NEW ISSUE – BOOK ENTRY ONLY

In the opinion of Bond Counsel, under existing law and assuming compliance with certain arbitrage rebate and other tax requirements referred to herein, interest on the 2009A Bonds is excludable from gross income for federal income tax purposes, except no opinion is expressed as to the exclusion from gross income of interest on any 2009A Bond for any period during which such 2009A Bond is held by a person who is a "substantial user," within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, of any project financed with proceeds of the 2009A Bonds or a "related person" to such a "substantial user." It is also the opinion of Bond Counsel that interest on the 2009A Bonds will not be included in the alternative minimum taxable income of either corporate or non-corporate holders of the 2009A Bonds. For a further description of the alternative minimum tax and a description of the consequences to holders of the 2009A Bonds of other provisions of the Internal Revenue Code of 1986, as amended, see "TAX MATTERS" herein.

HILLSBOROUGH COUNTY AVIATION AUTHORITY, FLORIDA

Tampa International Airport

$48,095,000
Tampa International Airport
Revenue Bonds
2009 Series A (PFC)

Dated: Date of Delivery **Due:** October 1 as shown on the inside front cover

The Hillsborough County Aviation Authority (the "Authority") is issuing its Tampa International Airport Revenue Bonds, 2009 Series A (PFC) in the principal amount of $48,095,000 (the "2009A Bonds"). Proceeds from the 2009A Bonds will be used for the purpose of financing a portion of the cost of the 2009 Project (as defined herein). See "PURPOSE OF THE 2009A BONDS – THE 2009 PROJECT" herein. Proceeds from the 2009A Bonds will also be used to make a deposit into a separate 2009A Reserve Account in conjunction with the issuance of the 2009A Bonds, to repay $6,000,000 in principal amount of Commercial Paper Notes and to pay certain costs of issuance incurred in connection with the issuance of the 2009A Bonds.

The 2009A Bonds are being issued in fully registered form and, when initially issued, will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York. Individual purchases of beneficial interests in the 2009A Bonds will be made in book-entry form only in the principal amount of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the 2009A Bonds will not receive physical delivery of bond certificates. Interest on the 2009A Bonds will accrue from their date of issuance and will be payable semi-annually on October 1 and April 1 in each year, commencing October 1, 2009.

The 2009A Bonds are not subject to redemption prior to their stated maturity.

The 2009A Bonds are payable solely from and secured by a lien on the Revenues derived by the Authority from the operation of the Airport System (as defined herein), after the payment of Operating Expenses (as defined herein). Revenues include Available PFC Revenues (as defined herein). The 2009A Bonds will be on a parity with certain other bonds heretofore issued by the Authority and currently Outstanding (as defined herein) in the aggregate principal amount of $779,320,000 after the issuance of the 2009A Bonds. See "OUTSTANDING DEBT – Parity Bonds" and "SECURITY FOR THE 2009A BONDS" herein.

The 2009A Bonds do not constitute a general indebtedness of the Authority, Hillsborough County, the City of Tampa, or any other political subdivision in the State of Florida within the meaning of any constitutional, statutory or charter provision or limitation. Neither the faith and credit nor taxing power of the Authority, Hillsborough County, the City of Tampa, the State of Florida or any other political subdivision of the State is pledged to the payment of the 2009A Bonds.

The 2009A Bonds are offered when, as and if issued, subject to the approval of legality by Holland & Knight LLP, Tampa, Florida, Bond Counsel. Certain legal matters are being passed upon for the Underwriters by GrayRobinson, P.A., Tampa, Florida, Counsel for the Underwriters. Certain legal matters are being passed upon for the Authority by its General Counsel, Gigi Skipper Rechel, Esquire. It is expected that definitive 2009A Bonds will be available for delivery in New York, New York, on or about June 30, 2009.

J.P. Morgan

Citi **Goldman, Sachs & Co.**

Raymond James & Associates, Inc. **Siebert Brandford Shank & Co., LLC**

Dated: June 23, 2009

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
YIELDS, PRICES AND CUSIP NUMBERS

$48,095,000
HILLSBOROUGH COUNTY AVIATION AUTHORITY, FLORIDA
Tampa International Airport
Revenue Bonds, 2009 Series A (PFC)

Amount	Maturity (October 1)	Interest Rate	Yield	Price	CUSIP Numbers*
$1,890,000	2011	3.000%	2.510%	101.064	432308ZM9
3,225,000	2011	4.000	2.510	103.240	432308A20
575,000	2012	3.250	2.920	101.014	432308ZN7
4,725,000	2012	5.000	2.920	106.405	432308ZV9
505,000	2013	3.750	3.380	101.450	432308ZP2
5,050,000	2013	5.000	3.380	106.362	432308ZW7
5,825,000	2014	5.000	3.760	105.855	432308ZQ0
280,000	2015	4.250	4.000	101.365	432308ZR8
5,840,000	2015	5.000	4.000	105.477	432308ZX5
2,395,000	2016	4.125	4.270	99.098	432308ZS6
4,025,000	2016	5.000	4.270	104.505	432308ZY3
3,925,000	2017	4.375	4.530	98.936	432308ZT4
2,800,000	2017	5.000	4.530	103.199	432308ZZ0
7,035,000	2018	5.000	4.730	101.997	432308ZU1

*The Authority is not responsible for the use of CUSIP numbers, nor is a representation made as to their correctness. The CUSIP numbers are included solely for the convenience of the readers of this Official Statement.

HILLSBOROUGH COUNTY AVIATION AUTHORITY

MEMBERS

Stephen J. Mitchell,* Chairman
Ken Anthony*
Alfred S. Austin
Pam Iorio
(Mayor, City of Tampa)
Ken Hagan
(Chair, Board of County Commissioners of Hillsborough County)

AUTHORITY MANAGEMENT

Louis E. Miller, Executive Director
John Wheat, Deputy Executive Director
Edward B. Cooley, III, Senior Director of Operations and Public Safety
Louis P. Russo, Senior Director of Planning and Development
Diane Pryor-Vercelli, Senior Director of Properties and Contracts Administration
Al Illustrato, Jr., Senior Director of Maintenance
Sharon Weaver, Senior Director of Administration and Information Technology
Ann Davis, Senior Director of Finance
Gigi Skipper Rechel, General Counsel
Don Whitworth, Director of Performance Management and Internal Audit
Don Welch, Director of Human Resources
Trudy Carson, Director of Air Service Development
Brenda Geoghagan, Director of Public Information and Community Relations
Darcy Foster, Director of Governmental and Legislative Affairs

BOND COUNSEL

Holland & Knight LLP
Tampa, Florida

INDEPENDENT AUDITORS

Ernst & Young LLP
Tampa, Florida

FINANCIAL ADVISOR

Fullerton & Friar, Inc.
Largo, Florida

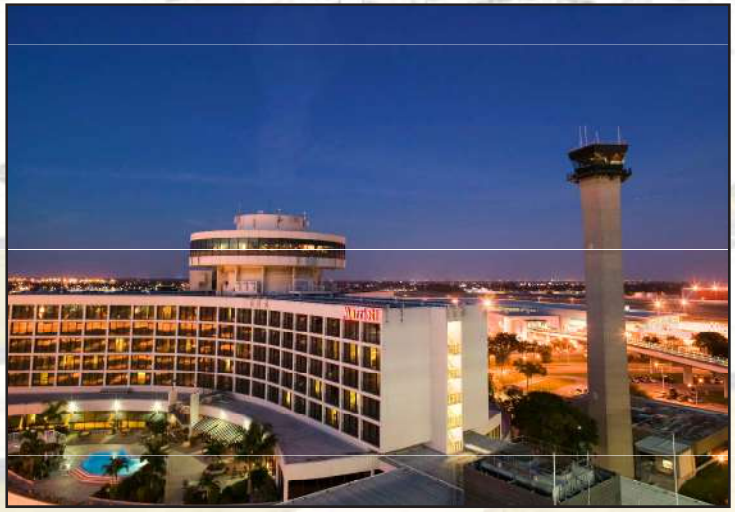
AIRPORT CONSULTANT

Ricondo & Associates, Inc.
Cincinnati, Ohio

* Terms expiring on July 1, 2009. Stephen J. Mitchell and Ken Anthony will continue to serve as members of the Authority until the Governor makes new appointments or re-appoints either or both.

Economy Parking
Economy Parking

Ted
N553AA



Continental
AirTran

No dealer, broker, account executive, financial consultant or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the 2009A Bonds described herein, and if given or made, such information or representations must not be relied upon as having been authorized by the Authority or the Underwriters. This Official Statement does not constitute an offer to sell the 2009A Bonds or a solicitation of an offer to buy nor shall there be any sale of the 2009A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Except where otherwise indicated, the information set forth herein has been furnished by the Authority and by other sources which are believed to be reliable. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not expressly so stated, are intended as such and are not representations of fact, and the Authority expressly makes no representation that such estimates, assumptions or opinions will be realized or fulfilled. The information and expressions of opinion herein are subject to change without notice and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE AUTHORITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE 2009A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE 2009A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE TRUST AGREEMENT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE 2009A BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE 2009A BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE 2009A BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information (except for information under the section captioned "UNDERWRITING").

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OFFICIAL STATEMENT

HILLSBOROUGH COUNTY AVIATION AUTHORITY, FLORIDA

$48,095,000
Tampa International Airport
Revenue Bonds
2009 Series A (PFC)

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices, furnishes information relating to the Hillsborough County Aviation Authority, Florida (the "Authority") and its Tampa International Airport Revenue Bonds, 2009 Series A (PFC) in the principal amount of $48,095,000 (the "2009A Bonds"). Proceeds from the 2009A Bonds will be used for the purpose of financing a portion of the cost of the 2009 Project (as defined herein). Proceeds from the 2009A Bonds will also be used to make deposits into a separate 2009A Reserve Account in conjunction with the issuance of the 2009A Bonds, to repay $6,000,000 in principal amount of Commercial Paper Notes and to pay certain costs of issuance incurred in connection with the issuance of the 2009A Bonds.

The 2009A Bonds are being issued under the provisions of a Trust Agreement, dated as of October 1, 1968, as amended and supplemented from time to time, as codified and restated in a Codified and Restated Trust Agreement effective as of September 1, 2006, as amended (collectively, the "2006 Trust Agreement"), by and between the Authority and The Bank of New York Mellon (successor trustee to JPMorgan Chase Bank, N.A. which was successor trustee to The Chase Manhattan Bank National Association), New York, New York, as Trustee (the "Trustee", "Paying Agent" and "Registrar"), as supplemented and amended prior to the date hereof, and as supplemented by a Supplemental Trust Agreement dated as of June 1, 2009 (the "2009 Supplemental Trust Agreement" and, collectively with the 2006 Trust Agreement, the "Trust Agreement"). The Authority adopted Resolution No. 2009-67 on June 4, 2009 (the "Resolution") authorizing the issuance of the 2009A Bonds and the execution of the 2009 Supplemental Trust Agreement.

The 2009A Bonds will be secured equally and on a parity with certain Bonds of the Authority and any other Additional Bonds issued by the Authority. See "OUTSTANDING DEBT – Parity Bonds."

Definitions of certain words and terms having initial capitals used herein are contained in APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT" and APPENDIX D – "PROPOSED CONCEPTUAL AMENDMENTS TO CERTAIN PROVISIONS OF THE TRUST AGREEMENT."

The Authority, a public body, corporate and politic and an independent special district, operates Tampa International Airport (sometimes referred to herein as the "Airport") and three general aviation reliever airports. The Airport is primarily an origin-destination airport, serving the Tampa Bay region and surrounding area. See "AIR TRADE AREA."

Brief descriptions and summaries of the 2009A Bonds and the Trust Agreement are included in this Official Statement, APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT" and APPENDIX D – "PROPOSED CONCEPTUAL AMENDMENTS TO CERTAIN PROVISIONS OF THE TRUST AGREEMENT." Those descriptions and summaries do not purport to be complete, comprehensive or definitive. All references in this Official Statement to the Trust Agreement are qualified by reference to the Trust Agreement in its entirety, and all references to the

2009A Bonds are qualified by reference to the definitive form of the 2009A Bonds included in the Trust Agreement. Copies of the Trust Agreement are available for inspection at the office of the Authority and, after delivery of the 2009A Bonds, will be available for inspection at the principal corporate trust office of the Trustee in New York, New York.

THE AUTHORITY

The Authority is a public body corporate and is an independent special district pursuant to the provisions of Chapter 2003-370, Laws of Florida, Acts of 2003 and acts amendatory thereof and supplemental thereto (the "Act"). The Act provides that the Authority shall have exclusive jurisdiction, control, supervision and management over all publicly owned airports in Hillsborough County, Florida (the "County"). Pursuant to the Act, there are five Authority Board members, consisting of three residents of the County appointed to the Authority by the Governor of the State of Florida (the "State") for four year terms; the Mayor of the City of Tampa, Florida (the "City"), ex officio; and a Commissioner of (and selected by) the Board of County Commissioners of the County, ex officio.

Under the Act, the Authority has no power at any time or in any manner to pledge the taxing power of the County, the City, or any political subdivision or agency thereof, nor shall any of the obligations issued by the Authority be deemed to be obligations of the County, the City, the State or any political subdivision or agency thereof secured by and payable from ad valorem taxes.

Under the Act, the State has pledged to any person acquiring bonds issued by the Authority for the construction, extension, improvement or enlargement of Authority Facilities defined in the Act as "an airport, airports and other aviation facilities and facilities related thereto and any portion thereof, air navigation facilities and special purpose facilities and any portion thereof," that the State will not limit or alter the rights vested in the Authority by the Act until all bonds at any time issued, together with the interest thereon, are fully paid and discharged.

AUTHORIZATION OF THE 2009A BONDS

The 2009A Bonds are authorized to be issued under and secured by the Trust Agreement, pursuant to and in accordance with the provisions of the Resolution and the Act.

DESCRIPTION OF THE 2009A BONDS

General

The 2009A Bonds will bear interest at the respective rates and mature on the dates and in the respective amounts set forth on the inside cover page of this Official Statement. Interest on the 2009A Bonds will accrue from their date of delivery and is payable on October 1, 2009, and semi-annually thereafter on April 1 and October 1 of each year. The 2009A Bonds are issuable as fully registered bonds in the denomination of $5,000 each or any integral multiple thereof. Principal and premium, if any, on the 2009A Bonds will be paid by the Trustee at its corporate trust office in New York, New York. Interest on the 2009A Bonds will be paid by check or draft mailed to the registered owners at their addresses as they appear on the registration books at the close of business on the 15th day (whether or not a business day) of the month next preceding the interest payment date (the "Record Date"), irrespective of any transfer or exchange subsequent to the Record Date and prior to such interest payment date. Payment of principal of, upon presentation and surrender, or interest on the 2009A Bonds may, at the election of a registered owner of $1,000,000 or more in aggregate principal amount of 2009A Bonds, by written request delivered to the Trustee at least 10 days prior to the applicable Record Date, be transmitted to such registered owner by wire transfer to an account in the continental United States designated by such

registered owner. Any such written election may state that it will apply to all subsequent payments due with respect to the 2009A Bonds held by such registered owner until a subsequent written notice is filed with the Trustee.

The 2009A Bonds are being issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") which will act as securities depository for the 2009A Bonds. Purchases of beneficial interests in the 2009A Bonds will be made in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the 2009A Bonds will not receive certificates representing their interests in the 2009A Bonds. So long as DTC or its nominee, Cede & Co., is the registered owner, payments with respect to the 2009A Bonds will be made directly to Cede & Co. Disbursements of such payments to the Direct Participants of the DTC book entry system are the responsibility of DTC, and disbursements of such payments to beneficial owners are the responsibility of the Direct Participants and the Indirect Participants. Neither the Authority nor the Trustee shall be responsible for distributions to the beneficial owners. Transfers of beneficial interests will be accomplished by DTC, Direct Participants and Indirect Participants acting on behalf of the beneficial owners in accordance with DTC procedures and applicable state laws. See "BOOK-ENTRY ONLY SYSTEM" herein.

Redemption

The 2009A Bonds are not subject to redemption prior to their stated maturity.

BOOK-ENTRY ONLY SYSTEM

The information in this caption concerning The Depository Trust Company, New York, New York ("DTC") and DTC's book entry system has been obtained from DTC and neither the Authority nor the Underwriters make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the 2009A Bonds. The 2009A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2009A Bonds and deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship

with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at its home page on the World Wide Web.

Purchases of the 2009A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such 2009A Bonds on DTC's records. The ownership interest of each actual purchaser of each 2009A Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2009A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2009A Bonds, except in the event that use of the book-entry system for the 2009A Bonds is discontinued.

To facilitate subsequent transfers, all of the 2009A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the 2009A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2009A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2009A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2009A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2009A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2009A Bond documents. For example, Beneficial Owners of the 2009A Bonds may wish to ascertain that the nominee holding the 2009A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of a maturity of the 2009A Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2009A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2009A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the 2009A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail

information from the Authority or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, nor the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee. Disbursement of such payments to Direct Participants will be the responsibility of DTC. Disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2009A Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, the 2009A Bonds are required to be printed and delivered.

The Authority may, pursuant to the procedures of DTC, decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the 2009A Bonds will be printed and delivered to DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2009A BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDER OF THE 2009A BONDS OR REGISTERED OWNERS OF THE 2009A BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2009A BONDS.

The Authority can make no assurances that DTC will distribute payments of principal of, redemption premium, if any, or interest on the 2009A Bonds to the Direct Participants, or that Direct and Indirect Participants will distribute payments of principal of, redemption price, if any, or interest on the 2009A Bonds or redemption notices to the Beneficial Owners of such 2009A Bonds or that they will do so on a timely basis, or that DTC or any of its Participants will act in a manner described in this Official Statement. The Authority is not responsible or liable for the failure of DTC to make any payment to any Direct Participant or failure of any Direct or Indirect Participant to give any notice or make any payment to a Beneficial Owner in respect to the 2009A Bonds or any error or delay relating thereto.

The rights of holders of beneficial interests in the 2009A Bonds and the manner of transferring or pledging those interests is subject to applicable state law. Holders of beneficial interests in the 2009A Bonds may want to discuss the manner of transferring or pledging their interest in the 2009A Bonds with their legal advisors.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the 2009A Bond certificates will be printed and delivered. Thereafter, the 2009A Bond certificates may be transferred and exchanged as described in the Trust Agreement. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT" and APPENDIX D – "PROPOSED CONCEPTUAL AMENDMENTS TO CERTAIN PROVISIONS OF THE TRUST AGREEMENT."

PURPOSE OF THE 2009A BONDS – THE 2009 PROJECT

Proceeds from the 2009A Bonds will be used for the purpose of financing a portion of the 2009 Project, which includes the North Terminal Complex Conceptual Design and the Taxiway B Rehabilitation, Bridge and Service Road (collectively, the "2009 Project").

North Terminal Complex Conceptual Design

In the 2005 Master Plan update, the Authority identified a major capital expansion anticipated to be needed to meet future capacity. This group of capital projects is collectively known as the North Terminal Complex. In the first half of Fiscal Year 2008, the Authority anticipated phase one of the North Terminal Complex would be needed by the end of Fiscal Year 2015. Due to the recent economic slowdown as described in Chapter 2 of the Report of the Airport Consultant included in APPENDIX A, passenger activity levels have decreased. Accordingly, the Authority has determined that phase one of the North Terminal Complex will not be required until after Fiscal Year 2019, the final year included in the projection period of the Report of the Airport Consultant included in APPENDIX A. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT."

The Conceptual Design establishes the groundwork for the entire North Terminal Complex including engineering design to determine the location, layout and elevations of all roads, bridges, tunnels, underground utilities, drainage conveyances, automated people movers, aircraft parking aprons and taxiways including their relationship to all proposed buildings and other support facilities. The proposed North Terminal Complex will include a central landside terminal with adjacent parking structures and four remote airsides connected to the landside terminal by automated people mover systems. The four remote airsides would be capable of accommodating up to 50 new aircraft gates within the existing airport boundary. The master terminal design consultant will prepare a project definition document for the North Terminal Complex that defines the criteria and standards for the design and construction of the project and describes the proposed expansion in sufficient detail to support Requests for Qualifications for design teams and contractors.

The estimated total cost for this project is $15,825,000, with estimated funding of $2,613,000 in FDOT grants and $13,211,800 of PFCs from PFC Application #8. Financing for this project through the issuance of 2009A Bonds will provide current funding since FDOT grants and PFC funding will be received in future years.

Taxiway B Rehabilitation, Bridge and Service Road

Under the American Recovery & Reinvestment Act of 2009 (the "ARRA"), the Authority has received a commitment to provide partial funding for the new Taxiway B Rehabilitation, Bridge and Service Road project. Other sources of funding for this project include Florida Department of Transportation ("FDOT") grants and PFCs (as defined herein). The mix of funding sources may change depending upon the exact amount of FDOT grants received or if there are additional commitments from ARRA. Financing for this project through the issuance of the 2009A Bonds will provide current funding, since the FDOT grants and PFCs will be received in future years.

The existing Taxiway B is an at-grade crossfield taxiway located north of the existing terminal complex. This project will relocate the existing taxiway ninety-three feet south and construct an elevated taxiway bridge to accommodate a north-south transportation corridor for the future north terminal and provide aircraft movement over vehicular traffic. Completion of this project will also provide a significant safety benefit through the reduction of vehicular crossings, currently in excess of 100,000 per year, on the existing taxiway.

The new service road will connect the new cargo and ground support equipment facility with the Terminal Complex and reduce the driving distances from 8,390 feet to 5,400 feet. Federal Aviation Authority (the "FAA") design criteria will require the road be constructed underground with a tunnel section for the portion that passes through the runway/taxiway object free area. The remaining road will be constructed at existing grade and cross under the new Taxiway B Bridge.

The Authority has received a commitment to provide funding for the Taxiway B Rehabilitation, Bridge and Service Road project. The estimated total cost for this project is $39,251,000, with estimated funding of $8,000,000 from the Airport Improvement Grant Program ("AIP") grants and approximately $31,251,000 of PFCs from PFC Application #8. This mix of funding sources may change depending upon the exact amount of FDOT grants received or if there are additional commitments from ARRA. Financing for the 2009 Project through the issuance of the 2009A Bonds will provide current funding since the FDOT grants and PFC funding will be received in future years. See "SECURITY FOR THE 2009A BONDS – Pledge of Revenues" and "PASSENGER FACILITY CHARGES AND FEDERAL AND STATE GRANTS – Passenger Facility Charges – Federal Grants – State Grants."

FDOT grants are funded from the State of Florida Transportation Trust Fund, which consists, in part, of funds collected through the State's aviation fuel tax. FDOT grants supplement the AIP, providing a portion of the sponsor's matching share when federal funding is available and up to 80 percent of the overall project cost when it is not. Funding awarded by FDOT grants are frequently distributed by the State over a multi-year period for grant-approved projects. A portion of the FDOT grants that support the 2009 Project is expected to be distributed to the Authority over a multi-year period and therefore, the Authority will initially fund that portion of the 2009 Project with 2009A Bonds proceeds and will repay a portion of the resulting debt service with FDOT grants as received. Should the FDOT grants not be received, the Authority would seek additional PFC authority in the amount of any shortfall.

For more information regarding the 2009 Project, see APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and the 2009 Project – The 2009 Project."

SECURITY FOR THE 2009A BONDS

Pledge of Revenues

The 2009A Bonds are payable solely from the Revenues of the Authority derived from the operation of the Airport System after payment of the Operating Expenses and are secured on a parity with the Outstanding Bonds under the Trust Agreement and any Additional Bonds issued thereunder. Gross Revenues or Revenues means all rates, fees, rentals or other charges or income received by the Authority or accrued to the Authority from the operation of the Authority's Airport System, which includes Tampa International Airport and three general aviation airports, all as calculated in accordance with sound accounting practice and other moneys pledged in the Trust Agreement. Gross Revenues or Revenues shall also include all "Available PFC Revenues" unless such funds have been released from the lien of the Trust Agreement. See "– Available PFC Revenues" and "– Disposition of Available PFC Revenues" and APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Collection and Disposition of Revenues – Disposition of Available PFC Revenues."

The Authority has designated the 2009A Bonds as "PFC Bonds" for purposes of the Trust Agreement and the 2009A Bonds will be additionally secured by Available PFC Revenues. See below regarding the possible risk of loss of 2009A Bonds' PFC status.

Gross Revenues or Revenues do not include gifts, grants, either federal, state or any other public body, ad valorem taxes or moneys paid to the Authority by the City or the County, moneys derived by the

Authority from Special Purpose Facilities, except ground rentals, or any other moneys not derived from the operation of the Airport System. "Operating Expenses" means the current expenses, paid or accrued, of operation, maintenance and ordinary current repairs of the Airport System including insurance premiums, administrative expenses of the Authority relating solely to the Airport System, including engineering, architectural, legal, airport consultants and accounting fees and expenses, and fees and expenses of the Trustee, and such other reasonable current expenses as shall be in accordance with sound accounting practice. "Operating Expenses" include the fees, costs and expenses of the Trustee, Liquidity Provider, Credit Provider, Tender Agent, Auction Agent, Remarketing Agent and other agents employed by the Authority in connection with one or more series of Bonds issued under the Trust Agreement, but do not include any allowance for depreciation or renewals or replacements or obsolescence of capital assets of the Airport System, or any operating expenses of Special Purpose Facilities or airside buildings where the lessees thereof are obligated to pay such operating expenses.

In addition to the 2009A Bonds, PFC Bonds include the Authority's Tampa International Airport Revenue Bonds, 2003 Series A currently Outstanding in the principal amount of $170,415,000 (also referred to herein as the "2003A Bonds") and any Additional Bonds so designated as PFC Bonds by the Authority at the time of issuance and delivery thereof, the proceeds of which are used solely to fund PFC Projects (following PFC Approval thereof), to fund the Reserve Requirement with respect thereto, and to pay the costs of issuance thereof (or to refund 2003A Bonds, the 2009A Bonds or Additional Bonds meeting such requirements). The 2003A Bonds are currently the Authority's only Outstanding PFC Bonds. The 2009A Bonds will be additional Outstanding PFC Bonds. See "– Available PFC Revenues," "– Disposition of Available PFC Revenues," "OUTSTANDING DEBT – Parity Bonds" and APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Collection and Disposition of Revenues – Disposition of Available PFC Revenues."

The Authority has not filed PFC Application #8 with the FAA for the Taxiway B Rehabilitation, Bridge and Service Road project. Authority Management has discussed the eligibility of this project with the FAA for PFC eligibility. The Authority will publish a public notice to proceed with PFC Application #8 on June 17, 2009. A formal air carrier consultation meeting will be held on July 30, 2009. Prior informal meetings have been held with the air carriers and no objections to this project for PFC eligibility have been expressed to date. On August 6, 2009, PFC Application #8 will be submitted to the Authority Board for their approval. Air carrier comments, if any, are due by August 28, 2009. On September 3, 2009, Authority management will bring the Board up to date prior to the submission of the Application. The FAA has already committed $8,000,000 from ARRA through the AIP program. In general, since the Taxiway B Rehabilitation, Bridge and Service Road project is AIP eligible, it should be PFC eligible, which has been preliminarily confirmed by the FAA. It is also the opinion of the Authority Management that this project is PFC eligible and anticipates that the FAA will approve this Application. Current plans are for the Application to be submitted to the FAA on September 4, 2009. The FAA then has 120 days to review the Application – no later than January 4, 2010.

In the unlikely event that the 2009 Project, initially treated as a PFC Project (a "PFC Project" means a project for which the imposition and use of PFCs has been approved by one or more PFC approvals) based on the Authority's expectations, ceases to be a PFC Project because the Authority's application to impose or use PFCs was or is denied or withdrawn in whole or in part (i) the 2009 Project shall immediately cease being treated as a PFC Project and shall thereafter be treated as a separate project and (ii) the 2009A Bonds shall no longer be treated as PFC Bonds for all purposes of the Trust Agreement. In such event, the debt service on the 2009A Bonds will continue to be paid from Revenues.

By acceptance of the 2009A Bonds the holders thereof will join holders of all Outstanding Bonds in consenting to the conceptual amendment of the definition of "Gross Revenues" or "Revenues" to specifically exclude, in addition to the moneys currently excluded from the definition of that term, all the

revenue sources available to the Authority that are not directly related to the handling of passengers and greeters to, from and around the Airport facilities or the granting of rights in or with respect to the core terminal facilities. (Airline landing fees and parking revenues, and the fees generated from leases and concessionaire agreements in or with respect to the terminal facilities for all purposes of the Trust Agreement, shall be treated as Gross Revenues.) Any such amendment shall provide that before it shall become effective, the Authority shall submit to the Trustee (i) a certificate to the effect that the remaining Revenues in the year in which the exclusion is to be made will be sufficient to meet the Authority's rate covenant in such year as described in the Trust Agreement and (ii) a certificate from an airport consultant reasonably acceptable to the bond insurers, if any, to the effect that, based on its projections and subject to customary assumptions and limitations, the deletion of such revenues from the lien of the Trust Agreement will not adversely affect the Authority's ability to meet the Authority's rate covenant in each of the five Fiscal Years following the effective date of such amendment. See APPENDIX D – "PROPOSED CONCEPTUAL AMENDMENTS TO CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Conceptual Amendments."

By acceptance of the 2009A Bonds, the holders thereof have consented to the terms and provisions of the conceptual amendments set forth in section 11.05 of the 2006 Trust Agreement. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT" and APPENDIX D – "PROPOSED CONCEPTUAL AMENDMENTS TO CERTAIN PROVISIONS OF THE TRUST AGREEMENT."

The 2009A Bonds do not constitute a general indebtedness of the Authority, the County, the City or any other political subdivision in the State within the meaning of any constitutional, statutory or charter provision or limitation. The 2009A Bonds shall not constitute or be a lien upon any property of the Authority, except the Revenues derived from the operation of the Airport System and certain funds pledged under the Trust Agreement, or any property of the County, the City or any other political subdivision in the State. No holder of the 2009A Bonds shall ever have the right to require payment from ad valorem tax proceeds or to compel the exercise of the ad valorem taxing powers of the Authority, the County, the City or of any other political subdivision in the State, for the payment of the 2009A Bonds or any interest thereon and the Authority is not and shall never be under any obligation to pay the principal of or interest on the 2009A Bonds except in the manner provided in the Trust Agreement.

Disposition of Revenues

All Revenues derived from the Airport System are deposited in the Revenue Fund. Moneys in the Revenue Fund are to be deposited into the following funds and accounts on a monthly basis in the following order:

- Operation and Maintenance Fund in an amount equal to one-twelfth (1/12th) of the amount provided in the Annual Budget for Operating Expenses, as defined herein;

- Pro rata into the Interest Account and the Qualified Hedge Payment Account in the Sinking Fund in an amount necessary to make the funds on deposit therein equal to the interest component of the Accrued Aggregate Debt Service Requirement (see APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Definitions") for such month with respect to the Bonds (including any net Qualified Hedge Payment then due within such month); provided however, that such deposit shall not be required to the extent sufficient moneys are then on deposit in the special fund in said Interest Account either from the proceeds of the 2009A Bonds or from any other source;

- Principal Account in the Sinking Fund in an amount necessary to make the funds on deposit therein equal to the scheduled principal component of Serial Bonds included within the Accrued Aggregate Debt Service Requirement for such month;

- Deposit into the Reserve Fund, and pro rata into each separate Reserve Account created therein pursuant to Supplemental Trust Agreements entered into with respect to each separate Series of Additional Bonds issued under the Trust Agreement, an amount which, together with funds then deposited in the Reserve Fund and each such Reserve Account will be sufficient to make the funds on deposit therein equal to the aggregate Reserve Requirement; provided that no further deposits shall be required to be made into the Reserve Fund or into any separate Reserve Account therein whenever and as long as the amount then on deposit is equal to the Reserve Requirement for each respective Series of Bonds Outstanding (See – "Reserve Fund");

- Redemption Account in the Sinking Fund in an amount necessary to make the funds on deposit therein equal to the Sinking Fund Installment portion of the Accrued Aggregate Debt Service Requirement for such month with respect to Term Bonds maturing within such Fiscal Year;

- Payment of debt service on junior and subordinate lien debt obligations of the Authority having a lien on the Revenues; and

- Operating Reserve Account in the Revenue Fund in the amount necessary, together with the moneys then on deposit in such Account, to make the amount then on deposit therein equal to one-sixth (1/6) of the annual amount of Operating Expenses provided for in the Annual Budget. The moneys in the Operating Reserve Account shall be used only for the payment of Operating Expenses when the moneys in the Operation and Maintenance Fund are insufficient therefor.

After making all the deposits or payments provided for above, including all deficiencies for prior required payments, the Authority shall on the first day of each month, withdraw all moneys then remaining in the Revenue Fund and deposit the same into the Surplus Fund. Moneys in the Surplus Fund may be used by the Authority first for the payment of all Reimbursement Obligations and Derivative Non-Scheduled Payments then due, and then to reduce airline rental payments or may be used by the Authority for any other lawful purpose. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Collection and Disposition of Funds."

Available PFC Revenues

As set forth above under "—Pledge of Revenues", Gross Revenues or Revenues shall also include "Available PFC Revenues." "Available PFC Revenues" means (i) with respect to the pledge and deposit requirements under the Trust Agreement, the actual net PFC Revenues (as defined below) collected by the Authority, after all deposit requirements under and with respect to Senior PFC Indentures and (ii) for any historical or projected twelve month period relating to compliance with the Additional Bonds parity test under the Trust Agreement (see "—Additional Bonds" herein) or for the purposes of determining compliance with the Rate Covenant under the Trust Agreement (see "—Rate Covenant" herein), the actual net PFC Revenues collected or projected to be collected by the Authority during such period, less an amount equal to 100% of the Maximum Annual Bond Service Requirement on the Senior PFC Indebtedness, if any, Outstanding at the time of such calculation. PFC Revenues may only be treated as Available PFC Revenues to the extent they are then included in the definition of Revenues and are pledged under the Trust Agreement. Available PFC Revenues are junior and subordinate to senior lien

pledges of PFC Revenues made by the Authority subsequently to secure Senior PFC Indebtedness. The Authority may cause the Trustee to release its pledge of Available PFC Revenues at any time provided that before the lien is effectively released, the Authority shall have delivered to the Trustee (i) a certificate of the Authority that there are no PFC Bonds outstanding or (ii) (A) a report from the Airport Consultant (as defined herein) that the Authority has been in compliance with the Rate Covenant set forth in the Trust Agreement for a period of 24 consecutive months out of the last 36 full calendar months preceding the date of the report during which all then currently outstanding PFC Bonds have been outstanding, without taking into account any PFC Revenues in the calculation of Revenues and (B) evidence that the release will not, in and of itself, cause any of the national rating agencies then maintaining ratings on any Outstanding Bonds, including the 2009A Bonds, to reduce or withdraw their then current ratings on such Bonds. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Collection and Disposition of Revenues." There is currently no Senior PFC Indebtedness Outstanding. See "—Senior PFC Indebtedness" herein with regard to the covenant of the Authority restricting its issuance of Senior PFC Indebtedness.

"PFCs" or "Passenger Facility Charges" means the passenger facility charges authorized to be charged by the Authority pursuant to the PFC Act and the PFC Regulations, the imposition and use of which has been approved by the FAA pursuant to PFC Approvals. "PFC Act" means the Aviation Safety and Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX, Subtitle B, §§ 9110 and 9111, recodified as 49 U.S.C. § 40117, as amended from time to time. "PFC Regulations" means Part 158 of the Federal Aviation Regulations (14 CFR Part 158), as amended from time to time, and any other regulation issued with respect to the PFC Act. "PFC Approvals" means the Records of Decision of the FAA, made pursuant to the PFC Act and the PFC Regulations, relating to passenger facility charges imposed by the Authority, as the same may be issued and amended from time to time. "PFC Revenues" means all revenues received by the Authority from PFCs authorized to be charged at the Airport pursuant to the PFC Act, the PFC Regulations and the PFC Approvals, including any interest earned thereon after such revenues have been remitted to the Authority as provided in the PFC Regulations. See "PASSENGER FACILITY CHARGES AND FEDERAL AND STATE GRANTS – Passenger Facility Charges."

Disposition of Available PFC Revenues

So long as Available PFC Revenues are pledged to PFC Bonds under the Trust Agreement, all Available PFC Revenues received by the Authority shall be deposited into the PFC Revenue Fund and applied on a monthly basis in the following order:

- First to the Interest Account, Principal Account and Redemption Account, respectively, amounts representing the monthly deposit requirements that are attributable to the debt service requirements with respect to PFC Bonds;

- Next to fund any deficiency in the Reserve Fund (or any special account therein) allocable to or set aside for the benefit of PFC Bonds or any separate series thereof;

- Next for the payment of debt service on, and other required deposits with respect to, obligations having a junior and subordinate lien on the PFC Revenues;

- Next to replenish funds in the Revenue Fund that were used to pay or to satisfy the monthly deposit requirements with respect to the principal of, interest on or redemption premiums with respect to the PFC Bonds that were paid from non-PFC Revenues because PFC Revenues at the time of such deposit requirement were insufficient or ineligible for such purpose; and

- After making all the deposits or payments provided for above, including all deficiencies for required payments, the Authority shall on the first business day of each month, withdraw all moneys remaining in the PFC Fund and not otherwise set aside for such purposes and deposit the same into the PFC Capital Fund. Funds in the PFC Capital Fund may be used by the Authority for any lawful purpose in accordance with the PFC Act, the PFC Regulations and the PFC Approvals.

The 2009A Bonds and the 2003A Bonds will be the Authority's only Outstanding PFC Bonds. See "OUTSTANDING DEBT – Parity Bonds." Also see "—Rate Covenant, – Additional Bonds", "—Additional PFC Covenants" and APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Collection and Disposition of Revenues."

Rate Covenant

The Authority will fix, revise from time to time when necessary, maintain and collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the Airport System, or concessions granted in connection therewith, that will always provide Revenues in each Fiscal Year that will be sufficient to pay, in accordance with provisions of the Trust Agreement, (i) all amounts required to be deposited in the Reserve Fund, the Operation and Maintenance Fund and the Operating Reserve Account in the Revenue Fund, including in each case all accounts therein, plus (ii) 125% of the Bond Service Requirement (see APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Definitions") for such Fiscal Year. The Authority covenants that it shall not permit such fees, rates, rentals and other charges to be reduced so as to be insufficient to provide Revenues for such purposes. For purposes of determining compliance with this requirement, the Authority may include Available PFC Revenues in an amount not to exceed 125% of the amount required to be deposited into the Interest Account, Principal Account and Redemption Account for such year on the Outstanding PFC Bonds or such lesser amount as may be required under the PFC Act, PFC Regulations and PFC Approvals as in effect from time to time. See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Definitions – Covenants of Rates and Charges." As noted above, the Authority may take into account Available PFC Revenues in determining its compliance with the foregoing covenants.

Moneys remaining in the Surplus Fund (other than moneys set aside for the payment of any Derivative Non-Scheduled Payments) at the end of any Fiscal Year which the Authority elects to redeposit into the Revenue Fund in the following Fiscal Year may be considered as Revenues in the Fiscal Year in which they are so redeposited for purposes of satisfying the rate covenant. The Authority shall always establish its rates and charges so that Revenues collected in the current Fiscal Year, without regard to carry over amounts from the Surplus Fund, will be at least sufficient to pay 100% of the annual deposit requirements into the Operation and Maintenance Fund, the Sinking Fund, the Reserve Fund and subordinated indebtedness accounts.

Reserve Fund

Upon the issuance of the 2009A Bonds, a separate 2009A Reserve Account in the amount of $4,986,942.47 will be established for the benefit of the 2009A Bonds. See "ESTIMATED SOURCES AND USES OF 2009A BOND PROCEEDS." Funds on deposit in the Special Reserve Account established for the 2003A Bonds in the amount of $19,529,000 and the Special Reserve Account to be established for the 2009A Bonds will not be available for the benefit of the Outstanding Bonds (other than the 2003A Bonds and the 2009A Bonds) and likewise funds on deposit in the common Reserve Fund will not be available for the benefit of the 2003A Bonds and the 2009B Bonds. Reserve Requirements for Additional Bonds will be established at the time of issuance thereof. No further deposits shall be required

to be made into the Reserve Fund and each respective Reserve Account therein whenever and as long as the amount then on deposit therein is equal to the Reserve Requirement (taking into account the several Reserve Requirements for each Series of Bonds Outstanding under the Trust Agreement). The moneys in the Reserve Fund shall be used only for the payment of interest on all Bonds secured thereby, the principal of such Serial Bonds and the required deposits into the Redemption Account for such Term Bonds as the same mature or become due, whenever the moneys in the Interest Account, Principal Account and Redemption Account are insufficient therefor. If separate accounts in the Reserve Fund have been established for Additional Bonds, deficiencies in the Interest Account, Principal Account and Redemption Account with respect to such Additional Bonds shall be payable solely from the funds deposited in each respective special Reserve Account created with respect to such Additional Bonds, or from any respective Reserve Fund Credit Enhancement acquired with respect thereto, and not from other funds deposited in the Reserve Fund. The Reserve Fund and the separate 2003A Reserve Account have been cash funded as will be the separate 2009A Reserve Account. Funds on deposit in the Reserve Fund in excess of the Reserve Requirement (taking into account the several Reserve Requirements for each Series of Bonds Outstanding under the Trust Agreement) may be withdrawn at the Authority's request and deposited (i) into the Sinking Fund to pay principal, interest or redemption premium on Bonds next coming due, (ii) into the Redemption Account for redemption of Bonds from which such surplus funds were derived or (iii) into the Revenue Fund provided that the Authority first receives an opinion from bond counsel that the use of such funds will not adversely affect the excludability from gross income for federal income tax purposes of interest on any Series of Bonds then Outstanding under the terms of the Trust Agreement (other than any Series of Bonds issued with the intent that interest thereon be includable in gross income for federal income tax purposes). All deficiencies from the Reserve Fund shall be restored from the first Revenues and other moneys pledged under the Trust Agreement which are available after making all prior required deposits into the Operation and Maintenance Fund, the Interest Account, Principal Account and Redemption Account.

Interest earnings on the funds on deposit in the 2009A Reserve Account, to the extent not necessary to make the amounts on deposit therein equal to the Reserve Requirement for such Account, shall first be transferred to the 2009A Construction Account to the extent needed to pay the cost of PFC Projects financed with proceeds from the 2009A Bonds and thereafter shall be transferred to the PFC Revenue Fund. The Trust Agreement authorizes the establishment of separate Reserve Accounts in connection with the issuance of a Series of Additional Bonds (such as the 2009A Bonds) for which the holders thereof shall have no claim to or lien on the funds on deposit in the common Reserve Fund. Likewise, the holders of the Outstanding Bonds shall have no claim to or lien on the funds held in any special Reserve Account.

Upon the issuance of a series of Additional Bonds, or at any time in replacement of moneys then on deposit in the Reserve Fund, in lieu of making a cash deposit to the Reserve Fund, or in substitution therefor, the Authority may deliver to the Trustee a Reserve Fund Credit Enhancement in an amount which, together with moneys, securities or other funds or Reserve Fund Credit Enhancements on deposit in or credited to the Reserve Fund (including any separate Reserve Account therein), equals or exceeds the largest amount of principal, interest and required deposits into the Redemption Account which will mature or become due in any succeeding year and having such other terms and provisions as required by the Trust Agreement. Any amounts owed by the Authority to the issuer of any Reserve Fund Credit Enhancement as a result of a draw thereon or a claim thereunder shall be included in determining amounts required to be deposited to the credit of the Reserve Fund and in any other calculation of debt service requirements required to be made pursuant to the Trust Agreement for any purpose (e.g., rate covenant or Additional Bonds test). See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT - Reserve Fund."

Additional Bonds

The Trust Agreement permits the Authority to issue Additional Bonds for the purpose of constructing or acquiring additions, extensions and improvements to the Airport System, upon compliance with the provisions of the Trust Agreement. For Additional Bonds, either of the following is required:

> (x) A statement signed by the Executive Director or Senior Director of Finance of the Authority to the effect that the Authority's Revenues for the last Fiscal Year preceding the issuance of such Additional Bonds for which audited statements are available (provided that the last day of the latest audited Fiscal Year falls within the 24 month period immediately preceding the issuance of such Additional Bonds), were not less than the sum of (i) all amounts required to be deposited in the Operation and Maintenance Fund, the Reserve Fund, including in each case all accounts therein, and any funds required to be set aside for the payment of subordinated indebtedness in such Fiscal Year, plus (ii) one hundred twenty-five percent (125%), of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of the Bonds of each Series then Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds to be defeased by the issuance of such Additional Bonds); or
>
> (y) A statement of the Airport Consultant that in his opinion, the Revenues to be derived from the Airport System during the Fiscal Year in which such Additional Bonds are issued and for each Fiscal Year thereafter through the Period of Review (defined below), taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less than the sum of (i) all amounts required to be deposited into the Operation and Maintenance Fund and the Reserve Fund, including in each case all accounts therein, and any funds required to be set aside for the payment of subordinated indebtedness during the Period of Review, plus (ii) one hundred twenty-five percent (125%) of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of the Bonds of each Series then Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds to be defeased by the issuance of such Additional Bonds).

The "Period of Review" shall be that period beginning on the first day of the Fiscal Year of the Authority in which such Additional Bonds are issued and ending on the last day of the Fiscal Year during which either of the following two events shall occur: (i) the fifth anniversary of the date of issuance of such Additional Bonds or (ii) the third anniversary of the later to occur of the scheduled completion date of the project to be financed with proceeds of such Additional Bonds or the date on which capitalized interest with respect to such project has been exhausted, whichever date described in clause (i) or clause (ii) is later.

For purposes of this requirement, moneys remaining in the Surplus Fund at the end of any Fiscal Year which the Authority elects to redeposit into the Revenue Fund in the following Fiscal Year may be considered as Revenues in the Fiscal Year in which they are, or are projected to be, so redeposited; provided that without regard to the use of such funds, the Authority shall have collected, or shall be projected to collect, as the case may be, sufficient rates and charges under its Rate Covenant so that the

actual or projected Revenues, as the case may be, for the Fiscal Year or years in question, were, or are projected to be, at least sufficient to pay 100% of the yearly deposit requirements into the Operation and Maintenance Fund, the Sinking Fund, the Reserve Fund and subordinated indebtedness accounts, without regard to carry over amounts from the Surplus Fund.

If Available PFC Revenues are included in determining compliance with the foregoing requirements, the following rules will apply:

(i) The Airport Consultant may assume (a) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of such Series will be in effect for the entire forecast period, and (b) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at Tampa International Airport pursuant to such legislation prior to the date of the Airport Consultant's report;

(ii) The Airport Consultant, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three Fiscal Years immediately preceding the year the report of the Airport Consultant is issued;

(iii) Available PFC Revenues, so long as they are pledged as Revenues under the Trust Agreement, may be taken into account in determining compliance with the requirements of subparagraph (x) above, in an amount equal to the lesser of (1) the Available PFC Revenues reflected in the statement of the independent certified public accountant and (2) the lowest amount of Available PFC Revenues the Authority estimates, based on its then existing PFC Approvals, will be available during the Period of Review; and

(iv) The amount of Available PFC Revenues included in determining compliance with the requirements of subparagraph (x) or (y) above shall be limited to Available PFC Revenues in an amount not to exceed 125% of the Maximum Bond Service Requirement on the Outstanding PFC Bonds, and the PFC Bonds, if any, proposed to be issued, or such lesser amount as may be required under the PFC Act, PFC Regulations and PFC Approvals as in effect from time to time.

The Authority may issue Additional Bonds without complying with the above requirements (a) to complete projects specifically authorized and theretofore funded with Additional Bonds under the Trust Agreement, provided that the aggregate principal amount of such completion Bonds does not exceed 15% of the aggregate principal amount of the Bonds or portions of Bonds issued to fund such projects, and (b) to refund any Bond or Bonds Outstanding, provided that prior to the issuance of refunding Bonds the Airport Consultant or another qualified independent consultant must deliver to the Trustee a statement stating (i) that in each Fiscal Year, the debt service with respect to the refunding Bonds will be equal to or less than the debt service with respect to the Bonds to be refunded, or (ii) (a) that the aggregate debt service with respect to all Bonds Outstanding after the issuance of the refunding Bonds (excluding the Bonds to be refunded and including the refunding Bonds) will be equal to or less than the aggregate debt service with respect to all Bonds Outstanding prior to the issuance of the refunding Bonds, and (b) that the Maximum Bond Service Requirement becoming due in any subsequent Fiscal Year with respect to all Bonds Outstanding after the issuance of the refunding Bonds (excluding the Bonds to be refunded and including the refunding Bonds) will be equal to or less than the Maximum Bond Service Requirements on

all Bonds Outstanding prior to the issuance of the refunding Bonds. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Definitions."

For purposes of the foregoing, if the Outstanding Bonds or the proposed refunding Additional Bonds, or both, include Variable Rate Bonds, the assumed interest rate thereon for purposes of the foregoing calculations shall be determined in accordance with the procedures set forth in the definition of Debt Service Requirement (see APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT – Definitions"), determined on or as of the date of calculation.

Senior PFC Indebtedness

The Authority has covenanted that it will not issue Senior PFC Indebtedness payable from PFC Revenues having a lien thereon superior to the lien thereon created by the Trust Agreement unless at the time of issuance thereof (i) the Authority is not in default under the Trust Agreement, (ii) the Authority shall have delivered to the Trustee a certificate to the effect that it is in compliance with the PFC Act, the PFC Regulations and the PFC Approvals and that the Senior PFC Indebtedness is being issued for the purpose of funding the cost of PFC Projects, and (iii) the Authority shall have delivered to the Trustee on or immediately prior to the issuance of such Senior PFC Indebtedness a statement of the Airport Consultant that in its opinion, the PFC Revenues to be received by the Authority during the Fiscal Year in which such Senior PFC Indebtedness is issued and for each Fiscal Year thereafter through the Period of Review, shall not be less than one hundred twenty-five percent (125%) of an amount equal to the largest amount of principal, interest and the required deposits into a redemption account or amortization fund that will mature or become due in any succeeding Fiscal Year on account of all Senior PFC Indebtedness and PFC Bonds then Outstanding (including the Senior PFC Indebtedness proposed to be issued but excluding any Senior PFC Indebtedness or PFC Bonds to be defeased by the issuance of such Senior PFC Indebtedness).

For purposes of determining compliance with the foregoing requirements, the following rules will apply:

(i) The Airport Consultant may assume (a) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of such Series will be in effect for the entire forecast period, and (b) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at Tampa International Airport pursuant to such legislation prior to the date of the Airport Consultant's report; and

(ii) The Airport Consultant, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three Fiscal Years immediately preceding the year the report of the Airport Consultant is issued.

Additional PFC Covenants

The Authority covenants that so long as Available PFC Revenues are used in the calculation of the Authority's compliance with the Rate Covenant or are used in part to satisfy the requirements of the Additional Bonds Test, it will comply with all provisions of the PFC Act and the PFC Regulations applicable to the Authority and all provisions of the PFC Approvals, and will not take any action or omit to take any action with respect to the PFC Revenues, the PFC Projects funded by the PFC Bonds (the 2003A Bonds and the 2009B Bonds), the Airport System or otherwise if such action or omission would,

pursuant to the PFC Regulations, cause the termination of the Authority's ability to impose passenger facility charges or prevent the use of the PFC Revenues as contemplated by the Trust Agreement. The Authority covenants that all moneys in the PFC Revenue Fund and the PFC Capital Fund will be used in compliance with all provisions of the PFC Act, the PFC Regulations and the PFC Approvals applicable to the Authority. Without limiting the generality of the foregoing, the Authority covenants that, to the extent necessary to comply with the foregoing covenants:

(a) it will diligently seek approval to impose and use PFC Revenues for those projects constituting or that it expects to constitute PFC Projects within the time periods set forth in the PFC Regulations and will begin implementation of such PFC Projects within the time periods set forth in the PFC Regulations;

(b) it (i) will impose a Passenger Facility Charge to the full extent approved by the FAA for Tampa International Airport, and (ii) will not unilaterally decrease the level of the Passenger Facility Charge to be collected from any passenger;

(c) it will not impose any noise or access restrictions at Tampa International Airport not in compliance with the Airport Noise and Capacity Act of 1990, Pub. L 101-508, Title IX, Subtitle D (the "Airport Noise and Capacity Act"), if the imposition of such restriction may result in the termination or suspension of the Authority's ability to impose or use Passenger Facility Charges at Tampa International Airport prior to the charge expiration date or the date the total approved passenger facility charge revenue has been collected;

(d) it will take all action necessary to cause all collecting air carriers to collect and remit to the Authority all Passenger Facility Charges at Tampa International Airport required by the PFC Regulations to be so collected and remitted; and

(e) it will contest any attempt by the FAA to terminate or suspend the Authority's ability to impose, receive or use Passenger Facility Charges at Tampa International Airport prior to the charge expiration date or the date the total approved Passenger Facility Charge revenue has been collected.

ESTIMATED SOURCES AND USES OF 2009A BOND PROCEEDS

The following is the estimated sources and uses of 2009A Bond proceeds:

Sources	
Principal Amount of the 2009A Bonds	$48,095,000.00
Net Original Issue Premium	1,774,424.70
Total Sources	$49,869,424.70
Uses	
Deposit to 2009A Construction Account	$38,226,503.86
Deposit to 2009A Reserve Account	4,986,942.47
Repayment of Commercial Paper Notes (1)	6,000,000.00
Cost of Issuance, including Underwriters' Discount	655,978.37
Total Uses	$49,869,424.70

(1) See "OUTSTANDING DEBT – Airport Facilities Subordinate Commercial Paper Notes."

OUTSTANDING DEBT

Parity Bonds

After the issuance of the 2009A Bonds, the Authority will have Outstanding Parity Bonds in the aggregate principal amount of $779,320,000, as follows:

Series of Bonds	Principal Amount Outstanding After Issuance of the 2009A Bonds
Revenue Bonds, 1996 Series B (the "1996 Bonds")	$ 9,085,000
Revenue Refunding Bonds, 1999 Series A (the "1999A Bonds")	8,280,000
Revenue Refunding Bonds, 2001 Series A (the "2001A Bonds")	40,260,000
Revenue Bonds, 2003 Series A (the "2003A Bonds")*	170,415,000
Revenue Bonds, 2003 Series B (the "2003B Bonds")	43,735,000
Revenue Refunding Bonds, 2003 Series C (the "2003C Bonds")	71,950,000
Revenue Refunding Bonds, 2003 Series D (the "2003D Bonds")	47,595,000
Revenue Bonds, 2005 Series A (the "2005A Bonds")	79,425,000
Revenue Refunding Bonds, 2005 Series B (the "2005B Bonds")	35,065,000
Revenue Refunding Bonds, 2006 Series A (the "2006A Bonds")	18,170,000
Revenue Refunding Bonds, 2006 Series B (the "2006B Bonds")	13,985,000
Revenue Bonds, 2008 Series A (the "2008A Bonds")	133,000,000
Revenue Bonds, 2008 Series B (the "2008B Bonds")	16,725,000
Revenue Refunding Bonds, 2008 Series C (the "2008C Bonds")	32,900,000
Revenue Refunding Bonds, 2008 Series D (the "2008D Bonds")	10,635,000
Revenue Bonds, 2009 Series A (the "2009A Bonds")*	48,095,000
Total	$779,320,000

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* Designated as PFC Bonds.

Airport Facilities Subordinated Commercial Paper Notes

The Authority has authorized the issuance of an aggregate combined principal amount not to exceed $105,000,000 of its Airport Facilities Subordinated Commercial Paper Notes (the "Commercial Paper Notes"), of which $85,000,000 in aggregate principal amount are currently Outstanding. Commercial Paper Notes in the principal amount of $6,000,000 will be repaid from proceeds from the 2009A Bonds. See "ESTIMATED SOURCES AND USES OF 2009A BOND PROCEEDS." The Authority intends to issue $14,000,000 of Commercial Paper Notes to refine its debt structure for Fiscal Year 2010 through Fiscal Year 2017. See "PROJECTED DEBT SERVICE COVERAGE." The Commercial Paper Notes are issued from time to time under the provisions of an Indenture of Trust dated as of September 1, 2001 (the "Subordinate Notes Indenture"), to provide for the financing of extensions, improvements, betterments, renewals, replacements, repairs, maintenance or reconstruction of any of the properties or facilities of the Authority's Tampa International Airport, the Peter O. Knight Airport, the Tampa Executive Airport and the Plant City Airport (collectively, the "Airport System"). The Authority originally entered into a five-year Reimbursement Agreement, dated as of September 1, 2001, (the "Credit Agreement"), with Landesbank Baden-Württemberg, acting through its New York Branch (the "Letter of Credit Bank"), pursuant to which the Letter of Credit Bank issued an irrevocable direct-pay Letter of Credit to secure the payment of the principal of and interest on the Commercial Paper Notes. The Credit Agreement and Letter of Credit have been extended and now expire on December 29, 2015. The Commercial Paper Notes may be issued to finance portions of the costs of authorized capital projects, to repay the principal and interest on Outstanding Commercial Paper Notes when due (including to reimburse the Letter of Credit Bank for unreimbursed draws on the Letter of Credit used to repay Commercial Paper Notes), and to pay the issuance expenses of the Commercial Paper Notes.

The Commercial Paper Notes are payable from and secured by a lien on and pledge of the Subordinate Notes Pledged Funds. "Subordinated Notes Pledged Funds" means the Subordinated Revenues, any Subordinate Notes Other Pledged Funds, and all income received from the investment of moneys deposited in the funds and accounts created under the Subordinate Notes Indenture. Subordinate Notes Pledged Funds shall also include funds on deposit from time to time in any fund or account created under the Subordinate Notes Indenture for the benefit of a particular series of Commercial Paper Notes (or the corresponding Bank Obligations with respect thereto) or for the benefit of a particular series of Subordinate Notes Other Parity Indebtedness, in each case for the purpose and to the extent provided therein, but "Subordinated Notes Pledged Funds" shall not include any Passenger Facility Charges unless such funds become Subordinate Notes Other Pledged Funds and are expressly pledged to the payment of all or a portion of the Authority's obligations under the Subordinate Notes Indenture by supplemental indenture thereto.

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BOND DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the 2009A Bonds and the Outstanding Bonds following the issuance of the 2009A Bonds.

Fiscal Year Ending Sept. 30[1]	Outstanding Bonds Debt Service Requirements	2009A Bonds		2009A Bonds Debt Service Requirements	Total Debt Service Requirements
		Principal	Interest		
2009	$72,667,037[2]		$ 573,992	$ 573,992	$ 73,241,029
2010	79,106,381		2,270,738	2,270,738	81,377,119
2011	78,975,344	$ 5,115,000	2,270,738	7,385,738	86,361,082
2012	77,009,444	5,300,000	2,085,038	7,385,038	84,394,482
2013	76,929,019	5,555,000	1,830,100	7,385,100	84,314,119
2014	77,073,431	5,825,000	1,558,663	7,383,663	84,457,094
2015	77,061,594	6,120,000	1,267,413	7,387,413	84,449,007
2016	69,595,119	6,420,000	963,513	7,383,513	76,978,632
2017	69,596,369	6,725,000	663,469	7,388,469	76,984,838
2018	76,191,169	7,035,000	351,750	7,386,750	83,577,919
2019	36,995,244				36,995,244
2020	37,962,544				37,962,544
2021	22,710,406				22,710,406
2022	22,676,100				22,676,100
2023	22,645,400				22,645,400
2024	18,297,063				18,297,063
2025	18,257,188				18,257,188
2026	18,216,013				18,216,013
2027	14,827,263				14,827,263
2028	14,827,788				14,827,788
2029	14,824,913				14,824,913
2030	14,827,219				14,827,219
2031	14,824,469				14,824,469
2032	14,830,569				14,830,569
2033	14,828,656				14,828,656
2034	14,822,675				14,822,675
2035	14,828,625				14,828,625
2036	14,830,525				14,830,525
2037	14,826,750				14,826,750
2038	14,825,625				14,825,625
Total[3]	$1,129,889,942	$48,095,000	$13,835,411	$61,930,411	$1,191,820,353

(1) The payments due on October 1 of a given year are reflected in the preceding Fiscal Year, which ends September 30.

(2) Net of capitalized interest.

(3) Totals may not add due to rounding.

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AIR TRADE AREA

General

The demand for air transportation at airports serving primarily origin-destination passengers to a large degree is dependent upon the demographic and economic characteristics of an airport's air trade area – the geographical area served by an airport.

The primary air trade area (the "Air Trade Area") for the Airport is the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (the "Tampa Bay MSA"), as defined by the federal government's Office of Management and Budget. The Tampa Bay MSA consists of four counties in the State of Florida: Hernando, Hillsborough (the county in which the Airport is located), Pasco and Pinellas.

Population in the Air Trade Area increased from approximately 2.1 million in 1990, to approximately 2.4 million in 2000, and to approximately 2.7 million in 2008. This increase represents a compounded annual growth rate of 1.6% between 1990 and 2008, which was below the 2.0% growth rate for the State yet higher than the 1.1% growth rate for the nation. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Economic Base for Air Transportation – Population."

Based on location, accessibility, and services available at other commercial service airports within nearby service areas, the Airport service area extends to a secondary air trade area. This secondary air trade area includes the additional State counties of Citrus, De Soto, Hardee, Manatee, Sarasota, Sumter and a portion of Polk. The borders of this extended service area are established by Orlando International Airport approximately 80 miles to the east of the Airport and Southwest Florida International Airport (Fort Myers) approximately 130 miles to the south of the Airport. According to the most recent survey conducted for the Authority by its Airport Consultant in 2007, approximately 78% of enplaned passengers at the Airport originate their trip from the Tampa Bay MSA, with approximately 16.9% originating their trips from the secondary air trade area. In total, approximately 94.9% of enplaned passengers at the Airport area from the eleven counties comprising the primary and secondary air trade areas. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Economic Base for Air Transportation – Air Trade Area."

Airports in the Primary and Secondary Air Trade Area

The St. Petersburg-Clearwater International Airport (the "St. Petersburg-Clearwater Airport") is located approximately 12 miles west of the Airport within the Air Trade Area; however, its scheduled passenger service is limited in scope. The majority of scheduled passenger service to the St. Petersburg-Clearwater Airport is provided by leisure-oriented carriers (primarily Allegiant Air and USA3000 Airlines) that operate less than daily service patterns to secondary markets.

Sarasota-Bradenton International Airport (the "Sarasota Airport") is located approximately 50 miles south of Tampa International Airport within the secondary air trade area. A significant portion of Sarasota Airport's passenger market prefers to drive to Tampa International Airport to take advantage of its more diverse flight selections to major origin-destination markets.

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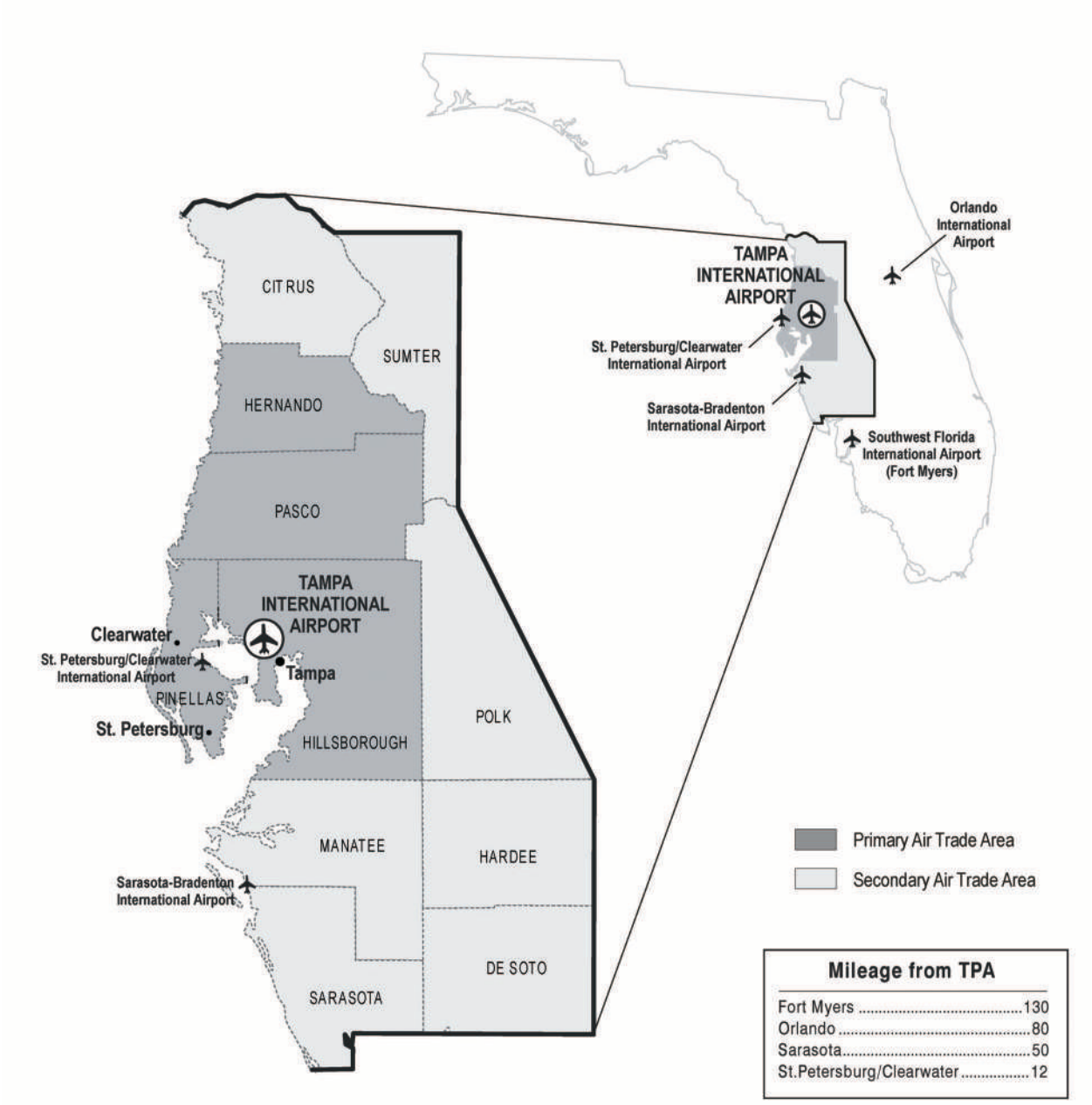
AIR TRADE AREA MAP



THE AIRPORT SYSTEM

The Airport System includes Tampa International Airport, Peter O. Knight Airport, Plant City Airport and Tampa Executive Airport. The latter three are general aviation airports which serve as reliever airports. The Airport, an approximate 3,400 acre facility, is utilized primarily for commercial aviation purposes by certificated scheduled airlines. There are two full service general aviation executive terminals located at the Airport. The Authority owns and operates Peter O. Knight airport, a 139 acre facility located six miles southeast of the Airport, Plant City Airport, a 199 acre facility located 22 miles east of the Airport, and Tampa Executive Airport, a 407 acre facility located 12 miles east of the Airport.

Management

Louis E. Miller, Executive Director, joined the Authority in July 1996. Prior to joining the Authority, Mr. Miller served as the Executive Director of the Salt Lake City Airport Authority since 1982. Mr. Miller is a past Chairperson of the Airports Council International-North America. Mr. Miller currently is the Treasurer of the worldwide Airports Council International.

John Wheat, Deputy Executive Director, joined the Authority in August 1999. Prior to joining the Authority, he was employed in a similar capacity with the Salt Lake City Airport Authority since 1983. Mr. Wheat is a past Chairperson of the Airports Council International-North America Economic Committee.

Edward B. Cooley, III, Senior Director of Operations and Public Safety, joined the Authority in 1975. He has progressed through several positions within the Authority before assuming his current position in 2000. Mr. Cooley is a past chair of the Florida Airports Council.

Louis P. Russo, Senior Director of Planning and Development, joined the Authority in 1998. He has progressed through several positions with the Authority before assuming his current position in 2004.

