS**

- **Redemption Account.** Revenues are next used to deposit into the Redemption Account, during the 12 months preceding a Redemption Requirement due date, an amount equal to the Redemption Requirements for Term Bonds, which shall next become due and payable, plus the amount of the premium, if any, on a Principal amount of such Term Bonds equal to the amount of such Redemption Requirement, which would be payable on the next Redemption Requirement due date if such Principal amount of Term Bonds were to be redeemed prior to their maturity from money held in the Redemption Account, less amounts that have been deposited therein during such 12-month period and used for the purchase of Outstanding Term Bonds or are available for redemption of Term Bonds, divided by the number of months remaining to such due date. If, at the stated dates of maturity of any Term Bonds, the proceeds on deposit in the Redemption Account are insufficient to retire the principal amount of maturing Term Bonds remaining Outstanding, the County shall transfer from the Reserve Account to the Redemption Account sufficient money to make up such deficiency.

Upon any purchase (and delivery to the Bond Registrar for cancellation) or optional redemption of Bonds of any Series and maturity for which Redemption Requirements shall have been established, which is made on or prior to the 40th day preceding the due date of the Redemption Requirements next due for the Bonds of such Series and maturity from any funds of the County or the Authority other than amounts deposited in the Redemption Account, there shall be credited toward such Redemption Requirements in such manner as may be determined by the Authority Representative the principal amount of such Bonds so purchased or redeemed upon delivery of such Bonds by the County to the Bond Registrar, such determination to be evidenced by a certificate filed with the Clerk. The portion of any such Redemption Requirements remaining after the deduction of any such amounts credited toward the same as described in (or the original amount of any such Redemption Requirements if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Redemption Requirements for the purpose of calculation of Redemption Requirements due on a future date.

- **Reserve Account.** Revenues are next applied to the Reserve Account, held within the Sinking Fund, in an amount equal to the Reserve Requirement for the Reserve Account (or any subaccount therein), which includes amounts necessary to reinstate any credit facility credited to the Reserve Account.
- **Subordinated Indebtedness Fund.** Revenues are next deposited into the Subordinated Indebtedness Fund to meet any requirements of the County's resolution authorizing the issuance of any Subordinated Indebtedness.
- **Renewal, Replacement, and Improvement Fund.** Revenues are next deposited into the Renewal, Replacement, and Improvement Fund until the amount therein is equal to the amount recommended within the Authority's annual inspection report.
- **Airport Fund.** Revenues will next be deposited into the Airport Fund and any subaccounts as follows:
 - **Sinking Fund, the Subordinated Indebtedness Fund, and the Renewal, Replacement, and Improvement Fund** – The funds in the Airport Fund shall first be used to make up deficiencies in the Sinking Fund, the Subordinated Indebtedness Fund, and the Renewal, Replacement, and Improvement Fund in the priority for depositing moneys from the Revenue Fund, as previously described.
 - **Event of Default** – If an Event of Default has occurred, then the funds on deposit in the Airport Fund shall next be used to cure such Event of Default and to pay expenses of curing such Event of Default.
 - **Use or Lease Agreement** – If determined by the Authority Representative to be required pursuant to any use or lease agreement with any user of the Airport System, to make transfers to such user or users but not in excess of the amounts required by such use or lease agreement.

- **Transfers** – Periodically, transfers are used to make authorized Transfers to the Revenue fund.
- Remaining moneys held for the credit of the Airport Fund may be used for any lawful purpose.

As a recipient of the FAA Airport Improvement Program (AIP) grants, the Authority must comply with associated grant assurances that include, among others, a restriction regarding the use of revenue generated from the operation of the Airport System solely to Airport System purposes.

2. SOUTHWEST FLORIDA INTERNATIONAL AIRPORT

This chapter describes the location of the Southwest Florida International Airport (Airport or RSW), Air Trade Area, and existing facilities at the Airport.

The Airport is operated by the Authority, a dependent special district of the County, which the Board of County Commissioners of Lee County (Board) governs. The Airport covers approximately 6,400 acres of land and is 15 miles southeast of the central business district of Fort Myers, Florida. The Airport is bordered by Daniels Parkway on the north side, the Wild Turkey Strand Preserve on the east side, Interstate 75 (I-75) on the west side, and the terminal Access Road on the south side. The FAA classifies the Airport as a medium-hub airport, which is based on total enplaned passengers. In addition to the Airport, the Authority operates Page Field, a general aviation airport that the FAA designates as a regional reliever for the Airport. Page Field is currently excluded from the term “Airport System” for purposes of the Resolution.

2.1 AIR TRADE AREA

The geographical area served by an airport is commonly known as the airport’s Air Trade Area. The borders of an airport’s Air Trade Area are influenced by the location of other metropolitan areas and their associated airport facilities. For the purposes of these analyses, the Air Trade Area for the Airport consists of Lee County, in which the Airport is located, as well as the surrounding counties of Charlotte, Collier, Hendry, and Glades. **Exhibit 2-1** presents the geographical location of the Airport’s Air Trade Area and the Airport’s proximity to other existing commercial service airports in the Air Trade Area.

Surrounding Airports Within or Near the Air Trade Area

On the basis of location, accessibility, and services available at other commercial service airports within nearby areas, it is recognized that the area served by the Airport extends into the Air Trade Area of Punta Gorda Airport (PGD). Surrounding airports near RSW’s Air Trade Area include Fort Lauderdale–Hollywood International (FLL), Sarasota Bradenton International (SRQ), St. Pete–Clearwater International (PIE), and Tampa International (TPA) Airports. Chapter 5 of this Report provides additional information regarding these surrounding airports.

2.2 EXISTING AIRPORT FACILITIES

This chapter describes the existing Airport facilities, including airfield, terminal, terminal curbside, automobile parking, rental car, air cargo, support, and general aviation facilities.

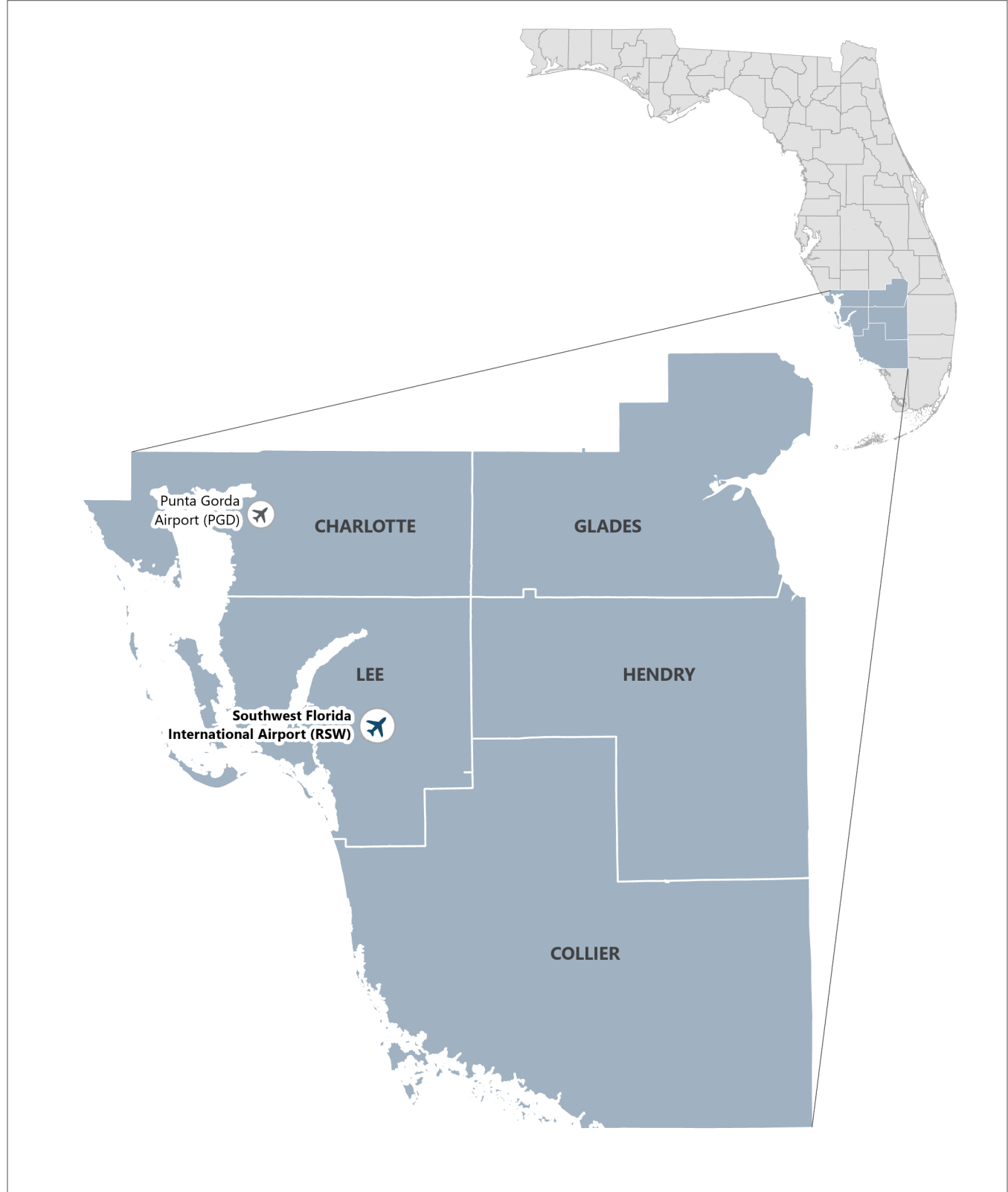
Exhibit 2-2 presents an aerial view of the Airport.

2.2.1 AIRFIELD

The airfield facilities at the Airport consist of a runway, taxiways, apron areas, aviation fuel services, and lighting systems.

2.2.1.1 RUNWAY AND LIGHTING

The airfield has one runway, Runway 6-24, oriented in a northeast–southwest configuration.



SOURCES: US Department of Transportation, Federal Aviation Administration, 2021 (airports); US Census Bureau, 2023 (county).

EXHIBIT 2-1



AIR TRADE AREA AND
EXISTING COMMERCIAL AIRPORTS



SOURCE: Martinez Geospatial, Inc., Aerial Photography, April 2022.

EXHIBIT 2-2**EXISTING AIRPORT FACILITIES**

Drawing: C:\Users\nbadit\OneDrive - Ricondo Inc\Project Support\RSW\z_Feas_Rept_Exhib.dwg Layout: 2-2 Plotted: Jun 21, 2024, 12:30AM

Runway 6-24 is 150 feet wide and 12,000 feet long. The runway pavement is grooved asphalt concrete with a weight-bearing capacity of 120,000 pounds for a single-wheel load, 250,000 pounds for a double-wheel load, 538,000 pounds for a double-tandem-wheel load, and 1,045,000 pounds for a dual-double-tandem-gear aircraft. Runway 6 is equipped with a Category I precision instrument landing system. In addition, non-precision approaches are available to both ends of the runway. Runway 6-24 underwent a full-length rehabilitation in 2007. The rehabilitation is approaching the end of its useful life, and a future rehabilitation is planned in the Airport's Capital Improvement Program (CIP) as discussed in Chapter 3.

- Runway 6 includes a medium-intensity approach lighting system, high-intensity edge lights, runway visual range equipment, and a four-light precision approach path indicator.
- Runway 24 includes high-intensity runway edge lights, runway end identifier lights, and a four-light precision approach path indicator.

2.2.1.2 TAXIWAYS

Taxiways connect the passenger terminal, cargo, and general aviation aircraft parking areas to the runway. These taxiways primarily consist of parallel Taxiway A, providing access to and from the cargo and general aviation areas, and parallel Taxiway F, providing access to and from the runway to the remaining taxiways, which are adjacent to the terminal building.

2.2.1.3 TERMINAL

The Airport's Midfield Terminal opened on September 9, 2005. The terminal building has three levels (i.e., the apron, concourse, and administration levels), and it totals approximately 791,000 square feet of space.

The terminal building consists of three concourses (piers) connected to the main core of the terminal building: Concourse D on the west end, Concourse B on the east end, and Concourse C off the central section of the terminal. The majority of the lower (apron) level is within the Secure Identification Display Area, and it generally contains airline operations offices, storage space, utility space, and covered unenclosed space. An international processing facility is also on the lower level. The second (concourse) level principally contains the secure areas (post security screening checkpoints, gates, and passenger boarding bridges), including holdrooms, concession spaces, restrooms, and miscellaneous spaces. The three-level terminal building contains baggage facilities, public space, miscellaneous building services and utility areas, and Transportation Security Administration (TSA) offices on the lower level; passenger ticketing, airline offices, concessions, security pavilions, public space, and restrooms on the concourse level; and Authority offices on the third (administration) level.

An expansion to the terminal began in 2021 and was anticipated to be completed in 2025. However, the completion date will likely be delayed at least one year past FY 2025 because of necessary redesigning. The expansion will provide connectivity among the three existing concourses to allow for airline gate scheduling flexibility, to consolidate the TSA security checkpoint operations, and to provide additional concessions and public space for Airport passengers.

The aircraft parking area is striped for 28 terminal aircraft parking positions and 32 remain overnight aircraft parking positions, not including any aircraft parking positions on the cargo ramp.

2.2.2 CURBSIDE, AUTOMOBILE PARKING, AND RENTAL CAR FACILITIES

This section describes the terminal curbside, automobile parking, and rental car facilities that serve the passenger terminal area.

2.2.2.1 TERMINAL CURBSIDE

The terminal curbside area comprises two levels that support the arrivals and departures areas of the terminal building. The upper level comprises five traffic lanes serving ticketing and check-in areas and includes six zones, each serving different airlines. Two pedestrian crosswalks connect the upper-level curb with the parking garage and ground transportation curb on the lower level (via stairs and an elevator). The lower level comprises seven traffic lanes serving baggage claim and ground transportation and includes six zones, each serving different airlines. A pedestrian crosswalk connects each zone with the parking garage and ground transportation curb.

2.2.2.2 AUTOMOBILE PARKING FACILITIES

Two public parking facilities provide a total of 11,267 parking spaces for Airport patrons:

- Short-Term Parking Garage (located directly across from the terminal building) – The second and third floors of the garage are available for public parking, totaling 2,523 parking spaces for public use. The first floor of the garage accommodates rental cars.
- Long-Term Parking Lot (surface parking lot located South of the Short-Term Parking Garage, separated by the rental car service center) – This lot has 8,744 parking spaces; a shuttle bus provides transportation from the lot to the terminal.

An employee parking lot is located southwest of the Long-Term Parking Lot. The employee lot includes 1,290 spaces, which are used by Airport tenants, Authority staff, and TSA staff.

Additional lots located on Airport property include a commercial staging lot, transportation network company (TNC) staging lot, and cell lot, providing 130, 35, and 75 spaces, respectively.

2.2.2.3 RENTAL CAR FACILITIES

Four companies operate 10 rental car brands on-site at the Airport: Hertz Corporation (Hertz, Dollar, and Thrifty), the Avis Budget Group (Avis, Budget, and Payless Car Rental), Enterprise Holdings (Enterprise, Alamo, and National), and Sixt. Hertz and its subsidiaries continue to operate at the Airport despite its bankruptcy filing in 2020. The on-site rental car companies are located on the first floor of the Airport's parking garage. Each brand has passenger-accessible counter space in the Rental Car Service Center, as well as ready/return spaces located in the adjoining lower level of the parking garage. Each rental car company also has a vehicle service and storage facility and administrative offices. In addition, the Fox Rent a Car and Easirent Car Rental brands provide off-Airport car rentals. Shuttles are available to transport passengers to off-site locations.

2.2.3 AIR CARGO

Two separate locations support air cargo operations at the Airport: the main air cargo facility and the passenger airline freight forwarding facility. The main air cargo facility, 24,000 square feet, accommodates the cargo processing areas for the all-cargo carriers and is adjacent to a 207,000-square-foot apron. The passenger airline freight forwarding facility, 13,500 square feet, is used to process belly-haul cargo for all airlines. Both facilities are north of the terminal building.

2.2.4 GENERAL AVIATION

PrivateSky Aviation Services (PrivateSky), a fixed-base operator (FBO), provides general aviation services at the Airport west of the terminal building. The FBO facilities consist of aircraft parking apron, one multiuse hangar, and a general aviation facility building with approximately 51,500 square feet of space. The adjacent aircraft parking apron used by the FBO provides 23,000 square yards of aircraft parking area.

A second general facility building that totals 8,000 square feet provides a terminal for additional general aviation activity for PrivateSky and is supported by one multiuse hangar and an apron with an area of 39,000 square yards.

2.2.5 OTHER AREAS

Support facilities provide various critical functions at the Airport and support the airlines, airfield, and terminal operations. Activities conducted in these facilities directly affect the quality and safety of Airport operations and contribute to a well-run Airport. The following is a list of primary support facilities located within other areas of the Airport:

- The Aircraft Rescue and Fire Fighting (ARFF) Station is located south of the runway and east of the terminal building. The ARFF Station has a footprint of approximately 31,000 square feet and houses four crash trucks, two engines, three special purpose vehicles, seven service vehicles, three trailers, one all-terrain vehicle, and one ambulance cart.
- The Airport's Airport Traffic Control Tower is being relocated. The new tower is under construction at a site located midfield between the existing runway and the future parallel runway and is anticipated to be completed in FY 2024.
- The Airport's 28 aircraft parking positions are supported by an in-pavement fuel hydrant system. The fueling system includes piping loops around the three concourses and branch service lines serving fueling pits at each gate.
- The Airport property includes 1,150 acres of land designated for commercial property development. Known as the Skyplex, the property is zoned for multiuse commercial, light industrial, and aviation development.
- The Airport's maintenance facility is located west of the terminal building and has a footprint of 19,560 square feet.

3. CAPITAL IMPROVEMENT PROGRAM AND FUNDING SOURCES

This chapter summarizes the Airport's CIP, including assumed funding sources and a description of the primary project components.

3.1 FISCAL YEAR 2024 THROUGH FISCAL YEAR 2031 CAPITAL IMPROVEMENT PROGRAM

The Airport's CIP has been developed by the Authority to address ongoing maintenance, capacity, and security needs at the Airport from FY 2024 through FY 2031. The largest component of the CIP is related to the Terminal Expansion – Phase 2 (Concourse E) project, which will include expansion of the main terminal, new Concourse E construction, airside improvements, landside roadway and terminal curb modifications, as well as other elements. The construction of the Concourse E project is to begin in late 2024.

The 2024 Bonds are anticipated to be issued in the fourth quarter of 2024 and will provide funding for a portion of the Authority's Concourse E project.

3.1.1 ESTIMATED PROJECT COSTS AND TIMING

Table 3-1 summarizes the Authority's CIP for FY 2024 through FY 2031, including estimated total project costs and approximate annual funding requirements.

The Authority's CIP consists of approximately \$1.576 billion of total project costs over the period FY 2024 through FY 2031. The Authority's CIP includes projects related solely to the Airport. Although the County owns and, through the Authority, operates Page Field as a reliever airport for the Airport, its revenues and operating expenses are not included in nor payable from Pledged Funds. Although the Authority may fund capital improvement projects of Page Field in accordance with the Resolution, projects associated with Page Field are not included in the Airport's CIP.

The financial analysis described in Chapter 6 of this Report includes a Projection Period through FY 2031. Beyond FY 2031, the planned capital improvements for the Airport are not included in the analysis. The Airport's CIP is re-evaluated annually, and projects could be included/excluded on the basis of demand.

3.1.2 TERMINAL EXPANSION

3.1.2.1 TERMINAL EXPANSION – PHASE 1 (\$146 MILLION)

The first phase of the Terminal Expansion project was funded with proceeds from the Series 2021B Bonds and will consolidate the Airport's TSA checkpoints to provide more public space. The total Terminal Expansion – Phase 1 project cost is approximately \$332 million, and the estimated cost for FY 2024 through FY 2031 totals approximately \$146 million, of which approximately \$70 million is funded through PFC-pledged Airport Revenues Bonds, and approximately \$46 million is funded through Airport Revenue Bonds without a pledge of PFCs. The remaining portion of the project is anticipated to be funded using Florida Department of Transportation (FDOT) grant funding.

The Terminal Expansion project includes constructing a connector between the three existing concourses, thus offering more flexible Airport gate management operations and enhancing passenger throughput. It is anticipated to consolidate TSA security checkpoint operations to gain throughput efficiencies and shorter passenger wait times. In addition, the expansion is anticipated to increase concessions space and the amount of public space available in holdrooms and public spaces post-passenger screening.

TABLE 3-1 AUTHORITY'S CAPITAL IMPROVEMENT PROGRAM (FISCAL YEAR 2024 – FISCAL YEAR 2031)

PROJECT NAME	TOTAL FUNDING SOURCES (FY 2024 - 2031)	AUTHORITY FUNDS	FEDERAL AND STATE GRANTS	CFC FUNDS	PFC PAY-GO	EXISTING PFC BONDS	EXISTING BONDS	2024 BONDS (PFC)	2024 BONDS (GARF)	FUTURE BONDS
RSW ATCT/TRACON	\$1,000,000	\$0	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$0
RSW Terminal Expansion 1 (Design and Construction)	\$145,791,032	\$0	\$29,483,059	\$0	\$0	\$70,482,581	\$45,825,392	\$0	\$0	\$0
RSW Terminal Expansion 2 (Design and Construction)	\$1,042,429,233	\$16,500,000	\$63,000,000	\$0	\$10,000,000	\$0	\$0	\$175,000,000	\$350,000,000	\$427,929,233
Concourse Rest Room Remodel ¹	\$3,022,404	\$0	\$0	\$0	\$3,022,404	\$0	\$0	\$0	\$0	\$0
FIS Upgrades (CBP Request)	\$2,067,610	\$516,902	\$0	\$0	\$1,550,708	\$0	\$0	\$0	\$0	\$0
FIS Upgrades (LCPA Enhancements)	\$3,838,996	\$959,749	\$0	\$0	\$2,879,247	\$0	\$0	\$0	\$0	\$0
RSW Rehab Roads 1 - Rehab/Realign Cham Pkwy	\$12,712,060	\$0	\$12,712,060	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Skyplex CIP Enabling Work (Placeholder for greenway, permitting, Etc.)	\$222,308	\$222,308	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSW Rehab Roads 2 - Cargo Ln, Fuel Farm Rd, and North Side Roads	\$4,057,308	\$2,028,654	\$2,028,654	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rental Car & Parking Expansion	\$210,000,000	\$0	\$0	\$210,000,000	\$0	\$0	\$0	\$0	\$0	\$0
Public Safety Building	\$14,949,575	\$14,949,575	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Training Facility Upgrades	\$2,347,868	\$2,347,868	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSW Rehab Runway 6-24	\$46,000,000	\$7,350,000	\$38,650,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expand Employee Parking Lot	\$3,200,000	\$3,200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consolidated North Maintenance Bldg. & Midfield Shop	\$27,090,000	\$17,090,000	\$10,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parallel Runway	\$400,000	\$400,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BHS Upgrades	\$3,486,865	\$3,486,865	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Replace Hold Room Seating	\$4,200,000	\$0	\$0	\$0	\$4,200,000	\$0	\$0	\$0	\$0	\$0
Replace Terrazzo	\$10,500,000	\$0	\$0	\$0	\$10,500,000	\$0	\$0	\$0	\$0	\$0
New Cell Phone Lot	\$2,200,000	\$2,200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARFF Truck (E-93 - Crash) New Add	\$1,500,000	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARFF Truck (Ladder Truck)	\$1,700,000	\$1,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARFF Truck (Replace 905)	\$2,000,000	\$250,000	\$1,750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARFF Truck (Replace 907)	\$2,000,000	\$250,000	\$1,750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARFF Training Area	\$10,000,000	\$10,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSW Mitigation Park Compliance	\$12,666,505	\$12,666,505	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSW North Ramp Environmental Remediation	\$3,298,887	\$3,298,887	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSW Gravel/Shell Parking Lot	\$1,250,000	\$1,250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSW TAR Overhead Sign Refurb	\$467,371	\$467,371	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSW Demo Air Freight Bldg.	\$250,000	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RSW Bollards Replacement	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CAPITAL PROGRAM INCLUDED IN FINANCIAL ANALYSIS	\$1,575,648,022	\$103,884,684	\$159,373,773	\$210,000,000	\$33,152,359	\$70,482,581	\$45,825,392	\$175,000,000	\$350,000,000	\$427,929,233

NOTES: ARFF – Aircraft Rescue and Fire Fighting; ATCT – Air Traffic Control Tower; BHS – Baggage Handling System; CBP – United States Customs and Border Protection; FIS – Federal Inspection Station; FY – Fiscal Year; PFC – Passenger Facility Charge; TRACON – Terminal Radar Approach Control Facility

Totals may not add due to rounding.

¹ Potential for additional project expenditures beyond the Projection Period.

SOURCE: Lee County Port Authority, July 2024.

Construction began in FY 2021, with completion initially estimated for FY 2025. However, the completion date will likely be delayed at least one year past FY 2025 because of necessary redesigning.

3.1.2.2 TERMINAL EXPANSION – PHASE 2 (CONCOURSE E) (\$1.042 BILLION)

Phase 2 of the Airport's Terminal Expansion project (Concourse E) will involve a gate expansion and Baggage Handling System (BHS) expansion at the Airport. The Concourse E project includes expansion of the Main Terminal building, helping to address existing passenger processing facility deficiencies and improve the passenger experience at the Airport. Nine additional TSA security screening checkpoints are required to meet TSA throughput requirements and will provide airside access to Concourse E, incorporating connectivity among the main terminal's three existing concourses.

New Concourse E will be constructed immediately west of, and connected to, the proposed Main Terminal Expansion and will include 14 new gates and approximately 215,000 square feet over three levels (apron, departures, and mezzanine/mechanical). With a total cost of \$1.042 billion, the project is anticipated to be funded in part with the 2024 Bonds and Future Bonds, federal grants, Authority funds, and PFC Pay-Go funds. Assumed federal grant funding includes Airport Infrastructure Grant entitlement funding, Bipartisan Infrastructure Law discretionary Airport Terminals Program funding, and funding from an FAA Community Grant.

Construction is scheduled to begin in FY 2025, with completion estimated for FY 2028.

3.1.3 ADDITIONAL CAPITAL IMPROVEMENT PROGRAM PROJECTS

3.1.3.1 RENTAL CAR & PARKING EXPANSION (\$210 MILLION)

The Authority has also planned for the design and relocation of the rental car facilities at the Airport. The CIP includes \$210 million in design and construction costs for the Rental Car Relocation Expansion, which is anticipated to be completed in FY 2027 and funded by Customer Facility Charges (CFCs) on a pay-as-you-go basis, as well as bonds to be repaid with CFCs.

3.1.3.2 REHAB RUNWAY 6-24 (\$46 MILLION)

The Airport's runway was rehabilitated in 2007; as a result, the rehabilitation is approaching the end of its useful life. An upcoming milling and resurfacing of the runway are planned for FY 2024 through FY 2028 and are anticipated to be funded by a mix of AIP grants, FDOT grants, and Authority funds.

3.1.3.3 CONSOLIDATED NORTH MAINTENANCE BUILDING & MIDFIELD SHOP (\$27 MILLION)

The maintenance facility for the Airport was constructed in 1999. Because of continued activity and growth at the Airport, preliminary studies have shown the need for a new 45,000-square-foot facility to accommodate future growth at the Airport from 2023 to 2045. This new building will also consolidate various maintenance operations that are at various remote locations in the Airport campus, therefore improving maintenance department efficiency.

3.1.3.4 PUBLIC SAFETY BUILDING (\$15 MILLION)

A new Public Safety Building at the Airport to primarily accommodates the Airport Police Department, with supplemental accommodations for the Authority Airport Emergency Operations Center and Airport Incident Command Center as emergency operational support for the Airport. The building is expected to be approximately 19,000 square feet. It is anticipated that the site will be designed and prepared for future building expansion.

The project is anticipated to cost approximately \$15 million. The project is expected to be completed in FY 2026 and be funded with Authority Funds.

3.1.3.5 REHAB ROADS 1 - REHAB/REALIGN CHAM PKWY (\$13 MILLION)

The Authority's CIP includes the rehabilitation of the Airport's access roadways. The planned rehabilitation includes Chamberlin Parkway, connecting Daniels Parkway to the cargo and general aviation areas of the Airport, and the rehabilitation of additional access roadway components.

Chamberlin Parkway rehabilitation includes the rehabilitation, realignment, and construction of Chamberlin Parkway and Perimeter Road. The project is anticipated to cost approximately \$20 million, \$13 million of which is scheduled to be incurred within the scope of the CIP presented in Table 3-1. The project began in FY 2023 and is expected to be funded with FAA grants and other grant funding. As of July 2024, the project is substantially complete, with the remaining construction expected to be completed by the end of FY 2024.

3.1.3.6 BAGGAGE HANDLING SYSTEM UPGRADES (\$3 MILLION)

The BHS is in need of improvement to keep up with the growth of the Airport and increased baggage volumes. This project looks at implementing some key improvements to extend the life of the existing BHS and handle the increased baggage volumes until a new system is built as part of the Concourse E project.

3.1.3.7 OTHER CAPITAL IMPROVEMENT PROGRAM PROJECTS [\$73 MILLION]

The Authority's CIP also includes Airport Traffic Control Tower and Terminal Radar Approach Control Facility, Concourse Restroom Remodel, FIS Upgrades, Skyplex CIP Enabling Work, Rehab Roads 2, Training Facility Upgrades, Expand Employee Parking Lot, Replace Holdroom Seating, Replace Terrazzo, New Cell Phone Lot, ARFF Truck (E-93 – Crash) New Add, ARFF Truck (Ladder Truck), ARFF Truck (Replace 905), ARFF Truck (Replace 907), ARFF Training Area, Mitigation Park Compliance, North Ramp Environmental Remediation, Gravel/ Shell Parking Lot, TAR Overhead Sign Refurb, Demo Air Freight Building, and Bollards Replacement, as shown in Table 3-1. The total cost associated with these projects is approximately \$73 million. Planned funding includes a mix of AIP, FDOT, PFC Pay-Go, CFCs, and Authority Funds.

3.2 FUNDING SOURCES

Table 3-1 also summarizes the anticipated funding sources for CIP costs through FY 2031. Funding for the CIP includes Authority funds, federal and state grants, other grant funding, PFC funds, CFC funds, and Additional Parity Bonds.

3.2.1 AUTHORITY FUNDING

The Authority anticipates using approximately \$103.9 million of its unencumbered available cash to fund a portion of the CIP. Authority funds used to fund capital projects allocable to the Terminal, Airfield, or BHS cost centers may be amortized over the useful life of the project and included in the calculation of the Terminal Building Rental Rate, Landing Fee, or BHS Fee, as discussed in Chapter 6 of this Report. The Authority's plan of finance for the Concourse E project includes using \$16.5 million in Authority funds, which have been applied to design costs as of July 2024.

3.2.2 FEDERAL AND STATE GRANTS

The projects contained in the Authority's CIP assume the use of a total of approximately \$159.4 million of federal and state funds, consisting of future AIP entitlement funds, future discretionary funds, and grant funds from Florida. For those projects anticipated to be eligible for FAA AIP funding, up to 75 percent of estimated project costs are expected to be funded from that source. Before federal approval of any AIP grant application can be given, eligible airport sponsors must provide written assurances that they will comply with a variety of statutorily specified conditions. For projects being partially funded with AIP funds, the remainder of the AIP-eligible project cost will be funded with a combination of PFCs, state, and Authority funds. The Authority's plan of finance for the Concourse E

project includes \$48 million in federal Airport Infrastructure Grant entitlement funds, \$8 million in federal discretionary funds through the Bipartisan Infrastructure Law Airport Terminals Program, and \$7 million in funding from an FAA community grant.

3.2.3 PASSENGER FACILITY CHARGE FUNDING

PFC revenue is used to finance FAA-approved airport related projects that preserve or enhance capacity, safety or security of the national air transportation system, reduce noise from an airport that is part of the system or provide an opportunity for enhanced competition between or among air carriers or foreign air carriers.

The Authority is authorized to collect approximately \$1.3 billion in PFC revenue through December 1, 2060. As of March 31, 2024, the Authority had collected approximately \$418.2 million and expended approximately \$381.0 million in PFC revenues. The Authority anticipates using approximately \$33.2 million in PFC Pay-Go funding for projects within its CIP. The remaining approval includes PFC Pay-Go funding for the FIS Upgrades project. The Airport Traffic Control Tower/Terminal Radar Approach Control Facility project has received FAA approval as part of PFC Application 13-08-C-00-RSW. PFC Pay-Go funding for the Concourse E project was approved by the FAA as part of the Authority's PFC Application 24-11-C-00-RSW. PFC Pay-Go funding for the FIS Upgrades project will be included in an upcoming PFC Application.

Also included in the CIP is approximately \$70 million in PFC-supported debt associated with Terminal Expansion – Phase 1, which received approval from the FAA within the Authority's PFC Application 19-10-C-00-RSW, and approximately \$175 million in PFC-supported debt associated with Terminal Expansion – Phase 2 (Concourse E), which received approval from the FAA within the Authority's most recent PFC Application 24-11-C-00-RSW.

3.2.4 CUSTOMER FACILITY CHARGE FUNDING

CFC revenue is used to fund ground access-related projects, including the construction of new or improvements to existing rental car facilities; operations and maintenance of existing rental car facilities; debt service on rental car facilities; or costs associated with supporting facilities. The Airport currently collects a CFC of \$5.00 per transaction day, which is assumed to remain constant throughout the Projection Period.

The Authority anticipates using approximately \$210 million in CFC funding for the Rental Car and Parking Expansion project included in the CIP.

3.2.5 FUTURE BONDS

As described in Section 3.1.2, the Authority's plan of finance for the Terminal Expansion – Phase 2 (Concourse E) project includes proceeds from Future Bonds in addition to proceeds from the 2024 Bonds.

The Future Bonds, issued in the fourth quarter of FY 2025, will include approximately \$428 million of Airport Revenue Bonds and will be used to fund a portion of the Concourse E project.

Additional discussion of the Future Bonds and the associated debt service is included in Chapter 6.

4. DEMOGRAPHIC AND ECONOMIC ANALYSIS

To a large degree, the demand for air transportation at an airport is dependent on the demographic and economic characteristics of the Airport’s air trade area. This relationship is especially true for origin and destination (O&D) passenger traffic, which has historically been the largest component of demand at the Airport.⁴ Therefore, the major portion of demand for air travel at the Airport is influenced more by the local socioeconomic characteristics of the area served than by individual air carrier decisions regarding service patterns in support of connecting activity. This chapter presents data indicating the Airport’s Air Trade Area (as defined in Chapter 2) has an economic base capable of supporting increased demand for air travel during the Projection Period.

This Report uses Woods & Poole Economics, Inc.’s (Woods & Poole’s) historical data and projections published in June 2024, with calendar year (CY) 2022 as a baseline year for Woods & Poole’s projections and CY 2031 as the end of the Projection Period. Woods & Poole is an independent firm specializing in long-term county economic data and demographic data projections.

4.1 DEMOGRAPHIC ANALYSIS

4.1.1 POPULATION

There is typically a positive correlation between population growth in a local area and air travel demand. **Table 4-1** presents historical population data for the Air Trade Area, Florida, and the United States (US). As shown, population in the Air Trade Area increased from 951,821 in CY 2002 to approximately 1.2 million in CY 2012 and to approximately 1.5 million in CY 2022. As also shown, population growth in the Air Trade Area between CY 2002 and CY 2022 (2.2 percent compound annual growth rate [CAGR]) was greater than that experienced by Florida (1.4 percent CAGR) and the nation (0.7 percent CAGR) during this period.

TABLE 4-1 HISTORICAL AND PROJECTED POPULATION

AREA	HISTORICAL			PROJECTED	COMPOUND ANNUAL GROWTH RATE			
					HISTORICAL			PROJECTED
	CY 2002	CY 2012	CY 2022 ¹	CY 2031	CY 2002 – CY 2012	CY 2012 – CY 2022	CY 2002 – CY 2022	CY 2022 – CY 2031
Charlotte County	150,123	161,563	202,582	221,964	0.70%	2.30%	1.50%	1.00%
Collier County	275,490	329,330	397,516	463,544	1.8%	1.9%	1.9%	1.7%
Glades County	11,284	12,242	12,463	13,361	0.8%	0.2%	0.5%	0.8%
Hendry County	36,035	37,270	41,391	44,298	0.3%	1.1%	0.7%	0.8%
Lee County	478,889	639,742	822,391	961,054	2.9%	2.5%	2.7%	1.7%
Air Trade Area	951,821	1,180,147	1,476,343	1,704,221	2.2%	2.3%	2.2%	1.6%
Florida	16,689,370	19,274,146	22,245,521	24,725,589	1.5%	1.4%	1.4%	1.2%
United States	287,625,148	314,371,456	333,271,411	353,010,687	0.9%	0.6%	0.7%	0.6%

NOTES:

CY – Calendar Year

¹ CY 2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for Woods & Poole’s projections.

