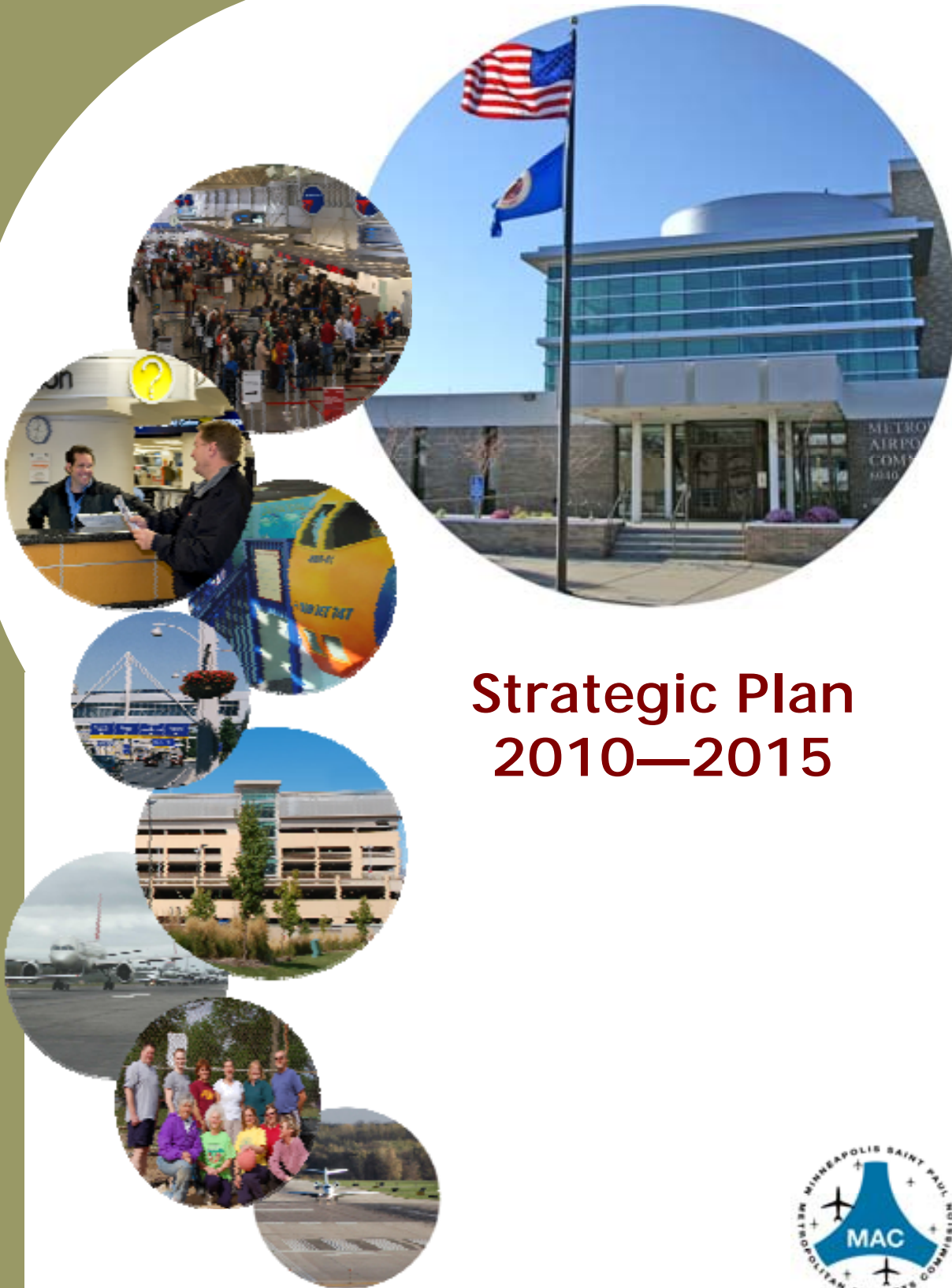


METROPOLITAN AIRPORTS COMMISSION



Strategic Plan 2010—2015



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Introduction

To the Public:

Economic challenges in the world economy and in the aviation industry in particular make sound strategic planning even more essential today than usual. The Metropolitan Airports Commission's 2010-2015 Strategic Plan identifies the critical issues facing our organization, outlines our strategic goals, and defines the key initiatives we will undertake in 2010.