Diane Pryor-Vercelli, MPA, Senior Director of Properties and Contracts Administration, joined the Authority in May 1997. Prior to joining the Authority, she was the Manager of Properties for Sarasota-Bradenton International Airport and Kansas City International Airport.

Al Illustrato, Jr., Senior Director of Maintenance, joined the Authority in 1989 as a manager in the maintenance department. Prior to joining the Authority, he managed the electric traction division of the Long Island Rail Road Company in New York.

Sharon Weaver, Senior Director of Administration and Information Technology, joined the Authority in 1987 and has served in her current capacity since 1993. She is past Chairperson of the Airports Council International North America Business Information Technology Committee.

Ann Davis, Senior Director of Finance, joined the Authority in July 1993. She is a Certified Public Accountant and prior to joining the Authority, she had 10 years of accounting management experience in the private sector.

Gigi Skipper Rechel, General Counsel, joined the Authority in 1999, becoming the Authority's first in-house attorney. Prior to her association with the Authority, she practiced law for fifteen years concentrating in the areas of Real Estate Development, Business Law and Local Government Law.

Don Whitworth, Director of Performance Management and Internal Audit, joined the Authority in 1993, assuming his current position in 1999. He is a Certified Public Accountant and Certified Fraud

Examiner. Mr. Whitworth is the immediate past President for the Association of Airport Internal Auditors.

Don Welch, Director of Human Resources, joined the Authority in 1989. He has over 30 years experience in all aspects of Human Resources and is a member of the Society for Human Resource Management.

Trudy Carson, Director of Air Service Development, joined the Authority in 1997 and assumed her position in 2007. Ms. Carson is fluent in Spanish, German and English. She is the chairperson of the Airport Council International- North America International Air Service Program.

Brenda Geoghagan, Director of Public Information and Community Relations, joined the Authority in 1978 and assumed her current position in 1996. She is a member of the Florida Association of Public Art Administrators and a member of the Airports Council International – North America Marketing and Communications Committee.

Darcy A. Foster, Director of Governmental and Legislative Affairs, joined the Authority in July 2005 to become its first in-house legislative advocate. Prior to assuming her current position, she had 21 years of diverse local, state and federal government experience in the public sector.

The Authority had a total of 596 employees as of December 31, 2008, including professional staff, office clerical workers, maintenance personnel, equipment operators and police officers. The Authority's budget for the Fiscal Year ending September 30, 2009 provided funding for up to 636 positions, although due to the economic environment and capacity cuts by airlines, a hiring freeze has been in place since February 2008.

Tampa International Airport

The Airport is primarily an origin-destination airport. Based on U.S. Department of Transportation ticket sample data, origin-destination passengers accounted for approximately 85.5% of the total passengers at the Airport for the 12 months ended June 30, 2008. The Airport ranked 26th nationally in number of total passengers in 2007 (the latest year for which such rankings are currently available), according to airport activity reports compiled by Airports Council International, with 9.3 million enplaned passengers. The Airport is a large air traffic hub, as defined by the FAA. Domestic passenger traffic enplaned at the Airport accounted for 1.391% of total United States domestic passenger traffic, according to airport activity statistics published by the U.S. Department of Transportation for the 12 months ended September 30, 2007.

For decades the Airport has performed as an integral component of the Tampa Bay community offering nonstop air service to over 56 domestic and international cities and easy connections to every major city in the world. With 19 airlines serving the Airport, that means competitive, low fares for the community. In fact, over 44% of the Airport's enplaned passengers are served by low cost carriers. During 2008, over 18 million arriving and departing passengers traveled through the Airport.

For the twelfth consecutive year, the FAA recognized the Airport in their annual safety inspections with no discrepancies. FAA inspectors examine runway and taxiway surfaces, fire and rescue training, performance of an airport's self-inspection and maintenance program, airfield construction, aircraft fueling procedures and other safety related items.

In the May/June 2008 edition of *Tampa Bay Magazine*, readers again voted the Airport the Best Public Facility of Tampa Bay. The Airport has consistently won awards for ease of navigation, comfort,

amenities and overall design. Recent updates to the 34-year old facility include the construction of new airsides and renovation of the main terminal.

The Air Transport Research Society ("ATRS") presented the Airport with its 2006 Top North American Airport Efficiency Award and Global Top Efficiency Award among airports with fewer than 20 million passengers. Tampa was the 2005 recipient of the ATRS Global Top Efficiency Award. ATRS benchmarked 135 airports in North America, Europe, and the Asia/Pacific region. The ATRS assigns a task force to measure and compare several important aspects of airport operations. Areas assessed include productivity and efficiency; unit costs and unit competitiveness; financial results and airport charges. The Airport's rating indicated that it is 37% more efficient than the average North American airport.

In 2007, the Airport was voted Best Overall U.S. Airport by Zagat Global Airline/Airport Travel Survey. The Airport was selected by 7,500 frequent fliers who responded to Zagat's Survey about 84 airlines and 46 major airports.

In Tampa Bay Industry Magazine, issues of April/May 2007 and April/May 2008, the Airport is voted tops in the category of "Our most favorite architectural buildings in Tampa Bay" for Airside C.

American Society of Travel Agents ("ASTA") survey of travelers rates the Airport third in its ranking of "family-friendly" airports. The publication noted the educational programs, including scavenger hunts and birthday parties. During 2007, the Airport also renovated the children's play area at Airside E, and installed new fresh-themed equipment for children at Airsides A, C and F.

In January 2008, the Airport was voted the Best Airport according to *Travel and Leisure Magazine*.

In May 2008, the Airport tied for third place in the 2008 J.D. Power and Associates North American Customer Satisfaction Survey, for medium-sized airports. Business travelers rated the Airport as "Best" according to Phoenix Marketing International.

In June 2008, the Airport was awarded the International Air Transport Association's prestigious 2008 IATA Eagle Award for airports. The award is given to leading airports and air navigation service providers for outstanding performance in customer satisfaction, cost efficiency, and continuous improvement. Other factors include strong support and nominations from the airport's airlines.

In September 2008, *Condé Nast Traveler* announced its 11th Annual Business Travel Awards for airports, airlines, and hotels. The publication recognized the Airport as Second Best U.S. Airport – just two-tenths of a point behind number one, Portland International Airport.

Passenger Terminal Facilities

The existing passenger terminal facilities at the Airport include a Terminal Building, Airside Buildings connected to the Terminal Building by a fully automated elevated passenger transfer system, structured parking facilities, rental car facilities, an integrated inline explosive detection outbound baggage system and a hotel. To guide passengers and traffic, the Airport utilizes the designations "Red Side" and "Blue Side," which are generally oriented north and south, respectively. Upon entering the Airport via the roadway system, patrons are guided to specific airlines, which are identified as either Red or Blue. This designation continues within the Terminal Building, guiding patrons to the proper bag claim areas.

Terminal Building and Short-Term Parking. The Terminal Building is comprised of three operating levels: baggage claim and explosive detection screening; ticketing; and passenger transfer and concession area. The ground level is devoted to inline explosive detection for outbound baggage, inbound baggage claim facilities, and local surface transportation, including commercial ground transportation facilities at each of the four corners of the Terminal Building. The second level includes airline ticket counters, curbside passenger baggage check in and airline support offices. The third level, the passenger transfer level, includes station lobbies for the passenger transfer system connecting to the Airside Buildings, as well as restaurants, retail merchandise concessions and a connecting arcade to a 300 room hotel. The offices of the Authority are also located on the third level. Above these three operating levels are six levels of short term auto parking, which provide 3,650 vehicle public parking spaces, including valet parking spaces for approximately 212 cars, and the monorail system connecting the Terminal Building to the South Terminal Garage. A $22.8 million project, funded by PFCs, FDOT grants and Authority funds, to expand the baggage claim level is currently underway, with a completion timeframe of December 2010. This project will expand the east end of first level on both the Red and Blue sides, creating more circulation space, construct additional restrooms and relocate the existing bag service offices. New baggage claim devices will be added and all existing devices will be replaced, increasing bag capacity by 37%-40%.

Adjacent to the Terminal Building, on its north side, is a two story, 144,000 square foot service building, which includes Authority office space as well as mechanical, electrical and communications facilities required to serve the Terminal Building. Included in the service building are an airport employees' cafeteria, storage areas, police offices, maintenance shops and truck dock with adjoining warehouse space for the support of the various activities occurring within the Terminal Building.

South Terminal Garage - Long-Term Parking. Adjacent to the Terminal Building on its south side is an eight-level South Terminal Garage with 7,635 vehicle public parking spaces on six levels for long term parking. The South Terminal Garage is connected to the Terminal Building by a monorail system which transports passengers to elevator lobbies on the fifth floor of the Terminal Building and by two pedestrian bridges on the transfer level. The latter two 120-foot walkways are covered, open-air bridges. Portions of the first and second levels accommodate on-Airport car rental operations, including check-in areas, and are connected to the ticketing level of the Terminal Building by two pedestrian bridges.

Terminal Car Rental Facilities. The two Blue Side rental car counter areas previously located in the baggage claim area were consolidated into a single free-standing building located between the Terminal Building and the South Terminal Garage. The rental car return area in the South Terminal Garage was reconfigured and expanded. The quick-turnaround service areas and ready car parking areas in the South Terminal Garage were also expanded. The $33.5 million Red Side car rental garage construction and counter relocation project, which was completed in November 2006, consolidated and expanded the Red Side ready car facility for the rental car operators at the Airport by moving the two car rental counter locations located in the Red Side baggage claim areas to a single location adjacent to the Terminal Building. The Blue and Red Side baggage claim area facilities now have sufficient capacity to continue providing passengers with convenient direct access from baggage claim to car rentals within short walking distances. The former space occupied by the rental car counters was reclaimed to improve passenger circulation and provide for the future expansion of the bag claim system.

Integrated Inline Explosive Detection Outbound Baggage System. The Authority installed an outbound baggage system that converted the system from a manually loaded and transported operation, utilizing baggage tugs with multiple trailers, to a fully automated high speed conveyor network providing common use check in capabilities, baggage tracking and sorting features while maintaining an equal or better delivery time to the respective baggage loading areas at each airside terminal.

The outbound baggage system replaced the baggage makeup area in the Terminal Building with automated in-line explosion detection system screening equipment, including control rooms, baggage search/handling areas and the new baggage handling system itself. High speed belts transport screened baggage to the baggage makeup areas, which are now located at the airsides (Airsides C and E integrate the baggage makeup area within the footprint of their respective buildings, while Airsides A and F have separate baggage makeup buildings located near the Airsides). The original project, which did not include the Airside C component was completed and operational in June 2004. The Airside C baggage system was constructed during the building of Airside C and was completed in April 2005. Total cost of the entire system was $139.6 million.

Airside Buildings. There are four Airside Buildings currently in operation: Airside Buildings A, C, E and F. Original Airsides B and D have been demolished. The Airside Buildings contain passenger transfer system lobbies, passenger arrival and departure holdrooms, airline operations offices, baggage makeup and mechanical and electrical facilities spaces. Each Airside Building is of a different configuration. Fueling is provided at each Airside Building through an underground hydrant fueling system. The Airside Buildings are described in greater detail in the following paragraphs.

Airside Building A has been operational since May 1995. It is a 252,300 square foot three-story structure with 15 aircraft gates capable of handling B757 aircraft simultaneously or 12 wide-body aircraft including four B747-400s. Commuter facilities, airline ramp operations and mechanical rooms are on the ground level. The outbound baggage sort facility building for Airside A is on the site of the demolished Airside B. Security screening, passenger gates, concessions, children's play area and passenger transfer system lobbies are on the second level. The third level space is provided for airline club areas and office space.

Airside Building C was demolished and a new airside building was constructed on the same site and has been operational since April 2005. It is a 315,000 square foot two-story structure with 16 aircraft gates capable of handling B757 aircraft simultaneously or five wide body aircraft including two B747-400s with eight B757 aircraft at the same time. Commuter facilities, airline ramp operations, other airline space, mechanical/electrical rooms and the outbound baggage sort facility are on the ground level. Security screening, passenger gates, concessions, children's play area and passenger transfer system lobbies are on the second level. The aircraft ramp and hydrant fueling system were also reconstructed in 2005.

Airside Building E was demolished and a new airside building was constructed on the same site and has been operational since October 2002. It is a 289,000 square foot three-story structure with 14 aircraft gates capable of handling B757 aircraft simultaneously or six wide body aircraft including two B747-400s with five B757 aircraft at the same time. Commuter facilities, airline ramp operations, other airline space, mechanical/electrical rooms and the outbound baggage sort facility are on the ground level. Security screening, passenger gates, concessions, a duty free store, children's play area and passenger transfer system lobbies are on the second level. The third level space accommodates an airline club area and office space. The aircraft ramp and hydrant fueling system were also reconstructed at the same time.

Airside Building F has been operational since 1987. It is a 229,000 square foot three-story structure with 14 aircraft gates capable of handling a mix of B-757 and A-320 aircraft simultaneously or five wide-body aircraft including the B747-400 and a mix of three B757 and three A320 aircraft at the same time. Federal inspection services processing, mechanical/electrical areas and airline ramp operations are on the ground level. The outbound baggage sort facility is also located on the ground level in a 20,000 square foot facility directly adjacent to the Airside. Security screening, passenger gates, concessions, duty free shop, and passenger transfer system lobbies are on the second level. The third level space provides an airline club area and office space.

Passenger Transfer System. A fully automated elevated passenger transfer system connects the Terminal Building with each of the Airside Buildings. Each Airside Building is served by four dedicated shuttle vehicles.

Hotel. The 300 room hotel, under a ground lease to Host of Boston, Ltd., has meeting and conference facilities, 55,000 square feet of office rental space and parking spaces for 400 cars. It is attached to the Terminal Building at the passenger transfer level by a 300 foot long, fully enclosed shopping arcade with specialty shops and a full service bank. See "OTHER AGREEMENTS – Concessions and Leases – *Hotel*."

Airfield and Other Facilities

Airfield Facilities. The Airport has three runways: an east-west crosswind runway and two parallel, prevailing wind north-south runways. These runways are connected by a fully integrated system of taxiways. The runways are equipped with lighting and electronic aids to permit all-weather continuous operations. One north-south runway (18R-36L) is 11,000 feet in length and 150 feet wide and is equipped with high intensity edge lighting, center-line lighting, an instrument landing system and an approach lighting system. The other north south runway (18L-36R) is 8,300 feet in length and 150 feet wide and is equipped with an instrument landing system, high intensity edge lighting and an approach lighting system. A major reconstruction of Runway 18R-36L was completed in October 1997. The parallel north south runways are 4,300 feet apart, which permits simultaneous all-weather operations of the runways. The east-west runway (9-27) is 6,995 feet in length and 150 feet wide and is equipped with medium intensity edge lighting. Air traffic operations are served by radar approach control and departure facilities, including airport surveillance radar located at the Airport, all operated by the FAA.

To minimize take off delays, the two main north-south runways are complemented by holding aprons, which permit the bypassing of any delayed aircraft in the departure sequence. All approaches meet the FAA clearance criteria. The runway system is adequate to permit the unrestricted operation of the largest existing commercial aircraft to all North American points and to major European cities, with the exception of the Airbus A380 ("A380") - the largest passenger aircraft in the world. Runway 18R-36L is adequate for restricted operation of the A380, although the Authority does not anticipate operation of the A380 at the Airport within the planning horizon of the Report of the Airport Consultant. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT."

Aircraft Parking Aprons and Taxiways. Each Airside Building has a concrete aircraft parking apron containing approximately 900,000 square feet of pavement. Additional hardstand parking was constructed on the sites of demolished Airside B and Airside D. The Airport also has more than five miles of 75 foot wide taxiways and complementary installations, affording ready access from the Airport's three runways to the various aircraft parking aprons. Baggage cart tug roads, including grade separation structures, permit rapid transfer of baggage between each of the aircraft parking aprons and the baggage claim level in the Terminal Building.

For information regarding the 2009B Project – the Taxiway B Rehabilitation, Bridge and Service Road project – see "PURPOSE OF THE 2009A BONDS – The 2009 Project."

Roadways and Economy Parking Areas. The one and one-half mile, six lane, divided George Bean Parkway connects the Airport to a traffic interchange, providing direct access to the interstate highway system. A grade separated traffic interchange has been constructed within the terminal parkway system, providing traffic separation between airline passenger terminal traffic and traffic to the Regional U.S. Post Office situated at the Airport, adjacent to the entrance parkway. The Authority also maintains

an employee parking lot located to the north of the Air Cargo Complex, away from the terminal complex, which can currently accommodate 2,600 automobiles.

The 5,500 space Phase I economy garage was opened to the public on the site of the former surface economy lot behind the U.S. Post Office in two stages – 3,300 spaces came online in November 2005 and 2,200 spaces in May 2006. The 5,600 space Phase II economy garage was opened to the public on November 8, 2008 on a site immediately south of and connected to the ramps for the Phase I garage. Additional surface parking in this facility makes the total capacity 12,900 parking spaces. A complimentary shuttle service transports customers from the economy lot to the Terminal Building. With these additional spaces the Airport now has over 24,700 public parking spaces with approximately 22,430 garage spaces to accommodate the traveling public.

Florida Department of Transportation Airport Interchange Project. FDOT is funding and constructing $202 million of roadway improvements for easier access to the Airport. The project will enhance capacity to State Road 60/Memorial Highway/Veterans Expressway from I-275 to the Courtney Campbell Causeway interchange in the immediate vicinity of the Airport and is anticipated to be completed by the end of 2010.

The Spruce Street/State Road 60 interchange, which is the entrance to the Airport, will be enlarged to a four level interchange and the Courtney Campbell/State Road 60 interchange will include a new three level directional interchange. These major roadway improvements, scheduled for completion in 2010, will significantly reduce congestion on the adjacent interstate roadways and improve access into and out of the Airport.

In conjunction with the FDOT Airport interchange project discussed above, the Authority has widened the George Bean Parkway, the access roadway leading directly into the Airport, from two lanes in each direction to three lanes from beginning to end. Additionally, the project included constructing a secondary return to the terminal recirculation bridge which eliminated congested merging areas and improved traffic circulation. These project elements were completed in 2008. Another component of this project is the addition of a fourth lane to the outbound parkway south of the Post Office, which will be completed in January 2010. This $32.5 million project provides a completely updated access roadway system into the airport terminal complex.

Air Cargo Complex. A 113,400 square foot cargo complex is located on the north side of the Airport. Twelve tenants currently occupy 78% of the complex. Its aircraft parking apron provides space for three wide body and two 727 aircraft and several smaller aircraft simultaneously. Fueling is provided through an underground hydrant fueling system. This existing cargo complex is located on the future site of the North Terminal Complex and must be relocated. A new cargo facility is currently under construction in the east side development area, along with a Ground Support Equipment building. The two new buildings, at a cost of approximately $21.4 million, will total approximately 113,000 square feet.

UPS Supply Chain ("UPS") leases a 19,000-square foot, $2.5 million warehouse with adjoining 6,000-square feet of office space on property east of Runway 18L/36R. This facility allows for trucking access on three sides (18 truck loading doors). Additionally, there are two aircraft loading doors leading out to the ramp on the fourth side of the facility. This lease commenced on April 8, 2000 and will expire on April 7, 2010. UPS ceased operations out of this facility on January 31, 2004, and subsequently sub-leased the facility to National Retail Transportation, Inc. ("NRT"), a logistics company providing warehousing and delivery services for a national retailer, Linen's N Things. This company went out of business during the fall of 2008 and NRT ceased operations from the facility. Currently, there are on-going negotiations with another potential tenant for the facility. See "OTHER AGREEMENTS – Ground Leases – *UPS Supply Chain*."

Federal Express Corporation ("FedEx") leases an air cargo service facility at the Airport on a thirteen acre site. This facility opened for operations on March 1, 2003 at a cost to the Authority of $24.7 million, which included a new cargo building and apron, taxiway extensions and cargo road improvements. This regional sort facility has the capacity to handle 6,000 packages per hour. Additionally, there are parking spaces for 157 commercial and employee vehicles. See "OTHER AGREEMENTS – Ground Leases – *Federal Express Corporation*."

Airport Support Facilities. Located at the northeast corner of the Airport, the new facility in the Airport Support Facilities ("ASF") area houses centralized police auxiliary functions, maintenance shops, central receiving and warehousing. At the beginning of the program, the ASF area consisted mainly of a vehicular and equipment maintenance center for the Airport. The complex currently has eight buildings, the largest being the administrative and vehicular maintenance building. Other buildings include two vehicle storage shelters for mobile equipment; a greenhouse, equipment storage and vehicle wash building; emergency response equipment storage building, canine kennel and training area facility, and a police target practice range with a range master building and an explosive material storage facility.

Construction of a 35,000 square foot warehouse and central receiving facility was completed in April 2009. This project will complete the Airport support facilities expansion program. In addition to constructing the new warehouse, this $6.8 million project will provide a truck and van off load court and associated parking areas, secured areas for outdoor storage and necessary roadwork and exterior lighting.

Construction on an $8 million consolidated firefighting facility was completed in April 2006. The 28,000 square foot, state-of-the-art station replaced two smaller fire stations located on either side of the Airport property. The 15,822 square feet of living area includes 14 private dorm rooms, restrooms, training space with integrated audio/video equipment, administrative offices, a gym, kitchen and dining room. The facility also features an apparatus bay of 12,800 square feet, consisting of 10 bays for all department firefighting vehicles.

Delta Maintenance Facility. Delta leased (origination date December 1, 1982) a $24.2 million aircraft maintenance facility at the Airport constructed with special purpose revenue bonds for which the Authority acted as the "conduit issuer" on behalf of Delta. This facility is approximately 125,000 square feet and includes an aircraft hangar which can simultaneously accommodate two L-1011 jet aircraft, aircraft ramp, engine run-up area, employee parking, support shops and other related services.

This facility was closed for aircraft maintenance in 2005, with heavy maintenance work shifted to Atlanta. Delta rejected the facility's lease and debt service agreement pursuant to its reorganization proceedings under Chapter 11 of the Bankruptcy Code. The Bankruptcy Court issued an order on June 29, 2006, approving a Stipulation entered into between Delta, the Authority and the Trustee (as successor indenture trustee). The Stipulation and Order allowed for the rejection of Delta's lease and debt service agreement and abandonment by Delta of certain expendable property, effective June 30, 2006. For purposes of that Stipulation and Order, Delta treated the lease and debt service agreement as a "true lease" and not as a financing arrangement. However, all parties reserved all of their rights, claims, and defenses under all agreements and applicable law on all issues, including, but not limited to, (a) whether any party's obligations under any agreement to which it is a party are true lease obligations or pre-petition financing obligations and (b) whether any claims related to or arising out of the rejected agreements are or are not subject to limitations on damages under the Bankruptcy Code.

The original special purpose bond issue has been refunded. At the time of bankruptcy filing, there were two series of outstanding bonds in the principal amounts of $16,544,349 and $8,110,311, respectively. The Trustee issued a draw request to the Credit Issuer under the Letter of Credit on the principal amount of the $16,544,349 conduit bond issue and the bondholders thereof received full

payment of the outstanding principal and interest accrued to July 5, 2006 on that series of bonds. The other series of conduit bonds in the amount of $8,110,311 is currently in default.

The Trustee and Authority filed independent claims exceeding $12 million characterizing the lease and debt service agreement as a financing agreement not subject to limitations. An Adversary Complaint was filed August 20, 2007, by the Trustee and the Authority to compel the court to declare the lease and debt service agreement to be a financing agreement and not a true lease, requiring Delta to pay both parties the filed claim amounts. After a hearing favorable to the Authority, Delta agreed to value the Trustee's claim at $8 million and the Authority's claim at $846,584.00. Delta stock was paid pursuant to the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code in amounts reflecting the agreed claims pursuant to the Order Granting Settlement of Certain Claims. The Trustee, Authority and majority bondholder J.P. Morgan Securities Inc. (one of the Underwriters of the 2009A Bonds) have entered into an Instruction and Indemnity Agreement to resolve remaining open issues associated with the vacant facility. See "INVESTMENT CONSIDERATIONS – Effect of Airline Bankruptcy," "AVIATION AND AIRLINE INDUSTRY – Factors Affecting the Airline Industry," and "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS."

Pemco World Air Services, Inc. Maintenance Facility. The Authority owns an additional 140,000-square foot maintenance facility that includes an aircraft hangar which can simultaneously accommodate one 767 and two 727 aircraft, aircraft ramp, engine run-up area, employee parking, support shops and related services. This facility was leased and utilized by US Airways until US Airways rejected the Ground Lease and Financing Agreement in bankruptcy proceedings by Court Order dated January 16, 2003.

On March 15, 2008, Pemco World Air Services, Inc. entered into a 15-year lease of the maintenance hangar to perform heavy aircraft maintenance, repair and overhaul operations. The basic terms of the lease include two five-year options, payment of ground rent of $107,624, which escalates after year five 10 percent every three years and facility rent equal to 1.3 percent of gross receipts or a minimum of $300,000, whichever is greater.

Reservations Center. A reservations center is situated on six acres of property owned by the Authority. The reservations center is currently leased by Continental Airlines, Inc. Continental has announced plans to close this center effective July 19, 2009. See "OTHER AGREEMENTS – Leases – *Continental Reservation Center*."

Shopping Mall, Hotel and Office Center. Concorde Companies entered into a master lease for approximately 154 acres of Authority property located in the southeast corner of the Airport. This property has been developed by a variety of companies through the following series of carve-out leases. Tampa Westshore Associates Ltd. Partnership ("Westshore") leases approximately 113 acres and opened a 1.25 million square foot upscale regional shopping center, International Plaza, in September 2001 on this leased parcel. A 300 room Renaissance Hotel was also opened in March 2003 on this leased parcel.

Westshore also received by assignment, an additional out parcel that has been developed into a Crate and Barrel retail store that opened in May 2009 and a Cameron Mitchell seafood supper club concept, Ocean Prime, that opened in January 2009. In addition to the Westshore Development, Crescent Resources, a division of Duke Energy, developed four office buildings on 33.112 acres containing 1,261,848 square feet of Class A space that were ultimately assigned to Corporate Center One Owner, LLC, Corporate Center Two Owner, LLC, Corporate Center Three Owner, LLC and Crescent Resources, LLC. Approximately 7 acres of vacant land remains under the Concorde Companies' lease.

One Buc Place. The NFL franchise Tampa Bay Buccaneers (the "Bucs") leased approximately 6 acres of space for a corporate headquarters and training facility. Concorde Companies' master lease contained a reverter provision that included a provision that would include this property into the Concorde Companies' master lease upon the Bucs' vacation of the facility if Concorde chose to exercise their reverter. Concorde Companies gave the Authority a Quit Claim Deed conveying any and all interest they had pursuant to the reverter on March 30, 2007. The facility has been demolished and the land is now vacant. The Bucs built and relocated to a state of the art facility adjacent to Raymond James Stadium in 2006.

General Aviation. There are two general fixed base aviation facilities at the Airport. The first facility, which opened in 1980, is owned by the Authority and is currently managed by Signature Flight Support Corporation. Constructed with Authority funds, the operation provides an avionics shop, maintenance shops, aircraft line service, tie down and storage, aircraft charter, sales center for Signature Flight Support Corporation airplanes and related aviation services. This facility provides 140,000 square feet of hangar storage space and 60,000 square feet of hangar maintenance space. The Authority retains title to all permanent improvements of the hangar building. The facility is rated one of the top ten fixed base facilities in the United States by the *Professional Pilot Magazine*.

The general aviation facility currently operated by Signature Flight Support Corporation at the Airport until recently housed a small office for the Customs and Border Protection unit of the U.S. Department of Homeland Security. With the opening of the second fixed based operator, Tampa International Jet Center LLC ("Tampa Jet Center"), it was necessary to establish a new Customs and Border Patrol facility. The new $3.2 million facility was opened in May 2007 and provides a new stand alone facility located between the two fixed based operation ("FBO") complexes serving the needs of general aviation international passengers. The facility will be capable of handling up to 30 passengers and their baggage at any one time while meeting the requirements of the Customs and Border Patrol.

The Tampa Jet Center FBO facility has been operational since October 2004. Under the terms of its agreement with the Authority, Tampa Jet Center constructed a new 12,000 square foot terminal building, two storage hangars of 26,000 square feet each and a maintenance hangar of 26,000 square feet and other facilities necessary to provide a full service FBO serving primarily corporate aviation. Tampa Jet Center provides generally the same range of services as the Signature Flight Support Corporation FBO. The Authority participated in the FBO's development by constructing 350,000 square feet of apron and a 61,500 square foot parking lot with Authority funds. The agreement's term is for 20 years and at the end of the agreement, title to all tenant improvements reverts to the Authority. In June 2004, the agreement was amended to provide additional lease space for the development of a fourth hangar. The additional hangar was completed in September 2005. Tenant facility improvement costs to date are $12,150,000. See "OTHER AGREEMENTS – Fixed Base Operations."

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Airlines Serving Tampa International Airport

The Airport is served by seven legacy/ mainline carriers (which are airlines that have operations focused around a hub and spoke system and that provide more extensive passenger services than other airlines) and five low cost carriers (which are airlines that typically offer lower fares in exchange for eliminating many traditional passenger services). The Airport is also served by four regional/commuter airlines and four foreign flag carriers (based on airline classifications defined by the U.S. Department of Transportation). In addition, two all-cargo carriers provide scheduled cargo service at the Airport and one other airline providing seasonal service at the Airport. The following table lists the airlines serving the Airport as of March 2009.

Legacy/Mainline Carriers (7)
American Airlines, Inc. *(a)*
Continental Airlines, Inc. *(a)*
Delta Air Lines, Inc. *(a)*
Midwest
Northwest Airlines, Inc. *(a)*
United Airlines/TED *(a)*
US Airways, Inc. *(a)*

Low Cost Carriers (5)
AirTran Airline *(a)*
Frontier *(b)*
jetBlue *(a)*
Southwest Airlines Co. *(a)*
Spirit Airlines, Inc. *(a)*

Regionals/Commuter Carriers (4)
Comair (d/b/a/ Delta Connection)
ExpressJet (d/b/a Continental Connector)
Gulfstream International Airlines, Inc. (d/b/a/ Continental Express) *(a)*
Mesaba (Northwest Airlink)

Foreign Flag Airlines (4)
Air Canada
British Airways PLC
Cayman Airways
WestJet

All-Cargo Carriers (2)
Federal Express Corporation *(a)*
Flight Express Service Corp. Inc.

Other Scheduled Carrier (1)
Sun Country (c)

_____
(a) Airlines signatory to the Airline – Airport Use and Lease Agreement. See "AIRLINE – AIRPORT USE AND LEASE AGREEMENT."
(b) Filed for Chapter 11 bankruptcy protection on April 11, 2008. See "INVESTMENT CONSIDERATIONS – Effect of Airline Bankruptcies."
(c) Provides seasonal service.

Enplanements and Aircraft Operations

Passenger activity at the Airport increased from 7.4 million enplanements in Fiscal Year 1999, to 9.4 million in Fiscal Year 2008. The increase in enplanements over this period can be attributed to the expansion of service by low cost carriers and Delta and the growth of the local economy. This increase represents a compounded annual growth rate of 2.6 percent during this period, compared to 0.6 percent for the nation. The Airport's share of total U.S. enplaned passengers increased from 1.219 percent in Fiscal Year 1999, to 1.343 percent in Fiscal Year 2008, reflective of the higher compounded annual growth rate experienced at the Airport compared to the nation during this period. For the first six months of Fiscal year 2009, enplanements have decreased 10.6 percent in comparison to the same period in Fiscal Year 2008. This decrease represents the largest enplanement reduction for comparable periods over the last 10 years.. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Air Traffic."

Airline Passenger Traffic
Tampa International Airport
(Fiscal Years Ended September 30)

Fiscal Year	Enplaned Passengers	Annual Percent Increase/(Decrease)	U.S. Enplanements	U.S. Growth	Market Share
1999	7,448,936	--	610,900,000	--	1.219%
2000	7,959,159	6.8%	641,200,000	5.0%	1.241
2001	8,183,815	2.8	625,800,000	(2.4)	1.308
2002	7,618,598	(6.9)	575,100,000	(8.1)	1.325
2003	7,660,785	0.6	587,800,000	2.2	1.303
2004	8,465,720	10.5	628,500,000	6.9	1.347
2005	9,469,020	11.9	669,400,000	6.5	1.415
2006	9,391,650	(0.8)	668,400,000	(0.1)	1.405
2007	9,628,144	2.5	689,400,000 (1)	3.1	1.397
2008	9,350,806	(2.9)	696,200,000 (2)	1.0	1.343
Seven Months ended April 30, 2008	5,689,654	--	--	--	--
Seven Months ended April 30, 2009	5,108,187	(10.2)	--	--	--
Compounded Annual Growth Rate					
1999-2002		0.8%		(2.0%)	
2002-2008		3.5		3.2	
1999-2008		2.6		0.6	

(1) Estimated by the FAA.
(2) Forecast by the FAA.

Sources: Hillsborough County Aviation Authority (Airport activity)
FAA (U.S. activity)

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Top Markets for Tampa International Airport

As of June 2009, the Airport provided nonstop service to 56 destinations with a total of 219 flights per day (depending on the day of the week). International nonstop service includes markets in the Caribbean, Europe, Canada and Mexico.

The most frequent destinations of Airport passengers originating their trip at the Airport are shown in the table below.

Top Markets for Tampa International Airport
Origination/Destination
Twelve Months Ended June 30, 2008

Destination from Tampa	Trip Length(1)	Total Origination/Destination Passengers
New York, New York (2)	MH	1,575,751
Chicago, Illinois (3)	MH	820,146
Philadelphia, Pennsylvania	MH	620,172
Washington D.C. (4)	MH	537,325
Atlanta, Georgia	SH	526,084
Detroit, Michigan	MH	494,511
Baltimore, Maryland	MH	492,440
Boston, Massachusetts	MH	453,969
Ft. Lauderdale, Florida	SH	389,245
Indianapolis, Indiana	MH	342,133
Denver, Colorado	MH	316,446
Las Vegas, Nevada	LH	312,267
Dallas/Ft. Worth, Texas	MH	305,313
Hartford, Connecticut	MH	298,743
Providence, Rhode Island	MH	293,022
Pittsburgh, Pennsylvania	MH	255,144
Houston, Texas	MH	244,459
Nashville, Tennessee	MH	244,039
Minneapolis, Minnesota	MH	240,791
Manchester, New Hampshire	MH	233,454
Buffalo, New York	MH	229,859
Los Angeles, California	LH	218,690
Long Island (Islip), New York	MH	217,896
Raleigh Durham, North Carolina	SH	210,514
Columbus, Ohio	MH	210,386

(1) (SH) Short Haul = 0 to 600 miles
(MH) Medium Haul = 601 to 1,800 miles
(LH) Long Haul = over 1,800 miles
(2) John F. Kennedy International, LaGuardia and Newark Liberty International Airports.
(3) O'Hare International Airport and Midway Airport.
(4) Ronald Reagan (National Airport) and Dulles International Airports.

Source: United States Department of Transportation, Original & Destination, T-100 Data

For the twelve months ended September 30, 2008, the five airline carriers accounting for the largest share of airline traffic at the Airport were Southwest with 28.8%; Delta with 13.17%; US Airways with 11.0%; American with 8.9% and AirTran with 8.3%. The following table sets forth the airline market shares of enplaned passengers at the Airport for the Fiscal Years ended September 30, 2004-2008 and comparables for the six months ended March 31, 2009.

Airline Market Share of Enplaned Passengers
Tampa International Airport
Fiscal Years Ended September 30

	2004		2005		2006		2007		2008		Six Months Ended March 31, 2008		Six Months Ended March 31, 2009	
Airline [1]	Enplaned	Share	Enplaned	Share	Enplaned	Share	Enplaned	Share	Enplaned	Share	Enplaned	Share	Enplaned	Share
Southwest	1,748,010	20.6%	2,087,088	22.0%	2,345,605	25.0%	2,572,580	26.7%	2,693,352	28.8%	1,321,603	27.6%	1,256,882	29.3%
Delta [2]	1,822,745	21.5	1,983,378	20.9	1,604,261	17.1	1,398,508	14.5	1,283,395	13.7	644,290	13.4	598,515	14.0
US Airways [3]	1,062,777	12.6	1,103,999	11.7	1,079,025	11.5	1,090,227	11.3	1,024,423	11.0	523,299	10.9	451,983	10.56
American [4]	814,171	9.6	900,995	9.5	943,810	10.0	940,899	9.8	836,457	8.9	430,692	9.0	370,691	8.7
Continental [5]	663,978	7.8	741,550	7.8	814,777	8.7	841,580	8.7	679,501	7.3	362,090	7.6	298,782	7.0
AirTran	428,158	5.1	532,785	5.6	600,254	6.4	718,730	7.5	771,487	8.3	393,135	8.2	355,736	8.3
United/TED	519,556	6.1	583,666	6.2	541,729	5.8	561,796	5.8	477,620	5.1	250,640	5.2	223,626	5.2
Northwest	511,184	6.0	548,904	5.8	496,036	5.3	527,462	5.5	506,568	5.4	280,011	5.8	252,966	5.9
jetBlue	362,620	4.3	438,045	4.6	473,890	5.0	444,580	4.6	423,354	4.5	218,126	4.6	212,668	5.0
Spirit	177,649	2.1	158,081	1.7	143,007	1.5	210,452	2.2	211,591	2.3	108,733	2.3	81,823	1.9
Gulfstream	--	--	--	--	--	--	--	--	112,313	1.2	62,513	1.3	37,255	0.9
Midwest	14,322	0.2	43,068	0.5	80,401	0.9	84,547	0.9	52,300	0.6	29,803	0.6	15,636	0.4
British Airways	73,888	0.9	64,930	0.7	61,940	0.7	60,881	0.6	60,879	0.7	29,867	0.6	28,179	0.7
Air Canada	68,942	0.8	64,018	0.7	64,336	0.7	57,513	0.6	65,915	0.7	39,694	0.8	36,718	0.9
Frontier	53,243	0.6	49,347	0.5	53,341	0.6	50,750	0.5	55,032	0.6	30,555	0.6	20,328	0.5
West Jet	--	--	19,983	0.2	25,477	0.3	47,412	0.5	43,278	0.5	30,259	0.6	23,395	0.5
Cayman Airways	16,707	0.2	14,922	0.2	18,764	0.2	18,462	0.2	21,339	0.2	11,355	0.2	8,532	0.2
All Others [6]	127,770	1.5	134,261	1.4	44,997	0.5	1,765	0.0	32,002	0.3	23,643	0.5	9,596	0.2
Airport Total [7]	8,465,720	100.0%	9,469,020	100.0%	9,391,650	100.0%	9,628,144	100.0%	9,350,806	100.0%	4,790,308	100.0%	4,283,311	100.0%

1 For those airlines that were party to a merger or acquisition, only the surviving entity is presented in this table. However, the activity for the airlines that are now a part of the surviving airline is included in the information presented.
2 Includes activity by Delta, Atlantic Southeast, Chautauqua, Comair, and Song.
3 Includes activity by US Airways, American West, and Piedmont.
4 Includes activity by American and American Eagle.
5 Includes activity by Continental and Express Jet.
6 Consists of airlines no longer serving the Airport and/or charter airlines.
7 Totals may not add due to individual rounding.

Source: Hillsborough County Aviation Authority

FINANCIAL FACTORS

Budget Procedures

The Authority operates on a Fiscal Year commencing October 1st and ending September 30th. The Authority's budget is prepared in June of each year by the Finance Department, with input from all Department Directors and the Executive Director. The airlines executing the Airline Agreement (the "Signatory Airline(s)"), through their Airlines-Airport Affairs Committee, are entitled to review and comment upon, but do not have the right to approve or disapprove the proposed operating and capital budget. After review and receipt of recommendations relating thereto by the Authority's Airport Consultant, the budget is presented to the Authority Board in August. After their review, the Board adopts the budget at the September meeting. New rates and charges to the Signatory Airlines are effective October 1 of each Fiscal Year and the budget and rates and charges may also be modified during the year, should conditions warrant.

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The following table presents historical operating results of the Authority for the Fiscal Years ended September 30, 2004 through September 30, 2008, and for the six months ending March 31, 2008 and 2009.

Hillsborough County Aviation Authority
Historical Operating Results [1]
Fiscal Years 2004 through 2008
(In thousands)

						(Unaudited) Six Months Ended March 31,	
Operating Revenues	2004	2005	2006	2007	2008	2008	2009
Airfield	$9,958	$10,667	$11,821	$12,403	$12,448	$6,254	$5,992
Terminal Building	30,500	34,258	35,738	38,865	39,521	19,853	20,204
Airside Building	16,010	18,212	20,177	19,521	19,250	9,684	9,737
Commercial Landside	71,068	78,335	84,414	91,202	92,300	46,806	41,742
Cargo	1,935	1,993	2,062	2,045	2,063	1,003	1,058
Auxiliary airports	595	610	805	951	990	490	490
General Aviation	842	1,364	1,329	1,403	1,504	752	750
Federal reimbursements	1,430	1,280	1,195	1,329	1,223	691	596
Other	6,478	7,108	7,642	7,703	7,616	3,519	4,182
Total Operating Revenues	138,816	153,827	165,183	175,422	176,915	89,052	84,751
Operating Expenses							
Airfield	6,668	7,218	7,612	7,979	8,052	3,840	4,030
Terminal Building	18,684	20,296	22,536	25,200	25,949	13,044	12,492
Airside Building	14,559	16,540	19,232	20,769	20,646	10,361	10,209
Commercial Landside	14,126	15,908	18,173	19,650	20,760	10,608	10,426
Cargo	402	398	468	558	548	269	294
Auxiliary airports	942	1,090	1,267	1,327	1,400	746	601
General Aviation	438	588	772	848	802	397	437
Passenger transfer system	2,777	3,119	3,465	3,690	3,742	1,935	1,773
Roads and grounds	5,379	6,361	7,290	7,612	7,806	3,890	4,012
Other	1,689	1,587	1,817	2,060	2,063	1,226	973
Total Operating Expenses	65,664	73,105	82,632	89,693	91,768	46,316	45,247
Signatory Airline Net Revenue Sharing	6,907	8,886	8,990	9,339	9,501	4,750	4,430
Operating Income Before Depreciation and Amortization	66,245	71,836	73,560	76,389	75,646	37,986	35,074
Depreciation and Amortization	59,996	63,840	65,304	70,830	72,717	36,360	36,016
Income from Operations	6,249	7,996	8,256	5,559	2,929	1,626	(942)
Non-Operating Revenues and Expenses							
Investment Income	3,784	5,634	7,749	9,728	7,890	4,150	2,855
Interest Expense	(22,601)	(26,082)	(31,444)	(32,785)	(31,227)	(14,130)	(15,407)
Change in Net Assets before Contributions	(12,568)	(12,452)	(15,439)	(17,498)	(20,408)	(8,354)	(13,494)
Contributions for Capital Projects							
Passenger Facility Charges	34,765	38,380	37,778	38,926	36,684	18,984	17,094
Federal and State Grants	19,816	14,377	20,001	18,888	23,552	9,746	14,270
Other Contributions	--	--	--	15,080	2,501	1,250	1,542
Increase in Net Assets	$42,013	$40,305	$42,340	$55,396	$42,299	$21,626	$19,412
Total Net Assets, Beginning of Year	$421,078	$463,091	$503,396	$545,736	$601,132	$601,132	$643,430

(1) The historical operating results were derived from the Authority's audited financial statements for the Fiscal Years ended September 30, 2004 through September 30, 2008. The operating results for the six months ended March 31, 2008 and March 31, 2009 were derived from the Authority's internally generated financial records and have not been audited nor reviewed by the Authority's independent auditors.

Management Discussion of Historical Financial Results

Effective October 1, 1999, the Authority entered into a new Airline – Airport Use and Lease Agreement with the Signatory Airlines (the "Airline Agreement") which had a seven year term and incorporates the lease and use of the terminal complex and the airfield at the Airport. The current Airline Agreement was extended for an additional three-year period to September 30, 2009 and is in the process of being extended again for an additional year to September 30, 2010. The Airline Agreement incorporates the lease and use of the Terminal Building, Airside Buildings, any future Airside Buildings and the airfield at Tampa International Airport. The Airline Agreement established a "compensatory" rate-making methodology where the airlines pay the Authority fees and charges based on the Authority's cost of providing facilities and services to the airlines. The costs allocated to the Signatory Airlines include operating and maintenance expenditures, debt service coverage of 25%, Trust Agreement minimum deposit requirements, and a return on investment for Authority funds used for capital projects, reduced by their share of debt service coverage from the prior year and interest earned on the debt service reserve fund. The Airline Agreement also includes a net revenue sharing component that was 15% in Fiscal Year 2001, 16% in Fiscal Year 2002, 17% in Fiscal Year 2003, 18% in Fiscal Year 2004, 19% in Fiscal Year 2005, 20% in Fiscal Year 2006 and 20% in Fiscal Year 2007. The extension of the Airline Agreement continued the 20% net revenue sharing component through Fiscal Year 2010. See "SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE – AIRPORT USE AND LEASE AGREEMENT" in APPENDIX E hereto for a discussion of the rates and charges methodology effective October 1, 1999.

Airport Activity

Passenger enplanements at the Airport for Fiscal Year 2008, totaled 9,350,806, a decrease of 2.9% from the prior Fiscal Year. This decrease reflects the state of the economy and the reduced seat capacity into the Tampa market. In an effort to reduce operating costs, in response to high fuel prices and a slowdown in the economy, most airlines have reduced seat capacity in U.S. airports, either through the elimination or reduction in the number of daily flights. In Fiscal Year 2007, the Airport had record passenger activity, with a total of 9,628,144 enplanements, an increase of 2.5% over Fiscal Year 2006.

Landed weight in Fiscal Year 2008 totaled 11,947,334 thousand pounds, compared to 12,269,910 thousand pounds in Fiscal Year 2007 and 11,807,473 thousand pounds in Fiscal Year 2006. The number of landings for domestic and international flights was 102,785 for Fiscal Year 2008, compared to 105,780 and 104,287 for Fiscal Year 2007 and Fiscal Year 2006, respectively. These results for landed weight and landings further demonstrate the changes in capacity discussed above.

Operating Revenues.

Airfield revenues are comprised of landing fees received from the airlines based on landed weight. In accordance with the Airline Agreement, landing fee rates are calculated by dividing 90% of total expenditures in the airfield cost center by the annual total landed weight of all commercial airlines. Major Terminal Building revenues include space rental to the airlines, food and beverage, general merchandise and other concession revenues. Space rental fees to the airlines in the Terminal Building are based on the cost of providing the space to the airlines. The Airside Building classification of revenues comprises primarily space rentals, gate usage, federal inspection service charges and hardstands. Commercial landside revenues include car rentals, parking and other concession revenues. Auxiliary airport and general aviation revenues are generated from the reliever airports operated by the Authority and the general aviation operations at Tampa International Airport. The federal reimbursements classification is discussed in detail within the section below titled "Federal and Other Reimbursements."

Other revenues include leases and rentals of land and buildings outside of the Terminal Building area, rentals received for the fuel farm, maintenance hangars and other various revenues.

Overall, operating revenues for Fiscal Year 2004 and Fiscal Year 2005 totaled $138,816,000 and $153,827,000, respectively. The growth in revenues in the Terminal Building category for Fiscal Year 2005 relates to an increase in food and beverage concession revenues of $1,677,000, general merchandise concessions of $841,900 and space rental of $903,900. Fiscal Year 2005, as well as Fiscal Year 2004 concession revenues were positively impacted by the increase in the passenger activity at the Airport. The opening of the new Airside C in April 2005 contributed to the increase in Airside revenues in Fiscal Year 2005. This new Airside, a sixteen-gate facility encompassing 314,000 square feet, added $1,690,400 in revenues in Fiscal Year 2005. Parking revenues increased $6,659,500 in Fiscal Year 2005 over the prior year as a result of the increase in passenger volume and the continued increase in the use by those traveling as well as Airport patrons picking up passengers. Fiscal Year 2005 revenue from the general aviation category increased due to the opening of the second fixed based operator at Tampa International Airport during October 2005, this new facility generated $467,400 in additional revenues for the year.

Operating revenues for Fiscal Year 2006 and Fiscal Year 2007 were $165,183,000 and $175,422,000, respectively. An average increase of 6.8% of total operating revenues from Fiscal Year 2005 to 2007 reflects the strong economic growth trend of the Airport in Fiscal Year 2007. The increase in Airfield revenues in Fiscal Years 2006 and 2007 is due to the increase in passenger enplanements and the resulting increase in landing fees. An increase in Terminal Building revenues for these two years primarily relates to the increase in space rental revenues to the airlines of $964,300 and $1,084,600, respectively, and increases in food and general merchandise concessions as a result of passenger volume activity level and pricing increases in 2007. A full year of operation of Airside C positively impacted Airside Building revenues in Fiscal Year 2006 by $1,274,200. A reduction of Airside space rental revenues in Fiscal Year 2007 was offset by the increase in gate use of $406,800. In Fiscal Year 2007, the Airside square footage rental rate increased from $60.49 to $70.87, but space rentals declined by $1,011,300, due to a decrease in the amount of space leased to the airlines. This decrease was offset by the increase in gate use charges of $406,800 in Fiscal Year 2007

The opening of the Phase I economy garage in Fiscal Year 2006 provided an additional option for those patrons wishing to park on a longer term basis, which positively impacted the commercial landside revenues. In Fiscal Year 2007, the parking revenues were $4.2 million higher than the prior Fiscal Year as a result of passenger activity levels and a rate increase that became effective in June 2007. Fiscal Year 2007 car rental concessions were 2.5 million more than Fiscal Year 2006, in part due to passenger volume and also the rental pricing, and the opening of a new rental facility across from the Red Baggage claim area providing greater convenience for passengers.

Fiscal Year 2006 and 2007 revenues for the auxiliary airports totaled $805,100 and $950,618, or 32% and 18.1% higher than the prior Fiscal Years, respectively. The positive variances were due to the increases in hangar rentals in the auxiliary airports. Increases in fuel flowage fees and rentals at the general aviation facilities contributed to the increase in Fiscal Year 2007 of 5.6% over the prior Fiscal Year in this revenue category.

In Fiscal Year 2008, Terminal Building revenues were higher than the prior Fiscal Year due to increases in space rentals to the airlines of $711,400, and increases in other space rentals of $239,400. The decline in passenger volume activity levels for Fiscal Year 2008 contributed to decreases in general merchandise and food concessions of $207,500 compared to Fiscal Year 2007. In Fiscal Year 2008, due to decreased costs in the Airside cost centers compared to Fiscal Year 2007, the average Airside square footage rental rate for Signatory Airlines declined from $70.87 to $70.37. This decline resulted in less

revenues generated by airline space rentals of approximately $269,700, accounting for the majority of change in the Airside category for Fiscal Year 2008. During Fiscal Year 2008, the revenues in the commercial classification increased $1,098,200; this variance results from the increase in the net rental car privilege fees of $643,500 and parking revenues over the prior Fiscal Year of $510,900. The rental car privilege fees increased due to a contractual increase in the guaranteed minimum privilege fees during Fiscal Year 2008. Although total parking revenues for Fiscal Year 2008 are higher than the prior Fiscal Year, revenues from this operation began to decline in the later months of the Fiscal Year, due to the slowdown in the number of passengers and the effect of the downturn in the economy.

Operating revenues for the auxiliary airports totaled $990,000 for Fiscal Year 2008, $39,400 over Fiscal Year 2007. General aviation operating revenues in Fiscal Year 2008 were $100,700 higher than the prior Fiscal Year due to increases in rentals of $123,300, offset by lower fuel flowage fees of $21,100.

Federal and Other Reimbursements

Pursuant to an agreement with the Transportation Security Administration ("TSA"), the Authority receives reimbursements from the TSA for providing law enforcement services on behalf of the TSA at the passenger security checkpoints. During the period from October 2002 through May 2003, the Authority recorded $664,400 in reimbursements from the TSA under the agreement. In Fiscal Year 2004, TSA reinstated the agreement (after terminating it effective June 1, 2003) and the Authority was reimbursed $1,241,800 (retro-active for the period June 2003 through September 2004). In Fiscal Year 2005, $971,700 was received under this program. In Fiscal Year 2006 the Authority was reimbursed $1,000,800 and the same amount was received in Fiscal Year 2007. In Fiscal Year 2008 reimbursements under this agreement totaled $1,029,800.

The Authority also receives annual operating grants to provide partial funding for the canine programs at the Airport; $120,500 was received in 2004. In both Fiscal Years 2005 and 2006, $160,500 was received and in Fiscal Year 2007 the grant amount was $282,500.

Operating Expenses

Overall, operating expenses for Fiscal Year 2004 and Fiscal Year 2005 totaled $65,664,000 and $73,105,000, respectively. The variance in airfield expenses with a total of $7,218,100 for Fiscal Year 2005, an increase of 8.2% over Fiscal Year 2004, was due to expected increase in operation and maintenance charges to this cost center. Record passenger activity for Fiscal Year 2005 impacted operating expenses at the Airport for the Terminal Building as well as the Airside cost centers. Operating expenses for the Airside category increased significantly as a result of the new Airside C opening in Fiscal Year 2005. The expenses attributable to the operation of Airside C for partial Fiscal Year 2005 totaled $1,223,700. Southwest and Spirit Airlines were relocated to this sixteen-gate, 284,515 square-foot facility on April 20, 2005. The commercial landside cost center expenses for Fiscal Year 2005 increased 12.6% over the prior year, which related to passenger activity increase and the number of patrons using the parking facilities at the Airport.

Cargo expenses for Fiscal Year 2005 declined slightly over the prior Fiscal Year, due to less maintenance expenses being incurred in this cost center. Increases in the auxiliary airports expenses are attributable to all three facilities and is due to the increase in activity at these operations. Passenger transfer system expenses for the Fiscal Year 2005 reflected the additional shuttle cars needed for transportation to new Airside C. Roads and grounds expenses were higher than the previous year due to increased security and patrol charges to this cost center.

During Fiscal Year 2006, the overall increase in operating expenses primarily occurred in personnel services, certain contracted services and contractual maintenance items, electricity and insurance costs. Electricity rate increases of over 10% along with a full year of operation of new Airside C and the new Phase I economy garage, resulted in an increase in electricity costs of $1,162,900 over Fiscal Year 2005. Additional personnel expenses were incurred to provide maintenance for the new Airside C and the Phase I economy garage. Other positions were added to enhance customer service in the curbside management program and by the addition of positions within the communications center and information technology departments, resulting in personnel costs charged to operating expenses increases of $3,895,800 in Fiscal Year 2006. Property insurance costs for the Airport, as in all of the State, continued to increase during this time period. The insurance expenses for Fiscal Year 2006, at $2,918,900, were $701,600 higher than Fiscal Year 2005. Contracted operating services for the Phase I economy garage increased these expenses by $864,200 over the prior Fiscal Year. Contracted maintenance for Fiscal Year 2006 increased $1,070,700 over the prior Fiscal Year due to the full year impact of Airside C and the opening of the Phase I economy garage. The total operating expenses for Fiscal Year 2005 increased over $7,440,400 over the prior Fiscal Year, an increase of 11.3%. This increase was due to a full year operation of the outbound baggage system, including the Airside C portion of the system that was completed in Fiscal Year 2005, and the expenses relating to the operation of new Airside C.

In Fiscal Year 2007, personnel costs charged to operating expenses totaled $39,791,100, an increase of $2,893,000 over the prior Fiscal Year. This variance is due to the addition of new positions in the current Fiscal Year, a full year impact of new positions added in the prior Fiscal Year, merit and cost living adjustments and the associated impact on FICA, pension and group and other employee insurance. Contracted services and maintenance expenses increased over the prior Fiscal Year and are a result of services related to the Phase I economy garage and rental car project and contractual increases associated with these agreements. Electricity costs, at $10,964,900 for Fiscal Year 2007, were 8.7% higher than the prior Fiscal Year, due to the full Fiscal Year impact of the Phase I economy garage and a rate increase experienced during the Fiscal Year. Insurance expenses were $817,800 over Fiscal Year 2006, reflecting the impact of the hurricane losses in past Fiscal Years.

With the slowdown in passenger activity, and the uncertainty regarding the impact of the economy on the airline industry, the Authority implemented a cost control program in the second quarter of Fiscal Year 2008. This program resulted in a hiring freeze and all areas were evaluated for possible savings. The results of this cost control program resulted in Fiscal Year 2008 expenses for the year coming in $2.9 million less than the Fiscal Year 2008 budget. During Fiscal Year 2008, compared to Fiscal Year 2007, increases in operating expenses occurred in personnel services, certain contracted services, and contractual maintenance items, offset by lower expenses in insurance and other expenses. The net of these items result in the 2.3% variance over the prior Fiscal Year.

Personnel costs charged to operating expenses in Fiscal Year 2008 totaled $42,105,400, $2,314,300 over the prior Fiscal Year. This variance is due to a full year impact of positions added in the prior Fiscal Year, merit and cost of living adjustments and the associated impact on FICA, pension and group and other employee insurance, offset by a decrease in overtime costs for the current Fiscal Year. Contracted services and maintenance expenses increased over the prior Fiscal Year and is related to the aircraft rescue and fire fighting provided by the City of Tampa and to the expenses for the parking operations. During Fiscal Year 2008 there were contractual increases associated with both of these agreements. Contractual maintenance, including janitorial, shuttle, monorail and office equipment all experienced increases, again due to expected contractual increases. Even with rate increases electricity costs, at $10,973,500 for Fiscal Year 2008 were just $8,600 more than the prior Fiscal Year, due to the cost savings measures implemented in February 2008. Insurance expenses of $3,407,000 for the current Fiscal Year were $329,700, or 8.8% less than Fiscal Year 2007, a benefit of lower insurance renewal

premiums during the Fiscal Year. Other significant decreases include promotions and travel, both of these expenses were under control of the cost containment program, coming in at $214,000 and $164,800, respectively, less than the prior Fiscal Year.

Depreciation

Depreciation was $63,839,600, $65,303,700, $70,830,600 and $72,717,198, for Fiscal Years 2005, 2006, 2007 and 2008, respectively. The increases in these Fiscal Years are due to the deprecation of new capital projects that were completed and capitalized during the respective Fiscal Years.

Cash and Investments

The cash and investment balances for the five Fiscal Years ended September 30, 2008 are presented on the next page. This table classifies cash and investment balances according to the type of fund in which the balances are held. Operating Funds, which are established under the Trust Agreement, include the Revenue, Operating and Maintenance and Operating Reserve Funds. The Surplus Fund, also established under the Trust Agreement may be used for any Airport purpose. Typically, the Authority uses Surplus Funds for its capital improvement program, but should a significant event occur, such as September 11th, these funds could be used for operation of the Airport. Total Funds Available represents the total of the Operating and Surplus Funds. Debt Service Funds include the Sinking and Reserve Funds. Capital and Equipment Funds include Bond, Commercial Paper and PFC Construction Funds and Authority funds encumbered for capital expenditures.

The Authority continually monitors its cash and investment positions through modeling and forecasting. Cash and investment projections are prepared in conjunction with the strategic business plan (a 20-year plan), the annual budget and a monthly update of all cash and investment accounts for an on-going 24-month period. Through the use of these models and techniques, the Authority is able to determine if and when the issuance of new bonds or any type of interim financing is required well in advance as well as ensuring that the day-to-day cash needs and requirements of the Authority are met.

In April 2005, $84,940,000 in revenue bonds were issued to fund portions of that year's capital program, including portions of the first phase of economy garage, the car rental garage and the rental car relocation project. The September 30, 2005 cash and investment balance increased to $210,242,148 largely due to remaining 2005 Bond construction funds. In Fiscal Year 2006, the Authority issued its $80,470,000 revenue refunding bonds to refund all or certain portions of the 1996 Series A Bonds, the 1997 Series A Bonds and the 1997 Series B Bonds. The final maturity dates of the bonds refunded by the 2006 Bonds Series B, C, and D were extended from their original year of maturity. This extension of maturity was part of a planned strategy to better level debt service in the future borrowing and construction time frame for the new North Terminal Complex. The Authority made principal payments of $14,276,000 and $18,000,000 on the outstanding balance of Commercial Paper Notes in Fiscal Year 2006 and Fiscal Year 2007, respectively. During Fiscal Year 2007, the Authority issued additional Series B Commercial Paper Notes in the principal amount of $7,000,000 to fund a portion of the projects approved in PFC application #7. The September 30, 2006, and 2007 cash and investment balance was reduced to $175,810,311 and $165,033,968, respectively, due to the spending of construction funds in these two years. The issuance of the 2008 Series A and B Bonds took place on May 7, 2008. The construction funds from this issue, along with other funding sources were used for the expansion of the economy garage, construction of the cargo building and ground support equipment facility and associated roadways. The increase in cash and investments to $275,760,516 at September 30, 2008 is primarily attributable to the unspent construction funds from this bond issue.

Cash and Investment Balances
As of September 30[(1)]

	2004	2005	2006	2007	2008	(Unaudited) As of Six Months Ended March 31, 2008	2009
Operating Funds							
Revenue Fund	$13,848,568	$13,091,901	$14,080,600	$15,390,150	$18,696,223	$17,909,062	$16,695,902
Operating & Maintenance Fund	6,208,764	4,378,996	5,799,462	7,000,873	8,718,615	3,826,100	7,240,578
Operating Reserve Fund	11,175,243	12,354,162	14,101,681	15,553,557	15,397,421	15,792,222	15,789,427
Other	65,445	1,631,652	2,271,646	2,171,086	732,372	702,263	793,635
Subtotal	$31,298,020	$31,456,710	$36,253,389	$40,115,666	$43,544,631	$38,229,647	$40,519,543
Surplus Fund	29,608,604	34,493,431	43,298,678	37,130,803	49,259,086	30,713,334	38,030,686
Total Funds Available	$60,906,624	$65,950,141	$79,552,067	$77,246,469	$92,803,717	$68,942,981	$78,550,229
Debt Service Funds	$62,131,273	$67,706,135	$64,676,788	$65,219,642	$84,697,241	$85,014,367	$99,725,070
Capital and Equipment Funds							
Capital Improvement Funds	$27,507	$1,986,505	$4,101,888	$2,877,133	$14,718,893	$12,379,678	$9,414,781
Bond/CP Construction Funds	24,445,138	54,541,777	9,994,701	7,665,510	73,885,380	716,309	50,854,505
PFC Fund	28,977,016	19,455,594	17,076,984	11,685,123	9,405,749	15,154,272	20,573,256
Equipment Funds	483,244	601,996	407,882	340,091	249,537	125,292	534,547
Subtotal	$53,932,905	$76,585,872	$31,581,456	$22,567,857	$98,259,558	$28,375,551	$81,377,090
Total Cash & Investments	$176,970,802	$210,242,148	$175,810,311	$165,033,968	$275,760,516	$182,332,899	$259,652,388

(1) The historical cash and investment balances were derived from the Authority's audited financial statements for the Fiscal Years ended September 30, 2004 through September 30, 2008. The cash and investment balances for the six months ended March 31, 2008 and March 31, 2009 were derived from the Authority's internally generated financial records and have not been audited nor reviewed by the Authority's independent auditors.

State Board Of Administration's Local Government Surplus Funds Trust Fund Investment Pool

On November 29, 2007, the State Board of Administration ("SBA") implemented a temporary freeze on the assets held in the State Board of Administrator's Local Government Surplus Trust Fund Investment Pool (the "Pool") due to an unprecedented amount of withdrawals from the Pool coupled with the absence of market liquidity for certain securities within the Pool. See APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2008 AND 2007 – Footnote 4 – SBB Local Investment Pool." The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately $12 billion or 86% of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately $2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Since the time the Pool was closed in November 2007, the SBA implemented authorized withdrawals on a periodic basis from both funds as investments matured or interest was received. Throughout Fiscal Year 2008, under the SBA established guidelines, the Authority withdrew funds to use for normal operating and capital project activities. As of September 25, 2008 participants were allowed to draw up to 65% of their original balances. As of December 23, 2008, Pool A, now known as the Local

Government Surplus Funds Trust Fund Investment Pool ("LGIP") had full liquidity. On March 3, 2008, Standard and Poor's Ratings Services reaffirmed its "AAAM" principal stability fund rating for LGIP. The Authority continues to invest funds in LGIP.

Currently, Pool B now known as the Fund B Surplus Funds Trust Fund ("Fund B") participants are prohibited from withdrawing any amount from Fund B and no formal withdrawal policy has been developed. However, as the underlying investments mature, earnings and principal are transferred as liquid funds from Fund B to the LGIP and are available for immediate withdrawal. As of March 31, 2009, 71.8% of the Authority's balance in Fund B has been transferred to Fund A. Due to the lack of an actively traded market for Fund B securities, market valuations of the remaining assets held in this Fund B are not readily available. In addition, full realization of the principal value of remaining Fund B assets is not readily determinable. The SBA's stated objective regarding Fund B is to maximize the present value of distributions to the participants. As of September 2008, the Authority's investment in Pool B was $2,284,941.

Additional information regarding the LGIP may be obtained from the State Board of Administration.

Historical Debt Service Coverage

The actual annual debt service coverage ratios for the five Fiscal Years ended September 30, 2007 are presented in the table on the following page. These amounts are presented in accordance with the Trust Agreement. The Trust Agreement requires that a 1.25x debt service coverage be maintained.

The Trust Agreement provides a mechanism by which PFCs can be considered in the calculation of debt service coverage when such funds are applied toward the payment of Debt Service. Prior to issuance of the 2003A Bonds, Available PFC Revenues were not included in the definition of Gross Revenues or Revenues. In Fiscal Years 2004 through 2008, interest on the 2003A Bonds of $10,262,038, $10,262,038, $10,262,038, $10,262,038 and $9,655,288, respectively, is included with the line item "Bond Debt Service" in the following table. Available PFC Revenues (125% of Debt Service on the 2003A Bonds) is included with the line item "Net Revenues Available to Pay Debt Service."

Hillsborough County Aviation Authority
Historical Debt Service Coverage
Fiscal Years 2004 through 2008
(dollars in thousands)

	2004	2005	2006	2007	2008
Net Revenues Available to Pay Debt Service[(1)]	$ 91,208	$ 101,861	$106,384	$125,642	$122,129
Bond Debt Service, net of capitalized interest	$ 52,151	$ 53,461	$ 60,337	$ 72,740	$ 70,130
Debt Service Coverage	1.75x	1.91x	1.76x	1.73x	1.74x

(1) Commencing in Fiscal Year 2003, certain PFC Revenues were available to pay debt service. See "SECURITY FOR THE 2009A BONDS – Available PFC Revenues – Disposition of Available PFC Revenues."

Source: Hillsborough County Aviation Authority.

Risk Management and Insurance

The Authority has in place a comprehensive airport liability insurance policy with Global AAU which provides a combined single policy limit of $250 million. This liability policy includes $50 million

of terrorism liability coverage. This annual policy expires at midnight September 30, 2009. The Airport is also named as an additional insured on liability policies required to be maintained by all airline operators and Airport tenants. The Airport has $300 million of property insurance coverage with Lexington, IRI and Travelers Insurance Company, which was extended for an additional year by the Board at its March 5, 2009 meeting for a twelve month period ending April 1, 2010. This coverage includes $50 million of property terrorism coverage, $35 million of hurricane coverage and $35 million flood coverage (except $30 million for Peter O. Knight and Tampa Executive airports). This property insurance has a 5% hurricane deductible subject to a $1 million minimum deductible and a $1 million all other perils deductible. The Authority's worker's compensation insurance is provided by the Preferred Governmental Insurance Trust and health insurance is provided by Aetna US Healthcare.

AIRLINE – AIRPORT USE AND LEASE AGREEMENT

The Airline Agreement adopted in 1998 establishes the operational and financial relationship between the Authority and the Signatory Airlines. This Airline Agreement, which had an original seven-year term extending from October 1, 1999 through September 30, 2006, was extended for an additional three-year period to September 30, 2009, and has been extended again for an additional year to September 30, 2010. The following airlines, representing 9,000,759 or 96.3% of the enplaned passengers at the Airport for the Fiscal Year ended September 30, 2008, have executed the Airline Agreement and extension: AirTran Airways, American Airlines, Inc., Continental Airlines, Inc., Delta Air Lines, Inc., Gulfstream International Airlines, Inc., jetBlue, Northwest Airlines, Inc., Southwest Airlines, Inc., Spirit Airlines, Inc., United Airlines, Inc. and US Airways, Inc. In addition, all-cargo airline Federal Express Corporation has executed the Airline Agreement and extension.