Therefore, it is the last year of historical data displayed in this table. More recent data may be available from other sources.

SOURCE: Woods & Poole Economics, Inc., 2024 Complete Economic and Demographic Data Source, July 2024.

⁴ On the basis of reconciled US Department of Transportation ticket sample data, O&D passengers accounted for approximately 96 percent of total passengers at the Airport in CY 2023.

Table 4-1 also presents population projections from Woods & Poole for the Air Trade Area, Florida, and the United States for CY 2031. Population in the Air Trade Area is expected to increase at a CAGR of 1.6 percent between CY 2022 and CY 2031, from approximately 1.5 million in CY 2022 to approximately 1.7 million in CY 2031. Projected population growth for the Air Trade Area is expected to be more rapid than that experienced by Florida and the nation (1.2 percent CAGR and 0.6 percent CAGR, respectively) during this period. Between CY 2022 and CY 2031, the Air Trade Area population is expected to grow most rapidly in Lee County and Collier County (both 1.7 percent annually).

4.1.2 AGE DISTRIBUTION AND EDUCATION

The Air Trade Area population is older than the national average, because of the area’s general attractiveness to retirees. In CY 2022, the most recent data available from the US Census Bureau, the Air Trade Area had a median age of 49.5⁵ compared with 42.7 for Florida and 39.0 for the US, respectively.⁶ Additionally, the Air Trade Area population has completed a slightly lower level of education than the national average. In CY 2022, according to US Census Bureau data, 33.2 percent of citizens in the Air Trade Area aged 25 and older had a bachelor’s degree or higher compared with 34.3 percent for Florida and 35.7 percent for the US.

4.1.3 PER CAPITA PERSONAL INCOME AND HOUSEHOLD INCOME

One measure of the relative income of an area is personal income, defined as the sum of wages and salaries, other labor income, proprietors’ income, rental income of persons, dividend income, personal interest income, and transfer payments less personal contributions for social insurance. Personal income is a composite measurement of market potential, and it indicates the general level of affluence of residents, which typically correlates with an area’s propensity to use air travel, and an area’s attractiveness to business and leisure travelers.

Table 4-2 presents historical per capita personal income for the Air Trade Area, Florida, and the United States between CY 2012 and CY 2022, as expressed in 2017 dollars. As shown, per capita personal income for the Air Trade Area was greater than equivalent measures for both Florida and the nation each year between CY 2012 and CY 2022. As also shown, per capita personal income for the Air Trade Area increased at a CAGR of 2.9 percent between CY 2012 and CY 2022, greater than the 2.5 percent growth rate for Florida and the 1.9 percent growth rate for the nation over this same period.

Table 4-2 also presents projections of per capita personal income for CY 2031. According to projections from Woods & Poole, per capita personal income for the Air Trade Area is projected to increase from \$68,459 in CY 2022 to \$80,015 in CY 2031. This increase represents a CAGR of 1.7 percent during this period and is equal to the percent growth rates projected for both Florida and the nation.

An additional indicator of the market potential for air transportation demand is the percentage of households in the higher-income categories. An examination of this indicator is important; as income increases, air transportation becomes more affordable and, therefore, is used more frequently. Table 4-2 also presents percentages of households in selected per capita personal income categories for CY 2022 (income brackets in 2017 dollars). As presented, 33.8 percent of households in the Air Trade Area had personal income of \$75,000 or more in 2022, which was greater than the percentage of households in these income categories for Florida (32.4 percent), but lower than the equivalent percentage for the nation (37.0 percent).

⁵ This refers to the median age of Lee County, the largest population of the five counties in the Air Trade Area, because a median age for the Air Trade Area is not available.

⁶ US Census Bureau, *2018-2022 American Community Survey 5-Year Estimates*, April 30, 2024.

TABLE 4-2 PER CAPITA PERSONAL INCOME

YEAR	PER CAPITA PERSONAL INCOME			PER CAPITA PERSONAL INCOME DIFFERENTIAL	
	AIR TRADE AREA	FLORIDA	UNITED STATES	BETWEEN AIR TRADE AREA AND FLORIDA	BETWEEN AIR TRADE AREA AND UNITED STATES
Historical					
CY 2012	\$51,629	\$43,581	\$46,791	\$8,048	\$4,838
CY 2013	\$50,261	\$42,521	\$46,352	\$7,739	\$3,908
CY 2014	\$53,499	\$44,130	\$47,656	\$9,369	\$5,843
CY 2015	\$56,492	\$46,187	\$49,391	\$10,305	\$7,101
CY 2016	\$57,835	\$46,513	\$49,825	\$11,321	\$8,010
CY 2017	\$60,009	\$48,437	\$51,005	\$11,571	\$9,003
CY 2018	\$63,004	\$49,985	\$52,243	\$13,019	\$10,761
CY 2019	\$64,950	\$51,820	\$53,664	\$13,129	\$11,286
CY 2020	\$67,287	\$54,051	\$56,530	\$13,236	\$10,757
CY 2021	\$71,278	\$57,863	\$59,107	\$13,415	\$12,171
CY 2022 ¹	\$68,459	\$55,845	\$56,421	\$12,614	\$12,037
Projected					
CY 2031	\$80,015	\$64,792	\$65,682	\$15,223	\$14,333
Compound Annual Growth Rate					
2012-2022	2.9%	2.5%	1.9%		
2022-2031	1.7%	1.7%	1.7%		
PERCENTAGE OF HOUSEHOLDS IN INCOME CATEGORIES (CY 2022²)					
INCOME CATEGORY (IN 2017 DOLLARS)	AIR TRADE AREA	FLORIDA	UNITED STATES		
Less than \$29,999	25.4%	27.7%	26.3%		
\$30,000 to \$59,999	28.5%	27.9%	25.5%		
\$60,000 to \$74,999	12.3%	12.0%	11.2%		
\$75,000 to \$99,999	13.4%	13.2%	13.8%		
\$100,000 or More	20.4%	19.1%	23.1%		

NOTES:

CY – Calendar Year

Per capita personal income and income bracket are in 2017 dollars.

1 CY 2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for Woods & Poole's projections. Therefore, it is the last year of historical data displayed in this table. More recent data may be available from other sources.

2 The CY 2022 percentage of households in income categories is projected as of July 2024 by Woods & Poole.

SOURCE: Woods & Poole Economics, Inc., 2024 Complete Economic and Demographic Data Source, July 2024.

4.2 ECONOMIC ANALYSIS

4.2.1 GROSS REGIONAL/DOMESTIC PRODUCT

Gross domestic product (GDP) for the US and its state and Metropolitan Statistical Area (MSA) equivalent, gross regional product (GRP), are a measure of the market value of all final goods and services produced within an area for a specific period. These indicators are one of the broadest measures of the economic health of an area and, consequently, the area's potential air travel demand.

Table 4-3 presents historical GRP and GDP for the Air Trade Area, Florida, and the US between CY 2012 and CY 2022, as expressed in 2017 dollars. As shown, the Air Trade Area's GRP increased from approximately \$44.0 billion in CY 2012 to approximately \$69.5 billion in CY 2022, a CAGR of 4.7 percent. In comparison, the GRP for Florida and the nation increased at a CAGR of 3.9 percent and 2.5 percent, respectively, between CY 2012 and CY 2022.

TABLE 4-3 GROSS REGIONAL PRODUCT / GROSS DOMESTIC PRODUCT

YEAR	GROSS REGIONAL PRODUCT (GRP) OR GROSS DOMESTIC PRODUCT (GDP)		
	AIR TRADE AREA (GRP)	FLORIDA (GRP)	UNITED STATES (GDP)
Historical			
CY 2012	\$43,979	\$823,561	\$17,074,008
CY 2013	\$45,434	\$847,508	\$17,466,806
CY 2014	\$47,784	\$876,939	\$17,953,808
CY 2015	\$51,757	\$933,740	\$18,596,359
CY 2016	\$55,491	\$969,998	\$18,910,750
CY 2017	\$56,599	\$1,003,144	\$19,368,509
CY 2018	\$58,922	\$1,036,048	\$19,999,274
CY 2019	\$60,686	\$1,073,674	\$20,529,773
CY 2020	\$61,801	\$1,067,259	\$19,998,314
CY 2021	\$66,608	\$1,151,878	\$21,264,626
CY 2022 ¹	\$69,506	\$1,204,749	\$21,788,014
Projected			
CY 2031	\$86,310	\$1,529,482	\$26,495,363
Compound Annual Growth Rate			
CY 2012 – CY 2022	4.7%	3.9%	2.5%
CY 2022 – CY 2031	2.4%	2.7%	2.2%

NOTES:

CY – Calendar Year

In millions of 2017 dollars.

¹ CY 2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for Woods & Poole's projections. Therefore, it is the last year of historical data displayed in this table. More recent data may be available from other sources.

SOURCE: Woods & Poole Economics, Inc., 2024 Complete Economic and Demographic Data Source, July 2024.

Table 4-3 also presents projections of GRP/GDP for CY 2022 to CY 2031. According to data from Woods & Poole, GRP for the Air Trade Area is projected to increase from approximately \$69.5 billion in CY 2022 to approximately \$86.3 billion in CY 2031. This increase represents a projected CAGR of 2.4 percent for the Air Trade Area during this period, compared to 2.7 percent for Florida and 2.2 percent for the nation.

4.2.2 EMPLOYMENT TRENDS

Table 4-4 presents recent employment trends for the Air Trade Area, Florida, and the US. As shown, the Air Trade Area’s civilian labor force⁷ increased from approximately 542,000 workers in CY 2013 to approximately 671,000 workers in CY 2023. This increase represents a CAGR of 2.2 percent in the Air Trade Area’s civilian labor force during this period, compared to a 1.6 percent increase for Florida and a 0.7 percent increase for the US.

As also shown in Table 4-4, average annual unemployment rates (non-seasonally adjusted) for both the Air Trade Area and Florida were above the unemployment rates for the US between CY 2013 and CY 2015 and were equivalent in CY 2016; but since CY 2017, the relationship has reversed, and the Air Trade Area and Florida rates have been below the average annual unemployment rate of the US. The average annual unemployment rate in CY 2023 for the Air Trade Area was 3.2 percent; in Florida and the US, unemployment rates were 2.9 percent and 3.6 percent, respectively, in CY 2023. As of April 2024, the seasonally adjusted unemployment rates for the Air Trade Area⁸, Florida, and the nation were 3.5 percent, 3.3 percent, and 3.9 percent, respectively.

Table 4-5 presents an analysis of nonagricultural employment trends by major industry sector; the Air Trade Area’s employment trends are compared to those for the nation in CY 2013 and CY 2023. As shown, nonagricultural employment in the Air Trade Area increased from approximately 384,200 workers in CY 2013 to approximately 532,400 workers in CY 2023. The increase represents a CAGR of 3.3 percent during this period (CY 2013 to CY 2023), compared to a 1.4 percent CAGR nationwide.

Each of the major industry groups in the Air Trade Area experienced positive employment growth between CY 2013 and CY 2023, with the highest growth occurring in the construction sector. Along with the construction sector, the transportation and utilities, manufacturing, and professional and business services sectors led employment growth in the Air Trade Area. All four sectors had greater growth than what was experienced in the nation between CY 2013 and CY 2023. As shown in the bar chart in Table 4-5, employment in the Air Trade Area in CY 2023 is significantly more concentrated in the leisure and hospitality, trade, and construction sectors than it is in the nation. Contrarily, employment in government, manufacturing, transportation and utilities, and education and health services are less concentrated in the Air Trade Area than it is in the nation.

Changes in the Air Trade Area’s nonagricultural employment sector differ from the national trends that occurred between CY 2013 and CY 2023. In the Air Trade Area during that period, it was primarily government, leisure and hospitality, and trade employment that lost part of their share of employment to the construction and professional and business services sectors, as employment in the latter increased at faster CAGRs than the former. Education and health services, other services, and information employment as a percent of total employment decreased minimally (by less than 1 percent) in the Air Trade Area, and financial, transportation and utilities and manufacturing employment increased minimally (by less than 1 percent). In the nation, the changes in employment by sector were not as significant as in the Air Trade Area, with only the government and trade sectors decreasing by more than a percentage point of total employment between CY 2013 and CY 2023 and no sectors increasing by 1 percent or more within the same period.

⁷ The civilian labor force is defined as all persons in the civilian noninstitutional population classified as either employed or unemployed.

⁸ Seasonally adjusted, monthly unemployment rate for the Air Trade Area does not include the counties of Hendry and Glades because such data is not available from the Bureau of Labor Statistics.

TABLE 4-4 CIVILIAN LABOR FORCE AND UNEMPLOYMENT RATES

YEAR	CIVILIAN LABOR FORCE		
	AIR TRADE AREA	FLORIDA	UNITED STATES
CY 2013	542	9,415	155,389
CY 2014	557	9,546	155,922
CY 2015	573	9,640	157,130
CY 2016	590	9,841	159,187
CY 2017	595	9,973	160,320
CY 2018	607	10,118	162,075
CY 2019	617	10,256	163,539
CY 2020	612	10,077	160,742
CY 2021	632	10,320	161,204
CY 2022	653	10,692	164,287
CY 2023	671	10,989	167,116
Compound Annual Growth Rate			
CY 2013 – CY 2023	2.2%	1.6%	0.7%
YEAR	UNEMPLOYMENT RATES		
	AIR TRADE AREA	FLORIDA	UNITED STATES
CY 2013	7.8%	7.5%	7.4%
CY 2014	6.5%	6.4%	6.2%
CY 2015	5.5%	5.5%	5.3%
CY 2016	4.9%	4.9%	4.9%
CY 2017	4.4%	4.3%	4.4%
CY 2018	3.7%	3.6%	3.9%
CY 2019	3.4%	3.3%	3.7%
CY 2020	7.7%	8.1%	8.1%
CY 2021	4.2%	4.7%	5.3%
CY 2022	3.2%	3.0%	3.6%
CY 2023	3.2%	2.9%	3.6%
April 2024	3.5%	3.3%	3.9%

NOTES:

CY – Calendar Year

The civilian labor force is in thousands.

Annual data are not seasonally adjusted.

Monthly data are seasonally adjusted.

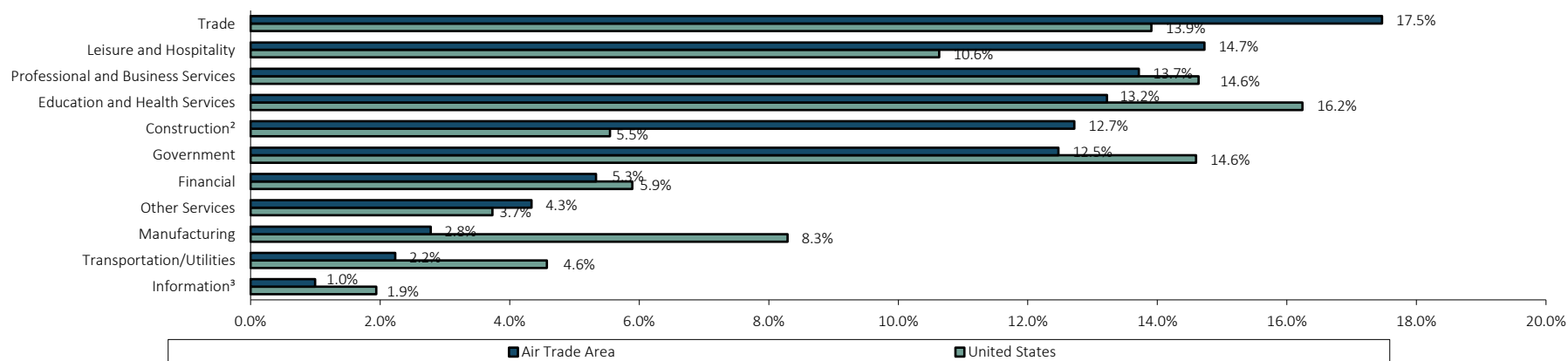
Monthly data for Air Trade Area do not include Glades and Hendry Counties.

SOURCE: US Department of Labor, Bureau of Labor Statistics, June 2024.

TABLE 4-5 EMPLOYMENT TRENDS BY MAJOR INDUSTRY SECTOR (EMPLOYMENT IN THOUSANDS)

SECTOR	AIR TRADE AREA NONAGRICULTURAL EMPLOYMENT ¹			UNITED STATES NONAGRICULTURAL EMPLOYMENT		
	CY 2013	CY 2023	COMPOUND ANNUAL GROWTH RATE	CY 2013	CY 2023	COMPOUND ANNUAL GROWTH RATE
			CY 2013 – CY 2023			CY 2013 – CY 2023
Trade	74.7	93.0	2.2%	20,697	21,706	0.5%
Leisure and Hospitality	65.6	78.4	1.8%	14,254	16,593	1.5%
Professional and Business Services	45.9	73.0	4.7%	18,623	22,840	2.1%
Education and Health Services	52.2	70.4	3.0%	21,086	25,342	1.9%
Construction ²	30.7	67.7	8.2%	6,719	8,658	2.6%
Government	56.9	66.4	1.6%	21,853	22,782	0.4%
Financial	20.0	28.4	3.6%	7,886	9,197	1.5%
Other Services	18.4	23.1	2.3%	5,483	5,826	0.6%
Manufacturing	8.6	14.8	5.6%	12,020	12,940	0.7%
Transportation/Utilities	6.2	11.9	6.7%	5,038	7,141	3.5%
Information ³	5.0	5.3	0.6%	2,706	3,027	1.1%
Total	384.2	532.4	3.3%	136,365	156,052	1.4%

Percent of CY 2023 Nonagricultural Employment



NOTES:

CY – Calendar Year

1 Does not include Hendry County and Glades County employment.

2 Includes mining and logging employment.

3 The information sector includes communications, publishing, motion picture and sound recording, and online services.

SOURCE: US Department of Labor, Bureau of Labor Statistics, May 2024.

4.2.3 BUSINESS CLIMATE

The business climate in the Air Trade Area offers advantages to new, expanding, and relocating companies. These advantages include support for small businesses; a state “right-to-work” law; competitive local/state tax and incentive structures; and no state personal income tax. Florida ranks fourth in the Tax Foundation’s 2024 State Business Tax Climate Index, an indicator of which states’ tax systems are the most hospitable to business and economic growth.⁹ Florida has the fourth largest state GDP¹⁰ and the third largest state workforce size¹¹, which can support business operations. According to the Milken Institute, the Punta Gorda, Florida, MSA (Charlotte County) ranked 11th out of 200 small US metropolitan areas according to how well an area creates and sustains employment and economic growth.¹² The Punta Gorda, Florida, MSA ranked highest in the 1-year wage growth category (7th of 200) and High-Tech GDP 1-year growth categories (5th of 200).¹³

Locations within the Air Trade Area have been successful at attracting investment and sustaining growth in Florida’s target industries. Examples of this include Alegnol in Fort Myers, Hendry County Sustainable Biofuels Center in Clewiston, and Babcock Ranch in Punta Gorda representing cleantech, Arthrex in Naples and Lee Health in Fort Myers representing life sciences, Pelican Wire in Naples representing manufacturing industries, NeoGenomics Laboratories in Fort Myers representing emerging technologies, Azimuth technology LLC in Naples representing defense and homeland security, Arcadia Aerospace Industries in Punta Gorda representing aviation and aerospace, Position Logic in Bonita Springs representing information technology, The Hertz Corporation in Estero representing a corporate headquarters, and Lynx Services in Fort Myers representing financial/professional services.¹⁴

In Lee County, where the Airport is located, Amazon and Ferguson are expanding their investment in the area and IKEA and a nondisclosed, rapidly growing startup are planning on building a store and a significant amount of industrial space, respectively. According to Lee County Economic Development Director, John Talmage, the Alico Road corridor is positioned to become a job hotspot in Lee County through efforts by the County to develop its economy.¹⁵ This corridor includes the Airport, intersects with I-75 and U.S. Route 41, and is expected to be home to one-third of all jobs in the County. Notable investments in the corridor include Amazon and Tesla.¹⁶

Table 4-6 presents the major employers in the Air Trade Area, as measured by the number of employees. As shown, approximately 30 private or public entities with 1,000 or more employees are in the Air Trade Area. The largest employer in the Air Trade Area is Lee Health, with 13,558 employees, followed by Lee County School Public Schools (11,174 employees); Lee County local government (9,377 employees); Publix Super Markets (9,362 employees); and

⁹ Tax Foundation, “2024 State Business Tax Climate Index,” <https://taxfoundation.org/wp-content/uploads/2023/10/2024-State-Business-Tax-Climate-Index-1.pdf> (accessed June 18, 2024)).

¹⁰ US Bureau of Economic Analysis, “SAGDP1 State annual gross domestic product (GDP) summary,” <https://www.bea.gov/data/gdp/gdp-state> (accessed Wednesday, June 19, 2024).

¹¹ U.S. Bureau of Labor Statistics, “Civilian labor force and unemployment by state and selected area, seasonally adjusted,” June 19, 2024. <https://www.bls.gov/news.release/laus.t01.htm>

¹² Milken Institute, “Best-Performing Cities 2024: Focus on Sustainable Growth and Resilience,” <https://milkeninstitute.org/report/best-performing-cities-2024-sustainable-growth> (accessed May 6, 2024).

¹³ The 1-year growth categories are from 2021 to 2022.

¹⁴ SWFleda, “Florida’s Thriving Industries: Dive into Economic Growth,” March 28, 2024. <https://swfleda.com/target-industries/>

¹⁵ Pfeifer Realty Group, “Fort Myers, FL and Lee County Rapid Growth Forecasted,” January 16, 2024. <https://www.mysanibelrealestate.com/resources/buyer-resources/fort-myers,-fl-and-lee-county-rapid-growth-forecasted-k6upc>

¹⁶ Wink News, “Alico Road sees exponential growth amid a growing Southwest Florida population,” January 5, 2024. <https://winknews.com/2024/01/05/alico-road-growth/>

Collier County Public Schools (5,810 employees). Notably, and in addition, The Hertz Corporation (car rental), Herc Rentals (industrial and construction rental services), Chico's FAS (apparel), and Arthrex, Inc. (medical devices) all have their corporate headquarters located in the Air Trade Area.

TABLE 4-6 MAJOR EMPLOYERS IN THE AIR TRADE AREA

EMPLOYER	DESCRIPTION	# OF EMPLOYEES
Lee Memorial Health System ¹	Hospital	13,558
Lee County Public Schools	Education/public schools	11,174
Lee County Local Government ²	Local government	9,377
Publix Super Market	Retail grocery stores	9,362
Collier County Public Schools ²	Education/public schools	5,810
Collier County Local Government ²	Local government	5,045
Arthrex ¹	Medical device company	3,983
Chico's Fas Inc.	Retail store chain	3,903
Walmart	Retail grocery stores	3,689
NCH Healthcare System ¹	Hospital	3,288
Charlotte County Local Government	Local government	2,655
Herc Rentals ²	Industrial and construction rental services	2,400
Charlotte County Public Schools	Education/public schools	2,333
Amazon ²	Online Retailer	2,200
Gartner	Research and advisory	2,100
Gargiulo, Inc.	Produce distributor	2,082
McDonald's	Restaurant chain	2,065
Florida Gulf Coast University ³	Post-secondary education	1,778
Home Depot	Retail store chain	1,770
Walgreens	Retail store chain	1,440
Shell Point Retirement Community	Healthcare network	1,401
Radiology Regional Center	Hospital	1,377
Bayfront Health	Hospital	1,342
Florida SouthWestern State College ³	Post-secondary education	1,245
HCA Florida Fawcett Hospital	Hospital	1,162
CVS Pharmacy	Retail store chain	1,100
Winn-Dixie	Retail grocery stores	1,098
Hertz ³	Rental car company	1,073
Ace Hardware	Retail store chain	1,048
Hope Hospice	Healthcare network	1,035

NOTES:

All data are current as of 2024, unless noted otherwise.

1 Data as recent as 2023.

2 Data as recent as 2022.

3 Data as recent as 2021.

SOURCE: Data compiled and edited by the Regional Economic Research Institute. All data are current as of 2024, unless noted otherwise.

4.2.4 EMPLOYMENT BY MAJOR INDUSTRY SECTOR

The Air Trade Area's economy is diverse. This section discusses sources of economic diversity in the region by focusing on the following nonagricultural employment sectors, listed in order of their contribution to the Air Trade Area's employment base (shown in Table 4-5): trade, leisure and hospitality, professional and business services, education and health services, construction, government, financial, other services, manufacturing, transportation/utilities, and information.¹⁷

4.2.4.1 TRADE

In CY 2023, the trade sector accounted for approximately 93,000 employees in the Air Trade Area, the highest employment level among all sectors; 83.0 percent of trade employment in the Air Trade Area was in retail trade, with the remaining 17.0 percent being in wholesale trade. In contrast, 71.8 percent of trade employment in the US was in retail trade, with the remaining 28.2 percent in wholesale trade. It is the higher levels of retail trade employment that makes the trade sector play a relatively larger role in the Air Trade Area's employment base than the trade sector does in the nation. The trade sector accounted for 17.5 percent of total nonagricultural employment in CY 2023 in the Air Trade Area, compared to 13.9 percent in the nation. Trade employment in the Air Trade Area increased at a CAGR of 2.2 percent between CY 2013 and CY 2023, compared to a 0.5 percent increase for the nation over the same period.

Major retailers are well represented in the Air Trade Area, with 18 different malls, shopping districts, outlets, and town centers.¹⁸ Waterside Shops, Coconut Point, and Edison Mall, among others, provide residency in the Air Trade Area to major retailers, such as Saks Fifth Avenue, Ralph Lauren, and Louis Vuitton. Luxury car dealerships are quite common in the Air Trade Area. Brands such as Aston Martin, BMW, Porsche, Rolls-Royce, Mercedes-Benz, Ferrari, Jaguar, Lamborghini, and Audi are available at dedicated dealerships in the Air Trade Area.

4.2.4.2 LEISURE AND HOSPITALITY

In CY 2023, the leisure and hospitality sector accounted for approximately 78,400 employees in the Air Trade Area. Unsurprisingly, employment in the leisure and hospitality sector plays a more significant role in the Air Trade Area than in the nation. The leisure and hospitality sector accounted for 14.7 percent of total nonagricultural employment in CY 2023 in the Air Trade Area, compared to 10.6 percent in the nation. Leisure and hospitality employment in the Air Trade Area increased at a CAGR of 1.8 percent between CY 2013 and CY 2023, compared to a 1.5 percent increase for the nation over the same period.

According to data compiled from Collier, Charlotte, and Lee Counties' tourism boards¹⁹, nearly 6.7 million tourists visited Southwest Florida (i.e., the Air Trade Area) and spent more than \$6.2 billion in the Air Trade Area in 2023. Compared to 2022, visitation and visitor spending in the Air Trade Area were down by 16.8 percent and 16.6 percent, respectively, in 2023. According to Visit Florida,²⁰ tourism in the state was down overall in 2023 compared to 2022. Visit Florida attributed this dip to increased competition from other states and countries, which were later than

¹⁷ The 11 industry sectors discussed in this section and displayed in Table 4-5 correspond to the 11 "supersectors" defined by the US Bureau of Labor Statistics' grouping by North American Industry Classification System code, with two exceptions. Due to low employment in the mining and logging supersector, it is included in the construction sector in this Report, and the supersector "Trade, Transportation, and Utilities" is treated as two industry sectors in this Report, Trade and Transportation/Utilities, respectively.

¹⁸ Southwest Florida Economic Development Alliance, <https://swfleda.com/shopping-entertainment/> (accessed May 20, 2024).

¹⁹ Tourism data for Hendry and Glades County were not available.

²⁰ Fox 35 Orlando, "Florida Tourism sees dip in 2023," <https://www.fox35orlando.com/news/florida-tourism-sees-dip-in-2023> (accessed May 21, 2024).

Florida in easing their pandemic restrictions. Despite the dip from 2022 levels, 2023 state visitation is still above 2019 (pre-COVID) levels.²¹

The Air Trade Area includes cities strongly associated with travel and leisure, including Naples, Punta Gorda, Marco Island, Cape Coral, Bonita Springs, and Fort Myers. These cities include diverse arts communities with several theatres, museums, galleries, and festivals.

The Air Trade Area offers fine dining and historical sights. Many tourists visit downtown Naples, including Fifth Avenue, Third Street, and the “Old Naples” district. Historical sites and attractions include Old Florida at the Marco Historical Society Museum, Sanibel Historical Museum and Village, the Edison and Ford Winter Estates, and the Calusa and Mound House.

The Air Trade Area has more than 50 miles of publicly accessible coastline on the Gulf of Mexico. Other destinations include Marco Island waterways, which support outdoor sporting, boating, fishing, shelling, snorkeling, and windsurfing. The area south of Naples is surrounded by some of the state’s wildlife sanctuaries, including Everglades National Park, Big Cypress National Preserve, and the Florida Panther National Refuge. In Charlotte County, the Charlotte Harbor includes one of the world’s largest protected marine estuaries.

The Air Trade Area includes golf and sporting event opportunities. The County is home to more than 150 golf courses. Fort Myers is also the spring training home of the Boston Red Sox and Minnesota Twins baseball teams.

4.2.4.3 PROFESSIONAL AND BUSINESS SERVICES

Professional and business services employment in the Air Trade Area increased at a CAGR of 4.7 percent between CY 2013 and CY 2023, compared to a 2.1 percent increase for the nation over the same period. In CY 2023, this sector accounted for approximately 73,000 employees in the Air Trade Area, which was 13.7 percent of total nonagricultural employment.

Professional services providers, while large in number, primarily employ smaller numbers of employees per firm. However, one notable example of a larger professional services provider in the Air Trade Area is Gartner, Inc. (2,100 employees), an information technology research and advisory company that delivers technology-related insight for consumers.

4.2.4.4 EDUCATION AND HEALTH SERVICES

In CY 2023, this sector accounted for approximately 70,400 employees in the Air Trade Area, which was 13.2 percent of total nonagricultural employment. Education and health services employment as a whole is less concentrated in the Air Trade Area than it is in the nation because of the relatively lower concentration of higher education in the Air Trade Area. Education and health services employment in the Air Trade Area increased at a CAGR of 3.0 percent between CY 2013 and CY 2023, compared to a 1.9 percent CAGR increase for the nation over the same period.

Lee Health is the largest employer in the Air Trade Area, with more than 13,550 employees. It consists of six total hospitals: four acute care hospitals (Lee Memorial Hospital, HealthPark Medical Center, Gulf Coast Medical Center, and Cape Coral Hospital) and two specialty hospitals (Golisano Children’s Hospital of Southwest Florida and The Rehabilitation Hospital). The Lee Health system provides 2,072 beds and has more than two million patient contacts each year. Lee Health is the largest not-for-profit public health system that receives no local tax support in Florida.²² Four Lee Health hospitals were ranked among America’s Best Hospitals in February 2021 by Healthgrades, a leading online resource for information about physicians and hospitals. This award places the four Lee Health hospitals in

²¹ Ibid.

²² Lee Health, <http://www.leehealth.org/about/fast-facts.asp> (accessed May 13, 2024).

the top 5 percent of hospitals nationwide for consistently exhibiting comprehensive, quality care across all clinical areas.

Also located in the Air Trade Area is the NCH Healthcare System and Bayfront Health. NCH Healthcare System has a broad range of services in different medical, surgical, diagnostic, and rehabilitation specialties. The system is an alliance of approximately 1,100 physicians in various facilities located throughout Collier County and Southwest Florida. It employs more than 3,280 people and provides 713 beds in two hospitals.²³ Bayfront Health (rebranded as ShorePoint Health in 2021) employs more than 1,340 individuals in its two-hospital system. Together, ShorePoint Health Port Charlotte and ShorePoint Health Punta Gorda provide 462 beds for patients.²⁴ Shell Point Retirement Community is also an employer in the Air Trade Area. Its organization of assisted living and skilled nursing facilities consists of more than 1,400 employees to care for its approximately 2,500 residents.²⁵

Although not as concentrated as in the nation, the Air Trade Area has several college and university campuses that provide access to higher educational opportunities, and they enroll more than 35,000 students per year.²⁶ These educational institutions generate demand for airline travel through academic meetings and conferences, visiting professorships, study abroad programs, and individual student and faculty travel. The three largest higher educational institutions, excluding vocational training and associates-level education, include two public institutions, Florida Gulf Coast University (which employs approximately 1,800 people in the Air Trade Area and has 16,000 enrolled students) and Florida SouthWestern State College (which has approximately 14,000 enrolled students); and the private institution Hodges University (which has approximately 1,600 enrolled students). Other higher educational institutions with campuses in the Air Trade Area include Ava Maria University, Nova Southeastern University, Rasmussen College, Keiser University, and Southwest Florida College.

4.2.4.5 CONSTRUCTION

In CY 2023, the construction sector accounted for approximately 67,700 employees in the Air Trade Area, which was 12.7 percent of total nonagricultural employment. Employment in the construction sector is highly concentrated in the Air Trade Area; construction sector employment in the nation was 5.5 percent of total nonagricultural employment, less than half the construction sector employment concentration in the Air Trade Area. Construction employment in the Air Trade Area increased at a CAGR of 8.2 percent between CY 2013 and CY 2023, compared to an increase of 2.6 percent for the nation over the same period.

In late September 2022, the Category 4 Hurricane Ian devastated Southwest Florida and the Air Trade Area. The storm caused severe flooding and approximately \$113 billion of damage overall.²⁷ Lee County, where the Airport is located, was the hardest-hit area. Throughout the County, 52,514 structures were partially damaged, 14,245 structures were damaged to a major degree, and 5,369 structures were destroyed.²⁸ Ongoing repairs and rebuilding of the hurricane's damage is fueling demand for construction work in the Air Trade Area.

²³ NCH Healthcare System, <https://nchmd.org/about-us/> (accessed May 13, 2024).

²⁴ ShorePoint Health, <https://www.shorepointhealthcharlotte.com/hospital-about-us> (accessed May 13, 2024).

²⁵ Shell Point Retirement Community, <https://www.shellpoint.org/about-us/> (accessed May 13, 2024).

²⁶ The information included in this section is from the various colleges' websites and from Southwest Florida Economic Development Alliance data.

²⁷ USA Today Network – Florida, "Hurricane Ian made landfall in SW Florida on Sep. 28, 2022. A look at recovery one year later," September 28, 2023. <https://www.news-press.com/story/news/2023/09/28/florida-hurricane-ian-anniversary-fort-myers-beach-sanibel-pine-island-naples-cape-coral-captiva/70826275007/>

²⁸ Warrington College of Business, Charles Boisseau, "One Year After Ian," November 14, 2023. <https://warrington.ufl.edu/due-diligence/2023/11/14/one-year-after-ian/>

Some notable commercial and residential construction projects in the Air Trade Area include the \$920 million, Cape Coral Grove project²⁹ which includes 70 buildings, 125 hotel rooms, multifamily housing, commercial retail and dining, and leasable office space; the 7 Islands – Gulf Gateway Resort³⁰ in Cape Coral currently in the planning stage; Bimini Square³¹ which is a \$55 million, mixed-use development in Cape Coral that is currently under construction; the Naples Community Hospital’s Heart Institute³² which is a \$200 million, five-story building expansion to Baker Hospital given construction approval in early 2024; the Great Wolf Lodge South Florida³³ in eastern Collier County, which is over \$250 million in construction costs and is expected to be complete in fall of 2024; the Boca Grande Peninsula Resort & Marina project;³⁴ and the Charlotte Technical College Aviation Tech Facility at Punta Gorda Airport.³⁵

Both building permits and housing sales and prices are indirect indicators of employment in the construction sector. As shown in **Table 4-7**, Air Trade Area residential building permits and valuation experienced a greater increase than what Florida and the US experienced from CY 2013 to CY 2023. The Air Trade Area’s residential building permit units increased by 12.9 percent on average from CY 2013 through CY 2023 (compared to 8.4 percent for Florida and 4.3 percent for the US). Building permit valuation increased at a CAGR of 14.7 percent; comparing favorably to a lesser increase in CAGR of 10.8 percent for Florida and 7.5 percent for the US.