Of particular note in this year's plan is a new vision statement for the organization: *"To give our customers the best airport experience in North America."* That's a tall order for any airport operator even in the best of times. Yet it is one we are committed to achieving. Our 2010 key initiatives reflect that commitment:

- Expanding the Customer Service Partnership Initiative, which brings together representatives from throughout the MSP community – airlines, food and retail vendors, service providers and others – to coordinate efforts aimed at ensuring every traveler receives first class service when flying through MSP
- Benchmarking MSP's performance against other airports to identify areas for improvement
- Enhancing way-finding signage so that people have the information they need to select the proper terminal for their airline and to navigate the airport campus
- Constructing a new, climate-controlled skyway linking the MSP Value Parking garage and light rail station directly to the Humphrey Terminal
- Making MSP more accessible and user friendly for people with disabilities
- Actively seeking new and expanded air service from domestic and international carriers
- Fully incorporating social media into our overall communication efforts as a user friendly way of sharing useful, current information about MSP and soliciting feedback from our airport customers

-more-

Introduction

-Continued-

- Providing a central Web portal for cost-effective B2B communication with airport business partners and tenants
- Continuing progress implementing the most extensive airport noise mitigation program in the nation
- Pursuing new, diverse revenue sources to help fund operation of and improvements to MSP and the MAC's six reliever airports
- Enhancing MAC's technological capabilities and related efficiencies by completing integration of EnterpriseOne and GIS systems

The Twin Cities enjoys direct flights to more destinations than nearly any other U.S. metropolitan area. Our strategic plan for 2010-2015 builds on that achievement and reflects efforts to ensure the people who travel on those flights have a top-notch airport experience. At the same time the plan reflects economic realities, minimizing new expenditures and maintaining MSP's status as one of the lowest cost hub airports in the nation, giving airlines one more reason to initiate or add service to Minnesota.

Thank you for your interest in the Metropolitan Airports Commission and its seven airports: Minneapolis-St. Paul International, Airlake, Anoka County-Blaine, Crystal, Flying Cloud, Lake Elmo, and St. Paul Downtown (Holman Field). We look forward to serving you in 2010 and beyond.

Sincerely,



Jack Lanners
Chairman



Jeff Hamiel
Executive Director



"To give our customers the best airport experience in North America!"

- Our vision applies to:
 - MAC as an Organization
 - MSP and the Reliever Airports
 - All of our Customers:
 - The Citizens of the Region
 - The Traveling Public
 - Regional Businesses
 - Airport Tenants and Concessionaires
 - The Airline Industry and
 - General Aviation
- Our vision guides our priorities, decision making and actions as we move forward.



Our Mission

“We provide and promote safe, convenient, environmentally sound and cost-competitive aviation services for our customers.”

Provide

Our mission is to provide and maintain airport facilities and services that meet the needs of our community.

Promote

Our mission is to promote the use of airport facilities and services in ways that drive regional economic development.

Safe

Our mission is to provide a safe and secure airport environment throughout our system of airports.

Environmentally Sound

Our mission is to be environmental stewards of these public assets.

Convenient

Our mission is to ensure that our facilities are easily accessible and convenient for all.

Cost Competitive

Our mission is to provide products and services at competitive prices.

Aviation Services

Our mission is to provide and maintain an airport infrastructure that supports the national system of air transportation.

Our Customers

Our mission is to balance the often competing needs of our customers:

- The Citizens of the Region
- The Traveling Public
- Regional Businesses
- Airport Tenants and Concessionaires
- The Airline Industry
- General Aviation

Our Values

Integrity

- We do business in an honest, fair, open, and respectful manner.
- We live up to our responsibilities, meet our objectives, and fulfill our commitments.
- We maintain our credibility through timely communication with customers, employees and stakeholders.
- We instill confidence in all who deal with our organization that we can be depended upon to act with the highest moral and ethical standards.