Expenditures and Revenues of the Authority are categorized into Cost and Revenue Centers or Cost Centers. Cost and Revenue Centers include those areas or functional activities of the Airport System used for the purposes of accounting for Revenues, O&M Expenditures, and Investment Service. Cost Centers include those areas or functional activities of the Airport System used for the purposes of accounting for O&M Expenditures and Investment Service. Rates and charges for the Signatory Airlines are based primarily on formulas in the Airfield and Terminal Complex Cost and Revenue Centers that are established to recover the costs of developing, operating and maintaining the necessary and required facilities in each respective Cost and Revenue Center. Within the Terminal Complex Cost and Revenue Center, rates and charges are calculated separately for both the Terminal Building and the Airside Buildings at the Airport.

Rates and charges are calculated on an annual basis, and reviewed and adjusted, if necessary, throughout each Fiscal Year to ensure that sufficient Revenues are generated to satisfy all requirements of the Trust Agreement. At the end of each Fiscal Year, the Authority will recalculate rates and charges based on audited financial data to determine any over/under payment situations. Included in the rates and charges formulas are specific rebates of Debt Service Coverage and sharing of net remaining Revenues after all Trust Agreement requirements are met. The Airline Agreement also provides for the Signatory Airlines to make payments in the rates for rentals, fees and charges of the Airport in any Fiscal Year in which the amount in which the Revenues less O&M Expenses and the O&M Reserve Requirement are projected to be less than 125 percent of the Debt Service Coverage (the "Extraordinary Coverage Protection"). Should Extraordinary Coverage Protection payments be made, the Authority will refund such payments to the Signatory Airlines as soon as uncommitted funds become available in the Surplus Fund.

Capital Expenditures relating to new development, planning or expansion projects in the Airfield Cost and Revenue Center with a gross project cost in excess of $10 million are the only expenditures requiring a Majority Interest of Airlines approval under the Airline Agreement. Capital Expenditures

relating to renovation projects in the Terminal Complex Cost and Revenue Center with a gross project cost in excess of $10 million requires the approval by at least one Signatory Airline leasing space in the terminal complex under the Airline Agreement.

Airlines that are not a party to the Airline Agreement operate under an Operating Agreement as a Non-Signatory Airline (the "Non-Signatory Airline Agreement"). The Non-Signatory Airline Agreement calls for Non-Signatory Airlines to pay fees based on rates charged to the Signatory Airlines, prior to the debt coverage rebate. The use of Authority-owned ticket counters, gates (which are assigned by the Authority on either a preferential or common use basis), common use facilities and hardstand aircraft parking are generally charged on a per use basis in accordance with an annual schedule of fees and charges. These fees and charges are based on terminal and airside costs, including the debt service coverage of 25%.

Two key financial provisions in the Airline Agreement impacting the overall costs to Signatory Airlines are a Debt Service Coverage Rebate that will serve to reduce Signatory Airline rentals, fees, and charges in both the Airfield and Terminal Complex Cost and Revenue Centers; and a "revenue sharing" provision that is based on a 20% distribution to the Signatory Airlines of net remaining Revenues of the Airport System after satisfaction of all Trust Agreement requirements in each Fiscal Year. The extension of the Airline Agreement continues the 20% distribution to the Signatory Airlines through 2009.

For further information regarding the Airline Agreement, see "SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE – AIRPORT USE AND LEASE AGREEMENT" in APPENDIX E hereto.

OTHER AGREEMENTS

Car Rental Concessions

On-Airport Car Rental. The Authority entered into an Agreement for Car Rental Concession, In and Adjacent to the Landside Building ("On-Airport RAC Agreement") with the following companies: Hertz Corporation, Avis Rent-A-Car System, Inc., Budget Rent A Car System, Corp., Enterprise Rent A Car System, Inc., DTG Operations d/b/a Dollar Rent A Car System, Inc. and DTG Operations d/b/a Thrifty Car Rental. The On-Airport RAC Agreements commenced January 1, 2003 and were originally scheduled to terminate on December 31, 2007. On October 11, 2007, the Board approved a two year extension and the On-Airport RAC Agreements now terminate on December 31, 2009. The On-Airport RAC Agreements provide for space rental of facilities at the Airport based on the amortization of costs incurred to build and expand those facilities. Each company pays the Authority a minimum privilege fee or 9.5% of the gross receipts from its car rental business, whichever is greater. The Authority received a total of approximately $121.8 million in minimum guarantees over the initial five year term of the On-Airport RAC Agreements. The minimum privilege fees for the extension period reflect an increase of 10% each year as shown below:

Extension Year	Avis	Budget	Dollar	Enterprise	Hertz	Thrifty
1	$4,397,800	$3,015,945	$2,755,817	$1,299,100	$6,445,340	$1,577,975
2	$4,837,580	$3,317,539	$3,031,398	$1,429,010	$7,089,874	$1,735,773

Pursuant to the two-year extension of the On-Airport RAC Agreements approved by the Board, the Authority will receive minimum guarantees of $40,933,151 over the two years. The Authority received $25,323,171 in revenues in the Fiscal Year ended September 30, 2008.

Off-Airport Car Rental. The Authority issues an Off-Airport Rental Car Airport Use and Permit Agreement ("Off-Airport Agreement") to rental car companies located off the Airport that pick up customers at the Airport. Currently, there are six companies, E-Z Rent A Car Inc., Ciscon, LLC, d/b/a Specialty Auto Rentals, U-Save Auto Rentals, ACE Rent A Car which assumed the agreement from Van Rental Services, LLC on November 2, 2006, Vanguard Car Rental USA, Inc. d/b/a National and Alamo, and Flomco Inc., d/b/a Payless Car Rental. The Off-Airport Agreement required the companies operating thereunder to pay the Authority a privilege fee based on a percentage of gross receipts on revenue derived from Airport customers. The prior Off-Airport Agreements became effective January 1, 2003 and expired on December 31, 2007. The companies were operating on a month-to-month basis with all provisions of the Agreements applicable through March 31, 2008. A new Off-Airport Agreement became effective on April 1, 2008 and expires on December 31, 2013. The Off-Airport Agreements require the companies to pay 8.5% of gross receipts to the Authority. The Authority received $5,130,556 in revenues from Off-Airport Agreements in the Fiscal Year ending September 30, 2008.

Concessions and Leases

Concession Policy. The awarding of concession privileges in the terminal complex is governed by the Policy for Awarding Concession and Consumer Service Privileges, Tampa International Airport ("Concession Policy"). The Concession Policy sets forth specific criteria and procedures that must be followed in awarding such privileges to ensure that concession operations generate the maximum revenue commensurate with the highest level of public service. In most instances, concessionaires pay privilege fees based on a percentage of gross receipts against minimum annual guaranteed amounts.

Advertising Concession. The Authority awarded a License and Concession Agreement for Operation and Display of Services, Landside and Airside Buildings, Tampa International Airport, ("Advertising Agreement") in April 2001. The Advertising Agreement commenced July 1, 2001 and now terminates on June 30, 2009. The Authority received 50% of annual gross advertising sales or a minimum annual guarantee of $750,000, whichever is greater. Effective July 1, 2009, the minimum annual guarantee will be $375,000.

Food and Beverage Concessions. The Authority entered into a Lease and Concession Agreement for Operation of Food and Beverage Services, Landside and Airside Building, Tampa International Airport, ("F&B Agreement") with Host International, Inc. ("Host") for the exclusive right to provide food and beverage service at the Airport. The F&B Agreement became effective April 1, 1994 and was amended and extended to 2015 in exchange for Host agreeing to pay higher percentage rents, terminate the Concession Improvement Trust ("CIT") and fully fund future facility improvements out of its budget, with all monies remaining in the CIT to be deposited in the Authority's account. Under the F&B Agreement, Host pays the Authority fair market rental for the space occupied by the food and beverage concessions. In addition, Host pays the Authority a privilege fee, representing the difference between the rental and the greater of a guaranteed minimum annual privilege fee, or a percentage privilege fee of gross revenues, plus a percentage of profits in excess of a base amount.

Retail Concessions. The Authority entered into a Lease and Concession Agreement for Operation of Retail Merchandise Services (except Duty Free), Landside and Airside Buildings, Tampa International Airport, ("Retail Agreement") with Host International, Inc. for the exclusive right to operate retail merchandise concessions. The Retail Agreement became effective May 1, 1996 and was amended and extended to 2015 in exchange for Host agreeing to pay higher percentage rents, terminate the CIT and fully fund future facility improvements out of their budget, with all monies remaining in the CIT to be deposited in the Authority's account. Under the terms of the Retail Agreement, Host pays the Authority the fair market rental value for the space occupied by the retail shops and a minimum annual privilege fee computed as the greater of a percentage of the prior year's gross revenue or a percentage times prior year

enplaned passengers. The Authority received $15,052,695 in revenues from food and beverage and retail concessions in the Fiscal Year ending September 30, 2008.

Luggage Cart Concession. The Authority entered into a Self Service Luggage Cart Concession Agreement ("Luggage Cart Agreement") with Smarte Carte, Inc. for the right to rent, maintain and relocate luggage carts to customers at the Airport. The Luggage Cart Agreement became effective April 1, 2003 and terminated on March 31, 2008. A new Luggage Cart Agreement became effective April 1, 2008 with Smarte Carte, Inc. for the term April 1, 2008 through March 31, 2013. It requires Smarte Carte to pay annual rent of $9,744 for office space and $47,000 for space occupied by the cart dispensing units. The Agreement requires $65,000 minimum annual privilege fee or 12.5% of gross receipts, whichever is greater.

Hotel. The Authority entered into a Lease Agreement for Hotel-Office Complex, Tampa International Airport, ("Hotel Agreement") with Host of Boston, Ltd. for the land underlying the hotel for the construction, operation and maintenance of a first class hotel and office complex. The Hotel Agreement became effective April 29, 1969 and is scheduled to terminate December 31, 2033. The lease includes a specified minimum capital improvement cost. The original lease was for 20 years with two 10 year renewal options. An amendment to the lease, extended the termination date to December 31, 2033. In exchange for the extended term, Host agreed to increase the Authority's percentage of revenues as well as agreeing to over $13 million in improvements to the hotel complex.

The Hotel Agreement provides that Host pays to the Authority a specified minimum privilege fee of $350,000 annually, plus a percentage of gross receipts and a profit-sharing component. The percentage of gross receipts is calculated by formula and is dependent upon the type of services being provided. It is applicable when and if the percentage exceeds the minimum privilege fee. The Authority received $1,573,367 in revenue from the hotel lease for the Fiscal Year ended September 30, 2008.

Public Parking. The Authority entered into a Management Contract for Public Parking Facilities, (the "Parking Agreement") with AMPCO System to operate the parking facilities at the Airport. The Parking Agreement commenced on July 1, 2007 and will expire on June 30, 2012. The Authority annually reviews and approves the parking facilities operating budget. A daily accounting of the parking facility revenue is required. AMPCO System received $5,673,897 in management fees for the three months ended September 31, 2007. The Authority received $59,343,947 in revenue from the Parking Agreement in the Fiscal Year ended September 30, 2008.

U.S. Postal Service. The Authority has entered into several land leases with the U.S. Postal Service, dating from April 7, 1967, with terms and renewal options extending to May 1, 2020. In connection with each five-year renewal option, the ground rent is adjusted, based upon a percentage of the appraised value of the land as of the date of commencement of each five year option. The ground rent was adjusted effective June 19, 2005. The U.S. Postal Service is currently paying aggregate ground rent to the Authority of $984,758 annually.

Continental Reservation Center. The Authority opened a reservation center facility in 1980 on a 5.88 acre site owned by the Authority as well as slightly more than three acres of land for additional parking added in December 2001. The reservation center is currently leased to Continental for $428,563 annually, the additional parking lease for $55,565 annually, plus $36,000 annually in ground rental. The Lease Agreement has been extended until September 30, 2009. Continental has announced plans in response to reduced call volumes caused by a customer shift towards Web self-service and the global economic recession, to close this reservation center effective July 19, 2009. Approximately 500 positions in its reservations department will be eliminated; however, employees are being given the option of

working from home, transitioning to Houston or Salt Lake City, or taking an "early out" severance package or leave of absence. For Fiscal Year 2008, the Authority received rent revenues of $464,564.

Delta Maintenance Facility. For information regarding the Delta Aircraft Maintenance Facility at the Airport, see "THE AIRPORT SYSTEM – Airfield and Other Facilities – *Delta Maintenance Facility*."

Pemco World Air Services, Inc. Maintenance Facility. For information regarding the Pemco World Air Services, Inc. Maintenance Facility at the Airport, see "THE AIRPORT SYSTEM – Airfield and Other Facilities – *Pemco World Air Services, Inc. Maintenance Facility*."

Fixed Base Operations

Signature Flight Support Corporation. The Authority entered into an Agreement for the Management and Operation of Fixed Base Operations, Tampa International Airport, with Hangar One (the "Hangar One FBO Agreement"), effective January 3, 1980, to operate a full service fixed base operation ("FBO") serving primarily corporate aviation needs at the Airport. On May 7, 1992, the Authority entered into an Amendment and Restatement of the Hangar One FBO Agreement, with Raytheon Aircraft Services, Inc. (the "Raytheon FBO Agreement") to continue to provide FBO services at the Airport. The Raytheon FBO Agreement was effective May 7, 1992 and terminates on October 7, 2011. In March 2007, Raytheon Aircraft Services, Inc. changed to Hawker Beechcraft Services, Inc. ("Hawker Beechcraft"). As approved by the Authority Board, Hawker Beechcraft assumed the obligations from Raytheon Aircraft Services, Inc. In July 2008, Hawker Beechcraft sold its line services operation assets to BBA Aviation, plc. and assigned its FBO Agreement ground lease and fuel farm lease to Signature Flight Support Corporation ("Signature"), a wholly owned subsidiary of BBA Aviation, plc. Under these agreements, the Authority receives fixed rents and percentages of the gross revenues from sales for services performed. The Authority received $978,577 in percentage rents and fuel flowage fees for the Fiscal Year ended September 30, 2008 from Hawker Beechcraft and Signature.

Tampa International Jet Center, LLC. The Authority, as a result of a competitive proposal process, entered into a Lease and License Agreement for Fixed Base Operation, Tampa International Airport, with Tampa International Jet Center, L.L.C. (the "Tampa Jet Center Agreement") for a second FBO at the Airport. Under the terms of the Tampa Jet Center Agreement the company constructed a new 12,000 square foot terminal building, two storage hangars at 26,000 square feet each and a maintenance hangar at 26,000 square feet and other facilities necessary to provide a full service FBO serving primarily corporate aviation and providing the same range of services as the Hawker Beechcraft FBO Agreement. The Authority participated in the FBO development by constructing 350,000 square of apron and 61,500 square feet of parking lot with Authority funds. The Tampa Jet Center Agreement's term is for 20 years and at the end of the agreement title to all tenant improvements reverts to the Authority. The FBO facility has been operational ever since the issuance of the certificate of occupancy in October of 2004. In June 2004, the Tampa Jet Center Agreement was amended to provide additional lease space for the development of a fourth hangar. The additional hangar was completed in the summer of 2005. Estimated tenant facility improvement costs expended to date exceed $12 million dollars. Rent under the Tampa Jet Center Agreement for that facility is $390,544 annually. In addition, the Authority receives a percentage of the gross sales for services performed. The Authority received $500,462 as its percentage of gross sales for the Fiscal Year ended September 30, 2008.

There are also FBOs operating at each of the other airports including Atlas Aviation Tampa, Inc. at Peter O. Knight Airport, Leading Edge at Tampa Executive Airport and Mitchell Enterprises, Inc. at Plant City Airport. Revenues from General Aviation and Auxiliary Airports for the Fiscal Year ended September 30, 2008 were approximately $2.49 million.

Ground Leases

UPS Supply Chain. The Authority originally entered into a General Ground Lease With Planned Improvements with Emery Air Freight Corporation, which was acquired by Menlo Worldwide Forwarding, Inc. ("Menlo"). Menlo was subsequently acquired by UPS Supply Chain ("UPS"). The UPS Lease is for a 4.208 acre site upon which the Authority constructed an air freight processing facility. The UPS Lease was effective March 4, 1999 and will terminate April 7, 2010 provided it is not renewed pursuant to one of two five-year options. UPS Supply Chain pays ground rent plus facility rent sufficient to amortize the Authority's investment in the improvements. Annual ground and facility rent amounted to $293,397 as of September 30, 2007. UPS ceased operations on January 31, 2004 and subsequently subleased its facility to National Retail Transportation, Inc. See "THE AIRPORT SYSTEM – Airfield and Other Facilities – *Air Cargo Complex*."

Federal Express Corporation. The Authority entered into a General Ground Lease with Planned Improvements with Federal Express Corporation (the "FedEx Lease"). In accordance with the terms of the lease, the Authority constructed an air cargo service facility on a thirteen-acre site. The regional sort facility has the capacity to handle 6,000 packages per hour. Additionally, there is parking space for 157 vehicles. The facility opened for operations on March 1, 2003 at a cost of $24.7 million, which included a new cargo building and apron, taxiway extensions and cargo road improvements. Lease term is ten years with two five-year renewal options. FedEx pays ground rent plus facility rent sufficient to amortize the Authority's investment. Annual ground rent and facility rentals are $997,107. See "THE AIRPORT SYSTEM – Airfield and Other Facilities – *Air Cargo Complex*."

Major Contributors to Operating Revenues

Airline payments in the form of landing fees, facility rentals and other charges, net of revenue sharing, contributed approximately 22.9% of operating revenues of the Authority for the Fiscal Year ended September 30, 2008, compared to approximately 22.6% for the Fiscal Year ended September 30, 2007. Automobile parking fees provided approximately 32.6% of the operating revenues of the Authority for the Fiscal Year ended September 30, 2008, compared to approximately 32.3% for the Fiscal Year ended September 30, 2007. Car rental concession fees contributed approximately 16.7% of the operating revenues of the Authority for the Fiscal Year ended September 30, 2008, compared to approximately 16.1% for the Fiscal Year ended September 30, 2007.

OTHER FUTURE CAPITAL PROJECTS

In 2005, the Authority completed an update to its Master Plan. Projects were identified to permit Airport facilities to accommodate passenger and aircraft forecasts through 2020. The Authority also developed, and periodically updates, a Business Plan in which capital projects are monitored to assess appropriate timing and funding sources. These projects are incorporated into the Authority's Capital Improvement Program ("CIP") for Fiscal Years 2010 through 2019.

The Authority's CIP for FY 2010 through 2019, excluding the 2009 Project, is presented below. This ten year program does not include any new capacity enhancement projects based on updated passenger and operation forecasts as the existing facilities will meet the projected demand. The $561.3 million CIP will refurbish and improve existing facilities and infrastructure and includes the following:

- Landside/Airside Building Refurbishment ($126.6 million). This category includes all necessary projects for the refurbishment and update of the existing terminal complex to maintain current service levels and acceptable appearance standards.

- Runway 18L/36R Pavement Replacement ($101.3 million). This runway was completely reconstructed in 1988. In 2019, the runway will approach its design life and will require replacement of the concrete 75 foot center section.
- Airfield Rehabilitation and Aircraft Rescue and Firefighting ("ARFF") Training Facilities ($120.3 million). Various airfield rehabilitation projects for the existing taxiway and runway system will be completed to extend the life of the airfield assets. The most notable projects are the pavement replacement for Taxiway A and the pavement rehabilitation for Taxiway C. In addition, the existing ARFF burn pit will be relocated to the east side of the Airport.
- Shuttle & Monorail Replacement/Upgrades ($77.8 million). Shuttle cars at Airside A and C will be replaced and the entire shuttle software system will be upgraded. The monorail system serving the long term parking garage to the Landside Terminal will be replaced in its entirety as well.
- General Aviation Airport Projects ($69.0 million). Projects at the three general aviation airports include both facility expansion to meet an expanding base of Airport users and refurbishment projects to properly maintain and extend the life of existing facilities and airfield pavement.
- Other Projects ($66.2 million). Other projects include a wide variety of information technology system upgrades and replacement, refurbishment projects for public parking facilities and various other Airport facilities not located in the terminal complex area and other miscellaneous projects.

In the 2005 Master Plan update, the Authority identified a major capital expansion anticipated to be needed to meet future capacity. This group of capital projects is collectively known as the North Terminal Complex. In the first half of Fiscal Year 2008, the Authority anticipated phase one of the North Terminal Complex would be needed by the end of Fiscal Year 2014. Due to the recent economic slowdown that has decreased passenger activity levels and was described in detail in Chapter 2 of the Report of the Airport Consultant, the Authority has determined that phase one of the North Terminal Complex will not be required until after Fiscal Year 2019, the final year included in the projection period of the Report of the Airport Consultant. Thus, no impacts of this future project are included in the Report of the Airport Consultant.

Funding Sources for Other Capital Projects

		Funding Sources				
Project Category	Total Project Costs	AIP Grants	FDOT Grants	Series 2008 Bonds	Authority Funds	PFC Funds
Landside & Airside Building Refurbishments	$126,622,000	$4,592,300	$22,184,700	$5,000,000	$94,845,000	$0
Runway 18L/36R Pavement Replacement	101,320,100	30,000,000	9,882,900	0	3,000,000	58,437,200
Airfield Rehabilitation & ARFF Training Facilities	120,317,400	26,766,600	4,121,300	0	20,428,900	69,000,600
Monorail/Shuttle Replacements & Upgrades	77,796,900	5,611,800	20,173,800	0	23,509,300	28,502,000
General Aviation Improvements	69,028,500	7,871,800	13,167,000	0	47,989,700	0
Other Projects	66,221,800	9,997,700	8,863,200	0	47,360,900	0
Total Other Capital Projects	$561,306,700	$84,840,200	$78,392,900	$5,000,000	$237,133,800	$155,939,800

See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and the 2009 Project – Other Future Capital Projects."

REPORT OF THE AIRPORT CONSULTANT

In connection with the issuance of the 2009A Bonds, the Authority retained Ricondo & Associates, Inc., Cincinnati, Ohio (the "Airport Consultant") to prepare the Report of the Airport Consultant, dated May 15, 2009, attached hereto as APPENDIX A (the "Report"), which describes the economic basis for air traffic at the Airport, historical trends in airline traffic, and key factors that may affect future airline traffic. The Report also presents air traffic and financial projections for Fiscal Years 2010 through 2019 and sets forth certain assumptions upon which the forecasts are based. These assumptions were provided by, or reviewed and adopted by the Authority at the time the Report was issued. The Report has been included in this Official Statement in reliance upon the reputation of the Airport Consultant as an expert in preparing forecasts and projections with respect to airports.

Based upon the assumptions and analysis described in the Report, the Airport Consultant believes that the 2009 Project is feasible and has concluded the following:

- Completion of the 2009 Project is not expected to significantly impact rates and charges to the users of the Airport facilities (landing fees, terminal rental rates and cost per enplanement) because the debt service on the 2009A Bonds is expected to be paid from FDOT grants and PFCs. Furthermore, the incorporation of the Authority's CIP that totals approximately $561.3 million for the period Fiscal Year 2010 through Fiscal Year 2019 is projected to result in reasonable levels of rates and charges to the users of the Airport facilities over the projection period.
- Debt Service Coverage is projected to be greater than the required 1.25x in each of the projected years. Additionally, the Airline Agreement contains a provision that Signatory Airlines shall make payments in the rates for rentals, fees, and charges at the Airport in any Fiscal Year in which the amount of Revenues less O&M Expenditures and the O&M Reserve Requirement is projected to be less than 125 percent of the Debt Service requirement ("Extraordinary Coverage Protection"). Should Extraordinary Coverage Protection payments be made, the Authority will refund to the Airlines such payments made by each Airline as soon as uncommitted funds become available in the Surplus Fund.
- Projected airline rates and charges together with other Authority revenues are sufficient to ensure that all Operation and Maintenance (O&M) expenses, debt service and coverage, and fund deposit requirements can be generated through reasonable user fees.

PROJECTED DEBT SERVICE COVERAGE

The following table presents the Authority's projected debt service following the issuance of the 2009A Bonds for the ten year projection period utilized in the Report dated May 15, 2009 attached hereto as APPENDIX A. See "BOND DEBT SERVICE REQUIREMENTS" for the actual debt service on the 2009A Bonds (included in the Outstanding Bonds Debt Service Requirements column).

Debt service coverage is projected by the Airport Consultant to be greater than the required 1.25x in each of the projected years. As shown in the Airport Consultant's Report, the debt service coverage ratio is projected to range from 1.50x in Fiscal Year 2010, the first full year of repayment from Net Revenues on the 2009A Bonds to 2.90x by Fiscal Year 2019. For more information regarding debt service coverage, see APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Financial Analysis – Table No. IV-15."

Fiscal Year	Budgeted 2009	Projected 2010	Projected 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
Net Revenues(1)	$81,438,375	$82,170,731	$87,143,154	$88,836,287	$91,257,287	$93,112,901	$97,975,138	$99,490,812	$102,096,051	$105,019,926	$106,090,618
Plus PFC Revenues available for Debt Service and Coverage(2)	28,683,494	30,933,234	34,505,466	34,591,359	34,588,234	34,591,672	37,087,672	37,094,641	37,087,500	37,092,125	0
Plus FDOT Revenues anticipated to be used for Debt Service(3)	0	0	2,000,000	2,000,000	2,000,000	2,000,000	0	0	0	0	0
	$110,121,869	$113,103,966	$123,648,620	$125,427,646	$127,845,522	$129,704,573	$135,062,810	$136,585,452	$139,183,551	$142,112,051	$106,090,618
Total Debt Service (4)	$ 73,215,545	$ 75,864,832	$ 80,979,344	$ 80,926,944	$ 84,200,019	$ 84,348,181	$ 84,336,344	$ 76,870,619	$ 76,867,619	$ 83,467,669	$ 36,995,244
Debt Service Coverage - All Debt	1.50	1.49	1.53	1.55	1.52	1.54	1.60	1.78	1.81	1.70	2.87

(1) Before the net revenue sharing component pursuant to the Airline Agreement. See "FINANCIAL FACTORS – Management Discussion of Historical Financial Results" and "SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE – AIRPORT USE AND LEASE AGREEMENT" in APPENDIX E hereto.

(2) See "SECURITY FOR THE BONDS – Pledge of Revenues" and "INVESTMENT CONSIDERATIONS – PFC Facilities Charges" regarding the fact that the Authority has not yet filed PFC Application #8 and the 2009 Project is not yet PFC eligible and the consequences thereof.

(3) Not pledged.

(4) The above table sets forth the Total Debt Service as of the date of the Report of the Airport Consultant, May 15, 2009. See "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Analysis – Table No. IV-3" for the existing and assumed future debt service. The assumed debt service includes debt service on $14,000,000 of Commercial Paper Notes to be issued to refine the debt structure for Fiscal Year 2010 through Fiscal Year 2017. Debt service on the 2009A Bonds is assumed at an interest rate of 4% per annum.

Source: Hillsborough County Aviation Authority (Fiscal Year 2009) April 2009; Ricondo & Associates, Inc. (Fiscal Year 2010 – Fiscal Year 2019) May 15, 2009
Prepared by: Ricondo & Associates, Inc.

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PASSENGER FACILITY CHARGES AND FEDERAL AND STATE GRANTS

Passenger Facility Charges

Pursuant to the PFC Act and the PFC Regulations implemented by the FAA, the United States Congress has authorized commercial service airports such as the Airport to collect Passenger Facility Charges from each paying passenger enplaned at such airport in the amount of $1.00, $2.00, $3.00, $4.00 or $4.50, subject to certain limitations. The Authority has levied PFCs at the rate of $4.50 per enplaned passenger since June 1, 2002. The proceeds from PFCs are to be used to finance approved eligible 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. "Eligible airport-related projects" include airport development or planning, terminal development, airport noise compatibility measures and planning and construction of gates and related areas (other than restaurants, rental car facilities, automobile parking or other concessions) for the movement of passengers and baggage. PFCs are collected on behalf of airports by air carriers, certain foreign air carriers and their agents ("Collecting Carriers").

The Collecting Carriers are authorized to withhold, as a collection fee (i) eleven cents per enplaning passenger from whom a PFC is collected and (ii) any investment income earned on the amount collected prior to the due date of the remittance. The PFC Act was amended in 1996 to provide that PFC Revenues that are held by a Collecting Carrier constitute a trust fund that is held for the beneficial interest of the eligible agency imposing the fee and that the Collecting Carrier holds neither legal nor equitable interest in the PFC Revenues, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, PFC Regulations require Collecting Carriers to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds in financial statements. The Collecting Carriers, however, are permitted to commingle PFC collections with the carriers' other sources of revenue.

It is unclear whether the Authority would be afforded the status of a secured creditor with regard to PFCs collected or accrued by a Collecting Carrier in connection with a Collecting Carrier operating at the Airport that is involved in bankruptcy. On December 12, 2003, however, President Bush signed the Vision 100—Century of Aviation Reauthorization Act ("Vision 100") into law. Vision 100 requires an airline that files for bankruptcy protection, or that has an involuntary bankruptcy proceeding commenced against it, to segregate passenger facility charge revenue in a separate account for the benefit of the eligible agencies entitled to such revenue. Based on this legislation, it is expected that the Authority would be treated as a secured creditor with respect to PFCs held by a collecting creditor that becomes involved in a bankruptcy proceeding. For information regarding PFC revenues in cases of airline bankruptcy, see "INVESTMENT CONSIDERATIONS – Effect of Airline Bankruptcy."

PFC applications are approved by the FAA to fund specific projects in specific total amounts and the Authority may impose the designated PFC only until it collects the authorized total amount. Interest earnings on the collections are treated as collections for purposes of the authorized total.

The Authority has received authorizations to impose an aggregate of $745,495,494 in PFC charges. The Authority has received $384,971,204 in PFCs from the Collecting Carriers and interest earnings of $3,290,674, totaling PFC Revenues of $388,261,878 since PFC implementation by the Authority through September 30, 2008. The legal expiration date for the Authority's authorizations to impose PFC charges is March 2016. See "SECURITY FOR THE 2009A BONDS – Passenger Facility Charges." Authority PFCs receipts from Collecting Carriers from October 1, 2004 through September 30, 2008, were as follows:

Fiscal Years Ended September 30	
2004	$33,584,562
2005	38,396,089
2006	38,456,806
2007	38,644,771
2008	36,982,004

Proposed FAA Legislation. While Congress has not yet passed an FAA reauthorization bill, it did pass an extension of AIP grants and FAA programs by virtue of the enactment of the FAA Extension Act of 2009 (the "FAA Extension Act of 2009"), which was signed into law on March 30, 2009. The extension keeps the airport construction grants program and other FAA programs funded through September 30, 2009, and authorizes a total of $3.9 billion of funding for airport capital grants for the fiscal year ended September 30, 2009. Previously, the FAA's capital grants program was authorized to receive $1.95 billion from October 1, 2008 through the end of March 2009.

On May 21, 2009, the House passed HR 915, the FAA Reauthorization Act of 2009. The bill provides an increase in the airport PFC from the current ceiling of $4.50 to $7.00; authorizes additional funds for airport runway incursion reduction programs and the acquisition and installation of runway status lights; increases the amount authorized for Essential Air Service each year from $127 million to $200 million; and extends the Small Community Air Service Development Program through Fiscal Year 2011 at the current authorized funding level of $35 million per year. Although adopted by the U.S. House of Representatives, the U.S. Senate has not yet adopted this bill or any companion bill.

Federal Grants

The Airport and Airway Improvement Act of 1982 created the AIP, which is administered by the FAA and funded by the Airport and Airway Trust Fund. This fund is financed by federal aviation user taxes. Grants are available to airport operators in the form of "entitlement" funds and "discretionary" funds. Entitlement funds are apportioned annually based upon enplaned passengers and discretionary funds are available at the discretion of the FAA based upon a national priority system. Actual entitlement funds will vary with the actual number of passenger enplanements, with total appropriations for the AIP and with any revision of the existing statutory formula for calculating such funds. In addition, pursuant to the Federal Act, an airport's annual federal entitlement grants are reduced by 50% following the imposition of PFCs at the $1.00, $2.00 or $3.00 level and reduced by 75% following the imposition of PFCs at the $4.00 or $4.50 level. From October 1, 2004 through September 30, 2008, the Authority received $46,239,111 in total AIP entitlement and discretionary grants as follows:

Fiscal Years Ended September 30	
2004	$ 4,496,820
2005	11,878,709
2006	12,727,196
2007	7,605,119
2008	9,531,267

Such grants were used at the Airport primarily for safety equipment, terminal, taxiway, apron and runway improvements.

See "INVESTMENT CONSIDERATIONS – Passenger Facilities Charges – Proposed FAA Legislation" for information regarding AIP grants.

State Grants

FDOT administers a grant program funded by a state-imposed aviation fuel tax. Eligible projects under the program may be funded by up to 50% of the sponsors' cost of the project. Such projects include all projects eligible under AIP. General aviation facilities, including hangars, may be funded up to 80% of the sponsor's cost. From October 1, 2004 through September 30, 2008, the Authority received $58,798,144 in FDOT grants as follows:

Fiscal Years Ended September 30	
2004	$ 20,721,191
2005	5,744,132
2006	7,242,795
2007	10,462,904
2008	14,627,122

Such grants were used primarily for land acquisition, general aviation facilities, safety equipment, terminal, taxiway, and apron and runway improvements.

INVESTMENT CONSIDERATIONS

General

The following section describes certain risk factors affecting the payment of and security for all Bonds Outstanding under the Trust Agreement, including the 2009A Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of the 2009A Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following specific factors along with all other information described elsewhere or incorporated by reference in this Official Statement in evaluating the 2009A Bonds.

General Factors Affecting Authority and Airline Revenues

The revenues of both the Authority and the airlines may be materially affected by many factors including, without limitation: growth of the population and economic health of the region and the nation, changes in demand for air travel, national and international economic and political conditions, currency fluctuations, service and cost competition, mergers, the financial health and viability of the airline industry, the availability and cost of fuel and other necessary supplies, levels of air fares, the capacity of the national air traffic control system, high fixed costs, high capital requirements, the cost and availability of financing, technological changes, national and international disasters, the cost and availability of employees, labor relations within the airline industry, the maintenance and replacement requirements of aircraft, the availability of routes and slots at various airports, litigation liability, regulation by the federal government, environmental risks and regulations, noise abatement concerns and regulation, deregulation, federal and state bankruptcy and insolvency laws, safety concerns arising from international conflicts and the possibility of additional terrorist attacks and other risks. Many airlines, as a result of these and other factors, have operated at a loss in the past and several have filed for bankruptcy, ceased operations and/or have merged with other airlines. In addition, the legacy carriers have taken many actions to restructure and reduce costs including reducing their workforce, renegotiating their labor agreements, consolidating connecting activity and replacing mainline jets with regional jets.

Local Economy. Over the past two years, the economy of the Tampa Bay area, and Florida in general, has swung from a period of outperforming the nation as a whole to a period of

underperformance. Like other epicenters of the housing boom, such as California and Nevada, the Tampa Bay area now has a higher unemployment rate (10.4%) than the nation (9.0%) as of March 2009, and existing home prices that are falling at a more rapid rate than the nation year-over-year declines of 23.3% for the Tampa Bay area and 18.6% for the nation as of February 2009. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Economic Base for Air Transportation."

General Factors Affecting Airline Activity

There are numerous factors which affect air traffic generally and air traffic at the Airport more specifically. Demand for air travel is influenced by factors such as population, levels of disposable income, the nature, level and concentration of industrial and commercial activity in the service area, and the price of air travel. The price of air travel is, in turn, affected by the number of airlines serving a particular airport and a particular destination, the financial condition, cost structure and hubbing strategies of the airlines serving an airport, the willingness of competing airlines to enter into an airport market, the cost of operating at an airport, the price of fuel, and any operating constraints (due to capacity, environmental concerns or other related factors) limiting the frequency or timing of airport traffic within the national system or at a particular airport. In addition, the hostilities in Afghanistan, Iraq and elsewhere and the threat of renewed terrorist attacks may dampen air traffic.

Effect of Airline Bankruptcies

Assumption or Rejection of Airline Agreement or Other Executory Contracts

An airline that has executed an Airline Agreement or other executory contract with the Authority and seeks protection under the U.S. bankruptcy laws after October 17, 2005, must assume or reject: (a) its Airline Agreement within 120 days after the bankruptcy filing subject to a court-approved, one-time 90-day extension (further extensions are subject to the consent of the lessor), and (b) its other executory contracts with the Authority prior to the confirmation of a plan of reorganization. Bankruptcy courts are courts of equity, however, and as such can, and often do, grant exceptions to these time limitations.

In the event of an assumption of any executory contract or lease, an airline is required to cure any pre- and post-petition monetary defaults and provide adequate assurance of future performance under the applicable executory contract or lease. In the event of an assumption by a debtor airline and assignment to a third party, the assurance of future performance must be demonstrated by the proposed assignee.

Rejection of an Airline Agreement or other executory contract with the Authority gives rise to an unsecured claim of the Authority for damages, the amount of which in the case of an Airline Agreement or other lease is limited by the U.S. Bankruptcy Code generally to the amount unpaid prior to bankruptcy plus the greater of (i) one year of rent or (ii) 15% of the total remaining lease payments, not to exceed three years of rent. Claims for such damages are subject to the Authority's duty to mitigate damages. The amount ultimately allowed in the event of a rejection of an Airline Agreement or other executory contract could be considerably less, however, than the maximum amount allowed under the U.S. Bankruptcy Code.

Delta, Northwest, United and US Airways were each operating at the Airport under an Airline Agreement at the time of their respective filings for bankruptcy protection. All such airlines have exited from bankruptcy protection and have assumed their respective Airline Agreement and continue to operate at the Airport.

Frontier Airlines Holdings, Inc., the parent company of Frontier Airlines, announced on April 11, 2008 that it had filed for Chapter 11 bankruptcy protection, citing unexpected problems with its credit

card processor. Frontier Airlines stated that it would continue normal business operations. Frontier Airlines is a Non-Signatory Airline which continues to operate at the Airport. Frontier Airlines was current on all fees and charges owed to the Authority through February 29, 2008. Amounts owing to the Authority subsequent to that date are not material. Frontier Airlines accounted for 55,032 enplanements, representing .6% of all enplanements at the Airport for the Fiscal Year ended September 30, 2008 compared to 50,750 enplanements, representing .5% of all enplanements at the Airport for the Fiscal Year ended September 30, 2007.

With respect to an airline in bankruptcy proceedings in a foreign country, such as Air Canada, the Authority is unable to predict what types of orders and/or relief could be issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the United States.

PFC's

The PFC Act provides that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Authority) imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds for financial statements. Airlines are permitted to commingle PFC collections with other revenues. Airlines that have filed for Chapter 7 or 11 bankruptcy protection, however, are required to segregate PFC revenue in a separate account for the benefit of the Airport and cannot grant a third party any security or other interest in PFC revenue. The airlines are entitled to retain interest earned on PFC collections until such PFC collections are remitted. This procedure was followed by Delta, United and Northwest during their respective bankruptcies. PFCs collected by those airlines were required by the bankruptcy court to be placed in accounts separate from other airline revenue accounts and be paid to airports monthly in accordance with the PFC regulations. However, the Authority cannot predict whether an airline that files for bankruptcy protection will properly account for the PFCs or whether the bankruptcy estate will have sufficient moneys to pay the Authority in full for the PFCs owed by such airline. PFCs are pledged to the repayment of the 2009A Bonds. The Authority has recovered all of its PFCs from each of the airlines that filed for Chapter 11 bankruptcy protection.

Passenger Facility Charges

Termination of PFCs. The Authority's authority to impose and use PFCs is subject to certain terms and conditions provided in the PFC Act, the PFC Regulations and the FAA's authorizations to impose PFCs. The Authority is in compliance with all such terms and conditions. If the Authority fails to comply with these requirements, the FAA may take action to terminate or to reduce the Authority's authority to impose or to use PFCs. In addition, failure to comply with the provisions of the Airport Noise and Capacity Act may lead to termination of the Authority's authority to impose PFCs. The FAA's agreement regarding reducing instead of eliminating the Authority's rights to collect PFCs after unremedied violations is not applicable to noise abatement violations. The Authority is in compliance with the Airport Noise and Capacity Act.

PFC Application #8 for the 2009 Project is in process but has not been filed. In the unlikely event that the 2009 Project, after receipt and review of the Application by the FAA, is not approved as PFC eligible, see "SECURITY FOR THE BONDS – Pledge of Revenues."

Amendments to PFC Act or PFC Regulations. There is no assurance that the PFC Act will not be repealed or amended or that the PFC Regulations or any FAA authorization to impose PFCs will not be amended in a manner that would adversely affect the Authority's ability to collect and use PFC Revenues.

Collection of the PFCs. The ability of the Authority to collect sufficient PFCs depends upon a number of factors including the operation of the Airport by the Authority, the use of the Airport by Collecting Carriers, the efficiency and ability of the Collecting Carriers to collect and remit PFCs to the Authority and the number of enplanements at the Airport. The Authority relies upon the Collecting Carriers' collection and remittance of PFCs, and both the Authority and the FAA rely upon the airlines' reports of enplanements and collection statistics.

AVIATION AND AIRLINE INDUSTRY

Factors Affecting the Airline Industry

General. Key factors that affect airline traffic at the Airport and the financial condition of the airlines, and, therefore, the 2009A Bonds, include: local, regional, national and international economic and political conditions; international hostilities; world health concerns; aviation security concerns; airline service and routes; airline airfares and competition; airline industry economics, including labor relations and costs; availability and price of aviation fuel (including the ability of airlines to hedge fuel costs); airline consolidation and mergers; capacity of the national air traffic control and airport systems; capacity of the Airport and competition from other airports for passengers; and business travel substitutes, including teleconferencing, videoconferencing and web-casting. If aviation and enplaned passenger traffic at the Airport do not meet forecast levels, a corresponding reduction could occur in forecasted Operating Revenues.

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the events of September 11th.

Growing competition from low-cost, low-fare carriers (such as Southwest) has forced legacy carriers (such as American, Continental, Delta, Northwest, United and US Airways) to implement route rationalization, including route transfers to regional partners and the reduction, or elimination, of service to unprofitable markets. Airlines have reduced schedules, simplified fleets, deferred new aircraft delivery, implemented pay cuts, and reduced workforces. In addition, legacy carriers have shown increasing flexibility in adjusting fares to match discount fares offered by low-cost carriers. Airlines have also introduced innovations in passenger service and convenience – notably the expanded use of the Internet and self-service kiosks – which have greatly reduced waiting lines for boarding passes.

Following are just a few of the factors affecting the airline industry including, costs of aviation fuel, international conflicts and threats of terrorism and structural changes in the travel market. See also "– Aviation Security Concerns" herein for additional discussion on the costs of security.

Airline Economic Considerations. The financial strength and stability of airlines serving the Airport may affect future airline traffic. Accordingly, no assurance can be given as to the levels of aviation activity that will be achieved at the Airport. While the airline industry overall was profitable in both 2006 and 2007, it suffered substantial losses in the previous five years and in 2008. The International Air Transport Association has forecast that global airline losses may total $9 billion in 2009. The FAA has forecast that U.S. airlines will have almost nine percent fewer passengers in 2009.

To mitigate these losses, all legacy airlines have reduced their route networks and flight schedules and negotiated with employees, lessors and vendors to cut costs, either under Chapter 11 bankruptcy protection or the threat of such. Additional losses could force airlines to further retrench, seek bankruptcy

protection, discontinue marginal operations, or liquidate. The restructuring or liquidation of one or more of the large network airlines would drastically affect air service at many connection hub airports, present business opportunities for the remaining airlines and change air travel patterns throughout the U.S. aviation system.

In addition to restructuring or liquidating, some airlines are considering mergers to address the current economic uncertainties. Delta Air Lines and Northwest Airlines have merged. This combination creates the world's largest airline measured by enplaned passenger traffic. It has been reported that the combined carrier will reduce its annual costs by more than $1 billion as a result of better aircraft utilization, reduced overhead and an enhanced route system. Further airline consolidation could affect future passenger traffic at the Airport.

For the calendar year ended December 31, 2008, Southwest reported net income of $178 million and Delta and USAirways each reported net losses of $503 million and $803 million, respectively. For the quarter ended March 31, 2009, Southwest, Delta and USAirways each reported net losses of $91 million, $794 million and $103 million, respectively. For the Fiscal Year ended September 30, 2008, Southwest, Delta and USAirways accounted for 28.8%, 13.7% and 11% of the enplaned passengers at the Airport, respectively, representing an aggregate of 53.5% of the enplaned passengers for Fiscal Year 2008.

Cost of Aviation Fuel. Airline earnings are significantly affected by the price of aviation fuel. According to the Air Transport Association, fuel is the largest cost component of airline operations, and therefore an important and uncertain determinant of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but there have been significant increases in the price of fuel.

Any increase in fuel prices causes an increase in airline operating costs. According to the Air Transport Association ("ATA"), a one-dollar per barrel increase in the price of crude oil equates to approximately $445 million in annual additional expense for U.S. airlines. According to the ATA, U.S. airline fuel expenses increased from $16.4 billion in 2000 to $57.8 billion in 2008, a compounded annual growth rate of 16.7 percent during this period. The most significant annual increase in U.S. fuel expense during this period occurred in 2008, from $41.9 billion in 2007 to $57.8 billion in 2008, a 37.9% increase. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries policy, increased demand for fuel caused by rapid growth of economies such as China and India, the levels of fuel inventory maintained by certain industries, the amounts of reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities and weather. In recent years, the cost of aviation fuel has risen sharply in response both to political instability abroad as well as increased demand for petroleum products around the world. Oil prices reached an all-time record high of $145.29 per barrel in July 2008, but have steadily declined in the past six months. Significant fluctuations and prolonged increases in the cost of aviation fuel have had an adverse impact on air transportation industry profitability, causing airlines to reduce capacity, fleet and personnel as well as to increase airfares and institute fuel, checked baggage and other extra surcharges, all of which may decrease demand for air travel.

International Conflict and the Threat of Terrorism. The increased threat of terrorism has had, and may continue to have, a negative impact on air travel. The Authority cannot predict the likelihood of future incidents similar to the events of September 11th, the likelihood of future air transportation disruptions or the impact on the Authority or the airlines operating at the Airport from such incidents or disruptions.

World Health Concerns. Most recently an outbreak of influenza A (H1N1) virus in Mexico and cases reported in the United States have caused travel concerns that could impact traffic at the Airport in 2009. The United States government urged Americans to avoid all non-essential travel to Mexico. Although the World Health Organization raised the influenza pandemic alert to phase 5, it did not recommend travel restrictions related to the outbreak of influenza A.

Structural Changes in the Travel Market. Many factors have combined to alter consumer travel patterns. The threat of terrorism against the United States remains high. As a result, the federal government has mandated various security measures that have resulted in new security taxes and fees and longer passenger processing and wait times at airports. Both add to the costs of air travel and make air travel less attractive to consumers relative to ground transportation, especially to short-haul destinations. Additionally, consumers have become more price-sensitive. Efforts of airlines to stimulate traffic by heavily discounting fares have changed consumer expectations regarding airfares. Consumers have come to expect extraordinarily low fares. In addition, the availability of fully transparent price information on the Internet now allows quick and easy comparison shopping, which has changed consumer purchasing habits. Consumers have shifted from purchasing paper tickets from travel agencies or airline ticketing offices to purchasing electronic tickets over the Internet. This has made pricing and marketing even more competitive in the U.S. airline industry. Finally, smaller corporate travel budgets, combined with the higher time costs of travel, have made business customers more amenable to communications substitutes such as tele- and video-conferencing.

Economic Conditions

Historically, the financial performance of the air transportation industry has correlated with the state of the national economy. Future increases in passenger traffic will depend largely on the ability of the U.S. to sustain growth in economic output and income. Since 2007, the rate of economic growth in the U.S. has slowed considerably, primarily due to losses in real estate values and tightening of credit in financial markets. During September 2008, significant and dramatic changes occurred in the financial markets. Several U.S. commercial and investment banks declared bankruptcy, were acquired by other financial institutions, combined with other financial institutions or sought huge infusions of capital. The volatility in the capital markets led the U.S. government to intervene by making funds available to certain institutions, taking over the ownership of others and assuming large amounts of troubled financial instruments in exchange for imposing greater regulation over certain institutions in order to restore the consumers' confidence in the nation's financial markets. The short and long term effects of these developments on the broader economy are not known at this time. There can be no assurances that such developments will not have an adverse effect on the air transportation industry.

For more information concerning the local and national economy, see APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT – Economic Base for Air Transportation – Air Traffic."

Aviation Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities (such as those that have occurred and continue to occur in the Middle East), terrorist attacks, increased threat levels declared by the Department of Homeland Security and world health concerns such as the SARS outbreak in 2003, may influence passenger travel behavior and air travel demand. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

Because of the implementation of the Congressional mandate, effective January 1, 2003, for the screening of all checked baggage for explosives, as well as the impact on airport operations of procedures mandated under "Level Yellow" (elevated), "Level Orange" (high) and "Level Red" (severe) national threat levels declared by the Department of Homeland Security under the Homeland Security Advisory System, there is the potential for significantly increased inconvenience and delays at many airports. Since its inception the threat level has never been below Level Yellow nor above Level Orange (except that between August 10, 2006 and August 13, 2006 the threat level was raised to Level Red for flights originating in the United Kingdom and bound for the United States). Historically, only minor delays have been experienced at the Airport as a result of the security procedures; however, this may change as a result of increased passenger traffic or other factors such as requirements for additional forms of screening or reductions of the TSA workforce.

Federal law also requires that eventually all passenger bags, mail and cargo be screened to prevent the carriage of weapons (including chemical and biological weapons), explosives or incendiary devices; however, no regulations regarding these enhanced security measures have been finalized as of the date of this Official Statement.

The Authority cannot predict whether the Airport will be targets of terrorists in the future. After the events of September 11th, the United States government launched a military offensive against Afghanistan and in March 2003 against Iraq, and has warned that these hostilities may continue for years.

The Authority cannot predict the duration of the effects of these hostilities on the air transportation system, the likelihood of any retaliation or the likelihood of any future terrorists attacks. Any such action could directly or indirectly reduce passenger traffic and depress airline industry revenues and Operating Revenues. The Authority cannot predict the effect of any future government-required security measures on passenger activity at the Airport.

Regulations and Restrictions Affecting the Airport

The operations of the Airport are affected by a variety of contractual, statutory and regulatory restrictions and limitations including, without limitation, the provisions of the Airline Agreement, the federal acts authorizing the imposition, collection and use of PFCs and extensive federal legislation and regulations applicable to all airports in the United States. In the aftermath of the events of September 11th, the Airport also has been required to implement enhanced security measures mandated by the FAA and the Department of Homeland Security.

It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the Authority, or whether such restrictions or legislation or regulations would adversely affect Operating Revenues.

Airlines Subject To Airline – Airport Use and Lease Agreement

Each of the Airlines subject to the Airline – Airport Use and Lease Agreement (or their respective parent corporations) is subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Certain other airlines are subject to the information reporting requirements of the Commission. Certain information, including financial information, as of particular dates concerning each of these reporting airlines (or their respective parent corporations) is disclosed in reports and statements filed with the Commission. Such reports and statements can be

inspected and copied at the public reference facilities maintained by the Commission at 100 F Street, N.E., Washington, D.C. 20549 and the Commission's regional offices at 175 W. Jackson Boulevard, Suite 900, Chicago, Illinois 60604 and 3 World Financial Center, Room 4300, New York, New York 10281. Copies of such material can be obtained from the Public Reference Section of the Commission at the above address at the prescribed rates. The Commission also maintains a website that contains reports, proxy and information statements and other written information regarding companies that file electronically with the Commission. In addition, each of the Airlines subject to the Airline Agreement is required to file periodic reports of financial and operating statistics with the United States Department of Transportation (the "DOT"). Such reports can be inspected at the following location: Office of Aviation Information Management, Data Requirements and Public Reports Division, Research and Special Programs Administration, Department of Transportation, 400 Seventh Street, S.W. Washington, D.C. 20590, and copies of such reports can be obtained from the DOT at prescribed rates.

Capacity of National Air Traffic Control and Airport Systems

Demands on the national air traffic control system continue to cause aircraft delays and restrictions, both on the number of aircraft movements in certain air traffic routes and on the number of landings and takeoffs at certain airports. These restrictions affect airline schedules and passenger traffic nationwide. The FAA is gradually automating and enhancing the computer, radar, and communications equipment of the air traffic control system and assisting in the development of additional airfield capacity through the construction of new runways and the more effective use of existing runways. However, increasing demands on the national air traffic control and airport systems could cause increased delays and restrictions in the future.

Uncertainties of Projections, Forecasts and Assumptions

The Report contains certain assumptions, forecasts and projections. See APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT." Projected compliance with certain of the covenants contained in the Trust Agreement is also based upon assumptions and projections. Projections and assumptions are inherently subject to significant uncertainties. Inevitably, some assumptions will not be realized and unanticipated events and circumstances may occur and actual results are likely to differ, perhaps materially, from those projected. Accordingly, the projections contained in the Report are not necessarily indicative of future performance, and neither the Authority nor the Airport Consultant assumes any responsibility for the accuracy of such projections.

ENFORCEABILITY OF REMEDIES

The remedies available to the holders of the 2009A Bonds upon an event of default under the Trust Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies specified by the Trust Agreement and the 2009A Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2009A Bonds (including Bond Counsel's approving opinion) will be qualified, as to the enforceability of the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

FINANCIAL ADVISOR

The Authority has engaged Fullerton & Friar, Inc., as Financial Advisor (the "Financial Advisor"), in connection with the authorization, issuance and sale of the 2009A Bonds. Under the terms

of its engagement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

FINANCIAL STATEMENTS

The financial statements of the Authority as of and for the years ended September 30, 2008 and 2007, included in APPENDIX B of this Official Statement have been audited by Ernst & Young LLP as stated in their report appearing in APPENDIX B. Such financial statements, including the auditor's report, have been included in this Official Statement as public documents and Ernst & Young has not performed any procedures subsequent to the date of its report. The auditors have not performed any services related to, and therefore are not associated with, the preparation of this Official Statement.

LITIGATION

There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending, or to the knowledge of the Authority, threatened against or affecting the Authority or, to its knowledge, any basis therefor, wherein an unfavorable decision would have a material adverse affect on the transactions contemplated by this Official Statement or the validity of the 2009A Bonds, the Trust Agreement, the Airline – Airport Use Agreement or any agreement or instrument to which the Authority is a party and which is used or contemplated for use in the transactions contemplated by this Official Statement.

The Authority is engaged in routine litigation covered by liability insurance and common to the operation of airport facilities and therefore not material to the Authority's financial position.

TAX MATTERS

In the opinion of Bond Counsel, under existing law, interest on the 2009A Bonds is excludable from gross income for federal income tax purposes, except that no opinion is expressed as to the exclusion from gross income of interest on any 2009A Bond for any period during which such 2009A Bond is held by a person who is a "substantial user," within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), of any project financed with the proceeds of the 2009A Bonds or a "related person" to such a "substantial user."

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the 2009A Bonds in order for the interest thereon to be and remain excludable from gross income for federal income tax purposes. Examples include: the requirement that, unless an exception applies, the Authority rebate certain excess earnings on proceeds and amounts treated as proceeds of the 2009A Bonds to the United States Treasury; restrictions on the investment of such proceeds and other amounts; and restrictions on the ownership and use of the facilities financed with the proceeds of the 2009A Bonds. The foregoing is not intended to be an exhaustive listing of the post-issuance tax compliance requirements of the Code, but is illustrative of the requirements that must be satisfied by the Authority subsequent to the issuance of the 2009A Bonds to maintain the exclusion of interest on the 2009A Bonds from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of interest on the 2009A Bonds in the gross income of the owners thereof for federal income tax purposes, retroactive to the date of issuance of the 2009A Bonds. The Authority has covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the 2009A Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel is subject to the condition that the Authority complies with all such requirements. Bond Counsel has not been

retained to monitor compliance with the described post-issuance tax requirements subsequent to the issuance of the 2009A Bonds.

Alternative Minimum Tax. An alternative minimum tax is imposed by the Code on corporations (as defined for federal income tax purposes) at a 20% rate and on taxpayers other than corporations at a graduated rate beginning at 26% and increasing to 28%. Interest on the 2009A Bonds will not be treated as an item of tax preference for purposes of the alternative minimum tax and, therefore, will not be included in the alternative minimum taxable income of holders who are not corporations. Further, interest on the 2009A Bonds received by a corporate holder of 2009A Bonds will not be included in such holder's adjusted current earnings for purposes of determining the corporate holder's alternative minimum taxable income.

Original Issue Premium. The 2009A Bonds maturing on October 1, 2011 through October 1, 2015 inclusive, the $4,025,000 in principal amount of 2009A Bonds maturing on October 1, 2016, the $2,800,000 in principal amount of 2009A Bonds maturing on October 1, 2017, and the 2009A Bonds maturing on October 1, 2018 (collectively, the "Premium Bonds"), were sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(a)(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Premium Bond and not as interest.

Original Issue Discount. The $2,395,000 in principal amount of 2009A Bonds maturing on October 1, 2016 and the $3,925,000 in principal amount of 2009A Bonds maturing on October 1, 2017 (collectively, the "Discount Bonds"), were sold to the public at an original issue discount. The original issue discount is the excess of the stated redemption price at maturity of such a Discount Bond over the initial offering price to the public (excluding underwriters and other intermediaries) at which price a substantial amount of that maturity of the Discount Bonds was sold. Under existing law, an appropriate portion of any original issue discount, depending in part on the period a Discount Bond is held by the purchaser thereof, will be treated for federal income tax purposes as interest which is excludable from gross income rather than being treated as taxable gain.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compounded basis. The amount of original issue discount that accrues to a holder of a Discount Bond, who acquires the Discount Bond in this initial offering, during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the holder's tax basis in such Discount Bond. Proceeds received from the sale, exchange, redemption or payment of a Discount Bond in excess of the holder's adjusted basis (as increased by the amount of original issue discount which has accrued and has been treated as tax-exempt interest in the holder's hands), will be treated as gain from the sale or exchange of such Discount Bond and not as interest.

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of Discount Bonds should consult their own tax advisors with respect to the consequences of owning Discount Bonds, including the effect of such ownership under applicable state and local laws.

Reference is hereby made to the proposed form of Bond Counsel opinion attached hereto as APPENDIX G.

Other Tax Consequences. Prospective purchasers of the 2009A Bonds should be aware that ownership of the 2009A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the 2009A Bonds. Prospective purchasers of the 2009A Bonds should also be aware that ownership of the 2009A Bonds may result in adverse tax consequences under the laws of various states. Bond Counsel has not expressed an opinion regarding the collateral federal income tax consequences that may arise with respect to the 2009A Bonds. Further, Bond Counsel has expressed no opinion regarding the state tax consequences that may arise with respect to the 2009A Bonds. Prospective purchasers of the 2009A Bonds should consult their tax advisors as to the collateral federal income tax and state tax consequences to them of owning the 2009A Bonds.

Information Reporting and Backup Withholding. Interest paid on tax-exempt bonds, such as the 2009A Bonds, is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the 2009A Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate holders of 2009A Bonds, under certain circumstances, to "backup withholding" at (i) the fourth lowest rate of tax applicable under Section 1(c) of the Code (i.e., a rate applicable to unmarried individuals) for taxable years beginning on or before December 31, 2010; and (ii) the rate of 31% for taxable years beginning after December 31, 2010, with respect to payments on the 2009A Bonds and proceeds from the sale of 2009A Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such holder of 2009A Bonds. This withholding generally applies if the holder of 2009A Bonds (i) fails to furnish the Trustee (or other payor) such holder's social security number or other taxpayer identification number ("TIN"), (ii) furnished the Trustee (or other payor) an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the Trustee (or other payor) or such holder's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such holder is not subject to backup withholding.

LEGAL MATTERS

Certain legal matters relating to the authorization, issuance, sale and delivery of the 2009A Bonds is subject to the approval of Holland & Knight LLP, Tampa, Florida, whose legal services as Bond Counsel have been retained by the Authority.

The proposed text of the legal opinion is set forth as APPENDIX G hereto. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expressed any opinion concerning any of the matters referenced in the opinion subsequent to its date.

The opinion of Bond counsel will be limited to matters relating to the authorization and validity of the 2009A Bonds and the tax-exempt status of interest thereon, as described in the section "TAX MATTERS" and will make no statement regarding the accuracy and completeness of this Official Statement.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances, including changes in law, that may thereafter occur or become effective.

In their capacity as Bond Counsel, Holland & Knight LLP has reviewed the statements in this Official Statement under the captions "AUTHORIZATION OF THE 2009A BONDS," "DESCRIPTION OF THE 2009A BONDS," "SECURITY FOR THE 2009A BONDS", APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT" and APPENDIX D - "PROPOSED CONCEPTUAL AMENDMENTS TO CERTAIN PROVISIONS OF THE TRUST AGREEMENT" and believe that insofar as such statements constitute summaries of the Trust Agreement and the provisions of the 2009A Bonds, such statements constitute fair summaries of the portions of the documents purported to be summarized. In its capacity as Bond Counsel, Holland & Knight LLP has also reviewed the statements under the caption "TAX MATTERS" and believes such statements are accurate. Bond Counsel expresses no further opinion with respect to the accuracy, completeness or sufficiency of this Official Statement, nor do they express any opinion as to the compliance by the Authority with any federal or state statute, regulation or ruling with respect to the sale or distribution of the 2009A Bonds.

Certain legal matters in connection with the offering of the 2009A Bonds will be passed upon for the Underwriters by their Counsel, GrayRobinson, P.A., Tampa, Florida, including matters relating to this Official Statement. Certain other legal matters will be passed upon for the Authority by its General Counsel, Gigi Skipper Rechel, Esquire.

The legal opinions to be delivered concurrently with the delivery of the 2009A Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

RATINGS

Moody's Investors Service, Inc., Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and Fitch Inc. have assigned ratings of "Aa3," "A+" and "AA-," respectively to the 2009A Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from such rating agencies. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the rating agencies. There is no assurance that such ratings will be maintained for any given period of time or that they may not be lowered or withdrawn entirely by the rating agencies, or any of them, if in their or its judgment circumstances warrant. Any such downward change in or withdrawal of such ratings, or any of them, may have an adverse effect on the market price of the 2009A Bonds.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder require that the Authority make a full and fair disclosure of any bonds or other debt obligations that it has issued or

guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The Authority has never been in default as to principal and interest on its bonds or other debt obligations.

As set forth under "THE AIRPORT SYSTEM – Airfield and Other Facilities – *Delta Maintenance Facility – Pemco World Air Services, Inc. Maintenance Facility,*" the special purpose facilities revenue bonds issued by the Authority as the "conduit issuer" on behalf of Delta and US Airways were included in Delta's and US Airways' respective Chapter 11 reorganization proceedings. The Authority believes that disclosure concerning the fact that the special purpose facilities revenue bonds were included in Delta's and US Airways' respective reorganization proceedings should not be considered material by a reasonable investor with respect to an investment in the 2009A Bonds because such conduit issues were separately secured by the "conduit borrowers," not the Authority, and payable solely from sources of the "conduit borrowers" and not of the Authority.

CONTINUING DISCLOSURE

The Authority, in accordance with the continuing disclosure requirements of Rule 15c2-12 in effect from time to time and applicable to the 2009A Bonds (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, will provide or cause to be provided, within 180 days of the end of the Authority's Fiscal Year in accordance with the Rule, certain annual financial information as of September 30 of each year, commencing with the Fiscal Year ending September 30, 2009, consistent with the financial information included in this Official Statement, and, when available, audited financial statements prepared pursuant to generally accepted auditing standards applicable to governmental entities. The Authority will make such filings to the Municipal Securities Rulemaking Board's new Electronic Municipal Market Access System ("EMMA"), which is expected to go into effect on July 1, 2009, as contemplated by Securities and Exchange Commission Release Number 34-59062 (dated December 5, 2008).

The operating data that will be provided by the Authority in addition to the annual audited financial statements will include (if not otherwise provided by the Authority to EMMA in connection with the Authority's other Outstanding Bonds), an update of the following annual operating data from the Official Statement which are in tabular form:

(i) Airline Passenger Traffic;

(ii) Top Markets for Tampa International Airport; and

(iii) Airline Market Shares of Enplaned Passengers.

The Authority will additionally provide or cause to be provided, in a timely manner, to EMMA notice of the occurrence of any of the following events with respect to the 2009A Bonds, if such event is material:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers or their failure to perform;

(vi) adverse tax opinions to or events affecting the tax-exempt status of the 2009A Bonds;

(vii) modifications to rights of the holders of the 2009A Bonds;

(viii) 2009A Bond calls (other than scheduled mandatory redemption);

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the 2009A Bonds; and

(xi) rating changes.

The Continuing Disclosure Agreement, the form of which is included as APPENDIX F, will be executed by the Authority prior to issuance of the 2009A Bonds.

The Authority has not failed to comply with any prior agreements to provide continuing disclosure information pursuant to the Rule.

UNDERWRITING

The 2009A Bonds are being purchased for reoffering by J.P. Morgan Securities Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., Raymond James & Associates, Inc. and Siebert Brandford Shank & Co., LLC (collectively, the "Underwriters") at a price of $49,567,931.35, representing the par amount of the 2009A Bonds, net of Underwriters' discount of $301,493.35 from the initial offering prices of the 2009A Bonds set forth on the inside cover page hereof, plus net original issue premium of $1,774,424.70. The contract of purchase by and between the Underwriters and the Authority provides that the Underwriters will purchase all of the 2009A Bonds if any are purchased.

The Underwriters may offer and sell the 2009A Bonds to certain dealers (including depositing the 2009A Bonds into investment trusts) and others at prices lower than the initial public offering prices stated on the inside cover page hereof. The public offering prices may be changed from time to time by the Underwriters.

J.P. Morgan Securities Inc., one of the underwriters of the 2009A Bonds, has entered into an agreement (the "Distribution Agreement") with UBS Financial Services Inc. for the retail distribution of certain municipal securities offerings at the original issue prices. Pursuant to the Distribution Agreement, J.P. Morgan Securities Inc. will share a portion of its underwriting compensation with respect to the 2009A Bonds with UBS Financial Services Inc.

Citigroup Inc., parent company of Citigroup Global Markets Inc., an underwriter of the 2009A Bonds, has entered into a retail brokerage joint venture with Morgan Stanley. As part of the joint venture, Citigroup Global Markets Inc. will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Citigroup Global Markets Inc. will compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2009A Bonds.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the 2009A Bonds, the security for the payment of the 2009A Bonds, and the rights and obligations of holders thereof.

The information contained in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the 2009A Bonds.

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The execution and delivery of this Official Statement by its Chairman and its Executive Director have been duly authorized by the Authority.

HILLSBOROUGH COUNTY AVIATION AUTHORITY

/S/ Stephen J. Mitchell
Stephen J. Mitchell
Chairman

/S/ Louis E. Miller
Louis E. Miller
Executive Director

APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

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APPENDIX A

Hillsborough County Aviation Authority
Tampa International Airport
Revenue Bonds, 2009 Series A (PFC)

REPORT OF THE AIRPORT CONSULTANT

Ricondo & Associates, Inc.
105 East Fourth Street, Suite 1700
Cincinnati, OH 45202
513.651.4700 telephone
513.412.3570 facsimile

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RICONDO
& ASSOCIATES

June 4, 2009

Mr. Louis E. Miller
Executive Director
Hillsborough County Aviation Authority
Tampa International Airport
3rd Level, Blue Side
PO Box 22287
Tampa, FL 33622-2287

Re: ***Hillsborough County Aviation Authority***
Tampa International Airport Revenue Bonds, 2009 Series A (PFC)

Appendix A: Report of the Airport Consultant

Dear Mr. Miller:

This report sets forth findings, assumptions and projections of the air traffic and financial analysis performed by Ricondo & Associates, Inc. (R&A), in conjunction with the planned issuance by the Hillsborough County Aviation Authority, Florida (the Authority) of its Tampa International Airport Revenue Bonds, 2009 Series A (Series 2009 A Bonds).