Air Trade Area home sales,³⁶ including single-family homes and townhouse and condos, declined by 9.4 percent in CY 2023 with 34,379 closed sales during the year.³⁷ Home sales in the state for the same period were also down from the year prior—a decline of 12 percent. The median sale price for homes including single-family, townhouse, and condo variants for the Air Trade Area in 2023 was \$459,880, which was up by 0.6 percent compared to CY 2022. The median sale price for the same period for Florida was \$384,597, which was up 3 percent compared to CY 2022. The CY 2023 median sale price in the Air Trade Area was greater than that of the state because of the relatively greater home values found in Lee County and Collier County than the state on average. By comparison, though not completely analogous, the median sale price of *new* homes in the US in 2023³⁸ was greater than the median sale price of *all* home sales of Florida but less than that of the Air Trade Area, \$425,383 in the US versus \$384,597 and \$459,880 in Florida and the Air Trade area, respectively.

²⁹ Cape Coral Economic & Business Development Office, *Quarterly Report Q2 – FY ’24*, May 22, 2024.
<https://cms4files.revize.com/capecoralfl/edo/Economic%20&%20Business%20Development%20-%205.22.24.pdf>.

³⁰ Ibid.

³¹ Ibid.

³² Florida Construction News, “NCH Heart Institute construction gets long-awaited thumbs up from Naples city council,” February 7, 2024, <https://www.floridaconstructionnews.com/nch-heart-institute-construction-gets-long-awaited-thumbs-up-from-naples-city-council/>.

³³ Florida Construction News, “Great Wolf Lodge South Florida celebrates construction milestone with ‘topping out’ ceremony,” August 3, 2023, <https://www.floridaconstructionnews.com/great-wolf-lodge-south-florida-celebrates-construction-milestone-with-topping-out-ceremony/>

³⁴ Charlotte County Community Development, “Major Development Projects,” May 2024, <https://www.charlottecountyfl.gov/departments/community-development/major-development-projects.shtml> (accessed June 20, 2024).

³⁵ Ibid.

³⁶ Air Trade Area home sales data do not include Hendry County and Glades County because the data are not publicly available.

³⁷ Florida Realtors, <https://www.floridarealtors.org/tools-research/reports/florida-market-reports> (accessed May 20, 2024).

³⁸ US Census Bureau and US Department of Housing and Urban Development, Median Sales Price for New Houses Sold in the United States [MSPNHSUS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MSPNHSUS> (accessed June 17, 2024).

TABLE 4-7 RESIDENTIAL BUILDING PERMITS AND VALUATION

YEAR	AIR TRADE AREA		FLORIDA		UNITED STATES	
	UNITS	VALUATION	UNITS	VALUATION	UNITS	VALUATION
CY 2013	6,407	\$1,602,830	86,752	\$18,161,486	990,822	\$177,655,915
CY 2014	8,315	\$2,186,470	84,084	\$19,550,711	1,052,124	\$194,349,701
CY 2015	12,068	\$2,902,898	109,924	\$23,439,129	1,182,582	\$223,611,322
CY 2016	9,911	\$2,405,223	116,240	\$25,863,502	1,206,642	\$237,101,605
CY 2017	12,445	\$2,802,332	122,719	\$28,095,289	1,281,977	\$258,505,419
CY 2018	16,175	\$3,737,572	144,427	\$31,543,714	1,328,827	\$271,119,544
CY 2019	15,425	\$3,486,082	154,302	\$33,210,471	1,386,048	\$280,534,195
CY 2020	18,079	\$4,178,922	164,074	\$36,884,176	1,471,141	\$307,209,904
CY 2021	24,990	\$5,908,226	213,494	\$49,325,935	1,736,982	\$380,036,187
CY 2022	24,814	\$6,313,427	209,961	\$51,250,406	1,680,368	\$384,447,171
CY 2023	21,603	\$6,291,116	193,788	\$50,736,444	1,511,102	\$365,373,043
Compound Annual Growth Rate						
CY 2013 – CY 2023	12.9%	14.7%	8.4%	10.8%	4.3%	7.5%

NOTES:

CY – Calendar Year

Dollar amounts in thousands.

The Air Trade Area residential building permits and valuation data do not include data for Hendry and Glades Counties.

SOURCE: US Department of Commerce, Bureau of the Census, May 2024.

4.2.4.6 GOVERNMENT

In CY 2023, the government sector accounted for approximately 66,400 employees in the Air Trade Area, which was 12.5 percent of total nonagricultural employment. Government employment in the Air Trade Area is less concentrated than it is in the nation. Government employment in the Air Trade Area increased at a CAGR of 1.6 percent between CY 2013 and CY 2023, compared to 0.4 percent for the nation over the same period.

As shown in Table 4-6, numerous governmental organizations are among the major employers in the Air Trade Area. Multiple local governments and school districts are located within the Air Trade Area, which provide a substantial number of jobs. The largest government employer, and second largest employer in the Air Trade Area overall, is the Lee County School District (11,174 employees). The school district operates and oversees a total of 118 schools that educate more than 100,000 students a year.³⁹ Lee County is the largest public primary/secondary educational employer, and it is the largest local government employer in the Air Trade Area (9,377 employees). The County has six incorporated cities in it: Fort Myers, Cape Coral, Bonita Springs, Sanibel, Fort Myers Beach, and Estero.⁴⁰

Collier County also provides a sizable number of government jobs for the Air Trade Area. It is both the second largest public primary/secondary educational employer with the Collier County School District (5,810 employees) and the second largest local government employer with the Collier County Local Government (5,045 employees). Charlotte County follows with Charlotte County Local Government (2,655 employees) and Charlotte County School District (2,333 employees).

³⁹ The School District of Lee County, <https://www.leeschools.net/cms/one.aspx?portalId=676305&pageId=1312031> (accessed May 13, 2024).

⁴⁰ Lee County, <https://gisftpdata.leegov.com/PDFs/CountyMaps/BaseMaps/Basemap.pdf> (accessed May 13, 2024).

4.2.4.7 FINANCIAL

Financial, insurance, and real estate services compose the financial sector. In CY 2023, the financial sector accounted for approximately 28,400 employees in the Air Trade Area, which was 5.3 percent of total nonagricultural employment. Financial employment in the Air Trade Area increased at a CAGR of 3.6 percent between CY 2013 and CY 2023, compared to an increase of 1.5 percent for the nation over the same period.

The financial sector plays a slightly smaller role in the Air Trade Area's employment base than in the nation overall. No financial sector employers are included in the Air Trade Area's major employers shown in Table 4-6. Some notable financial industry employers in the Air Trade Area include Suncoast Credit Union with 908 employees and Bank of America with 806 employees.

Table 4-8 presents total bank deposits for the Air Trade Area, Florida, and the US between the year ending June 30, 2013, and the year ending June 30, 2023. Total bank deposits are an indication of the economic activity of the financial sector. As shown, total bank deposits in the Air Trade Area increased from approximately \$26.8 billion in 2013 to approximately \$49.3 billion in 2023. This increase represents a CAGR of 6.3 percent during this period, which was lower than that for Florida, but greater than the nation (CAGRs of 6.6 and 6.2 percent, respectively) during this same period. As shown in Table 4-8, a surge in deposits occurred in 2020 and 2021 because of the fiscal and monetary stimulus and decreased consumer spending triggered by the COVID-19 pandemic. The increase in deposits began to slow in 2022 as interest rates increased. Bank deposits in nation have declined since the start of the current monetary policy tightening cycle in March 2022 and the outflow of deposits increased during March 2023, following the run on Silicon Valley Bank.⁴¹ Total deposits in the nation decreased in the year ending June 30, 2023, the first decline since 1995; total deposits in the Air Trade Area and Florida also declined.

4.2.4.8 OTHER SERVICES

In CY 2023, the other services sector accounted for approximately 23,100 employees in the Air Trade Area, which accounted for 4.3 percent of total nonagricultural employment. Other services employment in the Air Trade Area increased at a CAGR of 2.3 percent between CY 2013 and CY 2023, compared to an increase of 0.6 percent for the nation over the same period.

Other services employment includes personal services (e.g., assisting the elderly with activities of daily living); dry cleaning and laundry services; repair and maintenance services; religion, grant making, civic, professional, and similar organizations; and private household employment. Because the demand for these services is on an individual or household level, trends in other services employment do not independently drive economic growth, but rather tend to reflect growth in other industry sectors, which results in an increased demand for other services by individuals and households.

⁴¹ Luck, Stephen, Matthew Plosser and Josh Younger, "Bank Funding during the Current Monetary Policy Tightening Cycle," *Federal Reserve Bank of New York*, <https://libertystreeteconomics.newyorkfed.org/2023/05/bank-funding-during-the-current-monetary-policy-tightening-cycle/> (accessed May 14, 2024).

TABLE 4-8 TOTAL BANK DEPOSITS

	TOTAL BANK DEPOSITS		
	AIR TRADE AREA	FLORIDA	UNITED STATES
<i>Historical</i>			
FY 2013	\$26,839	\$441,108	\$9,433,522
FY 2014	\$28,908	\$462,364	\$10,112,724
FY 2015	\$31,898	\$502,930	\$10,657,721
FY 2016	\$34,517	\$541,660	\$11,280,518
FY 2017	\$36,615	\$563,793	\$11,859,860
FY 2018	\$37,776	\$585,832	\$12,307,880
FY 2019	\$38,104	\$603,555	\$12,813,120
FY 2020	\$43,709	\$710,549	\$15,590,139
FY 2021	\$49,873	\$808,085	\$17,235,467
FY 2022	\$52,460	\$876,440	\$18,141,022
FY 2023	\$49,353	\$833,568	\$17,269,424
<i>Compound Annual Growth Rate</i>			
FY 2013 - FY 2019	6.0%	5.4%	5.2%
FY 2013 – FY 2023	6.3%	6.6%	6.2%
FY 2019 – FY 2023	6.7%	8.4%	7.7%

NOTE:

FY – Fiscal Year; dollar amounts in millions

SOURCE: Federal Deposit Insurance Corporation, *Summary of Deposits Report*, May 2024.

4.2.4.9 MANUFACTURING

In CY 2023, the manufacturing sector accounted for approximately 14,800 employees in the Air Trade Area, representing 2.8 percent of total nonagricultural employment. Manufacturing employment in the Air Trade Area is significantly less concentrated than that in the nation, where it represents 8.3 percent of total employment. Manufacturing employment in the Air Trade Area increased at a CAGR of 5.6 percent between CY 2013 and CY 2023 (the fourth-fastest rate of increase of any Air Trade Area industry sector between CY 2013 and CY 2023), compared to an increase of 0.7 percent for the nation over the same period. This increase in manufacturing employment in the Air Trade Area may be the result of local governments in the area actively trying to incentivize investment by manufacturers and the Florida Chamber of Commerce's efforts to attain its goal of making Florida a top five state for manufacturing jobs by 2030.⁴²

Manufacturers in the Air Trade Area include Arthrex, Inc., a medical device manufacturer, and Global Tech LED, a light-emitting diode lighting manufacturer.

4.2.4.10 TRANSPORTATION AND UTILITIES

In CY 2023, the transportation and utilities sector accounted for approximately 11,900 employees in the Air Trade Area, which was 2.2 percent of total nonagricultural employment. The transportation and utilities sector plays a

⁴² Gulfshore Business, "Southwest Florida manufacturing industry grows," March 1, 2024, <https://www.gulfshorebusiness.com/southwest-florida-manufacturing-industry-grows/> (accessed June 20, 2024).

relatively smaller role in the Air Trade Area's employment base than in the nation overall. Transportation and utilities employment in the Air Trade Area increased at a CAGR of 6.7 percent between CY 2013 and CY 2023, compared to an increase of 3.5 percent for the nation over the same period. Recent higher growth in this sector nationwide is because the transportation sector includes warehousing and because of the preexisting and acceleration of growth during the pandemic of consumers changing from local retail center purchases to online acquisition of goods, there were warehouse, distribution centers, and fulfillment center jobs substituting for retail jobs at brick-and-mortar stores.^{43,44}

Air transportation demand in the Air Trade Area is primarily serviced by the Airport and PGD, a small-hub airport in Charlotte County. The Air Trade Area is also supported by additional transportation infrastructure, providing both passenger and freight access.

The major artery for the Air Trade Area is I-75. A parallel thoroughfare is Highway 41 or Tamiami Trail. No major seaport is in the Air Trade Area, but four major seaports are within a 2- to 3-hour drive: Port Miami, Port Everglades, Port of Manatee, and Port Tampa Bay. Seminole Gulf is the provider of freight rail service in the Air Trade Area; it owns and operates more than 100 miles of track in Florida from a connection with the national rail system at Arcadia between North Naples and between Oneco (Bradenton) and Sarasota.

No passenger rail service is in the Air Trade Area. LeeTRAN provides public transit in the County. LeeTRAN offers a variety of bus and trolley transit services. The trolley system runs along the Beach and River District is seasonally available to downtown. Greyhound Bus Lines provides a regularly scheduled bus service to and from the Air Trade Area out of a Greyhound bus station in Fort Myers.

4.2.4.11 INFORMATION

The information sector combines telecommunications service providers, traditional publishing, motion picture and sound recording, broadcasting, software, online services, and data processing. In CY 2023, the information sector accounted for approximately 5,300 employees in the Air Trade Area, which was 1.0 percent of total nonagricultural employment. The information sector plays a slightly smaller role in the Air Trade Area's employment base than in the nation overall. Information employment in the Air Trade Area increased at a CAGR of 0.6 percent between CY 2013 and CY 2023, compared to a rate of 1.1 percent for the nation over the same period.

Information sector employers in the Air Trade Area include Allen Systems Group, Inc., a provider of applications, content, cloud, data protection, information technology infrastructure, and operations management with worldwide headquarters in Naples, and Position Logic, a provider of enterprise asset management, in-house asset tracking solutions, and Global Positioning System asset tracking, also in Naples.

⁴³ SVN Commercial Advisory Group, "E-Commerce and its Impact on Florida's Commercial Real Estate Market," August 4, 2023, <https://suncoastsvn.com/e-commerce-impact/> (accessed June 20, 2024).

⁴⁴ ALM Globest, "'There's Just Not Enough Warehouse Space': Florida Enjoying Industrial Sector Boom," June 18, 2021, <https://www.globest.com/2021/06/08/theres-just-not-enough-warehouse-space-florida-enjoying-industrial-sector-boom-296-228181/?slreturn=2024062095902> (accessed June 20, 2024).

4.3 ECONOMIC OUTLOOK

4.3.1 SHORT-TERM ECONOMIC OUTLOOK

The Congressional Budget Office economic outlook released in June 2024 projects a 2.6 percent year-over-year increase in real US GDP for CY 2024, which is similar to the real US GDP growth in CY 2023 (2.5 percent). The Congressional Budget Office projects real US GDP growth rate to decrease to 2.1 percent in CY 2025 and then fall to 1.8 percent by CY 2026.⁴⁵ The Congressional Budget Office's real US GDP growth projection is similar to that projected by the International Monetary Fund. The International Monetary Fund economic outlook released in July 2024 projects a 2.6 percent year-over-year increase in real US GDP for CY 2024. CY 2025 is then projected to see slower year-over-year US GDP growth of 1.9 percent.⁴⁶ The Congressional Budget Office projects the national unemployment rate to rise to 4.4 percent by the end of CY 2027.⁴⁷

The University of Central Florida's Institute for Economic Forecasting⁴⁸ projects Florida's economy (i.e., real gross state product) will grow from CY 2024 through CY 2027 by 2.5 percent annually on average, ramping down from 3.3 percent in CY 2024 to 2.1 percent in CY 2027. The Institute for Economic Forecasting expects Florida's unemployment rate to increase from a projected 3.1 percent in CY 2024 to 3.8 percent in CY 2027.⁴⁹

4.3.2 LONG-TERM ECONOMIC ASSUMPTIONS INCORPORATED IN PASSENGER DEMAND FORECASTS

As described in more detail in Chapter 5, the methodologies used in developing forecasts of enplaned passengers at the Airport included (among other methodologies) statistical linear regression modeling, with local and national socioeconomics and demographics as independent variables and O&D passengers as the dependent variable. Independent variables considered for this analysis were population, employment, earnings (total and net), personal income (per capita and total), and GRP/GDP (per capita and total) for the Air Trade Area and the US. In addition, the forecast included analysis of the Cape Coral–Fort Myers–Naples, Florida, Combined Statistical Area (CSA), a subset of the Air Trade Area that includes Lee, Collier, Glades, and Hendry Counties.

For each socioeconomic and demographic variable, regression modeling produced a coefficient that was applied to the corresponding variable projection developed by Woods & Poole to provide a forecast of enplaned passengers. **Table 4-9** presents the CY 2022 and CY 2031 figures used in the modeling, as well as the CAGR for each independent variable for CY 2022 and CY 2031. As stated earlier, the demand for air transportation at an airport is, to a large degree, dependent on the demographic and economic characteristics of an airport's air trade area. The projected growth in the Projection Period in the economic indicators in Table 4-9 supports the underlying assumptions that drive the airline activity forecasts discussed in Chapter 5.

⁴⁵ Congressional Budget Office, *The Budget and Economic Outlook: 2024 to 2034*, June 2024.

⁴⁶ International Monetary Fund, *World Economic Outlook Update: The Global Economy in a Sticky Spot*, July 2024.

⁴⁷ Congressional Budget Office, *The Budget and Economic Outlook: 2024 to 2034*, June 2024.

⁴⁸ University of Central Florida, Institute for Economic Forecasting, *Florida & Metro Forecast 2023-2027, Winter 2024*.

⁴⁹ Ibid.

TABLE 4-9 PROJECTION OF ECONOMIC VARIABLES USED IN PASSENGER DEMAND FORECASTS

VARIABLE ^{1,2}	CY 2022 ⁵	CY 2031	CAGR CY 2022 – CY 2031
Cape Coral–Fort Myers–Naples, Florida, CSA Population	1,273,761	1,482,257	1.7%
Air Trade Area Population	1,476,343	1,704,221	1.6%
US Population	333,271,411	353,010,687	0.6%
Cape Coral–Fort Myers–Naples, Florida, CSA Employment	742,591	857,318	1.6%
Air Trade Area Total Employment	827,459	954,768	1.6%
US Total Employment	212,442,020	238,320,453	1.3%
Cape Coral–Fort Myers–Naples, Florida, CSA Total Earnings ³	\$37,018	\$45,706	2.4%
Air Trade Area Total Earnings ³	\$40,497	\$49,948	2.4%
US Total Earnings ³	\$13,105,445	\$15,964,177	2.2%
Cape Coral–Fort Myers–Naples, Florida, CSA Personal Income ³	\$91,773	\$124,555	3.5%
Air Trade Area Total Personal Income ³	\$101,068	\$136,363	3.4%
US Total Personal Income ³	\$18,803,588	\$23,186,409	2.4%
Cape Coral–Fort Myers–Naples, Florida, CSA Per Capita Personal Income ⁴	\$72,049	\$84,030	1.7%
Air Trade Area Per Capita Personal Income ⁴	\$68,459	\$80,015	1.7%
US Per Capita Personal Income ⁴	\$56,421	\$65,682	1.7%
Cape Coral–Fort Myers–Naples, Florida, CSA Gross Regional Product ³	\$62,922	\$78,228	2.4%
Air Trade Area Gross Regional Product (GRP) ³	\$69,506	\$86,310	2.4%
US Gross Domestic Product (GDP) ³	\$21,788,014	\$26,495,363	2.2%

NOTES:

CAGR – Compound Annual Growth Rate

CSA – Combined Statistical Area

CY – Calendar Year

1 Employment data include wage and salary workers, proprietors, private household employees, and miscellaneous workers. Establishment data from the U.S. Department of Commerce, Bureau of Economic Analysis are used in this table, which differ from employment data in Table 4-4 because of differing sources, definitions, and methodologies.

2 Some variables presented in this table are exclusive to the airline activity forecasts and are not included in the demographic and economic analysis discussed in this chapter.

3 Figures displayed in millions of 2017 dollars.

4 Figures in 2017 dollars.

5 CY 2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for Woods & Poole's projections. Therefore, it is the last year of historical data displayed in this table. More recent data may be available from other sources.

SOURCE: Woods & Poole Economics, Inc., 2024 Complete Economic and Demographic Data Source, July 2024.

4.3.3 CONCLUSIONS

The Air Trade Area population was approximately 1.5 million in CY 2022, and Woods & Poole project it to increase to 1.7 million by CY 2031. This represents a 1.6 percent CAGR for the Air Trade Area, which is greater than that of Florida and the US during the same period (1.2 percent and 0.6 percent, respectively).

Per capita personal income was greater in the Air Trade Area than in Florida and the US between CY 2012 and CY 2022. The Air Trade Area's per capita personal income in CY 2022 (\$68,459) was 21 percent greater than per capita personal income in the US (\$56,421) and 23 percent greater than personal income in Florida (\$55,845). Woods &

Poole project per capita personal income in the Air Trade Area to increase at a CAGR of 1.7 percent between CY 2022 and CY 2031, which is the same as the projected CAGR for the US and Florida.⁵⁰

Between CY 2012 and CY 2022, the Air Trade Area's GRP grew at a CAGR of approximately 4.7 percent, which is greater than that of Florida and the US in the same period, 3.9 percent, and 2.5 percent, respectively. Woods & Poole project GRP in the Air Trade Area to increase at a CAGR of 2.4 percent between CY 2022 and CY 2031; Florida GRP and US GDP are projected to increase at CAGRs of 2.7 percent and 2.2 percent, respectively, over the same period.

Between CY 2013 and CY 2023, the Air Trade Area's labor force grew at a CAGR of approximately 2.2 percent, which is greater than that for Florida and the US during the same period, 1.6 percent, and 0.7 percent, respectively.

In terms of percentages of industry sector shares, CY 2023 employment in the following industry sectors in the Air Trade Area exceeded employment in the US: trade; leisure and hospitality; construction; and other services.

The data cited in this chapter supports the conclusion that the Air Trade Area has a large and diverse economy with projected growth that is anticipated to increase the demand for airline travel at the Airport through the Projection Period (ending FY 2031).

⁵⁰ Amounts are in 2017 dollars.

5. PASSENGER DEMAND AND AIR SERVICE ANALYSIS

This chapter describes historical aviation and air service activities at the Airport, discusses key factors affecting trends in these activities, and presents projections of future air passenger demand at the Airport.

5.1 AIRLINES SERVING THE AIRPORT

In FY 2024, 21 scheduled passenger airlines operate at the Airport. As listed in **Table 5-1**, in addition to the 16 mainline airlines, five regional airlines provide service as affiliates of various legacy/mainline airlines (Delta Air Lines [Delta], American Airlines [American], and United Airlines [United]) on a contract basis. Four all-cargo airlines also operate at the Airport.

TABLE 5-1 AIRLINES SERVING THE AIRPORT

MAINLINE AIRLINES (16)	REGIONAL AIRLINES (5)	ALL-CARGO AIRLINES (4)
Air Canada	Air Canada Rouge	FedEx
Alaska	Endeavor Air	UPS
American	Envoy Air	Atlas Air
Avelo	PSA Airlines	Western Global
Breeze	Republic Airline	
Delta		
Discover (Eurowings Discover)		
Frontier		
JetBlue		
Lynx Air 1		
Porter 2		
Southwest		
Spirit		
Sun Country		
United		
WestJet		

NOTES:
The airlines serving the Airport are those scheduled in fiscal year 2024.
1 Terminated service in February 2024
2 Seasonal winter service (November through April).
SOURCE: Cirium Diio, June 2024 (published airline schedules).

Table 5-2 presents the scheduled passenger airline base at the Airport since FY 2013. The number of mainline airlines serving the Airport increased from pre-pandemic levels of 11 airlines to 16 airlines (including Lynx Air) in FY 2024.

TABLE 5-2 HISTORICAL SCHEDULED PASSENGER AIRLINE BASE

AIRLINE ¹	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Delta Air Lines Carriers	●	●	●	●	●	●	●	●	●	●	●	●
United Airlines Carriers	●	●	●	●	●	●	●	●	●	●	●	●
American Airlines Carriers	●	●	●	●	●	●	●	●	●	●	●	●
Southwest Airlines	●	●	●	●	●	●	●	●	●	●	●	●
JetBlue Airways	●	●	●	●	●	●	●	●	●	●	●	●
Air Canada	●	●	●	●	●	●	●	●	●	●	●	●
Frontier Airlines	●	●	●	●	●	●	●	●	●	●	●	●
Spirit Airlines	●	●	●	●	●	●	●	●	●	●	●	●
WestJet Airlines	●	●	●	●	●	●	●	●	●	●	●	●
Sun Country Airlines	●	●	●	●	●	●	●	●	●	●	●	●
Discover (Formerly Eurowings)						●	●	●		●	●	●
Alaska Airlines									●	●	●	●
Avelo										●	●	●
Breeze										●	●	●
Porter											●	●
Airlines No Longer Serving the Airport												
Lynx Air ²											●	●
Air Transat ³									●	●		
Silver Airways ⁴	●	●	●	●	●	●						
Air Berlin ⁵	●	●	●	●	●							
AirTran ⁶	●	●										
Cape Air ⁷	●											

NOTES:

Fiscal Years ended September 30.

1 Where applicable, includes affiliated and merged carriers.

2 Lynx Air ceased service in February 2024.

3 Air Transat ceased service January 2022.

4 Silver Airways ceased service in November 2018.

5 Air Berlin ceased service in October 2017.

6 AirTran merged with Southwest and the FAA granted a single operating certificate to Southwest on March 1, 2012.

7 Cape Air ceased service in November 2013.

SOURCE: Cirium Diio, June 2024 (published airline schedules).

Key points include the following:

- The Airport has had the benefit of a stable scheduled passenger airline base during the years shown. Delta, United, and American, inclusive of their regional airline affiliates currently serving the Airport, have operated at the Airport throughout the entire period, in addition to Southwest Airlines (Southwest), JetBlue Airways (JetBlue), Air Canada, Frontier Airlines (Frontier), Spirit Airlines (Spirit), WestJet Airlines (WestJet), and Sun Country Airlines (Sun Country).
- Alaska Airlines (Alaska) initiated service in FY 2021 with nonstop service to Los Angeles International Airport (LAX) and Seattle-Tacoma International Airport (SEA).
- Avelo Airlines (Avelo) initiated service in November 2021 with nonstop service to New Haven, Connecticut

(HVN). On September 8, 2022, Avelo expanded service to Raleigh-Durham International Airport (RDU) and seasonal route to Wilmington Airport (ILG).

- Breeze Airways (Breeze) started service in June 2022 serving 14 nonstop destinations with an additional 7 new destinations scheduled to start October 2024. RSW will become the airline's ninth base and the third in Florida.
- Discover Airlines restarted service in March 2022 with nonstop service to Frankfurt Airport, Germany (FRA). Discover Airlines is a German Leisure airline formerly branded Eurowings Discover that served the market from FY 2018 through FY 2020.
- Porter Airlines added daily round trip service to Toronto Pearson International Airport (YYZ) in November 2023. Additionally, Porter Airlines will be adding weekly nonstop service to Montreal-Pierre Elliott Trudeau International Airport (YUL) and Ottawa Macdonald-Cartier International Airport (YOW) in November 2024, and an additional daily nonstop flight to YYZ in December 2024. Flights are operated on an Embraer E195-E2 aircraft with 132 seat capacity.
- Lynx Air began service in December 2023 offering non-stop flights to YYZ. On February 22, 2024, Lynx Air filed for creditor protection and ceased all operations on February 26, 2024.
- Spirit added new weekly services to Charleston (CHS), Norfolk International Airport (ORF), Richmond International Airport (RIC), and Puerto Rico (SJU) in December 2023.
- United started seasonal nonstop services to both LAX and San Francisco (SFO), in December 2021. Additionally, service to Cleveland Hopkins International Airport (CLE) changed from seasonal to year-round in Summer 2024.

5.2 AIR SERVICE ANALYSIS

5.2.1 HISTORICAL AIRLINE MARKET SHARES

Table 5-3 presents the historical share of enplaned passengers by airline at the Airport between FY 2019 and FY 2023. Delta held the largest market share in FY 2019, FY 2022 and FY 2023, with a peak share of 21.6 percent in FY 2023. In FY 2020 and FY 2021, Southwest surpassed Delta accounting for 18.6 percent and 22.9 percent of total enplaned passengers compared to Delta's 18.4 percent and 18.7 percent, respectively. In FY 2023, Southwest represented the second-highest enplaned passenger market share at 18.3 percent. Southwest's market share peaked in FY 2021 at 22.9 percent. American ranked as the third largest airline at the Airport with an enplaned passenger share range from 14.8 percent (FY 2019) to 15.1 percent (FY 2023). In FY 2023 United ranked as the fourth largest airline, serving 14.3 percent of enplaned passengers an increase from 9.8 percent in FY 2019. The top two airlines in FY 2023 (Delta and Southwest) made up 39.9 percent of total Airport enplaned passengers, followed by American (15.1 percent) and United (14.3 percent). JetBlue ranked as the fifth largest airline, serving 10.6 percent of enplaned passengers, a decrease from 11.3 percent in FY 2019. Spirit ranked as the sixth largest airline, serving 6.1 percent of enplaned passengers, a decrease from 10.1 percent in FY 2019. During this period, Spirit reduced nonstop service (some seasonal) from 13 destinations (FY 2019) to 10 destinations (FY 2023), resulting in a decrease from 10 average annual daily departures to 6 average annual daily departures, over the same period. Frontier ranked as the seventh largest airline, serving 5.7 percent of enplaned passengers, a decrease from 9.2 percent in FY 2019. During this period, Frontier reduced nonstop service (some seasonal) from 23 destinations (FY 2019) to 7 destinations (FY 2023), resulting in a decrease from 8 average annual daily departures to 5 average annual daily departures, over the same period. The remaining share of enplaned passengers (8.3 percent) were carried among the other 9 airlines in FY 2023.

TABLE 5-3 HISTORICAL TOTAL ENPLANED PASSENGERS BY AIRLINE

AIRLINE ¹	2019		2020		2021		2022		2023	
	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE
Delta	1,043,696	20.8%	649,185	18.4%	849,360	18.7%	1,165,986	20.9%	1,020,041	21.6%
Southwest	887,332	17.7%	657,913	18.6%	1,036,785	22.9%	1,005,145	18.0%	862,473	18.3%
American	743,170	14.8%	528,768	15.0%	710,559	15.7%	802,279	14.4%	711,105	15.1%
United	493,341	9.8%	383,450	10.9%	624,879	13.8%	770,716	13.8%	675,069	14.3%
JetBlue	566,923	11.3%	351,503	10.0%	421,140	9.3%	580,793	10.4%	499,406	10.6%
Spirit	505,642	10.1%	366,618	10.4%	417,004	9.2%	483,302	8.7%	290,267	6.1%
Frontier	463,201	9.2%	370,515	10.5%	331,561	7.3%	430,042	7.7%	267,430	5.7%
Sun Country	133,342	2.7%	98,764	2.8%	124,641	2.7%	159,423	2.9%	139,484	3.0%
Air Canada	104,325	2.1%	71,817	2.0%	5,530	0.1%	62,316	1.1%	72,022	1.5%
Avelo	0	0.0%	0	0.0%	0	0.0%	30,118	0.5%	68,861	1.5%
West Jet	54,658	1.1%	35,717	1.0%	2,071	0.0%	33,226	0.6%	48,423	1.0%
Breeze	0	0.0%	0	0.0%	0	0.0%	3,894	0.1%	23,301	0.5%
Alaska	0	0.0%	0	0.0%	0	0.0%	26,994	0.5%	19,942	0.4%
Discover (Eurowings) ²	29,538	0.6%	12,321	0.3%	0	0.0%	14,510	0.3%	18,865	0.4%
Other ³	1,507	0.0%	1,805	0.1%	11,446	0.3%	2,793	0.1%	4,712	0.1%
Airport Total	5,026,675	100.0%	3,528,376	100.0%	4,534,976	100.0%	5,571,537	100.0%	4,721,401	100.0%

NOTES:

Fiscal Years ended September 30.

¹ Includes regional/commuter affiliates.² Eurowings Discover was rebranded as Discover Airlines and began service to Germany in March 2022.³ Includes airlines with minimal market share or that may not have operated at the Airport in Fiscal Year 2023.

SOURCE: Lee County Port Authority, June 2024.

5.2.2 NONSTOP MARKETS

The existence of nonstop airline service to the Airport's largest markets is an indication of robust air travel demand. **Table 5-4** presents historical data on the Airport's top 20 domestic O&D markets in FY 2023 (the latest full fiscal year available). The top 20 markets made up approximately 74 percent of domestic O&D passengers at the Airport. In the Airport's peak month of activity (March 2024), all top 20 markets had nonstop service from the Airport. Of the top 20 domestic O&D markets, 19 are medium-haul markets, or markets between 601 and 1,800 miles from the Airport, and Atlanta, a short-haul market, is within 600 miles of the Airport. As shown in Table 5-4, the top domestic O&D market is New York, followed by Chicago and Boston. FY 2023 average fare across all domestic markets served from the Airport is \$178, which is lower than the national average fare of \$189.

TABLE 5-4 TOP 20 DOMESTIC ORIGIN AND DESTINATION MARKETS

RANK	MARKET	STAGE LENGTH ¹	TOTAL O&D PASSENGERS	FISCAL YEAR 2023 AVERAGE FARE	NUMBER OF AIRLINES PROVIDING NONSTOP SERVICE
1	New York ³	MH	506,781	\$155	3
2	Chicago ⁴	MH	425,117	\$152	4
3	Boston	MH	277,945	\$200	3
4	Minneapolis	MH	257,755	\$172	4
5	Detroit	MH	247,212	\$164	3
6	Washington ⁵	MH	218,668	\$147	4
7	Philadelphia	MH	160,584	\$150	3
8	Cleveland	MH	147,059	\$110	3
9	Indianapolis	MH	106,820	\$137	2
10	Cincinnati	MH	105,434	\$105	2
11	Denver	MH	102,939	\$203	2
12	Atlanta	SH	101,340	\$168	3
13	Pittsburgh	MH	86,143	\$141	1
14	Columbus	MH	81,774	\$217	2
15	St. Louis	MH	76,550	\$148	1
16	Dallas ⁶	MH	73,928	\$205	2
17	Milwaukee	MH	69,765	\$167	1
18	Hartford	MH	58,688	\$138	3
19	White Plains	MH	52,453	\$175	2
20	Nashville	MH	50,317	\$156	2
Total Top 20 Airports			3,207,272	\$161	
Other O&D Markets			1,144,377		
Total Domestic O&D Passengers			4,351,649	\$178	

NOTES:

O&D – Origin and Destination

1 Short Haul (SH) = 0 to 600 miles; Medium Haul (MH) = 601 to 1,800 miles; Long Haul (LH) = over 1,800 miles.

2 Nonstop service in March 2024.

3 Includes John F. Kennedy International Airport, LaGuardia Airport, and Newark Liberty International Airport.

4 Includes Chicago O'Hare International Airport and Chicago Midway International Airport.

5 Includes Baltimore/Washington International Thurgood Marshall Airport, Ronald Reagan Washington National, and Washington Dulles International Airport.

6 Includes Dallas Love Field and Dallas Fort Worth International Airport.

SOURCES: US Department of Transportation DB1B accessed through Cirium Diio, June 2024.

Table 5-5 presents data on the Airport’s scheduled nonstop destination airports on March 23, 2024. As shown, daily nonstop service is provided to 51 airports, with 190 daily departures on March 23. Destinations with a significant number of daily nonstop flights include the following: Minneapolis–St. Paul International Airport (MSP) with 12 departures, Chicago O’Hare International Airport (ORD) with 11 departures, Hartsfield-Jackson Atlanta International Airport (ATL) with 11 departures, and Detroit Metropolitan Wayne County Airport (DTW) with 9 departures, Charlotte Douglas International Airport (CLT), and Indianapolis International Airport (IND) both with 7 departures. The largest O&D market, New York, has 15 nonstop departures with John F. Kennedy International Airport (JFK), LaGuardia Airport (LGA), and Newark Liberty International Airport (EWR) combined. As shown in Table 5-5, two or more airlines provide nonstop service to 21 airports, including 17 of the Airport’s top 20 domestic O&D markets, resulting in competitive airfares to numerous markets.