Fiscal Responsibility

- We make sound financial decisions that balance the interests of the **organization**, community, partners, stakeholders, and customers.
- We make decisions that help to drive the economic vitality of this region.
- We maintain policies to provide adequate revenues to operate without general tax support or the exercising of our authority to levy taxes.

Innovation and Excellence

- We seek creative and innovative solutions to complex challenges.
- We set high standards in all aspects of our organization and focus on continuous improvement.

Commitment to the Community and the Environment

- We are responsive to the environmental concerns of the community.
- We demonstrate leadership in sound environmental management.
- We promote open and honest communication about environmental concerns.

Teamwork

- We reach common goals through strong relationships based on trust.
- We commit ourselves to open and respectful communication.

Employees

- We value our employees for their skills and abilities, ethical behavior, diversity, creativity, innovation, and sound judgment.
- We provide our employees with rewarding work, opportunities for professional growth and an appreciative work environment based on trust, respect for each other and open communication.

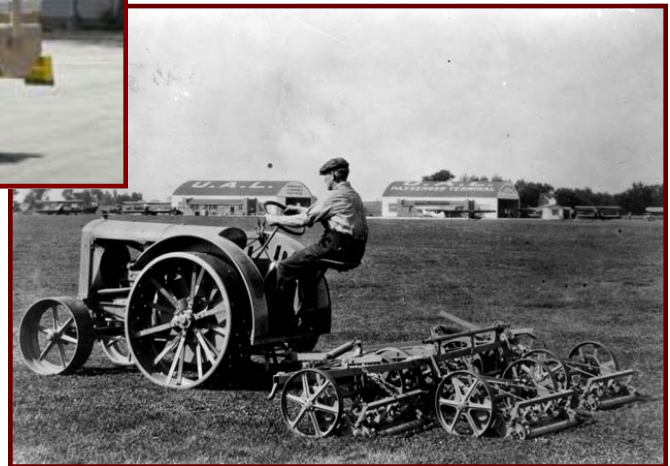
Our Critical Issues

Transitioning the Organization through Changes in Leadership



Challenge: A majority of the executive leadership team is eligible to retire during the life of this plan. Retirements will also take place in a number of key technical and professional positions. We must remain a high performing organization as these transitions occur.

Implication: MAC needs to ensure transition plans are created as needed, develop internal talent, recruit/select the successful candidates and facilitate the integration into their new role.



Maintaining and Nurturing MAC's Organizational Culture



Challenge: MAC's organizational performance and success is largely attributable to the internal culture based on trust, respect and commitment.

Implication: MAC needs to affirm the organization's culture and develop strategies to build upon this solid foundation.

Our Critical Issues, continued

Diversifying Our Revenue Streams



Challenge: The economics of the airline industry calls for the diversification of MAC's portfolio to be less reliant on limited sources of revenue.

Implication: MAC needs to focus on ways/methods to capture alternative revenue sources for both MSP and the Reliever Airports.



Addressing the Impacts of a Sluggish Economy on the Industry



Challenge: MAC's challenge is to successfully operate the organization under the financially restrictive conditions while meeting the expectations of our customers and maintaining the current infrastructure.

Implication: Our operating budget needs to adequately fund organizational priorities while balancing long term financial objectives.

Our Critical Issues, continued

Complying with the 2007 Noise Mitigation Consent Decree



Challenge: MAC's challenge is to meet the timelines and financial commitments of this Consent Decree as set forth by the court.

Implication: MAC needs to identify ways to fulfill the mandate of the Consent Decree while continuing to provide adequate resources to operate the organization on a year to year basis.

Leveraging Technology



Challenge: MAC is challenged to get more done with less through the use of technology.

Implication: MAC needs to take advantage of the investments we have made in resources and make strategic decisions on the acquisition and use of new technology.



Maintaining Current and New Infrastructure



Challenge: The investments made in the public assets of MSP and the Reliever Airports need to be maintained and preserved.

Implications: MAC needs to budget sufficiently for the operational expenses of our existing facilities and include life cycle costs with the development plans during the CIP process.

Our Strategic Goals

Assure Financial Viability

Ensure MAC has the financial resources necessary to operate our airport system and meet all debt service obligations in any scenario and maintain our existing bond ratings.