The Authority operates Tampa International Airport (the Airport), the primary air carrier airport serving the Tampa Bay region, and three general aviation reliever airports, Peter O. Knight, Plant City, and Tampa Executive airports. This report is intended for inclusion in the Official Statement for the Series 2009 A Bonds as Appendix A: Report of the Airport Consultant.

The Authority has authorized the issuance of the Series 2009 A Bonds which, together with investment earnings and certain other funds, will finance a portion of the $55.1 million of projects that are referred to as the 2009 Project.

The 2009 Project is comprised of the following projects at the Airport:

- North Terminal Complex Conceptual Design
- Taxiway B Rehabilitation, Bridge and Service Road

This report includes examinations of the underlying economic base of the Air Trade Area (as defined in this report) for the Airport which directly relates to the demand for air transportation (Chapter 1); historical and projected air traffic activity at the Airport (Chapter 2); a description of existing Airport

facilities and planned capital development including a summary of the 2009 Project (Chapter 3); and projected revenues and expenses, with consideration for the anticipated impacts of the 2009 Project and other capital projects through the Authority's fiscal year (FY) 2019 (Chapter 4)[1].

On the basis of the assumptions and analyses described in this report, R&A is of the opinion that Authority Net Revenues will be adequate to meet the Authority's rate covenant, as set forth in the Codified and Restated Trust Agreement, during the projection period FY 2010 through FY 2019. Additional findings of these analyses include the following:

Economic Base

Over the past two years, the economy of the Tampa Bay area, and Florida in general, has swung from a period of outperforming the nation as a whole to a period of underperformance. Like other epicenters of the housing boom, such as California and Nevada, the Tampa Bay area now has a higher unemployment rate than the nation and existing home prices that are falling at a more rapid rate than the nation. Despite these significant economic events, the Tampa Bay area has many characteristics that make the area conducive to long-term business and employment growth, including the following:

- Population growth in the Air Trade Area was below that for Florida, yet higher than that for the nation between 1990 and 2008. This trend in population growth for the Air Trade Area is expected to continue through at least 2018.
- Per capita EBI for the Air Trade Area was consistently higher than that for Florida and for the nation each year between 2001 and 2007. According to the publication *Demographics USA*, growth in per capita EBI for the Air Trade Area is expected to be equivalent to Florida and the nation between 2007 and 2012, the latest year for which such projections are currently available.
- Average annual unemployment rates for the Air Trade Area were below or nearly equivalent to those for Florida and significantly below the nation's rates each year between 1998 and 2007. In 2008, the average annual unemployment rate for the Air Trade Area was comparable to Florida and higher than the nation. Air Trade Area unemployment is forecasted to peak at 10.9 percent in the fourth quarter of 2009 before beginning a gradual decline below 10 percent by early 2011.

[1] The Authority's fiscal year ends September 30.

- Nonagricultural employment in the Air Trade Area increased at a compounded annual growth rate of 1.2 percent between 1998 and 2008, which was higher than the 0.9 percent growth experienced nationwide during this same period. The services industry has the highest percentage of employment in the Air Trade Area, followed by wholesale and retail trade combined.
- The Air Trade Area offers a variety of cultural, recreational, and educational resources and activities.
- The economic base of the Air Trade Area is diversified, and is capable of supporting increased demand for air travel at the Airport during the projection period.

Air Traffic

Adverse shocks to both the supply of and demand for air travel have resulted in many airports across the nation, including the Airport, experiencing an unforeseen decrease in aviation activity. Highlights of the analysis of historical activity and the aviation forecast developed in this report include the following:

- Enplanements for FY 2009 are projected to be 13.1 percent below peak enplanement levels in FY 2007, due to the economic downturn and resulting reduction in passenger demand and airline capacity cuts at the Airport. Enplanements are expected to increase in the long term, however, enplanements levels are not projected to return to peak levels until FY 2015. The 2008 FAA Terminal Area Forecast (TAF) for the Airport projects enplanements to return to peak levels in FY 2016.
- The Airport is served by the majority of airlines operating in the U.S.
- Enplanement growth at the Airport was greater than that of the nation between 1999 and 2008. Enplanements are projected to grow at a compounded annual growth rate slightly below the nation through 2019, due to a larger decrease in enplanements in FY 2009 at the Airport compared to the nation.
- Low cost carriers have continued to increase their market share of enplanements at the Airport. It is anticipated that by FY 2018 low cost carriers overall will replace legacy/mainline carriers and their affiliates as the leader in market share of enplanements.
- Operations projections for low cost carriers are expected to increase at an annual rate of 2.5 percent from FY 2009 through FY 2019, while legacy/mainline carriers and their affiliates are projected to increase at an annual rate of 1.7 percent.

- Total airline operations are projected to increase at a compounded annual growth rate of 2.1 percent over the projection period. Additionally, total airport operations are also projected to increase at a compounded annual growth rate of 1.8 percent over the projection period.

Financial Analyses

The 2009 Project is feasible based on the following results:

- Completion of the 2009 Project is not expected to significantly impact rates and charges to the users of the Airport facilities (landing fees, terminal rental rates and cost per enplanement) because the debt service on the Series 2009 A Bonds is expected to be paid from Florida Department of Transportation (FDOT) grants and Passenger Facility Charge (PFC) revenues[2]. Furthermore, the incorporation of the Authority's capital improvement program (CIP) that totals approximately $561.3 million for the period FY 2010 through FY 2019 is projected to result in reasonable levels of rates and charges to the users of the Airport facilities over the projection period.
- Debt Service Coverage is projected to be greater than the required 1.25x in each of the projected years. Additionally, the Airline-Airport Use and Lease Agreement (Airline Agreement) contains a provision that Airlines shall make payments in the rates for rentals, fees, and charges at the Airport in any fiscal year in which the amount of Revenues less O&M Expenditures and the O&M Reserve Requirement is projected to be less than 125 percent of the Debt Service requirement (Extraordinary Coverage Protection). Should Extraordinary Coverage Protection payments be made, the Authority will refund to the Airlines such payments made by each Airline as soon as uncommitted funds become available in the Surplus Fund.
- Projected airline rates and charges together with other Authority revenues are sufficient to ensure that all Operation and Maintenance (O&M) expenses, debt service and coverage, and fund deposit requirements can be generated through reasonable user fees.
- A summary of the financial projections contained in the Report of the Airport Consultant is presented in the following **Table 1**.

[2] See Section 4.2.2 for a discussion of the PFC approval process.

Table 1

Summary of Financial Projections

Fiscal Year	Signatory Landing Fee (per 000 lbs)	Signatory Terminal Building Rental Rate (per sq ft)	Signatory Airside Buildings Rental Rate (per sq ft)	Debt Service Coverage	Signatory Airline Cost Per Enplaned Passenger
2009 (est)	$1.20	$108.81	$71.56	1.50	$5.12
2010	$1.19	$108.24	$74.30	1.49	$5.07
2011	$1.28	$112.18	$78.11	1.53	$5.33
2012	$1.29	$116.63	$81.88	1.55	$5.44
2013	$1.33	$124.08	$86.76	1.52	$5.68

Source: Ricondo & Associates, Inc. (May 2009)
Prepared by: Ricondo & Associates, Inc., May 2009

Except as defined otherwise, the capitalized terms used in this report are as defined in either the Codified and Restated Trust Agreement or the Airline-Airport Use and Lease Agreement (the Airline Agreement). The techniques used in this report are consistent with industry practices for similar studies in connection with airport revenue bond sales. While R&A believes the approach and assumptions utilized are reasonable, some assumptions regarding future trends and events may not materialize. Achievement of projections described in this report, therefore, is dependent upon the occurrence of future events, and variations may be material.

Sincerely,

Ricondo Associates, Inc.

RICONDO & ASSOCIATES, INC.

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I. Economic Base for Air Transportation

Over the past two years, the economy of the Tampa Bay area, and Florida in general, has swung from a period of outperforming the nation as a whole to a period of underperformance. Like other epicenters of the housing boom, such as California and Nevada, the Tampa Bay area now has a higher unemployment rate (10.4 percent) than the nation (9.0 percent) as of March 2009, and existing home prices that are falling at a more rapid rate than the nation (year-over-year declines of 23.0 percent for the Tampa Bay area and 18.6 percent for the nation as of February 2009). According to a March 2009 forecast from the University of Central Florida Institute for Economic Competitiveness, unemployment in the Tampa Bay area is forecast to peak at 10.9 percent in the fourth quarter of 2009 before beginning a gradual decline below 10 percent by early 2011.[1] Tampa Bay area housing starts are forecast to bottom in the second quarter of 2009, as the impact from excess existing capacity and foreclosures begins to lessen. Despite these significant economic events, the Tampa Bay area has many characteristics that make the area conducive to long-term business and employment growth.

1.1 Air Trade Area

The demand for air transportation is, to a large degree, dependent upon the demographic and economic characteristics of an airport's air trade area (i.e. the geographical area served by an airport). This relationship is particularly true for origin-destination (O&D) passenger traffic, which has been the foremost component of demand at the Airport and which represents passengers that either begin or end their trip at the Airport. Based on U.S. Department of Transportation (DOT) ticket sample data, O&D passengers accounted for approximately 85.5 percent of total passengers at the Airport in fiscal year (FY) 2008. The major portion of demand for air travel at the Airport, therefore, is influenced more by the local characteristics of the area served than by individual air carrier decisions regarding hub and service patterns in support of connecting activity. This chapter presents data indicating that the Airport's air trade area has an economic base capable of supporting increased demand for air travel at the Airport during the projection period.

The borders of an air trade area are influenced by the location of other metropolitan areas and their associated airport facilities. For purposes of these analyses, the *primary air trade area* for the Airport is the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (the Tampa Bay MSA), as defined by the federal government's Office of Management and Budget. According to the federal government, an MSA is a geographical area with a large population nucleus, along with any adjacent communities that have a high degree of economic and social interaction with that nucleus.[2] The Tampa Bay MSA consists of four counties in the State of Florida (Florida): Hernando, Hillsborough (the county in which the Airport is located), Pasco, and Pinellas.

Based on location, accessibility, and services available at other commercial service airports within nearby service areas, it is recognized that the area served by the Airport extends to a *secondary air*

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1 Source: University of Central Florida Institute for Economic Competitiveness, *Florida & Metro Forecast,* March 2009.

2 In 2000, the Office of Management and Budget revised its geographic Census definitions to include Metropolitan and Micropolitan Statistical Areas, collectively called Core Based Statistical Areas (CBSA). The Metropolitan Statistical Areas have at least one central urbanized core area of 50,000 people and the Micropolitan Statistical Areas have at least one urbanized core area of at least 10,000 people, but fewer than 50,000.

trade area. This secondary air trade area includes the additional Florida counties of Citrus, De Soto, Hardee, Manatee, Sarasota, Sumter, and a portion of Polk. The borders of this extended service area are established by Orlando International Airport to the east and Southwest Florida International Airport (Fort Myers) to the south. Although Sarasota-Bradenton International Airport is located approximately 50 miles south of the Airport within the secondary air trade area, a portion of its passengers prefer to drive to the Airport to take advantage of its more extensive flight selections to major O&D markets.[3] St. Petersburg-Clearwater International Airport (PIE) is located approximately 12 miles west of the Airport within the primary air trade area; however, its scheduled passenger service is limited in scope. The majority of scheduled passenger service to this airport is provided by leisure-oriented carriers (primarily Allegiant and USA 3000) that operate less than daily service patterns to secondary markets.

According to the most recent passenger survey conducted for the Authority in 2007, approximately 78.0 percent of enplaned passengers at the Airport originate their trip to the Airport from the Tampa Bay MSA.[4] Despite increased service by Allegiant at PIE, when compared with a similar 2004 passenger survey conducted for the Airport, the percentage of passengers originating their trip to the Airport from Pinellas County decreased by only 1.4 percentage points. According to the Authority, this statistic does not reflect passenger leakage to PIE, but rather the larger number of passengers originating their trip to the Airport from Pasco and Hernando counties in the 2007 survey. In addition, approximately 16.9 percent of enplaned passengers at the Airport originate their trip from counties included in the secondary air trade area.[5] In total, approximately 94.9 percent of enplaned passengers at the Airport originate their trip to the Airport from the 11 counties comprising the primary and secondary air trade areas.

It is the economic strength of the Tampa Bay MSA, however, that provides the primary base for supporting air transportation at the Airport. As a result, only socioeconomic data for the Tampa Bay MSA (hereinafter referred to as the Air Trade Area) were analyzed in conjunction with those for Florida and the United States. **Exhibit I-1** presents the geographical location of the Airport's primary and secondary air trade areas, as well as its proximity to alternative facilities.

1.2 Population

Historical population for the Air Trade Area, Florida, and the United States is presented in **Table I-1.** As shown, population in the Air Trade Area increased from approximately 2.1 million in 1990 to approximately 2.4 million in 2000, and to approximately 2.7 million in 2008. This increase represents a compounded annual growth rate of 1.6 percent between 1990 and 2008, which was below the 2.0 percent growth rate for Florida yet higher than the 1.1 percent growth rate for the nation.

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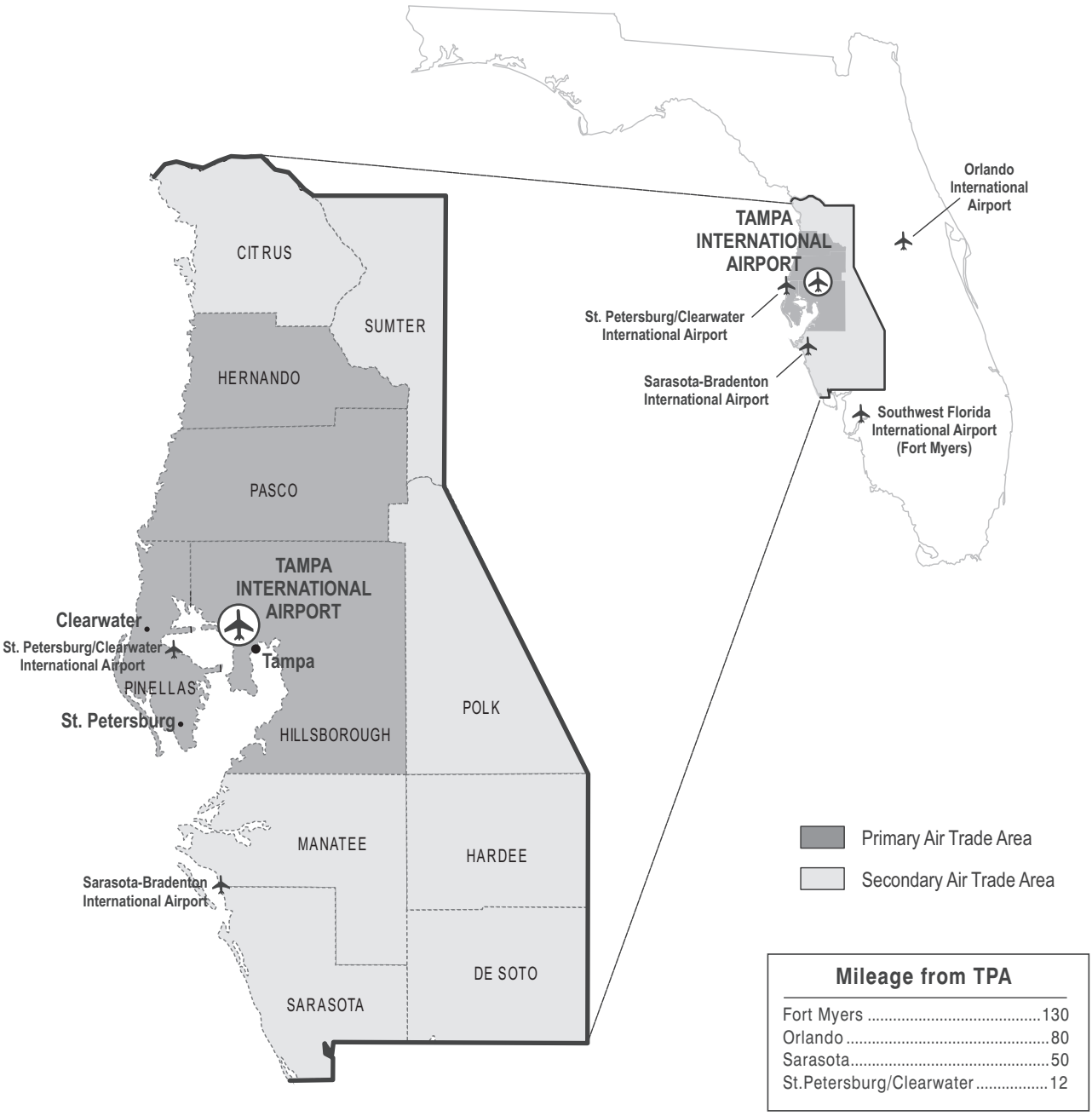
[3] As of June 2009, the Airport will provide nonstop service to to 61 destinations with a total of 219 flights per day (based on a mid-week schedule), compared to 7 destinations with a total of 18 flights per day at Sarasota-Bradenton International Airport. In its summer 2009 schedule, AirTran will serve Dayton from the Airport on a Saturday-only basis. Continental Airlines also recently announced the initiation of service to Gulfport-Biloxi from the Airport (beginning on June 1, 2009) operating three days a week.

[4] *2007 Passenger Survey Report, Tampa International Airport,* Ricondo & Associates, Inc.

[5] According to the *2007 Passenger Survey Report*, approximately 7 percent of enplaned passengers at the Airport originate their trip to the Airport from Sarasota County.



Source: Ricondo & Associates, Inc., April 14, 2007.
Prepared by: Ricondo & Associates, Inc., April 14, 2007.

Exhibit I-1

Air Trade Area and Alternative Facilities

Table I-1

Historical and Projected Population

	Historical			Projected	Compounded Annual Growth Rate: Historical			Projected
Area	1990	2000	2008	2018	1990-2000	2000-2008	1990-2008	2008-2018
Hernando County	101,115	130,802	171,689	198,404	2.6%	3.5%	3.0%	1.5%
Hillsborough County	834,054	998,948	1,180,784	1,409,608	1.8%	2.1%	2.0%	1.8%
Pasco County	281,131	344,765	471,028	537,330	2.1%	4.0%	2.9%	1.3%
Pinellas County	851,659	921,482	910,260	975,129	0.8%	-0.2%	0.4%	0.7%
Air Trade Area	2,067,959	2,395,997	2,733,761	3,120,471	1.5%	1.7%	1.6%	1.3%
State of Florida	12,937,926	15,982,378	18,328,340	21,878,443	2.1%	1.7%	2.0%	1.8%
United States	248,709,873	281,421,906	304,059,724	335,005,000	1.2%	1.0%	1.1%	1.0%

Sources: U.S. Department of Commerce, Bureau of the Census (historical - all areas, projected - U.S. only), March 2009.
The Florida Legislature - Office of Economic and Demographic Research (projected - Florida and Air Trade Area counties), August 2008.

Prepared by: Ricondo & Associates, Inc., April 2009.

Net migration (the difference between total population change and natural increase) accounts for the majority of population growth in the Air Trade Area. According to a 2008 U.S. Census Bureau estimate, the Air Trade Area's population has increased since July 2000 because of natural change (an annual average of about 2,500 more births than deaths), domestic migration (an annual average of about 33,300 more native-born residents arriving than leaving) and international migration (an annual average of about 7,800 more foreign-born residents arriving than leaving). A 2007 St. Petersburg Times analysis of Internal Revenue Service data showed that New York City and its suburbs are now the largest source of domestic migration to the Air Trade Area (followed by Chicago and its suburbs).

While net migration has remained positive, there are signs that migration to the Air Trade Area and Florida as a whole has slowed significantly since earlier this decade. Since reaching a five-year high of 58,520 people between 2004 and 2005, Air Trade Area net migration dropped to 13,560 people between 2007 and 2008 (the latest U.S. Census Bureau data available).[6] Additionally, according to the Florida Legislature's Office of Economic and Demographic Research, projected enrollment in the Air Trade Area's public schools is expected to decrease during the 2009-2010 academic year by 0.2 percent from the previous academic year.

Table I-1 also presents population projections for the Air Trade Area, Florida, and the nation for 2018, the last year for which projections are currently available. As shown, population trends experienced in the Air Trade Area between 1990 and 2008 are expected to continue through at least 2018. Population in the Air Trade Area is expected to increase from approximately 2.7 million people in 2008 to approximately 3.1 million people in 2018 with a compounded annual growth rate of 1.3 percent during this period. The population growth rate for the Air Trade Area during this period is lower than the compounded annual growth rate of 1.8 percent projected for Florida, yet higher than the 1.0 percent projected for the nation.

1.3 Income

One measure of the relative income of an area is its Effective Buying Income (EBI). EBI is essentially disposable personal income and includes personal income less personal taxes (federal, state, and local), non-tax payments including fines and penalties, and personal contributions for social insurance (Social Security and federal retirement payroll deductions). EBI is a composite measurement of market potential and indicates the general ability to purchase an available product or service. According to the most recent (2008) edition of the publication *Demographics USA*, of the top 300 Metropolitan and Micropolitan Statistical Areas in the nation, the Air Trade Area is currently ranked 20th in total EBI and is projected to be ranked 19th in the nation in total EBI in 2012.

Table I-2 presents historical per capita EBI for the Air Trade Area, Florida, and the nation between 2001 and 2007. As shown, per capita EBI for the Air Trade Area was consistently higher than that for Florida and for the nation each year between 2001 and 2007. As also shown, per capita EBI for the Air Trade Area increased at a compounded annual growth rate of 1.8 percent between 2001 and 2007, which was less than Florida's rate and comparable to the nation's during this same period (compounded annual growth rates of 2.5 percent and 1.9 percent, respectively).

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[6] The U.S. Census Bureau measures net migration from July 1st of a particular year to July 1st of the following year.

Table I-2

Per Capita Effective Buying Income

Year	Per Capita EBI		
	Air Trade Area	State of Florida	United States
Historical			
2001	$19,502	$18,671	$18,491
2002	$20,014	$19,474	$18,375
2003	$20,190	$19,741	$18,662
2004	$20,740	$20,394	$19,289
2005	$21,088	$20,770	$19,779
2006	$21,625	$21,156	$20,286
2007	$21,717	$21,676	$20,717
Projected			
2012	$24,230	$24,320	$23,133
Compounded Annual Growth Rate			
2001-2007	1.8%	2.5%	1.9%
2007-2012	2.2%	2.3%	2.2%

Percentage of Households in Income Categories (2007 EBI)

Income Category	Air Trade Area	State of Florida	United States
Less than $24,999	29.1%	28.5%	26.8%
$25,000 to $49,999	34.1%	32.9%	33.3%
$50,000 to $74,999	18.8%	19.1%	19.7%
$75,000 to $99,999	9.9%	10.5%	11.0%
$100,000 or More	8.1%	9.1%	9.3%

Sources: Sales and Marketing Management, *Survey of Buying Power,* 2002-2005.
TradeDimensions International, Inc., *Demographics USA - County Edition,* 2006-2008.
Prepared by: Ricondo & Associates, Inc., April 2009.

Table I-2 also presents per capita EBI projected for 2012, the latest year for which such projections are currently available. According to the publication *Demographics USA*, per capita EBI for the Air Trade Area is projected to increase from $21,717 in 2007 to $24,230 in 2012. This increase represents a compounded annual growth rate of 2.2 percent during this period, which is comparable to the rate projected for Florida and the nation (compounded annual growth rates of 2.3 and 2.2 percent, respectively).

Although this is the most currently available projection, the recent decrease in home values has resulted in less home equity for Air Trade Area consumers to borrow against, which may result in below-trend EBI in the short-term. Home equity extractions in the Air Trade Area peaked in December 2006 according to Moody's Economy.com, when they made up 13.5 percent of the borrowers' disposable income. By June 2008, homeowners were generating less than 2 percent of their disposable income from their homes.

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 in that as personal income increases, air transportation becomes more affordable and, therefore, is used more frequently. Table I-2 also presents percentages of households in selected EBI categories for 2007. As indicated by Table I-2 data, 18.0 percent (9.9 percent + 8.1 percent) of households in the Air Trade Area had an EBI of $75,000 or more in 2007, compared to 19.6 percent (10.5 percent + 9.1 percent) for Florida and 20.3 percent (11.0 percent + 9.3 percent) for the nation. According to the Fall 2008 edition of the *Tampa Bay Partnership's Regional Economic Scorecard*, the Air Trade Area's median household income growth rate of 2.1 percent is higher than five other competitive comparison regions (Atlanta, Charlotte, Dallas, Jacksonville and Raleigh/Durham) in the southern U.S.

1.4 Employment

Recent employment trends for the Air Trade Area, Florida, and the United States are presented in **Table I-3.** As shown, the Air Trade Area's civilian labor force increased from approximately 1.2 million workers in 1998 to approximately 1.4 million workers in 2008. This increase represents a compounded annual growth rate of 1.0 percent during this period, compared to 2.0 percent growth for Florida and 1.1 percent growth for the nation. As also shown in Table I-3, average annual unemployment rates for the Air Trade Area were below or nearly equivalent to those for Florida and significantly below the nation's rates each year between 1998 and 2007. In 2008, the average annual unemployment rate for the Air Trade Area was comparable to Florida and significantly higher than the nation. April 2008 was the most recent month that Air Trade Area had an unemployment rate below or nearly equivalent to the nation's rate.

As shown below in **Exhibit I-2**, for March 2009, the most recent month for which statistics are available, the Air Trade Area had the tenth highest unemployment rate (10.4 percent) of the twenty-three Florida MSA's and Metropolitan Divisions that are ranked by the Florida Agency for Workforce Innovation.[7]

[7] The term Metropolitan Division refers to a county or group of closely-tied contiguous counties that serve as a distinct employment region within an MSA that has a population core of at least 2.5 million.

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Exhibit I-2

State of Florida March 2009 Unemployment Rates

1. Palm Coast MSA	14.3%
2. Cape Coral-Ft. Myers MSA	12.2%
3. Ocala MSA	12.2%
4. Sebastian-Vero Beach MSA	12.0%
5. Port St. Lucie MSA	11.9%
6. Punta Gorda MSA	11.7%
7. Bradenton-Sarasota-Venice MSA	10.9%
8. Lakeland-Winter Haven MSA	10.5%
9. Deltona-Daytona Beach-Ormond Beach MSA	10.4%
10. Tampa-St. Petersburg-Clearwater MSA	**10.4%**
11. Palm Bay-Melbourne-Titusville MSA	10.1%
12. Orlando-Kissimmee MSA	9.9%
13. West Palm Beach-Boca Raton-Boynton Beach MD	9.9%
Florida	**9.5%**
14. Naples-Marco Island MSA	9.4%
15. Jacksonville MSA	9.3%
16. Pensacola-Ferry Pass-Brent MSA	9.2%
17. Panama City-Lynn Haven-Panama City Beach MSA	9.0%
United States	**9.0%**
18. Miami-Ft. Lauderdale-Pompano Beach MSA	8.5%
19. Ft. Lauderdale-Pompano Beach-Deerfield Beach MD	8.5%
20. Miami-Miami Beach-Kendall MD	7.8%
21. Ft. Walton Beach-Crestview-Destin MSA	7.0%
22. Tallahassee MSA	6.8%
23. Gainesville MSA	6.2%

Source: Florida Agency For Workforce Innovation (April 2009).
Prepared by: Ricondo & Associates, Inc., April 2009.

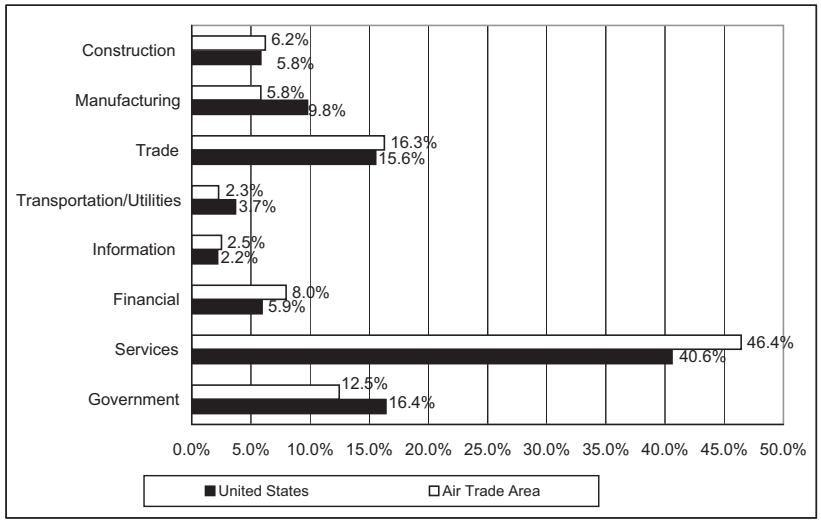
An analysis of nonagricultural employment trends by major industry division is presented in **Table I-4**, which compares the Air Trade Area's employment trends to those for the nation for 1998, 2007 and 2008. As shown, nonagricultural employment in the Air Trade Area increased from approximately 1.1 million workers in 1998 to approximately 1.2 million workers in 2008. This increase represents a compounded annual growth rate of 1.2 percent during this period, higher than the 0.9 percent growth rate experienced nationwide. Between 2007 and 2008, however, nonagricultural employment in the Air Trade Area declined at a faster rate than the nation (2.7 percent and 0.4 percent declines respectively), led by layoffs in construction, as all but one industry division (government) experienced decreasing employment.

Table I-4

Employment Trends by Major Industry Division

Industry	Air Trade Area Nonagricultural Employment (000's) 1998	2007	2008	Compounded Annual Growth Rate 1998-2008	Compounded Annual Growth Rate 2007-2008	United States Nonagricultural Employment (000's) 1998	2007	2008	Compounded Annual Growth Rate 1998-2008	Compounded Annual Growth Rate 2007-2008
Construction [1/]	64.4	87.4	76.1	1.7%	(12.9%)	6,794	8,354	7,989	1.6%	(4.4%)
Manufacturing	84.6	75.6	71.6	(1.7%)	(5.3%)	17,560	13,879	13,431	(2.6%)	(3.2%)
Trade	194.6	205.1	199.5	0.2%	(2.7%)	20,405	21,535	21,320	0.4%	(1.0%)
Transportation/Utilities	36.3	29.5	28.0	(2.6%)	(5.1%)	4,781	5,094	5,065	0.6%	(0.6%)
Information [2/]	34.6	32.6	30.9	(1.1%)	(5.2%)	3,218	3,032	2,997	(0.7%)	(1.2%)
Financial	82.8	101.8	97.8	1.7%	(3.9%)	7,462	8,301	8,146	0.9%	(1.9%)
Services [3/]	459.7	576.6	569.2	2.2%	(1.3%)	45,801	55,185	55,620	2.0%	0.8%
Government	134.2	151.7	152.8	1.3%	0.7%	19,909	22,218	22,500	1.2%	1.3%
Total	1,091.2	1,260.3	1,225.9	1.2%	(2.7%)	125,930	137,599	137,068	0.9%	(0.4%)

Percent of 2008 Nonagricultural Employment



Notes:

[1/] Includes mining employment.

[2/] The information sector includes communications, publishing, motion picture and sound recording, and on-line services.

[3/] The nonagricultural employment for the services sector includes outsourcing from the manufacturing sector.

Source: U.S. Department of Labor, Bureau of Labor Statistics, April 2009.
Prepared by: Ricondo & Associates, Inc., April 2009.

As of March 2009, the most recent month for which statistics are available, the Air Trade Area experienced year-over-year (March 2009 vs. March 2008) non-agricultural job losses of 60,200 jobs (or a decrease of 4.8 percent). Based on percentage change, the Air Trade Area's non-agricultural job decline ranked eleventh lowest out of the twenty-two Florida MSA's and Metropolitan Divisions ranked by the Florida Agency for Workforce Innovation.[8]

With the exception of manufacturing, transportation/utilities, and information, each of the major industry divisions in the Air Trade Area experienced positive growth between 1998 and 2008, with the highest growth occurring in the services, construction, and financial sectors. Manufacturing employment in the Air Trade Area decreased from approximately 84,600 workers in 1998 to approximately 71,600 workers in 2008. This decrease in the manufacturing base between 1998 and 2008 was not unique to the Air Trade Area, as manufacturing employment nationwide decreased 2.6 percent on a compounded annual basis during this same period. The slower rate of decline in the Air Trade Area's manufacturing base can be attributed to the rapid growth of the medical manufacturing industry.[9] Transportation/utilities employment in the Air Trade Area also decreased from approximately 36,300 workers in 1998 to approximately 28,000 workers in 2008. According to the Greater Tampa Chamber of Commerce and Tampa Bay Partnership, this decrease in the transportation/utilities base between 1998 and 2008 was primarily due to the downsizing of utility companies over the past ten years (due to increased efficiency) and restructuring by legacy air carriers in the post-9/11 period. Finally, information employment in the Air Trade Area decreased from approximately 34,600 workers in 1998 to approximately 30,900 workers in 2008. This decrease was primarily due to decreased employment (consistent with nationwide trends) in traditional publishing industries such as newspapers.

A shifting of the Air Trade Area's employment base occurred between 1998 and 2008, as manufacturing employment decreased from 7.8 percent of total employment in 1998 to 5.8 percent in 2008; and services employment increased from 42.1 percent of total employment in 1998 to 46.4 percent in 2008. These trends in the Air Trade Area's employment base were consistent with changes in the employment base nationwide, as manufacturing decreased from 13.9 percent to 9.8 percent and services increased from 36.4 percent to 40.6 percent during this same period.

Major employers in the Air Trade Area, as measured by number of employees, are presented in **Table I-5**. As shown, there are approximately 35 employers in the Air Trade Area with at least 2,000 employees. The largest employers in the Air Trade Area include the Hillsborough County School District (33,031 employees), Pinellas County School District (17,979 employees), BayCare Health System (17,400 employees), HCA West Florida (16,250 employees), and Verizon Communications (14,000 employees).

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[8] Unlike the unemployment rate statistics cited above, for the year-over-year non-agricultural job loss statistics the Florida Agency for Workforce Innovation only provides information for twenty-two Florida MSA's and Metropolitan Divisions (the Palm Coast MSA is not included).

[9] According to an August 2007 study by the University of South Florida Center for Economic Development Research, *The Medical Products Industry Cluster in Tampa Bay and Florida*, the medical products industry in the Air Trade Area contributes a total direct economic output of $3.4 billion and employs approximately 12,500 workers.

Table I-5

Major Employers [1/]

Employer	Employees	Product or Service
Hillsborough County School District	33,031	Public Education
Pinellas County School Board	17,979	Public Education
*BayCare Health System	17,400	Private Healthcare
HCA West Florida	16,250	Private Healthcare
Verizon Communications	14,000	Telecommunications
MacDill Air Force Base	12,735	U.S. Military
University of South Florida	12,250	Higher Education
Hillsborough County Government	10,500	Local Government
Pasco County School District	9,210	Public Education
U.S. Postal Service	9,100	Postal Services
Tampa International Airport	7,760	Air Transportation Facility
*Tampa General Hospital	5,767	Private Healthcare
Publix Super Markets	4,630	Retail Grocer
City of Tampa	4,525	Local Government
James A Haley Veterans Hospital	4,307	Public Healthcare
*Times Publishing	4,072	Newspaper/Publishing
Fidelity	4,000	Financial Services
*Outback Steakhouse (OSI)	4,000	Restaurants
*Home Shopping Network	4,000	Retail
JPMorgan Chase	3,800	Financial Services
*H. Lee Moffitt Cancer Center & Research Institute	3,800	Private Healthcare
Pinellas County Government	3,760	Local Government
AT&T Global Network Services	3,500	Telecommunications
MI Metals	3,500	Manufacturing
Busch Entertainment	3,500	Entertainment
*Raymond James Financial	3,448	Financial Services
City of St. Petersburg	3,429	Local Government
*Caspers Company (McDonald's Restaurants)	3,287	Restaurants
Hernando County School District	3,132	Public Education
*TECO Energy	2,809	Utility
Honeywell	2,730	Manufacturing
Bay Pines VA Healthcare Center	2,671	Public Healthcare
*Tech Data	2,500	Computer and Software
PricewaterhouseCoopers	2,100	Financial/Business Consulting Services
*RTG Furniture	2,019	Retail

Note:

[1/] As of 2009.

* Corporate Headquarters

Sources: Tampa Bay Partnership, March 2009 and Tampa Bay Business Journal, October 2008.

Prepared by: Ricondo & Associates, Inc., April 2009.

Four of the 14 Fortune 500 companies headquartered in Florida are located in the Air Trade Area or the secondary air trade area: Publix Super Markets (ranked 101st in 2008 revenues; one of the nation's leading food and drug stores), Tech Data (ranked 102nd in 2008 revenues; one of the nation's largest publicly-traded retailers of wholesale computer and peripheral equipment and software), Jabil Circuit (ranked 212th in 2008 revenues; a global electronic manufacturing services provider) and WellCare Health Plans (ranked 381st in 2008 revenues; a provider of managed care services for government-sponsored health programs). Fortune 1000 companies that are headquartered in the Air Trade Area include TECO Energy (ranked 632nd in 2008 revenues; a gas and electric company), Raymond James Financial (ranked 657th in 2008 revenues; a financial services provider), HSN (ranked 714th in 2008 revenues; an interactive, multi-channel retailer) and Roper Industries (ranked 820th in 2008 revenues; a diversified industrial products and services provider).

Table I-6 presents major new and expanded business development in the Air Trade Area in 2008 and 2009. The total investment attributed to new and expanded business development in 2008 and 2009 is approximately $245.6 million. This investment has generated new jobs and allowed the Air Trade Area to retain existing jobs. A recent development not included in Table I-6 is a $16.5 million expansion announced recently by Chromalloy Casting Tampa Corp., that will create about 200 jobs beginning in the second half of calendar year 2009.

Factors supporting continued new and expanded business development in the Air Trade Area include the following:

- In a January 2009 Pew Research Center national survey, the Tampa Bay area was ranked among the top five most popular large cities in the nation that workers would like to relocate to.
- According to the *Competitive Alternatives 2008* study conducted by KPMG, the Tampa Bay area ranked as the 3rd least expensive place to do business among large cities in the United States.

1.5 Economic Base

This section reviews the local economy in greater detail to more clearly examine the basis for the economic strength of the Air Trade Area.

1.5.1 Construction

As presented in Table I-4, construction employment in the Air Trade Area increased at a compounded annual growth rate of 1.7 percent between 1998 and 2008 (the second fastest-growing sector during this period), compared to 1.6 percent for the nation. Between 2007 and 2008, however, Air Trade Area construction employment declined at faster rate than the nation (12.9 percent and 4.4 percent declines, respectively) and accounted for the greatest number of jobs lost in the Air Trade Area during this period. In 2008, the construction sector accounted for 76,100 employees in the Air Trade Area, which represented 6.2 percent of total nonagricultural employment.

Despite the unfavorable economic climate in this sector, several major development projects have been initiated and/or completed in the Air Trade Area in recent years:

Table I-6

New and Expanded Businesses in 2008 and 2009

Company Name	Industry Sector	Product or Service	Investment
Jabil Circuit, Inc.	Manufacturer	Printed circuit boards	$54,000,000
Zephyrhills Spring Water Co.	Manufacturer	Bottled water	$39,000,000
Mosaic Fertilizer	Mining	Phosphate	$20,000,000
B&M Precision, Inc.	Manufacturer	Surgical & medical instruments	$15,000,000
BayCare Health System	Services	Outpatient Center	$15,000,000
Charles Stark Draper Laboratory	Manufacturer	Multi Chip Module Center	$12,750,000
Charles Stark Draper Laboratory	Research	R&D/Biotech- BioMEMS R&D Center	$10,000,000
PrecisionAire	Manufacturer	Air Filters	$10,000,000
ISPC	Finance & Insurance	Financial services	$8,800,000
The Lever Edge	Manufacturer	Solar heating equipment	$8,450,000
Coastal Caisson Corporation	Services	Site/Civil engineering	$8,000,000
American Consulting Engineers	Services	Engineering	$7,500,000
Polaris Sales Co.	Manufacturer	Electrical connectors	$4,500,000
Outdoor Technologies, Inc.	Manufacturer	Vinyl fence, deck, rail products	$3,000,000
Ratec LLC	Manufacturer	Steel forms concrete precast products	$3,000,000
ABC Supply	Distributor	Wholesale roofing supplies	$2,500,000
Conax Florida, Inc.	Manufacturer	Aerospace/defense	$2,484,000
Express Printing Center, Inc.	Manufacturer	Commercial printing	$1,850,000
Vortex	Manufacturer	Motorcycle parts	$1,800,000
Agri Source Fuels, LLC	Manufacturer	Alternative fuel	$1,750,000
L-3 Communications	Manufacturer	Black boxes	$1,700,000
Clayton Holdings	Finance & Insurance	Financial services	$1,500,000
Dialysis at Sea	Services	Healthcare	$1,500,000
R&M American Marine Products	Manufacturer	Prefab. cabins for psgr. ship & ferry market	$1,500,000
Rochester Electro-Medical, Inc.	Manufacturer	Medical devices	$1,500,000
Accuform Signs, Inc.	Manufacturer	Industrial identification products	$1,000,000
Design Services, Inc.	Manufacturer	Templates for remodeling	$1,000,000
United Rentals, Inc.	Services	US HQ	$1,000,000
VLOC	Manufacturer	Laser components	$1,000,000
Professional Site Development	Services	Business services	$925,000
Hile's Specialty Curtains, Inc.	Manufacturer	Blinds, draperies & curtains	$915,000
Purel, LLC	Manufacturer	R&D; plastic resins	$900,000
Gamefly	Distributor	Computer games	$400,000
GT Covers	Manufacturer	Auto seat covers	$400,000
All Craft Marine, LLC	Manufacturer	Fiberglass boats	$300,000
Johnson Engineering	Services	Engineering	$250,000
Tandel Systems	Information Technology	Software/hardware engineering solutions	$234,000
Aeronautical Systems Engineering	Manufacturer	Flight simulators	$100,000
Talon Industries, Inc.	Manufacturer	Can ink manufacturer	$100,000
Total All Companies			$245,608,000

Source: Tampa Bay Partnership, March 2009.

Prepared by: Ricondo & Associates, Inc., April 2009.

- **Condo Hotels and Residential Condominiums/Apartments.** A large condo hotel project being developed in the Air Trade Area is the 906,000 sq. ft. Aqualea Resort and Residences (scheduled for completion in December 2009) featuring 250 condo hotel units and 18 private residence condominiums. Notable residential condominium or apartment towers completed over the past three years in the Air Trade Area include Skypoint (32 floors), the Towers of Channelside East and West (both 29 floors), and, more recently, Element (34 floors) and Signature Place (36 floors). Recently, many condo-hotel projects scheduled to break ground in the Air Trade Area have been cancelled (e.g. the Grand Bohemian Hotel in St. Petersburg) and some buildings planned as residential condominiums have been converted to apartments instead.
- **New Hospital Facilities.** Work is continuing on a $124 million St. Joseph's Hospital-North project in Lutz. When completed in the first quarter of 2010, the 350,000 sq. ft. facility will accommodate 108 patient rooms, an emergency room, operating rooms and other departments. In St. Petersburg, a $194 million, nine-story replacement hospital for All Children's Hospital is scheduled to be completed in December 2009.
- **LifeLink Tissue Bank.** LifeLink, a nonprofit organization that collects organs, skin and bone tissue from the deceased and processes them for use in transplant operations, will build a new $26.5 million tissue bank in the Air Trade Area by 2010. The new 55,000 sq. ft. facility will be twice the size of the current tissue bank and, when completed, will allow the tissue bank to add 20 employees to its current staff of 85.
- **Tampa Museum of Art.** Site work on this new art museum began in December 2007 with the first phase of the museum scheduled for completion in Fall 2009. The first phase of the museum will include 15,000 sq. ft. of gallery space and will be 60,000 sq. ft. total. The museum will eventually be expanded in a second phase to 120,000 sq. ft.
- **Glazer Children's Museum.** Groundbreaking for this $21 million museum took place in March 2009 with an opening planned for mid-2010. The 53,000 sq. ft., three-story facility will feature 25,000 sq. ft. of exhibits. The museum will be located next to the Tampa Museum of Art.
- **Tampa Bay History Center.** A new 60,000 sq. ft. home for the history center was completed in January 2009. The four-floor regional history museum contains space for over 30,000 artifacts.
- **Dali Museum.** A groundbreaking for a new $35 million Salvador Dali Museum facility was held in December 2008. The new facility, when completed in 2011, will be a three story, 74,124 sq. ft. building – twice the size of the museum's current facility.

Between 1998 and 2005, residential development expanded rapidly, driven by a combination of net migration to the Air Trade Area, second-home buying and speculative investing. As shown in **Table I-7**, residential building permit units increased from 18,859 in 1998 to 34,174 in 2005; and building permit valuation increased from approximately $1.7 billion to approximately $5.4 billion during this same period. These sharp increases represent compounded annual growth rates of 8.9 percent and 18.4 percent, respectively. As also shown, these respective growth rates were lower than those for Florida but substantially higher than those for the nation during this same period.

Table I-7

Residential Building Permit Units & Valuation

Year	Air Trade Area		State of Florida		United States	
	Units	Valuation ($000)	Units	Valuation ($000)	Units	Valuation ($000)
1998	18,859	$1,662,467	148,603	$14,122,687	1,612,260	$165,265,706
1999	22,980	$1,963,303	164,722	$16,101,979	1,663,533	$181,246,047
2000	19,244	$1,881,486	155,269	$17,462,411	1,592,267	$185,743,681
2001	21,814	$2,223,561	167,035	$19,465,400	1,636,676	$196,242,858
2002	23,542	$2,568,775	185,431	$22,467,802	1,747,678	$219,188,681
2003	29,281	$3,757,593	213,567	$28,351,596	1,889,214	$249,693,105
2004	29,557	$4,050,815	255,893	$36,959,407	2,052,060	$290,119,463
2005	34,174	$5,424,417	287,250	$46,802,753	2,155,316	$329,254,468
2006	22,640	$3,777,805	203,238	$35,716,293	1,838,903	$291,314,492
2007	12,249	$2,018,007	102,551	$17,998,784	1,398,415	$225,236,551
2008 (preliminary)	9,528	$1,487,253	61,958	$11,029,966	892,771	$139,638,720
Compounded Annual Growth Rate						
1998 - 2005	8.9%	18.4%	9.9%	18.7%	4.2%	10.3%
2005 - 2007	-40.1%	-39.0%	-40.2%	-38.0%	-19.5%	-17.3%
2007 - 2008	-22.2%	-26.3%	-39.6%	-38.7%	-36.2%	-38.0%

Source: U.S. Department of Commerce, Bureau of the Census, March 2009.

Prepared by: Ricondo & Associates, Inc., April, 2009.

The Air Trade Area, like Florida, has been significantly impacted by the nationwide slowing of the residential real estate market over the past three years. Between 2005 and 2007, as reflected in Table I-7, Air Trade Area residential building permit units decreased at a compounded annual rate of 40.1 percent, compared with a 19.5 percent decrease nationally. In 2008, however, the rate of decline slowed, as residential building permits decreased by 22.2 percent from the prior year, compared with a 36.2 percent decrease nationally. The most recent S&P/Case-Shiller Home Price Index data on Air Trade Area housing prices shows a similar trend, with February 2009 housing prices down 23.0 percent when compared to February 2008 (versus an 18.6 percent decrease nationally).

As discussed in the introduction of this chapter, housing starts in the Air Trade Area are forecast to bottom in the second quarter of 2009. A sustainable recovery in the residential real estate market will begin to take hold as soon as excess existing capacity can be worked down and foreclosures begin to decline. There are early signs that lower home prices in the Air Trade Area are leading to increased sales of existing homes.

As depicted in **Table I-8**, the commercial real estate market in the Air Trade Area has had a relatively stronger recent performance than the residential real estate market. Although the office vacancy rate is rising (up 2.4 percentage points from the first quarter of 2008), the Air Trade Area had a 14.2 percent office vacancy rate for the first quarter of 2009, identical to the rate for the nation. The industrial vacancy rate in the Air Trade Area is rising as well (up 2.6 percentage points from the first quarter of 2008), but the 8.7 percent vacancy rate for the first quarter of 2009 is below the nationwide rate of 9.1 percent.

1.5.2 Manufacturing

As presented in Table I-4, manufacturing employment in the Air Trade Area decreased at a compounded annual rate of 1.7 percent between 1998 and 2008, compared to a decrease of 2.6 percent for the nation. Between 2007 and 2008, Air Trade Area manufacturing employment declined at faster rate than the nation (5.3 percent and 3.2 percent declines, respectively). In 2008, the manufacturing sector accounted for 71,600 employees in the Air Trade Area, which represented 5.8 percent of total nonagricultural employment.

Despite higher growth rates in other sectors, manufacturing continues to be an important component of the Air Trade Area's economy. The Air Trade Area encompasses the western end of an area known as the Florida High Tech Corridor. This area extends from the western coast of Florida through Orlando in the central region of Florida to the eastern coast in Cape Canaveral. The Florida High Tech Corridor, a major reason why Florida was ranked as the 4th largest high tech hub in the nation by employment according to a 2009 study[10], includes ten key technology sectors: agritechnology; aviation and aerospace; digital media and interactive entertainment; financial services; information technology; life sciences and medical technologies; microelectronics and nanotechnology; modeling, simulation, and training; optics and photonics and sustainable energy.

A major part of the high technology industry in the Air Trade Area is medical manufacturing. According to the 2007 study prepared by the University of South Florida's Center for Economic Development Research and discussed in Section 1.4 of this report, in addition to the direct economic

[10] *Cyberstates 2009: A Complete State-by-State Overview of the High-Technology Industry*, is a 2009 study by AeA, the nation's largest technology trade association.

Table I-8

Commercial Real Estate Trends

Vacancy Rates	Air Trade Area	United States
Office Vacancy Rates		
1Q 2008	11.8%	12.8%
1Q 2009	14.2%	14.2%
Change	+2.4 pts.	+1.4 pts.
Industrial Vacancy Rates		
1Q 2008	6.1%	8.1%
1Q 2009	8.7%	9.1%
Change	+2.6 pts.	+1.0 pts.

Source: Colliers Arnold, *Tampa Bay Market Research - Office and Industrial/Flex 1Q 2009,* March 2009.

Prepared by: Ricondo & Associates, Inc., April 2009.

output provided by the medical products industry, approximately 37,000 jobs are provided by firms associated with the medical manufacturing industry representing an economic output of more than $6.4 billion. Major medical technology companies located in the Air Trade Area include Bausch & Lomb Pharmaceuticals, Baxter Healthcare, Catalent Pharma Solutions, and SRI Surgical.

Three companies with a significant presence in the Air Trade Area were ranked among the largest electronics contract manufacturers in the world by *Electronic Business* magazine in 2007. With approximately 1,880 employees at their 600,000 sq. ft. headquarters in the Air Trade Area, Jabil Circuit was ranked the 7th largest electronic manufacturing services provider worldwide. In September 2008, Jabil announced plans to build a new $54 million complex for its worldwide headquarters and local manufacturing operations and add 850 new jobs by 2012. With approximately 325 employees at their 120,000 sq. ft. facility in the Air Trade Area, Sparton ranked 70th. Utilizing four locations throughout North America, Sparton provides design engineering and electronics contract manufacturing services. Ranked 73rd was Sypris Electronics, a leading provider of electronics manufacturing and engineering services for the defense industry and the avionics and aerospace community. Sypris is headquartered in the Air Trade Area, operates a 318,000 sq. ft. facility there and employs approximately 600 people.

Other manufacturing employers with a significant presence in the Air Trade Area include aluminum extruded products manufacturer MI Metals (3,500 employees) and Honeywell (2,730 employees), a leading manufacturer of instrumental, aeronautical, and guidance systems.

1.5.3 Trade

As presented in Table I-4, trade employment in the Air Trade Area increased at a compounded annual growth rate of 0.2 percent between 1998 and 2008, compared to 0.4 percent for the nation. Between 2007 and 2008, Air Trade Area trade employment declined at a faster rate than the nation (2.7 percent and 1.0 percent declines, respectively). In 2008, the trade sector accounted for 199,500 employees in the Air Trade Area, which represented 16.3 percent of total nonagricultural employment. Of that total, approximately 73 percent of these employees were engaged in retail trade.

One indicator of growth in the trade sector is retail sales, defined as all net sales (gross sales minus refunds and allowances for returns) for establishments engaged primarily in retail trade. According to the 2008 edition of the publication *Demographics USA*, of the top 300 Metropolitan and Micropolitan Statistical Areas in the nation, the Air Trade Area ranked 17th in total retail sales.

Table I-9 presents per capita retail sales for the Air Trade Area, Florida, and the nation for 2001 through 2007. Due to changes in how total retail sales were calculated in the data sources used in 2000 and 2006, only (historical) per capita retail sales from 2001-2005 and 2006-2007 are comparable.

As shown in Table I-9, per capita retail sales for the Air Trade Area increased from $13,574 in 2001 to $14,729 in 2005. This increase represents a compounded annual growth rate of 2.1 percent during this period, which was lower than that for Florida and the nation (compounded annual growth rates of 2.4 and 2.6 percent, respectively). Between 2006 and 2007, per capita retail sales for the Air

Table I-9

Per Capita Retail Sales [1/]

Year	Air Trade Area	State of Florida	United States
Historical			
2001	$13,574	$12,838	$12,756
2002	$13,008	$12,484	$12,480
2003	$13,297	$12,687	$12,716
2004	$13,889	$13,132	$13,236
2005	$14,729	$14,103	$14,113
2006	$17,417	$17,523	$15,079
2007	$18,688	$18,855	$15,803
Projected			
2012	$21,598	$22,041	$17,402
Compounded Annual Growth Rate			
2001 - 2005	2.1%	2.4%	2.6%
2006 - 2007	7.3%	7.6%	4.8%
2007 - 2012	2.9%	3.2%	1.9%

Note:
[1/] Only per capita retail sales from 2001-2005 and 2006-2012 are comparable due to re-benchmarking in 2000 and 2006.

Sources: Sales and Marketing Management, *Survey of Buying Power,* 2001-2005.
TradeDimensions International, Inc., *Demographics USA - County Edition* , 2006-2008.
Prepared by: Ricondo & Associates, Inc., April 2009.

Trade Area and Florida increased at a compounded annual rate of 7.3 and 7.6 percent, respectively, while the nation had an overall increase of 4.8 percent. As also shown in Table I-9, each year between 2001 and 2007 per capita retail sales for the Air Trade Area were higher or slightly less than Florida and consistently higher than the nation.

Table I-9 also presents projections of per capita retail sales for 2012, the latest year for which comparable projections are currently available. According to the publication *Demographics USA*, per capita retail sales for the Air Trade Area will be slightly less than that for Florida and significantly higher than the nation through 2012. Per capita retail sales for the Air Trade Area are projected to increase at a compounded annual growth rate of 2.9 percent between 2007 and 2012, compared to 3.2 percent for Florida and 1.9 percent for the nation.

1.5.4 Transportation/Utilities

As presented in Table I-4, transportation/utilities employment in the Air Trade Area decreased at a compounded annual rate of 2.6 percent between 1998 and 2008, compared to a compounded annual growth rate of 0.6 percent for the nation. Between 2007 and 2008, Air Trade Area transportation/utilities employment declined at faster rate than the nation (5.1 percent and 0.6 percent declines, respectively). In 2008, the transportation/utilities sector accounted for 28,000 employees in the Air Trade Area, which represented 2.3 percent of total nonagricultural employment.

The Port of Tampa (the Port) is the largest port in Florida when measured by cargo tonnage throughput and area. The Port handled approximately 43 million tons of cargo in FY 2008. Container shipping is an important growth area for the Port with container business predicted to triple over the next seven years.[11] In 2006, the Port inaugurated its $45 million container terminal with a weekly direct service from Asia and added service to Mexico and South America in 2008. New opportunities for the Port will be created by the widening of the Panama Canal to handle the next generation of large container ships (expected to be completed in 2014) as the Port is the closest full-service U.S. port to the Panama Canal. The Port also forecasts rapid growth in its ability to process construction aggregates. Current throughput of aggregate product at the Port of Tampa is some 2.3 million tons annually. New lease guarantees, coupled with those of existing port customers, will provide an expected 10-12 million tons of aggregate per year by the 2013. Additionally, the Port is continuing its efforts to recruit a shipping line to link the Air Trade Area and Cuba with regular cargo service.[12]

Several key roadways in the Air Trade Area are undergoing major improvements over the next few years. Projects that will contribute to the region's economic growth include: the $530 million I-4/crosstown connector (from Lee Roy Selmon Crosstown Expressway to I-4) expected to begin construction in fall 2009; the $214 million Tampa Airport interchanges project (S.R. 60/Memorial Highway from I-275 to the Courtney Campbell Causeway and north to the Veterans Expressway) already underway with construction scheduled to be completed in spring 2010; and the $109 million northbound I-275 widening (from Himes Ave. to the Hillsborough River) already underway with construction scheduled to be completed in spring 2010.

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[11] Container cargo is the most lucrative cargo a port can handle in terms of revenue and job creation.
[12] Source: Tampa Tribune, "Chances Slim for Tampa Port Delegation Visit to Cuba," April 21, 2009.

The major utility company serving the primary Air Trade Area is TECO Energy. Tampa Electric Company and Peoples Gas System are the principal businesses of TECO Energy, which is headquartered in the Air Trade Area and has approximately 2,809 employees. Progress Energy's Florida subsidiary, based in St. Petersburg, also provides electric service to the Air Trade Area.

1.5.5 Information

As presented in Table I-4, information employment in the Air Trade Area decreased at a compounded annual rate of 1.1 percent between 1998 and 2008, compared to a decrease of 0.7 percent for the nation. Between 2007 and 2008, Air Trade Area information employment declined at faster rate than the nation (5.2 percent and 1.2 percent declines, respectively). In 2008, the information sector accounted for approximately 30,900 employees in the Air Trade Area, which represented 2.5 percent of total nonagricultural employment.

According to an article in the Maddux Business Report, the Air Trade Area's telecommunications infrastructure is the strongest in the state, which helps to facilitate business relocation and expansion. Verizon Communications, the nation's second-largest provider of telecommunications services, has significantly contributed to the Air Trade Area's state-of-the-art telecommunications network. With approximately 14,000 employees, Verizon is the fifth largest employer in the Air Trade Area. In 2008, Verizon invested more than $150 million to enhance its telecommunications infrastructure in Florida and completed $20 million in upgrades to its Tampa switching facility. The Air Trade Area was one of the first markets in the country to deploy DSL (high-speed) technology and is now ranked the 16th "most wired city" in the nation according to a January 2009 *Forbes* magazine article.[13]

Nielsen Media Research, the leading provider of television audience measurement, has occupied its 39-acre Florida Campus since 2003. The firm's global technology and information center encompasses 615,000 sq. ft. The Florida Campus consolidated the company's six satellite operations offices into one location. Nielsen has approximately 1,300 employees in the Air Trade Area.

Another major information sector employer in the Air Trade Area is Tech Data, a leading full-line distributor of information technology products that serves more than 90,000 technology resellers and retail dealers in more than 100 countries. With approximately 2,500 employees in the Air Trade Area, this Fortune 500 company's services include sales training and technical support, financing options and configuration services, as well as a full range of electronic commerce solutions.

1.5.6 Financial

As presented in Table I-4, financial employment in the Air Trade Area increased at a compounded annual growth rate of 1.7 percent between 1998 and 2008 (the third fastest-growing sector during this period), compared to 0.9 percent for the nation. Between 2007 and 2008, Air Trade Area financial employment declined at faster rate than the nation (3.9 percent and 1.9 percent declines, respectively). In 2008, this sector accounted for 97,800 employees in the Air Trade Area, which represented 8.0 percent of total nonagricultural employment.

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[13] The ranking is developed by determining the percentage of Internet users with high-speed connections, the number of companies providing high-speed Internet and the number of public wireless Internet hot spots in a particular city.

According to the Tampa Bay Partnership, the Air Trade Area is home to a financial services cluster that is the largest in the state of Florida and the second-largest in the southeastern United States. As shown in Table I-5, Fidelity was the largest financial services employer in the Air Trade Area in 2009 with approximately 4,000 employees. Other major financial services companies in the Air Trade Area include JPMorgan Chase with approximately 3,800 employees and Raymond James Financial with approximately 3,448 employees.

Several developments in this sector over the past few years are described below:

- **PricewaterhouseCoopers.** In April 2009, PricewaterhouseCoopers, one of the nation's largest assurance, tax and advisory firms announced plans to add up to 200 jobs at its Air Trade Area complex with the opening of an assurance center, handling the auditing and accounting needs of its clients nationwide. According to the company there may be an additional wave of hiring beyond the 200 jobs announced. The firm has approximately 2,100 employees in the Air Trade Area.
- **Transamerica Financial Advisors and InterSecurities.** These two companies announced a plan to merge in March 2009, which would create a new company to be headquartered in St. Petersburg. The merged entity would be a full service, independent broker/dealer that would have more than 1,800 registered representatives and $15 billion in client accounts.
- **USAA.** In February 2009, financial services firm USAA announced that it will add more than 400 jobs in Tampa as it shuts down locations in Sacramento, California and part of a site in Norfolk, Virginia. The jobs include customer service and home and auto insurance claims processing operations.
- **Progressive Insurance.** In 2007, Progressive began hiring for 300 new jobs at its call center in the Air Trade area (the company's second-largest). Progressive is the third largest auto insurance group in the country and employs approximately 2,359 employees in the Air Trade Area.
- **Citizens Property Insurance.** In 2007, the state-run property insurer announced plans to hire 100 employees to staff its office in the Air Trade Area. Citizens plans to eventually employ up to 300 at this location.

Table I-10 presents total bank deposits for the Air Trade Area, Florida, and the nation between 1998 and 2008. As shown, total bank deposits in the Air Trade Area steadily increased from approximately $27.6 billion in 1998 to approximately $54.1 billion in 2008. This increase represents a compounded annual growth rate of 7.0 percent during this period, compared to 7.0 percent for Florida and 6.7 percent for the nation.

1.5.7 Services

As presented in Table I-4, services employment in the Air Trade Area increased at a compounded annual growth rate of 2.2 percent between 1998 and 2008 (the fastest-growing sector during this period), compared to 2.0 percent for the nation. Between 2007 and 2008, Air Trade Area services employment declined at faster rate than the nation (1.3 percent decline and 0.8 percent increase, respectively). In 2008, the services sector accounted for approximately 569,200 employees in the Air Trade Area, which represented the highest employment level among all the sectors with 46.4 percent of total nonagricultural employment.

Table I-10

Total Bank Deposits

Year [1/]	Total Bank Deposits ($000)		
	Air Trade Area	State of Florida	United States
1998	$27,580,000	$194,203,000	$3,657,849,000
1999	$29,125,000	$200,783,000	$3,783,554,000
2000	$31,310,000	$207,852,000	$4,003,744,000
2001	$32,764,000	$222,797,000	$4,326,207,000
2002	$33,159,000	$242,821,000	$4,606,092,000
2003	$36,196,000	$268,174,000	$5,132,110,000
2004	$40,168,000	$300,961,000	$5,464,782,000
2005	$42,438,000	$342,821,000	$5,933,763,000
2006	$45,359,000	$363,415,000	$6,449,864,000
2007	$49,329,000	$373,879,000	$6,702,212,000
2008	$54,114,000	$380,282,000	$7,025,796,000
Compounded Annual Growth Rate			
1998 - 2008	7.0%	7.0%	6.7%

Note:
[1/] Twelve months ending June 30.

Source: Federal Deposit Insurance Corporation (FDIC), March 2009.
Prepared by: Ricondo & Associates, Inc., April 2009.

1.5.7.1 Travel and Tourism

In terms of employment, the travel and tourism industry is one of the largest services-related industries in the Air Trade Area. According to the Tampa Bay Convention and Visitors Bureau (the Visitors Bureau), visitors to the Air Trade Area increased from approximately 12.3 million in 1998 to approximately 16.1 million in 2008. This increase represents a compounded annual growth rate of 2.7 percent during this period. According to the Visitors Bureau, approximately 42 percent of the visitors to the Air Trade Area in 2008 arrived by air and approximately 30 percent of visitors are traveling for business and 70 percent for leisure. Primary travel and tourism-related destinations located in the Air Trade Area are discussed below:

- **Busch Gardens.** Busch Gardens Tampa is home to three water adventure rides, six world-class roller coasters, and African animal exhibits featuring more than 2,000 animals. Busch Gardens opened SheiKra, the first dive roller coaster in North America, in spring 2005 and in 2007 introduced "floorless" cars on this ride. In 2008, Busch Gardens opened Jungala, a four-acre exotic jungle attraction. Attendance at this adventure park totaled approximately 4.4 million people in 2008, making it the eleventh most popular theme park in North America based on 2008 attendance.
- **Museum of Science and Industry**. This facility features seven permanent gallery exhibits, a Bio Works Butterfly Garden, the plant and animal community of Back Woods, the only IMAX Dome Theater in Florida, a Planetarium, the Science Works Theater and "Kids In Charge," a $13 million children's science center (the largest of its kind in the nation). In 2008, the museum unveiled the new Saunders Planetarium and "The Amazing You" a permanent exhibition on health, wellness and prevention. The estimated attendance for 2008 was approximately 752,000 people.
- **Lowry Park Zoo.** Recognized as the nation's best zoo for kids by *Parents* magazine in April 2009, Lowry Park Zoo features 2,000 animals on 56 acres of natural habitats that comprise seven main exhibit areas. In 2008, attendance at the zoo was approximately 1.1 million. According to the Association of Zoos and Aquariums, the Zoo is the number one attended zoo in the southeastern United States.
- **Florida Aquarium.** Ranked among the top major aquariums in the world, the Florida Aquarium encompasses over 250,000 square feet and features more than 20,000 aquatic plants and animals. In 2008, ForbesTraveler.com, announced their top aquariums in the U.S. The Florida Aquarium was included for its diverse guest programs. The estimated annual attendance for 2008 was approximately 681,000 people.
- **Ybor City.** The Air Trade Area's national landmark began when several immigrants came to live in Ybor City when they were offered home ownership for working in the cigar factories. Today, the historic Latin Quarter features shopping, dining, and entertainment. Approximately 2 million people annually visit Ybor City.
- **Beaches.** The quality of life for which the Air Trade Area is best known is its numerous beaches located along the Gulf of Mexico. Fort DeSoto Park and Caladesi Island have been ranked consistently in the top 10 best beaches in the United States: Fort DeSoto Park consists of five islands and seven miles of beach, and Caladesi Island features three-mile nature and kayak trails.

The cruise industry has a significant presence in the Air Trade Area, with the number of cruise passengers increasing from approximately 244,968 in 1998 to approximately 785,800 in 2008 (making the Port of Tampa one of the 10 largest cruise homeports in the nation). This increase represents a compounded annual growth rate of approximately 12.4 percent during this period, making the Air Trade Area one of the nation's fastest growing cruise homeports and establishing the cruise industry as a significant source for air travel demand at the Airport. According to the Tampa Port Authority, growth in cruise passengers is expected to continue and will be driven by increased traffic in the western Caribbean and extended cruise markets. The major cruise lines serving the Air Trade Area include Carnival, Holland America and Royal Caribbean. Port officials expect to add a fifth Tampa-based cruise ship by 2010.

The Tampa Convention Center is a 600,000 square-foot facility located on the waterfront of downtown Tampa. This facility was completed in 1990 at a cost of $142 million (with a small expansion completed in 2001 for $6 million). The Tampa Convention Center includes a 200,000 square-foot exhibit hall, a 36,000 square-foot ballroom, 36 meeting rooms and 80,000 square feet of pre-function space. In fiscal year 2008[14], according to the Visitors Bureau, the Convention Center hosted 57 groups that generated bookings of almost 200,000 hotel room nights in the Air Trade Area. Fiscal year 2009 comparables are tracking slightly below these levels. The two largest hotel meeting spaces (by total sq. ft.) in the Air Trade Area are the Saddlebrook Resort – Tampa (800 guest rooms, 34 meeting rooms and 95,000 sq. ft. of meeting space) and the Innisbrook Resort and Golf Club (620 guest rooms, 34 meeting rooms and 65,000 sq. ft. of meeting space).