5.2.3 HISTORICAL ENPLANED PASSENGER AND PASSENGER AIRLINE ACTIVITY AT THE AIRPORT

Table 5-6 presents historical enplaned passenger activity at the Airport. As shown in Table 5-6, the Airport’s historical share of nationwide enplaned passengers remained stable between FY 2013 and FY 2019. The data show that, though passenger activity trends at the Airport have fluctuated year to year, passenger activity at the Airport has generally moved in line with passenger activity for the nation, except for FY 2020 through FY 2023, which was affected by the COVID-19 pandemic and Hurricane Ian. Before the COVID-19 pandemic, the Airport and nation experienced long-term increases in enplaned passengers from FY 2013 to FY 2019, with enplaned passengers increasing at a CAGR of 4.5 percent at the Airport and 3.8 percent for the nation. The COVID-19 pandemic effect on passenger demand at the Airport was less than that of the nation, as Airport enplaned passengers decreased 29.8 percent compared to 44.5 percent for the nation in FY 2020. The Airport’s enplaned passengers recovered to pre-pandemic levels in FY 2022, while the nation’s enplaned passengers remain below pre-pandemic levels. In FY 2023, enplaned passengers at the Airport decreased 15.3 percent to 4.7 million because of Hurricane Ian. Monthly enplaned passenger volumes in FY 2023 remained below corresponding monthly passenger volumes in FY 2022 until July 2023. From FY 2013 to FY 2023, enplaned passengers at the Airport increased at a CAGR of 2.0 percent, compared to an increase of 2.2 percent nationwide. Fiscal year-to-date (FYTD) 2024 (October to May) enplaned passengers increased 24.5 percent to 4.3 million compared to 3.5 million for FYTD 2023, as passenger demand recovered from the effects of Hurricane Ian. Monthly passenger volumes in FYTD 2024 exceed passenger volumes in all corresponding months in FYTD 2023.

The FAA classifies RSW as a medium-hub airport based on its percentage of nationwide passenger activity.⁵¹ The Airport ranked 42nd in the US in CY 2022 (latest data available) with just over 5.1 million enplaned passengers.⁵² As shown on **Exhibit 5-1**, domestic enplaned passengers represent 96 to 98 percent of total enplaned passengers at the Airport, except for FY 2021.

⁵¹ As defined by the FAA, a medium-hub airport enplanes between 0.25 percent and 1.0 percent of total US enplaned passengers during a CY. This percentage range of nationwide enplaned passengers equates to 2,132,856 to 7,819,129 enplaned passengers in CY 2022, the latest CY for determining airport size. The Airport enplaned 5,132,694 passengers in CY 2022.

⁵² US Department of Transportation, Federal Aviation Administration, *CY 2022 Passenger Boarding Data*, September 2023.

TABLE 5-5 NONSTOP MARKETS

DESTINATION	DAILY NONSTOPS	NUMBER OF AIRLINES	AIRLINE (OPERATING AIRLINE) – AVERAGE DAILY DEPARTURES (AIRPORT)
Akron/Canton (CAK)	1	1	Breeze
Albany (ALB)	1	1	Southwest
Atlanta (ATL)	11	3	Delta (8), Spirit (1), Southwest (2)
Atlantic City (ACY)	2	1	Spirit
Baltimore (BWI)	5	1	Southwest
Boston (BOS)	9	3	JetBlue (5), Delta (2), Spirit (2)
Buffalo (BUF)	3	2	Frontier (1), Southwest (2)
Charleston (CHS)	1	2	Breeze, Spirit
Charlotte-Douglas (CLT)	7	1	American
Chicago-Midway (MDW)	6	1	Southwest
Chicago-O'Hare (ORD)	11	4	American (3), Spirit (2), United (5), Southwest (1)
Cincinnati (CVG)	3	2	Delta (1), Frontier (2)
Cleveland (CLE)	6	3	Frontier (3), Southwest (1), United (2)
Columbus (CMH)	5	1	Southwest
Dallas/Fort Worth (DFW)	6	2	American, Frontier
Dallas-Love (DAL)	2	1	Southwest
Denver (DEN)	5	2	Southwest (1), United (4)
Detroit (DTW)	9	3	Delta (5), Frontier (1), Spirit (3)
Frankfurt (FRA)	1	1	Discover
Grand Rapids (GRR)	2	2	Frontier (1), Southwest (1)
Hartford (BDL)	3	3	JetBlue (1), Breeze (1), Southwest (1)
Houston-Hobby (HOU)	1	1	Southwest
Houston-Intercontinental (IAH)	3	1	United
Indianapolis (IND)	7	2	Spirit (2), Southwest (5)
Islip (ISP)	1	1	Frontier
Kansas City (MCI)	2	1	Southwest
Las Vegas (LAS)	1	1	Breeze
Los Angeles (LAX)	1	1	United
Louisville (SDF)	1	1	Southwest
Milwaukee (MKE)	5	1	Southwest
Minneapolis/St. Paul (MSP)	12	4	Delta (5), Frontier (1), Southwest (1), Sun Country (5)
Nashville (BNA)	4	2	Spirit (1), Southwest (3)
New Haven (HVN)	2	1	Avelo
New York-JFK (JFK)	5	2	Delta (2), JetBlue (3)
New York-La Guardia (LGA)	4	2	Delta (2), JetBlue (2)
Newark (EWR)	6	2	JetBlue (1), United (5)
Norfolk (ORF)	1	1	Spirit
Philadelphia (PHL)	6	3	American (3), Frontier (2), Spirit (1)
Pittsburgh (PIT)	3	2	Spirit (1), Southwest (2)
Portland (PWM)	1	1	Breeze
Providence (PVD)	3	2	Breeze (2), Southwest (1)
Richmond (RIC)	2	2	Breeze, Spirit
San Juan (SJU)	1	1	Spirit
Seattle (SEA)	1	1	Alaska
St. Louis (STL)	5	1	Southwest
Syracuse (SYR)	1	1	Frontier
Toronto (YYZ)	6	3	Air Canada (3), Porter (1), WestJet (2)
Trenton (TTN)	1	1	Frontier
Washington-Dulles (IAD)	2	1	United
Washington-National (DCA)	4	3	American (2), JetBlue (1), Southwest (1)
White Plains (HPN)	1	1	JetBlue
Worcester (ORH)	1	1	JetBlue
Total	190		

NOTE:

Nonstop service on March 23, 2024.

SOURCE: Cirium Diio, June 2024 (published airline schedules).

TABLE 5-6 HISTORICAL ENPLANED PASSENGERS – AIRPORT AND NATION

FISCAL YEAR	ENPLANED PASSENGERS	ANNUAL GROWTH	US TOTAL ENPLANED PASSENGERS ¹	ANNUAL GROWTH	AIRPORT MARKET SHARE
2013	3,856,646	4.9%	739,144,576	0.2%	0.52%
2014	3,989,316	3.4%	757,623,406	2.5%	0.53%
2015	4,155,189	4.2%	788,473,411	4.1%	0.53%
2016	4,332,997	4.3%	823,037,162	4.4%	0.53%
2017	4,421,668	2.0%	847,413,168	3.0%	0.52%
2018	4,662,213	5.4%	889,107,888	4.9%	0.52%
2019	5,026,675	7.8%	923,146,088	3.8%	0.54%
2020	3,528,276	(29.8%)	512,398,268	(44.5%)	0.69%
2021	4,534,976	28.5%	543,003,936	6.0%	0.84%
2022	5,571,537	22.9%	818,284,646	50.7%	0.68%
2023	4,721,401	(15.3%)	914,386,689	11.7%	0.52%
FYTD 2023 ²	3,477,717	-			
FYTD 2024 ²	4,321,008	24.2%			
Compound Annual Growth Rate					
2013 – 2019	4.5%		3.8%		
2013 – 2023	2.0%		2.2%		

NOTES:

FYTD – Fiscal Year to Date

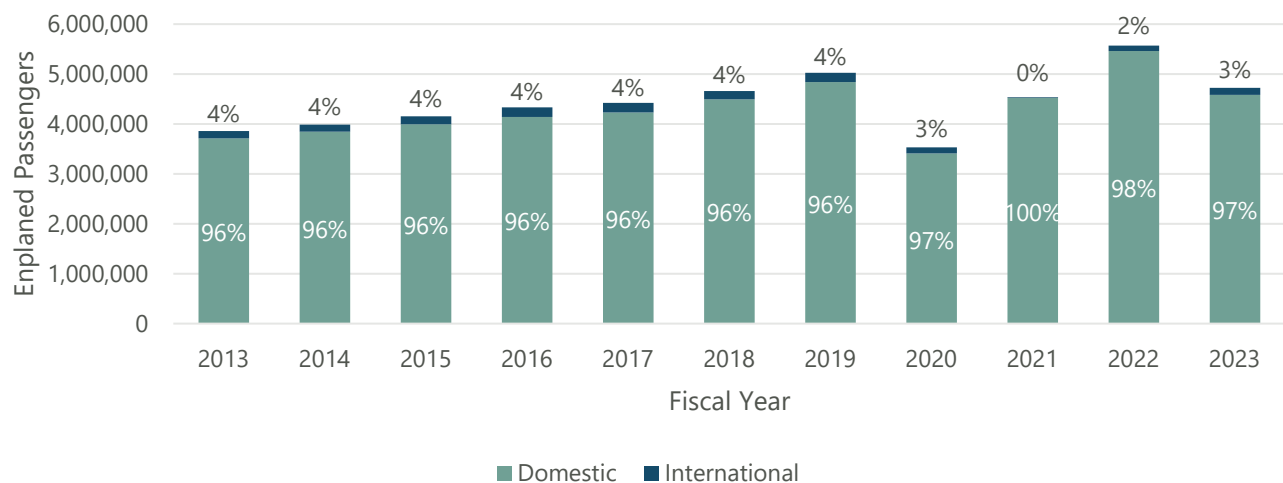
Fiscal Years ended September 30.

1 Data represents onboard revenue passengers only as reported in T100.

2 The FYTD is for 8 months ending May 2023 and 2024 (latest data available).

SOURCES: Lee County Port Authority, July 2024; Cirium Diio, June 2024 (US Department of Transportation, T-100 data).

EXHIBIT 5-1 HISTORICAL ENPLANED PASSENGERS



SOURCE: Lee County Port Authority, June 2024.

Specific details concerning passenger activity at the Airport between FY 2013 and FYTD 2024 are as follows:

- **FY 2013 – FY 2014.** Passenger traffic increased 3.4 percent in FY 2014. JetBlue initiated four-times weekly service to Bradley International Airport (BDL), while United initiated three-times weekly service to Denver International Airport (DEN). Southwest initiated service to numerous markets with varying levels of service, including ATL, John Glenn Columbus International Airport (CMH), IND, Milwaukee Mitchell International Airport (MKE), and Pittsburgh International Airport (PIT).
- **FY 2014 – FY 2015.** In FY 2015 passenger traffic increased 4.2 percent. American initiated daily service to CLT and three weekly flights to Philadelphia International Airport (PHL). JetBlue ceased service to Buffalo Niagara International Airport (BUF) but initiated daily service to Ronald Reagan Washington National Airport (DCA). Frontier began daily flights to Cleveland Hopkins International Airport (CLE) and three-times weekly flights to Cincinnati/Northern Kentucky International Airport (CVG). Southwest increased service to ATL from approximately four-times weekly flights to twice daily.
- **FY 2015 – FY 2016.** In FY 2016 passenger traffic increased 4.3 percent, while seat capacity increased 5.0 percent. American expanded its daily CLT service to five daily flights, increased DCA service to twice daily, and PHL service from three-times weekly to twice daily.
- **FY 2016 – FY 2017.** In FY 2017 passenger traffic increased 2.0 percent. JetBlue expanded its service to EWR with three daily departures, while eliminating its service to LGA. Spirit began service to Baltimore/Washington International Thurgood Marshall Airport (BWI), while Southwest increased its service to BWI from four to five daily flights.
- **FY 2017 – FY 2018.** In FY 2018 passenger traffic increased 5.4 percent. Most of the Airport's capacity growth was driven by continued increases in service to existing destinations from all airlines. Frontier initiated four-times weekly flights to Long Island MacArthur Airport (ISP), while Spirit started service to BDL and PIT with three-times weekly flights.
- **FY 2018 – FY 2019.** In FY 2019 passenger traffic increased 7.8 percent. American increased its service from three to four daily flights to Dallas Fort Worth International Airport (DFW), while United enhanced its service to DEN (one daily flight), EWR (four daily flights), George Bush Intercontinental Airport (IAH) (two daily flights), and ORD (three daily flights). JetBlue reduced service to Boston Logan International Airport (BOS), EWR, and JFK.
- **FY 2019 – FY 2020.** In FY 2020 passenger traffic decreased 29.8 percent. All airlines reduced capacity and experienced steep decreases in passenger demand because of the COVID-19 pandemic. Health and safety concerns and fears of infection lowered consumer propensity to travel, and government-imposed entry restrictions limited international travel between countries. Eurowings Discover suspended service to the Airport, and Air Canada and WestJet suspended service to Canadian markets because of border restrictions.
- **FY 2020 – FY 2021.** In FY 2021 passenger traffic increased 28.5 percent. Travel demand was aided by renewed confidence in health and safety following the widespread rollout of the COVID-19 vaccines. Alaska began service in FY 2021 with nonstop flights to LAX and SEA. Additional new routes begun by Southwest during the year included ORD, CVG, and Louisville Muhammad Ali International Airport (SDF).
- **FY 2021 – FY 2022.** In FY 2022 passenger traffic continued to recover, increasing 22.9 percent. New airlines serving the airport include Avelo and Breeze. Some of the Airports pre-pandemic international air service was restored during FY 2022, including flights from Discover (formerly branded as Eurowings) with nonstop flights to FRA. Air Canada also restored service to YUL, while WestJet restored service to YOW, and Air Transat terminated service from YUL.

- **FY 2022 – FY 2023.** In FY 2023 passenger traffic decreased 15.3 percent. Hurricane Ian made landfall in Southwest Florida on September 28, 2022, as a Category 4 storm. As a result, the Airport was closed the first few days of FY 2023 followed by limited operating hours until normal flight operations resumed on October 11, 2023. The hurricane’s impact limited passenger demand and passenger volumes decreased 46 percent in October 2023 compared to October 2022. Monthly passenger volumes remained below comparable months in FY 2022 until July 2023. Avelo added service to RDU, and ILG. Breeze also expanded service to BDL, and Rhode Island T.F. Green International Airport (PVD). Sun Country began service to Chippewa Valley Regional Airport (EAU), and Spirit added service to IAH.
- **FYTD 2024.** FYTD 2024 passenger traffic increased 26.2 percent when compared to FYTD 2023. Porter Airlines began seasonal service in November 2023 offering nonstop service to YYZ through April 2024. Lynx Air also announced nonstop service to YYZ, however, the airline ceased all operations in February 2024. JetBlue announced new service to Worcester Regional Airport (ORH) in January 2024. In December 2023, Spirit added new weekly seasonal service to CHS, ORF, RIC, and SJU. Breeze also announced 10 new destinations: Akron-Canton Airport (CAK), CMH, Louis Armstrong New Orleans International Airport (MSY), ORF, PIT, Portland International Jetport (PWM), RDU, RIC, SDF, and Syracuse Hancock International Airport (SYR). These flights operate from one to three times weekly.

5.2.4 AIRCRAFT OPERATIONS

Table 5-7 presents the number of aircraft operations (takeoffs and landings) at the Airport by user groups between FY 2019 and FY 2023. Passenger airline operations (the largest user group) decreased from 70,902 operations in FY 2019 to 68,142 operations in FY 2023, an average annual decrease of 1.0 percent. Cargo airline operations increased from 1,460 operations in FY 2019 to 1,587 operations in FY 2023, a CAGR of 2.1 percent. Other air taxi/general aviation operations increased from 10,221 operations in FY 2019 to 12,625 operations in FY 2023, a CAGR of 5.4 percent, while military operations decreased from 1,204 operations to 1,090 operations, an average annual decrease of 2.5 percent over the same period. Total Airport operations decreased from 83,787 operations in FY 2019 to 83,444 operations in FY 2023, an average annual decrease of 0.1 percent.

5.2.5 LANDED WEIGHT

Table 5-8 presents the shares of landed weight for the passenger airlines serving the Airport from FY 2019 through FY 2023. Landed weight shares by airline generally follow the airline’s share of enplaned passengers at the Airport. Delta and Southwest are the two largest airlines at the Airport based on landed weight. In FY 2023, passenger airlines represented 95.9 percent, and cargo airlines represented 4.1 percent of total Airport landed weight.

TABLE 5-7 HISTORICAL AIRCRAFT OPERATIONS

FISCAL YEAR	PASSENGER AIRLINES	CARGO AIRLINES	OTHER AIR TAXI / GENERAL AVIATION	MILITARY	TOTAL	ANNUAL PERCENTAGE CHANGE
2019	70,902	1,460	10,221	1,204	83,787	2.6%
2020	62,245	1,459	11,231	1,625	76,560	(8.6%)
2021	77,831	1,525	14,823	1,263	95,442	24.7%
2022	80,526	1,498	14,124	1,089	97,237	1.9%
2023	68,142	1,587	12,625	1,090	83,444	(14.2%)
FYTD 2023 ²	43,834	902	9,134	850	54,720	
FYTD 2024 ²	55,765	746	8,845	692	66,048	20.7%
Compound Annual Growth Rate						
2019 – 2023	-1.0%	2.1%	5.4%	-2.5%	-0.1%	

NOTES:

FYTD – Fiscal Year to Date

1 Fiscal Years ended September 30.

2 The FYTD is for 8 months ending May 2023 and 2024 (latest data available).

SOURCES: US Department of Transportation, Federal Aviation Administration, Operations Network, July 2024; Cirium Diio, July 2024 (US Department of Transportation, T-100 data).

TABLE 5-8 HISTORICAL LANDED WEIGHT BY AIRLINE (THOUSANDS OF POUNDS)

AIRLINE	2019		2020		2021		2022		2023	
	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE	LANDED WEIGHT	SHARE
Delta ¹	1,111,186	20.1%	830,568	17.6%	1,299,188	22.0%	1,224,572	19.9%	1,075,794	20.1%
Southwest	908,526	16.4%	934,512	19.8%	1,275,605	21.6%	1,043,275	17.0%	975,341	18.3%
American ¹	799,017	14.5%	658,308	13.9%	828,008	14.0%	837,971	13.6%	785,534	14.7%
United ¹	523,902	9.5%	504,164	10.7%	769,283	13.0%	855,100	13.9%	720,961	13.5%
JetBlue	621,492	11.2%	479,433	10.1%	538,434	9.1%	629,481	10.2%	533,564	10.0%
Spirit Airlines	518,010	9.4%	449,373	9.5%	459,746	7.8%	520,044	8.5%	315,401	5.9%
Frontier	427,905	7.7%	397,054	8.4%	361,461	6.1%	448,704	7.3%	267,693	5.0%
Sun Country	136,763	2.5%	101,797	2.2%	126,829	2.1%	151,831	2.5%	133,353	2.5%
Air Canada ²	138,782	2.5%	90,326	1.9%	14,705	0.2%	81,021	1.3%	78,305	1.5%
Avelo	0	0.0%	0	0.0%	0	0.0%	30,354	0.5%	70,093	1.3%
WestJet	53,926	1.0%	37,431	0.8%	6,675	0.1%	40,029	0.7%	51,374	1.0%
Discover (Formerly Eurowings) ³	62,814	1.1%	27,622	0.6%	0	0.0%	31,374	0.5%	39,494	0.7%
Breeze	0	0.0%	0	0.0%	0	0.0%	8,045	0.1%	36,245	0.7%
Alaska	0	0.0%	0	0.0%	24,370	0.4%	31,760	0.5%	22,002	0.4%
All-Cargo	214,890	3.9%	208,029	4.4%	197,448	3.3%	192,128	3.1%	220,004	4.1%
All Others ⁴	7,937	0.1%	9,813	0.2%	7,259	0.1%	27,606	0.4%	15,591	0.3%
Total Airlines	5,525,148	100.0%	4,728,429	100.0%	5,909,011	100.0%	6,153,295	100.0%	5,340,748	100.0%

NOTES:

Fiscal Years ended September 30.

¹ Includes regional airlines.² Combined landed weights of Air Canada and Air Canada Rouge.³ Eurowings Discover was rebranded as Discover Airlines and began service to Germany in March 2022.⁴ Consists of airlines no longer serving the Airport, charter airlines, and/or other airlines.

SOURCE: Lee County Port Authority, June 2024.

5.3 FACTORS AFFECTING AVIATION DEMAND AT THE AIRPORT

This section discusses the qualitative factors that may influence future aviation activity at the Airport. These factors were considered, either directly or indirectly, in developing the aviation activity projections for the Airport.

5.3.1 IMPACT OF THE COVID-19 PANDEMIC

The outbreak and spread of COVID-19 resulted in a severe contraction in demand for air travel that was driven by fear of illness, as well as government-imposed travel restrictions and quarantine requirements. The effect on air travel began in East Asia in December 2019 and rapidly accelerated to other regions of the world in March and April 2020. Airlines responded to the change in demand by parking aircraft and reducing capacity across their networks. Several large international foreign-flag airlines suspended all operations for a period in March and April 2020. The Airport, an attractive leisure destination, benefited from restricted access to other competing leisure destinations in the Caribbean, Hawaii, and Mexico, during the pandemic. In April 2020, which represented the low point in terms of passenger airline enplaned passengers, enplaned passengers decreased to 4 percent of April 2019 passengers for all US airports and 6 percent of April 2019 passengers at the Airport. A modest recovery in airline passengers occurred over the second half of 2020. By March 2021, enplaned passengers for all US airports had increased to 52 percent of March 2019 enplaned passengers, and enplaned passengers at the Airport had increased to 75 percent of March 2019 enplaned passengers.

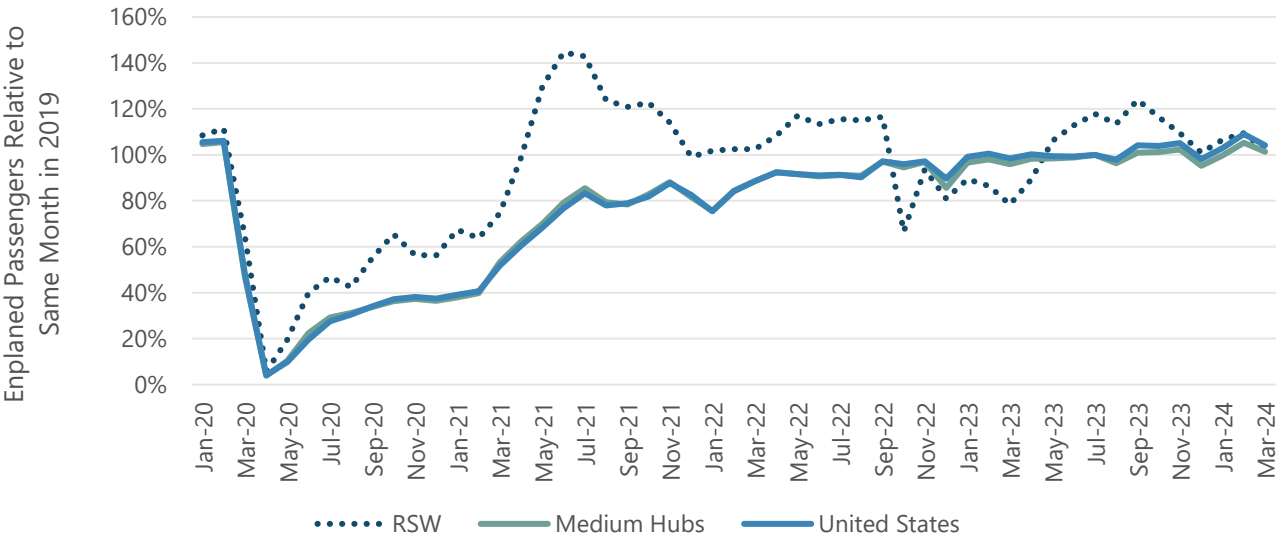
Airlines accelerated the restoration of capacity as COVID-19 vaccines became widely available in the US and demand for air travel increased. In March 2022, enplaned passengers represented 89 percent of March 2019 enplaned passengers for all US airports. For the Airport, March 2022 enplaned passengers represented 103 percent of March 2019 enplaned passengers being above pre-pandemic levels. The restoration of enplaned passengers increased through 2023, despite interruptions in demand recovery that coincided with spikes in COVID-19 infections related to the Delta and Omicron variants of the virus. December 2023 enplaned passengers represented 98 percent of December 2019 enplaned passengers for all US airports and 99 percent of December 2019 enplaned passengers at the Airport.

Exhibit 5-2 depicts the Airport's enplaned passenger recovery relative to FAA medium-hub airports and the US.

The COVID-19 pandemic resulted in a drastic decrease in revenues and steep financial losses for most airlines. Per the International Air Transport Association, airlines globally experienced an operating loss of \$137.7 billion in 2020 and loss an additional \$41.3 billion in 2021. In 2022, US airlines recorded a marginal profit of \$8.5 billion, while airlines throughout the rest of the world lost another \$12 billion. In 2023, US airlines and airlines throughout the rest of the world were estimated to record profits of \$14.8 billion and \$12.6 billion, respectively. **Exhibit 5-3** shows the airline profitability for North America and for the rest of the world from 2016 to 2024 (as forecast).

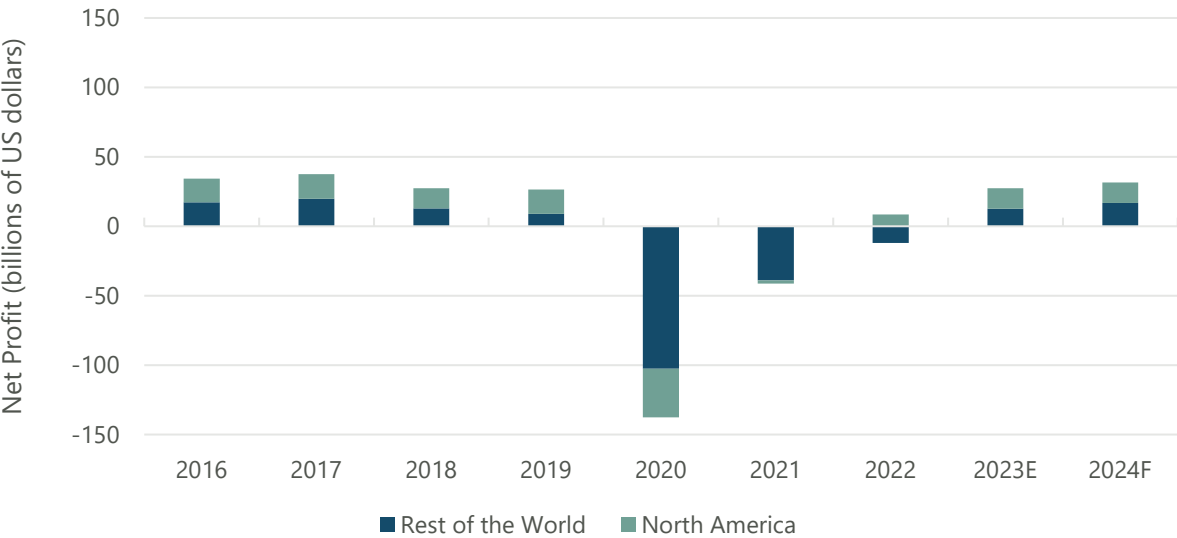
At the onset of the COVID-19 pandemic, many US airlines reduced their number of employees through involuntary furloughs and offered packages as incentives for early retirement. As demand returned, some airlines struggled to hire and train new pilots, flight attendants, mechanics, and other employees to support growth in operations, resulting in supply side constraints. Delayed delivery of new aircrafts has further constrained airlines' ability to restore capacity in line with growth in demand.

EXHIBIT 5-2 ENPLANED PASSENGER RECOVERY – AIRPORT, MEDIUM HUBS, AND UNITED STATES



NOTES:
RSW – Southwest Florida International Airport
Enplaned passengers were indexed to the same month in 2019
SOURCE: Cirium Diio, July 2024 (US Department of Transportation, T-100 data)

EXHIBIT 5-3 NET PROFIT OF COMMERCIAL AIRLINES WORLDWIDE (2016 – 2024)



NOTES:
E – Estimate of 2023 Net Profit
F – Forecast of 2024 Net Profit
Bankruptcy reorganization and large non-cash costs were excluded. These data include all commercial airlines.
SOURCE: International Air Transport Association, *Airline Industry Economic Performance Data Tables*, June 2024.

5.3.2 MERGERS, ACQUISITIONS, AND NEW ENTRANT AIRLINES

US airlines have merged with or acquired competitors to achieve operational and commercial synergies and to improve their financial performance. A wave of consolidation began in 2005 when America West Airlines merged with US Airways, retaining the US Airways brand for the consolidated airline. In 2009, Delta acquired Northwest Airlines. In 2010, United acquired Continental Airlines. In 2011, Southwest acquired AirTran Airways. In 2013, US Airways and American merged, with the consolidated airline retaining the American brand. The most recent consolidation occurred in 2016 when Alaska acquired Virgin America. The two airlines completed their integration in 2018. Spirit has terminated its prior merger agreement with Frontier that was announced in February 2022. JetBlue terminated its prior merger agreement with Spirit that was announced in July 2022. On December 3, 2023, Alaska and Hawaiian announced their intention to merge no later than the first half of 2025, pending government and shareholder approval. Alaska and Hawaiian will continue to operate as independent airlines until after the transaction closes. Consolidation across the industry has resulted in the realignment of several airline route networks as airlines have sought efficiency in their service. Further consolidation of the US airline industry could affect the amount of capacity offered at the Airport and could alter the competitive landscape.

Over the past 4 years, two new airlines, Avelo and Breeze, began operations in the US domestic passenger airline industry and began service to RSW. According to published airline schedules as of June 2024, the Airport is the ninth-largest airport by scheduled departures and departing seat capacity in the Avelo network and the eighth-largest airport by scheduled departures and departing seat capacity in the Breeze network in FY 2024.

5.3.3 COST OF AVIATION FUEL

As of the third quarter of CY 2024, jet fuel accounted for 20.8 percent of total airline operating costs, second only to labor, according to Airlines for America.⁵³ The average price of jet fuel peaked in June 2022 at \$4.04 per gallon, having grown steadily since April 2020, which represented the lowest price observed during the historical period. Fluctuating fuel costs affect airline profitability, which could lead to air service changes as airlines adjust capacity and pricing to address changes in the cost of fuel. **Exhibit 5-4** shows the monthly averages for jet fuel and crude oil prices from April 2014 through April 2024.

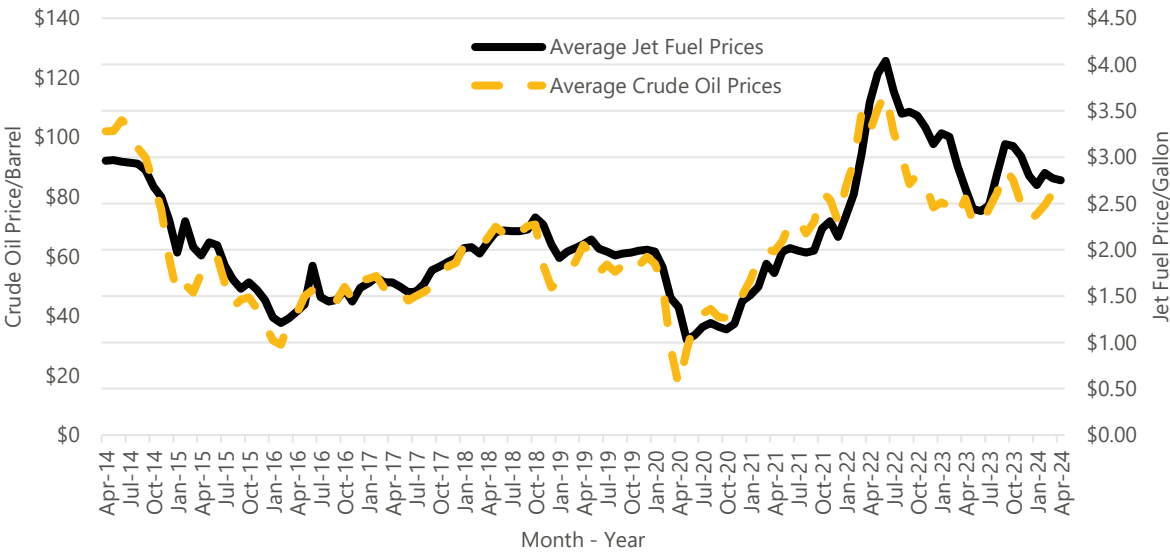
5.3.4 THREAT OF TERRORISM, GEOPOLITICAL ISSUES, AND NATURAL DISASTERS

Since September 11, 2001, the recurrence of terrorism incidents against either domestic or world aviation has remained a risk to achieving forecast levels of activity. Tighter security measures have restored the public's confidence in the integrity of the US and global aviation security systems. However, any terrorist incident targeting aviation could have an immediate and significant impact on the demand for air travel.

Geopolitical issues may affect aviation activity during the Projection Period. Potential governmental or regional instability in certain countries or locations may affect access to, or demand for, aviation service in these places. At the time of this report, the Russian invasion of Ukraine, which began in February 2022, is still ongoing. Additionally, an escalation of conflict between Israel and Hamas, which began in October 2023, remains an evolving situation. Further developments in these conflicts could worsen geopolitical and economic uncertainty and potentially affect demand for travel to certain regions.

⁵³ Airlines for America, *Passenger Airline Cost Index (PACI)*, <http://airlines.org/dataset/a4a-quarterly-passenger-airline-cost-index-u-s-passenger-airlines/> (accessed May 9, 2024).

EXHIBIT 5-4 PRICE OF OIL (PER BARREL) AND JET FUEL (PER GALLON)



SOURCE: US Department of Energy, US Energy Information Administration, June 2024

Additionally, natural disasters may affect aviation activity at the Airport. On September 28, 2022, Hurricane Ian made landfall in Southwest Florida as a Category 4 storm. The runway and terminal building remained in stable condition and on October 11, 2023, the Airport resumed normal operations. An extremely destructive natural disaster, local or national, may affect travel demand to and from the Air Trade Area.

5.3.5 OTHER AIRPORTS IN THE REGION

In general, an airport’s potential service area is limited by the distance of passenger demand from an airport and is further affected by the availability and quality of air service at surrounding airports. Airports evaluated as competitors for this analysis are FLL, PGD, SRQ, PIE, and TPA. All five airports are within a 120-mile radius of the Airport; FLL is to the east/southeast of the Airport, and PGD, SRQ, PIE, and TPA are along the Gulf Coast to the north. These airports are included in **Table 5-9**, which summarizes the domestic and international destinations served by the Airport and its competitors. **Exhibit 5-5** depicts these airports and their proximity to the Airport.

At FLL, 26 airlines provided an average of 395 daily departures to 86 domestic destinations and 48 international destinations in March 2024. FLL provides service to 47 of the 54 destinations served from the Airport. The average domestic fare for FY 2023 at FLL was approximately \$150, which was 16 percent lower than the Airport’s average domestic fare.

At PGD, two airlines provided an average of 25 daily departures to 47 domestic destinations in March 2024. PGD provides service to 13 of the 54 destinations served from the Airport. The average domestic fare for FY 2023 at PGD was approximately \$83, which was 53 percent lower than the Airport’s average domestic fare. Most destinations at PGD do not have daily service.

TABLE 5-9 COMPETING AIRPORT MARKETS SERVED

MARKET	FY 2023 ENPLANED PASSENGERS ¹	NUMBER OF AIRLINES (LARGEST) ²	NUMBER OF MARKETS SERVED			AVERAGE DAILY DEPARTURES ⁵	AVERAGE DAILY DOMESTIC FARE ⁶	DISTANCE TO RSW (IN MILES)
			DOMESTIC ³	INTERNATIONAL ⁴	TOTAL			
Fort Myers (RSW)	4,697,270	14 (Delta)	51	3	54	167	\$178	-
Fort Lauderdale (FLL)	16,680,992	26 (Spirit)	86	48	134	395	\$150	104
Punta Gorda (PGD)	927,187	2 (Allegiant)	47	0	47	25	\$83	30
Sarasota (SRQ)	2,119,587	11 (Southwest)	43	1	44	66	\$155	77
St. Pete–Clearwater (PIE)	1,214,675	3 (Allegiant)	54	0	54	26	\$76	111
Tampa (TPA)	11,386,121	21 (Southwest)	73	16	89	295	\$163	110

NOTES:

FY – Fiscal Year

1 Enplaned passenger data are based on a 12-month period ending September 30. Data are from US Department of Transportation T100 onboard revenue passengers.