Provide a Great Customer Experience

Ensure that all our customers, the Citizens of the Region, the Traveling Public, Regional Businesses, Airport Tenants and Concessionaires, the Airline Industry and General Aviation have the best airport experience in North America.



Match Employee Talent with Changing Business Needs

Make sure that the right people with the right skills and experience are in the right place to fulfill MAC's mission and achieve our vision.

Leverage Resources and Technology

Take full advantage of resources and technology to improve performance, increase productivity and deliver cost-effective services.

Strengthen Partnerships and Relationships

Expand effectiveness through internal teamwork and strengthening external relationships and partnerships with tenants, concessionaires, airlines, neighboring communities, regional businesses, and governmental agencies.

2010 Key Initiatives

Expand airport wide customer service partnership program.

Outcome: Tenant and partner base have solid understanding and clarity about MAC's vision for 2015 and have worked with MAC staff to develop and implement plans to help achieve that vision.

Potential Budget Impact: \$100,000



Benchmark top airport competition in North America.

Outcome: MAC knows what programs and services need to be put into place to achieve our vision.

Potential Budget Impact: \$15,000



2010 Key Initiatives, continued

Install new highway and terminal way finding signage.

Outcome: Implement on time, on budget and provide customers improved way finding to their correct departure terminal.

Potential Budget Impact: \$1.6M
(Capital Budget)



Open Humphrey Terminal Skyway.

Outcome: Implement on time, on budget and provide customers with improved, climate controlled connectivity to LRT with increased customer satisfaction.

Potential Budget Impact: \$17M
(Capital Budget)



Increase MSP's Accessibility Index.

Outcome: Customers with disabilities experience improved access capabilities throughout MSP.

Potential Budget Impact: \$43,000



2010 Key Initiatives, continued

Promote MSP to international and domestic airlines.

Outcome: Provide increased service levels with more choices for destinations from and connecting through MSP.

Potential Budget Impact: \$140,000



Implement strategy for incorporating social media and mobile communications into customer communications.

Outcome: Customers experience increased integration and easier access to information for their decision making.

Potential Budget Impact: \$40,000



Develop central Web portal for tenant communications, forms, process instructions, feedback and Q & A.

Outcome: Seamless communication is experienced by MAC tenants that results in administrative savings and more cohesive partnerships.

Potential Budget Impact: \$40,000

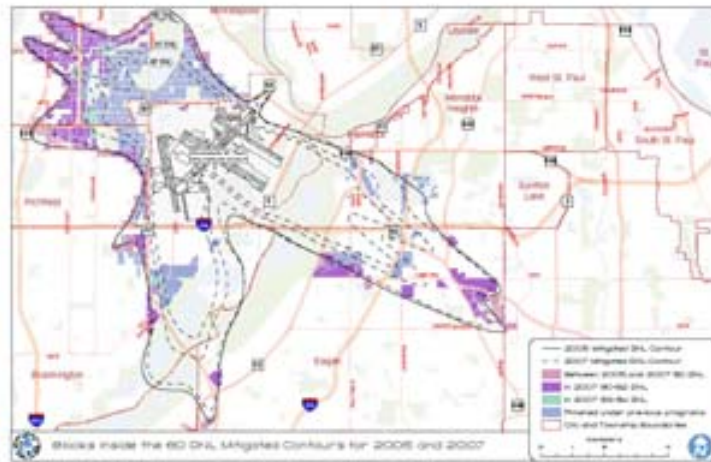


2010 Key Initiatives, continued

Implement provisions of the 60 DNL Noise Program.

Outcome: Complete the 2010 elements of the Noise Program.

Potential Budget Impact:
\$43.3M (Capital Budget)



Pursue new MSP and Reliever Airports revenue opportunities.

Outcome: Identify and begin implementation of new development models which result in diversification of revenues.

Potential Budget Impact: \$30,000



Complete the implementation and integration of EnterpriseOne and GIS elements.