The St. Pete Times Forum, formerly known as the Ice Palace, is home to the National Hockey League's Tampa Bay Lightning. This sports and entertainment center opened in 1996 and hosts more than 150 events annually. In 2008, for the second year in a row, the sports and entertainment industry trade publication *Venues Today* named the Times Forum the top-grossing arena in Florida. The Times Forum also ranked first in the world for gross ticket sales for concerts and events during the first two months of 2009.

The Tampa Bay Performing Arts Center is another major facility located in the Air Trade Area for performances, concerts, and events. This $57 million complex opened in 1987 and is approximately 335,000 square feet, making it the second-largest performing arts center in the southeastern United States.

In support of travel and tourism, there are five hotels in the Air Trade Area with more than 500 guest rooms and at least 30,000 square feet of meeting space: Saddlebrook Resort—Tampa, Tampa Marriott Waterside Hotel and Marina, Innisbrook Resort and Golf Club, Trade Winds Island Grand Resort, and the Hyatt Regency Tampa. Other notable new hotels in the Air Trade Area are the 323-room InterContinental Hotel Tampa which opened in August 2007, the Westin Tampa Bay Airport (255 rooms) which opened in January 2009, and the Crowne Plaza Tampa Westshore (222 rooms) which opened in March 2009. According to Smith Travel Research Inc., as of January 2009, some 1,168 new hotel rooms are currently under construction and will soon be added to the 43,000 existing hotel rooms in the Air Trade Area.

[14] FY ending September 30, 2008.

1.5.7.2 Recreational and Sports Activities

The Air Trade Area hosts a significant number of outdoor festivals and events annually. These events include the Florida Strawberry Festival (annual attendance of approximately 500,000 people), Southwest Airlines Gasparilla Pirate Fest (approximately 500,000 people), the Florida State Fair (approximately 490,000 people), Raymond James Gasparilla Festival of the Arts (approximately 250,000 people), Guavaween—Ybor City (approximately 125,000 people), Sant' Yago Illuminated Night Parade—Ybor City (approximately 100,000 people), the Outback Bowl game (approximately 65,000 people), Fiesta Day—Ybor City (approximately 40,000 people), and Freedom Fest (approximately 30,000 people).

Major spectator sports in the Air Trade Area include the Tampa Bay Buccaneers National Football League (NFL) franchise, the Tampa Bay Lightning National Hockey League (NHL) franchise, the Tampa Bay Rays Major League Baseball franchise, the spring training facilities for several major and minor league baseball operations, the Outback Bowl college football game, the Transitions Championship Professional Golf Association (PGA) Tour event, the Outback Steakhouse Pro-Am Champions Tour event, and the Honda Grand Prix of St. Petersburg automobile road race.

The Air Trade Area hosted the Final Four of the NCAA women's college basketball tournament in 2008, the 2009 SEC Men's Basketball Tournament and the NFL Super Bowl in 2001 and 2009. Tampa was a finalist in the competition to host the Republican National Convention in both 2004 and 2008. Future events to be hosted in the Air Trade Area include the 2009 ACC Football Championship game, the 2009 NCAA women's volleyball championship, the 2012 NCAA Frozen Four (men's ice hockey) and the Final Four of the NCAA women's college basketball tournament in 2015.

1.5.7.3 Medical and Heath

The health services industry plays a major role in the Air Trade Area. With approximately 7,900 physicians and nearly 40 hospitals, including nine teaching hospitals, the Air Trade Area offers a wide range of advanced medical services.

The H. Lee Moffitt Cancer Center & Research Institute (Cancer Center) is one of the top cancer hospitals (ranked sixteenth) in the country and the best cancer hospital in Florida, according to *U.S. News & World Report* magazine's list of "Best Hospitals 2008." This facility, located on the campus of the University of South Florida, is the third-busiest cancer center in the nation based on outpatient visits and has the largest blood and bone marrow transplant program in the southeastern United States. The $182 million, 364,000 sq. ft. expansion of the Moffitt Center and the new Vincent A. Stabile Research Building (completed in 2003) created approximately 400 new research jobs in the areas of molecular oncology, immunology, and drug discovery. The new medical tower has increased outpatient visits from approximately 182,000 in 2003 to approximately 273,000 in 2008. In April 2009, construction is expected to be completed for the headquarters of M2Gen, a for-profit collaboration between the Cancer Center and Merck and Co. that will develop personalized cancer treatment for patients using molecular technology. As of 2009, the Cancer Center had approximately 3,800 employees in the Air Trade Area and M2Gen is expected to create approximately 500 new jobs in the Air Trade Area by 2011.

Tampa General Hospital is the primary teaching hospital affiliated with the University of South Florida College of Medicine and is the largest healthcare facility in the Air Trade Area. The Hospital has approximately 958 beds and 1,470 physicians (including 270 physicians in the University's

residency program) on staff. Some of the Hospital's special services include a Level 1 trauma center, four patient transport helicopters, and a regional burn center. The Hospital is also one of the busiest organ transplant centers in the nation. Through its affiliation with LifeLink HealthCare Institute, the University of South Florida College of Medicine, and private practice transplant physicians, Tampa General Hospital is the only hospital in West Central Florida performing adult heart, lung, kidney, liver and pancreas transplants. The newest addition to the Hospital is the 340,000 sq. ft. Bayshore Pavilion which opened in November 2007. The building includes new space for emergency and trauma, cardiovascular, women's health, neuroscience and trauma intensive care and digestive diagnosis and treatment. Tampa General Hospital has approximately 5,767 employees in the Air Trade Area.

St. Joseph's Hospital is the second-largest health care facility in the Air Trade Area with approximately 883 beds. More than 70 specialties are represented among the medical staff, including internal medicine, cardiology, neurology, and surgery. The Hospital recently received a Gold Seal honor from the Joint Commission certifying that it is nationally recognized to deliver the highest quality care for stroke patients. St. Joseph's Hospital is part of the St. Joseph's-Baptist Health Care system, a community health alliance that also includes St. Joseph's Women's Hospital, St. Joseph's Children's Hospital of Tampa, and South Florida Baptist Hospital. St. Joseph's-Baptist Health Care is part of the larger BayCare Health System which has approximately 17,400 employees in the Air Trade Area.

Other major hospitals in the Air Trade Area with at least 300 beds include Morton Plant Hospital (approximately 687 beds), Bayfront Medical Center (approximately 502 beds), Bay Pines VA Medical Center (approximately 464 beds), Largo Medical Center (approximately 456 beds), University Community Hospital-Medical Center (approximately 431 beds), St. Anthony's Health Care (approximately 395 beds), Community Hospital New Port Richey (approximately 389 beds), James A. Haley Veterans Hospital (approximately 327 beds), and Palms of Pasadena Hospital (approximately 307 beds).

Two new hospital facilities are also under construction in the Air Trade Area. By late 2009, a new 259 bed facility will be completed for All Children's Hospital, a leading pediatric referral center. In 2010, St. Joseph's Hospital-North is scheduled to open. The $225 million facility, serving northern Hillsborough and southern Pasco counties, will contain more than 100 beds and employ approximately 350 people.

Additionally, managed care firm Humana is adding jobs to its Air Trade Area operations. As part of an expanding Humana Cares national operations and service center in St. Petersburg, the firm has hired 275 employees and plans to expand the staff at the center to more than 325 employees by the end of 2009.

1.5.7.4 Higher Education

Higher education is provided in the Air Trade Area by two major universities, as well as several colleges, community colleges, and technical/vocational/business schools.

Based on enrollment, the University of South Florida (USF) is one of the largest universities in the southeastern United States and the 9th largest university in the nation (enrollment in 2008 was approximately 46,174 students). USF offers approximately 219 undergraduate, masters, specialist and doctoral programs, including the doctor of medicine. The University conducts more than $360

million in sponsored research each year. USF is one of the nation's top 63 public research universities and one of 39 community engaged public universities as designated by the Carnegie Foundation for the Advancement of Teaching.

With approximately 5,790 students, the University of Tampa (UT) is located on 100 acres of riverfront land in downtown Tampa. UT attracts students from more than 100 countries and offers over 120 undergraduate and graduate programs from its four colleges: the John H. Sykes College of Business; the College of Arts and Letters; the College of Natural and Health Sciences and the College of Social Science, Mathematics and Education. One of these programs, launched during the 2006-2007 academic year, is a financial services operations and systems B.S. degree major aimed at producing high-demand graduates for financial services companies in the Air Trade Area. The University's business school was recently named by the Princeton Review as an outstanding business school – and one of the 290 best business schools in the world. The University's MBA program is also one of the largest in Florida.

Other colleges and universities in the Air Trade Area with enrollment of at least 2,000 students in 2008 include St. Petersburg College (26,165 students), Hillsborough Community College (17,496 students), Pasco-Hernando Community College (8,183 students), University of Phoenix (4,400 students), Everest University (4,394 students), Saint Leo University (3,087 students) and Eckerd College (2,555 students).

1.5.8 Government

As presented in Table I-4, government employment in the Air Trade Area increased at a compounded annual growth rate of 1.3 percent between 1998 and 2008, compared to 1.2 percent for the nation. Between 2007 and 2008, Air Trade Area government employment increased at a slower rate than the nation (0.7 percent and 1.3 percent increases, respectively). In 2008, this sector accounted for 152,800 employees in the Air Trade Area, which represented 12.5 percent of total nonagricultural employment.

Primarily driven by declines in property tax revenues, Air Trade Area government sector employers face budget challenges over the next few years that may negatively impact employment. For example, due to projected shortfalls of $110 million in the FY 2010 budget and $56 million in the FY 2011 budget, the Hillsborough County government announced recently that it may have to cut 1,000 jobs over the next two years.[15]

The Air Trade Area is an important center for the military. The 6th Air Mobility Wing, the U.S. Central Command, and the U.S. Special Operations Command are based at MacDill Air Force Base (which is located eight miles south of downtown Tampa).[16] The 6th Air Mobility Wing provides direct support for these two unified commands, as well as for more than 50 other mission partners that are stationed at the Air Force Base. The U.S. Central Command established "Coalition Village" in the Air Trade Area, which is an intelligence program that includes over 300 representatives from 64 countries that work together to share data and information to support peacekeeping activities

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[15] Source: Tampa Tribune, "County Commissioner Criticizes Bean Over Job Cuts," March 30, 2009.

[16] In late 2007, the U.S. Department of Defense began a major, multi-year $800 million refurbishment project at MacDill, and plans to build almost one million sq. ft. of facilities and residential units. Planned upgrades include new facilities for the Central Command, the Special Operations Command and the joint intelligence center. Source: Tampa Bay Business Journal, "MacDill Stands Tall for $809M Facelift," November 30, 2007.

throughout the world. With approximately 12,735 military and civilian personnel, MacDill Air Force Base is the sixth largest employer in the Air Trade Area.[17] The U.S. Coast Guard also has a presence in the Air Trade Area, maintaining the largest and busiest air station in their organization at St. Petersburg-Clearwater International Airport.

1.5.9 Agriculture

Although accurate estimates of agricultural employment in the Air Trade Area are not readily available, according to a study based on 2006 data, approximately 119,000 jobs in the Air Trade Area are dependent upon the agricultural, food manufacturing and natural resource industries.[18] Agriculture is the second largest industry in Hillsborough County and about 36 percent of the land in the County is in agricultural production. Hillsborough County ranks 45th out of all of the nation's counties in terms of the total value of agricultural products sold. The County produces approximately 90 percent of the strawberries grown in Florida (14 percent of the nation's crop), 34 percent of the commercially raised fish produced in Florida and 11 percent of Florida's tomatoes (4 percent of the nation's crop).[19] The counties that compose the primary and secondary air trade areas are also responsible for almost 40 percent of the citrus production of Florida, the nation's leading citrus producing state.[20] In the 2008-2009 growing season the Air Trade Area's citrus crop is forecast to be down slightly from year earlier levels due to smaller sizes and increased fruit drop.[21] The Air Trade Area's tomato crop is benefiting from favorable weather conditions this winter, however, low prices and increased production costs due to new food safety regulations that took effect in Florida in July 2008 may negatively impact grower profitability.

1.6 Summary

A summary of the socioeconomic trends in the Air Trade Area includes the following:

- Recent macroeconomic conditions and the magnified local impact of the construction downturn have had a broadly negative impact on Air Trade Area's economy. These factors have affected areas such as population growth, effective buying income, employment levels and demand for new construction. However, these economic events are not expected to significantly alter the Air Trade Area's positive long-term socioeconomic trends.
- Population growth in the Air Trade Area was below that for Florida, yet higher than that for the nation between 1990 and 2008. This trend in population growth for the Air Trade Area is expected to continue through at least 2018.

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[17] In the summer of 2008, 600 personnel from the 927th Air Refueling Wing, previously based at the Selfridge Air National Guard Base in Michigan, relocated to MacDill.

[18] Source: University of Florida Institute of Food and Agricultural Sciences, *Economic Contributions of Agricultural, Food Manufacturing, and Natural Resource Industries in Florida in 2006*, January 2008.

[19] Source: Stewardship America and CH2M Hill, *The Contribution of Agribusiness to Hillsborough County Florida*, April 2005.

[20] Source: Florida Department of Agriculture and Consumer Services, *Florida Agriculture Statistical Directory*, May 2008.

[21] Source: Tampa Bay Business Journal, "Forecast: 2.5% Drop in Orange Crop," February 11, 2009. Fruit drop is the premature falling from the tree of fruit that is not fully ripe.

- Per capita EBI for the Air Trade Area was consistently higher than that for Florida and for the nation each year between 2001 and 2007. According to the publication Demographics USA, growth in per capita EBI for the Air Trade Area is expected to be equivalent to Florida and the nation between 2007 and 2012, the latest year for which such projections are currently available.
- Average annual unemployment rates for the Air Trade Area were below or nearly equivalent to those for Florida and significantly below the nation's rates each year between 1998 and 2007. In 2008, the average annual unemployment rate for the Air Trade Area was comparable to Florida and higher than the nation. Air Trade Area unemployment is forecasted to peak at 10.9 percent in the fourth quarter of 2009 before beginning a gradual decline below 10 percent by early 2011.
- Nonagricultural employment in the Air Trade Area increased at a compounded annual growth rate of 1.2 percent between 1998 and 2008, which was higher than the 0.9 percent growth experienced nationwide during this same period. The services industry has the highest percentage of employment in the Air Trade Area, followed by wholesale and retail trade combined.
- The Air Trade Area offers a variety of cultural, recreational, and educational resources and activities.
- The economic base of the Air Trade Area is diversified and is capable of supporting increased demand for air travel at the Airport during the projection period.

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II. Air Traffic

This chapter describes historical and projected aviation activities at the Airport and discusses key factors affecting trends in these activities. Capacity cuts by airlines and the current economic environment has resulted in many airports across the nation, including the Airport, to experience an unforeseen decrease in demand.

2.1 Airlines Serving the Airport

As of March 2009, the Airport had scheduled passenger service provided by seven legacy/mainline carriers, five low-cost carriers, four regional/commuter carriers, and four foreign flag carriers. In addition, as of March 2009, two all-cargo carriers provided scheduled cargo service and one other airline provided seasonal service at the Airport. Scheduled service at the Airport is provided by all six of the nation's legacy passenger airlines (American, Continental, Delta[1], Northwest, United, US Airways) and one mainline carrier (Midwest). The five low-cost carriers that serve the Airport are AirTran, Frontier, jetBlue, Southwest, and Spirit. **Table II-1** lists the airlines serving the Airport as of March 2009.

Table II-2 presents the historical U.S. legacy/mainline, low-cost, regional/commuter, and foreign flag air carrier base at the Airport since FY 1999. As shown, the Airport has had the benefit of a relatively large and stable legacy/mainline and low-cost air carrier base during the years depicted, which has helped promote competitive pricing and schedule diversity in the Airport's major markets. Specific points concerning the Airport's historical U.S. air carriers and foreign flag air carrier base are presented below:

- All of the legacy passenger airlines currently provide service at the Airport and operated there during each of the years shown in Table II-2. Legacy/mainline passenger carriers and their affiliates historically have had the majority of total enplanements. In FY 2008, these carriers represented 53.5 percent of total enplanements.
- As demonstrated later in this chapter, the presence of low-cost carriers has significantly impacted activity at the Airport. **Exhibit II-1** shows total enplanement market share based on legacy/mainline and affiliate carriers, low-cost carriers, and foreign flag and other carriers. In FY 2004 low-cost carriers represented 34.1 percent of total enplanements. By the close of FY 2008, low-cost carriers' market share of total enplanements increased to 44.4 percent. Southwest is the largest carrier at the Airport with 28.8 percent of total enplanements in FY 2008. Southwest initiated its low-fare service at the Airport in January 1996 with nonstop service to five markets with a total of six daily flights. Southwest has expanded its activity at the Airport since FY 1996, and currently provides nonstop service to 30 cities with a total of 78 flights as of June 18, 2009.
- The Air Trade Area experiences seasonal peaks attributable to its leisure-oriented travelers. During those seasonal peaks, existing air carriers increase a number of flights and other carriers such as Sun Country add service for only those peak periods. While Frontier and Midwest provide only seasonal service to other Florida cities, Tampa's strong market has been able to maintain service from those two carriers year round.

[1] In April 2008, Delta and Northwest announced their merger agreement, which was granted in October 2008. For the purpose of this report the carriers remain separate.

Table II-1

Airlines Serving the Airport [1/]

Legacy/Mainline Carriers (7)	Regional/Commuter Carriers (4)
American	Comair (Delta Connection)
Continental	ExpressJet (Continental Express)
Delta	Gulfstream (Continental Connection)
Midwest	Mesaba (NW Airlink)
Northwest	
United	**Foreign Flag Carriers (4)**
US Airways	Air Canada
	British Airways
Low Cost Carriers (5)	Cayman Airways
AirTran	WestJet
Frontier	
jetBlue	**All-Cargo Carriers (2)**
Southwest	FedEx
Spirit	Flight Express
	Other Scheduled Carriers (1)
	Sun Country

Note:
[1/] As of March 2009.

Source: Hillsborough County Aviation Authority, March 2009.
Prepared by: Ricondo & Associates, Inc., April 2009.

Table II-.2

Historical Air Carriers Serving the Airport

Air Carrier	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FYTD 2009
Air Canada	•	•	•	•	•	•	•	•	•	•	•
AirTran	•	•	•	•	•	•	•	•	•	•	•
American	•	•	•	•	•	•	•	•	•	•	•
British Airways	•	•	•	•	•	•	•	•	•	•	•
Cayman Airways	•	•	•	•	•	•	•	•	•	•	•
Comair	•	•	•	•	•	•	•	•	•	•	•
Continental	•	•	•	•	•	•	•	•	•	•	•
Delta	•	•	•	•	•	•	•	•	•	•	•
Gulfstream	•	•	•	•	•	•	•	•	•	•	•
Midwest	•	•	•	•	•	•	•	•	•	•	•
Northwest	•	•	•	•	•	•	•	•	•	•	•
Southwest	•	•	•	•	•	•	•	•	•	•	•
Spirit	•	•	•	•	•	•	•	•	•	•	•
United	•	•	•	•	•	•	•	•	•	•	•
US Airways	•	•	•	•	•	•	•	•	•	•	•
ExpressJet		•	•		•	•	•	•	•	•	•
jetBlue		•	•	•	•	•	•	•	•	•	•
Frontier				•	•	•	•	•	•	•	•
WestJet							•	•	•	•	•
Air Wisconsin [1/]					•	•				•	•
Atlantic Southeast							•	•		•	•
Ryan International										•	•
Sun Country						•	•	•			•
Mesaba											•
Air Carriers No Longer Serving the Airport											
Cape Air [2/]					•	•	•	•	•	•	•
Chautauqua					•	•	•	•	•	•	
Freedom								•	•	•	
Independence Air							•	•			
America West [3/]	•	•	•	•	•	•	•	•			
American Eagle	•	•	•	•	•	•	•				
Midway	•	•	•	•							
Condor	•	•	•	•							

Notes:

[1/] Air Wisconsin began serving the Airport again as a US Airways Express carrier in January 2008 (previously served as AirTran JetConnect carrier)

[2/] Cape Air, dba Continental Connection, serviced the Airport until December 2008.

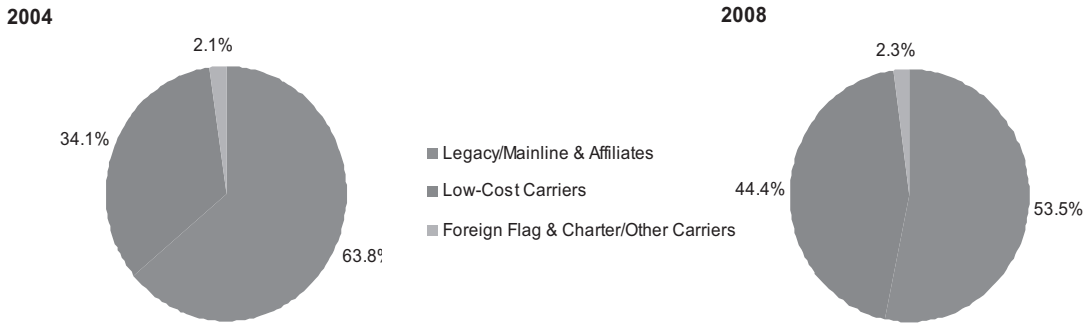
[3/] Merged with US Airways

Source: Hillsborough County Aviation Authority, March 2009.

Prepared by: Ricondo & Associates, Inc., May 2009.

Exhibit II-1

Total Enplanement Market Share



Source: Hillsborough County Aviation Authority, March 2009.
Prepared by: Ricondo & Associates, Inc., March 2009.

- International service is provided at the Airport by the foreign flag carriers Air Canada, British Airways, Cayman Airways, and WestJet. Air Canada and WestJet offer nonstop service to Toronto, Canada. British Airways flies nonstop service to Gatwick Airport in London, United Kingdom. Nonstop service to Grand Cayman is provided by Cayman Airways. In addition, low-cost carrier jetBlue offers nonstop international service to Mexico.

2.2 Historical Passenger Activity

This section presents historical trends in enplaned passengers at the Airport and the major factors influencing these trends, as well as historical market shares of enplanements by airline.

2.2.1 Enplaned Passengers

The Airport is classified by the Federal Aviation Administration (FAA) as a large hub facility based on its percentage of nationwide enplanements;[2] and ranked 26th nationwide in CY 2007 with 9.3 million enplaned passengers, the latest year for which such rankings are currently available.[3] **Table II-3** presents historical enplanements for the Airport and the nation. As shown, passenger activity at the Airport increased from 7.4 million enplanements in FY 1999, to 9.4 million in FY 2008. The increase in enplanements over this period can be attributed to the expansion of service by low-cost carriers and Delta, which is discussed in greater detail below, and the growth of the local economy. This increase represents a compounded annual growth rate of 2.6 percent during this period, compared to 0.6 percent for the nation. As also shown, the Airport's share of total U.S. enplaned passengers increased from 1.219 percent in FY 1999, to 1.343 percent in FY 2008,

[2] As defined by the FAA, a large hub airport enplanes one percent or more of nationwide enplanements during a particular calendar year.

[3] Source: *Federal Aviation Administration*

Table II-3

Historical Enplanements

Fiscal Year	Airport Enplanements	Airport Growth	U.S. Domestic Enplanements	U.S. Domestic Growth	Market Share
1999	7,448,936	-	610,900,000	-	1.219%
2000	7,959,159	6.8%	641,200,000	5.0%	1.241%
2001	8,183,815	2.8%	625,800,000	-2.4%	1.308%
2002	7,618,598	-6.9%	575,100,000	-8.1%	1.325%
2003	7,660,785	0.6%	587,800,000	2.2%	1.303%
2004	8,465,720	10.5%	628,500,000	6.9%	1.347%
2005	9,469,020	11.9%	669,400,000	6.5%	1.415%
2006	9,391,650	-0.8%	668,400,000	-0.1%	1.405%
2007	9,628,144	2.5%	689,400,000 [1]	3.1%	1.397%
2008	9,350,806	-2.9%	696,200,000 [2]	1.0%	1.343%
Compounded Annual Growth Rate					
1999 - 2002		0.8%		-2.0%	
2002- 2008		3.5%		3.2%	
1999 - 2008		2.6%		0.6%	

Notes:
[1/] Estimated by the FAA.
[2/] Forecast by the FAA.

Sources: Hillsborough County Aviation Authority (Airport activity), March 2009; FAA (U.S. activity), April 2009.
Prepared by: Ricondo & Associates, Inc., April 2009.

reflective of the higher compounded annual growth rate experienced at the Airport compared to the nation during this period. FY to date (FYTD) April 2009 enplanements have decreased 10.2 percent in comparison to the same period in FY 2008. This decrease represents the largest enplanement reduction for comparable periods over the last 10 years.

Passenger activity at the Airport decreased from 8.2 million enplanements in FY 2001, to 7.6 million in FY 2002, a decrease of 6.9 percent during this period, compared to the 8.1 percent decrease nationwide. These significant decreases in activity at the Airport and nationwide were primarily due to the terrorist attacks of September 11, 2001 (hereinafter referred to as September 11th) and the post-September 11th economic environment.

Activity at the Airport has since recovered from the effects of September 11th and the post-September 11th economic environment, as enplanements at the Airport increased from 7.6 million in FY 2002 to 9.4 million in FY 2008. This increase represents a compounded annual growth rate of 3.5 percent during this period, compared to 3.2 percent for domestic passenger activity estimated nationwide by the FAA.

Specific details concerning enplaned passengers at the Airport between FY 1999 and FYTD 2009 are discussed below:

- **FY 1999 - FY 2001.** Enplanements at the Airport increased from 7.4 million in FY 1999 to 8.2 million in FY 2001. This increase represents a compounded annual growth rate of 4.8 percent during this period, compared to 1.2 percent nationwide.

  The presence of Southwest at the Airport was a contributing factor in this significant growth in enplanements during this period. Southwest's initiation of low-fare service at the Airport in early FY 1996 generated the "Southwest Effect" at the Airport. It is generally recognized that Southwest stimulates traffic at an airport it serves due to its low fares and high frequency of service. Passenger increases at an airport Southwest serves are typically due to the stimulation of previously untapped passenger markets and the diversion of passengers from nearby facilities it does not serve, rather than the diversion of passengers from existing airlines serving the same facility.

  Southwest increased its daily nonstop flights at the Airport by FY 2001 from FY 1999 levels, increasing its activity at the Airport from 38 daily flights to 56 daily flights during this period. Southwest increased its nonstop service from 16 cities in FY 1999 to 22 cities by FY 2001. Southwest's passenger activity at the Airport increased accordingly, from 974,412 enplanements in FY 1999 to 1.5 million in FY 2001, a compounded annual growth rate of 22.1 percent during this period. As a result, its share of enplanements at the Airport increased from 13.1 percent in FY 1999 to 17.7 percent in FY 2001.

  Other factors contributing to the significant growth in enplanements at the Airport during this period included the initiation of low-fare service by Delta Express (Delta's "airline-within-an-airline") and expansion of service by AirTran. Delta initiated its Delta Express service at the Airport in January 1997 with three daily nonstop flights to both Orlando and Boston. Other cities with long-haul Delta Express service through the end of FY 2001 included New York (EWR), Columbus, and Hartford.

- **FY 2002.** As discussed above, the effects of September 11th and the post-September 11th economic environment caused passenger activity at the Airport to decrease from 8.2 million enplanements in FY 2001 to 7.6 million in FY 2002.

- **FY 2003 – FY 2004.** Enplanements for US Airways decreased by 287,312 passengers in FY 2003 due to its elimination of nonstop service to New York, the reduction of nonstop service to Pittsburgh, and the elimination of its low-fare MetroJet service. This decrease was offset, however, by the continued growth of AirTran at the Airport, as well as the initiation of service at the Airport by Air Wisconsin and Chautauqua in FY 2003. As a result, enplanements at the Airport increased slightly in FY 2003 from FY 2002 levels, a 0.6 percent increase during this period.

  Passenger activity at the Airport increased from 7.7 million enplanements in FY 2003 to 8.5 million enplanements in FY 2004; an increase of 10.5 percent during this period, compared to 6.9 percent for domestic passenger activity nationwide estimated by the FAA. This significant increase was primarily due to continued growth in service by the low-cost carriers at the Airport during this period, as well as the sustained and increased service by the legacy carriers to maintain their market shares (e.g., low-fare service by Delta's Song and United's Ted).

- **FY 2005 – FY 2007.** Enplanements for FY 2005 increased 11.9 percent from FY 2004, due to an increase in service by AirTran, American, Southwest and Chautauqua (Delta Connection). Both Delta and Northwest voluntarily filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code on November 14, 2005 (mid-FY 2006). As part of its strategy for emerging from bankruptcy, Delta reduced domestic service systemwide and realigned its domestic hub system to increase load factors and enhance revenue performance. This rightsizing by Delta negatively impacted passenger activity at the Airport. In FY 2006, Airport total enplanements decreased by approximately 80,000 from FY 2005 levels while Delta's enplanements decreased by approximately 400,000 over the same period. During Delta's reduction in service, low-cost carriers AirTran, jetBlue, and Southwest all experienced increases in enplaned passengers, offsetting the majority of Delta's decreased enplanements. In FY 2005, low-cost carrier Independence Air initiated service at the Airport and offered nonstop service to seven cities before ceasing operations in FY 2006. Independence Air enplaned approximately 1.2 percent of total enplaned passengers at the Airport in FY 2005 and by FY 2006 the airline's market share decreased to 0.2 percent of total enplanements. For FY 2007, enplanements were 9.6 million, an increase of 1.7 percent, from FY 2005.

- **FY 2008 – FYTD (April) 2009**. After experiencing an annual growth rate of 3.3 percent from FY 1999 through FY 2007, FY 2008 enplanements decreased by 2.9 percent from FY 2007 levels. Contributing to this decrease was an 8.1 percent decrease by the legacy/mainline carriers and their affiliates. Over this same period, low-cost carrier enplanements increased by 3.9 percent. FYTD 2009 legacy/mainline carrier and low-cost carrier enplanements have decreased 13.6 and 6.3 percent, respectively. Total enplanements for the Airport are down 10.2 percent FYTD 2009. Legacy/mainline carriers and their affiliates reduced capacity in FY 2008 and continued to reduce capacity through the first half of FY 2009 due to high fuel costs and a reduction in passenger demand caused by the economic downturn. These reductions include the following:

  - Continental Connection, which is operated by Gulfstream, reduced intra-state service to Fort Lauderdale, Miami, Pensacola, and Tallahassee and eliminated service to Gainesville, Naples, Jacksonville, and West Palm Beach.

- Cape Air, an additional affiliate under Continental Connection, served the Airport with nonstops to Fort Myers and Sarasota in FY 2008 and the first quarter of FY 2009. Cape Air discontinued service at the Airport in December 2008.
- All legacy/mainline carriers and their affiliates decreased in total enplanements in FY 2008 from FY 2007. Through February 2009, this category of carriers has seen additional decreases in enplanements and aircraft operations.
- During FY 2008, low-cost carrier AirTran started and discontinued nonstop service to the following destinations, Boston, Detroit, Minneapolis/St. Paul, New York City's LaGuardia, and Newport News. AirTran discontinued service to Philadelphia in FY 2008 which initiated back in FY 2000. Low-cost carrier Southwest has cut nonstop service to Albuquerque and jetBlue added service to Westchester County, New York in November 2008 and international service to Cancun, Mexico. Low-cost carriers Frontier and Spirit did not change their nonstop destinations from the Airport.
- Enplanements for the first quarter of FY 2009 decreased 9.2 percent at the Airport, compared to FY 2008. During this same period enplanements decreased 8.5 percent for the U.S. as a whole.[4]

2.2.2 Enplaned Passengers by Airline

Service at the Airport had been historically oriented toward the legacy/mainline carriers and their affiliates, with their share of enplaned passengers at the Airport standing at 63.8 percent in FY 2004. However, the legacy/mainline carriers share of enplaned passengers had decreased to 53.5 percent in FY 2008. Enplanements by low-cost carriers have increased from 34.1 percent to 44.4 percent over the same period. This shift toward low-cost carriers has evolved since 2000, when approximately 75 percent of enplaned passengers were on legacy/mainline carriers. These two airline categories make up the majority of the enplaned passengers at the Airport. **Table II-4** presents the historical share of enplanements by airline at the Airport between FY 2004 and FY 2008. As shown, enplanements are spread over a large number of carriers, with no carrier having more than 29 percent of annual enplanements at the Airport during the years depicted. For the purpose of this report, Delta and Northwest statistics are separate. Delta, Southwest, and US Airways accounted for 53.8 percent of enplanements at the Airport in FY 2008, with five other airlines accounting for an additional 36.2 percent of enplanements during this same period.

From FY 2004 to FY 2008, AirTran's total enplaned passengers increased at a compounded annual rate of 15.9 percent. Over the same period, Southwest's total enplaned passengers increased by 11.4 percent. Legacy carrier Delta combined with its affiliates experienced the largest decrease in enplaned passengers from FY 2004 to FY 2008. Delta and affiliates enplaned 1.8 million passengers in FY 2004 and 1.3 million in FY 2008, this decrease represents an annual growth rate of negative 8.0 percent.

2.3 Historical Air Service

An important airport characteristic is the distribution of its O&D markets, which is a function of air travel demand and available services and facilities. This is particularly true for the Airport, as it services primarily O&D passengers.[5] **Table II-5** presents historical data on the Airport's primary

[4] Based on most recent data available for the U.S.

[5] Based on U.S. Department of Transportation (DOT) ticket sample data, domestic O&D passengers accounted for approximately 85.5 percent of total domestic passengers at the Airport in FY 2008.

Table II-4

Historical Enplanements by Airline

Airline [1/]	FY 2004		FY 2005		FY 2006		FY 2007		FY 2008	
	Enplanements	Share	Enplanements	Share	Enplanements	Share	Enplanements	Share	Enplanements	Share
Southwest	1,748,010	20.6%	2,087,088	22.0%	2,345,605	25.0%	2,572,580	26.7%	2,693,352	28.8%
Delta [2/]	1,822,745	21.5%	1,983,378	20.9%	1,604,261	17.1%	1,398,508	14.5%	1,306,890	14.0%
US Airways [3/]	1,062,777	12.6%	1,103,999	11.7%	1,079,025	11.5%	1,090,227	11.3%	1,026,376	11.0%
American [4/]	814,171	9.6%	900,995	9.5%	943,810	10.0%	940,899	9.8%	836,457	8.9%
Continental [5/]	663,978	7.8%	741,550	7.8%	814,777	8.7%	841,580	8.7%	796,878	8.5%
AirTran	428,158	5.1%	532,785	5.6%	600,254	6.4%	718,730	7.5%	771,487	8.3%
Northwest	511,184	6.0%	548,904	5.8%	496,036	5.3%	527,462	5.5%	506,568	5.4%
United [6/]	519,556	6.1%	583,666	6.2%	541,729	5.8%	561,796	5.8%	477,620	5.1%
jetBlue	362,620	4.3%	438,045	4.6%	473,890	5.0%	444,580	4.6%	423,354	4.5%
Spirit	177,649	2.1%	158,081	1.7%	143,007	1.5%	210,452	2.2%	211,591	2.3%
Air Canada	68,942	0.8%	64,018	0.7%	64,336	0.7%	57,513	0.6%	65,915	0.7%
British Airways	73,888	0.9%	64,930	0.7%	61,940	0.7%	60,881	0.6%	60,879	0.7%
Frontier	53,243	0.6%	49,347	0.5%	53,341	0.6%	50,750	0.5%	55,032	0.6%
Midwest	14,322	0.2%	43,068	0.5%	80,401	0.9%	84,547	0.9%	52,300	0.6%
WestJet	-	-	19,983	0.2%	25,477	0.3%	47,412	0.5%	43,278	0.5%
Cayman Airways	16,707	0.2%	14,922	0.2%	18,764	0.2%	18,462	0.2%	21,339	0.2%
All Others [7/]	127,770	1.5%	134,261	1.4%	44,997	0.5%	1,765	0.0%	1,490	0.0%
Airport Total [8/]	8,465,720	100.0%	9,469,020	100.0%	9,391,650	100.0%	9,628,144	100.0%	9,350,806	100.0%

Notes:

[1/] For those airlines that were party to a merger or acquisition, only the surviving entity is presented in this table. However, the activity for the airlines that are now a part of the surviving airline is included in the information presented.

[2/] Includes activity by Delta, Atlantic Southest, Chautauqua, Comair, Freedom, Shuttle America, and Song.

[3/] Includes activity by US Airways, America West, Piedmont, and Republic.

[4/] Includes activity by American and American Eagle.

[5/] Includes activity by Continental, Cape Air, ExpressJet, and Gulfstream.

[6/] Includes activity by United and TED.

[7/] Consists of airlines no longer serving the Airport and/or charter airlines.

[8/] Totals may not add due to individual rounding.

Source: Hillsborough County Aviation Authority, March 2009.

Prepared by: Ricondo & Associates, Inc., March 2009.

Table II-5

Primary O&D Passenger Markets

FY 2000						FY 2008						
Rank	Market	Trip Length [1/]	Total O&D Passengers	Average Fare	Yield Per Coupon Mile	Rank	Market	Current Nonstop Service [2/]	Trip Length [1/]	Total O&D Passengers	Average Fare	Yield Per Coupon Mile
1	New York/Newark	MH	1,266,330	$121	$0.1182	1	New York/Newark	●	MH	1,532,470	$121	$0.1199
2	Atlanta	SH	739,720	$120	$0.2935	2	Chicago	●	MH	792,660	$121	$0.1193
3	Chicago	MH	609,600	$138	$0.1334	3	Philadelphia	●	MH	615,320	$104	$0.1127
4	Fort Lauderdale	SH	495,570	$59	$0.2997	4	Washington, DC	●	MH	533,380	$132	$0.1614
5	Detroit	MH	477,500	$113	$0.1127	5	Atlanta	●	SH	518,790	$130	$0.3178
6	Boston	MH	459,630	$113	$0.0931	6	Detroit	●	MH	485,970	$107	$0.1080
7	Baltimore	MH	443,550	$93	$0.1082	7	Baltimore	●	MH	482,000	$103	$0.1221
8	Philadelphia	MH	393,170	$130	$0.1369	8	Boston	●	MH	448,490	$135	$0.1137
9	Washington, DC	MH	386,080	$119	$0.1403	9	Fort Lauderdale	●	SH	386,440	$77	$0.3885
10	Dallas/Ft. Worth	MH	339,920	$186	$0.1917	10	Dallas/Ft. Worth	●	MH	346,720	$154	$0.1621
11	Columbus	MH	274,940	$93	$0.1081	11	Indianapolis	●	MH	334,240	$98	$0.1162
12	Las Vegas	LH	250,930	$126	$0.0618	12	Denver	●	MH	307,070	$138	$0.0919
13	Hartford	MH	249,430	$94	$0.0787	13	Las Vegas	●	LH	303,710	$154	$0.0774
14	Los Angeles	LH	239,700	$180	$0.0802	14	Hartford	●	MH	284,470	$131	$0.1179
15	Islip	MH	228,710	$85	$0.0822	15	Providence	●	MH	281,000	$118	$0.1040
16	St. Louis	MH	215,520	$131	$0.1457	16	Pittsburgh	●	MH	251,130	$106	$0.1205
17	Pittsburgh	MH	205,140	$135	$0.1483	17	Minneapolis/St. Paul	●	MH	243,650	$145	$0.1110
18	Denver	MH	204,310	$172	$0.1056	18	Nashville	●	MH	243,250	$111	$0.1803
19	Raleigh/Durham	SH	196,800	$82	$0.1340	19	Houston	●	MH	238,710	$143	$0.1750
20	Providence	MH	195,640	$106	$0.0906	20	Buffalo	●	MH	233,810	$111	$0.1053
	Average Airport [3/]	992		$125	$0.1196		Average Airport [3/]		1,042		$128	$0.1232
	United States	800		N/A	$0.1403		United States		871		N/A	$0.1245

Notes:

[1/] (SH) Short Haul = 0 to 600 miles
(MH) Medium Haul = 601 to 1,800 miles
(LH) Long Haul = over 1,800 miles

[2/] As of June 18, 2009.

[3/] Average calculated for all of the Airport's O&D markets.

Source: O&D Survey of Airline Passenger Traffic, U.S. DOT (FY 2000), March 2009; Hillsborough County Aviation Authority (FY 2008), April 2009.
Prepared by: Ricondo & Associates, Inc., April 2009.

(i.e., top 20) O&D markets. As shown, the Airport served primarily medium-haul markets in the periods depicted, with an average stage length (i.e., passenger trip distance) of 992 miles in FY 2000 and 1,042 miles in FY 2008. The Airport's average stage lengths during these periods reflect the Airport's geographical location and strong local demand for major East Coast (e.g., New York, Boston, Philadelphia, and Baltimore) and Midwest (e.g., Chicago and Detroit) markets.

Significant increases in O&D passenger levels at the Airport occurred in Philadelphia, Indianapolis, Manchester, Minneapolis, Buffalo and Islip markets, with O&D passengers increasing by more than 50 percent for each of these markets between FY 2000 and FY 2008. These increases can be primarily attributed to competing low-fare service at New York (e.g., jetBlue and Song) and Philadelphia (e.g., AirTran, Southwest, and US Airways); as well as new/additional low-fare service by Southwest to Manchester and Islip, and by Southwest and jetBlue to Providence and Buffalo during this period.

Table II-6 presents the Airport's nonstop markets scheduled for June 2009, including the markets served, daily flights, and airlines providing nonstop flights. On June 18, 2009, daily nonstop service is scheduled to 56 cities with a total of 219 daily flights, with 18 daily nonstop flights to New York, the Airport's top O&D market. In addition to the daily flights, AirTran is scheduled to provide additional nonstop service to Dayton with one flight per week. All 20 of the Airport's primary O&D markets are provided nonstop service with a total of 134 daily flights. In addition to New York, other primary O&D markets with a significant number of daily nonstop flights include fifth-ranked Atlanta (20 daily flights), ninth-ranked Fort Lauderdale (11 daily flights), second-ranked Chicago (10 daily flights). Nine daily nonstop flights are offered to Baltimore, Houston, Miami, Philadelphia, and Washington DC.

2.4 Historical Aircraft Operations and Landed Weight

This section presents historical aircraft operations (takeoffs and landings) at the Airport, as well as historical landed weight by passenger airlines and all-cargo carriers.

2.4.1 Aircraft Operations

Table II-7 presents historical operations (take-offs or landings) at the Airport between FY 2004 and FY 2008. As shown, total aircraft activity at the Airport peaked at 269,996 operations in FY 2005. As also depicted, aircraft activity by passenger airlines at the Airport increased at a compounded annual growth rate of 1.6 percent from FY 2004 to FY 2008. Total operations increased to 248,678 in FY 2008 from 238,629 in FY 2004. This increase represents a compounded annual growth rate of 1.0 percent during this period. **Exhibit II-2** presents the historical trend of airline operations by aircraft type. As shown in exhibit II-2, over the past five years wide-body and regional passenger aircraft have continued to see a decrease in their market share of total airline operations. The majority of historical airline operations have been the narrow-body passenger aircraft. Specific trends in operational activity by major user category at the Airport are discussed below:

- **Wide-body Passenger Aircraft.** This category represents twin-aisle passenger aircraft. This passenger aircraft type has seen a decrease in operations of 24.9 percent from FY 2004 to FY 2008. From FY 2004 to FY 2005, Delta operated the majority of the wide-body aircraft in service at the Airport. In FY 2006, wide-body aircraft operations decreased to 3,192 from 7,040 in FY 2005. The primary reason for this reduction was Delta's operational changes. In FY 2007 and FY 2008, Delta continued to operate the

Table II-6

Nonstop Markets - June 18, 2009

Market	Daily Nonstop Flights	Number of Airlines	Airline
Akron	1	1	AirTran
Albany	1	1	Southwest
Atlanta	20	2	AirTran (9), Delta (11)
Atlantic City	1	1	Spirit
Austin	1	1	Southwest
Baltimore	9	2	AirTran (3), Southwest (6)
Birmingham	2	1	Southwest
Boston	4	2	Delta (2), jetBlue (2)
Buffalo	2	1	Southwest
Cancun, Mexico	1	1	jetBlue
Charlotte	7	1	US Airways
Chicago	10	3	American (2-ORD), Southwest (5-MDW) United (3-ORD)
Cincinnati	3	1	Comair (Delta Connection) (3)
Cleveland	2	1	Continental
Columbus, OH	3	1	Southwest
Dallas/Ft. Worth	7	1	American (7-DFW)
Dayton [1/]	1	1	Air Tran
Denver	4	3	Frontier (1), Southwest (1), United (2)
Detroit	4	2	Northwest (3), Spirit (1)
Fort Lauderdale	11	3	Gulfstream (Continental Connection) (1), Southwest (8), Spirit (2)
Grand Cayman Island	1	1	Cayman Airways
Hartford	2	2	Northwest (1), Southwest (1)
Houston	9	2	Continental (5-IAH), Southwest (4-HOU)
Indianapolis	3	2	AirTran (2), Southwest (1)
Jacksonville	3	1	Southwest
Kansas City	2	1	Southwest
Key West	3	1	Gulfstream (Continental Connection)
Las Vegas	2	1	Southwest
London, England	1	1	British Airways (LGW)
Long Island	3	1	Southwest
Los Angeles	1	1	Northwest
Louisville	1	1	Southwest
Manchester, NH	2	1	Southwest
Memphis	2	1	Northwest
Miami	9	2	American (5), Gulfstream (Continental Connection) (4)
Milwaukee	2	2	AirTran (1), Midwest (1)
Minneapolis/St. Paul	2	1	Northwest (2)
Nashville	5	1	Southwest
New Orleans	3	1	Southwest
New York/Newark	18	5	American (1-JFK), Continental (5-EWR), Delta (2-JFK; 4-LGA), jetBlue (1-EWR; 5-JFK)
Norfolk	1	1	Southwest
Pensacola	4	1	Gulfstream (Continental Connection) (4)
Philadelphia	9	2	Southwest (4), US Airways (5)
Phoenix	3	2	Southwest (1), US Airways (2)
Pittsburgh	2	1	Southwest
Providence	2	1	Southwest
Raleigh	3	1	Southwest
Rochester	1	1	AirTran
Salt Lake City	1	1	Delta
San Antonio	1	1	Southwest
San Juan, Puerto Rico	1	1	American
St. Louis	2	1	Southwest
Tallahassee	6	2	Mesaba (Delta Connection) (2), Gulfstream (Continental Connection) (4)
Toronto, Canada	2	2	Air Canada (1), WestJet (1)
Washington, DC	9	3	Southwest (2-IAD), United (3-IAD), US Airways (4-DCA)
West Palm Beach	4	1	Southwest
Westchester County	1	1	jetBlue
Total [2/]	219		

Note:
[1/] Nonstop service to Dayton not provided on June 18th, 2009. Nonstop service is schedule once a week for the month of June 2009.
[2/] Represents total daily nonstop flights on June 18th, 2009.

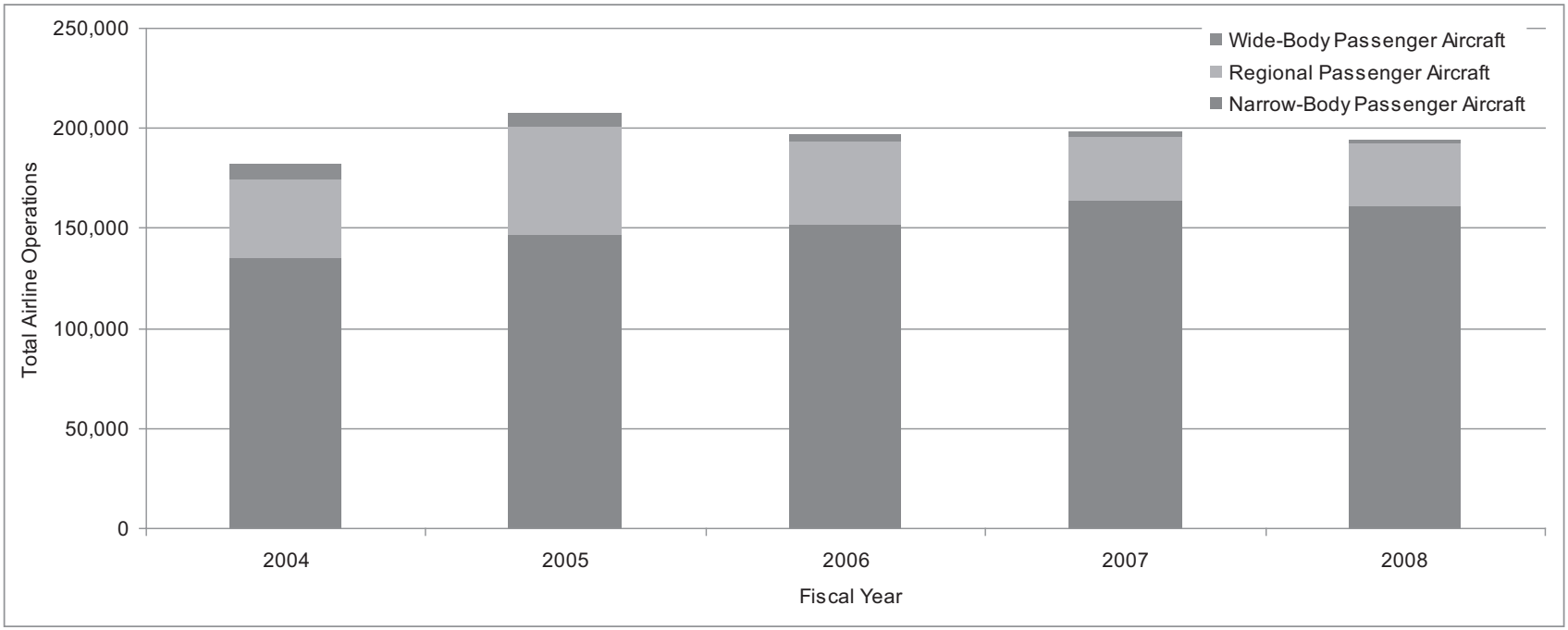
Source: Official Airline Guide, March 2009.
Prepared by: Ricondo & Associates, Inc., April 2009.

Table II-7

Historical Aircraft Operations

Fiscal Year	Wide-Body Passenger Aircraft	Narrow-Body Passenger Aircraft	Regional Passenger Aircraft	Airline Total	General Aviation	All Cargo	Other Air Taxi	Military	Total
2004	7,174	135,412	39,600	182,186	40,356	8,890	6,675	522	238,629
2005	7,040	147,300	53,708	208,048	42,635	10,596	8,134	583	269,996
2006	3,192	151,954	41,738	196,884	40,267	11,690	8,418	548	257,807
2007	2,800	163,942	31,930	198,672	38,241	12,888	9,916	707	260,424
2008	2,286	161,342	30,822	194,450	34,141	11,120	8,329	638	248,678
Compounded Annual Growth Rate									
2004 - 2008	-24.9%	4.5%	-6.1%	1.6%	-4.1%	5.8%	5.7%	5.1%	1.0%

Source: Hillsborough County Aviation Authority, March 2009.
Prepared by: Ricondo & Associates, Inc., March 2009.



Source: Hillsborough County Aviation Authority, March 2009.
Prepared by: Ricondo & Associates, Inc., April 2009.

Exhibit II-2

Historical Airline Operations by Aircraft Type

majority of wide-body operations at the Airport, with British Airways operating a Boeing 777 on its international route to London. Operations of wide-body passenger aircraft as a percentage of total airline operations have decreased from 3.9 percent in FY 2004 to 1.2 percent in FY 2008.

- **Narrow-body Passenger Aircraft.** Narrow-body passenger aircraft constitute single-aisle aircraft, greater than 90 seats, for the purpose of this report. In FY 2008, narrow-body passenger aircraft operations represented approximately 83.0 percent of all passenger operations at the Airport. In FY 2004, operations were 135,412 and have increased at a compounded annual growth rate of 4.5 percent, to 161,342 operations in FY 2008. In FY 2004 narrow-body aircraft represented 74.3 percent of total airline operations. The total number of narrow-body aircraft operations decreased from 163,942 in FY 2007 to 161,342 in FY 2008; however the narrow-body aircraft share of total airline operations increased from 82.5 percent to 83.0 percent over the same period. Increases in low-cost carrier expansion, Delta's shift from wide-body service to narrow-body service, and the reduction in regional jet service, are the main contributing factors to this increase in narrow-body passenger service.
- **Regional Passenger Aircraft.** Regional passenger aircraft are classified as any passenger aircraft having 89 seats or less. For FY 2004 and FY 2005, regional passenger aircraft operations increased from 39,600 to 53,708. This increase was a result of increased service by Chautauqua (Delta Connection) and Gulfstream (Continental Connection). Operations of regional passenger aircraft at the Airport have decreased from a peak of 53,708 in FY 2005 to 30,822 in FY 2008. In FY 2008, Gulfstream was the main operator of regional passenger aircraft at the Airport. From FY 2004 through FY 2008, regional passenger aircraft have decreased at a compounded annual growth rate of negative 6.1 percent.
- **General Aviation.** General aviation activity at the Airport has decreased from a peak of 42,635 operations in FY 2005 to 34,141 operations in FY 2008. From FY 2004 through FY 2008 activity in this category has decreased at a compounded annual growth rate of 4.1 percent.
- **All Cargo.** From FY 2004 to FY 2008, all-cargo activity increased at a compounded annual growth rate of 5.8 percent to 11,120 operations in FY 2008. From FY 2007 to FY 2008 all-cargo operations decreased 13.7 percent. The majority of the decrease in operations can be attributed to service reductions by Airnet Systems and Flight Express, Inc.
- **Other Air Taxi.** Between FY 2004 and FY 2008, other air taxi activity at the Airport (for-hire charters, fixed base operators, etc.) increased at a compounded annual growth rate of 5.7 percent.
- **Military.** Due to the weekend air traffic control service and the close proximity of MacDill Air Force Base (located eight miles south of downtown Tampa), military activity at the Airport has remained limited. Military activity at the Airport averaged 600 operations between FY 2004 and FY 2008.

2.4.2 Landed Weight by Airline

Table II-8 presents the share of landed weight by passenger airlines and combined all-cargo carriers at the Airport between FY 2004 and FY 2008. Similar to enplanements, landed weight is spread over a number of carriers, with no carrier having more than 31 percent of annual landed weight at the

Table II-8

Historical Landed Weight by Airline (000s)

Airline [1/]	FY 2004 Landed Weight	FY 2004 Share	FY 2005 Landed Weight	FY 2005 Share	FY 2006 Landed Weight	FY 2006 Share	FY 2007 Landed Weight	FY 2007 Share	FY 2008 Landed Weight	FY 2008 Share
Southwest	2,446,289	21.9%	2,761,994	22.5%	3,014,842	25.5%	3,430,004	28.0%	3,706,488	31.0%
Delta [2/]	2,525,493	22.6%	2,737,268	22.3%	2,095,183	17.7%	1,749,506	14.3%	1,605,182	13.4%
US Airways [3/]	1,358,147	12.1%	1,389,976	11.3%	1,293,436	11.0%	1,283,475	10.5%	1,176,201	9.8%
Continental [4/]	761,601	6.8%	871,257	7.1%	949,081	8.0%	1,011,799	8.2%	968,307	8.1%
American [5/]	1,071,073	9.6%	1,069,792	8.7%	1,048,133	8.9%	1,059,301	8.6%	930,874	7.8%
AirTran	507,660	4.5%	654,940	5.3%	683,098	5.8%	858,884	7.0%	848,110	7.1%
Northwest	584,035	5.2%	626,430	5.1%	551,808	4.7%	612,271	5.0%	574,966	4.8%
United	605,427	5.4%	622,078	5.1%	575,475	4.9%	598,796	4.9%	505,446	4.2%
jetBlue	378,679	3.4%	441,958	3.6%	515,191	4.4%	480,932	3.9%	481,089	4.0%
Spirit	187,850	1.7%	169,868	1.4%	180,361	1.5%	259,495	2.1%	260,337	2.2%
British Airways	115,048	1.0%	114,664	0.9%	115,694	1.0%	117,661	1.0%	117,298	1.0%
Air Canada	86,760	0.8%	74,926	0.6%	75,156	0.6%	68,738	0.6%	76,329	0.6%
Frontier	68,942	0.6%	58,075	0.5%	58,633	0.5%	57,020	0.5%	62,937	0.5%
Midwest	16,996	0.2%	54,800	0.4%	102,162	0.9%	108,516	0.9%	61,900	0.5%
Westjet	-	-	27,474	0.2%	29,582	0.3%	57,702	0.5%	48,932	0.4%
Cayman Airways	26,074	0.2%	25,279	0.2%	28,731	0.2%	32,218	0.3%	33,727	0.3%
All-Cargo	332,801	3.0%	326,090	2.7%	421,320	3.6%	479,462	3.9%	484,823	4.1%
All Others [6/]	108,715	1.0%	231,709	1.9%	69,588	0.6%	4,130	0.0%	4,388	0.0%
Airport Total [7/]	11,181,590	100.0%	12,258,577	100.0%	11,807,473	100.0%	12,269,910	100.0%	11,947,334	100.0%

Notes:

[1/] For those airlines that were party to a merger or acquisition, only the surviving entity is presented in this table. However, the activity for the airlines that are now a part of the surviving airline is included in the information presented.

[2/] Includes activity by Delta, Atlantic Southest, Chautauqua, Comair, Freedom, Shuttle America, and Song.

[3/] Includes activity by US Airways, America West, Piedmont, and Republic.

[4/] Includes activity by Continental, Cape Air, ExpressJet, and Gulfstream.

[5/] Includes activity by American and American Eagle.

[6/] Includes activity by United and TED

[7/] Consists of airlines no longer serving the Airport and/or charter airlines.

[8/] Totals may not add due to individual rounding.

Source: Hillsborough County Aviation Authority, March 2009.
Prepared by: Ricondo & Associates, Inc., March 2009.

Airport during the years depicted. Southwest, Delta, and US Airways accounted for 54.3 percent of landed weight at the Airport in FY 2008, with five other airlines accounting for an additional 32.0 percent of landed weight during this same period. From FY 2004 to FY 2008, landed weight for legacy carrier Delta and affiliates has decreased at a compounded annual rate of 10.7 percent. Over the same period, AirTran and Southwest increased at an annual rate of 13.7 percent and 11.0 percent respectively. As also shown, all-cargo carriers accounted for 4.1 percent of landed weight at the Airport in FY 2008. Landed weight for this category has increased at a compounded annual rate of 9.9 percent from FY 2004 to FY 2008.

2.5 Aviation Industry

The projections included herein were, in part, prepared on the basis of measurable factors (e.g., socioeconomic variables) that determine aviation activity at the Airport. This section discusses qualitative factors that could influence future aviation activity at the Airport. The industry has undergone many changes. Currently, the industry is experiencing decreased passenger demand, both domestically and internationally, fluctuating fuel prices, and some consolidation and new alliances. The competitive nature of the industry will continue to challenge and change the way the aviation industry does business.

2.5.1 National Economy

Air travel demand is directly correlated to income. As consumer income and business profits increase, so does air travel. The nation's economic condition improved substantially in 2003, from the recession that started in March 2001, due to faster growth in household consumption, significant gains in residential investment, and strong growth in investment in equipment and software by businesses. The recovery of the national economy became a full-fledged expansion in 2004, with strong output growth and steady improvement in the labor market. This expansion of the U.S. economy continued in 2005, 2006, and 2007 with real GDP growth at 2.9 percent, 2.8 percent, and 2.0 percent respectively, from the previous year, and payroll employment increased by 2.0 million employees in 2005, 2.2 million employees in 2006 and 1.1 million employees in 2007.[6,7] According to the U.S. Department of Commerce Bureau of Economic Analysis (BEA), first quarter 2008 real GDP growth was only 1.0 percent annually; but, this is higher than the modest 0.6 percent growth in the fourth quarter of 2007.[8]

However, the National Bureau of Economic Research (NBER) has recently determined that a peak in economic activity occurred in the U.S. economy in December 2007. The peak marks the end of the expansion that began in 2003 and the beginning of an official recession. Major economic indicators have also signaled this downturn. Final results released by the BEA showed that the GDP declined 0.5 percent in the third quarter of 2008 after 2.8 percent growth in the second quarter of 2008. In the fourth quarter of 2008, the BEA shows that GDP decreased at an annual rate of 6.3 percent. The slower economic growth is a result of a weak housing sector, a credit crunch, and higher energy prices. Additionally, unemployment is rising, which threatens to continue the downward spiral. The unemployment rate rose from 6.2 percent in September 2008 to 8.1 percent in February 2009 according to the Bureau of Labor Statistics of the U.S. Department of Labor.

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6 *Economic Report of the President,* February 2006.
7 *Economic Report of the President,* February 2007.
8 Bureau of Economic Analysis, *News Release: Gross Domestic Profit (GDP) and Corporate Profits*, Thursday, June 26, 2008.

2.5.2 State of the Airline Industry

The U.S. aviation industry has been significantly affected by a number of events that occurred earlier this decade (e.g., September 11, the economic slowdown, the outbreak of SARS in Asia and Canada, and the Middle East conflicts). These events contributed to substantial financial losses for the aviation industry between 2001 and 2005 ($35 billion in cumulative net losses during this period, excluding extraordinary restructuring charges and gains). The U.S. aviation industry recorded a $3 billion net profit in 2006; and, the Air Transport Association reported that the U.S. airlines industry had a net profit of approximately $5 billion in 2007. According to an Air Transport Association (ATA) presentation, U.S. airlines experienced net losses in 2008 (estimated by this trade group to be $4 to $6 billion). In the third quarter of 2008, U.S. airlines' losses totaled approximately $1.65 billion. The four largest carriers serving the airport reported a net loss in the 4th quarter of 2008. [Note: Fourth quarter results are scheduled to be released on May 18th and will be incorporated into the final report]. This was mainly attributed to high fuel cost, turbulent financial market and an uncertain demand environment. The best result among these four carriers was Southwest airlines which reported a loss after special items, but an operating profit of $61 million. This was Southwest's 71st consecutive quarter of profitability, excluding special items. The International Air Transport Association (IATA), which represents 230 airlines over 93 countries, reported that airlines faced an estimated net loss of $8.5 billion in 2008. IATA announced a revised outlook for 2009 stating it expects the global air transport industry to lose $4.7 billion, up from the $2.5 billion loss initially projected in December 2008.[9]

Since the beginning of the decade, numerous U.S. passenger airlines filed for bankruptcy court protection under Chapter 11, including (in chronological order) US Airways (in 2002 and 2004), United, Hawaiian, Midway, ATA (in 2004 and 2008), Aloha (in 2004 and 2008), Delta, Northwest, Mesaba, Independence Air, SkyBus, and Frontier. Midway, Independence Air, and SkyBus ceased operations in 2003, 2006, and 2008, respectively; while Aloha and ATA filed for bankruptcy protection for a second time in March 2008 and April 2008, respectively, and ceased operations thereafter. Frontier has continued operating while under bankruptcy protection. As mentioned previously, in September 2008, ExpressJet ceased its self-branded commercial operations, but continues to operate as a regional partner to Continental as Continental Express.

The airlines have responded to the changing nature of the industry by furloughing employees, negotiating significant wage reductions, deferring aircraft deliveries, streamlining operations, and improving productivity. The airlines have also responded to industry changes through mergers and acquisitions. US Airways and America West completed their merger in 2005 and began operating under a single operating certificate in September 2007. In April 2008, Delta and Northwest announced their merger agreement, subject to regulatory approval, which was granted in October 2008. The new airline is called Delta and headquartered in Atlanta. With the completion of the merger, Northwest Airlines is now a wholly owned subsidiary of Delta. The two airlines are currently flying their normal schedules while a plan of integration is being formed. The two companies will be integrated through a process with customer benefits rolled out over the next 12 to 24 months. According to Delta, the transaction is expected to generate $2 billion or more in annual revenue and cost synergies, and a one time cash cost that will not exceed $600 million. Airlines have dramatically changed the way they conduct business since 2001. Faced with the growth of low-cost airlines and evolving business technology, U.S. legacy airlines have been forced to change business practices. Carriers that once structured their services around the business traveler during the

[9] International Air Transport Association (IATA) press release dated March 24, 2009.

economic boom in the 1990s found that more and more businesses were either switching to low-cost carriers or significantly reducing or eliminating business travel. U.S. legacy carriers were therefore forced to reduce, eliminate, or switch service to smaller regional jets on unprofitable routes, reduce work force and implement pay cuts, and reduce fares in order to compete with low-cost carriers.

A major tangible change in the airline industry has been the significantly increased use of smaller, regional jets. According to Official Airline Guide data, scheduled flights on regional jets nationwide increased from an average of 85,300 monthly departures in 2000 to 279,600 in 2007, a compounded annual growth rate of 18.5 percent during this period. Scheduled regional jet traffic nationwide accounted for approximately 33 percent of scheduled domestic flights in 2007, compared to approximately 10 percent in 2000. The July 2008 record jet-fuel prices are now reversing the growth in regional jet traffic. With most mainline airline scope clauses relaxed to allow 70 to 76-seat jets, demand for the less cost-effective 50-seat regional jets will continue to decline. ExpressJet, American Eagle, and Republic are all expected to ground their Embraer Regional Jets (ERJ) 135s and 145s, which range from 37 to 50 seats.

Most industries have one or more of three inherent structural weaknesses: labor intensive, capital intensive, and/or vulnerability to cost and supply of a key commodity (e.g., aviation fuel). Airlines have all three weaknesses. Currently, the industry faces the challenge of record oil prices, a commodity that highly influences the health of the industry. As discussed above, four of the six U.S. legacy carriers have undergone reorganization under Chapter 11 since the beginning of the decade. Chapter 11 protection affords these carriers the ability to pursue cuts in wages, pension, and health benefits for workers and retirees, among other strategies.

2.5.3 Factors Directly Affecting the Airline Industry

2.5.3.1 Cost of Aviation Fuel

As industry fundamentals go, the price of fuel is the most significant force affecting the airline industry today. The average price of jet fuel was $0.82 per gallon in 2000 compared to $3.07 in 2008, an increase of 275 percent. According to the Air Transport Association, every one-cent increase in the price per gallon increases annual airline operating expenses by approximately $190 million to $200 million.

In 1999, jet fuel accounted for only 10 percent of an airline's operating expenses. This percentage is not only dependant on the market value of oil but also includes numerous factors such as aircraft, aircraft age, length of haul and hedging programs. Historically, fuel expense was the second highest operating expense for an airline behind labor. More recently, however, jet fuel has surpassed labor as an airlines' highest operating expense according to the ATA. For the third quarter of 2008, fuel was approximately 30 percent of the airline's total operating costs while labor represented approximately 20 percent of the total.

Also according to the ATA, U.S. airline fuel expense increased from $16.4 billion in 2000 to $57.8 billion in 2008, a compounded annual growth rate of 16.7 percent during this period. The most significant annual increase in U.S. fuel expense during this period occurred in 2008, from $41.9 billion in 2007 to $57.8 billion in 2008, a 16.0 percent increase.

2008 was a year of record breaking oil prices. The price of oil per barrel had broken through the following thresholds:

- $110 – March 12, 2008
- $125 – May 9, 2008
- $130 – May 21, 2008
- $135 – May 22, 2008
- $140 – June 26, 2008
- $145 – July 3, 2008

Finally, on July 11, 2008, oil prices rose to a new record of $147 per barrel following concerns over Iranian missile testing. However, there appears to be some relief as oil prices have significantly declined over the last six months. Many industry experts and economists have pointed to oil speculation as the primary driver to the oil price increases in 2008. Though the price of oil has considerably declined since peaking in summer 2008, the current weakening global economy has dragged down demand for energy. Ongoing concerns about the recession and its impact on energy demand continue to drive prices lower. At its March 15, 2009 meeting, OPEC decided to maintain its production ceiling at 24.9 million barrels per day over expressed concern about the state of the global financial system and economy. As of this writing, the NYMEX crude future oil price per barrel continues to fall and is settling near the $40 to $50 per barrel range.