2 Scheduled marketing airline service in FY 2023. Airline count does not include regional/commuter affiliates. Largest airline based on enplaned passenger volumes.

3 Nonstop service to cities within the United States in March 2024.

4 Nonstop service to cities outside the United States in March 2024.

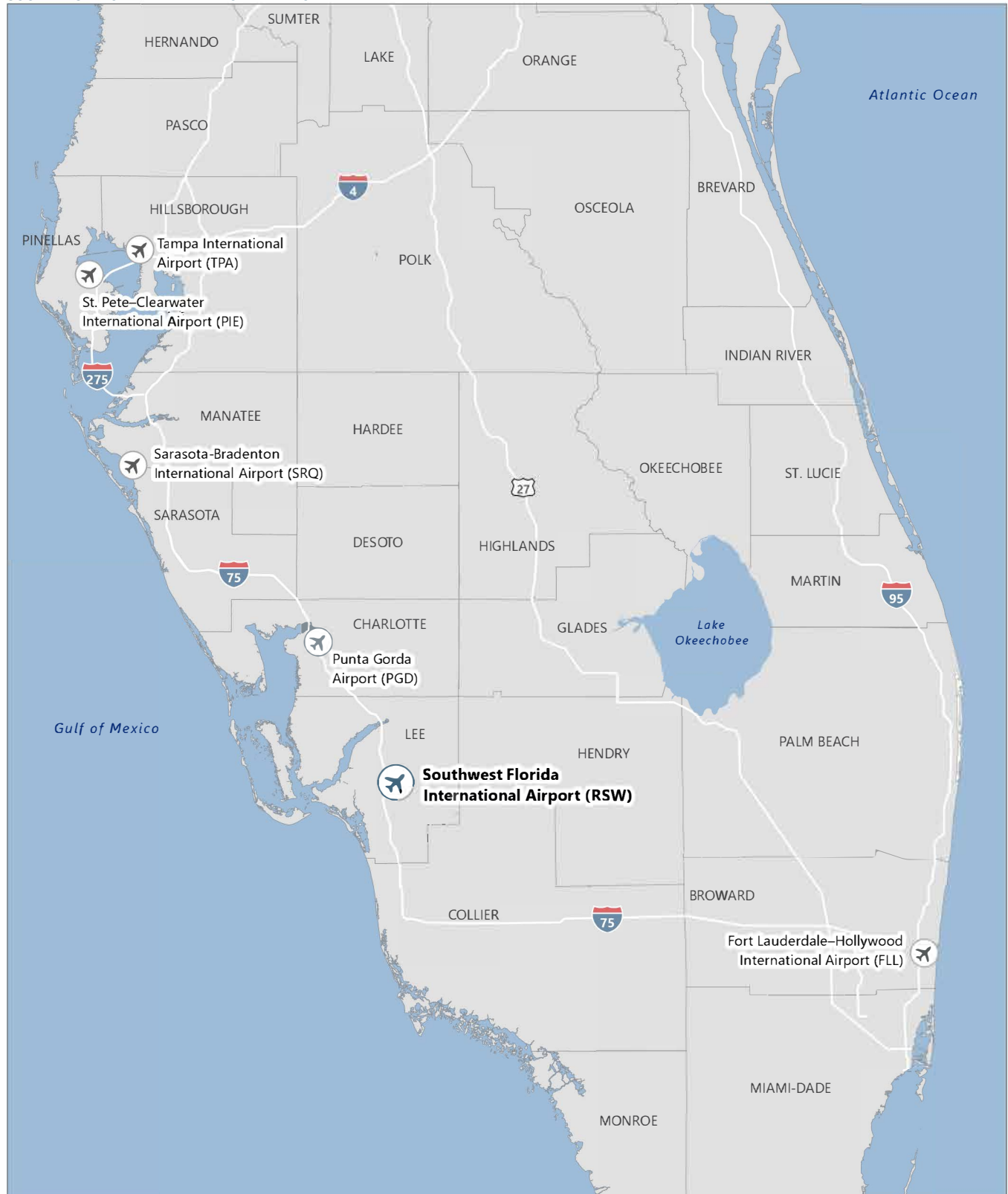
5 Average daily departures in March 2024.

6 Average domestic fare for FY 2023.

SOURCE: Cirium Diio, June 2024 (US Department of Transportation, T-100 data and published airline schedules).

SOUTHWEST FLORIDA INTERNATIONAL AIRPORT

DRAFT



SOURCES: US Department of Transportation, Federal Aviation Administration, 2021 (airports); US Census Bureau, 2023 (county, road, water).

EXHIBIT 5-5



COMPETING AIRPORTS

At SRQ, 11 airlines provided an average of 66 daily departures to 43 domestic destinations and 1 international destination in March 2024. SRQ provides service to 30 of the 54 destinations served from the Airport. The average domestic fare for FY 2023 at SRQ was approximately \$155, which was 13 percent lower than the Airport’s average domestic fare.

At PIE, three airlines provided an average of 26 daily departures to 54 domestic destinations in March 2024. PIE provides service to 12 of the 54 destinations served from the Airport. The average domestic fare for FY 2023 at PIE was approximately \$76, which was 57 percent lower than the Airport’s average domestic fare. Similar to PGD, most destinations at PIE do not have daily service.

At TPA, 21 airlines provided an average of 295 daily departures to 73 domestic destinations and 16 international destinations in March 2024. TPA provides service to 49 of the 54 destinations served from the Airport. The average domestic fare for FY 2023 at TPA was approximately \$163, which was 8 percent lower than the Airport’s average domestic fare.

Though FLL and TPA provide service to most of the Airport’s destinations, both are more than 100 miles from the Airport. Because of additional international destinations served at FLL and TPA, these Airports may draw international passengers from the Air Trade Area who might otherwise use the Airport. Low-cost carrier and ultra-low-cost carrier seat capacity at SRQ and PDG may reduce their average domestic fares, stimulate area demand, and draw a limited number of domestic passengers from the Airport’s Air Trade Area; however, the Airport’s airlines have the potential to add seat capacity to accommodate and recapture demand with lower fares.

5.4 PROJECTIONS OF AVIATION ACTIVITY

Projections of aviation activity were developed considering historical activity, including passenger trends at the Airport and across the industry; historical trends and projections of local and national socioeconomic factors; and anticipated trends in the use of the Airport by airlines. This section describes the methodologies used in projecting aviation activity at the Airport and the projected results through FY 2031.

5.4.1 ENPLANED PASSENGERS AND PASSENGER AIRLINE OPERATIONS PROJECTIONS

Projections were developed using a two-step approach. The first step (short term) modeled the Airport’s FY 2024 passenger volumes considering published airline schedule data with estimated monthly load factors and estimated scheduled seat capacity. The second step (long term) modeled activity (FY 2025 to FY 2031) using more traditional socioeconomic predictors of demand.

5.4.1.1 SHORT-TERM PASSENGER ACTIVITY FORECAST METHODOLOGY

Monthly published airline schedules, historical data, and assumptions based on industry trends, were analyzed to project passenger activity for FY 2024. Actual reported activity data was available for the period from October 2023 to May 2024, with published airline schedules used to estimate the period from June 2024 to September 2024. Airline (domestic and international) estimates of load factors and completion rates were developed on the basis of historical trends. Estimated load factors and completion rates were applied to scheduled seat capacity and operations to derive enplaned passenger and operations forecasts for the remainder of FY 2024.

Table 5-10 show a comparison of actuals and estimates of enplaned passengers, departing seats, load factors, and passenger airline operations for FY 2023 and FY 2024. As shown, enplaned passengers are estimated to increase from 4.7 million in FY 2023 to 5.5 million in FY 2024, a CAGR of 17.2 percent.

TABLE 5-10 FISCAL YEAR 2024 ESTIMATE – PASSENGER AIRLINES

FISCAL YEAR	TOTAL ENPLANED PASSENGERS	DEPARTING SEATS (OCTOBER TO APRIL)	LOAD FACTOR	PASSENGER AIRLINE OPERATIONS
2023	3,477,717	4,068,138	85.5%	51,042
2024	4,331,008	5,160,239	83.9%	59,879
Percentage Change	24.5%	26.8%		17.3%
(MAY TO SEPTEMBER)				
2023	1,243,684	1,650,939	75.3%	17,100
2024 Estimate	1,200,992	1,459,586	82.3%	16,801
Percentage Change	-3.4%	-11.6%		-1.7%
FISCAL YEAR TOTAL				
2023	4,721,401	5,719,077	82.6%	68,142
2024	5,532,000	6,619,824	83.6%	76,680
Percentage Change	17.2%	15.7%		12.5%

NOTE:

The Fiscal Year is October to September.

SOURCES: Lee County Port Authority, June 2024; Cirium Diio, June 2024 (US Department of Transportation, T-100 data); Ricondo & Associates, Inc., July 2024.

5.4.1.2 LONG-TERM PASSENGER ACTIVITY FORECAST METHODOLOGY

Historical O&D passenger volumes were analyzed to identify their relationship with socioeconomic variables at the national level and for the Cape Coral–Fort Myers, Florida, CSA. Socioeconomic variables, such as GRP, per capita personal income, earnings, employment, and population, are traditionally considered to be good indicators of passenger demand and were analyzed to identify relationships with enplaned passenger activity. Regression analysis was used to identify predictive relationships between passenger demand at the Airport and these socioeconomic variables. Historical and projected socioeconomic data were obtained from Woods & Poole. Regression analysis was performed for the 20-year period between 2003 and 2022. Activity occurring in 2023 was not included in the regression analysis because it was influenced by hurricane-related factors that are not representative of typical factors driving aviation demand that are expected to influence future activity levels.

The resulting regression equations were populated with independent projections of the relevant socioeconomic variables sourced from Woods & Poole, yielding a range of potential O&D passenger growth. A standard measure of how well each variable explains passenger demand is the regression model's coefficient of determination, or R-squared value.

Table 5-11 shows the relationships selected for use in this forecast of O&D passengers and their 7-year CAGRs. Long-term growth rates range from 1.5 percent to 2.3 percent. The top three results producing the highest R-square value were 1) Employment – United States (2.2 percent CAGR), 2) Gross Domestic Product – US (2.3 percent CAGR), and 3) Net Earnings – US (2.3 percent CAGR). The three results were averaged and applied to the Airport's O&D passengers from FY 2024 to FY 2031.

Historically, O&D passengers represent 96 to 99 percent of total enplaned passengers, with an average of 97 percent. In FY 2023, O&D passengers represented 97 percent of total passengers. The forecast assumes the Airport maintains its role as a spoke for hub airlines and an increase in connecting passengers as a percentage of total passengers is not expected over the Projection Period. As a result, the forecast assumes the percentage of O&D passengers will remain constant at 97 percent throughout the Projection Period.

TABLE 5-11 SOCIOECONOMIC REGRESSION ANALYSIS OUTPUTS – ORIGIN AND DESTINATION PASSENGER VOLUMES

SOCIOECONOMIC VARIABLE	GEOGRAPHY	IMPLIED FY 2024 – FY 2031 CAGR
Population	Air Trade Area	1.9%
Employment	Air Trade Area	1.6%
Total Earnings	Air Trade Area	2.1%
Total Personal Income	Air Trade Area	2.2%
Net Earnings	Air Trade Area	2.1%
Per Capita Personal Income	Air Trade Area	1.5%
Gross Domestic Product	Air Trade Area	2.2%
Population	United States	1.5%
Employment	United States	2.2%
Total Earnings	United States	2.2%
Total Personal Income	United States	2.0%
Net Earnings	United States	2.3%
Per Capita Personal Income	United States	1.8%
Gross Domestic Product	United States	2.3%

NOTES:

CAGR – Compound Annual Growth Rate

FY – Fiscal Year

NA – Not Applicable

SOURCES: Woods & Poole Economics, Inc., June 2023; Ricondo & Associates, Inc., July 2024.

5.4.1.3 ASSUMPTIONS UNDERLYING THE PROJECTIONS

The projections of enplaned passengers and aircraft operations were based on several underlying assumptions, including the following:

- Activity at the Airport will not be constrained by facilities, or lack thereof.
- Airlines will continue their trend of upgauging to larger average aircraft sizes that can accommodate more passengers per operation at the Airport, resulting in operations growing at a slower rate than enplaned passengers.
- It is assumed that current ongoing constraints resulting from fleet availability and labor shortages will ease over time, with lessening impact in the longer-term portion of the Projection Period.
- Additional economic disturbances will occur during the Projection Period, causing year-to-year variations in airline traffic. However, traffic at the Airport and nationwide is projected to increase over the long-term.
- It is assumed that no additional major “acts of God” that may disrupt the Airport, national or global airspace system, or negatively affect aviation activity will occur during the Projection Period.
- For these analyses, and as with the FAA’s assumptions for its nationwide forecasts, it is assumed neither terrorist incidents that materially impact US air traffic demand during the Projection Period will occur, nor will variants of COVID-19 emerge that would result in a similar reduction in air service as experienced at the onset of the pandemic.

Many of the factors influencing aviation activity cannot be quantified, and any projection is subject to uncertainties. As a result, the process should not be viewed as precise. Actual airline traffic at the Airport could differ from the projections presented herein, because events and circumstances might not occur as expected.

5.4.1.4 ENPLANED PASSENGERS

Table 5-12 presents the Airport's historical and projected enplaned passengers. Enplaned passengers are projected to increase from 4.7 million passengers (FY 2023) to 6.4 million passengers (FY 2031), a CAGR of 3.9 percent. After a decrease of 15.3 percent in FY 2023, enplaned passengers are projected to increase 17.2 percent to 5.5 million in FY 2024. As a result, enplaned passengers are projected to increase at a CAGR of 2.2 percent from FY 2024 to FY 2031.

TABLE 5-12 HISTORICAL AND PROJECTED ENPLANED PASSENGERS

FISCAL YEAR	TOTAL ENPLANED PASSENGERS	ANNUAL PERCENTAGE CHANGE
Historical		
2013	3,856,646	4.9%
2014	3,989,316	3.4%
2015	4,155,189	4.2%
2016	4,332,997	4.3%
2017	4,421,668	2.0%
2018	4,662,213	5.4%
2019	5,026,675	7.8%
2020	3,528,376	-29.8%
2021	4,534,976	28.5%
2022	5,571,537	22.9%
2023	4,721,401	-15.3%
Projected		
2024	5,532,000	17.2%
2025	5,661,000	2.3%
2026	5,786,000	2.2%
2027	5,911,000	2.2%
2028	6,034,000	2.1%
2029	6,163,000	2.1%
2030	6,294,000	2.1%
2031	6,423,000	2.0%
Compound Annual Growth Rate		
2013 – 2019	4.5%	
2013 – 2023	2.0%	
2023 – 2031	3.9%	
2024 – 2031	2.2%	

NOTE:

The Fiscal Year is October to September.

SOURCES: Lee County Port Authority, June 2024; Ricondo & Associates, Inc., July 2024.

5.4.1.5 PASSENGER AIRLINE OPERATIONS

Table 5-13 presents the passenger airline operations and operational metrics. The passenger airline operations projections were developed using the enplaned passenger projections and an analysis of historical and projected trends in load factors and average seats per departure and future airline fleet plans. Passenger growth is projected to be accommodated by a combination of increased operations, higher load factors, and increased average seats per departure.

Load factors were assumed to decrease in the short-term forecast methodology in response to reflect recent trends in actual reported activity at the Airport before increasing in the long-term. Load factors are expected to increase over the Project Period and return to a historical average (excluding FY 2020 and FY 2021) of 85 percent in FY 2031.

TABLE 5-13 HISTORICAL AND PROJECTED PASSENGER AIRLINE OPERATIONAL METRICS

FISCAL YEAR	PASSENGER AIRLINE OPERATIONS	TOTAL ENPLANED PASSENGERS	DEPARTING SEATS	LOAD FACTOR	DEPARTURES	SEATS PER DEPARTURE
Historical						
2019	70,902	5,026,675	5,861,671	85.8%	35,415	165.5
2020	62,245	3,528,376	5,075,675	69.5%	31,128	163.1
2021	77,831	4,534,976	6,388,868	71.0%	38,901	164.2
2022	80,526	5,571,537	6,633,473	84.0%	40,232	164.9
2023	68,142	4,721,401	5,719,077	82.6%	34,037	168.0
Projected						
2024	76,680	5,532,000	6,619,824	83.6%	38,340	172.7
2025	78,220	5,661,000	6,762,054	83.7%	39,110	172.9
2026	79,700	5,786,000	6,898,975	83.9%	39,850	173.1
2027	81,180	5,911,000	7,035,446	84.0%	40,590	173.3
2028	82,620	6,034,000	7,169,090	84.2%	41,310	173.5
2029	84,120	6,163,000	7,309,372	84.3%	42,060	173.8
2030	85,660	6,294,000	7,451,623	84.5%	42,830	174.0
2031	87,140	6,423,000	7,590,992	84.6%	43,570	174.2
Compound Annual Growth Rate						
2019 – 2023	-0.8%	-1.2%	-0.5%		-0.8%	0.3%
2023 – 2031	3.1%	3.9%	3.6%		3.1%	0.5%

NOTE:

The Fiscal Year is October to September.

SOURCES: Lee County Port Authority, June 2024; Cirium Diio, June 2024 (US Department of Transportation, T-100 data); Ricondo & Associates, Inc., July 2024.

On the basis of published airline schedules, average seats per departure is projected to increase from 168.0 seats in FY 2023 to 172.7 seats in FY 2024. According to future airline aircraft orders and fleet plans, airlines are expected to continue to upgauge and transition to newer aircraft. Passenger airline operations are primarily represented by narrowbody single-aisle aircraft, and it is projected narrowbody aircraft will continue to represent the majority of passenger airlines operations over the Projection Period. Delta's current narrowbody aircraft seat capacity ranges from an Airbus A220-100 (109 seats) to a Boeing 757-300 (234 seats). Delta's narrowbody aircraft orders include the Airbus A220-300 (130 seats) and Airbus A321neo (194 seats). Southwest's planned fleet includes transitioning from older Boeing 737-700 aircraft (143 seats) to Boeing's 737 MAX 7 (150 seats), 737-800 and 737 MAX 8 (both 175

seats). Southwest's aircraft orders include the Boeing 737 MAX 7 and MAX 8 aircraft. Frontier, JetBlue, and Spirit fleet orders include Airbus A220, A320, and A321 aircraft with a seat capacity range of 140 seats to 240 seats. As a result, average seats per departure are expected to increase from 168.0 in FY 2023 to 174.2 in FY 2031, representing a 0.5 percent CAGR.

5.4.1 CARGO VOLUMES AND CARGO AIRLINE OPERATIONS PROJECTIONS

Projections of cargo airline operations were developed on the basis of a relationship of cargo volumes to cargo airline operations. The projections of future cargo airline cargo volumes were developed using a market share approach because socioeconomic regression analysis did not identify predictive relationships between cargo activity and socioeconomic variables. Using 8 months of actual data, cargo volumes are estimated to decrease from 22,086 tons in FY 2023 to 21,809 tons in FY 2024. From FY 2024 to FY 2031, cargo volumes were projected on the basis of Boeing's *World Air Cargo Forecast (2022-2041)*.⁵⁴ As a result, cargo volumes for cargo airlines are forecast to increase from 22,086 tons in FY 2023 to 24,904 tons in FY 2031.

Table 5-14 presents the cargo airline operations, cargo airline cargo volumes, and average cargo volumes per operation results. The projected increase in average cargo volumes per operation is based on a historical trend, which represents an average annual increase of approximately 0.2 tons per year. As a result, cargo airline operations are projected to increase from 1,587 operations in FY 2023 to 1,630 operations in FY 2031, a CAGR of 0.3 percent.

5.4.2 TOTAL AIRPORT OPERATIONS PROJECTIONS

Projections of Airport operations are provided for passenger airlines, cargo airlines, other air taxi (i.e., for-hire operations) and general aviation operations. Because of no insight into US Department of Defense decisions, military operations estimated for FY 2024 are held constant over the Projection Period.

5.4.2.1 OTHER AIRPORT OPERATIONS

Using 8 months of actual data and assumed historical averages for the remaining 4 months of operations, other air taxi/general aviation operations were estimated to 12,700 operations and military operations were estimated to 1,090 operations in FY 2024. Other air taxi/general aviation operation numbers were based on a blended market share approach of these operations compared to forecast population growth of the nation and CSA, and military operations were held constant at FY 2024 levels through FY 2031.

Table 5-15 presents the forecast results of each segment and total Airport operations. As shown in Table 5-15, other air taxi/general aviation operations are projected to reach 13,590 operations in FY 2031. As a result, total Airport operations are forecast to increase from 83,444 operations in FY 2023 to 103,800 operations in FY 2031, a CAGR of 2.8 percent.

5.4.3 TOTAL AIRPORT LANDED WEIGHT PROJECTIONS

Table 5-16 presents the Airport's historical and projected landed weight. Passenger airline landed weight is forecast to increase from approximately 5.1 million (thousand-pound units) in FY 2023 to approximately 6.7 million (thousand-pound units) in FY 2031, a CAGR of 3.3 percent. Cargo airline landed weight is forecast to increase from 220,004 (thousand-pound units) in FY 2023 to 228,710 (thousand-pound units) in FY 2031, a CAGR of 0.5 percent. Total landed weight is forecast to increase from approximately 5.3 million (thousand-pound units) in FY 2023 to approximately 6.9 million (thousand-pound units) in FY 2031, a CAGR of 3.2 percent.

⁵⁴ The Boeing Company, *Boeing World Air Cargo Forecast 2022 – 2041*

https://www.boeing.com/content/dam/boeing/boeingdotcom/market/assets/downloads/Boeing_World_Air_Cargo_Forecast_2022.pdf
(accessed May 9, 2024).

TABLE 5-14 HISTORICAL AND PROJECTED CARGO AIRCRAFT OPERATIONS

FISCAL YEAR	CARGO AIRLINE OPERATIONS	CARGO AIRLINES CARGO VOLUMES (TONS)	AVERAGE TON OF CARGO VOLUME PER OPERATION
Historical			
2013	1,087	12,370	11.4
2014	1,081	13,386	12.4
2015	1,112	13,920	12.5
2016	1,162	14,429	12.4
2017	1,258	14,606	11.6
2018	1,368	15,986	11.7
2019	1,460	17,884	12.2
2020	1,459	17,336	11.9
2021	1,525	20,770	13.6
2022	1,498	20,239	13.5
2023	1,587	22,086	13.9
Projected			
2024	1,550	21,809	14.1
2025	1,560	22,243	14.3
2026	1,570	22,680	14.4
2027	1,580	23,119	14.6
2028	1,590	23,561	14.8
2029	1,600	24,005	15.0
2030	1,610	24,453	15.2
2031	1,630	24,904	15.3
Compound Annual Growth Rate			
2013 – 2023	3.9%	6.0%	2.0%
2023 – 2031	0.3%	2.4%	1.5%

NOTE:

The Fiscal Year is October to September.

SOURCES: Lee County Port Authority, June 2024; Cirium Diio, June 2024 (US Department of Transportation, T-100 data); Federal Aviation Administration, Operations Network, June 2024; Ricondo & Associates, Inc., July 2024.

TABLE 5-15 HISTORICAL AND PROJECTED TOTAL AIRPORT OPERATIONS

FISCAL YEAR	PASSENGER AIRLINES	CARGO AIRLINES	OTHER AIR TAXI / GENERAL AVIATION	MILITARY	TOTAL	ANNUAL PERCENTAGE CHANGE
Historical						
2019	70,902	1,458	10,295	1,204	83,787	2.6%
2020	62,245	1,454	11,225	1,625	76,560	-8.6%
2021	77,831	1,525	14,823	1,263	95,442	24.7%
2022	80,526	1,498	14,124	1,089	97,237	1.9%
2023	68,142	1,587	12,625	1,090	83,444	-14.2%
Projected						
2024	76,680	1,550	12,700	1,440	92,370	10.7%
2025	78,220	1,560	12,890	1,440	94,110	1.9%
2026	79,700	1,570	13,000	1,440	95,710	1.7%
2027	81,180	1,580	13,120	1,440	97,320	1.7%
2028	82,620	1,590	13,240	1,440	98,890	1.6%
2029	84,120	1,600	13,350	1,440	100,510	1.6%
2030	85,660	1,610	13,470	1,440	102,180	1.7%
2031	87,140	1,630	13,590	1,440	103,800	1.6%
Compound Annual Growth Rate						
2019 – 2023	-0.8%	1.7%	4.2%	-2.0%	-0.1%	
2023 – 2031	3.1%	0.3%	0.9%	3.5%	2.8%	

NOTE:

The Fiscal Year is October to September.

SOURCES: Lee County Port Authority, June 2024; Cirium Diio, June 2024 (US Department of Transportation, T-100 data); Federal Aviation Administration, Operations Network, June 2024; Ricondo & Associates, Inc., July 2024.

TABLE 5-16 HISTORICAL AND PROJECTED LANDED WEIGHT

FISCAL YEAR	PASSENGER AIRLINES	CARGO AIRLINES	TOTAL
Historical			
2019	5,310,258	214,890	5,525,148
2020	4,520,400	208,029	4,728,429
2021	5,711,563	197,448	5,909,011
2022	5,961,167	192,128	6,153,295
2023	5,120,744	220,004	5,340,748
Projected			
2024	5,878,539	216,636	6,095,175
2025	5,968,991	218,064	6,187,055
2026	6,086,610	219,492	6,306,103
2027	6,204,403	220,921	6,425,324
2028	6,319,310	222,350	6,541,661
2029	6,424,918	223,999	6,648,917
2030	6,533,251	225,651	6,758,903
2031	6,636,681	228,710	6,865,391
Compound Annual Growth Rate			
2019 – 2023	-0.7%	0.5%	-0.7%
2023 – 2031	3.3%	0.5%	3.2%

NOTES:

Total may not match due to rounding.

The Fiscal Year is October to September.

SOURCES: Lee County Port Authority, June 2024; Ricondo & Associates, Inc., July 2024.

6. FINANCIAL ANALYSIS

Chapter 6 examines the financial framework of the Airport, as well as the costs and other financial implications following the issuance of the 2024 Bonds and the funding of the Airport CIP described in Chapter 3. This chapter presents the following projections: Current Expenses, Non-Airline Revenues, PFCs, amortization of Authority funds, debt service, airline revenues, cost per enplaned passenger, and debt service coverage. Financial projection tables are in **Appendix A** of this Report.

6.1 FINANCIAL FRAMEWORK

This section discusses the Airport's accounting practices, and it summarizes the Airline–Airport Use and Lease Agreement (the Agreement), which establishes the airline rate-making methodology, as well as operating requirements at the Airport.

6.1.1 ACCOUNTING PRACTICES

Airport-related revenues and expenses are categorized into Airport Cost Centers, as defined in the Agreement. The calculations of certain rates, fees, and charges described later in this section are based on the Airport Cost Centers.

Operating expenses are allocated to the following seven Airport Cost Centers that are categorized by area:

- **Airfield** means those portions of the Airport providing for the landing, taking off, and taxiing of aircraft, including without limitation, approach and turning zones, clear zones, navigation or other easements, runways, a fully integrated taxiway system, runway and taxiway lights, and other appurtenances related to the aeronautical use of the Airport, including any property purchased for noise mitigation purposes, as may be revised from time to time.
- **BHS** means the Outbound Baggage Handling System used to deliver checked baggage to departing aircraft, which includes systems, equipment, and carousels at the Airport but excludes the TSA Baggage Screening Space, TSA inspection equipment, and Baggage Makeup Space (BMU).
- **Air Cargo** means those areas and facilities that are related to the air cargo activities at the Airport, including the air cargo aircraft parking apron.
- **Terminal** means the Airport's passenger terminal building, including the Terminal Aircraft Aprons.
- **Ground Transportation** means areas and facilities related to public automobile parking, automobile rental agencies, ride share companies, taxi and limousine parking areas, and hotel shuttle operations.
- **Aviation** means those areas and facilities related to general aviation, including any general aviation terminal facilities, FBO facilities, fueling facilities, hangars, flight kitchens, and any other facilities for the purposes of supporting general aviation-related activities.
- **Nonaviation** means those areas and facilities not directly related to aviation purposes, including commercial buildings, U.S. Postal Service facilities, and various ground leases and facilities.

6.1.2 AGREEMENT

The Airline-Airport Use and Lease Agreement (AULA) establishes the rate-setting methodology for levying Airline rentals, fees, and charges at the Airport. The term of the current AULA was extended by 1 year and will expire on September 30, 2024 (Current Agreement). A New AULA has been executed and will begin on October 1, 2024 (New Agreement). Airlines that have executed the Agreement are defined as Signatory Airlines, and airlines that have not executed the Agreement are defined as Non-Signatory Airlines. Current Signatory Airlines (and their share of FY 2023 enplaned passengers) include Delta (21.6 percent), Southwest (18.3 percent), American (15.1 percent), United (14.3 percent), JetBlue (10.6 percent), Spirit (6.1 percent), Frontier (5.7 percent), and Sun Country (3.0 percent) (including their respective affiliates). Together, Signatory Airlines accounted for 94.6 percent of total enplaned passengers at the Airport in FY 2023. The New Agreement was signed by all current Signatory Airlines and will remain in effect until September 30, 2034. Key provisions of the New Agreement are the following:

- **10-Year Term:** The New Agreement includes a 10-year term, effective through September 30, 2034. This term covers the assumed completion date of Concourse E plus an additional 6 years.
- **Extraordinary Coverage:** Pursuant to the New Agreement, if the Authority projects, for any Fiscal Year, that the amount of Revenues, less O&M Expenses, and less the O&M Reserve Requirement, will be less than 125 percent of that Fiscal Year's Debt Service, the Authority may, in its sole discretion, increase the rents, fees, and charges payable under the New Agreement for the remainder of the Fiscal Year, by allocating to the Airfield Cost Center and Terminal Cost Center any additional amounts (Extraordinary Coverage) that must be collected to eliminate such a deficit in the projected Revenues.
- **Additional Concourse E Protection:** Pursuant to the New Agreement, in addition to any Extraordinary Coverage charge imposed, if the Authority projects that, as a result of the costs associated with the Concourse E project, for any Fiscal Year, the amount of Revenues, less O&M Expenses, will be less than 140 percent of that Fiscal Year's Debt Service, the Authority may, in its sole discretion, increase the rents, fees, and charges payable under the New Agreement for the remainder of the Fiscal Year, by allocating to the Terminal Cost Center any additional amounts that must be collected to eliminate such a deficit in the projected Revenues.

The calculation of airline rates and charges in FY 2024 (estimated airline rates) adheres to the rate-setting methodology of the Prior Agreement. Beginning FY 2025 (the first year of the New Agreement), airline rates and charges will be calculated according to the New Agreement. It is assumed that the rate-setting methodology will remain materially unchanged throughout the Projection Period. The calculation of airline rates as described in this Section 6.1.2 corresponds with the New Agreement. The methodologies for calculating the terminal rate, landing fee, and BHS fee annually are as follows:

- The total terminal requirement is equal to the sum of the investment service, direct and indirect operating expenses, operating expense reserve, and amortization attributable to the Terminal Cost Center. The net terminal requirement is equal to the total terminal requirement less PFC revenues eligible for the repayment of eligible Debt Service in the Terminal Cost Center. The average annual Terminal Rental Rate is equal to the net terminal requirement divided by the total rentable space available for lease or use by Air Transportation Companies, concessionaires, and other tenants. The Terminal Rental Rate is multiplied by the sum of airline preferential and joint-use space to yield total Terminal Rental Revenues; 20 percent of the joint-use space requirement is allocated equally among each Signatory Airline, and 80 percent of the joint-use space requirement is allocated to each Signatory Airline on its proportionate share of total enplaned passengers.

- The total airfield requirement is equal to the sum of the investment service, direct and indirect operating expenses, operating expense reserve, and amortization attributable to the Airfield Cost Center. The net airfield requirement is equal to the total airfield requirement less (1) any nonairline revenues attributed to the Airfield Cost Center and (2) PFC revenues eligible for the repayment of eligible debt service in the Airfield Cost Center. The Landing Fee per 1,000 pounds of maximum gross landed weight is equal to the net airfield requirement divided by total landed weight of all Signatory and Non-Signatory airlines using the Airport.
- The total BHS requirement is equal to the sum of the investment service, direct and indirect operating expenses, operating expense reserve, and amortization attributable to the Apron Cost Center. The net BHS requirement is equal to the total BHS requirement less PFC revenues eligible for the repayment of eligible debt service in the BHS Cost Center. The BHS Fee per enplaned passenger is equal to the net BHS requirement divided by the total number of enplaned passengers.
- The projected debt service for the 2024 Bonds does not include capitalized interest, resulting in an initial debt service payment before the Date of Beneficial Occupancy (DBO) of Concourse E. The exclusion of capitalized interest was approved by the Signatory Airlines via a letter of support, signed and delivered to the Airport on May 9, 2024. To comply with FAA rates and charges guidelines, any investment service attributable to the Concourse E project will be excluded from the calculation of rates and charges for Non-Signatory Airlines until the project is completed.

Also included in the New Agreement is a provision to share a percentage of net remaining revenues with the Signatory Airlines, allocated to each Signatory Airline on its respective share of total Signatory enplaned passengers. The airline share of net remaining revenues will be (a) 70 percent for the first 3 years of the agreement beginning October 1, 2024, and ending September 30, 2027, and (b) 60 percent for the remaining years of the term.

6.2 COVID-19 MITIGATION

The Authority has taken steps to mitigate the financial impact caused by the significant decrease in passenger activity at the Airport starting in March 2020 due to COVID-19. These near-term actions in FY 2020 through FY 2024 included allocation of Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and American Rescue Plan Act (ARPA) funds to offset Current Expenses and debt service costs.

The financial analysis included in this chapter reflects the allocation of approximately \$36.6 million in CARES Act funds, as shown in **Table 6-1**. In December 2020, Congress passed the CRRSAA, which provided \$9.8 million in airport relief and \$1.1 million in concession relief for the Airport, as shown in Table 6-1. Additionally, the ARPA of 2021 was passed by Congress in March 2021, which provided \$33.2 million in airport relief and \$4.3 million in concession relief for the Airport, as shown in Table 6-1.

The application of CARES and ARPA funds in FY 2024 is included in the financial analysis described in this Report. The Authority has applied all CRRSAA funding before FY 2024. It is anticipated that the Authority will apply all remaining COVID relief funds by the end of FY 2024. No additional relief funds are included in the Projection Period.

TABLE 6-1 USE OF CORONAVIRUS RELIEF FUNDING

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	TOTAL
CARES Act Funds:						
Current Expenses ¹	\$2.3	\$0.4	\$0.0	\$3.6	\$0.0	\$6.3
GARB Debt Service ²	\$8.7	\$8.7	\$0.0	\$0.0	\$0.0	\$17.4
Short-Term Financing ³	\$0.0	\$0.0	\$0.0	\$12.9	\$0.0	\$12.9
Subtotal CARES Act Funds	\$11.0	\$9.1	\$0.0	\$16.5	\$0.0	\$36.6
CRRSAA Funds:						
Current Expenses	\$0.0	\$3.0	\$4.6	\$2.2	\$0.0	\$9.8
Subtotal CRRSAA Funds	\$0.0	\$3.0	\$4.6	\$2.2	\$0.0	\$9.8
ARPA Act Funds:						
Current Expenses	\$0.0	\$0.0	\$0.0	\$5.3	\$10.0	\$15.3
GARB Debt Service	\$0.0	\$0.0	\$9.6	\$0.0	\$0.0	\$9.6
Short-Term Financing	\$0.0	\$0.0	\$0.0	\$0.0	\$8.3	\$8.3
Subtotal ARPA Act Funds	\$0.0	\$0.0	\$9.6	\$5.3	\$18.3	\$33.2
Total	\$11.0	\$12.1	\$14.2	\$24.0	\$18.3	\$79.6

NOTES:

FY – Fiscal Year

GARB – General Airport Revenue Bond

Dollars in millions for Fiscal Years ended September 30.