- Outcome:**
- 1) Planned elements completed—open enrollment, utility billing, A/R statements, work order/maintenance, online purchase requisitions.
 - 2) GIS and E1 are integrated and operational.
 - 3) Concessions data, maintenance processing in place.

Potential Budget Impact: \$250,000
(Capital Budget)



Our Key Areas of Performance



Our Performance Indicators—Safety & Security

Safety

| MSP Runway Incursions & Airfield Violations | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|-------------|-------------|-------------|-------------|-------------|
| Airfield Operations Area (AOA Violations) | 4 | 3 | 13 | 5 | 2 |
| Citations Issued | 21 | 35 | 43 | 79 | 58 |
| Warning Citations Issued | 80 | 56 | 47 | 35 | 6 |
| Runway Incursions | 1 | 1 | 0 | 0 | 0 |

| Reliever Airport Runway Incursions | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|-------------|-------------|-------------|-------------|-------------|
| Runway Incursions | 3 | 2 | 2 | 4 | 10 |

| Employee Accidents & Incidents | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|-------------|-------------|-------------|-------------|-------------|
| Total Employee Injuries | 82 | 91 | 107 | 84 | 71 |
| OSHA Recordable Injuries | 33 | 29 | 34 | 28 | 24 |
| Injuries Per FTE | 0.15 | 0.15 | 0.19 | 0.15 | 0.12 |
| Lost Work Days Per FTE | 0.16 | 0.69 | 0.41 | 0.33 | 0.05 |
| Workers Comp Experience Rating Modification Factor | 0.73 | 0.86 | 1.05 | 0.97 | 0.92 |
| MAC Vehicle Accidents | 45 | 64 | 50 | 37 | 35 |

| Airport User Accidents & Incidents | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|-------------|-------------|-------------|-------------|-------------|
| Claims Cost Per Million Enplaned Passengers | \$127,462 | \$79,442 | \$120,956 | \$156,145 | \$138,138 |
| Number of Accidents & Incidents | 313 | 294 | 186 | 205 | 198 |

Security

| Security Breaches & Violations | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|-------------|-------------|-------------|-------------|-------------|
| Failure to Display Security Badge | 20 | 13 | 11 | 12 | 6 |
| Piggybacking | 47 | 26 | 17 | 9 | 17 |
| Failure to Challenge | 13 | 45* | 14 | 16 | 14 |

*This upward spike is due to increased staffing in the Aviation Security Division and education efforts.

Our Performance Indicators—Financial

Financial Responsibility

| Cost Performance | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|---------|---------|---------|---------|---------|
| Operating Cost Per Enplaned Passenger | \$5.78 | \$6.18 | \$6.51 | \$7.35 | \$7.74 |
| Operating Cost Per Enplaned Passenger (with depreciation) | \$10.52 | \$11.50 | \$12.89 | \$14.14 | \$14.91 |
| Airline Operating Expense Per Enplaned Passenger | \$4.55 | \$5.06 | \$5.23 | \$5.21 | \$5.32 |

| Debt Management | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|-------|-------|-------|-------|-------|
| Senior Debt Service Coverage | 1.72x | 2.03x | 2.14x | 2.30x | 2.11x |
| Long Term Debt as % of Total Assets | 53.0% | 56.4% | 51.1% | 48.2% | 50.3% |
| Debt Service as % of Operating Revenue | 63.8% | 56.3% | 57.7% | 58.9% | 56.1% |

| Revenue Performance | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|----------|----------|----------|----------|----------|
| Operating Revenue Per Enplaned Passenger | \$11.15 | \$12.56 | \$14.56 | \$14.04 | \$14.74 |
| Non-Aeronautical Revenues as % of Operating Revenue | 51.8% | 51.5% | 59.1% | 64.1% | 64.4% |
| Non-Aeronautical Revenue from Relievers* | \$39,277 | \$69,067 | \$84,513 | \$88,882 | \$93,890 |

| Operating Performance | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|--------|--------|--------|---------|---------|
| Operating Income Margin | 5.64% | 8.44% | 11.47% | -0.72% | -1.14% |
| Operating Income Per Enplaned Passenger | \$0.63 | \$1.05 | \$1.67 | -\$0.10 | -\$0.17 |
| Revenue-to-Expenditure Ratio | 1.06 | 1.09 | 1.13 | 0.99 | 0.99 |

| Disadvantaged Business Enterprise | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|------|------|-------|-------|-------|
| % of Concession Dollars October — September | 9.0% | 9.8% | 22.5% | 21.4% | 12.4% |