The significant increases in the price of jet fuel in 2008 primarily led to airlines reducing their capacity. According to usatoday.com, domestic capacity is still down 8.6 percent for April 2009 compared to the same month last year.[10] The resultant percentage decreases in enplaned passengers, however, are typically less than the percentage decreases in capacity.

The price of jet fuel has forced airlines to find ways of becoming more fuel efficient, and some airlines have found ways to save millions of dollars by taking steps that include: using newer, more fuel-efficient airplanes, using only a single engine to taxi, lowering cruise speeds, achieving onboard weight reduction, and flying more direct routes, among other measures. Airlines also hedged fuel prices through the purchase of oil futures contracts; however, the amount of hedged fuel cost has varied tremendously by airline and is limited by an individual airline's financial condition. The substantial increase in fuel prices has had a significant impact on profitability and future increases or sustained higher prices could affect airfares and airline service. Higher fuel prices were cited by Aloha, ATA, and SkyBus as contributing factors in their bankruptcy filings.

2.5.3.2 Airport Security

With enactment of the Aviation and Transportation Security Act (ATSA) in November 2001, the Transportation Security Administration (TSA) was created, which established different and improved security processes and procedures. The ATSA mandates certain individual, cargo and baggage screening requirements, security awareness programs for airport personnel and deployment of explosive detection devices. The act also permits the deployment of air marshals on all flights and requires air marshals on all "high-risk" flights. To finance these federal security services, the ATSA provides for payment by the airlines of approximately $700 million, estimated to be the cost of providing such services prior to the events of September 11, and imposes a passenger fee of $2.50 for each flight segment, not to exceed $5.00 per one-way trip.

[10] Source: http://www.usatoday.com/travel/flights/airline-capacity-map.htm. The data reflects what airlines had reported to Official Airline Guide (OAG) regarding their April schedules as of February 9, 2009.

In November 2002, Congress enacted the Homeland Security Act, which created the Department of Homeland Security (DHS) to accomplish several primary goals: (1) prevent terrorist attacks within the United States, (2) reduce the nation's vulnerability to terrorism, (3) minimize the damage of and assist in the recovery from terrorist attacks that do occur, (4) and monitor connections between illegal drug trafficking and terrorism and coordinate efforts to sever such connections. The TSA is now a part of the DHS.

2.5.3.3 Threat of Terrorism

As has been the case since September 11, the recurrence of terrorism incidents against either domestic or world aviation during the projection period remains a risk to achieving the activity projections contained herein. Tighter security measures have restored the public's confidence in the integrity of U.S. and world aviation security systems. Any terrorist incident aimed at aviation could have an immediate and significant impact on the demand for aviation services.

2.6 Projections of Aviation Demand

Projections of aviation demand were prepared on the basis of local socioeconomic and demographic factors, the Airport's historical shares of U.S. enplanements, and anticipated trends in air carrier usage of the Airport.

In particular to the market share and socioeconomic regression methodologies for projecting enplanements at the Airport:

- **Market Share Approach.** In this methodology, judgments were made as to how and to what extent the Airport's rate of growth would differ from that projected for the nation by the FAA. On a macro scale, the U.S. projection provides a growth base reflecting how industry traffic in general is anticipated to grow in the future. The growth rate used for the Airport can be reflected as an increase or decrease in its future share of the market.
- **Socioeconomic Regression Approach.** Statistical linear regression modeling was used in this methodology, with local socioeconomic factors as the independent variable and enplaned passengers as the dependent variable. Socioeconomic factors utilized in these analyses included population, income, per capita income, and employment. Of interest in the analyses, among other factors, was how well each socioeconomic variable explained the annual variations in enplaned passengers at the Airport (i.e., the model's coefficient of determination).[11]

The resultant projections were based on a number of underlying assumptions, including:

- The Airport will continue to provide nonstop service to each of its primary O&D markets. The composition of its air carrier base will also continue to foster competitive pricing and scheduling diversity. In addition, O&D passengers will continue to account for a high percentage of enplaned passengers at the Airport.
- Compared to seven major airports in the state, it is assumed that the average fare at the Airport will remain competitive. Also the Airport will continue to be one of the three least expensive airports, based on average fares, in the state through the projection period, as shown in **Table II-9**.Low-cost carrier service will continue to be an important component of air service at the Airport, providing continued increases in passenger air

[11] The coefficient of determination (R^2) for the socioeconomic factors ranged from a high of approximately 99 percent to a low of approximately 96 percent.

Table II-9

Historical Average Fares

Airport	2004	2005	2006	2007	2008
Tampa (TPA)	$109	$111	$124	$123	$131
Fort Lauderdale (FLL)	$108	$111	$124	$125	$128
Fort Myers (RSW)	$121	$117	$130	$127	$137
Jacksonville (JAX)	$122	$124	$137	$137	$144
Miami (MIA)	$140	$138	$147	$155	$166
Orlando (MCO)	$111	$112	$123	$123	$129
Sarasota (SRQ)	$128	$127	$137	$132	$141
West Palm Beach (PBI)	$116	$114	$127	$131	$141

Sources: Database Products, Inc., April 2009

Prepared by: Ricondo & Associates, Inc., April 2009.

travel demand during the projection period. It is assumed these carriers will continue to increase their enplanements at a greater rate than the legacy carriers and their affiliates. Low-cost carrier market share of total enplanements will continue to increase over the projection period.

- FY 2009 activity projections are based on the Official Airline Schedule (OAG), FYTD information provided by the airport, and recent announcements on changes in services.
- For FY 2009 projections, it is assumed load factor for all airline categories will increase slightly, due to the excess cutback in seat capacity versus passenger demand. Starting in FY 2010 and through the remaining years of the activity projections, it is assumed load factors for all airline categories will increase at levels comparable to their respective categories forecasted by the FAA.
- Passenger service provided by regional carrier Cape Air ceased in early FY 2009. For the projection period, it is assumed Cape Air will not resume operations at the Airport.
- Charter/Other passenger service are expected to be cyclical and seasonal at the Airport during the projection period. It is assumed this category will grow at rates comparable to the nation's average.
- All-cargo carries ABX Air, Airnet, and ASTAR operated at the Airport in early FY 2009. These carriers have since ceased operations and it is assumed they will not return to serve the Airport during the projection period. In addition to this assumption, Federal Express will remain the primary large all-cargo carrier and United Parcel Service (UPS) will not start service at the Airport.
- General aviation and other air taxi operations growth rates will be comparable to total operations in these respective categories for the State of Florida and the U.S.
- The continuing trend of domestic operations moving to narrow-body and regional passenger aircraft is expected to continue. The majority of wide-body operations will continue to be made by foreign flag carriers.
- Fuel price volatility may cause changes in air service at the Airport; however, the passenger demand for its major O&D markets will continue to be served during the projection period.
- Airline consolidation/mergers that may occur during the projection period are not likely to negatively impact passenger activity levels at the Airport due to its high percentage of O&D passengers. New airline alliances, should they develop, will be restricted to code sharing and joint frequent flyer programs, and should not reduce airline competition at the Airport.
- Individual airline bankruptcies or liquidations may occur during the projection period; however, they will not adversely impact passenger activity levels projected herein. It is assumed that other carriers will fill the demand left by the specific bankrupt or liquidated carrier.
- For these analyses, and similar to the FAA's assumptions for its nationwide projections, there will not be any terrorist incidents that negatively impact U.S. air traffic demand during the projection period. Additionally, there will not be a major contraction of the aviation industry through bankruptcy or consolidation during this same period.

Economic disturbances may occur during the projection period causing year-to-year traffic variations; however, a long-term increase in nationwide traffic is expected to occur. In these analyses, the enplanement levels are anticipated to return to FY 2007 peak levels by FY 2015.Many of the factors influencing aviation demand cannot necessarily nor readily be quantified. As a result, the projection process should not be viewed as precise, particularly given the major structural changes that have occurred in the aviation industry since airline deregulation. Actual future traffic levels at the Airport may differ from projections presented herein because of unforeseen events.

2.6.1 Enplanement Projections

Table II-10 and **Exhibit II-3** present historical and projected enplanements for the Airport's legacy/mainline, low-cost carrier, foreign flag carrier, and other. It is expected that the combined impact of the low-cost carriers and matching fares by the legacy carriers in certain markets will continue to provide strong passenger growth. From FY 2008 to FY 2009 total enplanements are projected to decrease 10.5 percent. Legacy/mainline carriers and affiliates are projected to decrease from 5.0 million enplanements in FY 2008, to 4.3 million enplanements in FY 2009. This represents a decrease of 14.6 percent. Low-cost carrier enplanements decrease from 4.2 million to 3.9 million over the same period. Sun County offers seasonal service to the Airport and is the main contributor to enplanement growth in the category for other carriers.

Over the long-term, it is expected that enplanements will generally increase during the projection period and the Airport will continue to grow at a similar pace as the nation. As shown, total airline enplanements are projected to increase from 8.4 million in FY 2009 to 11.0 million in FY 2019. This increase represents a compounded annual growth rate of 2.8 percent during this period, slightly below the 3.0 percent growth projected nationwide by the FAA. Enplanements are projected to return to a growth rate similar to the national average by FY 2014. The 2.8 percent compounded annual growth rate for the projection period is generally consistent with long-term historical growth in passenger activity at the Airport when correlated with local socioeconomic factors. As also shown, legacy/mainline and low-cost carrier enplanements are expected to increase at a compounded annual growth rate of 2.2 and 3.3 percent, respectively, between FY 2009 and FY 2019. Low-cost carriers are projected to grow at a greater rate than legacy/mainline carriers due to the historical shift of enplaned passengers at the Airport and the assumption of continued expansion by low-cost carriers as legacy/mainline carriers reduce capacity and pursue consolidation efforts. Legacy/mainline and low-cost carriers are anticipated to continue to serve the majority of passengers at the Airport, with these carriers accounting for approximately 98 percent of total enplanements during the projection period. Market share is expected to shift towards low-cost carriers and this group is projected to account for more enplanements than legacy/mainline carriers & affiliates by approximately FY 2018. Enplanement projections for foreign flag carriers are projected to increase at a compounded annual rate of 2.6 percent over the projection period.

2.6.2 Operations Projections

Table II-11 and Exhibit II-4 present historical and projected aircraft operations for passenger airline, general aviation, all-cargo carrier, other air taxi, and military activity. As shown, total aircraft activity at the Airport is projected to increase from 207,420 operations in FY 2009 to 249,090 in FY 2019. This increase represents a compounded annual growth rate of 1.8 percent during this period, comparable to the 1.5 percent growth projected nationwide by the FAA.

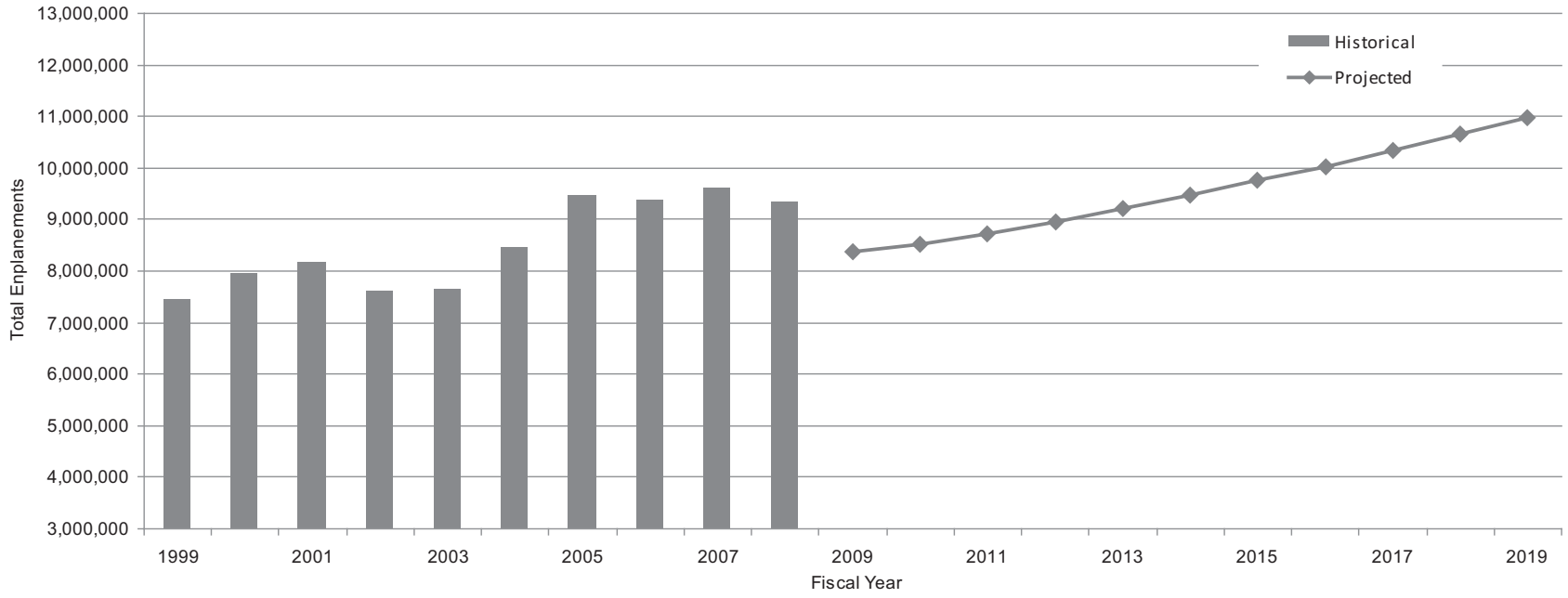
Table II-10

Historical & Projected Enplanements

Fiscal Year	Legacy / Mainline & Affiliates	Low-Cost Carrier	Foreign Flag Carrier	Charter/Other Carrier	Total	Annual Growth
Historical						
1999	5,915,591	1,343,396	177,487	12,462	7,448,936	
2000	6,005,809	1,782,537	159,149	11,664	7,959,159	6.8%
2001	5,960,356	2,075,831	139,175	8,453	8,183,815	2.8%
2002	5,108,988	2,360,532	145,767	3,311	7,618,598	-6.9%
2003	4,891,508	2,608,521	155,740	5,016	7,660,785	0.6%
2004	5,399,881	2,887,226	159,537	19,076	8,465,720	10.5%
2005	5,768,194	3,512,249	163,853	24,724	9,469,020	11.9%
2006	5,406,470	3,790,599	170,517	24,064	9,391,650	-0.8%
2007	5,445,019	3,997,092	184,268	1,765	9,628,144	2.5%
2008	5,003,089	4,154,816	191,411	1,490	9,350,806	-2.9%
2008 (Oct - Apr)	3,076,207	2,477,399	135,814	234	5,689,654	
2009 (Oct - Apr)	2,657,612	2,322,187	117,984	10,404	5,108,187	-10.2%
Projected						
2009	4,270,300	3,910,600	175,300	10,700	8,366,900	-10.5%
2010	4,339,400	4,002,600	177,800	11,020	8,530,820	2.0%
2011	4,416,100	4,124,900	181,000	11,350	8,733,350	2.4%
2012	4,494,700	4,270,600	185,100	11,690	8,962,090	2.6%
2013	4,595,800	4,407,500	190,600	12,040	9,205,940	2.7%
2014	4,713,500	4,554,800	196,400	12,400	9,477,100	2.9%
2015	4,826,800	4,710,400	202,300	12,770	9,752,270	2.9%
2016	4,953,600	4,861,100	208,300	13,150	10,036,150	2.9%
2017	5,074,500	5,038,900	214,400	13,540	10,341,340	3.0%
2018	5,202,300	5,222,300	220,700	13,950	10,659,250	3.1%
2019	5,329,700	5,407,400	227,100	14,370	10,978,570	3.0%
Compounded Annual Growth Rate						
1999 - 2002	-4.8%	20.7%	-6.4%	-35.7%	0.8%	
2002 - 2008	-0.3%	9.9%	4.6%	-12.5%	3.5%	
1999 - 2008	-1.8%	13.4%	0.8%	-21.0%	2.6%	
2008 - 2009 (Oct - Apr)	-13.6%	-6.3%	-13.1%	4346.2%	-10.2%	
2008 - 2009	-14.6%	-5.9%	-8.4%	618.1%	-10.5%	
2009 - 2014	2.0%	3.1%	2.3%	3.0%	2.5%	
2014 - 2019	2.5%	3.5%	2.9%	3.0%	3.0%	
2009 - 2019	2.2%	3.3%	2.6%	3.0%	2.8%	

Sources: Hillsborough County Aviation Authority (historical). May 20009; Ricondo & Associates, Inc. (projected), April 2009.

Prepared by: Ricondo & Associates, Inc., May 2009.



Source: Hillsborough County Aviation Authority (historical), March 2009; Ricondo & Associates, Inc., (projected), April 2009.
Prepared by: Ricondo & Associates, Inc., April 2009.

Exhibit II-3

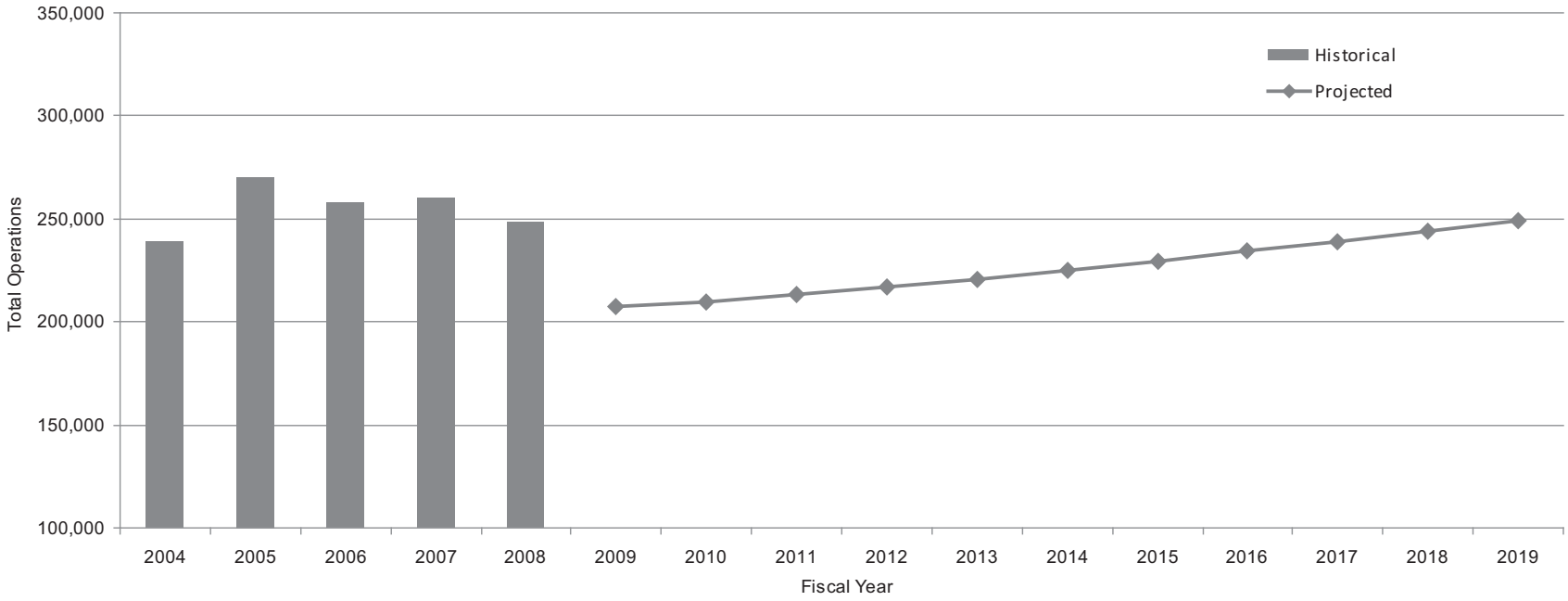
Historical & Projected Enplanements

Table II-11

Historical & Projected Operations

Fiscal Year	Legacy / Mainline & Affiliates	Low-Cost Carrier	Foreign Flag Carrier	Other Carrier	Airline Total	General Aviation	All Cargo	Other Air Taxi	Military	Total
Historical										
2004	117,806	61,734	2,142	504	182,186	40,356	8,890	6,675	522	238,629
2005	131,110	73,898	2,448	592	208,048	42,635	10,596	8,134	583	269,996
2006	118,298	75,584	2,530	472	196,884	40,267	11,690	8,418	548	257,807
2007	112,570	83,002	3,040	60	198,672	38,241	12,888	9,916	707	260,424
2008	103,706	87,720	2,956	68	194,450	34,141	11,120	8,329	638	248,678
2008 (Oct - Apr)	64,558	52,270	2,142	16	118,986	22,190	7,034	5,606	426	154,242
2009 (Oct - Apr)	47,962	47,674	1,830	226	97,692	17,666	3,844	4,909	475	124,586
Projected										
2009	79,200	81,000	2,720	280	163,200	28,100	7,800	7,640	676	207,420
2010	79,800	82,600	2,760	284	165,440	28,280	7,700	7,750	676	209,850
2011	80,800	84,400	2,800	288	168,290	28,460	7,770	7,860	676	213,060
2012	81,800	86,800	2,840	292	171,730	28,650	7,840	7,970	676	216,870
2013	83,200	88,800	2,920	296	175,220	28,840	7,900	8,080	676	220,720
2014	85,000	91,000	2,980	300	179,280	29,030	7,980	8,190	676	225,160
2015	86,400	93,400	3,060	305	183,170	29,260	8,040	8,300	676	229,450
2016	88,400	95,600	3,140	310	187,450	29,500	8,100	8,420	676	234,150
2017	89,800	98,200	3,220	315	191,540	29,800	8,150	8,540	676	238,710
2018	91,800	101,000	3,300	320	196,420	30,130	8,200	8,660	676	244,090
2019	93,400	103,800	3,380	325	200,910	30,480	8,240	8,780	676	249,090
Compounded Annua Growth Rate										
2004 - 2008	-3.1%	9.2%	8.4%	-39.4%	1.6%	-4.1%	5.8%	5.7%	5.1%	1.0%
2008 - 2009 (Oct - Apr)	-25.7%	-8.8%	-14.6%	1312.5%	-17.9%	-20.4%	-45.4%	-12.4%	11.5%	-19.2%
2008 - 2009	-23.6%	-7.7%	-8.0%	311.8%	-16.1%	-17.7%	-29.9%	-8.3%	6.0%	-16.6%
2009 - 2014	1.4%	2.4%	1.8%	1.4%	1.9%	0.7%	0.5%	1.4%	0.0%	1.7%
2014 - 2019	1.9%	2.7%	2.6%	1.6%	2.3%	1.0%	0.6%	1.4%	0.0%	2.0%
2009 - 2019	1.7%	2.5%	2.2%	1.5%	2.1%	0.8%	0.6%	1.4%	0.0%	1.8%

Sources: Hillsborough County Aviation Authority (historical), May 2009; Ricondo & Associates, Inc. (projected), April 2009.
Prepared by: Ricondo & Associates, Inc., May 2009.



Source: Hillsborough County Aviation Authority (historical), March 2009; Ricondo & Associates, Inc. (projected), April 2009.
Prepared by: Ricondo & Associates, Inc., April 2009.

Exhibit II-4

Historical & Projected Operations

Passenger airline activity at the Airport is projected to increase from 163,200 operations in FY 2009 to 200,910 in FY 2019. This increase represents a compounded annual growth rate of 2.1 percent during this period, compared to 2.3 percent projected nationwide for air carriers and air taxis combined by the FAA. In general, the passenger airline projections were developed based on historical relationships between enplaned passengers, load factors, and average seating capacities of aircraft utilized at the Airport.

It is expected that low-cost carrier operations will continue to increase at a greater rate than legacy/mainline carriers due to the limitation in fleet size. The majority of low-cost carriers use only narrow-body aircraft and have no plans to increase the aircraft gauge to a wide-body. Average seats per departure are projected to increase from approximately 135.4 seats in FY 2009 to approximately 137.4 seats in FY 2019, or an average of 0.2 seats per year. The average rate of 0.2 seats per year is lower than the legacy/mainline carriers based on the following projections.

- The majority of low-cost carrier operations are anticipated to be performed by Southwest with their Boeing 737 aircraft which consist of 137 seats. The 137-seat configuration is the largest of Southwest's fleet and presently there are no orders for larger aircraft or plans to increase the seating configuration of their fleet. With limited seating capacity per aircraft and high load factors, more operations are projected to meet the enplanement demands.
- Another low-cost carrier, AirTran, is projected to continue operating their largest aircraft, the Boeing 737, configured with 137 seats.
- The projected growth of 0.2 seats per departure is anticipated to be a result of jetBlue's growth and a slow transition from their smaller Embraer 190 to their larger Airbus 320 as passenger demand increases. The remaining low-cost carriers, Frontier and Spirit, are expected to shift to larger aircraft operation to meet the projected increase in passenger demand. Though Frontier, jetBlue, and Spirit are capable of increasing the aircraft size, all three airlines are not projected to acquire larger wide-body aircraft.
- The largest aircraft projected to operate for the low-cost carriers is an Airbus 321, with an average 198 seats. It is anticipated the Airbus 321 will represent approximately 0.6 percent of total low-cost carrier operations in FY 2019. The majority of operations, approximately 73.0 percent will be conducted by the Boeing 737, with an average seat size of 137. The 142-seat Airbus 319 and 150-seat Airbus 320 are projected to represent 5.0 percent and 14.2 percent respectively, of total low-cost carrier operations in FY 2019.
- The load factor for low-cost carriers is anticipated to increase from approximately 71.3 percent in FY 2009, to 75.9 percent in 2019. As a result of limited fleet size and higher load factors, low-cost carrier operations are expected to increase at compounded annual growth rate of 2.4 percent over the projected period.

Legacy/mainline carriers had an average seat size of 154.0 seats in FY 2009 and their regional affiliates average seat size per departure was 29.8. In FY 2019, the projection for average seat size for legacy/mainline carriers is 156.5 seats, which represents an average increase of 0.25 seats per year.

- Legacy/mainline seats increase due to Delta and American's announcement to upgrade their narrow-body fleets of MD-80s, which have an average of 140 seats, to their replacement, the Boeing 737-800, which is configured with an average of 150 to 160 seats. Continental's fleet reduction includes the retirement of MD-80s. The majority of narrow-body aircraft for Continental include the 737-700,800, and 900 series aircraft.

- United has announced the grounding of all Boeing 737's in their fleet, the remaining narrow-body aircraft in their fleet are the A-319 with 120 seats, the A-320 with 150-seats and the Boeing 757 with a 182-seat configuration.
- Northwest is projected to ground the majority of their 100-120 seat fleet of DC-9 aircraft. The remaining narrow-body aircraft flown on domestic routes are the A-319, A-320, and Boeing 757 which have approximately the same seating configuration as United. As Delta and Northwest merge operations and become a single carrier the A-319, A-320, and Boeing 757 will become part of Delta's domestic aircraft fleet.
- US Airways operates the A-319, A-320, and A-321 on numerous domestic routes. These aircraft are projected to remain the primary aircraft for narrow-body domestic service. In addition to future deliveries of these Airbus aircraft, US Airways has the 99-seat Embraer 190 in service and additional aircraft on order. It is projected that most domestic operations at the Airport for US Airways will be operated by the Airbus and Embraer aircraft.
- Load factors for the projection period for the legacy/mainline carriers will remain in the lower to mid 80 percentile to remain competitive with the low-cost carriers and continuing pressure on these carriers to be profitable due to higher labor costs.
- Use of regional jets by the legacy/mainline affiliates is projected to remain at lower levels than at comparable airports and the nation for the projection period. The average seat size for legacy/mainline carriers will increase at a greater rate than low-cost carriers, because of their ability to increase the size of aircraft and the projection that they will continue to operate the majority of their routes, instead of using affiliates and regional passenger aircraft. From FY 2009 through FY 2019, the compounded annual growth rate for legacy/mainline carriers and their regional affiliates is projected to grow at 1.5 percent.

Foreign flag carrier operations are projected to increase at a compounded annual growth rate of 2.2 percent from FY 2009 to FY 2019. The main aircraft operated by foreign flag carriers, Air Canada, Cayman Airways, and WestJet are the narrow-body Airbus 300 series aircraft and the Boeing 737 series aircraft. British Airways offers wide-body service on a Boeing 777 with approximately 280 seats.

General aviation activity at the Airport is projected to increase from 28,100 operations in FY 2009 to 30,480 in FY 2019. This increase represents a compounded annual growth rate of 0.8 percent during this period, compared to 0.9 percent projected nationwide by the FAA.

All-cargo activity at the Airport is projected to increase from 7,800 operations in FY 2009 to 8,240 in FY 2019. This increase represents a compounded annual growth rate of 0.6 percent during this period, compared to 3.0 percent growth projected for air carriers nationwide by the FAA.

Activity by other air taxi operators is projected to increase from 7,640 operations in FY 2009 to 8,780 in FY 2019. This increase represents a compounded annual growth rate of 1.4 percent during this period, compared to 1.4 percent growth projected for air taxi activity nationwide by the FAA.

Future military activity at the Airport will be influenced by U.S. Department of Defense policy, which largely dictates the level of military activity at an airport. Military activity at the Airport is projected to remain constant at 676 operations each year during the projection period, comparable to its average activity level from FY 1999 through FY 2008. The majority of military activity in the region will continue to take place at MacDill Air Force Base.

2.6.3 Airline and All Cargo Landed Weight Projections

Table II-12 and Exhibit II-5 present historical and projected airline and all-cargo carrier landed weight at the Airport. As shown, passenger airline landed weight is projected to increase from 10,264,200 thousand pounds in FY 2009 to 13,293,300 thousand pounds in FY 2019. This increase represents a compounded annual growth rate of 2.6 percent during this period. As also shown, all-cargo landed weight at the Airport is projected to increase from 482,300 thousand pounds in FY 2009 to 493,400 thousand pounds in FY 2019. This increase represents a compounded annual growth rate of 0.2 percent during this period. In general, the increases in landed weight for both carrier groups may be attributed to anticipated use of larger aircraft and/or increased operations at the Airport during the projection period.

2.7 Summary

A summary of the air traffic trends for the Airport includes the following:

- Enplanements for FY 2009 are projected to be 13.1 percent below peak enplanement levels in FY 2007, due to the economic downturn and resulting reduction in passenger demand and airline capacity cuts at the Airport. Enplanements are expected to increase in the long term, however, enplanement levels are not projected to return to peak levels until FY 2015. The 2008 FAA Terminal Area Forecast (TAF) for the Airport projects enplanement to return to peak levels in FY 2016.
- The 2009 FAA Aerospace Forecast projects by FY 2012, total national enplanements will return to the FY 2007 peak level.
- The Airport is served by the majority of airlines operating in the U.S.
- Enplanement growth at the Airport was greater than that of the nation between 1999 and 2008. Enplanements are projected to grow at a compounded annual growth rate slightly below the nation through 2019, due to a larger decrease in enplanements in FY 2009 at the Airport compared to the nation.
- Low-cost carriers have continued to increase their market share of enplanements at the Airport. It is anticipated that by FY 2018 low-cost carriers will replace legacy/mainline carriers and their affiliates as the leader in market share of enplanements.
- Historically, narrow-body aircraft have provided the majority of passenger airline operations. Wide-body and regional aircraft (less than 90 seats) have decreased in operations from FY 2004 through FY 2008.
- Operations projections for low-cost carriers are expected to increase at an annual rate of 2.4 percent from FY 2009 through FY 2019, while legacy/mainline carriers and their affiliates are projected to increase at an annual rate of 1.5 percent.
- Total airline operations are projected to increase at a compounded annual growth rate of 1.9 percent over the projection period. Additionally, total airport operations are also projected to increase at a compounded annual growth rate of 1.7 percent over the projection period.

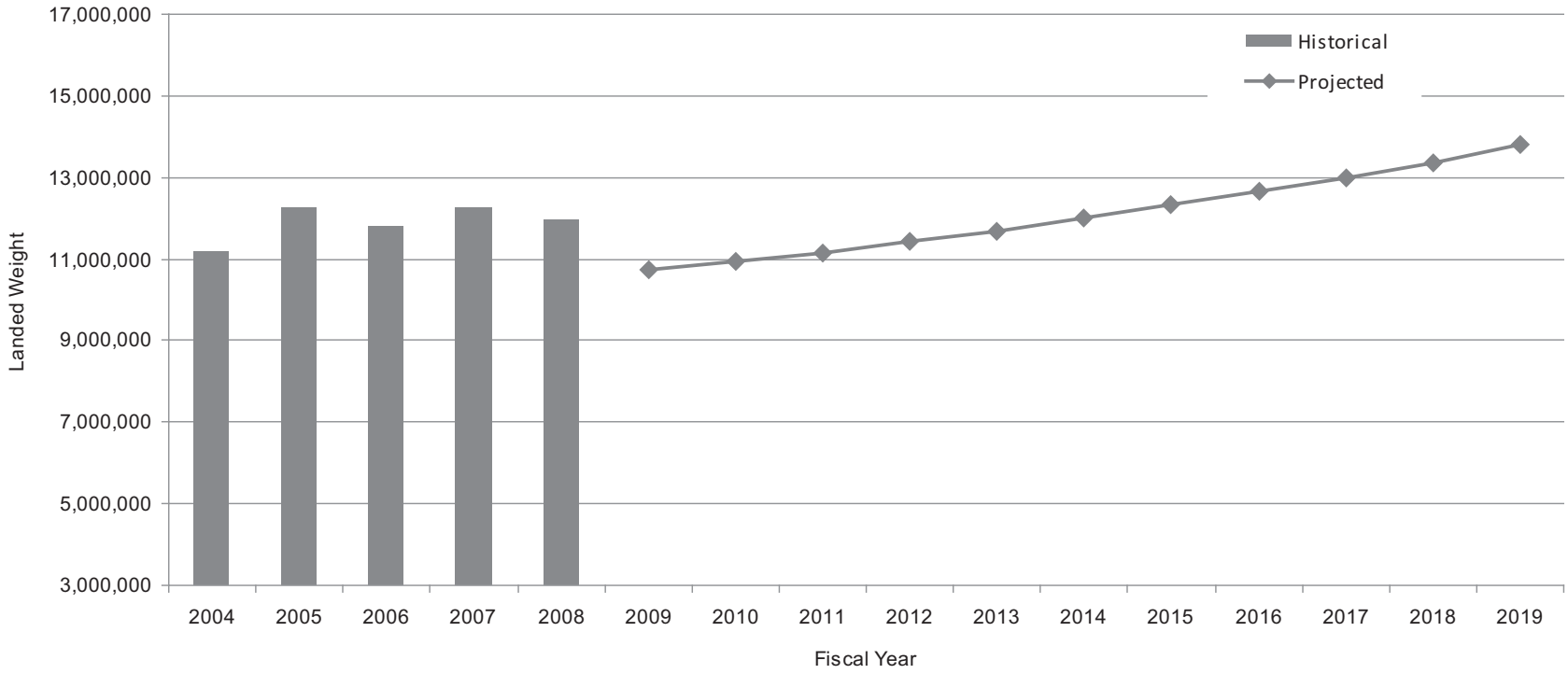
Table II-12

Historical & Projected Landed Weight (000 lbs)

Fiscal Year	Legacy/Mainline & Affiliates	Low-Cost Carriers	Foreign Flag Carriers	Other Carrier	Airline Total	All Cargo	Airport Total
Historical							
2004	6,862,521	3,723,320	227,882	35,067	10,848,790	332,801	11,181,591
2005	7,220,233	4,429,507	242,342	40,405	11,932,487	326,090	12,258,577
2006	6,448,413	4,652,155	249,162	36,423	11,386,153	421,320	11,807,473
2007	6,423,665	5,086,334	276,319	4,130	11,790,448	479,462	12,269,910
2008	5,822,876	5,358,961	276,286	4,388	11,462,511	484,823	11,947,334
2008 (Oct - Apr)	3,652,524	3,189,768	189,679	739	7,032,710	282,019	7,314,729
2009 (Oct - Apr)	3,068,043	2,912,521	168,347	16,994	6,165,905	217,245	6,383,150
Projected							
2009	5,027,700	4,961,800	255,500	19,200	10,264,200	482,300	10,746,500
2010	5,121,100	5,073,400	260,500	19,580	10,474,600	451,000	10,925,600
2011	5,208,000	5,197,800	265,600	19,970	10,691,400	456,300	11,147,700
2012	5,307,800	5,359,900	270,700	20,370	10,958,800	461,700	11,420,500
2013	5,426,500	5,498,000	279,700	20,780	11,225,000	466,500	11,691,500
2014	5,576,700	5,649,200	286,900	21,200	11,534,000	472,500	12,006,500
2015	5,709,400	5,813,600	296,000	21,620	11,840,600	477,400	12,318,000
2016	5,877,000	5,966,300	305,200	22,050	12,170,600	482,300	12,652,900
2017	6,011,400	6,144,700	314,500	22,490	12,493,100	486,600	12,979,700
2018	6,181,200	6,336,600	323,800	22,940	12,864,500	491,000	13,355,500
2019	6,399,500	6,537,000	333,400	23,400	13,293,300	493,400	13,786,700
Compounded Annual Growth Rate							
2004 - 2008	-4.0%	9.5%	4.9%	-40.5%	1.4%	9.9%	1.7%
2008 - 2009 (Oct - Apr)	-16.0%	-8.7%	-11.2%	2199.6%	-12.3%	-23.0%	-12.7%
2008 - 2009	-13.7%	-7.4%	-7.5%	337.6%	-10.5%	-0.5%	-10.1%
2009 - 2014	2.1%	2.6%	2.3%	2.0%	2.4%	-0.4%	2.2%
2014 - 2019	2.8%	3.0%	3.0%	2.0%	2.9%	0.9%	2.8%
2009 - 2019	2.4%	2.8%	2.7%	2.0%	2.6%	0.2%	2.5%

Sources: Hillsborough County Aviation Authority (historical), May 2009; Ricondo & Associates, Inc. (projected), April 2009.

Prepared by: Ricondo & Associates, Inc., May 2009.



Source: Hillsborough County Aviation Authority (historical), March 2009; Ricondo & Associates, Inc. (projected), April 2009.
Prepared by: Ricondo & Associates, Inc., April 2009.

Exhibit II-5

Historical & Projected Landed Weight (000lbs)

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III. Airport Facilities and the 2009 Project

This chapter presents a review of the existing Airport facilities and summarizes the 2009 Project at the Airport that is intended to be partially funded from the proceeds of the Series 2009 A Bonds. All funding sources for the 2009 Project are discussed in the next chapter of this report. This chapter also discusses other future capital projects anticipated to be undertaken by the Authority through FY 2019.

3.1 Existing Airport Facilities

3.1.1 Airfield

3.1.1.1 Airfield Facilities

The Airport has three runways: an east-west crosswind runway and two parallel, prevailing wind north-south runways. These runways are connected by a fully integrated system of taxiways. The runways are equipped with lighting and electronic aids to permit all-weather continuous operations. One north-south runway (18R-36L) is 11,000 feet in length and 150 feet wide and is equipped with high intensity edge lighting, center-line lighting, an instrument landing system and an approach lighting system. The other north-south runway (18L-36R) is 8,300 feet in length and 150 feet wide and is equipped with an instrument landing system, high intensity edge lighting and an approach lighting system. A major reconstruction of Runway 18R-36L was completed in October 1997. The parallel north-south runways are 4,300 feet apart, which permits simultaneous all-weather operations of the runways. The east-west runway (9-27) is 6,995 feet in length and 150 feet wide and is equipped with medium-intensity edge lighting. Air traffic operations are served by radar approach control and departure facilities, including airport surveillance radar located at the Airport, all operated by the Federal Aviation Administration (FAA).

To minimize take-off delays, the two main north-south runways are complemented by holding aprons, which permit the bypassing of any delayed aircraft in the departure sequence. All approaches meet the FAA clearance criteria. The runway system is adequate to permit the unrestricted operation of the largest existing commercial aircraft to all North American points and to major European cities, with the exception of the Airbus A380 (A380) - the largest passenger aircraft in the world. Runway 18R-36L is adequate for restricted operation of the A380, although the Authority does not anticipate operation of the A380 at the Airport within the planning horizon of this report.

3.1.1.2 Aircraft Parking Aprons and Taxiways

Each Airside Building has a concrete aircraft parking apron containing approximately 900,000 square feet of pavement. Additional hardstand parking was constructed on the sites of demolished Airside B and Airside D. Included are more than five miles of 75-foot-wide taxiways and complementary installations, affording ready access from the Airport's three runways to the various aircraft parking aprons. Baggage cart tug roads, including grade separation structures, permit rapid transfer of baggage between each of the aircraft parking aprons and the baggage claim level in the Terminal Building.

3.1.2 Passenger Terminal Facilities

The existing passenger terminal facilities at the Airport include a Terminal Building, Airside Buildings connected to the Terminal Building by a fully automated elevated passenger transfer system, structured parking facilities, rental car facilities, an integrated inline explosive detection outbound baggage system and a hotel.

3.1.2.1 Terminal Building and Short-Term Parking

The Terminal Building is comprised of three operating levels: baggage claim and explosive detection screening; ticketing; and passenger transfer and concession area. To guide passengers and traffic, the Airport utilizes the designations "Red Side" and "Blue Side", which are generally oriented north and south, respectively. Upon entering the Airport via the roadway system, patrons are guided to specific airlines, which are identified as either Red or Blue. This designation continues within the Terminal Building, guiding patrons to the proper bag claim areas. The ground level is devoted to inline explosive detection for outbound baggage, inbound baggage claim facilities, and local surface transportation, including commercial ground transportation facilities at each of the four corners of the Terminal Building. The second level includes airline ticket counters, curbside passenger baggage check in and airline support offices. The third level, the passenger transfer level, includes station lobbies for the passenger transfer system connecting to the Airside Buildings, as well as restaurants, retail merchandise concessions and a connecting arcade to a 300-room hotel. The offices of the Authority are also located on the third level. Above these three operating levels are six levels of short term auto parking, which provide 3,650 vehicle public parking spaces, including valet parking spaces for approximately 212 cars, and the monorail system connecting the Terminal Building to the South Terminal Garage. A $22.8 million project, funded by PFCs, FDOT grants and Authority funds, to expand the baggage claim level is currently underway, with a completion date estimated for December 2010. This project will expand the east end of first level on both the Red and Blue sides, creating more circulation space, construct additional restrooms and relocate the existing bag service offices. New baggage claim devices will be added and all existing devices will be replaced, increasing bag capacity by 37 – 40 percent.

Adjacent to the Terminal Building, on its north side, is a two-story, 144,000 square foot service building, which includes Authority office space as well as mechanical, electrical and communications facilities required to serve the Terminal Building. Included in the service building are an airport employees' cafeteria, storage areas, police offices, maintenance shops and truck dock with adjoining warehouse space for the support of the various activities occurring within the Terminal Building.

3.1.2.2 South Terminal Garage - Long-Term Parking

Adjacent to the Terminal Building on its south side is an eight-level South Terminal Garage with 7,635 vehicle public parking spaces on six levels for long term parking. The South Terminal Garage is connected to the Terminal Building by a monorail system which transports passengers to elevator lobbies on the fifth floor of the Terminal Building and by two pedestrian bridges on the transfer level. The latter two 120-foot walkways are covered, open-air bridges. Portions of the first and second levels accommodate on-Airport rental car operations, including check-in areas, and are connected to the ticketing level of the Terminal Building by two pedestrian bridges.

3.1.2.3 Terminal Car Rental Facilities

The two blue side counter areas previously located in the baggage area were consolidated into a single free-standing building located between the Terminal Building and the South Terminal Garage. The rental car return area in the South Terminal Garage was reconfigured and expanded. The quick-turnaround service areas and ready car parking areas in the South Terminal Garage were also expanded. The $33.5 million red side car rental garage construction and counter relocation project, which was completed in November 2006, consolidated and expanded the red side ready car facility for the rental car operators at the Airport. This project consolidated the two car rental counter locations located in the red side baggage claim areas to a single location adjacent to the Terminal Building. The blue and red side facilities now have sufficient capacity to continue providing passengers with convenient direct access from baggage claim to car rentals within short walking distances. The former space occupied by the rental car counters was reclaimed to improve passenger circulation and provide for the future expansion of the bag claim system.

3.1.2.4 Integrated Inline Explosive Detection Outbound Baggage System

The Authority installed an outbound baggage system that converted the previous outbound baggage system from a manually loaded and transported operation utilizing baggage tugs with multiple trailers to a fully automated high speed conveyor network providing common use check in capabilities, baggage tracking and sorting features while maintaining an equal or better delivery time to the respective baggage loading areas at each airside terminal.

The outbound baggage system replaced the baggage makeup area in the Terminal Building with automated in-line explosion detection system screening (EDS) equipment, including control rooms, baggage search/handling areas and the new baggage handling system itself. High speed belts transport screened baggage to the baggage makeup areas, which are now located at the airsides (Airsides E and C integrate the baggage makeup area within the footprint of the building, Airsides A and F have separate baggage makeup buildings located near the airsides). The original project, which did not include the Airside C component, was completed and operational in June 2004. The Airside C baggage system was constructed during the building of Airside C and was completed in April 2005. Total cost for the entire system was $139.6 million.

3.1.2.5 Airside Buildings

There are four Airside Buildings currently in operation: Airside Buildings A, C, E and F. Original Airsides B and D were demolished. The Airside Buildings contain passenger transfer system lobbies, passenger arrival and departure holdrooms, airline operations offices, baggage makeup and mechanical and electrical facilities spaces. Each Airside Building is of a different configuration. Fueling is provided at each Airside Building through an underground hydrant fueling system. The Airside Buildings are described in greater detail in the following paragraphs.

Airside Building A has been operational since May 1995. It is a 252,300 square foot three-story structure with 15 aircraft gates capable of handling B757 aircraft simultaneously or 12 wide-body aircraft including four B747-400s. Commuter facilities, airline ramp operations and mechanical rooms are on the ground level. The outbound baggage sort facility building for Airside A is on the site of the demolished Airside B. Security screening, passenger gates, concessions, children's play area and passenger transfer system lobbies are on the second level. The third level space is provided for airline club areas and office space.

Airside Building C was demolished and a new airside building was constructed on the same site and has been operational since April 2005. It is a 315,000 square foot two-story structure with 16 aircraft gates capable of handling B757 aircraft simultaneously or five wide body aircraft including two B747-400s with eight B757 aircrafts at the same time. Commuter facilities, airline ramp operations, other airline space, mechanical/electrical rooms and the outbound baggage sort facility are on the ground level. Security screening, passenger gates, concessions, children's play area and passenger transfer system lobbies are on the second level. The aircraft ramp and hydrant fueling system were also reconstructed in 2005.

Airside Building E was demolished and a new airside building was constructed on the same site and has been operational since October 2002. It is a 289,000 square foot three-story structure with 14 aircraft gates capable of handling B757 aircraft simultaneously or six wide body aircraft including two B747-400s with five B757 aircraft at the same time. Commuter facilities, airline ramp operations, other airline space, mechanical/electrical rooms and the outbound baggage sort facility are on the ground level. Security screening, passenger gates, concessions, a duty free store, children's play area and passenger transfer system lobbies are on the second level. The third level space accommodates an airline club area and office space. The aircraft ramp and hydrant fueling system were also reconstructed at the same time.

Airside Building F has been operational since 1987. It is a 229,000 square foot three-story structure with 14 aircraft gates capable of handling a mix of B-757 and A-320 aircraft simultaneously or five wide-body aircraft including the B747-400s and a mix of three B757 and three A320 aircraft at the same time. Federal inspection services processing, mechanical/electrical areas and airline ramp operations are on the ground level. The outbound baggage sort facility is also located on the ground level in a 20,000 square foot facility directly adjacent to the Airside. Security screening, passenger gates, concessions, duty free shop, and passenger transfer system lobbies are on the second level. The third level space provides an airline club area and office space.

3.1.2.6 Passenger Transfer System

A fully automated elevated passenger transfer system connects the Terminal Building with each of the Airside Buildings. Each Airside Building is served by four dedicated shuttle vehicles.

3.1.2.7 Hotel

The 300-room hotel, under a ground lease to Host of Boston, Ltd., has meeting and conference facilities, 55,000 square feet of office rental space and parking spaces for 400 cars. It is attached to the Terminal Building at the passenger transfer level by a 300-foot long, fully enclosed shopping arcade with specialty shops and a full service bank.

3.1.3 Other Facilities

3.1.3.1 Roadways and Economy Parking Areas

A 1.5-mile, six-lane, divided parkway connects the Airport to a traffic interchange, providing direct access to the interstate highway system. A grade-separated traffic interchange has been constructed within the terminal parkway system, providing traffic separation between airline passenger terminal traffic and traffic to the Regional U.S. Post Office situated at the Airport, adjacent to the entrance parkway. The Authority also maintains an employee parking lot located to the north of the Air Cargo Complex, away from the terminal complex, which can accommodate 2,600 automobiles.

A 5,500 space garage (Phase I Garage) was opened to the public on the site of the economy lot behind the U. S. Post Office in two stages – 3,300 spaces came online in November 2005 and 2,200, spaces in May 2006. The 5,600 space Phase II economy garage was opened to the public on November 8, 2008 on a site immediately south of and connected to the ramps for the Phase I Garage. Additional surface parking in this facility makes the total capacity of 12,900 parking spaces. A complimentary shuttle service transports customers from the economy lot to the Terminal Building. With these additional spaces the Airport now has over 24,7000 public parking spaces with approximately 22,430 garage spaces to accommodate the traveling public.

The FDOT is funding and constructing $202 million of roadway improvements for easier access to the Airport. The project will enhance capacity to State Road 60/Memorial Highway/Veterans Expressway from I-275 to the Courtney Campbell Causeway interchange in the immediate vicinity of the Airport and is anticipated to be completed by the end of 2010.

The Spruce Street/State Road 60 interchange, which is the entrance to the Airport, will be enlarged to a four level interchange and the Courtney Campbell Causeway /State Road 60 interchange will include a new three level directional interchange. These major roadway improvements, scheduled for completion in 2010, will significantly reduce congestion on the adjacent interstate roadways and improve access into and out of the Airport.

In conjunction with the FDOT Airport interchange project discussed above, the Authority widened the George Bean Parkway, the access roadway leading directly into the Airport, from two lanes in each direction to three lanes from beginning to end. Additionally, the project includes constructing a secondary return to the terminal recirculation bridge which will eliminate congested merging areas and improve traffic circulation. These project elements were completed in 2008. Another component of this project is the addition of a fourth lane to the outbound parkway south of the Post Office, which will be completed in January 2010. This $32.5 million project provides a completely updated access roadway system into the airport terminal complex.

3.1.3.2 Air Cargo Complex

A 113,400 square foot cargo complex is located on the north side of the Airport. Twelve tenants currently occupy 78 percent of the complex. Its aircraft parking apron provides space for three wide body and two 727 aircraft and several smaller aircraft simultaneously. Fueling is provided through an underground hydrant fueling system. This existing cargo complex is located on the future site of the North Terminal Complex and must be relocated. A new cargo facility is currently under construction in the east side development area, along with a Ground Support Equipment building. The two new buildings, at a cost of approximately $21.4 million, will total approximately 113,000 square feet.

UPS Supply Chain (UPS) leases a 19,000-square foot, $2.5 million warehouse with adjoining 6,000-square feet of office space on property east of Runway 18L/36R. This facility allows for trucking access on three sides (18 truck loading doors). Additionally, there are two aircraft loading doors leading out to the ramp on the fourth side of the facility. This lease commenced on April 8, 2000 and will expire on April 7, 2010. UPS ceased operations out of this facility on January 31, 2004, and subsequently subleased the facility to National Retail Transportation, Inc. (NRT), a logistics company providing warehousing and delivery services for a national retailer, Linen's N Things. This company went out of business during the fall of 2008 and NRT ceased operations from the facility. Currently, there are ongoing negotiations with another potential tenant for the facility.

Federal Express Corporation (FedEx) constructed an air cargo service facility at the Airport on a thirteen acre site of Airport property. The facility opened for operations on March 1, 2003 at a cost of $24.7 million, which included a new cargo building and apron, taxiway extensions and cargo road improvements. The regional sort facility has the capacity to handle 6,000 packages per hour. Additionally, there are parking spaces for 157 commercial and employee vehicles.

3.1.3.3 Airport Support Facilities

Located at the northeast corner of the Airport, the new facility in the Airport Support Facilities (ASF) area houses centralized police auxiliary functions, maintenance shops, central receiving and warehousing. At the beginning of the program, the ASF area consisted mainly of a vehicular and equipment maintenance center for the Airport. The complex currently has eight buildings, the largest being the administrative and vehicle maintenance building. Other buildings include two vehicle storage shelters for mobile equipment; a greenhouse, equipment storage and vehicle wash building; emergency response equipment storage building, canine kennel and training area facility, and a police target practice range with a range master building and an explosive material storage facility.

Construction of a 35,000 square foot warehouse and central receiving facility was completed in April 2009. This project completes the Airport support facilities expansion program. In addition to constructing the new warehouse, this $6.8 million project will provide a truck and van off load court and associated parking areas, secured areas for outdoor storage and necessary roadwork and exterior lighting.

Construction on an $8-million consolidated firefighting facility was completed in April 2006. The 28,000-square-foot, state-of-the-art station replaced two smaller fire stations located on either side of the Airport property. The 15,822-square-feet of living area includes 14 private dorm rooms, restrooms, training space with integrated audio/video equipment, administrative offices, a gym, kitchen and dining room. The facility also features an apparatus bay of 12,800 square feet, consisting of 10 bays for all department firefighting vehicles.

3.1.3.4 Maintenance Facilities

Delta leased (origination date December 1, 1982) a $24.2 million aircraft maintenance facility at the Airport constructed with special purpose revenue bonds for which the Authority acted as the "conduit issuer" on behalf of Delta. This facility is approximately 125,000 square feet and includes an aircraft hangar which can simultaneously accommodate two L-1011 jet aircraft, aircraft ramp, engine run-up area, employee parking, support shops and other related services.

This facility was closed for aircraft maintenance in 2005, with heavy maintenance work shifted to Delta's facilities in Atlanta. Delta rejected the Lease and Debt Service Agreement pursuant to its reorganization proceedings under Chapter 11 of the Bankruptcy Code. The Bankruptcy Court issued an order on June 29, 2006, approving the Stipulation previously entered into between Delta, the Authority and The Bank of New York Trust Company, N.A., as successor indenture trustee. The Stipulation and Order allows the rejection of Delta's Lease and Debt Service Agreement and abandonment by Delta of certain expendable property, effective June 30, 2006. For purposes of the Stipulation and Order, Delta is treating the Lease and Debt Service Agreement as a "true lease" and not as a financing arrangement. All parties have reserved all of their rights, claims, and defenses under all agreements and applicable law on all issues, including, but not limited to, (a) whether any

party's obligations under any agreement to which it is a party are true lease obligations or pre-petition financing obligations and (b) whether any claims related to or arising out of the rejected agreements are or are not subject to limitations on damages under the Bankruptcy Code.

The original special purpose bond issue has been refunded. At the time of bankruptcy filing, there were two series of outstanding bonds in the principal amounts of $16,544,349 and $8,110,311, respectively. The Trustee issued a draw request to the Credit Issuer under the Letter of Credit on the principal amount of the $16,544,349 conduit bond issue and the bondholders thereof received full payment of the outstanding principal and interest accrued to July 5, 2006 on that series of bonds. The other series of conduit bonds in the amount of $8,110,311 is currently in default.

The Trustee and Authority filed independent claims exceeding $12 million characterizing the lease and debt service agreement as a financing agreement not subject to limitations. An Adversary Complaint was filed August 20, 2007, by the Trustee and the Authority to compel the court to declare the lease and debt service agreement to be a financing agreement and not a true lease, requiring Delta to pay both parties the filed claim amounts. After a hearing favorable to the Authority, Delta agreed to value the Trustee's claim at $8 million and the Authority's claim at $846,584.00. Delta stock was paid pursuant to the Debtors' Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code in amounts reflecting the agreed claims pursuant to the Order Granting Settlement of Certain Claims. The Trustee, Authority and majority bondholder J.P. Morgan are currently in negotiations to resolve remaining open issues associated with the vacant facility.

The Authority owns an additional 140,000-square foot maintenance facility that includes an aircraft hangar, which can simultaneously accommodate one 767 and two 727 aircraft, aircraft ramp, engine run-up area, employee parking, support shops and related services. This facility was leased and utilized by US Airways until US Airways rejected the Ground Lease and Financing Agreement in bankruptcy proceedings by Court Order dated January 16, 2003.

On March 15, 2008, Pemco World Air Services, Inc. entered into a 15-year lease of the maintenance hangar to perform heavy aircraft maintenance, repair and overhaul operations. The basic terms of the lease include two five-year options, payment of ground rent of $107,624, which escalates after year five 10 percent every three years and facility rent equal to 1.3 percent of gross receipts or a minimum of $300,000, whichever is greater.

3.1.3.5 Reservations Center

A reservations center is situated on six acres of property owned by the Authority. Continental is currently leasing this facility, however, Continental announced on May 13, 2009, it intends to close the reservation center on July 19, 2009.

3.1.3.6 Shopping Mall, Hotel and Office Center

Concorde Companies entered into a master lease for approximately 154 acres of Authority property located in the southeast corner of the Airport. This property has been developed by a variety of companies through the following series of carve out leases. Tampa Westshore Associates Ltd. Partnership (Westshore) leases approximately 113 acres and opened a 1.25 million square foot upscale regional shopping center, International Plaza, in September 2001 on this leased parcel. A 300 room Renaissance Hotel was also opened in March 2003 on this leased parcel.

Westshore also received by assignment, an additional parcel that has been developed into a Crate and Barrel retail store that opened in May 2009 and a Cameron Mitchell seafood supper club concept, Ocean Prime, that opened January 23, 2009. In addition to the Westshore Development, Crescent Resources, a division of Duke Energy, developed four office buildings on 33.112 acres containing 1,261,848 square feet of Class A space that were ultimately assigned to Corporate Center One Owner, LLC, Corporate Center Two Owner, LLC, Corporate Center Three Owner, LLC and Crescent Resources, LLC. Approximately 7 acres of vacant land remains under the Concorde Companies' lease.

One Buc Place. The NFL franchise Tampa Bay Buccaneers (Bucs) leased approximately 6 acres of space for a corporate headquarters and training facility. Concorde Companies' master lease contained a reverter provision that included a provision that would include this property into the Concorde Companies' master lease upon the Bucs' vacation of the facility if Concorde chose to exercise their reverter. Concorde Companies gave the Authority a Quit Claim Deed conveying any and all interest they had pursuant to the reverter on March 30, 2007. The facility has been demolished and the land is now vacant. The Bucs built and relocated to a state of the art facility adjacent to Raymond James Stadium in 2006.

3.1.3.7 General Aviation

There are two general aviation fixed base operation (FBO) facilities at the Airport. The first facility, which opened in 1980, is owned by the Authority and is currently managed by Signature Flight Support Corporation (Signature). Constructed with Authority funds, the operation provides an avionics shop, maintenance shops, aircraft line service, tie down and storage, aircraft charter, sales center for Hawker Beechcraft airplanes and related aviation services. This facility provides 140,000 square feet of hangar storage space and 60,000 square feet of hangar maintenance space. The Authority retains title to all permanent improvements of the hangar building. The facility is rated one of the top ten fixed base facilities in the United States by the Professional Pilot Magazine.

The general aviation facility currently operated by Signature at the Airport until recently housed a small office for the Customs and Border Protection unit of the U.S. Department of Homeland Security. With the opening of the second FBO, Tampa International Jet Center LLC (Tampa Jet Center), it was necessary to establish a new Customs and Border Patrol facility. The new $3.2 million facility was opened in May 2007 and provides a new stand alone facility located between the two FBO complexes serving the needs of general aviation international passengers. The facility will be capable of handling up to 30 passengers and their baggage at any one time while meeting the requirements of the Customs and Border Patrol.

The Tampa Jet Center FBO facility has been operational since October 2004. Under the terms of its agreement with the Authority, Tampa Jet Center constructed a new 12,000-square foot terminal building, two storage hangars of 26,000 square feet each and a maintenance hangar of 26,000 square feet and other facilities necessary to provide a full service FBO serving primarily corporate aviation. Tampa Jet Center provides generally the same range of services as the Signature FBO. The Authority participated in the FBO's development by constructing 350,000 square feet of apron and a 61,500 square foot parking lot with Authority funds. The agreement's term is for 20 years and at the end of the agreement title to all tenant improvements reverts to the Authority. In June 2004, the agreement was amended to provide additional lease space for the development of a fourth hangar. The additional hangar was completed in September 2005. Tenant facility improvement costs to date are $12,150,000.

3.2 The 2009 Project

The Authority's FY 2009 Project includes two projects:

- North Terminal Complex Conceptual Design
- Taxiway B Rehabilitation, Bridge and Service Road

The first project is being undertaken to begin preparing the Airport facilities for the construction of the North Terminal Complex, which is discussed in greater detail in section 3.2.1. The 2009 Project is described in more detail in the following paragraphs:

3.2.1 North Terminal Complex Conceptual Design

In the 2005 Master Plan update, the Authority identified a major capital expansion anticipated to be needed to meet future capacity. This group of capital projects is collectively known as the North Terminal Complex. In the first half of FY 2008, the Authority anticipated phase one of the North Terminal Complex would be needed by the end of FY 2015. Due to the recent economic slowdown that has decreased passenger activity levels and was described in detail in Chapter 2 of this report, the Authority has determined that phase one of the North Terminal Complex will not be required until after FY 2019, the final year included in the projection period of this report. Thus, no impact of this future project is included in this report, with the exception of the conceptual design that is described in the following paragraph.

The conceptual design establishes the groundwork for the entire North Terminal Complex including engineering design to determine the location, layout and elevations of all roads, bridges, tunnels, underground utilities, drainage conveyances, automated people movers, aircraft parking aprons and taxiways including their relationship to all proposed buildings and other support facilities. The proposed North Terminal Complex will include a central landside terminal with adjacent parking structures and four remote airsides connected to the landside terminal by automated people mover systems. The four remote airsides would be capable of accommodating up to 50 new aircraft gates within the existing airport boundary. The master terminal design consultant will prepare a project definition document for the North Terminal Complex that defines the criteria and standards for the design and construction of the project and describes the proposed expansion in sufficient detail to support Requests for Qualifications (RFQ) for design teams and contractors. The North Terminal Conceptual Design also provides an accelerated design schedule for the Taxiway B Rehabilitation, Bridge and Service Road Project, discussed below.

3.2.2 Taxiway B Rehabilitation, Bridge and Service Road

Under the American Recovery & Reinvestment Act of 2009 (ARRA), the Authority has received a commitment to provide partial funding for the new Taxiway B Rehabilitation, Bridge and Service Road project. Other sources of funding for this project include FDOT Grants and PFCs. The mix of funding sources may change depending upon the exact amount of FDOT Grants received or if there are additional commitments from ARRA. Financing for this project through the issuance of the Series 2009 A Bonds will provide current funding, since the FDOT grants and PFC funding will be received in future years.

The existing Taxiway B is an at-grade crossfield taxiway located north of the existing terminal complex. This project will relocate the existing taxiway ninety-three feet south and construct an elevated taxiway bridge to accommodate a north-south transportation corridor for the future north

terminal and provide aircraft movement over vehicular traffic. Completion of this project will also provide a significant safety benefit through the reduction of vehicular crossings, currently in excess of 100,000 per year, on the existing taxiway.

The new service road will connect the new cargo and ground support equipment facility with the terminal complex and reduce the driving distances from 8,390 feet to 5,400 feet. FAA design criteria will require the road be constructed underground with a tunnel section for the portion that passes through the runway/taxiway object free area. The remaining road will be constructed at existing grade and cross under the new Taxiway B bridge.

The 2009 Project will be partially funded with proceeds from the Series 2009 A Bonds. **Table III-1** presents the cost of the 2009 Project:

Table III-1

2009 Project

	Total Costs
North Terminal Complex Conceptual Design	$15,825,000
Taxiway B Rehabilitation, Bridge and Service Road	39,251,000
Total 2009 Project	$55,076,000

Source: Hillsborough County Aviation Authority, May 2009
Prepared by: Ricondo & Associates, Inc., May 2009

3.3 Other Future Capital Projects

In 2005, the Authority completed an update to the Master Plan. Projects were identified to allow the Airport facilities to accommodate the passenger and aircraft forecast through 2020. Additionally, the Authority has developed and periodically updates a Business Plan in which capital projects are monitored to assess appropriate timing and funding sources. These projects are incorporated into the Authority's Capital Improvement Program (CIP) for FY 2010 through 2019.

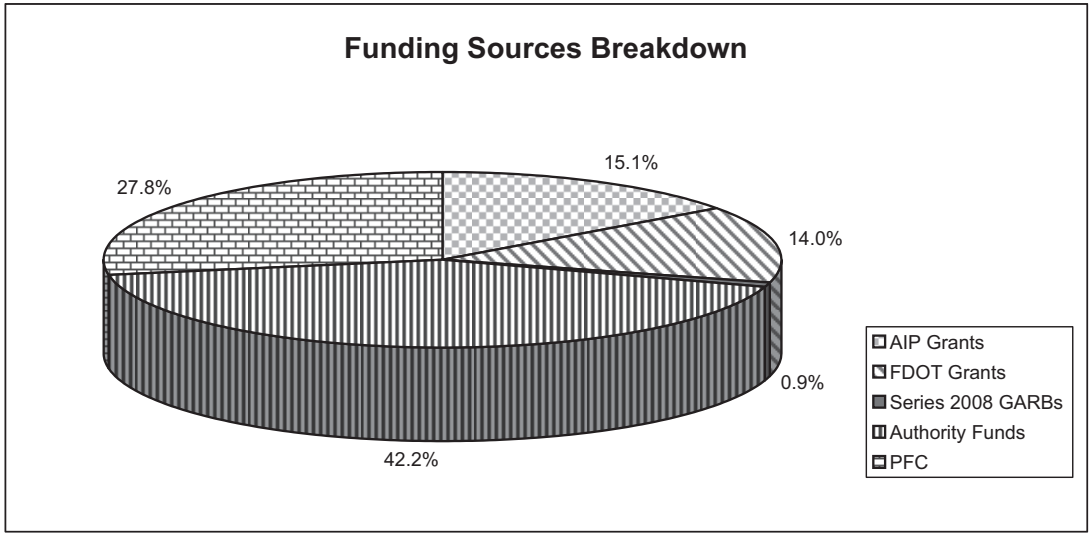
The Authority's CIP for FY 2010 through 2019, excluding the 2009 Project, is presented in **Table III-2.** This ten year program does not include any new capacity enhancement projects based on updated passenger and operation forecasts as the existing facilities will meet the projected demand. The $561.3 million CIP will refurbish and improve existing facilities and infrastructure and includes the following:

- Landside/Airside Building Refurbishment ($126.6 million). This category includes all necessary projects for the refurbishment and update of the existing terminal complex to maintain current service levels and acceptable appearance standards.
- Runway 18L/36R Pavement Replacement ($101.3 million). This runway was completely reconstructed in 1988. In 2019, the runway will approach its design life and will require replacement of the concrete 75 foot center section.
- Airfield Rehabilitation and ARFF Training Facilities ($120.3 million). Various airfield rehabilitation projects for the existing taxiway and runway system will be completed to extend the life of the airfield assets. The most notable projects are the pavement replacement for Taxiway A and the pavement rehabilitation for Taxiway C. In addition, the existing ARFF burn pit will be relocated to the east side of the airport.