Table does not include concession relief funds.

1 The distribution by cost center for relief funding applied to current expenses is determined annually by the Authority.

2 The distribution by cost center for relief funding applied to debt is determined using the percentage distribution of total GARB debt at the Airport.

3 Principal repayment on line of credit.

SOURCES: Lee County Port Authority, May 2024; Ricondo & Associates, Inc., August 2024.

6.3 CURRENT EXPENSES

Current Expenses include expenses associated with operating and maintaining the Airport, including the airfield, terminal, and landside facilities. Current Expenses as defined in the body of this Report include expenses for operating capital. However, operating capital is excluded from Current Expenses in the calculation of debt service coverage pursuant to the Resolution (see **Table A-11**). Current Expenses are categorized as follows:

- Salaries and Wages
- Employee Benefits
- Contractual Services, Materials, and Supplies
- Utilities
- Repairs and Maintenance
- Insurance
- Other Current Expenses

These expenses are further allocated to the various Airport Cost Centers for rate-setting purposes.

Table 6-2 presents the historical Current Expenses and enplaned passengers at the Airport for FY 2019 through FY 2023, along with the resulting historical Current Expenses per enplaned passenger. The Current Expenses described in this section are gross expenses before the application of CARES Act or other relief funding.

Current Expenses increased at a CAGR of 9.7 percent from \$65.9 million in FY 2019 to \$95.5 million in FY 2023. Growth in Current Expenses can be attributed primarily to increases in personnel costs from estimated personnel changes, merit wage increases, and increased benefits expenses, as well as additional expenses for Ground Transportation contractual services. However, Current Expenses declined 3.3 percent from FY 2019 to FY 2020 because of the Authority's effort to control operating costs during the COVID-19 pandemic.

TABLE 6-2 HISTORICAL CURRENT EXPENSES (FISCAL YEAR 2019 – FISCAL YEAR 2023)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	COMPOUND ANNUAL GROWTH RATE
Total Current Expenses (thousands) ¹	\$65,888	\$63,713	\$65,885	\$76,038	\$95,466	9.7%
Current Expenses Annual Growth Rate		-3.3%	3.4%	15.4%	25.6%	
Enplaned Passengers (thousands)	5,027	3,528	4,535	5,572	4,721	-1.6%
Enplaned Passengers Annual Growth Rate		-29.8%	28.5%	22.9%	-15.3%	
Total Current Expenses per Enplaned Passenger	\$13.11	\$18.06	\$14.53	\$13.65	\$20.22	11.4%

NOTES:

FY – Fiscal Year

Dollars in thousands for Fiscal Years ended September 30.

¹ Reflects current expenses before the application of COVID relief funds.

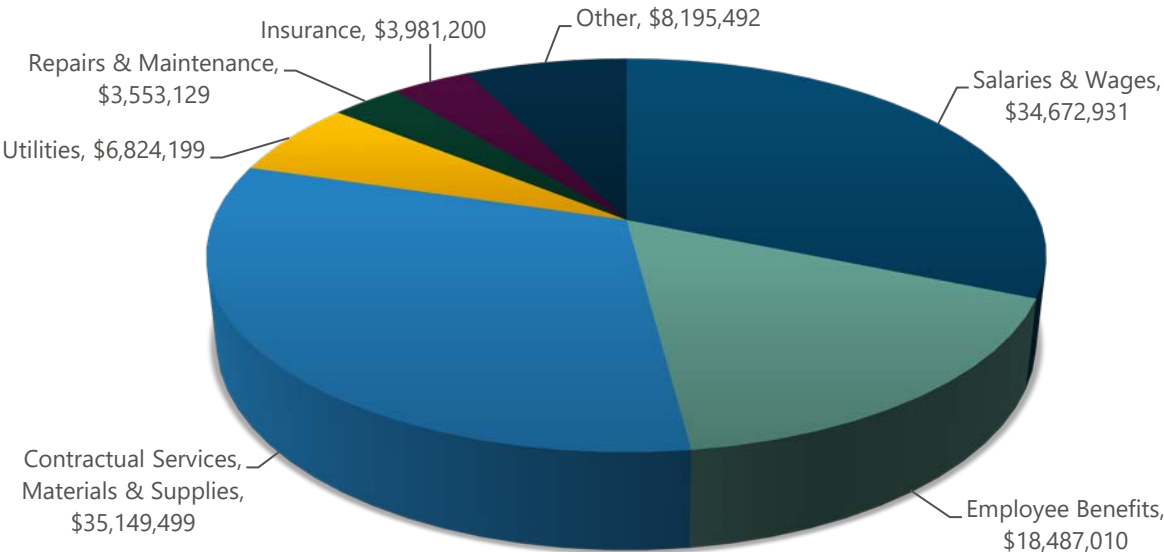
SOURCE: Lee County Port Authority, *Actual Rates and Fees Settlement, Southwest Florida International Airport, Fiscal Year 2019-2023*, May 2024.

The Airport's Current Expenses per enplaned passenger increased from \$13.11 in FY 2019 to \$18.06 in FY 2020, as enplaned passengers decreased significantly during the COVID-19 pandemic; however, it then decreased to \$13.65 in FY 2022 passenger activity recovered and outpaced the annual growth of Current Expenses. The Airport experienced another significant decrease in annual passenger activity in FY 2023 from the damage caused by Hurricane Ian. As a result of the large decrease in enplaned passengers, together with the increase in Current Expenses, Current Expenses per enplaned passenger increased from \$13.65 in FY 2022 to \$20.22 in FY 2023. The overall CAGR of Current Expenses from FY 2019 to FY 2023 was 9.7 percent.

The Airport's FY 2024 estimated Current Expenses total approximately \$100.3 million. The Airport's budgeted FY 2025 Current Expenses, totaling \$110.9 million, serves as the base year from which Current Expenses are projected. The increase over estimated FY 2023 Current Expenses is primarily attributable to additional estimated increases in personnel expenses, as well as additional contractual services.

Exhibit 6-1 presents the budgeted FY 2025 Current Expenses by cost category.

EXHIBIT 6-1 FISCAL YEAR 2025 CURRENT EXPENSES BY COST CATEGORY



SOURCE: Lee County Port Authority, FY 2025 Budget, Southwest Florida International Airport, April 2024.

6.3.1 SALARIES AND WAGES

Personnel expenses include Airport staff compensation. Expenses for salaries and wages, which account for 31.3 percent of total operating expenses in FY 2025, are budgeted to increase at a CAGR of 3.5 percent through FY 2031. This is primarily attributable to anticipated salary increases and new salary expenses from anticipated future staffing requirements.

6.3.2 EMPLOYEE BENEFITS

Expenses for employee benefits, which account for 16.7 percent of total operating expenses in FY 2025, are budgeted to increase at a CAGR of 3.5 percent through FY 2031. This is primarily attributable to expected pension and benefit increases due to expected future staffing requirements and inflation.

6.3.3 CONTRACTUAL SERVICES

Contractual services expenses at the Airport include the cost of outside contractors, including materials and supplies. Contractual services expenses account for 31.7 percent of total operating expenses in FY 2025, and they are budgeted to increase at a CAGR of 4.7 percent through FY 2031, primarily reflecting inflation and anticipated current expense costs associated with Terminal Expansion – Phase 1 and Terminal Expansion – Phase 2 (Concourse E), both of which will increase the terminal footprint.

6.3.4 UTILITIES

Utility costs include electricity, telecommunications, water, and gas required to operate the Airport. Utility costs account for 6.2 percent of total operating expenses in FY 2025, and they are budgeted to increase at a CAGR of 5.2

percent through FY 2031, primarily attributable to inflation and anticipated increases to utility expenses associated with the Terminal Expansion – Phase 1 and Concourse E projects.

6.3.5 REPAIRS AND MAINTENANCE

Repairs and maintenance costs include repairs, reconstruction, or replacement of the affected area or equipment, or both, to restore it to its previous condition as required to operate the Airport. Repairs and maintenance costs account for 3.2 percent of total operating expenses in FY 2025, and they are budgeted to increase at a CAGR of 4.6 percent through FY 2031, primarily attributable to inflation and expected increases in maintenance expenses associated with the Terminal Expansion – Phase 1 and Concourse E projects.

6.3.6 INSURANCE

Expenses for employee insurance costs, which account for 3.6 percent of total operating expenses in FY 2025, are budgeted to increase at a CAGR of 5.4 percent through FY 2031. This is primarily attributable to the expected escalation of insurance premiums and additional policy coverage associated with the Terminal Expansion – Phase 1 and Concourse E projects.

6.3.7 OTHER CURRENT EXPENSES

Other operating expenses include travel, freight, office equipment leases, printing, promotional activity, indirect costs, reference materials, memberships, education, and seminars. Other operating expenses account for 7.4 percent of total operating expenses in FY 2025, and they are budgeted to increase at a CAGR of 4.0 percent through FY 2031, reflecting inflation and anticipated increases to indirect costs, most notably in the FY 2025 budget.

6.3.8 CURRENT EXPENSE IMPACTS ASSOCIATED WITH CAPITAL PROJECTS

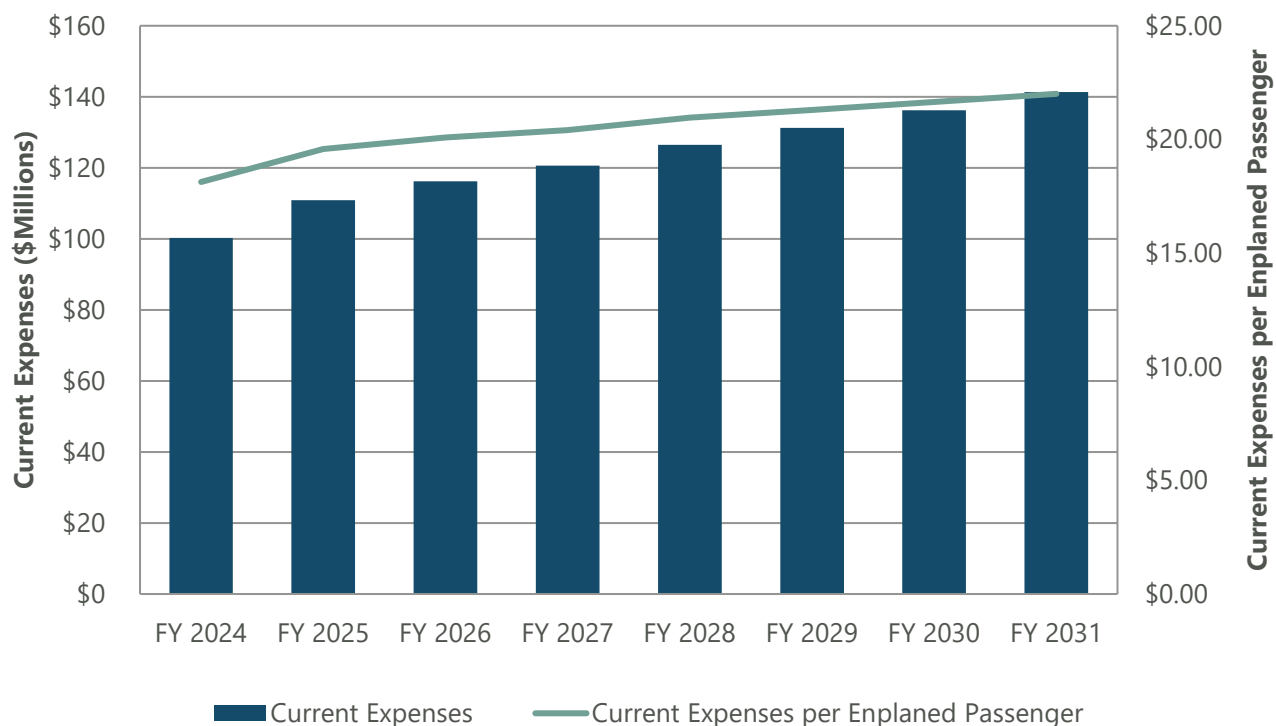
The completion of the Terminal Expansion – Phase 1 and Concourse E projects are expected to result in incremental increases in Current Expenses. For purposes of this analysis, Terminal Current Expenses related to contractual services, materials, and supplies; utilities; repairs and maintenance; and insurance are assumed to increase 5 percent in both FY 2026 and FY 2028, reflecting an increase due to the anticipated completion of the projects in addition to anticipated inflationary impacts. It is assumed that part of the increase in Current Expenses from the additional terminal footprint will be offset by economies of scale for categories such as utilities. For additional information regarding budgeted Current Expenses, see **Table A-1** in Appendix A of this Report.

6.3.9 PROJECTED CURRENT EXPENSES

As described in Sections 6.3.1 through 6.3.8, Current Expenses are projected to increase on the basis of the type of expense and expectations of future inflation rates (together, assumed to be 3.5 percent for personnel expenses and 4.0 percent for other Current Expenses from FY 2025 to FY 2031), and impacts associated with the completion of the Airport CIP. **Exhibit 6-2** presents the projection of total Current Expenses. As shown, total Current Expenses are projected to increase from \$110.9 million in FY 2025 to \$141.3 million in FY 2031, representing a CAGR of 4.1 percent. Current Expenses per enplaned passenger are projected to increase as a result of the increase in total Current Expenses during the Projection Period, as well as the impacts from the Terminal Expansion – Phase 1 and Concourse E projects on certain categories of Current Expenses, as described earlier.

Table A-1 in Appendix A of this Report presents estimated Current Expenses for FY 2024, budgeted Current Expenses for FY 2025, and projected Current Expenses from FY 2026 through FY 2031, including the allocation of Current Expenses to the Airport Cost Centers.

EXHIBIT 6-2 PROJECTED CURRENT EXPENSES



NOTE:

FY – Fiscal Year

SOURCES: Lee County Port Authority, *FY 2024 Estimate, Southwest Florida International Airport*, July 2024; Lee County Port Authority, *FY 2025 Budget, Southwest Florida International Airport*, May 2024; Ricondo & Associates, Inc., August 2024.

6.4 NON-AIRLINE REVENUES

Non-Airline Revenues include all Revenues generated at the Airport except for Terminal Rental Rate, Landing Fee, and BHS Revenues. Concessions, which primarily include rental car, parking, terminal concessions, and ground transportation revenues, provide most of the Non-Airline Revenues. Additional sources of Non-Airline Revenue include additional terminal fees and charges, general aviation and air car revenues, airfield and apron Non-Airline Revenue, investment income, and other miscellaneous revenues. **Table A-2** in Appendix A of this Report presents actual Non-Airline Revenues from FY 2019 to FY 2023, estimated Non-Airline Revenues for FY 2024, budgeted Non-Airline Revenues for FY 2025, and projected Non-Airline Revenues from FY 2026 to FY 2031.

Most of the Airport's Non-Airline Revenues are generated from automobile parking and rental cars (54 percent in FY 2023, with rental cars as the largest single source of Non-Airline Revenue. **Table 6-3** presents concession revenues and enplaned passengers from FY 2019 through FY 2023.

TABLE 6-3 HISTORICAL PARKING AND CONCESSION REVENUES (FISCAL YEAR 2019 – FISCAL YEAR 2023)

CONCESSION REVENUES	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	CAGR FY 2019 - 2023	PERCENTAGE CHANGE FY 2022 – 2023
Rental Cars ¹	\$22,469	\$15,656	\$26,215	\$34,174	\$25,228	3%	-26%
Parking ²	\$18,799	\$11,735	\$13,648	\$21,722	\$23,999	6%	10%
Terminal Concessions ³	\$8,808	\$5,963	\$7,306	\$10,024	\$5,286	-12%	-47%
Other Ground Transportation ⁴	\$1,383	\$1,011	\$1,488	\$1,960	\$1,847	7%	-6%
Other ⁵	\$314	\$198	\$200	\$400	\$442	9%	
Total Concession Revenues	\$51,773	\$34,563	\$48,857	\$68,280	\$56,802	2%	-17%
Total Concession Revenues annual growth rate		-33.2%	41.4%	39.8%	-16.8%		
Enplaned Passengers (thousands)	5,027	3,528	4,535	5,572	4,721	-2%	-15%
Total Concession Revenues per Enplaned Passenger	\$10.30	\$9.80	\$10.77	\$12.26	\$12.03	4%	-2%

NOTES:

CAGR – Compound Annual Growth Rate

FY – Fiscal Year

Dollars in thousands for Fiscal Years ended September 30.

Totals may not add due to rounding.

1 Includes rental car privilege fees and off-airport rental cars.

2 Includes on- and off-parking revenues.

3 Includes terminal concessions, restaurants, and advertising.

4 Includes taxi permit/trip, courtesy permit/trip, provider permit fees, bus fees, and employee parking.

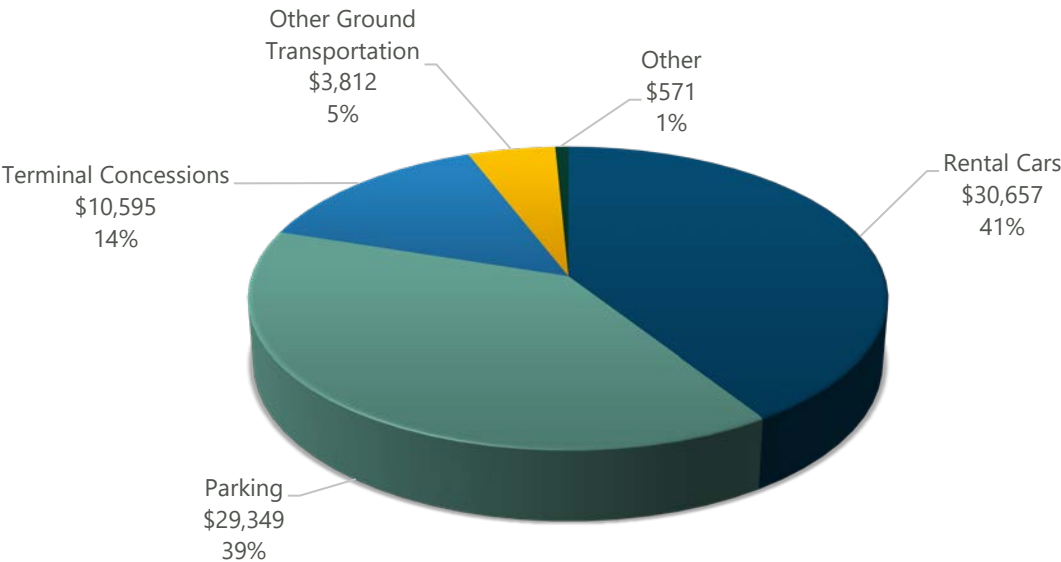
5 Includes catering and pay telephones.

SOURCE: Lee County Port Authority, *Actual Rates and Fees Settlement, Southwest Florida International Airport, Fiscal Year 2019-2023*, May 2024.

Total concession revenues decreased from \$51.8 million in FY 2019 to \$34.6 million in FY 2020 because of the decrease in enplaned passengers during the COVID-19 pandemic. Total concession revenues increased to \$48.9 million in FY 2021 and \$68.3 million in FY 2022 as activity recovered, before decreasing to \$56.8 million in FY 2023 following Hurricane Ian. Although most parking and concession revenues decreased in FY 2023 because of the reduced passenger activity, parking revenues increased approximately \$2.3 million because of population growth and travel from residents, as well as increased revenues per transaction. Concession revenues per enplaned passenger remained relatively flat from FY 2019 through FY 2021 before increasing by roughly 14 percent in FY 2022.

The Airport's budgeted Non-Airline Revenues for FY 2025 serve as the base from which Non-Airline Revenues are projected. **Exhibit 6-3** presents the breakdown of budgeted FY 2025 parking and concession revenues.

EXHIBIT 6-3 FISCAL YEAR 2025 PARKING AND CONCESSION REVENUES BY CATEGORY



NOTES:

Rental Cars includes rental car privilege fees and off-Airport rental cars. Parking includes on- and off-Airport parking revenues. Terminal Concessions includes terminal concessions, restaurants, and advertising. Other Ground Transportation includes taxi permit/trip, courtesy permit/trip, provider permit fees, bus fees, and employee parking.

Dollars in thousands for Fiscal Year ended September 30.

SOURCE: Lee County Port Authority, *FY 2025 Budget, Southwest Florida International Airport*, May 2024; Ricondo & Associates, Inc., July 2024.

6.4.1.1 CONCESSIONS

Concession revenues include those derived from the concessionaires in the terminal, such as restaurants and news and gift shops, as well as the Airport’s landside operations, such as automobile parking and automobile rentals.

Total concession revenues are projected to increase from \$75.0 million in FY 2025 to \$90.4 million in FY 2031, reflecting a CAGR of 3.2 percent, which is largely attributable to enplaned passenger growth and additional concessions offerings as part of the Terminal Expansion – Phase 1 and Concourse E projects. Concession revenues per enplaned passenger are projected to remain relatively stable, increasing from \$13.25 in FY 2025 to \$14.08 in FY 2031, which reflects a CAGR of 1.0 percent.

The following subsections describe the revenues generated by automobile rentals, automobile parking, terminal concessions, and other ground transportation at the Airport. Projections of those revenues through FY 2031 are also discussed.

6.4.1.2 AUTOMOBILE RENTAL

The following 12 rental car brands operate on-Airport: Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, Payless Car Rental, SIXT, Thrifty, Fox Rent A Car, and Easirent Car Rental. Hertz and its subsidiaries continue to operate at the Airport despite its bankruptcy filing in 2020 and are current in their payments. Fox Rent A Car and Easirent Car Rental provide off-Airport car rental operations. Rental car revenues include privilege fees and building rent for both on- and off-Airport rental car operations. Budgeted automobile rental revenues for FY 2025 are \$30.7 million, or 40.9 percent of parking and concession revenues. Automobile rental revenues are projected to

increase from approximately \$30.7 million in FY 2025 to approximately \$34.8 million in FY 2031, reflecting a CAGR of 2.2 percent. This increase is attributed to anticipated enplaned passenger growth.

6.4.1.3 AUTOMOBILE PARKING

Parking revenues are derived from Short-Term Parking Garage and Long-Term Parking Lot fees, as well as from off-Airport parking. Budgeted parking revenues for FY 2025 are \$29.3 million, or 39.1 percent of parking and concession revenues. On the basis of the projected increase in enplaned passengers and half of assumed future inflation, parking revenues are projected to increase from approximately \$29.3 million in FY 2025 to approximately \$35.3 million in FY 2031, reflecting a CAGR of 3.1 percent.

The current short-term parking rates range from \$2 after the initial free first 20 minutes to \$3 an hour until the maximum daily rate of \$24 is reached. Long-term parking rates range from \$2 an hour with a daily maximum of \$11, a weekly maximum of \$60. The most recent parking rate increase became effective October 1, 2023, and included a \$6 increase to the daily maximum for short-term parking and a \$32 increase to the weekly maximum for long-term parking.

This analysis does not include specific rate increases above those reflecting an average annual increase of half of the rate of assumed future inflation throughout the Projection Period. A shift in Airport access during the Projection Period may occur; however, because of the uncertainty of future changes to ground transportation, revenue projections developed for the financial analysis included in this Report assume no effects on parking and car rental demand from TNCs during the Projection Period. For the purposes of this analysis, parking and rental car transactions per O&D passenger are assumed to remain level throughout the Projection Period.

6.4.1.4 TERMINAL CONCESSIONS

Concessionaires operate a total of 35 businesses at the Airport. Of the 35 locations, 30 are open for business. Budgeted terminal concessions, advertising, and restaurant revenues for FY 2025 are \$10.6 million, or 14.1 percent of concession revenues. Total terminal concession revenues are projected to increase because of a combination of forecast passenger growth and half of the projected rate of inflation from \$10.6 million in FY 2025 to \$15.1 million in FY 2031, reflecting a CAGR of 6.1 percent. Projected terminal concessions are assumed to increase by 10 percent in FY 2025 after the opening of the Terminal Expansion – Phase 1 and again in FY 2028 after the opening of Concourse E.

6.4.1.5 OTHER GROUND TRANSPORTATION

Other ground transportation revenues include taxi and courtesy vehicle permit and trip fees, provider permit fees, bus fees, land rent and fuel flowage fees for the gas station on Airport property, employee parking, and rental car fueling system revenues. Also included in other ground transportation revenues are TNC trip fees. In 2017, the Authority negotiated licenses with Uber and Lyft. The Airport receives \$3.00 per passenger pickup at the Airport. There is currently no drop off fee charged at the Airport. TNC trip fees in 2023 totaled approximately \$367,000. The TNC fee is assumed to remain unchanged during the Projection Period. In August 2022, the Authority signed an operating agreement with Turo, a car rental marketplace. Per the terms of the agreement, the Authority collects a percentage of gross receipts from Turo as a privilege fee. The current agreement with Turo includes a fee equal to 8 percent of gross receipts, which is assumed to remain constant throughout the Projection Period.

Other ground transportation revenues are budgeted to total \$3.8 million in FY 2025 and are projected to increase to approximately \$4.5 million by FY 2031, reflecting a CAGR of 2.7 percent. The growth rate for this category is based on the anticipated change in enplaned passengers in addition to half of the anticipated rate of inflation.

6.4.2 ADDITIONAL TERMINAL FEES AND CHARGES

Additional Terminal Fees and Charges include terminal space rent for non-Airline tenants, such as the TSA. The terminal space rent for non-Airline tenants is projected to increase at half the rate of inflation. The remaining Terminal fees and charges are calculated annually pursuant to the New Agreement. Additional Terminal Fees and Charges are budgeted to total approximately \$1.8 million in FY 2025 and are projected to increase at a CAGR of 1.0 percent through FY 2031.

6.4.3 GENERAL AVIATION AND AIR CARGO REVENUES

General aviation revenues include FBO land rent and privilege fees. General aviation revenues for FY 2025 are budgeted to total approximately \$5.6 million and are projected to increase at a CAGR of 2.0 percent through FY 2031.

Air cargo Non-Airline Revenues primarily comprise cargo ramp user fees, commercial cargo building rental, and third-party cargo fees. Total air cargo Non-Airline Revenues are budgeted at \$601,191 in FY 2025 and are projected to increase at a CAGR of 1.7 percent through the Projection Period.

6.4.4 AIRFIELD NON-AIRLINE REVENUES

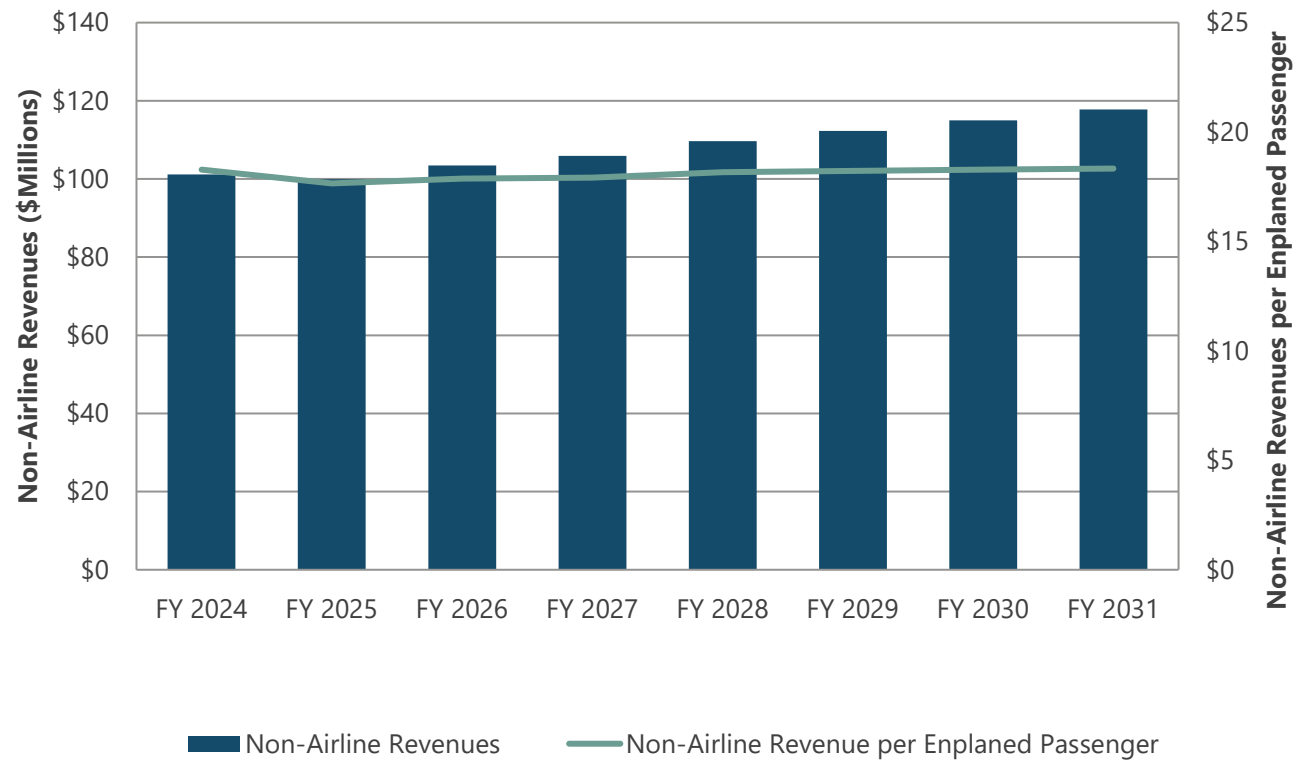
Non-Airline Revenues associated with the airfield primarily consist of fuel systems and passenger aircraft parking fees. Fuel system revenues for FY 2025 are budgeted to be approximately \$2.6 million and are anticipated to increase at a CAGR of 2.7 percent per the forecast change in landed weight in addition to half of the rate of inflation. Passenger aircraft parking fees, budgeted to be \$482,465 in FY 2025, include remain overnight parking fees charged to signatory airlines parked off of their preferential use leased gate.

6.4.5 INVESTMENT INCOME AND OTHER NON-AIRLINE REVENUES

Other Revenues include investment income and other miscellaneous revenues. Projections of these revenue items are not affected by increases or decreases in aviation activity. Investment income is projected to increase at a CAGR of 1.0 percent. The remaining miscellaneous revenues are projected to increase by the rate of inflation or are assumed to remain constant over the Projection Period, as shown in **Table A-2**.

Exhibit 6-4 presents projections of Non-Airline Revenues. Revenues were projected on the basis of a review of historical trends, forecast activity levels, impacts from the Terminal Expansion – Phase 1 and Concourse E projects, and inflation. As shown, Non-Airline Revenues are projected to increase from \$99.9 million in FY 2025 to \$117.7 million in FY 2031, at a CAGR of 2.8 percent.

EXHIBIT 6-4 PROJECTED NON-AIRLINE REVENUES



NOTES:

FY – Fiscal Year

Non-Airline Revenues are in millions.

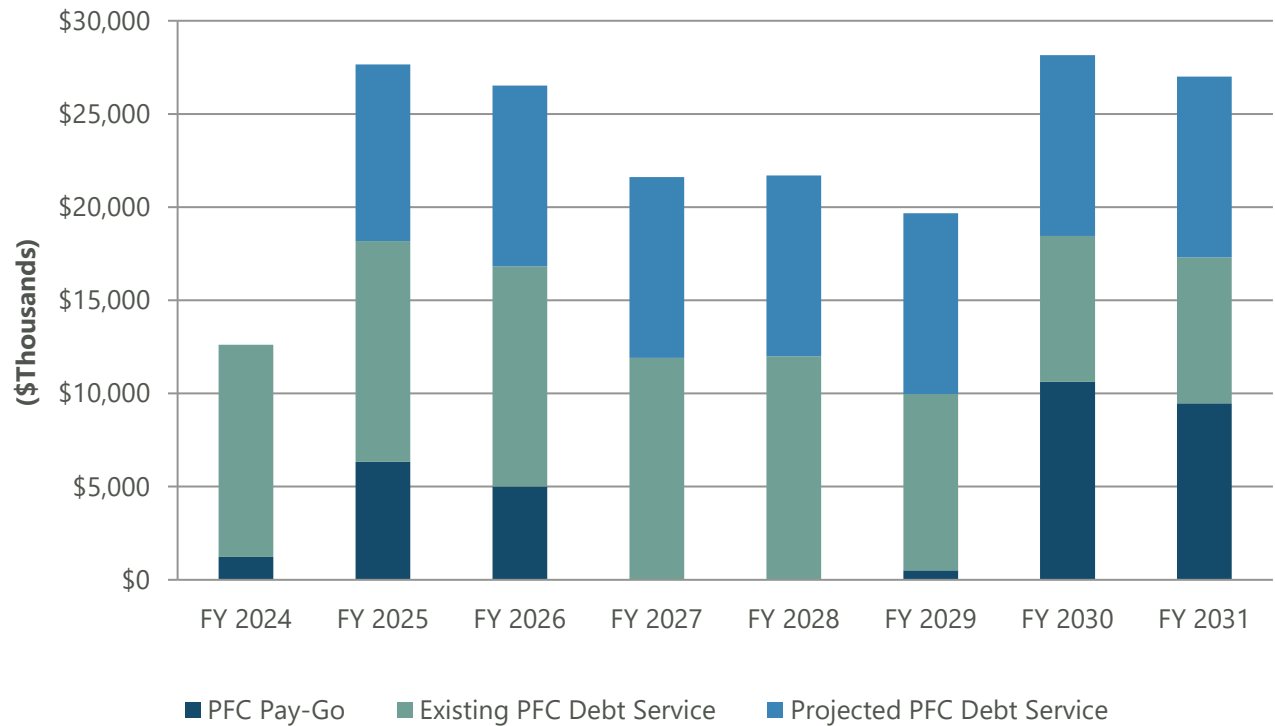
SOURCES: Lee County Port Authority, *FY 2024 Estimate, Southwest Florida International Airport*, July 2024; Lee County Port Authority, *FY 2025 Budget, Southwest Florida International Airport*, May 2024; Ricondo & Associates, Inc., August 2024.

6.5 PASSENGER FACILITY CHARGES

As described in Section 3.2.3 of this Report, the Authority is currently authorized to collect approximately \$1.3 billion in PFCs through December 1, 2060. Through March 2024, the Authority has collected a total of approximately \$418 million in PFC revenue. Appendix A presents the projected annual PFC collections, which are based on existing FAA approvals, forecast enplaned passengers, an assumed PFC level of \$4.50 per enplaned passenger through the end of the Projection Period, and an assumed PFC collection eligibility of 92.1 percent of enplaned passengers.

Projected PFC collections, as shown on **Exhibit 6-5**, are expected to be sufficient to cover all debt service to be paid with PFCs at the current PFC collection level.

EXHIBIT 6-5 PROJECTED PASSENGER FACILITY CHARGE EXPENDITURES



NOTES:
FY – Fiscal Year
PFC – Passenger Facility Charge
Dollars in thousands.
SOURCES: Lee County Port Authority, October 2023; Ricondo & Associates, Inc., August 2024.