* Unaudited results

Our Performance Indicators—Operations

Airport Operations

| MSP | 2004 | 2005 | 2006 | 2007 | 2008 |
|-----------------------------|--------|--------|--------|--------|--------|
| Enplaned Passengers Per FTE | 33,940 | 32,288 | 32,138 | 32,291 | 28,998 |
| Operations Per FTE | 1093 | 971 | 890 | 862 | 797 |



| Reliever Airports | 2004 | 2005 | 2006 | 2007 | 2008 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Operations Per FTE | 24,257 | 21,577 | 21,718 | 18,687 | 17,704 |
| Tenants per FTE | 37.3 | 30.3 | 33.4 | 33.4 | 33.5 |
| Based Aircraft Per FTE | 67.6 | 67.6 | 72.3 | 71.7 | 68.2 |
| Annual MSP Subsidy | \$4,069,000 | \$3,100,000 | \$2,150,000 | \$2,297,000 | \$2,614,000 |

Our Performance Indicators—Development

Airport Development

| Disadvantaged Business Enterprise | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|-------------|-------------|-------------|-------------|-------------|
| % of Construction Contract \$ October—September | 9.5% | 16.6% | 8.9% | 6.6% | 10.8% |

| Targeted Group Business | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|-------------|-------------|-------------|-------------|-------------|
| % of Total Construction Contract \$ (July—June) | 3.0% | 5.2% | 2.8% | 2.5% | 2.9% |



Our Performance Indicators—People

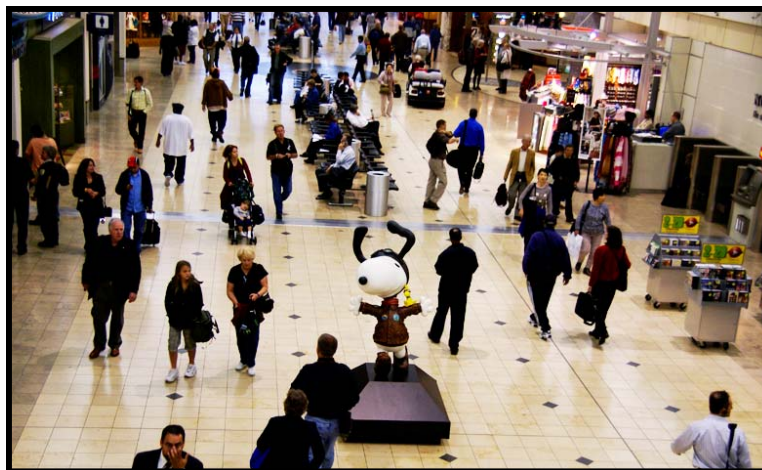
People

| People | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------------------|-----------|-----------|-----------|-----------|---------|
| Overtime as % of Total Wages | 9.6% | 10.9% | 8.6% | 11.4% | 10.1% |
| Operating Revenue Per Employee | \$366,276 | \$410,190 | \$447,973 | \$433,578 | 427,529 |
| Operating Expense Per FTE | \$190,095 | \$202,276 | \$200,229 | \$226,828 | 224,310 |
| Personnel % Total Operating Expense | 27.2% | 28.5% | 24.3% | 23.5% | 24.5% |
| Terminal Square Feet Per FTE | 4,482 | 5,566 | 5,551 | 5,641 | 5,487 |
| Airfield Pavement Square Feet Per FTE | 2,703 | 3,418 | 3,402 | 3,464 | 3363 |
| Employee Job Satisfaction (Scale 1-6) | 4.86 | 4.8 | 4.8 | 4.73 | 4.95 |
| Annual Employee Turnover | 4.75% | 7.45% | 4.11% | 7.06% | 4.96% |
| Affirmative Action % of Workforce | | | | | |
| Female | 23.0% | 22.7% | 23.8% | 24.4% | 25.0% |
| Minority | 9.0% | 9.0% | 9.6% | 8.9% | 8.8% |
| Disabled | 2.0% | 1.8% | 2.1% | 2.5% | NA |