Table III-2

Funding Sources for Other Capital Projects (FY 2010 - FY 2019) [1/]

		Funding Sources				
Project Category	Total Project Costs	AIP Grants	FDOT Grants	Series 2008 Bond Funds	Authority Funds	PFC Funds
Landside & Airside Building Refurbishments	$126,622,000	$4,592,300	$22,184,700	$5,000,000	$94,845,000	$0
Runway 18L/36R Pavement Replacement	101,320,100	30,000,000	9,882,900	0	3,000,000	58,437,200
Airfield Rehabilitation & ARFF Training Facilities	120,317,400	26,766,600	4,121,300	0	20,428,900	69,000,600
Monorail/Shuttle Replacements & Upgrades	77,796,900	5,611,800	20,173,800	0	23,509,300	28,502,000
General Aviation Improvements	69,028,500	7,871,800	13,167,000	0	47,989,700	0
Other Projects	66,221,800	9,997,700	8,863,200	0	47,360,900	0
Total Other Capital Projects	$561,306,700	$84,840,200	$78,392,900	$5,000,000	$237,133,800	$155,939,800



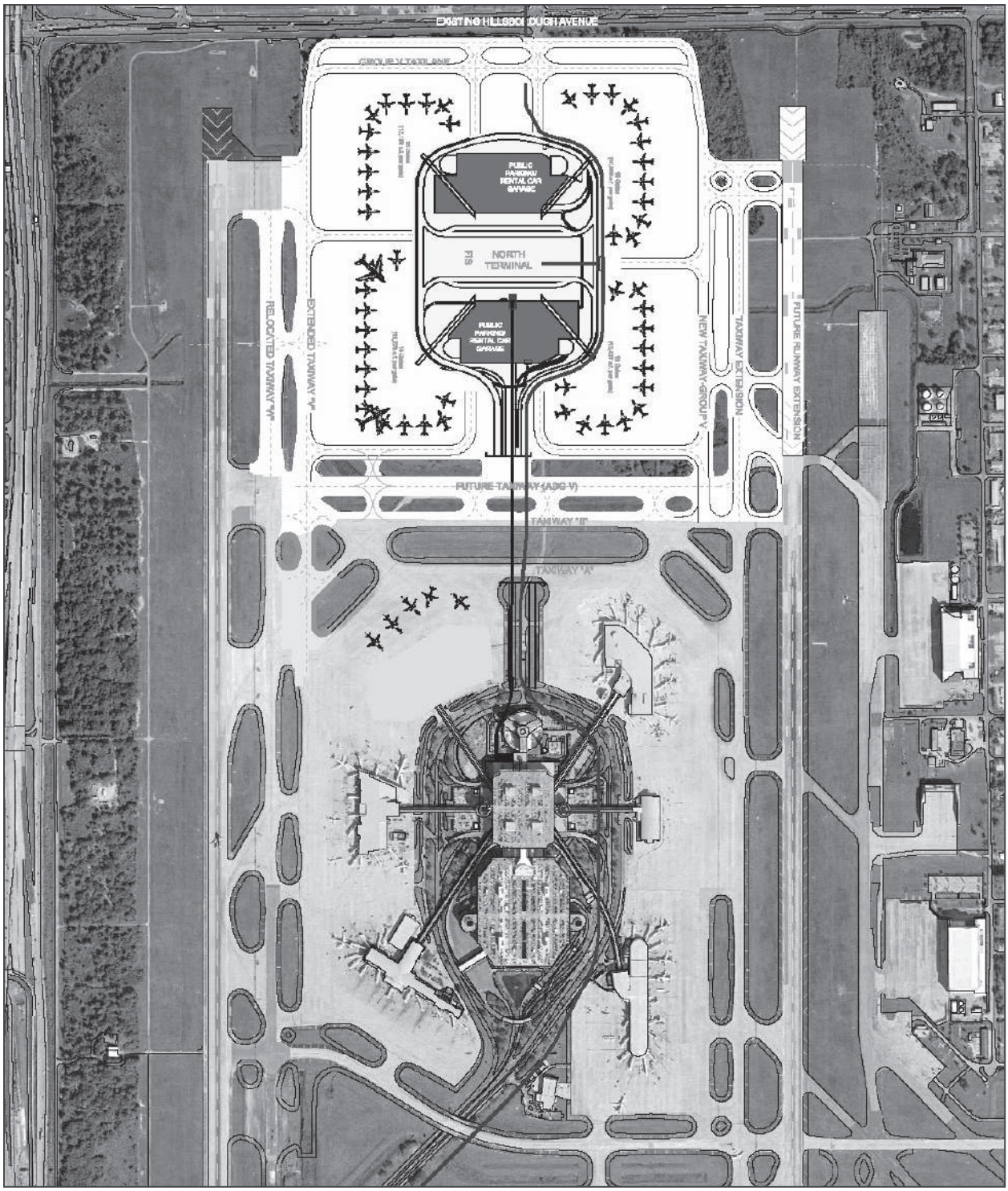
Note:
[1/] Does not include 2009 Project

Source: Hillsborough County Aviation Authority April 2009.
Prepared by: Ricondo & Associates, Inc. May 2009.

- Shuttle & Monorail Replacement/Upgrades ($77.8 million). Shuttle cars at Airside A and C will be replaced and the entire shuttle software system will be upgraded. The monorail system serving the long term parking garage to the landside terminal will be replaced in its entirety as well.
- General Aviation Airport Projects ($69.0 million). Projects at the three general aviation airports include both facility expansion to meet an expanding base of airport users and refurbishment projects to properly maintain and extend the life of existing facilities and airfield pavement.
- Other Projects ($66.2 million). Other projects include a wide variety of information technology system upgrades and replacement, refurbishment projects for public parking facilities and various other airport facilities not located in the terminal complex area and other miscellaneous projects.

3.4 Airport Facilities Exhibit

Exhibit III-1 presents a diagram of existing facilities at the Airport and the entire North Terminal Complex upon completion although the North Terminal Complex is not expected to be undertaken within the ten-year projection period of this report.



Source: Hillsborough County Aviation Authority, March 2008.
Prepared by: Ricondo & Associates, Inc., April 2009.

Exhibit III-1

Not to Scale

Existing Airport Facilities and Future North Terminal Complex

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IV. Financial Analysis

This chapter examines the financial structure of the Airport, cost and financial implications of the 2009 Project, O&M Expenditures and Non-Agreement Revenue projections, airline rates and charges projections, airline cost per enplaned passenger projections, application of Revenues, and the debt service coverage requirement.

4.1 Financial Structure

This section discusses Authority accounting practices, including the cost center structure utilized for airline rate-setting purposes, the requirements and provisions of the Trust Agreement, and a description of the existing Airline Agreement (defined in Section 4.1.3).

4.1.1 Authority Accounting

Expenditures and Revenues of the Authority are categorized into Cost and Revenue Centers or Cost Centers. Cost and Revenue Centers include those areas or functional activities of the Airport System used for the purposes of accounting for Revenues, O&M Expenditures, and Investment Service (defined in Section 4.2.3 and which generally includes debt service, debt service coverage and other components.) Cost Centers include those areas or functional activities of the Airport System used for the purposes of accounting for O&M Expenditures and Investment Service.

Cost and Revenue Centers under the Airline Agreement include, but are not necessarily limited to:

- **Airfield.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for the Airfield. The Airfield includes those portions of the Airport, excluding the terminal aircraft aprons and the cargo aircraft aprons, provided for the landing, taking off, and taxiing of aircraft, including without limitation, approach and turning zones, clear zones, aviation or other easements, runways, a fully integrated taxiway system, runway and taxiway lights, and other aeronautical related uses of the Airport.
- **Terminal Complex.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for the Terminal Building and all of the Airside Buildings, including all costs associated with the Passenger Transfer System. Subsets of the Terminal Complex Cost and Revenue Center will consist of the Terminal Building, the Airside Buildings and the Passenger Transfer System.
  - Terminal Building - Includes the passenger terminal building and the service building.
  - Airside Buildings - Includes the buildings at the Airport through which passenger aircraft are loaded or unloaded.
- Passenger Transfer System (PTS) - Includes the passenger transfer equipment and facilities, including the stations located in the Terminal Building and the Airside Buildings. **Commercial Landside.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for those areas on the Airport designated for public automobile parking, automobile rental agencies, taxi and limousine parking areas, the Airport hotel, and other non-aeronautical accommodations and services for the public.

- **Cargo.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for those areas of the Airport that are designated for the parking of cargo aircraft and support vehicles, and the loading and unloading of cargo aircraft at the Airport.
- **General Aviation.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for the general aviation facilities at the Airport.
- **Auxiliary Airports.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for all airports operated by the Authority, other than the Airport.
- **Other.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for aviation support facilities such as flight kitchens, maintenance hangars, ground support equipment buildings and reservation centers.
- **Land Bank.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for all land on the Airport that is not at the time useful for Airport purposes, but is expected to be needed in the future for Airport purposes. When land in the Land Bank Cost Center becomes useful for Airport purposes other than land bank, it will be transferred out of the Land Bank Cost and Revenue Center and into the appropriate Cost and Revenue Center.
- **Extraordinary Facilities.** Includes all Investment Service, all direct, indirect and general administrative O&M Expenditures, and Operating Revenues for other facilities (e.g. Airline club rooms).

Cost Centers under the Airline Agreement include, but are not necessarily limited to:

- **Roads and Grounds.** Includes all Investment Service and all direct, indirect and general administrative O&M Expenditures for all public roads on the Airport and the landscaping and facilities provided therefore. The Roads and Grounds Cost Center shall be allocated to the Cost and Revenue Centers based upon the following percentages: 5% to the Airfield Cost and Revenue Center, 35% to the Terminal Complex Cost and Revenue Center, 45% to the Commercial Landside Cost and Revenue Center, 5% to the Other Cost and Revenue Center, 5% to the Cargo Cost and Revenue Center, and 5% to the General Aviation Cost and Revenue Center.
- **Administrative.** Includes all Investment Service and all direct and indirect O&M Expenditures for all administrative functions of the Airport System. The Administrative Cost Center will be allocated to the Cost and Revenue Centers and Cost Centers based on their proportionate share of all other direct O&M Expenditures.

4.1.2 Trust Agreement

The Trust Agreement, which was adopted by the Authority on October 1, 1968, and has been supplemented, amended and codified from time to time, authorizes the Authority to issue Additional Bonds or other financing obligations to fund Airport projects including additions, extensions and improvements to the Airport System. The requirements of the Trust Agreement were utilized in the

preparation of this report. Several key provisions of the Trust Agreement including the Codified and Restated Trust Agreement adopted on September 1, 2006 (the Trust Agreement) are described in the following paragraphs:

4.1.2.1 Revenues

Revenues are defined to mean all rates, fees, rentals or other charges or income received by the Authority or accrued to the Authority from the Operation of the Airport System and Available PFC Revenues. "Revenues" do not include gifts, grants or any other moneys not derived from the operation of the Airport. In general, Available PFC Revenues are available only for the payment of debt service on PFC Bonds (currently the Series 2003 A Bonds and upon issuance, the Series 2009 A Bonds).

4.1.2.2 Additional Bonds

The Trust Agreement permits the Authority to issue Additional Bonds for the purpose of constructing or acquiring additions, extensions and improvements to the Airport System, upon compliance with the provisions of the Trust Agreement. For Additional Bonds, either of the following is required:

(x) A statement signed by the Executive Director or Senior Director of Finance of the Authority to the effect that the Authority's Revenues for the last Fiscal Year preceding the issuance of such Additional Bonds for which audited statements are available (provided that the last day of the latest audited Fiscal Year falls within the 24 month period immediately preceding the issuance of such Additional Bonds), were not less than the sum of (i) all amounts required to be deposited in the Operation and Maintenance Fund, the Reserve Fund, including in each case all accounts therein, and any funds required to be set aside for payment of subordinated indebtedness in such Fiscal Year, plus (ii) one hundred twenty-five percent (125%), of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of the Bonds of each Series then outstanding (including the Additional Bonds proposed to be issued but excluding those outstanding Bonds to be defeased by the issuance of such Additional Bonds); or

(y) A statement of the Airport Consultant that in his opinion, the Revenues to be derived from the Airport System during the Fiscal Year in which such Additional Bonds are issued and for each Fiscal Year thereafter through the Period of Review (defined below), taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less than the sum of (i) all amounts required to be deposited into the Operation and Maintenance Fund and the Reserve Fund, including in each case all accounts therein, and any funds required to be set aside for the payment of subordinated indebtedness during the Period of Review, plus (ii) one hundred twenty-five percent (125%) of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of the Bonds of each Series then outstanding (including the Additional Bonds proposed to be issued but excluding those outstanding Bonds to be defeased by the issuance of such Additional Bonds).

The "Period of Review" shall be that period beginning on the first day of the Fiscal Year of the Authority in which such Additional Bonds are issued and ending on the last day of the Fiscal Year during which either of the following two events shall occur: (i) the fifth anniversary of the date of issuance of such Additional Bonds or (ii) the third anniversary of the later to occur of the scheduled completion date of the project to be financed with proceeds of such Additional Bonds or the date on which capitalized interest with respect to such project has been exhausted, whichever date described in clause (i) or clause (ii) is later.

"Bond Service Requirement" means for a given Bond Year the remainder after subtracting any accrued and capitalized interest for that year that has been deposited into the Interest Account in the Sinking Fund or separate subaccounts in the Construction Fund for that purpose, from the sum of: (1) The amount required to pay the interest coming due on Bonds during that Bond Year; (2) The amount required to pay the principal of Serial Bonds in that Bond Year, and the principal of Term Bonds maturing in that Bond Year that are not included in the Sinking Fund Installments for such Term Bonds; (3) The Sinking Fund Installments for all series of Term Bonds for that Bond Year; and (4) The premium, if any, payable on all Bonds required to be redeemed in that Bond Year in satisfaction of the Sinking Fund Installment.

If Variable Rate Bonds are then Outstanding, the interest rate on such Bonds for purpose of determining the Bond Service Requirement shall be calculated pursuant to the provisions included in the definition of Debt Service Requirement.

"Maximum Bond Service Requirement" means, as of any particular date of calculation, the largest Bond Service Requirement for any remaining Bond Year, except that with respect to any Bonds for which Sinking Fund Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed from Sinking Fund Installments to be made in prior Bond Years.

4.1.2.3 Available PFC[1] Revenues

"Available PFC Revenues" means (i) with respect to the pledge and deposit requirements under the Trust Agreement, the actual net PFC Revenues collected by the Authority, after all deposit requirements under and with respect to Senior PFC Indentures and (ii) for any historical or projected twelve month period relating to compliance with the Additional Bonds parity test under the Trust Agreement or for the purposes of determining compliance with the Rate Covenant under the Trust Agreement, the actual net PFC Revenues collected or projected to be collected by the Authority during such period, less an amount equal to 100% of the Maximum Bond Service Requirement on the Senior PFC Indebtedness, if any, Outstanding at the time of such calculation. PFC Revenues may only be treated as Available PFC Revenues to the extent they are then included in the definition of Revenues and are pledged under the Trust Agreement. Available PFC Revenues are junior and subordinate to senior lien pledges of PFC Revenues made by the Authority subsequently to secure Senior PFC Indebtedness. The Authority may cause the Trustee to release its pledge of Available PFC Revenues at any time provided that before the lien is effectively released, the Authority shall have delivered to the Trustee (i) a certificate of the Authority that there are no PFC Bonds outstanding or (ii) (A) a report from the Airport Consultant that the Authority has been in compliance with the Rate Covenant set forth in the Trust Agreement for a period of 24 consecutive months out of the last 36 full calendar months preceding the date of the Report during which all then currently outstanding PFC Bonds have been outstanding, without taking into account any PFC Revenues in the calculation of Revenues and (B) evidence that the release will not, in and of itself, cause any of the

[1] "PFCs" or "Passenger Facility Charges" means the passenger facility charges authorized to be charged by the Authority pursuant to the Aviation Safety and Capacity Expansion Act of 1990 (the "PFC Act") and Part 158 of the Federal Aviation Regulations (14 CFR Part 158), and any other regulation issued with respect to the PFC Act, the imposition and use of which has been approved by the Federal Aviation Administration pursuant to the Records of Decision of the Federal Aviation Administration.

national rating agencies then maintaining ratings on the outstanding Bonds to reduce or withdraw their then current underlying or unenhanced ratings on such Bonds (including the Series 2009 A Bonds).

If Available PFC Revenues are included in determining compliance with the foregoing requirements, the following rules will apply:

i. The Airport Consultant may assume (a) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of such Series will be in effect for the entire forecast period, and (b) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at Tampa International Airport pursuant to such legislation prior to the date of the Airport Consultant's Report;

ii. The Airport Consultant, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three calendar years immediately preceding the year the report of the Airport Consultant is issued;

iii. Available PFC Revenues, so long as they are pledged as Revenues under the Trust Agreement, may be taken into account in determining compliance with the requirements of subparagraph (x) in paragraph 4.1.2.2, in an amount equal to the lesser of (1) the Available PFC Revenues reflected in the statement of the independent certified public accountant and (2) the lowest amount of Available PFC Revenues the Authority estimates, based on its then existing PFC Approvals, will be available during the Period of Review; and

iv. The amount of Available PFC Revenues included in determining compliance with the requirements of subparagraph (x) or (y) of paragraph 4.1.2.2 shall be limited to Available PFC Revenues in an amount not to exceed 125% of the Maximum Bond Service Requirement on the outstanding PFC Bonds, and the PFC Bonds, if any, proposed to be issued, or such lesser amount as may be required under the PFC Act, PFC Regulations and PFC Approvals as in effect from time to time.

4.1.2.4 Rate Covenant

The Authority will fix, revise from time to time when necessary, maintain and collect fees, rates, rentals and other charges for the use of the products, services and facilities of the Airport System, or concessions granted in connection therewith, that will always provide Revenues in each Fiscal Year that will be sufficient to pay, in accordance with provisions of the Trust Agreement, (i) all amounts required to be deposited in the Reserve Fund, the Operation and Maintenance Fund and the Operating Reserve Account in the Revenue Fund, including in each case all accounts therein, plus (ii) 125 percent of the Bond Service Requirement for such Fiscal Year.

For purposes of this requirement, moneys remaining in the Surplus Fund at the end of any Fiscal Year which the Authority elects to redeposit into the Revenue Fund in the following Fiscal Year may be considered as Revenues in the Fiscal Year in which they are, or are projected to be so redeposited; provided that without regard to the use of such funds, the Authority shall have collected, or shall be projected to collect, as the case may be, sufficient rates and charges under its Rate Covenant so that the actual or projected Revenues, as the case may be, for the Fiscal Year or years in question, were,

or are projected to be, at least sufficient to pay 100% of the yearly deposit requirements into the Operation and Maintenance Fund, the Sinking Fund, the Reserve Fund and subordinated indebtedness accounts, without regard to carry over amounts from the Surplus Fund.

4.1.2.5 Application of Revenues

Section V of the Trust Agreement creates certain funds and accounts and establishes the principal functions and uses of each fund and account. The requirements of the Trust Agreement and the rate-making methodology adhered to by the Authority were utilized to develop the estimated application of revenues included in these financial analyses. **Exhibit IV-1** presents the application of revenues as specified in the Trust Agreement.

4.1.3 Use and Lease Agreements

In 1998, the Authority completed negotiations with certain airlines serving the Airport for a new Airline-Airport Use and Lease Agreement (Airline Agreement). The Airline Agreement defines the operational and financial relationship between the Authority and the airlines executing the Airline Agreement (Signatory Airlines). Currently, the Authority has entered into Agreements with AirTran Airlines, Inc., American Airlines, Inc., Continental Air Lines, Inc., Delta Air Lines, Inc., Gulfstream International Airline, jetBlue, Northwest Airlines, Inc. Southwest Airlines, Inc., Spirit, United Air Lines, Inc., US Airways Inc., and Federal Express. This Airline Agreement had a seven-year term extending from October 1, 1999 through September 30, 2006 and was subsequently extended three years with a revised expiration date of September 30, 2009. The Airport and all Airlines except Northwest Airlines, Inc. [2], recently agreed to extend the Airline Agreement one year to September 20, 2010.

This Airline Agreement includes the following key elements:

- A compensatory landing fee rate for the Airfield Cost and Revenue Center using total landed weight as the divisor that recovers 90 percent of the total requirement of the Airfield Cost and Revenue Center.
- Compensatory terminal rental rates for the Terminal Building and Airside Buildings subsets of the Terminal Complex Cost and Revenue Center using their respective total rentable square feet as the divisor.
- A compensatory rate for the Passenger Transfer System Cost Center using Airside Buildings rentable square feet as the divisor.
- A debt service coverage rebate to the Signatory Airlines. The rebate is equivalent to the Airline's proportionate share of debt service coverage. In the first year of the Agreement (FY 2000), the rebate was a contribution by the Authority, from its own funds. In each subsequent year, the credit to Airline rates is equivalent to the prior year debt service coverage rebate.
- A revenue sharing equivalent to 20 percent of net remaining Revenues to the Signatory Airlines providing passenger service at the Airport.

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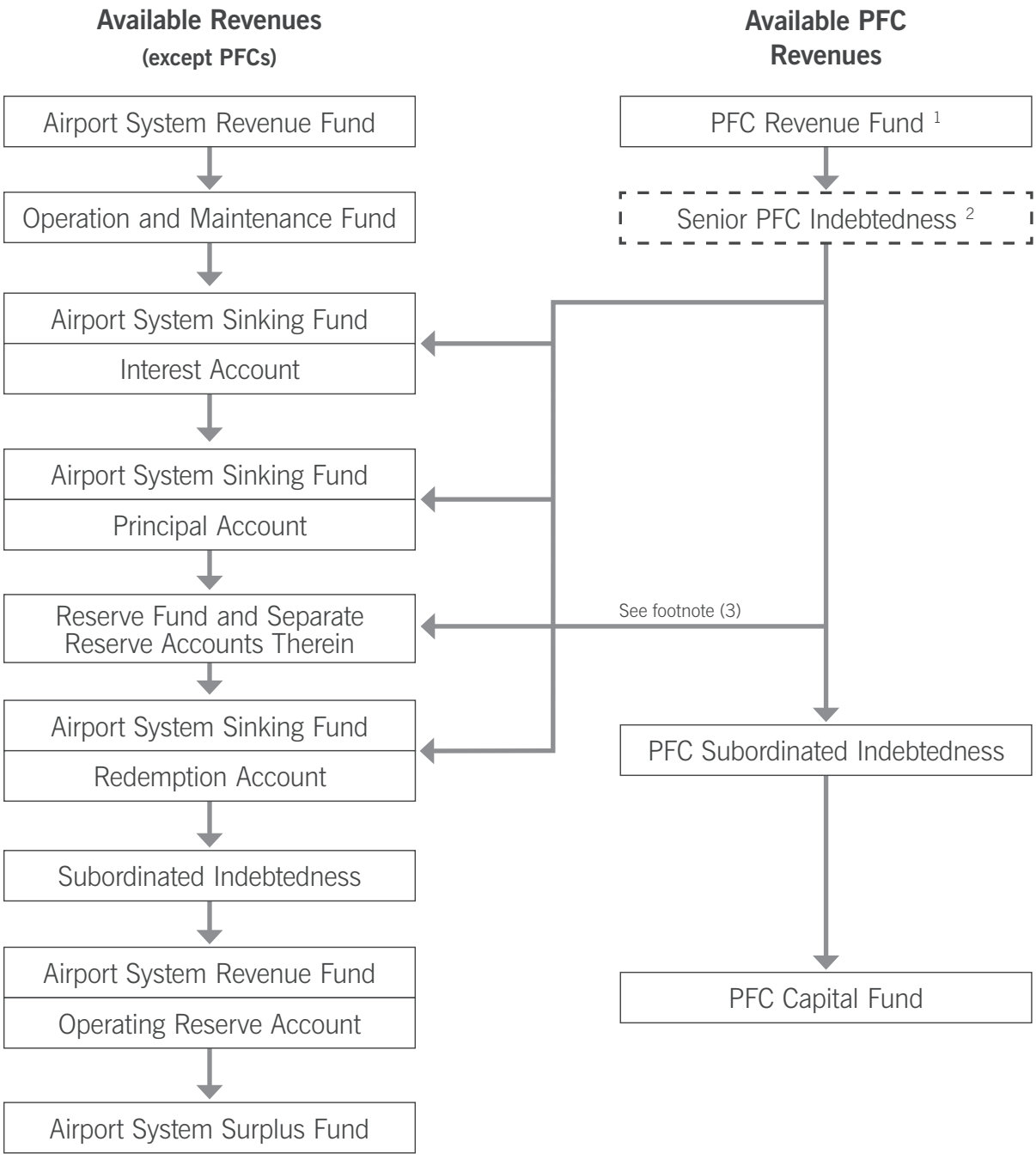
[2] On April 28, 2009, Northwest merged its operations with Delta Air Lines at the Airport and therefore, will not execute an extension of the Airline Agreement.



Notes:

1/ Available PFC Revenues are required to be deposited into the Interest Account, the Principal Account and the Redemption Account in an amount equal to, and not in excess of, the interest, principal and redemption payments then accrued with respect to the PFC Bonds.

2/ No such debt is presently outstanding.

3/ To the extent required to fund deficiencies in the separate Reserve accounts established in the Reserve Fund for a particular series of PFC Bonds.

Prepared by: Ricondo & Associates, Inc., May 2009.

Exhibit IV-1

Application of Revenues as Defined in Trust Agreement

- A provision that Airlines shall make payments in the rates for rentals, fees, and charges at the Airport in any fiscal year in which the amount of Revenues less O&M Expenditures and the O&M Reserve Requirement is projected to be less than 125 percent of the Debt Service requirement (Extraordinary Coverage Protection). Should Extraordinary Coverage Protection payments be made, the Authority will refund to the Airlines such payments made by each Airline as soon as uncommitted funds become available in the Surplus Fund.

4.2 Financing Plan

The Authority intends to finance the 2009 Project through a combination of AIP Grants, FDOT Grants and Series 2009 A Bonds proceeds. Other uses of the Series 2009 A Bonds proceeds will be funding a debt service reserve account and paying issuance costs. **Table IV-1** presents the estimated funding sources for the 2009 Project. As shown, the 2009 Project is anticipated to cost approximately $55.1 million, of which the Authority anticipates funding with approximately $8.0 million in AIP Grants, approximately $2.6 million in FDOT Grants and approximately $44.5 million of Series 2009 A Bonds proceeds. The resulting debt service is expected to be repaid with FDOT Grants and PFC revenues; and are described in more detail below:

4.2.1 FDOT Grants

FDOT Grants are funded from the State of Florida (the State) Transportation Trust Fund, which consists, in part, of funds collected through the State's aviation fuel tax. FDOT Grants supplement the AIP, providing a portion of the sponsor's matching share when federal funding is available and up to 80 percent of the overall project cost when it is not. Funding awarded via FDOT Grants are frequently distributed by the State over a multi-year period for grant-approved projects. A portion of the FDOT Grants that support the 2009 Project is expected to be distributed to the Authority over a multi-year period and therefore, the Authority will initially fund that portion of the project with Series 2009 A Bonds proceeds and will repay a portion of the resulting debt service with FDOT Grants as received. Should the FDOT Grants not be received, the Authority would seek additional PFC authority in the amount of any shortfall.

4.2.2 Status of PFC Application

The Authority is in the process of preparing a PFC application and intends to submit the PFC application in September 2009 that will seek PFC authority for a portion of the 2009 Project as described previously. The Authority discussed the eligibility of the projects to be included in the PFC Application with the FAA and the FAA has indicated the projects will be PFC eligible. After the Authority submits the PFC application to the FAA, the FAA will take up to 120 days to review the project at which time, it is anticipated the FAA will approve the PFC application.

4.2.3 Series 2009 A Bonds

Based on project costs developed by the Authority, the Financial Advisor developed the required bond issue size and debt service estimates based upon the following assumptions:

- Fixed-rate bonds are expected to be issued on or about July 1, 2009.
- The final maturity date of the Series 2009 A Bonds is October 1, 2018.
- The first interest payment is due October 1, 2009 and the first principal payment is due October 1, 2011.

Table IV-1

Funding Sources for the 2009 Project

Project Title	Total Project Cost	AIP Grant	FDOT Grant	Series 2009 A Bond Proceeds [1/]
North Terminal Complex Conceptual Design	$15,825,000		$2,613,200	$13,211,800
Taxiway B Rehabilitation, Bridge, and Service Road	$39,251,000	$8,000,000		$31,251,000
Total 2009 Project	$55,076,000	$8,000,000	$2,613,200	$44,462,800

Note:

1/ $8.0 million in principal is anticipated to be repaid with FDOT grants. The remaining debt service in anticipated to be paid with PFCs.

Sources: Hillsborough County Aviation Authority, May 2009

Prepared by: Ricondo & Associates, Inc., May 2009

- The average interest rate is estimated to be 4 percent for the Series 2009 A Bonds.
- The debt service reserve requirement will be funded from bond proceeds.
- Underwriter's spread and other issuance expenses are estimated at 1.75 percent of par value.
- The construction fund is net funded. The investment rate on the construction fund is assumed to be approximately one percent. These investment earnings are used to reduce the overall bond size.

4.2.4 Existing Debt Service, Debt Service on Series 2009 A Bonds and Other Debt Service

Table IV-2 presents the details of the Authority's outstanding debt service as well as the debt service on the Series 2009 A Bonds for FY 2009 through FY 2019 and projected Other Debt Service[3].

As presented in the table, the Authority intends to pay approximately $5.3, $5.1 and $3.4 million of the principal amounts of existing debt due in FY 2010, FY 2011 and FY 2012, respectively, from the proceeds of approximately $14 million of commercial paper. This will result in a decrease to the Authority's existing debt service (prior to the issuance of Series 2009 A Bonds) by approximately $5.6, $5.3 and $3.4 million in FY 2010, FY 2011 and FY 2012, respectively.

The Authority plans to repay the principal amount of the commercial paper in approximately equal amounts in FY 2016 and FY 2017. Table IV-2 presents Other Debt Service (i.e. principal and interest payments for the commercial paper) for FY 2010 through FY 2017.

The Authority's total debt service (including projected debt service on the Series 2009 A Bonds and the projected Other Debt Service) is projected to range from approximately $76 million to $84 million in FY 2010 through FY 2018, then decline to approximately $37 million in FY 2019. The decline in FY 2019 is attributable to the full repayment of certain series of bonds in FY 2018.

4.2.5 Investment Service

Investment Service with respect to any Fiscal Year is comprised of the sum of (1) debt service (exclusive of capitalized interest) and Other Debt Service payable by the Authority (not from bond proceeds) on Bonds in that Fiscal Year; plus (2) a return on Authority Investment made by Authority after September 30, 1999, with its own funds (Authority funds, not bond proceeds and not proceeds from insurance resulting from casualty damage to or destruction of improvements on the Airport System) for new capital improvements or additions on the Airport System equal to the total of the annual amortization of the amount of each item of Recognized Net Investment over 25 years in equal amounts of principal plus interest, with interest computed at the Authority's True Interest Cost on the declining principal balance (Return on Authority Investment or ROAI). For the first Fiscal Year (of acquisition or completion) only one-half of the annual amortization shall be recognized, and for the last Fiscal Year of recognition only one-half of the annual amortization shall be recognized; plus (3) 25 percent of the debt service payable on Revenue Bonds in that Fiscal Year (Coverage). The

[3] Other Debt Service is defined as any principal, interest, premium, and other fees and amounts, either paid or accrued, on Other Indebtedness of the Authority. Other Indebtedness is defined as any debt incurred by the Authority for Airport System purposes which is outstanding and not authenticated and delivered under and pursuant to the Trust Agreement, or any Subordinated Trust Agreement.

Table IV-2

Debt Service Summary

Fiscal Year	Estimated FY 2009	Projected FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Existing Debt Service:											
Series 1996B	$545,100	$545,100	$545,100	$545,100	$545,100	$545,100	$545,100	$3,400,100	$3,398,800	$3,397,300	$0
Series 1999A	3,038,831	3,039,300	3,039,750	0	0	0	0	0	0	0	0
Series 2001A	7,084,300	7,081,450	7,084,025	7,085,925	7,086,325	7,084,400	7,084,325	0	0	0	0
Series 2003A (PFC-supported GARBs) [1/]	22,398,288	22,395,838	22,396,638	22,398,588	22,399,588	22,398,588	22,395,388	22,400,213	22,398,750	22,397,200	0
Series 2003B	2,164,063	2,164,063	2,164,063	3,359,063	3,363,275	3,353,588	3,350,313	3,424,563	3,422,738	10,021,050	10,019,500
Series 2003C/D	13,326,513	13,329,425	13,336,825	13,327,375	13,335,825	13,335,025	13,322,450	13,331,075	13,336,863	13,335,988	13,332,438
Series 2005A/B	10,418,144	10,411,644	10,417,181	13,563,681	13,560,594	13,565,219	13,566,006	17,711,906	17,711,956	17,712,369	4,316,044
Series 2006A/B	1,777,738	1,774,138	2,765,338	2,761,538	6,365,938	7,969,938	7,976,438	505,688	505,688	505,688	505,688
Series 2008A/B	1,530,124	8,097,088	8,097,088	8,097,088	8,097,088	8,097,088	8,097,088	8,097,088	8,097,088	8,097,088	8,097,088
Series 2008C/D	10,383,938	10,268,338	9,129,338	5,871,088	2,175,288	724,488	724,488	724,488	724,488	724,488	724,488
Total Existing Bond Debt Service	$72,667,037	$79,106,382	$78,975,344	$77,009,444	$76,929,019	$77,073,431	$77,061,594	$69,595,119	$69,596,369	$76,191,169	$36,995,244
Series 2009A [1/ 2/]	$548,508	$2,350,750	$7,275,750	$7,274,500	$7,271,000	$7,274,750	$7,274,750	$7,275,500	$7,271,250	$7,276,500	$0
Less: Debt to be Paid with Subordinated Commercial Paper	$0	($5,592,300)	($5,271,750)	($3,357,000)	$0	$0	$0	$0	$0	$0	$0
Total Bond Debt Service	73,215,545	75,864,832	80,979,344	80,926,944	84,200,019	84,348,181	84,336,344	76,870,619	76,867,619	83,467,669	36,995,244
Other Debt Service (Commercial Paper) [3/]											
Principal	$0	$0	$0	$0	$0	$0	$0	$6,898,500	$6,898,500	$0	$0
Interest	0	243,220	343,200	439,980	551,880	551,880	551,880	425,408	149,468	0	0
Total Other Debt Service (Commercial Paper)	0	243,220	343,200	439,980	551,880	551,880	551,880	7,323,908	7,047,968	0	0
Total Debt Service	$73,215,545	$76,108,052	$81,322,544	$81,366,924	$84,751,899	$84,900,061	$84,888,224	$84,194,527	$83,915,587	$83,467,669	$36,995,244
Less: PFC Debt Service	$22,946,796	$24,746,588	$27,672,388	$27,673,088	$27,670,588	$27,673,338	$29,670,138	$29,675,713	$29,670,000	$29,673,700	$0
Less: FDOT Grant Debt Service [2/]	0	0	2,000,000	2,000,000	2,000,000	2,000,000	0	0	0	0	0
Less: Other Debt Service	0	243,220	343,200	439,980	551,880	551,880	551,880	7,323,908	7,047,968	0	0
Total GARB debt service to be paid from Airport Revenues	$50,268,749	$51,118,245	$51,306,956	$51,253,857	$54,529,431	$54,674,844	$54,666,206	$47,194,906	$47,197,619	$53,793,969	$36,995,244

Notes:

1/ Series 2003A and Series 2009A are PFC-supported GARBs which are expected to be repaid from PFCs; All other existing debt service is secured solely from Authority revenues.

2/ $8.0 million in principal is anticipated to be repaid with FDOT grants. The FDOT grants have not been pledged to pay debt service on the bonds. The remaining debt service is anticipated to be paid with PFCs.

3/ Reflects Authority's plan to pay approximately $5.3, $5.1 and $3.6 million of the principal amounts due in FY 2010, FY 2011 and FY 2012, respectively, from the proceeds of approximately $14 million of commercial paper. The Authority plans to repay such commercial paper in approximately equal amounts in FY 2016 and FY 2017. This will result in the Authority's overall debt service, including the repayment of the $14 million of commercial paper, being slightly lower than the current requirements from FY 2010 through FY 2012, and then approximately level from FY 2013 through FY 2018.

Source: Fullerton & Friar May 2009

Prepared by: Ricondo & Associates, Inc., May 2009

Authority's True Interest Cost will be equal to the index as of September 30th of the previous Fiscal Year provided by the Bond Buyer's 25 Bond Revenue Index. Investment Service will be reduced by the amount of any interest earnings on the Debt Service Reserve Fund.

The total Investment Service for the Authority each Fiscal Year, as calculated above, shall be allocated to the Cost Centers and Cost and Revenue Centers in proportion to the Recognized Net Investment at the end of the Fiscal Year in each Cost Center and Cost and Revenue Center.

Recognized Net Investment (RNI) is equal to the Authority's cost of an improvement or an acquisition made on or for the Airport System (including without limitation the cost of construction, testing, architects' and engineers' fees, consultants' fees, construction management fees, surveyance by the Authority engineer, condemnation, and brokers' fees), reduced by the amount of any Federal or state grant or PFCs received by Authority.

Table IV-3 presents estimated actual and future Investment Service for FY 2009 through FY 2019.

Table IV-3

Investment Service Summary

Fiscal Year	Estimated FY 2009	Projected FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Investment Service											
Total Bond Debt Service	$73,215,545	$75,864,832	$80,979,344	$80,926,944	$84,200,019	$84,348,181	$84,336,344	$76,870,619	$76,867,619	$83,467,669	$36,995,244
Less: PFC Debt Service	22,946,796	24,746,588	27,672,388	27,673,088	27,670,588	27,673,338	29,670,138	29,675,713	29,670,000	29,673,700	0
Less: FDOT Grant Debt Service [1/]	0	0	2,000,000	2,000,000	2,000,000	2,000,000	0	0	0	0	0
GARB Debt Service	$50,268,749	$51,118,245	$51,306,956	$51,253,857	$54,529,431	$54,674,844	$54,666,206	$47,194,906	$47,197,619	$53,793,969	$36,995,244
GARB Debt Service Coverage	12,567,187	12,779,561	12,826,739	12,813,464	13,632,358	13,668,711	13,666,552	11,798,727	11,799,405	13,448,492	9,248,811
ROAI	17,059,383	19,142,369	21,279,019	22,918,408	24,238,994	25,231,391	26,429,101	27,830,342	29,695,201	32,431,982	35,173,144
GARB Debt Service Reserve Fund Interest	(1,670,000)	(1,667,291)	(1,663,415)	(1,605,558)	(1,603,165)	(1,607,441)	(1,607,188)	(1,387,530)	(1,387,609)	(1,581,544)	(1,557,997)
Other Debt Service	0	243,220	343,200	439,980	551,880	551,880	551,880	7,323,908	7,047,968	0	0
Total Investment Service	$78,225,319	$81,616,104	$84,092,499	$85,820,150	$91,349,498	$92,519,385	$93,706,551	$92,760,352	$94,352,584	$98,092,899	$79,859,201
Percent of Recognized Net Investment											
Airfield	7.63%	7.33%	8.14%	8.11%	8.10%	8.06%	8.01%	7.97%	7.89%	7.72%	7.76%
Terminal Building	17.46%	17.59%	18.52%	18.74%	18.93%	19.05%	19.33%	19.44%	20.10%	19.99%	19.55%
Airside Buildings	11.56%	12.15%	12.39%	12.58%	12.67%	12.73%	12.83%	13.16%	13.23%	13.14%	13.11%
Commercial Landside	47.53%	45.15%	43.55%	43.13%	42.52%	42.22%	41.60%	41.13%	39.93%	39.18%	38.46%
Cargo	2.33%	4.49%	4.27%	4.20%	4.15%	4.13%	4.05%	3.99%	3.87%	3.74%	3.64%
Auxiliary Airports	4.56%	4.73%	4.89%	5.03%	5.56%	5.71%	6.23%	6.42%	6.46%	6.79%	7.67%
General Aviation	2.86%	2.82%	2.70%	2.66%	2.62%	2.67%	2.62%	2.58%	2.51%	2.43%	2.36%
Other	0.46%	0.50%	0.57%	0.61%	0.60%	0.61%	0.60%	0.60%	0.59%	0.58%	0.57%
Land Bank	0.14%	0.14%	0.13%	0.13%	0.13%	0.13%	0.13%	0.12%	0.16%	0.16%	0.15%
Passenger Transfer	3.69%	3.45%	3.28%	3.27%	3.22%	3.19%	3.15%	3.15%	3.86%	4.92%	5.41%
Extraordinary Facilities	1.77%	1.65%	1.57%	1.54%	1.51%	1.50%	1.47%	1.45%	1.40%	1.36%	1.32%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Investment Service											
Airfield	$5,965,988	$5,980,128	$6,842,771	$6,959,415	$7,396,184	$7,459,902	$7,502,805	$7,392,485	$7,442,201	$7,572,337	$6,199,285
Terminal Building	13,655,933	14,359,459	15,574,337	16,080,596	17,288,907	17,621,569	18,111,088	18,029,399	18,963,214	19,609,219	15,609,418
Airside Buildings	9,046,364	9,913,568	10,417,046	10,797,766	11,570,814	11,775,435	12,020,153	12,204,609	12,479,529	12,890,513	10,470,321
Commercial Landside	37,184,006	36,847,143	36,619,309	37,017,769	38,841,058	39,058,630	38,984,664	38,152,108	37,676,343	38,436,828	30,711,513
Cargo	1,824,878	3,662,731	3,594,667	3,605,439	3,787,293	3,823,155	3,792,239	3,703,428	3,651,580	3,671,722	2,908,859
Auxiliary Airports	3,570,583	3,860,400	4,108,242	4,314,134	5,079,993	5,281,611	5,834,548	5,952,680	6,097,971	6,659,322	6,121,588
General Aviation	2,235,338	2,305,055	2,268,262	2,279,334	2,392,461	2,470,642	2,451,268	2,394,659	2,367,092	2,380,509	1,888,642
Other	359,913	407,334	480,015	524,802	550,779	567,802	564,509	552,471	560,597	564,483	453,503
Land Bank	112,142	114,250	111,750	112,706	118,277	118,890	118,106	115,657	152,496	153,333	121,414
Passenger Transfer	2,883,140	2,818,579	2,759,709	2,808,833	2,942,437	2,955,471	2,952,688	2,921,014	3,639,284	4,825,398	4,324,308
Extraordinary Facilities	1,387,034	1,347,457	1,316,391	1,319,356	1,381,295	1,386,277	1,374,484	1,341,841	1,322,276	1,329,235	1,050,351
Total Investment Service	$78,225,319	$81,616,104	$84,092,499	$85,820,150	$91,349,498	$92,519,385	$93,706,551	$92,760,352	$94,352,584	$98,092,899	$79,859,201

Note:
1/ FDOT Grants are not part of pledged Revenues

Sources: Hillsborough County Aviation Authority May 2009
Prepared by: Ricondo & Associates, Inc., May 2009

4.3 Operation and Maintenance Expenses and Expenditures

Operation and Maintenance (O&M or Operating) Expenses at the Airport are budgeted by department and cost center. O&M Expenses for each of these areas are summarized into one of four expense categories, including personnel, operating, supplies and materials, and utilities & insurance. These expenses are the basis for rate-setting purposes.

Historical Operating Expenses and the resulting Operating Expenses per Passenger are presented in **Table IV-4**.

Table IV-4

Historical O&M Expenses

Fiscal Year Ended	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Compounded Annual Growth Rate
Total Operating Expenses ($000)	$64,503	$71,582	$80,542	$87,403	$89,983	8.7%
O&M Expenses Annual Growth Rate		11.0%	12.4%	8.5%	3.0%	
Enplaned Passengers (000)	8,466	9,469	9,392	9,628	9,351	2.5%
Enplaned Passengers Annual Growth Rate		11.8%	-1.0%	2.5%	-2.9%	
Operating Expenses per Passenger	$7.62	$7.56	$8.58	$9.08	$9.62	6.0%

Source: Hillsborough County Aviation Authority, April 2009
Prepared by: Ricondo & Associates, Inc., April 2009

Historically, the Authority's Operating Expenses for the Airport increased from $64.5 million in FY 2004, to $90.0 million in FY 2008, a compounded annual growth rate of 8.7 percent. Operating Expenses increased at higher growth rates in FY 2005 through FY 2007 than typically experienced by the Authority. A portion of the historical increase in Operating Expenses in those three years can be attributed to implementation of certain capital improvements and other nonrecurring events:

- **FY 2005**. Increases were partially attributable to a full year operation of the entire outbound baggage system, (approximately $1.5 million), a partial year operation of Airside C (approximately $1.2 million), increases in roads and grounds due to increased security and patrol charges to this cost center and overall increases in maintenance expenses due to increases in passenger activity.
- **FY 2006.** Increases were partially attributable to electric rate increases of over 10 percent along with a full year operation of Airside C resulted in an overall increase in electricity costs (approximately $1.2 million). Property insurance increased significantly over the prior fiscal year (approximately $0.7 million). The full year operation of Airside C and the partial year expenses associated with the opening of the economy garage also contributed to increased operating expenses.

- **FY 2007**. Increases were partially attributable to a full year operation of the economy garage, a rate increase in electricity, and increases in insurance premiums.

Table IV-5 presents actual, estimated and projected O&M Expenses for FY 2008 through FY 2019. Total O&M Expenses, including TSA Reimbursed O&M Expenses, for FY 2008 were approximately $90.0 million. Total O&M Expenses are estimated to increase to $92.6 million in FY 2009, a $2.6 million or a 2.9 percent increase.

The Authority is in the process of preparing the FY 2010 budget and intends to hold FY 2010 expenses as close to FY 2009 levels as possible. There is one new CIP-related O&M increase anticipated to impact FY 2010 O&M Expenses.

- Cargo Roadways - Additional O&M Expenses resulting from the Cargo Roadways are expected to total approximately $210,000 by FY 2010.

Other than the aforementioned CIP-related O&M expense, FY 2010 expenses are expected to remain relatively flat, increasing only approximately $65,000 over estimated FY 2009 O&M Expenses.

O&M Expenses for FY 2011 through FY 2019 are expected to increase due to inflationary and operational impacts.

CIP-related and inflationary impacts for FY 2009 through FY 2019 resulted in the following compounded annual growth rates for each of the following expenses:

- Personnel O&M Expenses are projected to increase from $41.8 million in FY 2009 to $69.8 million in FY 2019, a compounded annual growth rate of 5.3 percent.
- Operating O&M Expenses are projected to increase from $30.2 million in FY 2009 to $45.5 million in FY 2019, a compounded annual growth rate of 4.2 percent.
- Supplies and Materials O&M Expenses are projected to increase from $2.8 million in FY 2009 to $3.5 million in FY 2019, a compounded annual growth rate of 2.2 percent.
- Utilities & Insurance O&M Expenses are projected to increase from $17.7 million in FY 2009 to $27.8 million in FY 2019, a compounded annual growth rate of 4.6 percent.

Total O&M Expenses are projected to increase from $92.6 million to $146.6 million, a compounded annual growth rate of 4.7 percent, from FY 2009 through FY 2019.

The Transportation Security Administration (TSA), established by the Federal government after the terrorist attacks of September 11, 2001, has provided various relief mechanisms to assist U.S. airports in the payment of added security costs. The Authority has received grants to offset certain security expenses. All grants received from the TSA are used to offset operating expenses. The portion of the projected TSA grants presented on Table IV-5 reflect anticipated reimbursement for certain expenses in the amount of approximately $1.7 million in 2009, at a compounded annual growth rate of 3.0 percent.

O&M Expenditures includes O&M Expenses and equipment expenditures. Equipment expenditures in FY 2008 were approximately $1.1 million and are budgeted to increase to approximately $1.3 million in FY 2009. Equipment expenditures are projected to increase at a compounded annual growth rate of 5.0 percent from FY 2009 to an estimated level of $2.1 million in FY 2019.

Table IV-5

O&M Expenses, Expenditures and Reserve Requirement

	Actual	Estimated	Projected									
Fiscal Year	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Total Net Operating Expenses [1/]												
Airfield	$8,481,139	$9,097,354	$9,153,488	$9,609,285	$10,088,572	$10,592,591	$11,122,654	$11,680,141	$12,266,510	$12,883,295	$13,532,116	$14,214,678
Terminal Building	28,278,974	29,219,238	29,128,062	30,717,695	32,395,996	34,167,988	36,038,985	38,014,603	40,100,783	42,303,805	44,630,312	47,087,327
Airside Buildings	20,136,931	21,282,809	21,617,958	22,779,399	24,003,898	25,294,917	26,656,109	28,091,328	29,604,646	31,200,359	32,883,001	34,657,361
Commercial Landside	22,639,137	22,892,280	22,710,900	23,847,385	25,041,825	26,297,229	27,616,762	29,003,756	30,461,722	31,994,354	33,605,542	35,299,382
Cargo	903,566	925,823	864,958	914,193	966,254	1,021,302	1,079,512	1,141,065	1,206,156	1,274,989	1,347,780	1,424,760
Auxiliary Airports	1,418,040	1,356,427	1,357,305	1,426,348	1,499,066	1,575,661	1,656,346	1,741,345	1,830,897	1,925,251	2,024,673	2,129,441
General Aviation	1,190,696	1,164,195	1,097,243	1,161,702	1,229,980	1,302,307	1,378,924	1,460,086	1,546,064	1,637,147	1,733,638	1,835,861
Other	1,094,277	1,028,831	969,090	1,020,011	1,073,716	1,130,361	1,190,110	1,253,137	1,319,626	1,389,771	1,463,778	1,541,864
Passenger Transfer	3,748,352	3,605,694	3,685,373	3,859,929	4,042,810	4,234,415	4,435,163	4,645,494	4,865,867	5,096,765	5,338,695	5,592,186
Land Bank	526,345	305,049	307,705	325,605	344,563	364,642	385,908	408,434	432,293	457,565	484,336	512,694
Total Net Operating Expenses	$88,417,459	$90,877,700	$90,892,083	$95,661,553	$100,686,681	$105,981,414	$111,560,471	$117,439,389	$123,634,564	$130,163,302	$137,043,871	$144,295,556
TSA Reimbursed O&M Expenses	$1,545,627	$1,681,400	$1,731,842	$1,783,797	$1,837,311	$1,892,431	$1,949,203	$2,007,680	$2,067,910	$2,129,947	$2,193,846	$2,259,661
Total Operating Expenses	$89,963,086	$92,559,100	$92,623,925	$97,445,350	$102,523,992	$107,873,844	$113,509,675	$119,447,069	$125,702,474	$132,293,249	$139,237,717	$146,555,217
Total Net Operating Expenditures [1/2/]												
Airfield	$8,593,887	$9,293,803	$9,359,759	$9,825,870	$10,315,986	$10,831,376	$11,373,378	$11,943,402	$12,542,933	$13,173,540	$13,836,872	$14,534,673
Terminal Building	28,560,091	29,547,318	29,472,546	31,079,404	32,775,790	34,566,772	36,457,708	38,454,262	40,562,425	42,788,529	45,139,272	47,621,735
Airside Buildings	20,479,448	21,563,146	21,912,312	23,088,471	24,328,423	25,635,669	27,013,897	28,467,007	29,999,109	31,614,544	33,317,896	35,114,000
Commercial Landside	22,848,684	23,150,042	22,981,551	24,131,568	25,340,217	26,610,540	27,945,739	29,349,182	30,824,419	32,375,186	34,005,415	35,719,249
Cargo	921,802	948,724	889,004	939,442	992,764	1,049,139	1,108,740	1,171,755	1,238,380	1,308,824	1,383,307	1,462,063
Auxiliary Airports	1,520,342	1,456,089	1,461,950	1,536,225	1,614,437	1,696,801	1,783,542	1,874,902	1,971,131	2,072,497	2,179,281	2,291,780
General Aviation	1,227,405	1,208,627	1,143,897	1,210,688	1,281,416	1,356,315	1,435,631	1,519,629	1,608,584	1,702,793	1,802,567	1,908,236
Other	1,105,857	1,043,936	984,950	1,036,665	1,091,202	1,148,721	1,209,388	1,273,379	1,340,880	1,412,088	1,487,211	1,566,469
Passenger Transfer	3,764,109	3,625,638	3,706,314	3,881,917	4,065,897	4,258,657	4,460,617	4,672,220	4,893,930	5,126,232	5,369,635	5,624,673
Land Bank	531,242	312,077	315,084	333,353	352,699	373,184	394,878	417,852	442,182	467,949	495,239	524,142
Total Net Operating Expenditures	$89,552,867	$92,149,400	$92,227,368	$97,063,602	$102,158,832	$107,527,173	$113,183,519	$119,143,589	$125,423,973	$132,042,182	$139,016,696	$146,367,021
TSA Reimbursed O&M Expenses	1,545,627	1,681,400	1,731,842	1,783,797	1,837,311	1,892,431	1,949,203	2,007,680	2,067,910	2,129,947	2,193,846	2,259,661
Total Operating Expenditures	$91,098,494	$93,830,800	$93,959,210	$98,847,399	$103,996,143	$109,419,603	$115,132,722	$121,151,268	$127,491,883	$134,172,129	$141,210,541	$148,626,682
O&M Reserve Requirement												
Airfield	$49,294	$43,358	$10,993	$77,685	$81,686	$85,898	$90,334	$95,004	$99,922	$105,101	$110,555	$116,300
Terminal Building	373,040	32,018	(12,462)	267,810	282,731	298,497	315,156	332,759	351,360	371,017	391,790	413,744
Airside Buildings	167,276	(37,855)	58,194	196,026	206,659	217,874	229,705	242,185	255,350	269,239	283,892	299,351
Commercial Landside	81,292	9,626	(28,082)	191,670	201,442	211,721	222,533	233,907	245,873	258,461	271,705	285,639
Cargo	(1,672)	(2,393)	(9,953)	8,406	8,887	9,396	9,934	10,502	11,104	11,741	12,414	13,126
Auxiliary Airports	18,892	10,008	977	12,379	13,035	13,727	14,457	15,227	16,038	16,894	17,797	18,750
General Aviation	5,671	(7,117)	(10,788)	11,132	11,788	12,483	13,219	14,000	14,826	15,701	16,629	17,612
Other	41,603	(18,926)	(9,831)	8,619	9,090	9,586	10,111	10,665	11,250	11,868	12,521	13,210
Passenger Transfer	27,449	(40,012)	13,446	29,267	30,663	32,127	33,660	35,267	36,952	38,717	40,567	42,506
Land Bank	(9,162)	(40,058)	501	3,045	3,224	3,414	3,616	3,829	4,055	4,295	4,548	4,817
Total O&M Reserve Requirement	$753,683	($51,350)	$12,995	$806,039	$849,205	$894,723	$942,724	$993,345	$1,046,731	$1,103,035	$1,162,419	$1,225,054

Notes:
1/ Net of TSA reimbursement for certain annual expenses
2/ Operating Expenditures includes Equipment and Renewal and Replacement

Sources: Hillsborough County Aviation Authority (FY 2008, FY 2009, FY 2010) April 2009; Ricondo & Associates, Inc. (FY 2011 - FY 2019) April 2009
Prepared by: Ricondo & Associates, Inc., April 2009.

4.4 Non-Agreement Revenues

Non-Agreement Revenues include all revenues generated for the Airport except for those revenues generated from the Airline Agreement. Historical Non-Agreement Revenues increased from $96.7 million in FY 2004 to $127.1 million in FY 2008, representing a compounded annual growth rate of 7.1 percent, and are presented in **Table IV-6**.

Table IV-6

Historical Non-Agreement Revenues (Excluding Interest Income)

Fiscal Year Ended	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Compounded Annual Growth Rate
Total Non-Agreement Revenues ($000)	$96,680	$108,165	$115,984	$126,421	$127,064	7.1%
Non-Agreement Revenues Annual Growth Rate		11.9%	7.2%	9.0%	1.0%	
Enplaned Passengers (000)	8,466	9,469	9,392	9,628	9,350	2.5%
Enplaned Passenger Annual Growth Rate		11.8%	-1.0%	2.5%	-2.9%	
Non-Agreement Revenue per Passenger	$11.42	$11.42	$12.35	$13.13	$13.59	4.4%

Source: Hillsborough County Aviation Authority April 2009
Prepared by: Ricondo & Associates, Inc. April 2009

Table IV-7 presents Non-Agreement Revenues for FY 2008 through FY 2019. Total Non-Agreement Revenues (including interest income) are estimated to decrease from $132.5 million in FY 2008, to approximately $122.1 million in FY 2009, a decrease of $10.4 million. This decrease can be primarily attributed to the decrease in passenger activity from FY 2008 to FY 2009. Total Non-Agreement Revenues (including interest income) are projected to increase to approximately $181.3 million in FY 2019, a compounded annual growth rate of approximately 4.0 percent.

4.4.1.1 TSA Reimbursements

As described in a previous paragraph, TSA is providing funding to reimburse U.S. airports for a portion of added security expenses resulting from the events of September 11, 2001 and those revenues are included in Non-Agreement Revenues. A portion of these revenues is allocated to Airline cost and revenue centers resulting in a slight decrease to the O&M Expenses included in the rates and charges calculations. TSA Reimbursements in FY 2009 totaled approximately $1.7 million.

4.4.2 Revenue Impacts of Capital Projects

None of the projects included in the CIP are expected to generate additional Non-Agreement Revenues within the projection period.

4.4.3 Airfield

Airfield Non-Agreement Revenues include non-signatory landing fees, fuel flowage fees and rentals and totaled approximately $821,000 in FY 2008.

Table IV-7 (1 of 2)

Non-Agreement Revenues

Fiscal Year	Actual FY 2008	Estimated FY 2009	Projected FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Airfield												
Nonsignatory Airline Passenger landing fees	$523,955	$570,812	$572,593	$624,643	$647,425	$683,098	$705,857	$728,893	$747,324	$772,894	$802,694	$823,564
Nonsignatory Cargo landing fees	128,613	138,800	138,900	151,800	157,900	166,300	172,000	177,700	182,500	188,600	195,400	200,480
Other airfield concessions	122,743	128,000	131,328	134,743	138,246	141,840	145,528	149,312	153,194	157,177	161,264	165,456
Other revenues	46,116	35,000	35,686	36,533	37,490	38,510	39,644	40,795	41,983	43,259	44,589	45,925
Total Airfield	$821,428	$872,612	$878,506	$947,719	$981,060	$1,029,748	$1,063,029	$1,096,700	$1,125,001	$1,161,930	$1,203,947	$1,235,426
Terminal												
Space Rental - Non-Agreement	$909,701	$ 808,700	$ 829,726	$ 851,299	$ 873,433	$ 896,142	$ 919,442	$ 943,347	$ 967,874	$ 993,039	$ 1,018,858	$ 1,045,348
Non-Airline Space Rental	73,053	74,400	76,334	78,319	80,355	82,445	84,588	86,787	89,044	91,359	93,734	96,172
Food & Beverage	9,528,348	9,268,035	10,127,057	10,502,260	10,917,436	11,360,278	11,846,927	12,349,387	12,874,082	13,438,024	14,031,196	14,639,399
General Merchandise Concessions	5,524,347	5,223,717	5,680,654	5,891,120	6,124,008	6,372,415	6,645,395	6,927,244	7,221,566	7,537,902	7,870,635	8,211,800
Duty Free Concessions	195,943	196,180	216,071	224,077	232,935	242,383	252,767	263,487	274,682	286,714	299,370	312,347
Car Rental Concessions	1,048,500	941,634	1,115,212	1,129,709	1,144,396	1,159,273	1,174,343	1,189,610	1,205,075	1,220,741	1,236,610	1,252,686
Advertising Concessions	792,351	656,000	663,872	671,838	679,901	688,059	696,316	704,672	713,128	721,685	730,346	739,110
Reimbursables	1,137,165	1,224,300	1,240,216	1,256,339	1,272,671	1,289,216	1,305,976	1,322,953	1,340,152	1,357,574	1,375,222	1,393,100
Other Concessions & Extraordinary Service Charges	370,963	464,476	509,717	522,969	536,567	550,517	564,831	579,516	594,584	610,043	625,904	642,178
Towing Fees	193,688	0	0	0	0	0	0	0	0	0	0	0
TSA Utility Reimbursement	199,213	362,800	380,940	399,987	419,986	440,986	463,035	486,187	510,496	536,021	562,822	590,963
TSA Canine Reimbursement	0	90,500	90,500	90,500	90,500	90,500	90,500	90,500	90,500	90,500	90,500	90,500
Total Terminal	$19,973,272	$19,310,742	$20,930,299	$21,618,418	$22,372,188	$23,172,214	$24,044,119	$24,943,692	$25,881,183	$26,883,602	$27,935,197	$29,013,602
Airside												
Other Concessions	$86,400	$86,400	$88,646	$90,951	$93,316	$95,742	$98,231	$100,785	$103,406	$106,094	$108,853	$111,683
Hardstands	48,950	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Authority Gates	1,052,330	810,800	831,881	853,510	875,701	898,469	921,829	945,797	970,388	995,618	1,021,504	1,048,063
FIS	139,988	220,000	223,137	227,153	232,299	239,201	246,480	253,885	261,415	269,070	276,977	285,009
Airside Other Rentals	87,011	94,500	96,957	99,478	102,064	104,718	107,441	110,234	113,100	116,041	119,058	122,153
Reimbursables & Miscellaneous	396,295	402,700	407,935	413,238	418,610	424,052	429,565	435,149	440,806	446,537	452,342	464,103
TSA Security Reimbursement - Canine	0	47,600	47,600	47,600	47,600	47,600	47,600	47,600	47,600	47,600	47,600	48,838
TSA Security Reimbursement - Security Checkpoint	983,709	814,600	814,600	814,600	814,600	814,600	814,600	814,600	814,600	814,600	814,600	814,600
TSA Space Rental	0	79,300	81,362	83,477	85,648	87,874	90,159	92,503	94,908	97,376	99,908	102,505
TSA Utility Reimbursement	16,832	18,600	19,530	20,507	21,532	22,608	23,739	24,926	26,172	27,481	28,855	30,297
Total Airside Buildings	$3,096,881	$2,899,900	$2,937,049	$2,975,914	$3,016,770	$3,060,266	$3,105,045	$3,150,880	$3,197,795	$3,245,817	$3,295,095	$3,352,651
Commercial Landside												
Hotel - Motel Concessions	$1,573,367	$1,550,000	$1,590,300	$1,631,648	$1,674,071	$1,717,596	$1,762,254	$1,808,073	$1,855,082	$1,903,315	$1,952,801	$2,003,574
Car Rentals Concessions	29,405,227	28,557,513	28,059,500	29,587,430	31,273,242	33,087,882	35,084,356	37,186,131	39,416,644	41,833,725	44,413,356	47,116,166
Parking	58,648,409	52,000,000	53,018,757	56,928,412	58,419,456	60,008,994	61,776,553	66,659,078	68,599,465	70,685,511	72,858,501	78,684,054
Reimburseables and Miscellaneous	850	800	810	821	832	842	853	864	876	887	899	910
Other Concessions	1,312,261	1,227,900	1,259,825	1,292,581	1,326,188	1,360,669	1,396,046	1,432,343	1,469,584	1,507,794	1,546,996	1,587,218
Cargo Complex	12,050	10,000	10,260	10,527	10,800	11,081	11,369	11,665	11,968	12,279	12,599	12,926
TSA Security Reimbursement - Canine	18,446	19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100	19,100
Total Commercial Landside	$90,970,611	$83,365,313	$83,958,553	$89,470,518	$92,723,688	$96,206,165	$100,050,532	$107,117,254	$111,372,720	$115,962,611	$120,804,252	$129,423,949

Table IV-7 (2 of 2)

Non-Agreement Revenues

Fiscal Year	Actual FY 2008	Estimated FY 2009	Projected FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Auxiliary Airports												
FBO Concessions	$879,975	$915,100	$926,996	$939,047	$951,255	$963,621	$976,148	$988,838	$1,001,693	$1,014,715	$1,027,906	$1,041,269
Other	77,305	62,600	64,228	65,898	67,611	69,369	71,172	73,023	74,921	76,869	78,868	80,919
Fuel Flowage Fees	32,722	36,000	36,600	37,344	38,258	39,166	40,221	41,265	42,386	43,481	44,740	46,184
Total Auxiliary Airports	$990,001	$1,013,700	$1,027,824	$1,042,289	$1,057,124	$1,072,156	$1,087,542	$1,103,126	$1,119,001	$1,135,066	$1,151,514	$1,168,372
General Aviation												
Tampa International:												
Fuel Flowage Fees	$247,022	$264,000	$268,400	$273,856	$280,560	$287,218	$294,955	$302,608	$310,833	$318,864	$328,093	$338,686
FBO Concessions	1,256,995	1,078,417	1,226,743	1,242,691	1,258,846	1,275,211	1,291,788	1,308,582	1,325,593	1,342,826	1,360,283	1,377,966
TSA Security Reimbursement - Canine	9,223	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Total Tampa International	$1,513,239	$1,351,917	$1,504,643	$1,526,047	$1,548,905	$1,571,928	$1,596,244	$1,620,689	$1,645,926	$1,671,190	$1,697,876	$1,726,152
Cargo												
Cargo Ramp	$121,305	$75,000	$70,136	$70,957	$71,797	$72,549	$73,488	$74,247	$75,008	$75,680	$76,355	$76,727
Cargo Complex	1,929,257	1,966,000	1,978,779	1,991,641	2,004,587	2,017,617	2,030,731	2,043,931	2,057,216	2,070,588	2,084,047	2,097,593
TSA Security Reimbursement - Canine	32,281	33,300	33,300	33,300	33,300	33,300	33,300	33,300	33,300	33,300	33,300	33,300
Total Cargo	$2,082,843	$2,074,300	$2,082,215	$2,095,898	$2,109,684	$2,123,466	$2,137,519	$2,151,478	$2,165,525	$2,179,569	$2,193,702	$2,207,621
Other												
Non-airline space rental	$355	$400	$410	$421	$432	$443	$455	$467	$479	$491	$504	$517
Reimbursables and Miscellaneous	56,638	58,151	71,720	72,653	73,597	74,554	75,523	76,505	77,500	78,507	79,528	80,562
Extraordinary Service Charges - Club Rooms	285,366	285,400	285,400	285,400	285,400	285,400	285,400	285,400	285,400	285,400	285,400	285,400
Other Airfield Concessions	17,746	12,000	12,312	12,632	12,961	13,298	13,643	13,998	14,362	14,735	15,118	15,512
Other Revenues	38,579	39,600	40,630	41,686	42,770	43,882	45,023	46,193	47,394	48,627	49,891	51,188
Flight Kitchen Concessions	556,239	577,000	577,000	577,000	577,000	577,000	577,000	577,000	577,000	577,000	577,000	577,000
Maint. Hangars, Reserv Ctr., Fuel Farm	1,437,544	1,593,400	1,593,400	1,593,400	1,593,400	1,593,400	1,593,400	1,593,400	1,593,400	1,593,400	1,593,400	1,593,400
Building Area Rentals	5,215,676	5,844,700	5,455,681	5,526,605	5,598,451	5,671,231	5,744,957	5,819,641	5,895,296	5,971,935	6,049,570	6,128,215
Total Other	$7,608,143	$8,410,651	$8,036,554	$8,109,797	$8,184,010	$8,259,207	$8,335,401	$8,412,604	$8,490,831	$8,570,096	$8,650,411	$8,731,793
Total Non-Agreement Revenues Excluding Interest	$127,056,419	$119,299,135	$121,355,642	$127,786,600	$131,993,429	$136,495,149	$141,419,430	$149,596,422	$154,997,981	$160,809,880	$166,931,995	$176,859,566
Interest Income	$5,446,095	$2,810,000	$3,169,330	$3,257,908	$3,267,616	$3,321,854	$3,495,543	$3,654,374	$3,875,872	$4,143,353	$4,213,083	$4,461,217
Total Non-agreement Revenues	$132,502,514	$122,109,135	$124,524,972	$131,044,508	$135,261,046	$139,817,002	$144,914,973	$153,250,796	$158,873,853	$164,953,233	$171,145,078	$181,320,783
Non-Agreement Revenues by Cost Center												
Airfield	$821,428	$872,612	$878,506	$947,719	$981,060	$1,029,748	$1,063,029	$1,096,700	$1,125,001	$1,161,930	$1,203,947	$1,235,426
Terminal Building	19,973,272	19,310,742	20,930,299	21,618,418	22,372,188	23,172,214	24,044,119	24,943,692	25,881,183	26,883,602	27,935,197	29,013,602
Airside Building	3,096,881	2,899,900	2,937,049	2,975,914	3,016,770	3,060,266	3,105,045	3,150,880	3,197,795	3,245,817	3,295,095	3,352,651
Commercial Landside	90,970,611	83,365,313	83,958,553	89,470,518	92,723,688	96,206,165	100,050,532	107,117,254	111,372,720	115,962,611	120,804,252	129,423,949
Cargo	2,082,843	2,074,300	2,082,215	2,095,898	2,109,684	2,123,466	2,137,519	2,151,478	2,165,525	2,179,569	2,193,702	2,207,621
Auxiliary Airports	990,001	1,013,700	1,027,824	1,042,289	1,057,124	1,072,156	1,087,542	1,103,126	1,119,001	1,135,066	1,151,514	1,168,372
General Aviation	1,513,239	1,351,917	1,504,643	1,526,047	1,548,905	1,571,928	1,596,244	1,620,689	1,645,926	1,671,190	1,697,876	1,726,152
Other	7,608,143	8,410,651	8,036,554	8,109,797	8,184,010	8,259,207	8,335,401	8,412,604	8,490,831	8,570,096	8,650,411	8,731,793
Total Non-Agreement Revenues Excluding Interest	$127,056,419	$119,299,135	$121,355,642	$127,786,600	$131,993,429	$136,495,149	$141,419,430	$149,596,422	$154,997,981	$160,809,880	$166,931,995	$176,859,566
Interest	$5,446,095	$2,810,000	$3,169,330	$3,257,908	$3,267,616	$3,321,854	$3,495,543	$3,654,374	$3,875,872	$4,143,353	$4,213,083	$4,461,217
Total Non-agreement Revenues	$132,502,514	$122,109,135	$124,524,972	$131,044,508	$135,261,046	$139,817,002	$144,914,973	$153,250,796	$158,873,853	$164,953,233	$171,145,078	$181,320,783

Sources: Hillsborough County Aviation Authority FY 2008 - FY 2010) May 2009; Ricondo & Associates, Inc. (FY2011 - FY 2019) May 2009

Prepared by: Ricondo & Associates, Inc., May 2009

4.4.4 Terminal Complex

Revenues for the Terminal Complex are further differentiated into Terminal and Airside categories as described in the following paragraphs:

4.4.4.1 Terminal

Revenues include space rentals for rentals by car rental companies, general merchandise and food and beverage counters, HCAA facilities, a barber shop, currency exchange counter, traveler's aid, duty free and FIS space. Revenues also include all food & beverage and general merchandise revenues (e.g. percent of revenues), duty free concessions, all advertising concessions and other miscellaneous concession revenues in the Terminal Complex.