6.6 AMORTIZATION OF AUTHORITY FUNDS

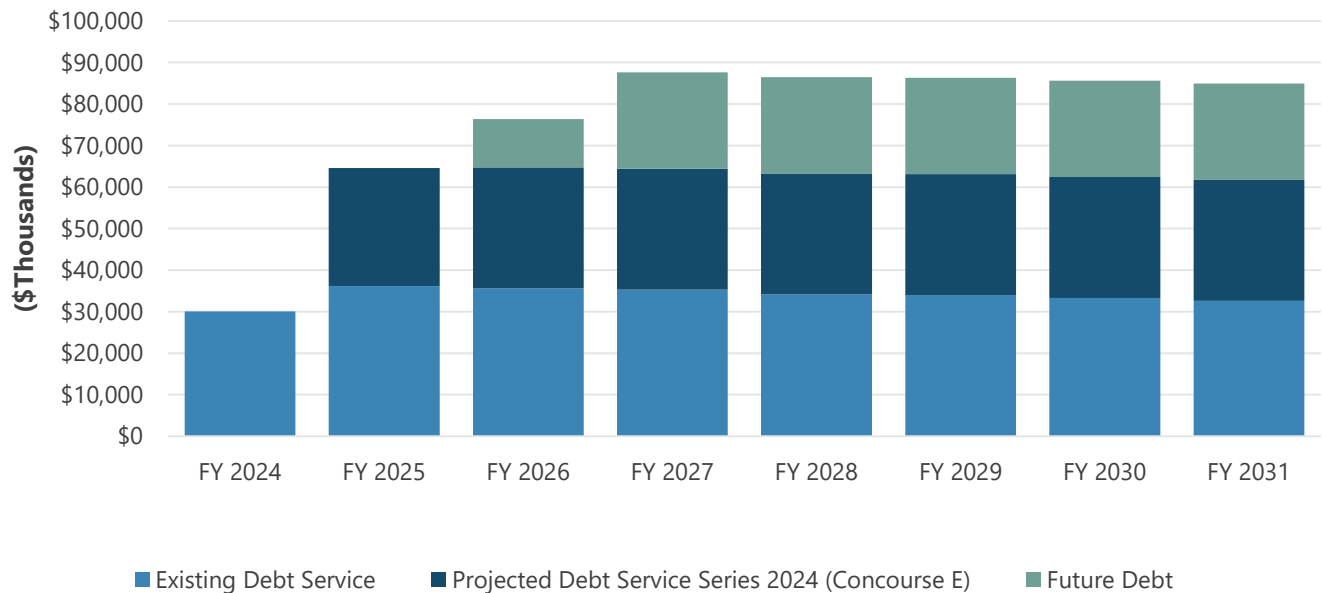
As reflected in Section 3, the Airport CIP assumes the Authority will use unencumbered discretionary cash to fund certain capital projects. Approximately \$103.9 million of Authority funds are anticipated to be used to fund the CIP, which, for purposes of this financial analysis, are assumed to be amortized over the useful life of the projects.⁵⁵ Authority funds used for projects related to the Airfield, Terminal, and BHS Cost Centers are recovered through the calculated Landing Fee, Terminal Rental Rate, and BHS Fee, respectively.

6.7 DEBT SERVICE

Exhibit 6-6 presents the Authority’s projected annual debt service requirements. The Authority’s debt service requirements include existing debt service, Series 2024 Airport Supported Bonds, and Future Parity Bonds anticipated to be issued during the Projection Period, which are further discussed in the following subsections.

⁵⁵ The Authority’s plan of finance for the Concourse E project includes using approximately \$16.5 million of Authority funds, which have been spent on design costs as of July 2024 and will not be amortized or recovered through calculated airline rates.

EXHIBIT 6-6 DEBT SERVICE



NOTES:

FY – Fiscal Year

Dollars in thousands.

SOURCES: Lee County Port Authority, *FY 2024 Estimate, Southwest Florida International Airport*, May 2024; Lee County Port Authority, *FY 2025 Budget, Southwest Florida International Airport*, May 2025; PFM Financial Advisors LLC, July 2024; Ricondo & Associates, Inc., July 2024.

6.7.1 DEBT SERVICE ON EXISTING BONDS

As shown on Exhibit 6-6, existing debt service is approximately \$30.0 million in FY 2024. The existing debt service includes the Series 2015 Bonds, Series 2021A Bonds, and Series 2021B Bonds, as well as short-term financing. Future debt service includes an anticipated future issuance of airport revenue bonds to fund project costs associated with Concourse E that will not be funded with proceeds from the 2024 Bonds.

PFCs are anticipated to be applied to PFC-eligible portions of debt service on the Series 2015, Series 2021A, Series 2021B, and Series 2024 PFC Supported Bonds in an amount approved by the FAA under PFC Application 03-05-C-00-RSW and the PFC Applications approved for the Midfield Terminal Construction and Concourse E project.

6.7.2 DEBT SERVICE ON THE 2024 BONDS

The 2024 Bonds are assumed to have a term of 30 years; for the purposes of this Report, interest on the 2024 Bonds is assumed at market interest rates as of July 2024, plus 75 basis points. The 2024 Bonds debt service is estimated to be approximately \$28.5 million beginning in FY 2025, increase to \$29.1 million in FY 2026, and remain level through the remainder of the Projection Period.

6.8 AIRLINE REVENUES

Airline terminal rental, landing fees, and apron revenues are described in the following subsections. The Authority received approximately \$36.6 million in CARES Act funding, which has been applied to Current Expenses, debt service, and short-term financing, as described in Section 6.2. The airline revenues shown in the following subsections and included in the attached appendix tables are calculated net of CARES Act funding.

In addition, the Authority received approximately \$9.8 million in CRRSAA funding and approximately \$33.2 million in ARPA funding, as mentioned in Section 6.2. Similar to the CARES Act funding, these funds were applied to offset Current Expenses, debt service, and short-term financing. As of September 30, 2023, all CARES and CRRSAA funds had been applied to offset Current Expenses, debt service, or short-term financing, with \$18.3 million in ARPA funds remaining. The remaining ARPA funds are anticipated to be applied to Current Expenses and short-term financing in FY 2024. No additional relief funding is assumed during the Projection Period.

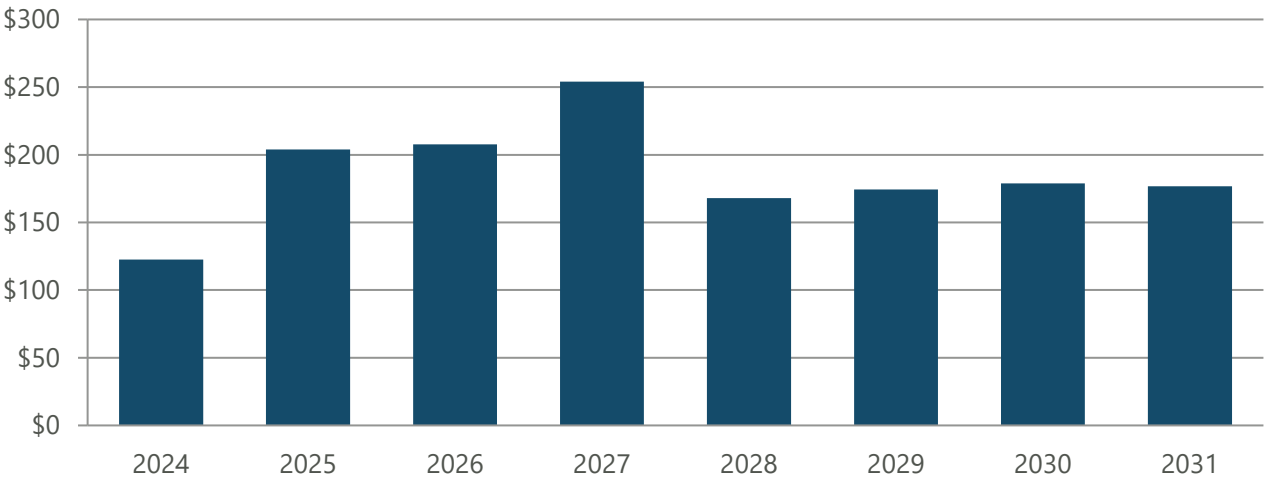
6.8.1 TERMINAL RENTAL RATES

Exhibit 6-7 presents the projected Terminal Rental Rate, as calculated by the methodology described in Section 6.1.2. This charge is budgeted at \$203.85 per square foot in FY 2025 for Signatory Airlines, and it is projected to decrease to \$176.70 per square foot in FY 2031. The projected decrease in Terminal Rental Rates is primarily from anticipated increases in Signatory Leased Space attributable to the Concourse E project and allocated to the Terminal Cost Center.

The Terminal Rental Rate is projected to decrease significantly in FY 2028 from completion of Concourse E. As described in Section 6.1.2, the budgeted debt service for the 2024 Bonds does not include capitalized interest. Without capitalized interest, the debt service for the 2024 Bonds is charged to Signatory Airlines before the increase in terminal square footage associated with Concourse E opening. As a result, the terminal requirement increases significantly relative to the rentable square footage from FY 2025 until FY 2028 when Concourse E is completed.

Increases to rentable and leased airline space are assumed in FY 2026 with the completion of the Terminal Expansion – Phase 1 and in FY 2028 with the completion of Concourse E. Terminal Expansion – Phase 1 is projected to add approximately 82,000 square feet of rentable space (19 percent increase). In addition, the New Agreement, effective October 1, 2025, includes the reclassification of roughly 39,000 square feet of security checkpoint and bag screening space from public space to Joint Use space, contributing to the increased rentable space in FY 2025. Concourse E is projected to add approximately 320,000 square feet of rentable space (56 percent increase), including 161,000 square feet of additional airline leased space.

EXHIBIT 6-7 TERMINAL RENTAL RATE (PER SQUARE FOOT)



NOTE:
FY – Fiscal Year
SOURCES: Lee County Port Authority, *FY 2024 Estimate, Southwest Florida International Airport*, July 2024; Lee County Port Authority, *FY 2025 Budget, Southwest Florida International Airport*, May 2024; Ricondo & Associates, Inc., August 2024.

Extraordinary Coverage is not anticipated to be required in the Projection Period.

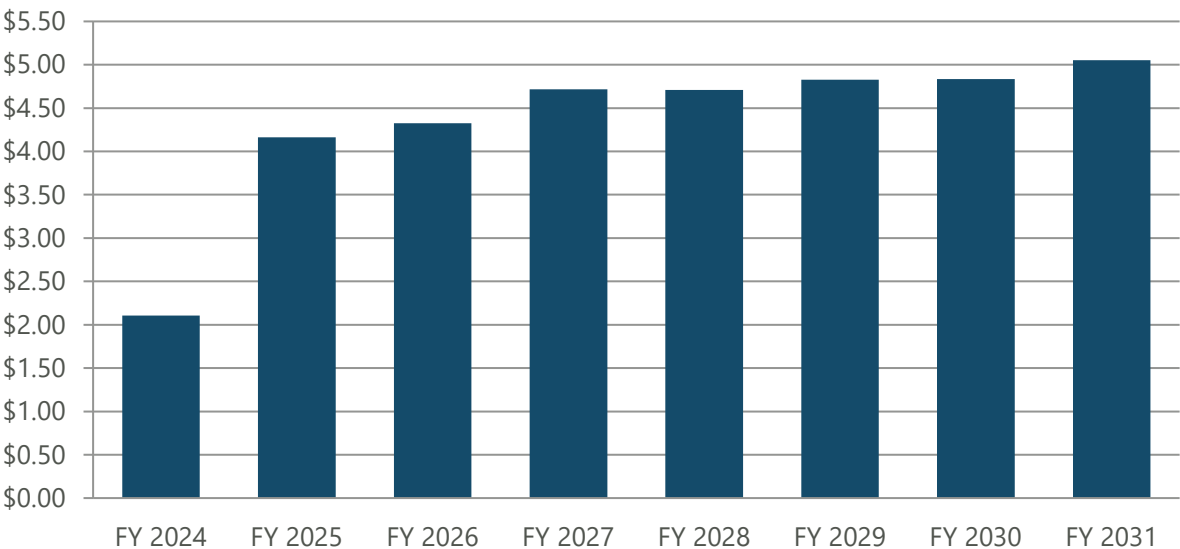
Additional Concourse E Protection is projected to be required in FY 2026 through the end of the Projection Period. As described in Section 6.1.2, payments for Additional Concourse E Protection are allocated entirely to the Terminal Cost Center. Additional Concourse E Protection is projected to increase from \$4.3 million in FY 2026 to \$11.1 million in FY 2027 and remain relatively flat through the end of the Projection Period.

6.8.2 LANDING FEES

The Landing Fee Rate per 1,000 pounds of maximum gross landed weight was \$2.67 per 1,000 pounds of maximum gross landed weight in FY 2023. As shown on **Exhibit 6-8**, the Landing Fee for FY 2025 is budgeted to be \$4.16, and it is projected to increase to \$5.05 by FY 2031. The projected increase in Landing Fees is primarily due to anticipated increases in Current Expenses and investment service attributable to the Concourse E project and allocated to the Airfield Cost Center.

Extraordinary Coverage is not anticipated to be required in the Projection Period.

EXHIBIT 6-8 LANDING FEE RATE



NOTE:

FY – Fiscal Year

SOURCES: Lee County Port Authority, *FY 2024 Estimate, Southwest Florida International Airport*, July 2024; Lee County Port Authority, *FY 2025 Budget, Southwest Florida International Airport*, May 2024; Ricondo & Associates, Inc., August 2024.

6.8.3 BAGGAGE HANDLING SYSTEM FEES

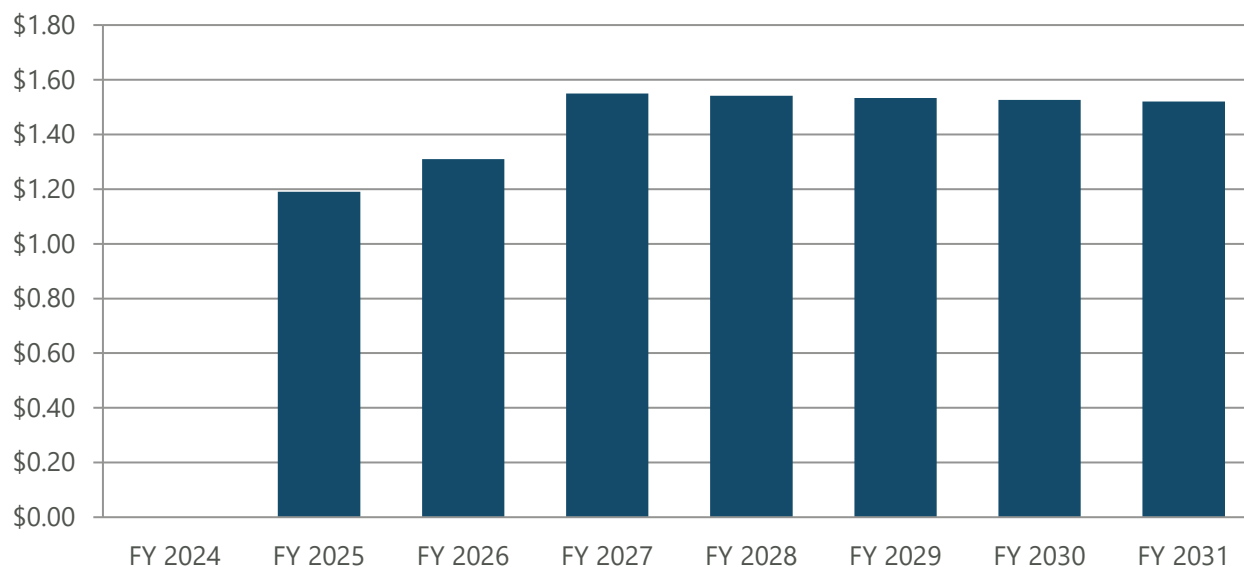
Exhibit 6-9 presents the projected BHS Fee, as calculated by the methodology described in Section 6.1.2. The BHS Cost Center and BHS Fee are introduced in the New Agreement, effective on October 1, 2025. As a result, there is no BHS Fee in FY 2024. This charge is budgeted at \$1.19 per enplanement in FY 2025, and it is projected to increase to \$1.52 per enplanement through the Projection Period.

6.9 AIRLINE COST PER ENPLANEMENT

Exhibit 6-10 presents the historical Signatory Airline cost per enplanement (CPE) from FY 2019 to FY 2023. Signatory Airline CPE increased from \$5.33 in FY 2019 to \$7.68 in FY 2020 before decreasing in FY 2021 and FY 2022 during

the COVID-19 pandemic. The decrease during this period can primarily be attributed to reduced operating expenses as well as the application of COVID relief funds toward airline rates and charges.

EXHIBIT 6-9 BAGGAGE HANDLING SYSTEM FEES

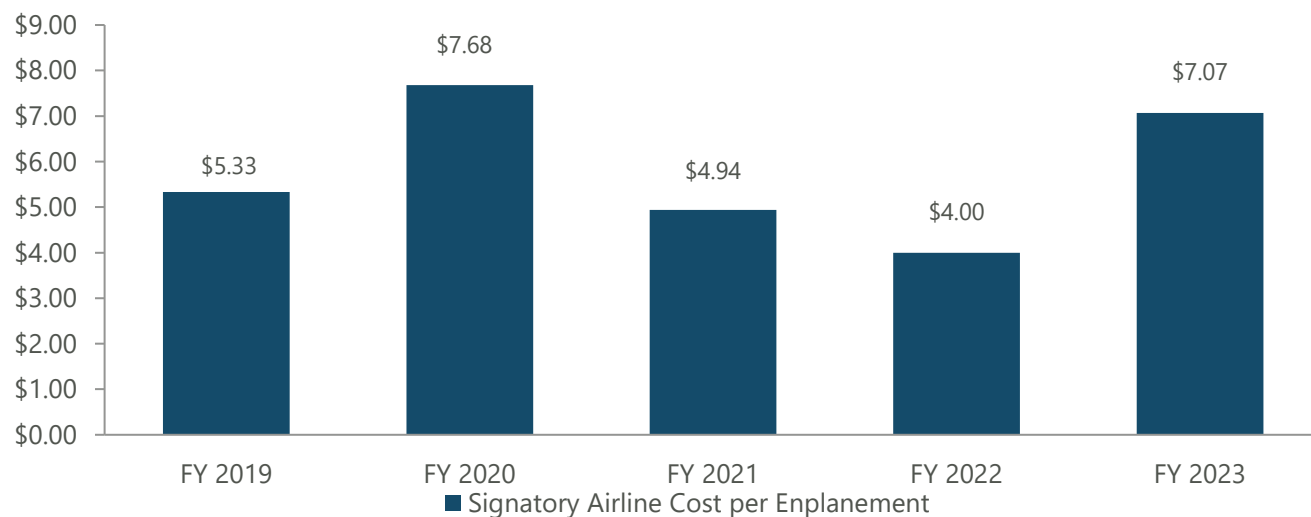


NOTES:

FY – Fiscal Year

SOURCES: Lee County Port Authority, *FY 2024 Estimate, Southwest Florida International Airport*, July 2024; Lee County Port Authority, *FY 2025 Budget, Southwest Florida International Airport*, May 2024; Ricondo & Associates, Inc., August 2024.

EXHIBIT 6-10 AVERAGE SIGNATORY AIRLINE COST ` (FY 2019 – FY 2023)



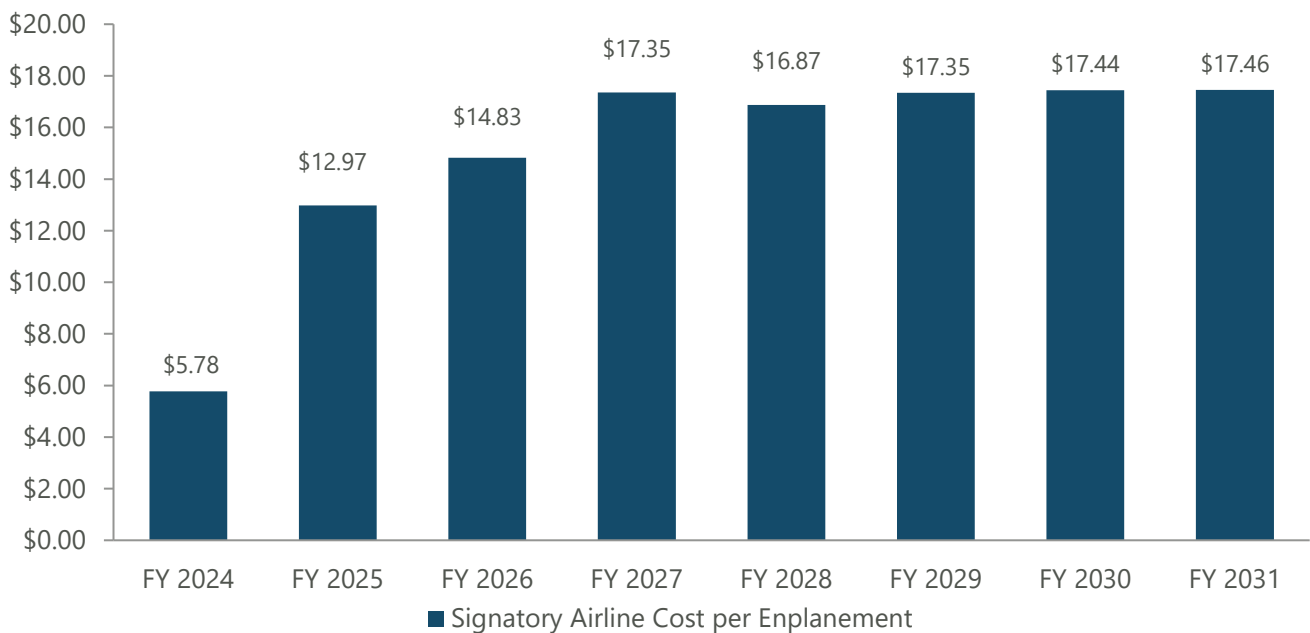
NOTE:

FY – Fiscal Year

SOURCES: Lee County Port Authority, *Actual Rates and Fees Settlement, Southwest Florida International Airport, Fiscal Year 2019-2023*, May 2024.

Exhibit 6-11 presents the Signatory Airline CPE for the Projection Period. The CPE includes Signatory landing fees, terminal rentals, BHS revenues, and FIS fees, less any anticipated revenue sharing. As stated earlier, FY 2024 Airline Revenues are calculated net of CARES Act, CRRSAA, and ARPA funding. No additional COVID relief funding is included in the Projection Period. The CPE calculation for each year in the Projection Period is in **Table A-9**.

EXHIBIT 6-11 AVERAGE SIGNATORY AIRLINE COST PER ENPLANEMENT (FY 2024 – FY 2031)



NOTE:
FY – Fiscal Year
SOURCES: Lee County Port Authority, *FY 2024 Estimate, Southwest Florida International Airport*, July 2024; Lee County Port Authority, *FY 2025 Budget, Southwest Florida International Airport*, May 2024; Ricondo & Associates, Inc., August 2024.

As presented, the Signatory Airline CPE at the Airport is budgeted to be \$12.97 in FY 2025, and it is projected to increase to \$17.46 by the end of the Projection Period in FY 2031. The increase in CPE is attributable to increased Current Expenses and investment service associated with the Terminal Expansion – Phase 1 and Concourse E projects, which outpace enplaned passenger growth.

The projected CPE shown on Exhibit 6-11 is evaluated in this analysis to be reasonable in light of the expectation that these fees will not deter forecast demand for air traffic at the Airport as airlines continue to deploy capacity to airports as resources are available. The projected Airport user fees in this analysis are deemed to be reasonable on the basis of the following combination of factors:

- **Strong economic base.** The Air Trade Area has a large and diverse economy with projected growth that is anticipated to increase the demand for airline travel at the Airport through the Projection Period (ending FY 2031).
- **Attractive geographical location.** The Airport is close to the leisure and hospitality industry destinations, which are the largest service categories in the Air Trade Area.

- **Capital projects that enable growth.** Airport user fees during the Projection Period are calculated to recover debt service and operating costs partially attributable to capital projects designed to increase operational efficiencies and enhance passenger throughput at the Airport. These projects support forecast long-term growth at the Airport.

6.10 FINANCIAL PERFORMANCE AND DEBT SERVICE COVERAGE

As contained in Section 5.04 of the Resolution:

The County and the Authority hereby covenant to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use of the services and facilities of the Airport System which will be at least equal to the greater of (i) Revenues, together with Transfers, in each Fiscal Year sufficient to pay all Current Expenses of the Airport System in such Fiscal Year, and one hundred twenty-five per centum (125%) of the Bond Service Requirements in such Fiscal Year (excluding for purposes of this calculation, redemption premiums and Reserve Requirements), and (ii) Revenues, without taking into account Transfers, in each Fiscal Year sufficient to pay all Current Expenses of the Airport System in such Fiscal Year, and one hundred per centum (100%) of the Bond Service Requirements (excluding for purposes of this calculation, redemption premiums) in such Fiscal Year and all other required payments under this Resolution, including any deposits to the Reserve Account and Renewal, Replacement, and Improvement Fund required in such Fiscal Year.

In addition to the Rate Covenant previously described, the Resolution, Section 5.12(a), includes a requirement for an Additional Bonds Test. As Improvement Bonds, the 2024 Bonds are subject to the following requirement:

With respect to Improvement Bonds, there shall have been filed with the County (i) a certificate of the Authority Representative demonstrating that the requirements of Section 5.04 [of the Resolution] were met in the last complete Fiscal Year for which the audited financial statements of the Authority are available; and (ii) a report of the Consultant setting forth for each of the three Fiscal Years following the Fiscal Year in which the Authority Representative estimates the completion of [or any project] Improvement to be completed; (1) estimates of Revenues to be received by the County and the Authority from the Airport System, including the Project to be financed with the Additional Parity Bonds; (2) estimates of Current Expenses for such Fiscal Years; (3) estimates of Transfers, if any, to be made in such Fiscal Years; (4) the Maximum Bond Service Requirement, including the Additional Parity Bonds then proposed to be issued; and (5) that Revenues, together with Transfers, will be sufficient to pay all Current Expenses and 125 percent of the Maximum Bond Service Requirement, including the Additional Parity Bonds then proposed to be issued (excluding for purposes of this calculation, redemption premium and debt service reserve requirements), in each such Fiscal Year.

The debt service coverage ratio is projected to exceed both the 1.25 times and 1.00 times the minimum requirements in each year of the Projection Period. As a result, the Additional Bonds Test will be met with the issuance of the 2024 Bonds. As described in Section 1, PFC Revenues used for debt service are defined as pledged PFCs and are therefore included as Revenues in both calculations. **Table A-11** in Appendix A presents the actual and projected Debt Service coverage ratio for all Bonds Outstanding, from FY 2022 through FY 2031. The ratio accounts for existing debt, as well as the 2024 Bonds and the Future Bonds anticipated to be issued during the Projection Period.

6.11 ASSUMPTIONS UNDERLYING THE FINANCIAL PROJECTIONS

The techniques and methodologies used in preparing this financial analysis are consistent with industry practices for similar studies in connection with airport revenue bond sales. Although Ricondo believes the approach and assumptions used are reasonable, some assumptions regarding future trends and events presented in this Report, including the implementation schedule and enplaned passenger forecasts, might not materialize. Therefore, the achievement of the projections presented in this Report is dependent on the occurrence of future events, which cannot be ensured, and the variations could be material.

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APPENDIX A

Financial Projection Tables

SOUTHWEST FLORIDA INTERNATIONAL AIRPORT

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TABLE A-1 CURRENT EXPENSES

(Fiscal Year Ending September 30)

	ACTUALS		ESTIMATE	BUDGET	PROJECTED						COMPOUND ANNUAL GROWTH RATE (CAGR) (2025 - 2031)
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	
Current Expenses by Type											
Salaries & Wages	\$26,185,380	\$30,506,923	\$29,937,282	\$34,672,931	\$35,886,483	\$37,142,510	\$38,442,498	\$39,787,985	\$41,180,565	\$42,621,885	3.5%
Employee Benefits	\$13,432,086	\$15,198,060	\$15,975,946	\$18,487,010	\$19,134,056	\$19,803,748	\$20,496,879	\$21,214,269	\$21,956,769	\$22,725,256	3.5%
Contractual Services, Materials & Supplies	\$22,589,443	\$29,039,148	\$33,043,579	\$35,149,499	\$37,281,480	\$38,772,739	\$41,146,643	\$42,792,509	\$44,504,209	\$46,284,378	4.7%
Utilities	\$5,015,746	\$5,553,248	\$6,200,810	\$6,824,199	\$7,342,696	\$7,636,404	\$8,220,192	\$8,549,000	\$8,890,960	\$9,246,598	5.2%
Repairs & Maintenance	\$2,795,503	\$3,411,507	\$3,872,835	\$3,553,129	\$3,754,063	\$3,904,226	\$4,127,060	\$4,292,143	\$4,463,828	\$4,642,382	4.6%
Insurance	\$2,243,488	\$3,077,342	\$4,082,135	\$3,981,200	\$4,307,658	\$4,479,965	\$4,848,713	\$5,042,662	\$5,244,368	\$5,454,143	5.4%
Other	\$3,776,453	\$8,679,744	\$7,173,139	\$8,195,492	\$8,523,312	\$8,864,244	\$9,218,814	\$9,587,566	\$9,971,069	\$10,369,912	4.0%
Total Current Expenses	\$76,038,099	\$95,465,972	\$100,285,726	\$110,863,460	\$116,229,748	\$120,603,835	\$126,500,800	\$131,266,135	\$136,211,769	\$141,344,553	4.1%
Current Expenses by Cost Center											
Airfield	\$13,630,484	\$16,966,797	\$16,890,086	\$20,200,612	\$20,940,403	\$21,707,398	\$22,502,602	\$23,327,055	\$24,181,838	\$25,068,072	3.7%
Apron ¹	\$4,341,288	\$4,373,918	\$5,575,844	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Terminal	\$31,725,344	\$38,448,856	\$43,826,357	\$51,342,255	\$54,476,048	\$56,533,532	\$60,026,604	\$62,297,453	\$64,654,578	\$67,101,271	4.6%
Ground Transportation	\$20,882,388	\$28,964,475	\$27,287,466	\$29,018,510	\$30,118,297	\$31,259,942	\$32,445,045	\$33,675,267	\$34,952,332	\$36,278,032	3.8%
Aviation	\$3,485,310	\$4,233,439	\$4,201,444	\$3,301,311	\$3,427,678	\$3,558,900	\$3,695,165	\$3,836,667	\$3,983,609	\$4,136,200	3.8%
Nonaviation	\$761,272	\$945,477	\$947,284	\$1,652,979	\$1,713,112	\$1,775,441	\$1,840,046	\$1,907,011	\$1,976,423	\$2,048,370	3.6%
Air Cargo	\$1,212,013	\$1,533,010	\$1,557,246	\$2,011,186	\$2,085,324	\$2,162,207	\$2,241,937	\$2,324,619	\$2,410,364	\$2,499,285	3.7%
BHS	\$0	\$0	\$0	\$3,336,607	\$3,468,886	\$3,606,414	\$3,749,401	\$3,898,063	\$4,052,625	\$4,213,322	4.0%
Total Current Expenses	\$76,038,099	\$95,465,972	\$100,285,726	\$110,863,460	\$116,229,748	\$120,603,835	\$126,500,800	\$131,266,135	\$136,211,769	\$141,344,553	4.1%
Current Expenses by Cost Center, Net of Relief Funding											
Airfield	\$13,630,484	\$14,869,461	\$14,890,086	\$20,200,612	\$20,940,403	\$21,707,398	\$22,502,602	\$23,327,055	\$24,181,838	\$25,068,072	3.7%
Apron	\$4,341,288	\$4,135,598	\$4,575,844	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Terminal	\$31,725,344	\$35,618,691	\$39,826,357	\$51,342,255	\$54,476,048	\$56,533,532	\$60,026,604	\$62,297,453	\$64,654,578	\$67,101,271	4.6%
Ground Transportation	\$16,326,229	\$23,226,082	\$24,287,466	\$29,018,510	\$30,118,297	\$31,259,942	\$32,445,045	\$33,675,267	\$34,952,332	\$36,278,032	3.8%
Aviation	\$3,485,310	\$4,045,656	\$4,201,444	\$3,301,311	\$3,427,678	\$3,558,900	\$3,695,165	\$3,836,667	\$3,983,609	\$4,136,200	3.8%
Nonaviation	\$761,272	\$899,131	\$947,284	\$1,652,979	\$1,713,112	\$1,775,441	\$1,840,046	\$1,907,011	\$1,976,423	\$2,048,370	3.6%
Air Cargo	\$1,212,013	\$1,462,775	\$1,557,246	\$2,011,186	\$2,085,324	\$2,162,207	\$2,241,937	\$2,324,619	\$2,410,364	\$2,499,285	3.7%
BHS	\$0	\$0	\$0	\$3,336,607	\$3,468,886	\$3,606,414	\$3,749,401	\$3,898,063	\$4,052,625	\$4,213,322	4.0%
Total Current Expenses Net of Relief Funding	\$71,481,940	\$84,257,394	\$90,285,726	\$110,863,460	\$116,229,748	\$120,603,835	\$126,500,800	\$131,266,135	\$136,211,769	\$141,344,553	4.1%

NOTE:

1 Apron Cost Center removed in the New Agreement.

SOURCE: Lee County Port Authority; Ricondo & Associates, Inc., August 2024.

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TABLE A-2 NON-AIRLINE REVENUES

(Fiscal Year Ending September 30)

	ACTUALS		ESTIMATE	BUDGET	PROJECTED						COMPOUND ANNUAL GROWTH RATE (CAGR) (2025 - 2031)
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	
Airfield											
Fuel Systems	\$2,217,174	\$2,295,122	\$2,600,751	\$2,570,517	\$2,645,682	\$2,722,158	\$2,798,667	\$2,872,540	\$2,948,783	\$3,024,729	2.7%
Other Airfield Non-airline Revenues ¹	\$1,213,252	\$2,146,755	\$2,949,379	\$1,796,983	\$1,829,551	\$1,862,515	\$1,895,254	\$1,926,489	\$1,958,639	\$1,990,418	1.7%
Total Airfield Non-Airline Revenues	\$3,430,426	\$4,441,877	\$5,550,129	\$4,367,500	\$4,475,233	\$4,584,673	\$4,693,920	\$4,799,029	\$4,907,421	\$5,015,147	2.3%
Apron											
Apron Use Charge	\$509,168	\$368,060	\$508,641	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
Other Apron Non-airline Revenues	\$500	\$0	\$7,151	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
Total Apron Non-Airline Revenues ²	\$509,668	\$368,060	\$515,792	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
Terminal											
Terminal Concessions ³	\$10,023,881	\$5,285,724	\$11,002,537	\$10,595,416	\$11,932,576	\$12,298,558	\$13,844,435	\$14,267,618	\$14,702,279	\$15,139,644	6.1%
Additional Terminal Fees and Charges	\$5,034,613	\$5,464,422	\$1,771,929	\$1,781,853	\$1,799,672	\$1,817,668	\$1,835,845	\$1,854,203	\$1,872,745	\$1,891,473	1.0%
Other Terminal Non-airline Revenues ⁴	\$1,365,948	\$6,046,235	\$2,942,368	\$953,582	\$962,058	\$970,618	\$979,264	\$987,996	\$996,816	\$1,005,724	0.9%
Total Terminal Non-Airline Revenues	\$16,424,442	\$16,796,381	\$15,716,834	\$13,330,851	\$14,694,305	\$15,086,845	\$16,659,544	\$17,109,818	\$17,571,840	\$18,036,841	5.2%
Ground Transportation											
Rental Cars ⁵	\$35,858,436	\$27,030,515	\$26,494,206	\$32,590,692	\$33,295,029	\$33,999,993	\$34,694,754	\$35,422,670	\$36,162,091	\$36,891,343	2.1%
Parking ⁶	\$21,721,513	\$23,999,207	\$29,494,077	\$29,349,010	\$30,290,553	\$31,247,852	\$32,210,556	\$33,221,286	\$34,259,647	\$35,304,419	3.1%
Other Ground Transportation Non-airline Revenues ⁷	\$3,268,919	\$3,757,259	\$4,902,949	\$3,830,019	\$3,935,404	\$4,042,499	\$4,150,234	\$4,263,021	\$4,378,750	\$4,495,225	2.7%
Total Ground Transportation Non-Airline Revenues	\$60,848,868	\$54,786,981	\$60,891,231	\$65,769,721	\$67,520,986	\$69,290,344	\$71,055,544	\$72,906,978	\$74,800,488	\$76,690,987	2.6%
Aviation											
General Aviation Revenues	\$4,783,085	\$4,717,152	\$5,187,316	\$5,563,409	\$5,674,677	\$5,788,170	\$5,903,934	\$6,022,012	\$6,142,453	\$6,265,302	2.0%
Other Aviation Non-airline Revenues ⁸	\$480,236	\$508,084	\$1,753,488	\$2,057,834	\$2,098,991	\$2,140,970	\$2,183,790	\$2,227,466	\$2,272,015	\$2,317,455	2.0%
Total Aviation Non-Airline Revenues	\$5,263,321	\$5,225,236	\$6,940,803	\$7,621,243	\$7,773,667	\$7,929,141	\$8,087,724	\$8,249,478	\$8,414,468	\$8,582,757	2.0%
Air Cargo											
Cargo Fees and Building Rental	\$529,625	\$577,527	\$576,017	\$601,191	\$612,759	\$624,344	\$635,648	\$646,070	\$656,757	\$667,105	1.7%
Other Cargo Non-airline Revenues ⁹	\$31,050	\$30,300	\$13,252	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
Total Air Cargo Non-Airline Revenues	\$560,675	\$607,827	\$589,269	\$601,191	\$612,759	\$624,344	\$635,648	\$646,070	\$656,757	\$667,105	1.7%
BHS											
Total BHS Non-Airline Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	N/A
Investment Income	\$1,549,831	\$9,225,011	\$10,939,822	\$8,241,985	\$8,338,073	\$8,407,486	\$8,505,365	\$8,576,312	\$8,676,017	\$8,748,529	1.0%
Total Non-Airline Revenues	\$88,587,230	\$91,451,373	\$101,143,881	\$99,932,491	\$103,415,024	\$105,922,832	\$109,637,745	\$112,287,684	\$115,026,992	\$117,741,365	2.8%
Concessions Revenues per Enplanement	\$12.72	\$12.72	\$13.00	\$13.49	\$13.73	\$13.80	\$14.07	\$14.14	\$14.22	\$14.30	1.0%

NOTE:

Totals may not add due to rounding.