Performance Indicators—Environmental Stewardship

Environmental Stewardship

| Environmental | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|------|------|------|------|------|
| Violations Identified by a Regulatory Agency | 0 | 1 | 0 | 0 | 0 |
| Reduction in Discharged De-Icing Material to River | 80% | 83% | 79% | 87% | 81% |



Performance Indicators—Customer Service

Customer Service

| Customer Service | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------------------------------|------|------|------|------|------|
| Airport Service Performance Rating * | 3.89 | 3.87 | 3.82 | 4.08 | 4.17 |
| Complaints Per 100,000 Passengers | .91 | 1.02 | 1.40 | 1.59 | 1.72 |

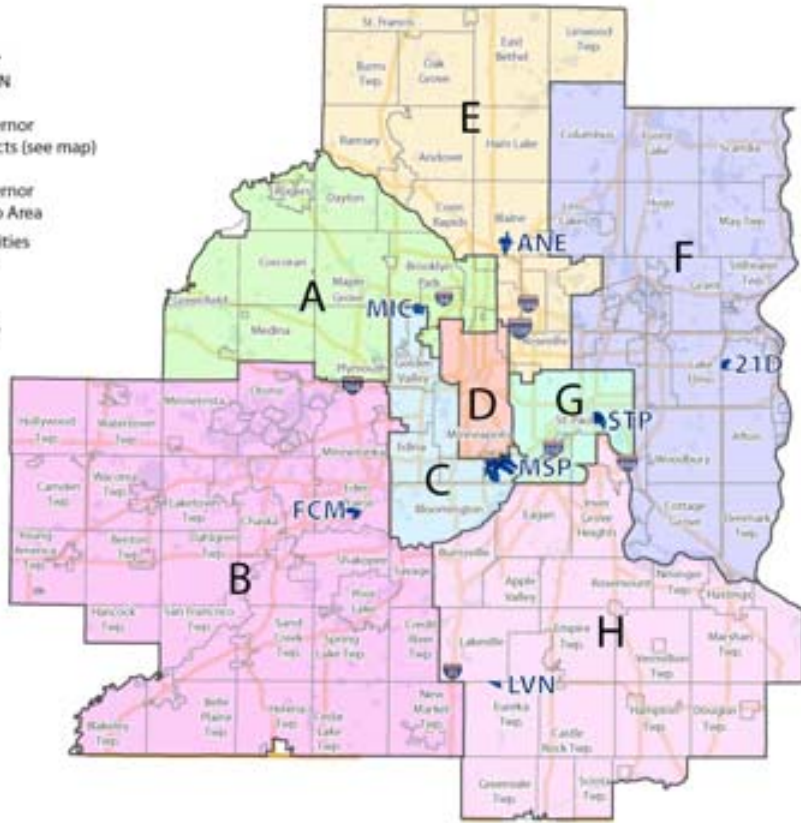


*ACI survey Scale 1-5

Our Commissioners

Commission Structure

- (1) Chair - appointed by the Governor at large from the State of MN
- (8) Members - appointed by the Governor from Metro Area Districts (see map)
- (4) Members - appointed by the Governor from outside the Metro Area
 - 2 - from "Key Airport" communities
 - 2 - from "Intermediate Airport" communities
- (1) Mayor of St. Paul or their designee
- (1) Mayor of Minneapolis or their designee
- (15) Total



Jack Lanners
Chairman



Sherry Stenerson
District A



Molly Sigel
District B



Lisa Pollen
District C



John Williams
District D



Andy Westerberg
District E



Robert Nelson
District F



John McDonald, Jr.
District G



Bart McKasy
District H



Daniel Bolvin
Minneapolis (municipal)



Pat Harris
St. Paul (municipal)



Mike Landy
Outstate - Saint Cloud



Donald Monaco
Outstate - Duluth



Paul Rehkamp
Outstate - Marshfield



Timothy Geisler
Outstate - Rochester