1 Includes miscellaneous revenue, utility income, cargo ramp user fees, passenger aircraft parking fees, and FBO landing fees.

2 Apron Cost Center removed in the New Agreement.

3 Includes terminal concessions, restaurants, and advertising.

4 Includes miscellaneous revenue, shared tenant services, and ARPA Act Concession Relief (FY 2023 only).

5 Includes rental cars, building rent RAC, building rent RAC Frontage Road, and off airport rental cars.

6 Includes parking lot fee and off-Airport parking.

7 Includes peer to peer sharing fees, miscellaneous revenue, privilege fees, flow flowage fees, employee parking, charter bus fees, and land rent.

8 Includes CRDC & amortized building fee, miscellaneous revenue, cell phone tower charges, and building RAC service facility.

9 Includes miscellaneous revenue.

SOURCE: Lee County Port Authority; Ricondo & Associates, Inc., August 2024.

TABLE A-3 PROJECTED PFC COLLECTIONS

(Fiscal Year Ending September 30)

	ACTUALS		ESTIMATE	BUDGET	PROJECTED					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Enplanements	5,571,537	4,721,401	5,532,000	5,661,000	5,786,000	5,911,000	6,034,000	6,163,000	6,294,000	6,423,000
Calculation of PFCs										
% of Eligible Passengers	87%	88%	92%	92%	92%	92%	92%	92%	92%	92%
Enplaned Passengers Paying a PFC	4,843,964	4,140,547	5,095,902	5,214,733	5,329,879	5,445,025	5,558,329	5,677,159	5,797,832	5,916,663
PFC Collection Level	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
Less: Administrative Fee	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.11)	(\$0.11)
Net PFC Level	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39
Total PFC Revenue	\$21,265,000	\$18,177,000	\$22,371,011	\$22,892,678	\$23,398,169	\$23,903,660	\$24,401,063	\$24,922,730	\$25,452,484	\$25,974,151

SOURCE: Lee County Port Authority; Ricondo & Associates, Inc., August 2024.

TABLE A-4 (1 of 2) DEBT SERVICE

(Fiscal Year Ending September 30)

	ACTUALS		ESTIMATE	BUDGET	PROJECTED					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Outstanding Bond Debt Service										
Series 2010	\$13,085,642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Series 2015	\$1,671,734	\$1,671,734	\$1,671,675	\$1,671,250	\$1,671,250	\$1,671,250	\$1,671,250	\$1,671,250	\$1,671,250	\$1,671,250
Series 2021A	\$6,978,000	\$19,653,000	\$19,659,625	\$19,658,500	\$19,659,500	\$19,655,500	\$18,875,000	\$18,705,000	\$18,005,000	\$17,300,000
Series 2021B	\$7,286,982	\$7,830,850	\$7,827,100	\$13,647,900	\$13,648,650	\$13,649,400	\$13,644,650	\$13,649,150	\$13,646,900	\$13,647,650
Short-Term Financing	\$313,327	\$394,133	\$0	\$1,165,500	\$670,500	\$335,250	\$0	\$0	\$0	\$0
Total Outstanding Debt Service	\$29,335,685	\$29,549,717	\$29,158,400	\$36,143,150	\$35,649,900	\$35,311,400	\$34,190,900	\$34,025,400	\$33,323,150	\$32,618,900
Estimated Series 2024 Bonds										
Series 2024 PFC-Supported	\$0	\$0	\$0	\$9,488,539	\$9,704,188	\$9,704,188	\$9,704,188	\$9,704,188	\$9,704,188	\$9,704,188
Series 2024 Airport-Supported	\$0	\$0	\$0	\$18,977,127	\$19,408,425	\$19,408,425	\$19,408,425	\$19,408,425	\$19,408,425	\$19,408,425
Total Estimated Series 2024 Bonds	\$0	\$0	\$0	\$28,465,666	\$29,112,613	\$29,112,613	\$29,112,613	\$29,112,613	\$29,112,613	\$29,112,613
Future Anticipated Bonds										
Future Bonds	\$0	\$0	\$0	\$0	\$11,593,538	\$23,187,075	\$23,187,075	\$23,187,075	\$23,187,075	\$23,187,075
Total Anticipated Future Bond Debt Service	\$0	\$0	\$0	\$0	\$11,593,538	\$23,187,075	\$23,187,075	\$23,187,075	\$23,187,075	\$23,187,075
Total Existing and Future Bond Debt Service	\$29,335,685	\$29,549,717	\$29,158,400	\$64,608,816	\$76,356,050	\$87,611,088	\$86,490,588	\$86,325,088	\$85,622,838	\$84,918,588

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TABLE A-4 (2 of 2) DEBT SERVICE

(Fiscal Year Ending September 30)

	ACTUALS		ESTIMATE	BUDGET	PROJECTED					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Total Existing and Future Bond Debt Service	\$29,335,685	\$29,549,717	\$29,158,400	\$64,608,816	\$76,356,050	\$87,611,088	\$86,490,588	\$86,325,088	\$85,622,838	\$84,918,588
Less: PFC Pledged Debt - Anticipated	(\$7,286,982)	(\$7,830,850)	(\$7,827,100)	(\$17,316,889)	(\$17,533,288)	(\$17,533,288)	(\$17,532,288)	(\$17,535,038)	(\$17,531,038)	(\$17,535,288)
Less: COVID Relief Funding ¹	(\$9,600,571)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service Allocated to Cost Centers (after COVID Relief Funding)	\$12,448,132	\$21,718,867	\$21,331,300	\$47,291,927	\$58,822,763	\$70,077,800	\$68,958,300	\$68,790,050	\$68,091,800	\$67,383,300
Plus: Debt Service Coverage	\$3,112,033	\$5,429,717	\$5,332,825	\$16,152,204	\$19,089,013	\$21,902,772	\$21,622,647	\$21,581,272	\$21,405,709	\$21,229,647
Total Investment Service Allocated to Cost Centers	\$15,560,164	\$27,148,583	\$26,664,125	\$63,444,131	\$77,911,775	\$91,980,572	\$90,580,947	\$90,371,322	\$89,497,509	\$88,612,947
Allocation of Airport Revenue Bonds to Cost Centers (Net of COVID Relief Funding)										
Airfield	\$2,839,710	\$4,968,191	\$4,879,535	\$9,037,309	\$11,441,439	\$13,749,922	\$13,571,383	\$13,532,495	\$13,372,370	\$13,211,102
Apron	\$31,046	\$54,297	\$53,328	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Terminal	\$8,134,056	\$14,225,858	\$13,972,002	\$44,030,272	\$54,580,113	\$64,888,069	\$63,950,891	\$63,841,991	\$63,382,928	\$62,916,078
Ground Transportation	\$4,387,966	\$7,655,901	\$7,519,283	\$7,518,737	\$7,519,089	\$7,517,679	\$7,242,553	\$7,182,628	\$6,935,878	\$6,687,366
Aviation	\$93,361	\$162,892	\$159,985	\$159,973	\$159,981	\$159,951	\$154,097	\$152,822	\$147,572	\$142,284
Nonaviation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Air Cargo	\$74,026	\$81,446	\$79,992	\$79,987	\$79,990	\$79,975	\$77,048	\$76,411	\$73,786	\$71,142
BHS	\$0	\$0	\$0	\$2,617,853	\$4,131,163	\$5,584,975	\$5,584,975	\$5,584,975	\$5,584,975	\$5,584,975
Total Existing and Future Bond Debt Service	\$15,560,164	\$27,148,583	\$26,664,125	\$63,444,131	\$77,911,775	\$91,980,572	\$90,580,947	\$90,371,322	\$89,497,509	\$88,612,947

NOTE:

1 Includes CARES, CRRSAA, and ARPA funds.

SOURCE: Lee County Port Authority; Ricondo & Associates, Inc., August 2024.

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TABLE A-5 LANDING FEE RATE CALCULATION

(Fiscal Year Ending September 30)

	ACTUALS		ESTIMATE	BUDGET	PROJECTED					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Net Airfield Requirement Calculation										
Airfield Investment Service	\$2,839,710	\$4,968,191	\$4,879,535	\$10,549,344	\$12,987,839	\$15,296,322	\$15,117,783	\$15,078,895	\$14,918,770	\$14,757,502
Airfield Operating Expenses	\$13,630,484	\$14,869,461	\$14,890,086	\$20,200,612	\$20,940,403	\$21,707,398	\$22,502,602	\$23,327,055	\$24,181,838	\$25,068,072
Airfield Operating Expense Reserve	\$317,139	\$345,849	\$315,363	\$1,527,106	\$184,948	\$191,749	\$198,801	\$206,113	\$213,696	\$221,559
Airfield Amortization	\$283,061	\$211,565	\$307,243	\$404,165	\$243,629	\$314,818	\$314,818	\$907,128	\$907,128	\$2,306,666
Total Airfield Requirement	\$17,070,393	\$20,395,066	\$20,392,226	\$32,681,227	\$34,356,819	\$37,510,288	\$38,134,003	\$39,519,192	\$40,221,433	\$42,353,798
Less:										
Airfield Nonairline Revenue	(\$3,714,045)	(\$6,130,054)	(\$7,552,117)	(\$5,414,183)	(\$5,532,383)	(\$5,652,394)	(\$5,772,319)	(\$5,888,211)	(\$6,007,496)	(\$6,126,222)
Pledged PFC Revenue (Terminal Expansion Phase II)	\$0	\$0	\$0	(\$1,512,036)	(\$1,546,400)	(\$1,546,400)	(\$1,546,400)	(\$1,546,400)	(\$1,546,400)	(\$1,546,400)
Net Requirement	\$13,356,348	\$14,265,012	\$12,840,111	\$25,755,010	\$27,278,036	\$30,311,493	\$30,815,285	\$32,084,580	\$32,667,537	\$34,681,176
Signatory Landed Weight (000's)										
Signatory Landed Weight (000's)	5,664,388	4,794,591	5,600,032	5,505,359	5,611,290	5,717,375	5,820,894	5,916,333	6,014,200	6,108,955
Non-Signatory Airline Landed Weight (000's)	488,908	546,157	495,143	681,696	694,813	707,949	720,767	732,585	744,703	756,436
Total Landed Weight	6,153,296	5,340,748	6,095,175	6,187,055	6,306,103	6,425,324	6,541,661	6,648,917	6,758,903	6,865,391
Landing Fee Rate	\$2.17	\$2.67	\$2.11	\$4.16	\$4.33	\$4.72	\$4.71	\$4.83	\$4.83	\$5.05
Non-Signatory Landing Fee Rate¹	\$2.42	\$2.38	\$2.11	\$4.16	\$4.33	\$4.72	\$4.71	\$4.83	\$4.83	\$5.05
Non-Signatory Landing Fee Revenue										
Non-Signatory Landing Fee Revenue	\$1,183,156	\$1,299,854	\$1,043,069	\$2,837,714	\$3,005,522	\$3,339,752	\$3,395,260	\$3,535,112	\$3,599,343	\$3,821,208
Signatory Landing Fee Revenue, before Extraordinary Protection	\$12,291,721	\$12,801,557	\$11,797,042	\$22,917,296	\$24,272,514	\$26,971,741	\$27,420,024	\$28,549,468	\$29,068,194	\$30,859,968
Plus: Extraordinary Protection (Airfield)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Signatory Landing Fee Revenue, Extraordinary Protection	\$12,291,721	\$12,801,557	\$11,797,042	\$22,917,296	\$24,272,514	\$26,971,741	\$27,420,024	\$28,549,468	\$29,068,194	\$30,859,968
Signatory Landed Weight (000's)										
Signatory Landed Weight (000's)	5,664,388	4,794,591	5,600,032	5,505,359	5,611,290	5,717,375	5,820,894	5,916,333	6,014,200	6,108,955
Signatory Landing Fee Rate, Extraordinary Protection	\$2.17	\$2.67	\$2.11	\$4.16	\$4.33	\$4.72	\$4.71	\$4.83	\$4.83	\$5.05
Signatory Landing Fee Revenue, Extraordinary Protection										
Signatory Landing Fee Revenue, Extraordinary Protection	\$12,291,721	\$12,801,557	\$11,797,042	\$22,917,296	\$24,272,514	\$26,971,741	\$27,420,024	\$28,549,468	\$29,068,194	\$30,859,968
Non-Signatory Landing Fee Revenue	\$1,183,156	\$1,299,854	\$1,043,069	\$2,837,714	\$3,005,522	\$3,339,752	\$3,395,260	\$3,535,112	\$3,599,343	\$3,821,208
Total Landing Fee Revenue	\$13,474,877	\$14,101,412	\$12,840,111	\$25,755,010	\$27,278,036	\$30,311,493	\$30,815,285	\$32,084,580	\$32,667,537	\$34,681,176

NOTES:

Totals may not add due to rounding.

1 Non-Signatory actual landing fee rate matches budget calculation due to lack of year-end settlement with Non-Signatory Airlines.

SOURCE: Lee County Port Authority; Ricondo & Associates, Inc., August 2024.

TABLE A-6 TERMINAL RENTAL RATE CALCULATION

	ACTUALS		ESTIMATE	BUDGET	PROJECTED					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Net Terminal Requirement Calculation										
Terminal Investment Service	\$8,134,056	\$14,225,858	\$21,799,102	\$58,883,173	\$69,593,413	\$79,901,369	\$78,963,191	\$78,857,041	\$78,393,978	\$77,931,378
Terminal Operating Expenses	\$31,725,344	\$35,618,691	\$39,826,357	\$51,342,255	\$54,476,048	\$56,533,532	\$60,026,604	\$62,297,453	\$64,654,578	\$67,101,271
Terminal Operating Expense Reserve	\$0	\$0	\$517,586	\$2,598,962	\$783,448	\$514,371	\$873,268	\$567,712	\$589,281	\$611,673
Terminal Amortization	\$1,112,540	\$1,377,338	\$1,430,514	\$472,908	\$613,819	\$526,505	\$526,505	\$526,505	\$526,505	\$526,505
Total Terminal Requirement	\$40,971,940	\$51,221,887	\$63,573,558	\$113,297,297	\$125,466,728	\$137,475,778	\$140,389,567	\$142,248,711	\$144,164,343	\$146,170,828
Less:										
Pledged PFC Revenue ¹	(\$3,653,839)	(\$3,046,673)	(\$11,122,926)	(\$18,601,047)	(\$19,010,709)	(\$19,097,069)	(\$19,181,047)	(\$16,646,067)	(\$15,011,050)	(\$15,015,300)
Less: FIS Credit	(\$223,902)	(\$288,542)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Requirement	\$37,094,199	\$47,886,672	\$52,450,632	\$94,696,250	\$106,456,019	\$118,378,709	\$121,208,521	\$125,602,644	\$129,153,293	\$131,155,528
Total Rentable Space	427,798	427,798	427,798	473,734	572,402	573,648	893,356	893,356	893,356	893,356
Terminal Rental Rate	\$86.71	\$111.94	\$122.61	\$199.89	\$185.98	\$206.36	\$135.68	\$140.60	\$144.57	\$146.81
Total Leased Airline Space	184,433	184,524	195,892	236,778	280,718	280,718	442,070	442,070	442,070	442,070
Net Airline Requirement	\$15,992,185	\$20,655,617	\$24,017,514	\$47,330,416	\$52,208,240	\$57,929,275	\$59,979,091	\$62,153,489	\$63,910,500	\$64,901,290
Terminal Rental Revenue, Extraordinary Protection										
Plus: Extraordinary Protection (Terminal)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus: Additional Concourse E Protection	\$0	\$0	\$0	\$0	\$4,255,880	\$11,138,024	\$11,494,155	\$12,056,003	\$12,179,748	\$10,255,887
Terminal Rental Revenue Requirement, Extraordinary Protection	\$15,992,185	\$20,655,617	\$24,017,514	\$47,330,416	\$56,464,120	\$69,067,298	\$71,473,246	\$74,209,492	\$76,090,248	\$75,157,178
Total Leased Airline Space including Joint Use Space				236,778	280,718	280,718	442,070	442,070	442,070	442,070
Adjusted Average Terminal Rental Rate				\$199.89	\$201.14	\$246.04	\$161.68	\$167.87	\$172.12	\$170.01
Signatory Airline Terminal Rental Rate	\$86.71	\$111.94	\$122.52	\$203.85	\$207.65	\$254.00	\$168.04	\$174.47	\$178.89	\$176.70
Non-Signatory Terminal Rental Rate (110%)²	\$109.10	\$131.74	\$134.77	\$224.23	\$228.42	\$279.40	\$184.84	\$191.92	\$196.78	\$194.37
Joint Use Space (Baggage Space and Security Screening)	60,650	60,650	60,650	112,067	132,203	132,203	232,536	232,536	232,536	232,536
Joint Use Revenue	\$5,258,955	\$6,789,190	\$7,436,058	\$22,401,540	\$26,591,585	\$32,527,009	\$37,595,986	\$39,035,292	\$40,024,598	\$39,533,789
Non-Signatory Leased Airline Space	852	851	931	931	931	931	931	931	931	931
Non-Signatory Terminal Rental Revenue	\$92,906	\$112,107	\$125,475	\$208,759	\$212,656	\$260,122	\$172,088	\$178,676	\$183,205	\$180,958
Signatory Leased Space	122,932	123,023	134,311	121,268	142,835	142,835	200,580	200,580	200,580	200,580
Signatory Airline Terminal Rental Revenue	\$10,659,390	\$13,771,139	\$16,455,981	\$24,720,117	\$29,659,879	\$36,280,167	\$33,705,172	\$34,995,524	\$35,882,446	\$35,442,431
Total Terminal Rental Revenue	\$16,011,251	\$20,672,436	\$24,017,514	\$47,330,416	\$56,464,120	\$69,067,298	\$71,473,246	\$74,209,492	\$76,090,248	\$75,157,178

NOTES:
Totals may not add due to rounding.
1 Includes PFCs pledged to existing debt and PFC-eligible portions of debt service on the 2024 Bonds.
2 Non-Signatory actual terminal rental rate matches budget calculation due to lack of year-end settlement with Non-Signatory Airlines.
SOURCE: Lee County Port Authority; Ricondo & Associates, Inc., August 2024.

TABLE A-7 APRON FEE RATE CALCULATION

(Fiscal Year Ending September 30)

	ACTUALS		ESTIMATE	BUDGET	PROJECTED					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Net Apron Requirement Calculation										
Apron Investment Service	\$31,046	\$54,297	\$53,328	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Apron Operating Expenses	\$4,341,288	\$4,135,598	\$4,575,844	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Apron Operating Expense Reserve	\$158,337	\$80,203	\$185,110	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Apron Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Apron Requirement	\$4,530,671	\$4,270,098	\$4,814,282	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Gates	28	28	28	28	28	28	36	36	36	36
Apron Fee (per Position)	\$161,810	\$152,503	\$171,939	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leased Gates	19	18	18	18	18	18	18	18	18	18
Apron Fee Revenues	\$3,020,299	\$2,745,063	\$3,094,896	\$0	\$0	\$0	\$0	\$0	\$0	\$0

NOTE:

Totals may not add due to rounding.

SOURCE: Lee County Port Authority; Ricondo & Associates, Inc., August 2024.

TABLE A-8 BHS FEE RATE CALCULATION

(Fiscal Year Ending September 30)

	ACTUALS		ESTIMATE	BUDGET	PROJECTED					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Net BHS Requirement Calculation										
BHS Investment Service	\$0	\$0	\$0	\$3,569,806	\$5,104,750	\$6,558,563	\$6,558,563	\$6,558,563	\$6,558,563	\$6,558,563
BHS Operating Expenses	\$0	\$0	\$0	\$3,336,607	\$3,468,886	\$3,606,414	\$3,749,401	\$3,898,063	\$4,052,625	\$4,213,322
BHS Operating Expense Reserve	\$0	\$0	\$0	\$834,152	\$33,070	\$34,382	\$35,747	\$37,165	\$38,641	\$40,174
BHS Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total BHS Requirement	\$0	\$0	\$0	\$7,740,565	\$8,606,706	\$10,199,359	\$10,343,710	\$10,493,790	\$10,649,828	\$10,812,058
Less:										
Pledged PFC Revenue (Terminal Expansion Phase II)	\$0	\$0	\$0	(\$951,952)	(\$973,588)	(\$973,588)	(\$973,588)	(\$973,588)	(\$973,588)	(\$973,588)
Net Requirement	\$0	\$0	\$0	\$6,788,612	\$7,633,118	\$9,225,771	\$9,370,123	\$9,520,203	\$9,676,240	\$9,838,471
Signatory Airline Enplanements	5,360,154	4,465,276	5,291,404	5,270,550	5,386,928	5,503,307	5,617,823	5,737,926	5,859,890	5,979,993
Non-Signatory Enplanements	211,383	256,126	240,596	390,450	399,072	407,693	416,177	425,074	434,110	443,007
Signatory BHS Fee (per Enplanement)	\$0.00	\$0.00	\$0.00	\$1.19	\$1.31	\$1.55	\$1.54	\$1.53	\$1.53	\$1.52
Non-Signatory BHS Fee (110%)	\$0.00	\$0.00	\$0.00	\$1.31	\$1.44	\$1.71	\$1.70	\$1.69	\$1.68	\$1.67
Signatory Airline BHS Fee Revenues	\$0	\$0	\$0	\$6,277,094	\$7,057,967	\$8,530,614	\$8,664,089	\$8,802,861	\$8,947,140	\$9,097,147
Non-Signatory Airline BHS Fee Revenues	\$0	\$0	\$0	\$511,518	\$575,152	\$695,157	\$706,034	\$717,342	\$729,100	\$741,324
Total BHS Fee Revenues	\$0	\$0	\$0	\$6,788,612	\$7,633,118	\$9,225,771	\$9,370,123	\$9,520,203	\$9,676,240	\$9,838,471

NOTE:

Totals may not add due to rounding.

SOURCE: Lee County Port Authority; Ricondo & Associates, Inc., August 2024.

TABLE A-9 SIGNATORY AIRLINE COST PER ENPLANEMENT

(Fiscal Year Ending September 30)

	ACTUALS		ESTIMATE	BUDGET	PROJECTED					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<i>Signatory Airline Cost per Enplanement</i>										
Signatory Landing Fee Revenue	\$12,291,721	\$12,801,557	\$11,797,042	\$22,917,296	\$24,272,514	\$26,971,741	\$27,420,024	\$28,549,468	\$29,068,194	\$30,859,968
Signatory Terminal Rental Revenues	\$15,918,345	\$20,560,329	\$23,903,367	\$48,023,914	\$56,708,195	\$69,144,028	\$70,420,246	\$73,155,851	\$75,061,613	\$74,247,603
Signatory Apron Revenues	\$3,020,299	\$2,745,063	\$3,094,896	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Signatory BHS Revenue	\$0	\$0	\$0	\$6,273,566	\$7,054,000	\$8,525,820	\$8,659,219	\$8,797,913	\$8,942,112	\$9,092,034
FIS Fee Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Signatory Passenger Airline Revenue	\$31,229,365	\$36,106,949	\$38,795,305	\$77,214,776	\$88,034,709	\$104,641,589	\$106,499,489	\$110,503,231	\$113,071,919	\$114,199,605
Less: Total Revenue Sharing Distribution	(\$9,813,360)	(\$4,597,888)	(\$8,235,098)	(\$8,830,129)	(\$8,167,359)	(\$9,141,152)	(\$11,712,504)	(\$10,978,312)	(\$10,859,583)	(\$9,812,853)
Plus: Extraordinary Protection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Signatory Passenger Airline Revenue	\$21,416,005	\$31,509,061	\$30,560,208	\$68,384,647	\$79,867,350	\$95,500,436	\$94,786,986	\$99,524,919	\$102,212,336	\$104,386,752
Total Signatory Airline Enplanements	5,360,154	4,465,276	5,291,404	5,270,550	5,386,928	5,503,307	5,617,823	5,737,926	5,859,890	5,979,993
Net Signatory Cost Per Enplanement	\$4.00	\$7.07	\$5.78	\$12.97	\$14.83	\$17.35	\$16.87	\$17.35	\$17.44	\$17.46

NOTE:

Totals may not add due to rounding.

SOURCE: Lee County Port Authority; Ricondo & Associates, Inc., August 2024.

SOUTHWEST FLORIDA INTERNATIONAL AIRPORT

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TABLE A-10 CALCULATION OF AIRPORT NET REVENUES

(Fiscal Year Ending September 30)

	ACTUALS		ESTIMATE	BUDGET	PROJECTED					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Airport Revenues										
Terminal Rental Revenue, Including Common Use Revenue	\$16,011,251	\$20,672,436	\$24,028,854	\$60,296,786	\$65,709,880	\$73,800,603	\$73,939,404	\$76,526,936	\$78,678,427	\$80,010,909
Landing Fee Revenue	\$13,474,877	\$14,101,412	\$12,840,111	\$25,755,010	\$27,278,036	\$30,311,493	\$30,815,285	\$32,084,580	\$32,667,537	\$34,681,176
Apron Fee Revenue	\$3,020,299	\$2,745,063	\$3,094,896	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nonairline Operating Revenue	\$88,587,230	\$91,451,373	\$101,143,881	\$99,932,491	\$103,415,024	\$105,922,832	\$109,637,745	\$112,287,684	\$115,026,992	\$117,741,365
PFC Revenue Transfer (Existing)	\$3,653,839	\$3,046,673	\$3,295,826	\$3,748,146	\$3,997,409	\$4,083,769	\$4,168,747	\$1,631,017	\$0	\$0
Additional PFC Revenue Transfer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pledged PFC Revenue Applied to Debt Service	\$7,286,982	\$7,830,850	\$7,827,100	\$17,316,889	\$17,533,288	\$17,533,288	\$17,532,288	\$17,535,038	\$17,531,038	\$17,535,288
FIS Revenue	\$223,902	\$288,542	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Airport Revenue	\$132,258,380	\$140,136,349	\$152,230,668	\$207,049,321	\$217,933,638	\$231,651,984	\$236,093,467	\$240,065,254	\$243,903,993	\$249,968,738
Less:										
Total Operating Expenses	\$76,038,099	\$95,465,972	\$100,285,726	\$110,863,460	\$116,229,748	\$120,603,835	\$126,500,800	\$131,266,135	\$136,211,769	\$141,344,553
Relief Funding for Operating Expense	(\$4,556,158)	(\$11,208,578)	(\$10,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenses, Net of Relief Funding	\$71,481,941	\$84,257,394	\$90,285,726	\$110,863,460	\$116,229,748	\$120,603,835	\$126,500,800	\$131,266,135	\$136,211,769	\$141,344,553
Total Net Revenue Available for Debt Service	\$60,776,439	\$55,878,955	\$61,944,942	\$96,185,861	\$101,703,890	\$111,048,149	\$109,592,667	\$108,799,120	\$107,692,224	\$108,624,185
Net Funds Remaining, before Extraordinary Protection	\$41,071,052	\$26,329,238	\$32,786,542	\$31,223,422	\$29,230,544	\$34,187,683	\$34,194,063	\$34,112,527	\$33,815,704	\$33,511,521
Less:										
Amortization of Port Authority Investment	(\$2,380,922)	(\$3,625,940)	(\$2,198,798)	(\$1,789,658)	(\$2,006,015)	(\$3,717,175)	(\$4,912,804)	(\$6,666,746)	(\$6,666,746)	(\$8,979,388)
Relief Funding	(\$14,156,729)	(\$11,208,578)	(\$10,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Funds to be Shared	\$24,533,401	\$11,494,720	\$20,587,744	\$29,433,764	\$27,224,530	\$30,470,508	\$29,281,259	\$27,445,780	\$27,148,957	\$24,532,133
LCPA Share (%)	60%	60%	60%	70%	70%	70%	60%	60%	60%	60%
Airline Share (%)	40%	40%	40%	30%	30%	30%	40%	40%	40%	40%
LCPA Share	\$14,720,041	\$6,896,832	\$12,352,646	\$20,603,635	\$19,057,171	\$21,329,356	\$17,568,755	\$16,467,468	\$16,289,374	\$14,719,280
Airline Share	\$9,813,360	\$4,597,888	\$8,235,098	\$8,830,129	\$8,167,359	\$9,141,152	\$11,712,504	\$10,978,312	\$10,859,583	\$9,812,853
Total	\$24,533,401	\$11,494,720	\$20,587,744	\$29,433,764	\$27,224,530	\$30,470,508	\$29,281,259	\$27,445,780	\$27,148,957	\$24,532,133
Airline Portion of Revenue Sharing	\$9,813,360	\$4,597,888	\$8,235,098	\$8,830,129	\$8,167,359	\$9,141,152	\$11,712,504	\$10,978,312	\$10,859,583	\$9,812,853
Less: Extraordinary Protection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Distribution To/ (Receipt From) Airlines	\$9,813,360	\$4,597,888	\$8,235,098	\$8,830,129	\$8,167,359	\$9,141,152	\$11,712,504	\$10,978,312	\$10,859,583	\$9,812,853

SOURCE: Lee County Port Authority; Ricondo & Associates, Inc., August 2024.

TABLE A-11 CALCULATION OF DEBT SERVICE COVERAGE

(Fiscal Year Ending September 30)										
	ACTUALS		ESTIMATE	BUDGET	PROJECTED					
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenues										
Total Airport Revenues ¹	\$132,258,380	\$140,136,349	\$152,230,668	\$207,049,321	\$217,933,638	\$231,651,984	\$236,093,467	\$240,065,254	\$243,903,993	\$249,968,738
Add: Extraordinary Protection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Add: Additional Concourse E Protection	\$0	\$0	\$0	\$0	\$4,255,880	\$11,138,024	\$11,494,155	\$12,056,003	\$12,179,748	\$10,255,887
Add: Revenue Adjustments ²	\$447,637	\$629,661	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Add: Interest on Investments	\$2,042,887	\$9,385,670	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Revenue Adjustments ³	(\$206,186)	(\$1,517,634)	(\$325,025)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Airline Incentive Credits	(\$910,718)	(\$699,043)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$133,632,000	\$147,935,003	\$151,905,643	\$207,049,321	\$222,189,518	\$242,790,008	\$247,587,622	\$252,121,257	\$256,083,741	\$260,224,625
Current Expenses										
Total Operating Expenses, Net of Relief Funding ¹	\$71,481,941	\$84,257,394	\$90,285,726	\$110,863,460	\$116,229,748	\$120,603,835	\$126,500,800	\$131,266,135	\$136,211,769	\$141,344,553
Add: Adjustment for Compensated Absences	\$79,454	(\$42,717)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less: Operating Capital	(\$1,992,033)	(\$6,614,320)	(\$2,985,743)	(\$5,363,695)	(\$5,578,243)	(\$5,801,373)	(\$6,033,427)	(\$6,274,765)	(\$6,525,755)	(\$6,786,785)
Less: Expense Adjustments ⁴	(\$102,430)	(\$946,812)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Current Expenses	\$69,466,932	\$76,653,545	\$87,299,983	\$105,499,983	\$110,651,505	\$114,802,463	\$120,467,372	\$124,991,370	\$129,686,014	\$134,557,768
Net Revenue, net of Relief Funding	\$64,165,068	\$71,281,458	\$64,605,660	\$101,549,556	\$111,538,013	\$127,987,545	\$127,120,250	\$127,129,887	\$126,397,728	\$125,666,858
1.25x Revenue Bond Coverage Calculation										
Net Revenue, net of Relief Funding	\$64,165,068	\$71,281,458	\$64,605,660	\$101,549,556	\$111,538,013	\$127,987,545	\$127,120,250	\$127,129,887	\$126,397,728	\$125,666,858
Add: Transfers ⁵	\$223,902	\$288,542	\$355,043	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Revenue, net of Relief Funding with Transfers In	\$64,388,970	\$71,570,000	\$64,960,703	\$101,549,556	\$111,538,013	\$127,987,545	\$127,120,250	\$127,129,887	\$126,397,728	\$125,666,858
Series 2010	\$13,085,642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Series 2015	\$1,671,734	\$1,671,734	\$1,671,675	\$1,671,250	\$1,671,250	\$1,671,250	\$1,671,250	\$1,671,250	\$1,671,250	\$1,671,250
Series 2021 (Refunding 2011A)	\$6,978,000	\$19,653,000	\$19,659,625	\$19,658,500	\$19,659,500	\$18,875,000	\$18,875,000	\$18,705,000	\$18,005,000	\$17,300,000
Series 2021 (Terminal Expansion - PFC Portion)	\$7,286,982	\$7,830,850	\$7,827,100	\$7,828,350	\$7,829,100	\$7,829,100	\$7,828,100	\$7,830,850	\$7,826,850	\$7,826,850
Series 2021 (Terminal Expansion Phase 1 - GARB Portion)	\$0	\$0	\$0	\$5,819,550	\$5,819,550	\$5,820,300	\$5,816,550	\$5,818,300	\$5,820,050	\$5,816,550
Series 2024A (Terminal Expansion Phase 2 PFC Portion)	\$0	\$0	\$0	\$9,488,539	\$9,704,188	\$9,704,188	\$9,704,188	\$9,704,188	\$9,704,188	\$9,704,188
Series 2024B (Terminal Expansion Phase 2 GARB Portion)	\$0	\$0	\$0	\$18,977,127	\$19,408,425	\$19,408,425	\$19,408,425	\$19,408,425	\$19,408,425	\$19,408,425
Future Bonds	\$0	\$0	\$0	\$0	\$11,593,538	\$23,187,075	\$23,187,075	\$23,187,075	\$23,187,075	\$23,187,075
Federal Assistance Funds for Debt Service	(\$9,600,571)	\$0	(\$8,300,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Series Debt Service	\$19,421,787	\$29,155,584	\$20,858,400	\$63,443,316	\$75,685,550	\$87,275,838	\$86,490,588	\$86,325,088	\$85,622,838	\$84,914,338
Debt Service Coverage Before Extraordinary Protection	3.32	2.45	3.11	1.60	1.47	1.47	1.47	1.47	1.48	1.48
Debt Service Coverage After Extraordinary Protection	3.32	2.45	3.11	1.60	1.47	1.47	1.47	1.47	1.48	1.48
1.0x Revenue Bond Coverage Calculation (Excludes Transfers)										
Net Revenue, net of Relief Funding with Transfers In	\$64,388,970	\$71,570,000	\$64,960,703	\$101,549,556	\$111,538,013	\$127,987,545	\$127,120,250	\$127,129,887	\$126,397,728	\$125,666,858
Less: Transfers	(\$223,902)	(\$288,542)	(\$355,043)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Revenue, Net of Relief Funding and less Transfers	\$64,165,068	\$71,281,458	\$64,605,660	\$101,549,556	\$111,538,013	\$127,987,545	\$127,120,250	\$127,129,887	\$126,397,728	\$125,666,858
Net Series Debt Service	\$19,421,787	\$29,155,584	\$20,858,400	\$63,443,316	\$75,685,550	\$87,275,838	\$86,490,588	\$86,325,088	\$85,622,838	\$84,914,338
Debt Service Coverage less Transfers	3.30	2.44	3.10	1.60	1.47	1.47	1.47	1.47	1.48	1.48

NOTES:

- 1 As calculated on Table A-10
- 2 Includes revenues from lease interest and ICE revenues.
- 3 Includes airline rate incentive credits, commercial land rent revenue adjustments, FEMA reimbursements, TSA LEO grants, K9 explosive program revenues, sales of equipment, and other adjustments.
- 4 Includes fixed asset acquisitions, interest expense, and other expense adjustments.
- 5 Includes FIS revenues.

SOURCE: Lee County Port Authority; Ricondo & Associates, Inc., August 2024.