Host International, Inc. (Host) is the provider of all food and beverage service for the Airport. The agreement between Host and the Authority became effective April 1, 1994, and terminates September 30, 2015. The agreement requires Host to pay the Authority the greater of the fair market rental value or a set percentage of gross revenues.

Host is also the provider of operation of retail merchandise shops. That agreement became effective May 1, 1996 and terminates September 30, 2015. Terms of the retail agreement state that Host must pay the Authority the fair market rental and the greater of a minimum annual privilege fee or a percent of gross revenues.

For FY 2008, revenues from food and beverage and retail merchandise were approximately $15.3 million.

The Authority entered into an advertising contract in 2001 with J.C. Decaux Airport, Inc. The original agreement was for a five-year period and that contract was extended to terminate on June 30, 2010. The Authority receives the greater of 50 percent of gross advertising sales or a minimum annual guarantee (MAG) of $750,000. Effective July 1, 2009, the MAG will be $375,000.

Duty Free, Miscellaneous & Other Revenues includes revenues from the duty free shops; proceeds from sales of assets, warehouse storage rentals, and other miscellaneous revenues; permit fees for off-airport hotel and off-airport rental cars, ATM concessions, Smarte Carte, Verizon, privilege fees from Tele-Trip, charter buses, resort limousines and taxi cabs; and reimbursements from TSA for certain expenses in the Terminal Cost Center. Revenues from these revenue sources totaled approximately $3.1 million.

A new Luggage Cart Agreement became effective April 1, 2008 with Smarte Carte, Inc. for the term April 1, 2008 through March 31, 2013. It requires Smarte Carte to pay annual rent of $9,744 for office space and $47,000 for space occupied by the cart dispensing units. The agreement requires $65,000 minimum annual privilege fee or 12.5 percent of gross receipts, whichever is greater.

Stellar Partners has a Duty Free Agreement with the Authority for the operation of the Duty Free shops. The term of the original agreement was March 7, 1996 through September 30, 2007 and has been extended through September 30, 2015.

4.4.4.2 Airside

Airside Revenues include Hardstands; Authority Gates; Federal Inspection Services (FIS); Other Rentals; Miscellaneous Revenues; and reimbursements from TSA for certain expenses in the Airside Cost Center. Non-airline revenues in the Airside Cost Center totaled approximately $3.1 million in FY 2008.

4.4.5 Commercial Landside

Revenues for the Commercial Landside include Non-Agreement space rentals, hotel, car rentals, automobile parking and other concessions as well as certain cargo complex revenues. Total revenues in the Commercial Landside Cost Center for FY 2008 were $91.0 million.

4.4.5.1 Hotel

The Authority entered into an agreement for a hotel-office complex at Tampa International Airport, with Host of Boston, Ltd. (Host Boston) for the land underlying the hotel for the construction, operation and maintenance of a first class hotel and office complex. This agreement became effective April 29, 1969 and is scheduled to terminate December 31, 2033. The lease includes a specified minimum capital improvement cost. The original lease was for 20 years with two10-year renewal options. An amendment to the lease, extended the termination date to December 31, 2033. In exchange for the extended term, Host Boston agreed to increase the Authority's percentage of revenues as well as agreeing to over $13 million in improvements to the hotel complex.

The Hotel Agreement provides that Host Boston pays to the Authority a specified minimum privilege fee of $350,000 annually, plus a percentage of gross receipts and a profit-sharing component. The percentage of gross receipts is calculated by formula and is dependent upon the type of services being provided. It is applicable when and if the percentage exceeds the minimum privilege fee. Hotel revenues for FY 2008 were approximately $1.6 million.

4.4.5.2 Car Rentals

On-Airport Car Rental. The Authority entered into an Agreement for Car Rental Concession, in and adjacent to the Landside Building with the following companies: Hertz Corporation, Avis Rent-A-Car System, Inc., Budget Rent a Car System, Corp., Enterprise Rent A Car System, Inc., DTG Operations d/b/a Dollar Rent A Car System, Inc. and DTG Operations d/b/a Thrifty Car Rental. These agreements commenced January 1, 2003 and terminate on December 31, 2009. Within each agreement is a provision for space rental of facilities that is based on amortization of facility costs and a privilege fee equivalent to the greater of a minimum amount or 9.5 percent of gross receipts. The Authority will renegotiate with the car rental companies for agreements that are anticipated to take effect on January 1, 2010.

Off-Airport Car Rental. The Authority issues an Off-Airport Rental Car Airport Use and Permit Agreement ("Off-Airport Agreement") to rental car companies located off the Airport that pick up customers at the Airport. Currently, there are four companies (E-Z Rent A Car Inc., Van Rental Services, LLC, Vanguard Car Rental USA, Inc. d/b/a Alamo/National, and Flomco Inc., d/b/a Payless Car Rental) operating with the Off-Airport Agreement which requires the company to pay the Authority a privilege fee based on a percentage of gross receipts on revenue derived from Airport customers. The current Off-Airport Agreement became effective January 1, 2003 and will terminate on December 31, 2013. The Off-Airport Agreements require the companies to pay 8.5 percent of gross receipts to the Authority.

Car rental revenues in FY 2008 were approximately $29.4 million.

4.4.5.3 Parking

As of July 1, 2007, AMPCO System assumed the operation of parking facilities at the Airport. The Authority annually reviews and approves the parking facilities operating budget. The operator assumes responsibility for the parking facilities and submits a daily accounting to the Authority. The Authority must annually approve the parking garage budget. Parking revenues for FY 2008 were approximately $58.6 million.

4.4.6 Cargo

Cargo revenues include revenues from the Cargo Complex, Cargo Ramp and a TSA reimbursement and totaled approximately $2.1 million in FY 2008.

4.4.7 General Aviation & Auxiliary Airports

As described in Section 3.1.3.8, the Authority has two general fixed base aviation facilities at the Airport. There are also FBOs operating at each of the other airports including Atlas Aviation Tampa, Inc. at Peter O. Knight Airport, Leading Edge at Tampa Executive Airport and Mitchell Enterprises, Inc. at Plant City Airport. Revenues from General Aviation and Auxiliary Airports for the FY 2008 were approximately $990,000.

4.4.8 Other

4.4.8.1 Building Rentals

There are several buildings on Airport property that are rented by a variety of tenants. Some of these tenants include CSX Real Property, City of Tampa Police, Pioneer Fuel Oil, Rubber Products, Drew Park Cold Storage, Ye Mystic Krewe, Tampa Electric, Concorde Properties, Tampa Westshore Associated LTD Partnership, Roth Investment Realty, Inc., and Crescent Resources.

4.4.8.2 Reservation Center

The Authority opened a reservation center facility in 1980 on a 5.88 acre site owned by the Authority as well as slightly more than three acres of land for additional parking added in December 2001. The reservation center is currently leased to Continental until September 30, 2009, with three renewal options of five years each; however, Continental announced on May 13, 2009, it intends to close the reservation center on July 19, 2009. For FY 2008, the Authority received rent revenues of approximately $465,000.

4.4.8.3 Maintenance Hangars/Facilities

The Authority's maintenance facilities including a discussion of tenants are described in section 3.1.3.4.

4.4.8.4 Flight Kitchen

LSG/Sky Chefs and Gate Gourmet provide the flight kitchen concession for the Airport.

4.4.8.5 Land Leases

The Authority has entered into several land leases with the U.S. Postal Service, dating from April 7, 1967, with terms and renewal options extending to May 1, 2020. In connection with each five-year

renewal option, the ground rent is adjusted, based upon a percentage of the appraised value of the land as of the date of commencement of each five-year option. The ground rent was adjusted effective June 19, 2005. The U.S. Postal Service is currently paying aggregate ground rent to the Authority of $984,758 annually.

4.5 Airline Revenues

Rates will be calculated for four areas at the Airport: the Airfield Cost and Revenue Center; the Terminal Building; the Airside Buildings; and the Passenger Transfer System and the resulting revenues will be collectively known as Airline Revenues. All of the Passenger Transfer System requirement will be allocated to the Airside Buildings rental rates. The Signatory Airline rates and charges presented in these analyses for FY 2009 through FY 2019 represent the methodology contained within the current Airline Agreement. Although the current agreement expires in FY 2010, for the purposes of this analysis it was assumed that the methodology contained within the agreement is continued for FY 2009 through FY 2019.

The items included in the total requirement for the landing fee, Terminal Building rental rate, Airside Buildings rental rate, and Passenger Transfer System rental rates include the following:

- **O&M Expenditures.** Includes the O&M Expenditures (direct and allocated indirect) attributable to the specific rate-setting area.
- **O&M Reserve Requirement.** Includes amounts needed to maintain the Trust Agreement's O&M Reserve Requirement within the specific rate-setting area.
- **Investment Service.** Includes the portion of Investment Service, as defined previously, allocated to the specific rate-setting area.
- **Coverage Rebate.** Includes the Signatory Airline portion of the Debt Service Coverage attributable to the specific rate-setting area.

The following sections present greater detail with regards to each specific rate calculation:

4.5.1 Airfield

4.5.1.1 Landing Fees

A compensatory landing fee calculation is presented in **Table IV-8**. The landing fee is calculated by combining the items described above (excluding the Coverage Rebate) for the Airfield Cost and Revenue Center to determine the total Airfield requirement. Ninety percent (90%) of this requirement is attributed to the airlines and divided by total landed weight to yield a Nonsignatory Landing Fee. Other Airport revenues cover the remaining 10 percent. The Signatory Airlines are then given the credit of the Coverage Rebate and a Signatory Landing Fee is calculated. Total Landing Fee revenues are equal to the sum of the Nonsignatory Landing Fee multiplied by the Nonsignatory Landed Weight; and the Signatory Landing Fee multiplied by the Signatory Landed Weight.

As presented in Table IV-8, the Signatory Landing Fee is projected to increase from a budgeted rate of $1.20 per thousand pounds landed weight in FY 2009 to $1.39 per thousand pounds of landed weight in FY 2018. The Signatory Landing Fee is projected to decrease to $1.29 per thousand pounds landed weight in FY 2019 reflecting the maturity of a portion of the Authority's bonds.

Table IV-8

Landing Fees

Fiscal Year	Estimated FY 2009	Projected FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Landing Fees											
O&M Expenditures	$9,293,803	$9,359,759	$9,825,870	$10,315,986	$10,831,376	$11,373,378	$11,943,402	$12,542,933	$13,173,540	$13,836,872	$14,534,673
O&M Reserve Requirement	43,358	10,993	77,685	81,686	85,898	90,334	95,004	99,922	105,101	110,555	116,300
Investment Service	5,965,988	5,980,128	6,842,771	6,959,415	7,396,184	7,459,902	7,502,805	7,392,485	7,442,201	7,572,337	6,199,285
Total Requirement	$15,303,150	$15,350,880	$16,746,326	$17,357,088	$18,313,459	$18,923,614	$19,541,211	$20,035,341	$20,720,841	$21,519,765	$20,850,258
Airlines' Share of Requirement	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Airlines' Airfield Revenue Requirement	$13,772,835	$13,815,792	$15,071,694	$15,621,379	$16,482,113	$17,031,252	$17,587,089	$18,031,807	$18,648,757	$19,367,789	$18,765,233
Total Landed Weight	10,746,436	10,925,533	11,147,649	11,420,512	11,691,534	12,006,512	12,318,015	12,652,819	12,979,747	13,355,431	13,786,619
Nonsignatory Landing Fee	$1.28	$1.26	$1.35	$1.37	$1.41	$1.42	$1.43	$1.43	$1.44	$1.45	$1.36
Net Requirement	$15,303,150	$15,350,880	$16,746,326	$17,357,088	$18,313,459	$18,923,614	$19,541,211	$20,035,341	$20,720,841	$21,519,765	$20,850,258
Less: Prior Period Coverage	981,614	958,458	936,377	1,043,737	1,039,083	1,103,755	1,102,118	1,094,240	940,293	930,696	1,038,164
Adjusted Airfield Revenue Requirement	$14,321,536	$14,392,422	$15,809,950	$16,313,351	$17,274,376	$17,819,859	$18,439,093	$18,941,100	$19,780,548	$20,589,070	$19,812,094
Airlines' Share of Requirement	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Adjusted Airlines' Airfield Rev Require	$12,889,382	$12,953,180	$14,228,955	$14,682,016	$15,546,939	$16,037,873	$16,595,184	$17,046,990	$17,802,493	$18,530,163	$17,830,885
Total Landed Weight	10,746,436	10,925,533	11,147,649	11,420,512	11,691,534	12,006,512	12,318,015	12,652,819	12,979,747	13,355,431	13,786,619
Signatory Landing Fee	$1.20	$1.19	$1.28	$1.29	$1.33	$1.34	$1.35	$1.35	$1.37	$1.39	$1.29
Landed Weight											
Signatory Landed Weight	9,864,962	10,029,368	10,233,265	10,483,747	10,732,538	11,021,680	11,307,632	11,614,974	11,915,086	12,259,954	12,655,774
Nonsignatory Landed Weight	445,384	452,806	462,012	473,321	484,553	497,607	510,517	524,393	537,943	553,513	571,383
Signatory Cargo Landed Weight	327,669	333,130	339,903	348,222	356,486	366,090	375,588	385,797	395,765	407,220	420,367
Nonsignatory Cargo Landed Weight	108,421	110,228	112,469	115,222	117,957	121,134	124,277	127,655	130,953	134,744	139,094
Total Landed Weight	10,746,436	10,925,533	11,147,649	11,420,512	11,691,534	12,006,512	12,318,015	12,652,819	12,979,747	13,355,431	13,786,619
Airfield Revenues											
Signatory Airline Landing Fee Revenues	$11,838,000	$11,934,900	$13,098,600	$13,524,000	$14,274,300	$14,769,100	$15,265,300	$15,680,200	$16,323,700	$17,041,300	$16,325,900
Nonsignatory Airline Landing Fee Revenues	570,812	572,593	624,643	647,425	683,098	705,857	728,893	747,324	772,894	802,694	777,721
Signatory Cargo Landing Fee Revenues	393,200	396,400	435,100	449,200	474,100	490,600	507,000	520,800	542,200	566,000	542,300
Nonsignatory Cargo Landing Fee Revenues	138,800	138,900	151,800	157,900	166,300	172,000	177,700	182,500	188,600	195,400	189,200
Total Landing Fees Revenues	$12,940,812	$13,042,793	$14,310,143	$14,778,525	$15,597,798	$16,137,557	$16,678,893	$17,130,824	$17,827,394	$18,605,394	$17,835,121

Sources: Hillsborough County Aviation Authority (FY2009) May 2009; Ricondo & Associates, Inc. (FY2010 - FY 2019) May 2009

Prepared by: Ricondo & Associates, Inc., May 2009

4.5.2 Terminal Complex

Three different types of rates are calculated within the Terminal Complex Cost and Revenue Center; Passenger Transfer System rental rates, Terminal Building rental rates, and Airside Buildings rental rates with all of the Passenger Transfer System rental rates added to the Airside Building rental rates. The total requirement in each respective area is comprised of the sum of the previously described components allocated to the appropriate rate-setting area. This rate is then reduced by the amount of Coverage Rebate applicable to each area.

4.5.2.1 Terminal Building Rental Rate

A compensatory rental rate calculation for Terminal Building rental rates is presented in **Table IV-9**. The net requirement for the Terminal Building is equal to the sum of the previously described components for the Terminal Building subset of the Terminal Complex Cost and Revenue Center. An average Terminal Building rental rate is derived by dividing the net requirement by the rentable square feet in the Terminal Building. The Signatory rate is differentiated from the Nonsignatory rate by allocation of the Coverage Rebate as described above.

Rentable square feet in the Terminal Building is projected to increase in FY 2011, reflecting construction of the Baggage Claim Expansion & Claim Device Refurbishment Project. This project is necessary to expand the passenger handling capacity of the existing terminal. As presented in Table IV-9, the average Terminal Building Rental Rate is projected to increase from $114.72 and $108.81 per square foot, without rebate and with rebate, respectively, in FY 2009 to $162.46 and $156.54 per square foot, without rebate and with rebate, respectively, in FY 2018. The increase can be primarily attributed to inflationary impacts of O&M Expenses. The Terminal Building Rental Rate is projected to decrease in FY 2019 reflecting the maturity of a portion of the Authority's bonds.

4.5.2.2 Passenger Transfer System Rental Rate

A compensatory rental rate calculation is presented in **Table IV-10**. The net requirement for the Passenger Transfer System is equal to the sum of the previously described components for the Passenger Transfer System. An average Passenger Transfer System rate is derived by dividing the net requirement by the rentable square feet in the Airside Buildings. The Signatory rate is differentiated from the Nonsignatory rate by allocation of the Coverage Rebate as described above.

As presented in Table IV-10, the average Passenger Transfer System Rental Rate is projected to increase from a budgeted rate of $13.20 and $12.20 per square foot, including rebate and excluding rebate, respectively, in FY 2009 to $20.83 and $19.91 per square foot, including rebate and excluding rebate, respectively, in FY 2018. The increase can be primarily attributed to inflationary impacts of O&M Expenses. The Passenger Transfer System Rental Rate is projected to decrease in FY 2019 reflecting the maturity of a portion of the Authority's bonds.

4.5.2.3 Airside Building Rental Rate

A compensatory rental rate calculation for all Airside Buildings is presented in **Table IV-11**. The net requirement for the Airside Buildings is equal to the sum of the previously described components for the Airside Buildings subset of the Terminal Complex Cost and Revenue Center. The Authority receives a TSA grant to cover passenger security screening expenses, which is credited to the Airside rate base to offset the corresponding expenses included in total O&M Expenditures. An average

Table IV-9 (1 of 2)

Terminal Building Rental Rates and Revenues

Fiscal Year	Estimated FY 2009	Projected FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
O&M Expenditures (excl PTS)	$29,547,318	$29,472,546	$31,079,404	$32,775,790	$34,566,772	$36,457,708	$38,454,262	$40,562,425	$42,788,529	$45,139,272	$47,621,735
O&M Reserve Requirement (excl PTS)	32,018	(12,462)	267,810	282,731	298,497	315,156	332,759	351,360	371,017	391,790	413,744
Investment Service (excl PTS)	13,655,933	14,359,459	15,574,337	16,080,596	17,288,907	17,621,569	18,111,088	18,029,399	18,963,214	19,609,219	15,609,418
Total Terminal Building Requirement	$43,235,269	$43,819,544	$46,921,550	$49,139,117	$52,154,175	$54,394,433	$56,898,109	$58,943,184	$62,122,761	$65,140,281	$63,644,897
Rentable Terminal Building Space	376,865	384,560	398,214	400,964	400,964	400,964	400,964	400,964	400,964	400,964	400,964
Average Terminal Building Rental Rate (without rebate, excl PTS)	$114.72	$113.95	$117.83	$122.55	$130.07	$135.66	$141.90	$147.00	$154.93	$162.46	$158.73
Net Terminal Building Requirement	$43,235,269	$43,819,544	$46,921,550	$49,139,117	$52,154,175	$54,394,433	$56,898,109	$58,943,184	$62,122,761	$65,140,281	$63,644,897
Less: Prior Period Airline Coverage Rebate	2,228,200	2,193,876	2,248,424	2,375,574	2,400,930	2,580,075	2,603,391	2,641,396	2,293,264	2,371,473	2,688,415
Adjusted Terminal Building Requirement	$41,007,069	$41,625,667	$44,673,126	$46,763,543	$49,753,246	$51,814,358	$54,294,718	$56,301,788	$59,829,497	$62,768,808	$60,956,482
Rentable Terminal Building Space	376,865	384,560	398,214	400,964	400,964	400,964	400,964	400,964	400,964	400,964	400,964
Average Terminal Building Rental Rate (with rebate, excl PTS)	$108.81	$108.24	$112.18	$116.63	$124.08	$129.22	$135.41	$140.42	$149.21	$156.54	$152.02
Calculation of Weighted Terminal Building Rental Rates											
Available Airline Space by Type											
Ticket Counter, Offices, Other	45,025	45,121	45,025	45,025	45,025	45,025	45,025	45,025	45,025	45,025	45,025
Bag Claim, Bag Service, & Curbside Checkin	54,662	54,662	68,412	71,162	71,162	71,162	71,162	71,162	71,162	71,162	71,162
Bag Make-up, Lev 2 Conveyer, Tug Drive	122,421	122,421	122,421	122,421	122,421	122,421	122,421	122,421	122,421	122,421	122,421
Total Available Airline Space	222,108	222,204	235,858	238,608	238,608	238,608	238,608	238,608	238,608	238,608	238,608
Weighted Terminal Building Rental Rates											
Without Rebate											
Ticket Counter, Offices, Other	$181.41	$180.15	$182.66	$189.29	$200.90	$209.54	$219.18	$227.05	$239.30	$250.93	$245.17
Bag Claim, Bag Service, & Curbside Check-in	$154.20	$153.13	$155.26	$160.89	$170.77	$178.11	$186.30	$193.00	$203.41	$213.29	$208.40
Bag Make-up, Lev 2 Conveyer, Tug Drive	$72.56	$72.06	$73.07	$75.72	$80.36	$83.81	$87.67	$90.82	$95.72	$100.37	$98.07
With Rebate											
Ticket Counter, Offices, Other	$172.07	$171.12	$173.91	$180.14	$191.65	$199.59	$209.15	$216.89	$230.47	$241.79	$234.81
Bag Claim, Bag Service, & Curbside Check-in	$146.26	$145.45	$147.82	$153.12	$162.90	$169.65	$177.78	$184.36	$195.90	$205.52	$199.59
Bag Make-up, Lev 2 Conveyer, Tug Drive	$68.83	$68.45	$69.56	$72.06	$76.66	$79.84	$83.66	$86.76	$92.19	$96.72	$93.92
Leased Airline Space by Type											
Ticket Counter, Offices, Other	31,212	27,905	27,809	27,809	27,809	27,809	27,809	27,809	27,809	27,809	27,809
Type 1 Common Use Space	1,634	1,634	1,634	1,634	1,634	1,634	1,634	1,634	1,634	1,634	1,634
Bag Claim, Bag Service, & Curbside Check-in	8,093	8,189	8,189	8,189	8,189	8,189	8,189	8,189	8,189	8,189	8,189
Type 2 Common Use Space	42,962	42,962	56,712	59,462	59,462	59,462	59,462	59,462	59,462	59,462	59,462
Bag Make-up, Lev 2 Conveyer, Tug Drive	41,503	37,960	37,960	37,960	37,960	37,960	37,960	37,960	37,960	37,960	37,960
Type 3 Common Use Space	61,977	61,977	61,977	61,977	61,977	61,977	61,977	61,977	61,977	61,977	61,977
Total Leased Airline Space	187,381	180,627	194,281	197,031	197,031	197,031	197,031	197,031	197,031	197,031	197,031

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Terminal Building Rental Rates and Revenues

	Estimated	Projected								
Fiscal Year	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Nonsignatory Terminal Building Rental Revenues											
Common Use	$ 432,400	$431,039	$516,639	$551,119	$585,704	$611,180	$639,634	$662,820	$698,165	$731,560	$714,433
Other Nonsignatory Space Rentals	0	0	0	0	0	0	0	0	0	0	0
Nonsignatory Terminal Building Rentals	$432,400	$431,039	$516,639	$551,119	$585,704	$611,180	$639,634	$662,820	$698,165	$731,560	$714,433
Signatory Terminal Building Rental Revenues											
Ticket Counter, Offices, Other	$5,370,700	$4,775,064	$4,836,223	$5,009,472	$5,329,551	$5,550,352	$5,816,204	$6,031,444	$6,409,087	$6,723,882	$6,529,777
Type 1 Common Use	269,900	274,797	279,304	289,305	307,769	320,525	335,879	348,297	370,142	388,319	377,109
Bag Claim, Bag Service, & Curbside Checkin	1,183,700	1,191,076	1,210,483	1,253,884	1,333,972	1,389,247	1,455,823	1,509,706	1,604,206	1,682,983	1,634,423
Type 2 Common use	6,032,500	6,141,258	8,239,660	8,948,804	9,519,723	9,914,364	10,389,527	10,773,698	11,449,221	12,011,351	11,664,772
Bag Make-up, Lev 2 Conveyer, Tug Drive	2,856,700	2,598,362	2,640,498	2,735,398	2,910,014	3,030,726	3,175,734	3,293,410	3,499,532	3,671,491	3,565,203
Type 3 Common Use	4,095,400	4,169,300	4,237,320	4,389,534	4,669,421	4,863,205	5,095,910	5,284,558	5,615,861	5,891,761	5,721,193
Signatory Terminal Building Rentals	$19,808,900	$19,149,857	$21,443,489	$22,626,396	$24,070,449	$25,068,420	$26,269,077	$27,241,113	$28,948,049	$30,369,787	$29,492,477
Total Terminal Building Rentals	$20,241,300	$19,580,897	$21,960,128	$23,177,515	$24,656,153	$25,679,600	$26,908,711	$27,903,933	$29,646,213	$31,101,347	$30,206,910

Note:
1/ Capital Improvement projects in the landside terminal increased rentable square feet in FY 2010, FY 2011 and FY 2012.

Sources: Hillsborough County Aviation Authority (square feet) May 2009; Ricondo & Associates, Inc. May 2009
Prepared by: Ricondo & Associates, Inc., May 2009

Table IV-10

Passenger Transfer System (PTS) Rental Rate

Fiscal Year	Estimated FY 2009	Projected FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
O&M Expenditures	$3,625,638	$3,706,314	$3,881,917	$4,065,897	$4,258,657	$4,460,617	$4,672,220	$4,893,930	$5,126,232	$5,369,635	$5,624,673
O&M Reserve Requirement	(40,012)	13,446	29,267	30,663	32,127	33,660	35,267	36,952	38,717	40,567	42,506
Investment Service	2,883,140	2,818,579	2,759,709	2,808,833	2,942,437	2,955,471	2,952,688	2,921,014	3,639,284	4,825,398	4,324,308
Total PTS Costs	$6,468,766	$6,538,339	$6,670,893	$6,905,394	$7,233,221	$7,449,749	$7,660,176	$7,851,896	$8,804,233	$10,235,600	$9,991,487
Less: Prior Period Coverage	490,615	463,187	441,337	420,942	419,376	439,109	436,638	430,632	371,541	455,116	661,560
Adjusted PTS Requirement	$5,978,151	$6,075,152	$6,229,556	$6,484,452	$6,813,845	$7,010,640	$7,223,538	$7,421,264	$8,432,692	$9,780,484	$9,329,927
Rentable Square Feet [1/]	490,001	491,313	491,313	491,313	491,313	491,313	491,313	491,313	491,313	491,313	491,313
Average Passenger Transfer System Rental Rate											
Without Rebate	$13.20	$13.31	$13.58	$14.05	$14.72	$15.16	$15.59	$15.98	$17.92	$20.83	$20.34
With Rebate	$12.20	$12.37	$12.68	$13.20	$13.87	$14.27	$14.70	$15.10	$17.16	$19.91	$18.99

Note:
1/ Capital Improvement projects in Airside A & E increased rentable square feet in FY 2010.

Sources: Hillsborough County Aviation Authority (square feet) May 2009; Ricondo & Associates, Inc. May 2009
Prepared by: Ricondo & Associates, Inc., May 2009

Table IV-11

Airside Buildings Rental Rates and Revenues

Fiscal Year	Estimated FY 2009	Projected FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
O&M Expenditures (excl PTS)	$21,563,146	$21,912,312	$23,088,471	$24,328,423	$25,635,669	$27,013,897	$28,467,007	$29,999,109	$31,614,544	$33,317,896	$35,114,000
O&M Reserve Requirement (excl PTS)	(37,855)	58,194	196,026	206,659	217,874	229,705	242,185	255,350	269,239	283,892	299,351
Investment Service (excl PTS)	9,046,364	9,913,568	10,417,046	10,797,766	11,570,814	11,775,435	12,020,153	12,204,609	12,479,529	12,890,513	10,470,321
Total Requirement	$30,571,654	$31,884,075	$33,701,543	$35,332,848	$37,424,357	$39,019,037	$40,729,345	$42,459,068	$44,363,312	$46,492,301	$45,883,672
Rentable Airside Buildings Space	490,001	491,313	491,313	491,313	491,313	491,313	491,313	491,313	491,313	491,313	491,313
Average Airside Buildings Rental Rate (without rebate, excl PTS)	$62.39	$64.90	$68.59	$71.92	$76.17	$79.42	$82.90	$86.42	$90.30	$94.63	$93.39
Airline Net Airside Buildings Requirement	$30,571,654	$31,884,075	$33,701,543	$35,332,848	$37,424,357	$39,019,037	$40,729,345	$42,459,068	$44,363,312	$46,492,301	$45,883,672
Less: Prior Period Airline Coverage	1,485,513	1,453,332	1,552,280	1,588,926	1,612,171	1,726,747	1,739,690	1,753,069	1,552,375	1,560,646	1,767,283
Adjusted Airside Buildings Requirement	$29,086,141	$30,430,743	$32,149,263	$33,743,922	$35,812,185	$37,292,290	$38,989,655	$40,705,999	$42,810,937	$44,931,654	$44,116,389
Rentable Airside Buildings Space	490,001	491,313	491,313	491,313	491,313	491,313	491,313	491,313	491,313	491,313	491,313
Average Airside Buildings Rental Rate (with rebate, excl PTS)	$59.36	$61.94	$65.44	$68.68	$72.89	$75.90	$79.36	$82.85	$87.14	$91.45	$89.79
Average Rental Rates Including Passenger Transfer System											
Average Airside Rental Rate without Rebate	$62.39	$64.90	$68.59	$71.92	$76.17	$79.42	$82.90	$86.42	$90.30	$94.63	$93.39
PTS Rental Rate without Rebate	13.20	13.31	13.58	14.05	14.72	15.16	15.59	15.98	17.92	20.83	20.34
Airside Buildings Rental Rate without Rebate	$75.59	$78.20	$82.17	$85.97	$90.89	$94.58	$98.49	$102.40	$108.22	$115.46	$113.73
Average Airside Rental Rate With Rebate	$59.36	$61.94	$65.44	$68.68	$72.89	$75.90	$79.36	$82.85	$87.14	$91.45	$89.79
PTS Rental Rate With Rebate	12.20	12.37	12.68	13.20	13.87	14.27	14.70	15.10	17.16	19.91	18.99
Airside Buildings Rental Rate with Rebate	$71.56	$74.30	$78.11	$81.88	$86.76	$90.17	$94.06	$97.96	$104.30	$111.36	$108.78
Total Airside Buildings Rentals	$ 17,583,600	$ 16,718,000	$ 17,319,400	$ 18,155,300	$ 19,237,400	$ 19,993,500	$ 20,856,000	$ 21,720,800	$ 23,126,500	$ 24,692,000	$ 24,119,900

Note:
1/ Capital Improvement projects in Airside A & E increased rentable square feet in FY 2010.

Sources: Hillsborough County Aviation Authority (square feet) May 2009; Ricondo & Associates, Inc. May 2009
Prepared by: Ricondo & Associates, Inc., May 2009

Airside Building rental rate (before adding in the Passenger Transfer System component) is derived by dividing the net requirement by the rentable square feet in the Airside Buildings. The Signatory rate is differentiated from the Nonsignatory rate by allocation of the Coverage Rebate as described above. The Passenger Transfer System rental rate is added to the applicable Airside Building rental rate (before Passenger Transfer System) to determine the Airside Building rental rate.

Airside Building square feet is projected to increase as described in the previous section.

As presented in Table IV-11, the average Airside Buildings Rental Rate (excluding the Passenger Transfer System component) is projected to increase from $62.39 and $59.36 per square foot, without rebate and with rebate, respectively, in FY 2009 to $94.63 and $91.45 per square foot, without rebate and with rebate, respectively, in FY 2018. The increase can be primarily attributed to inflationary impacts of O&M Expenses. The Airside Buildings Rental Rate is projected to decrease in FY 2019 reflecting the maturity of a portion of the Authority's bonds.

4.6 Passenger Airline Revenues Versus Other Airport Revenues

Passenger airline revenues include Airline Revenues plus extraordinary service charges for Airline club room upgrades, Authority club room rental revenues, hardstand revenues, Authority gate rental revenue, and FIS revenues. As presented in **Table IV-12**, historically, passenger airline revenues have ranged from 23.8 percent to 29.4 percent of total Operating Revenues for the period FY 1998 to FY 2008. Based on revenue projections for FY 2009 through 2019, Airline Revenues are estimated to comprise between approximately 27.9 percent and 29.8 percent of total Operating Revenues.

4.7 PFC Revenues

The Airport is currently collecting a $4.50 PFC per passenger and has received authorizations to impose an aggregate of approximately $745.5 million in PFC revenues. Through December 31, 2008, the Authority has collected approximately $392.9 million in PFCs from air carriers, foreign air carriers and their agents and earned interest income of approximately $3.3 million for a total of approximately $396.2 million in PFC Revenues. The Authority is in the process of preparing a PFC application that will include funding for the 2009 Project as well as other projects.

The FAA Reauthorization Act of 2009 includes a recommendation to increase the maximum PFC per enplanement from $4.50 to $7.00, however, the bill has not been passed. The PFC level is assumed to remain at $4.50 per enplanement for the purposes of this report. If the maximum PFC level is increased, the timing of PFC Revenues would be accelerated but the aggregate dollar amount would not increase.

Table IV-12

Passenger Airline Revenues versus All Other Airport Revenues

Fiscal Year	Revenues ($000)			Percent of Total Operating Revenues	
	Passenger Airline Revenues	Other Airport Revenue	Total [1/]	Passenger Airline Revenues	Other Airport Revenue
Historical					
1998	29,349	71,673	101,022	29.1%	70.9%
1999	32,115	77,302	109,417	29.4%	70.6%
2000	31,179	82,133	113,312	27.5%	72.5%
2001	32,655	85,102	117,757	27.7%	72.3%
2002	31,184	86,933	118,117	26.4%	73.6%
2003	35,468	93,566	129,035	27.5%	72.5%
2004	35,630	100,516	136,147	26.2%	73.8%
2005	37,418	113,431	150,849	24.8%	75.2%
2006	40,988	123,139	164,127	25.0%	75.0%
2007	41,538	133,104	174,642	23.8%	76.2%
2008	41,779	130,971	172,750	24.2%	75.8%
Budget & Projected					
2009	49,624	122,109	171,733	28.9%	71.1%
2010	48,199	124,525	172,724	27.9%	72.1%
2011	52,297	131,045	183,341	28.5%	71.5%
2012	54,755	135,261	190,016	28.8%	71.2%
2013	58,056	139,817	197,873	29.3%	70.7%
2014	60,322	144,915	205,237	29.4%	70.6%
2015	62,897	153,251	216,148	29.1%	70.9%
2016	65,163	158,874	224,037	29.1%	70.9%
2017	68,940	164,953	233,894	29.5%	70.5%
2018	72,669	171,145	243,814	29.8%	70.2%
2019	70,481	181,321	251,801	28.0%	72.0%

Note:

1/ Before Airlines' portion of revenue sharing and credit for Prior Year Coverage Rebate.

Source: Hillsborough County Aviation Authority and Ricondo & Associates, Inc. May 2009
Prepared by: Ricondo & Associates, Inc. May 2009

Table IV-13 presents projected annual PFC revenue capacity based on projected enplanements, an assumed PFC level of $4.50 per enplanement, and assumed collectibility of PFC from 90 percent of enplaned passengers.

Table IV-13

Projected PFC Revenue Capacity

Fiscal Year	Projected PFC Revenue Capacity ($000)
2008	$36,945
2009	$33,058
2010	$33,705
2011	$34,505
2012	$35,409
2013	$36,373
2014	$37,444
2015	$38,531
2016	$39,653
2017	$40,859
2018	$42,115
2019	$43,376

Source: Ricondo & Associates, Inc. May 2009
Prepared by: Ricondo & Associates, Inc. May 2009

As defined in the Supplemental Trust Agreement for the Tampa International Airport Revenue Bonds, 2003 Series A (Series 2003 A Bonds), Available PFC Revenues will be utilized to repay the debt service on the Series 2003 A Bonds as well as to meet annual coverage requirements on such bonds. PFC Revenues are not available to pay debt service on any other bonds currently outstanding; however, the Series 2009 A Bonds will be PFC-supported, with a portion being paid from FDOT grants. The only bonds currently outstanding that are eligible to be repaid with Available PFC Revenues are the Series 2003 A Bonds. As shown on Table IV-13, there is adequate PFC capacity to fund annual debt service for the Series 2003 A Bonds of approximately $22.4 million and annual projected future PFC-supported debt service associated with the Series 2009 A Bonds that range from approximately $549,000 in FY 2009 to a peak of $7.3 million in FY 2018. The Authority may use excess PFC capacity to fund PFC-eligible projects on a Pay-As-You-Go basis.

4.8 Cost Per Enplanement

Table IV-14 presents the calculation of Signatory Airline cost per enplanement from the terminal and airside building rents and landing fees projected for FY 2009 through FY 2019. As the table presents, the cost per enplanement is projected to increase from $5.12 in FY 2009, to a high of $6.03 in FY 2018 primarily due to increases in O&M. The cost per enplanement decreases to $5.31 in FY 2019, reflecting the maturity of a portion of the Authority's bonds.

4.9 Application of Revenues

Table IV-15 presents cash flow for the Airport for FY 2009 to FY 2019. Included in this cash flow are Airline Revenues, Non-Agreement Revenues, Investment Earnings, O&M Expenditures and Reserve Requirement and Debt Service. As defined, PFC Revenues in Table IV-15 only include those PFCs available for debt service and debt service coverage on the Series 2003 A and Series 2009 A Bonds. Also presented in this table are the Debt Service Coverage ratios as required by the Trust Agreement. The debt service coverage ratio ranges from 1.49x to 2.87x.

Table IV-14

Signatory Cost Per Enplanement

Fiscal Year	Estimated FY 2009	Projected FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Signatory Airline Cost Per Enplanement											
Airline Landing Fees (excluding cargo)	$11,838,000	$11,934,900	$13,098,600	$13,524,000	$14,274,300	$14,769,100	$15,265,300	$15,680,200	$16,323,700	$17,041,300	$16,325,900
Terminal Building Rentals	19,808,900	19,149,857	21,443,489	22,626,396	24,070,449	25,068,420	26,269,077	27,241,113	28,948,049	30,369,787	29,492,477
Airside Buildings Rentals	17,583,637	16,717,976	17,319,408	18,155,334	19,237,382	19,993,484	20,856,018	21,720,769	23,126,543	24,691,964	24,119,898
Total Airline Revenues	$49,230,537	$47,802,733	$51,861,497	$54,305,730	$57,582,131	$59,831,005	$62,390,395	$64,642,082	$68,398,292	$72,103,051	$69,938,275
Less: Revenue Sharing	6,233,900	6,161,853	7,098,600	7,428,490	7,235,195	7,577,235	8,551,410	8,994,399	9,570,093	10,245,191	13,819,075
Less: Supplemental Contribution by TPA	1,800,000	0	0	0	0	0	0	0	0	0	0
Net Airline Revenues	$41,196,637	$41,640,879	$44,762,898	$46,877,240	$50,346,935	$52,253,769	$53,838,984	$55,647,682	$58,828,199	$61,857,860	$56,119,200
Total Signatory Enplanements	8,047,947	8,206,536	8,402,371	8,623,071	8,857,241	9,117,948	9,382,496	9,655,503	9,949,348	10,255,493	10,562,925
Signatory Cost Per Enplanement	$5.12	$5.07	$5.33	$5.44	$5.68	$5.73	$5.74	$5.76	$5.91	$6.03	$5.31

Source: Hillsborough County Aviation Authority (FY 2009) May 2009; Ricondo & Associates, Inc. May 2009

Prepared by: Ricondo & Associates, Inc., May 2009

Table IV-15

Cash Flow

Fiscal Year	Estimated FY 2009	Projected FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Signatory Airline Revenues											
Landing Fees	$12,231,200	$12,331,300	$13,533,700	$13,973,200	$14,748,400	$15,259,700	$15,772,300	$16,201,000	$16,865,900	$17,607,300	$16,868,200
Terminal Building Rentals	19,808,900	19,149,857	21,443,489	22,626,396	24,070,449	25,068,420	26,269,077	27,241,113	28,948,049	30,369,787	29,492,477
Airside Buildings Rentals	17,583,600	16,717,976	17,319,408	18,155,334	19,237,382	19,993,484	20,856,018	21,720,769	23,126,543	24,691,964	24,119,898
Total Signatory Airline Revenues	$49,623,700	$48,199,133	$52,296,597	$54,754,930	$58,056,231	$60,321,605	$62,897,395	$65,162,882	$68,940,492	$72,669,051	$70,480,575
Non-agreement Revenues (excluding interest income)	$119,299,135	$121,355,642	$127,786,600	$131,993,429	$136,495,149	$141,419,430	$149,596,422	$154,997,981	$160,809,880	$166,931,995	$176,859,566
Investment Earnings	2,810,000	3,169,330	3,257,908	3,267,616	3,321,854	3,495,543	3,654,374	3,875,872	4,143,353	4,213,083	4,461,217
Prior Year Coverage Rebate	3,484,989	3,418,831	3,455,487	3,665,659	3,698,381	3,951,769	3,971,560	3,992,691	3,477,491	3,578,757	4,140,997
Total Revenues	$175,217,825	$176,142,936	$186,796,593	$193,681,636	$201,571,614	$209,188,348	$220,119,751	$228,029,426	$237,371,215	$247,392,886	$255,942,355
Less:											
O&M Expenditures	$93,830,800	$93,959,210	$98,847,399	$103,996,143	$109,419,603	$115,132,722	$121,151,268	$127,491,883	$134,172,129	$141,210,541	$148,626,682
O&M Reserve Requirement	(51,350)	12,995	806,039	849,205	894,723	942,724	993,345	1,046,731	1,103,035	1,162,419	1,225,054
Total GARB and Other Debt Service	50,268,749	51,361,465	51,650,156	51,693,837	55,081,311	55,226,724	55,218,086	54,518,814	54,245,587	53,793,969	36,995,244
Net Remaining Revenues before Revenue Sharing	$31,169,626	$30,809,267	$35,492,998	$37,142,451	$36,175,976	$37,886,177	$42,757,051	$44,971,997	$47,850,464	$51,225,957	$69,095,375
Airlines' % of Net Remaining Revenues	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Airlines' Revenue Transfer	$6,233,900	$6,161,853	$7,098,600	$7,428,490	$7,235,195	$7,577,235	$8,551,410	$8,994,399	$9,570,093	$10,245,191	$13,819,075
Supplemental Contribution by TPA	1,800,000	0	0	0	0	0	0	0	0	0	0
Net Remaining Revenues	$23,135,726	$24,647,414	$28,394,399	$29,713,960	$28,940,781	$30,308,942	$34,205,641	$35,977,598	$38,280,372	$40,980,766	$55,276,300
Coverage Calculation											
Total Revenues	$175,217,825	$176,142,936	$186,796,593	$193,681,636	$201,571,614	$209,188,348	$220,119,751	$228,029,426	$237,371,215	$247,392,886	$255,942,355
Less: O&M Expenditures	93,830,800	93,959,210	98,847,399	103,996,143	109,419,603	115,132,722	121,151,268	127,491,883	134,172,129	141,210,541	148,626,682
O&M Reserve Requirement	(51,350)	12,995	806,039	849,205	894,723	942,724	993,345	1,046,731	1,103,035	1,162,419	1,225,054
Net Revenues before Transfer	$81,438,375	$82,170,731	$87,143,154	$88,836,287	$91,257,287	$93,112,901	$97,975,138	$99,490,812	$102,096,051	$105,019,926	$106,090,618
Plus PFC Revenues available for Debt Service and Coverage [1/]	28,683,494	30,933,234	34,505,466	34,591,359	34,588,234	34,591,672	37,087,672	37,094,641	37,087,500	37,092,125	0
Plus FDOT Revenues anticipated to be used for Debt Service [2/]	0	0	2,000,000	2,000,000	2,000,000	2,000,000	0	0	0	0	0
Net Revenues adjusted for PFC	$110,121,869	$113,103,966	$123,648,620	$125,427,646	$127,845,522	$129,704,573	$135,062,810	$136,585,452	$139,183,551	$142,112,051	$106,090,618
Total Debt Service excluding other debt service [3/]	73,215,545	75,864,832	80,979,344	80,926,944	84,200,019	84,348,181	84,336,344	76,870,619	76,867,619	83,467,669	36,995,244
Debt Service Coverage - All Debt	1.50	1.49	1.53	1.55	1.52	1.54	1.60	1.78	1.81	1.70	2.87

Notes:
1/ Represents the lesser of a) 125 percent of PFC-Supported debt service or b) Total Available PFC Revenue
2/ FDOT Revenues are not part of pledged Revenues
3/ From Table IV-2

Sources: Hillsborough County Aviation Authority (FY2009) May 2009; Ricondo & Associates, Inc. (FY2010 - FY 2019) May 2009
Prepared by: Ricondo & Associates, Inc., May 2009

Table IV-16 presents the application of revenues projected for FY 2009 through FY 2019 and reflects the disposition of cash flow into the appropriate funds as described in the Trust Agreement.

Table IV-16

Application of Revenues

Fiscal Year	Estimated FY 2009	Projected FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenue Fund - O&M Account											
Beginning Balance	$18,696,223	$18,644,873	$18,657,868	$19,463,907	$20,313,112	$21,207,835	$22,150,559	$23,143,904	$24,190,635	$25,293,670	$26,456,089
Deposit: O&M Expenses	92,559,100	92,623,925	97,445,350	102,523,992	107,873,844	113,509,675	119,447,069	125,702,474	132,293,249	139,237,717	146,555,217
Deposit: O&M Reserve Requirement	(51,350)	12,995	806,039	849,205	894,723	942,724	993,345	1,046,731	1,103,035	1,162,419	1,225,054
Expend: O&M Expenses	92,559,100	92,623,925	97,445,350	102,523,992	107,873,844	113,509,675	119,447,069	125,702,474	132,293,249	139,237,717	146,555,217
Ending Balance	$18,644,873	$18,657,868	$19,463,907	$20,313,112	$21,207,835	$22,150,559	$23,143,904	$24,190,635	$25,293,670	$26,456,089	$27,681,143
Debt Service Fund											
Beginning Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Deposit: Debt Service	50,268,749	51,361,465	51,650,156	51,693,837	55,081,311	55,226,724	55,218,086	54,518,814	54,245,587	53,793,969	36,995,244
Expend: Debt Service	50,268,749	51,361,465	51,650,156	51,693,837	55,081,311	55,226,724	55,218,086	54,518,814	54,245,587	53,793,969	36,995,244
Ending Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Debt Service Reserve Funds											
Beginning Balance	$76,239,544	$80,941,044	$80,941,044	$80,941,044	$80,941,044	$80,941,044	$80,941,044	$80,941,044	$80,941,044	$80,941,044	$56,710,544
Deposit/Expend: Adjustments	4,701,500	0	0	0	0	0	0	0	0	0	0
Expend: Debt Service Final Pmts.	0	0	0	0	0	0	0	0	0	24,230,500	0
Ending Balance	$80,941,044	$80,941,044	$80,941,044	$80,941,044	$80,941,044	$80,941,044	$80,941,044	$80,941,044	$80,941,044	$56,710,544	$56,710,544
Subordinated Indebtedness Fund											
Beginning Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Deposit: Debt Service	0	243,220	343,200	439,980	551,880	551,880	551,880	7,323,908	7,047,968	0	0
Expend: Debt Service	0	243,220	343,200	439,980	551,880	551,880	551,880	7,323,908	7,047,968	0	0
Ending Balance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Surplus Fund											
Beginning Balance	$64,227,515	$57,920,510	$59,827,636	$65,959,275	$59,143,254	$69,639,066	$74,674,773	$83,586,047	$94,784,480	$108,184,420	$123,722,513
Deposit: Equipment and R&R	1,271,700	1,335,285	1,402,049	1,472,152	1,545,759	1,623,047	1,704,200	1,789,410	1,878,880	1,972,824	2,071,465
Deposit: Net Remain Rev	23,135,726	24,647,414	28,394,399	29,713,960	28,940,781	30,308,942	34,205,641	35,977,598	38,280,372	40,980,766	55,276,301
Expend: Equipment and R&R	1,271,700	1,335,285	1,402,049	1,472,152	1,545,759	1,623,047	1,704,200	1,789,410	1,878,880	1,972,824	2,071,465
Expend: Capital Expenditures	26,023,900	19,284,800	18,597,100	32,831,600	14,493,200	21,301,675	21,301,675	21,301,675	21,301,675	21,301,675	21,301,675
Transfer: Coverage Rebate	3,418,831	3,455,487	3,665,659	3,698,381	3,951,769	3,971,560	3,992,691	3,477,491	3,578,757	4,140,997	2,856,382
Ending Balance	57,920,510	59,827,636	65,959,275	59,143,254	69,639,066	74,674,773	83,586,047	94,784,480	108,184,420	123,722,513	154,840,757

Sources: Hillsborough County Aviation Authority (beginning balances) March 2009; Fullerton and Friar May 2009; Ricondo & Associates, Inc. May 2009

Prepared by: Ricondo & Associates, Inc., May 2009

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2008 AND 2007

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Ernst & Young LLP
Suite 1200
401 East Jackson Street
Tampa, Florida 33602-5232
Direct tel: +1 813 225 4800
Direct fax: +1 813 225 4711
www.ey.com

Report of Independent Certified Public Accountants

The Board of Directors of
The Hillsborough County Aviation Authority
Tampa, Florida

We have audited the accompanying statements of net assets of the Hillsborough County Aviation Authority (the Authority) as of September 30, 2008 and 2007, and the related statements of revenues, expenses and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Authority's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2008 and 2007, and the changes in its financial position and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

As discussed in Notes 1 and 10 to the financial statements, the Authority adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2008, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and schedule of funding progress as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Ernst & Young LLP

December 8, 2008

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HILLSBOROUGH COUNTY AVIATION AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis (MD&A) of the financial performance and activity of the Hillsborough County Aviation Authority (the Authority) is to provide an introduction and understanding of the financial statements of the Authority for the years ended September 30, 2008 and 2007, with selected comparisons to prior years. The information presented should be read in conjunction with the financial statements, notes and supplemental schedules found in this report.

The Authority and Airport Activity Highlights

The Authority was created in 1945 and is an independent special district governed by the Hillsborough County Aviation Authority Act, Chapter 2003-370, Laws of Florida (the Act). The Act provides that the Authority will have exclusive jurisdiction, control, supervision and management over all publicly owned airports in Hillsborough County. There are five Authority Board members: three residents of Hillsborough County appointed to the Authority by the Governor of the State of Florida for four-year terms; the Mayor of the City of Tampa, ex officio; and a Commissioner of and selected by the Board of County Commissioners of Hillsborough County, ex officio.

The Authority owns and operates Tampa International Airport (the Airport) and three general aviation airports. The Airport occupies approximately 3,400 acres and is primarily an origination-destination (O&D) airport serving the greater Tampa Bay Area. Peter O. Knight Airport, a 139-acre facility, is located six miles southeast of the Airport; Plant City Airport, a 199-acre facility, is located 22 miles east of the Airport; and Vandenberg Airport, a 407-acre facility, is located 12 miles east of the Airport.

The Authority is a self-supporting organization and generates revenues from airport users to fund operating expenses and debt service requirements. Capital projects are funded through the use of bonds, short-term financing, passenger facility charges, federal and state grants and internally generated funds. Although empowered to levy ad valorem property taxes, the Authority has not collected any tax funds since 1973.

Passenger enplanements at Tampa International for the fiscal year ended September 30, 2008, totaled 9,350,806, a decrease of 2.9% from the prior fiscal year. This decrease reflects the state of the economy and the reduced seat capacity into the Tampa market. In an effort to reduce operating costs, in response to high fuel prices and a slowdown in the economy, most airlines have reduced seat capacity in US airports, either through the elimination or reduction in the number of daily flights. In FY2007, Tampa International had record passenger activity, with a total of 9,628,144 enplanements, an increase of 2.5% over FY2006. For FY2008, the top three airlines, in terms of market share, remained the same: Southwest with 28.8%, Delta with 14.0%, and US Airways with 11.0%. During FY2007, Southwest had the highest market share of 26.7%, Delta was second at 14.5%, and US Airways was third at 11.3%.

Landed weight in FY2008 totaled 11,947,334 thousand pounds, compared to 12,269,910 thousand pounds in FY2007 and 11,807,473 thousand pounds in FY2006. The number of landings for domestic and international flights was 102,785 for FY2008, compared to 105,780 and 104,287 for FY2007 and FY2006, respectively. These results for landed weight and landings further demonstrate the changes in capacity discussed above.

Overview of the Financial Statements

The Authority operates as a single enterprise fund with multiple cost centers. The financial statements are prepared on the accrual basis of accounting; therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated, except land, over their useful life. Reference should be made to Note 2 in the accompanying financial statements for a summary of the Authority's significant accounting policies. Following this MD&A are the basic financial statements and supplemental schedules of the Authority. These statements and schedules, along with the MD&A, are designed to provide readers with an understanding of the Authority's finances.

The statements of net assets present information on all of the Authority's assets and liabilities as of September 30, 2008 and 2007, with the difference between these reported as net assets. The statements of revenues, expenses, and changes in net assets present financial information showing how the Authority's net assets changed during the fiscal year ended September 30, 2008 and 2007. These statements summarize the recording of financial transactions when the underlying events occur, not the receipt or disbursement of cash. The statements of cash flows relates to the cash and cash equivalent inflows and outflows as a result of financial transactions during the two fiscal years and also include a reconciliation of operating income to the net cash provided by operating activities.

Financial Highlights

Operating Revenues

Revenue Classification	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006	Percent Change 2007 to 2008	Percent Change 2006 to 2007
Airfield	$ 12,447,693	$ 12,403,010	$ 11,820,885	0.4%	4.9%
Terminal Building	39,521,557	38,865,500	35,738,309	1.7%	8.8%
Airside Buildings	19,250,500	19,520,517	20,176,944	(1.4)%	(3.3)%
Commercial Landside	92,299,833	91,201,653	84,413,663	1.2%	8.0%
Cargo	2,062,612	2,045,284	2,062,316	0.8%	(0.8)%
Auxiliary Airports	990,001	950,618	805,078	4.1%	18.1%
General Aviation	1,504,016	1,403,300	1,328,977	7.2%	5.6%
Federal Reimbursements	1,223,514	1,329,243	1,194,647	(8.0)%	11.3%
Other	7,615,767	7,702,578	7,641,999	(1.1)%	0.8%
	$ 176,915,493	$ 175,421,703	$ 165,182,818	0.9%	6.2%

The table above presents the major operating revenue classifications for FY2008, FY2007 and FY2006. Airfield revenues are comprised of landing fees received from the airlines based on landed weight. In accordance with the airline agreement, landing fee rates are calculated by dividing 90% of total expenditures in the airfield cost center by the annual total landed weight of all commercial airlines. The increases in airfield revenues are due to increases in operating expenses and investment service and the resulting impact upon landing fees.

Major terminal building revenues include space rental to the airlines, food and beverage, general merchandise, and other concession revenues. Space rental fees to the airlines in the terminal building are based on the cost of providing the space to the airlines. In FY2008, increases for space rentals to the airlines of $711,400 occurred, and other space rentals had increases of $239,400. The decline in passenger volume activity levels for FY08 contributed to decreases in general merchandise and food concessions of $207,500. The FY2007 increase in terminal building revenues primarily relates to the increase in space rental revenues to the airlines of $1,084,600, increase in other space rental of $360,100, increases in general merchandise concessions of $842,400, and food concessions of $344,700.

As is the case with terminal rentals, airside rental rates are based on the cost of providing the space to the airlines. In FY2008, due to decreased costs in the airside cost centers compared to FY2007, the average airside square footage rental rate for signatory airlines declined from $70.87 to $70.37. This decline resulted in less revenues generated by airline space rentals of approximately $269,700, accounting for the majority of change in the airside category for FY2008. In FY2007, the airside square footage rental rate increased from $60.49 to $70.87, but space rentals declined by $1,011,300, due to a decrease in the amount of space leased to the airlines. This decrease was offset by the increase in gate use charges of $406,800 in FY2007.

The commercial landside classification consists primarily of car rental, parking, and other concession revenues. During FY2008, the revenues in the classification increased $1,098,200. This variance results from the increase in the net rental car privilege fees of $643,500 and parking revenues over the prior year of $510,900. The rental car privilege fees increased due to a contractual increase in the guaranteed minimum privilege fees during FY2008. Although total parking revenues for FY2008 are higher than the prior year, revenues from this operation began to decline in the later months of the fiscal year, due to the slowdown in the number of passengers and the effect of the downturn in the economy. Parking revenues in FY2007 were $4.2 million higher than the prior year as a result of passenger activity levels and a rate increase that became effective in June 2007. FY2007 car rental concessions were $2.5 million more than FY2006, somewhat due to passenger volumes, but also the rental pricing.

Operating revenues for the auxiliary airports totaled $990,000 for FY2008, $39,400 over FY2007. During FY2007 revenues for the auxiliary airports increased $145,500, or 18.1% higher than the prior year. This increase is primarily attributable to additional hangar rentals. General aviation operating revenues in FY2008 were $100,700 higher than the prior year due to increases in rentals of $123,300, offset by lower fuel flowage fees of $21,100. Increases in fuel flowage fees and rentals at the General Aviation facilities contributed to the increase in FY2007 of 5.6% over the prior year in this revenue category. Federal reimbursements, which include an agreement with the Transportation Security Administration (TSA) under which the Authority receives reimbursement for providing law enforcement services on behalf of the TSA at the

passenger security checkpoints. In FY2008 reimbursements under this agreement totaled $1,029,800 and in FY2007 the Authority received $1,000,700. Grants were also received for the canine program at the Airport in FY2008 and FY2007.

Operating Expenses

Expense Classification	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006	Percent Change 2007 to 2008	Percent Change 2006 to 2007
Airfield	$ 8,051,617	$ 7,978,596	$ 7,612,367	0.9%	4.8%
Terminal Building	25,949,422	25,199,891	22,536,114	3.0%	11.8%
Airside Buildings	20,646,480	20,769,387	19,232,343	(0.6)%	8.0%
Commercial Landside	20,759,663	19,650,616	18,172,618	5.6%	8.1%
Cargo	548,157	558,315	467,784	(1.8)%	19.4%
Auxiliary Airports	1,399,795	1,326,797	1,266,506	5.5%	4.8%
General Aviation	802,361	848,266	772,525	(5.4)%	9.8%
Passenger Transfer System	3,742,037	3,689,915	3,465,423	1.4%	6.5%
Roads and Grounds	7,805,706	7,611,943	7,289,700	2.5%	4.4%
Other	2,063,245	2,059,665	1,816,895	0.2%	13.4%
	$ 91,768,483	$ 89,693,391	$ 82,632,275	2.3%	8.5%

The table above presents the major expense classifications for FY2008, FY2007, and FY2006. Total operating expenses for FY2008 were $91,768,500, an increase of 2.3% over the prior year. In FY2007, operating expenses totaled $89,632,300, an increase of 8.5% over the prior year and include a full year of operations of the economy garage and a partial year of expenses associated with the new car rental garage and facility. The sections following provide a more detailed analysis of these variances.

FY2008 Discussion of Operating Expenses

With the slowdown in passenger activity, and the uncertainty regarding the impact of the economy on the airline industry, the Authority implemented a cost control program in the second quarter of the FY2008. This program resulted in a hiring freeze and all areas were evaluated for possible savings. The results of this cost control program are evident in the results for the fiscal year with expenses for the year coming in $2.9 million less than the FY2008 budget, emphasizing the Authority's continual goal of maintaining reasonable costs to the airlines serving Tampa International Airport.

During FY2008, compared to FY2007, increases in operating expenses occurred in personnel services, certain contracted services, and contractual maintenance items, offset by lower expenses in insurance and other expenses. The net of these items result in the 2.3% variance over the prior fiscal year.

Personnel costs charged to operating expenses in FY2008 totaled $42,105,400, $2,314,300 over the prior year. This variance is due to a full year impact of positions added in the prior year, merit and cost of living adjustments and the associated impact on FICA, pension and group and other employee insurance, offset by a decrease in overtime costs for the current year. Contracted services and maintenance expenses increased over the prior year and is related to the aircraft rescue and fire fighting provided by the City of Tampa and to the expenses for the parking operations. During FY2008 there were contractual increases associated with both of these agreements. Contractual maintenance, including janitorial, shuttle, monorail and office equipment all experienced increases, again due to expected contractual increases. Even with rate increases electricity costs, at $10,973,500 for FY2008 were just $8,600 more than the prior year, due to the cost savings measures implemented in February 2008. Insurance expenses of $3,407,000 for the current year, were $329,700, or 8.8% less than FY2007, a benefit of lower insurance renewal premiums during the year. Other significant decreases include promotions and travel, both of these expenses were under control of the cost containment program, coming in at $214,000 and $164,800, respectively, less than the prior year.

FY2007 Discussion of Operating Expenses

During FY2007, the overall increase in operating expenses primarily occurred in personnel services, certain contracted services and contractual maintenance items, electricity and insurance costs. These items contribute to the 8.5% variance over the prior fiscal year.

Personnel costs charged to operating expenses during FY2007 totaled $39,791,100 and increased $2,893,000 over the prior year. This variance is due to the addition of new positions in FY2007, a full year impact of new positions added in the prior year, merit and cost of living adjustments and the associated impact on FICA, pension and group and other employee insurance. Contracted services and maintenance expenses increased over the prior year and are a result of services related to the economy garage and rental car project and contractual increases associated with these agreements. Electricity costs, at $10,964,900 for FY2007 were 8.7% higher than the prior year, due to the full year impact of the economy garage and a rate increase experienced during the year. Insurance expenses of $3,736,700 for FY2007, were $817,800 over FY2006. As in the prior year, insurance costs continue to reflect the impact of the hurricane losses in past years. Although there were increases in each of the expense categories for this fiscal year, overall expenses were within budgeted amounts and the Authority continues with its program of maintaining reasonable costs to the airlines serving Tampa International Airport.

Summary of Changes in Net Assets

The following is a summary of the statements of revenues, expenses, and changes in net assets:

	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006	Change 2007 to 2008	Change 2006 to 2007
Operating revenues	$ 176,915,493	$ 175,421,703	$ 165,182,818	$ 1,493,790	$ 10,238,885
Operating expenses	91,768,483	89,693,391	82,632,275	2,075,092	7,061,116
Signatory airline revenue sharing	9,500,893	9,338,914	8,990,500	161,979	348,414
Operating income before depreciation and amortization	75,646,117	76,389,398	73,560,043	(743,281)	2,829,355
Depreciation and amortization	72,717,198	70,830,576	65,303,743	1,886,622	5,526,833
Operating income	2,928,919	5,558,822	8,256,300	(2,629,903)	(2,697,478)
Net non-operating expense	23,337,194	23,057,494	23,694,448	279,700	(636,954)
Capital contributions	62,707,033	72,893,970	57,778,853	(10,186,937)	15,115,117
Increase in net assets	$ 42,298,758	$ 55,395,298	$ 42,340,705	$ (13,096,540)	$ 13,054,593

Operating revenues, at $176,915,500 for FY2008 increased $1,493,800 over the prior fiscal year and operating expenses were $2,075,100, or 2.3% higher than FY2007. These variances resulted in operating income before depreciation and amortization of $75,646,100 for FY2008. In FY2007, operating income before depreciation and amortization was $2,829,400 over FY2006. Contributing to this positive variance is an increase in operating revenues of $10,238,900 offset by an increase in operating expenses of $7,061,100. Details of the operating revenues and expenses are more fully discussed in the previous section “Financial Highlights” of this MD&A.

Depreciation and amortization expense, at $72,717,200 and $70,830,600 for FY2008 and FY2007, respectively, was higher than each of the prior years due to a full year of depreciation on projects that were capitalized during the respective fiscal years.

Capital Contributions consists of Federal and State Grants, Other Contributions and Passenger Facility Charges (PFCs), which are being received to fund various construction projects and the land acquisition program at the Airport. PFCs are collected at a $4.50 per passenger level by the airlines, of which $4.39 is remitted to the Authority.

During FY2008, capital contributions from PFCs of $36,684,300 were $2,241,900 less than FY2007, reflecting the decrease in passengers and the slowdown in ticket sales for the airlines. In FY2007, PFCs were $1,148,000 higher than FY2006, reflective of the increase in passengers for the fiscal year. In FY2008, federal and state grants of $23,521,900 were $4,634,200 higher than FY2007 due to additional grant funding for the George Bean Parkway, the terminal return flyover, the design and construction of the north portion of Taxiway V and the reconstruction of Taxiway W. Federal and state grants for FY2007 totaled $18,887,700, compared to $20,000,700 for FY2006. This variance for this year is primarily due to offsetting factors. A state grant was received for the expansion of the George Bean Parkway offset by the receipt of federal funds for various projects that were lower in total than the prior year.

The Authority granted an easement of approximately 33 acres to the Florida Department of Transportation (FDOT) for construction of and improvements to the major interchanges into the airport. The value of the easements was $3,164,300, determined by an independent appraisal. The Authority agreed to accept payment for conveyance of the easement in the form of specific roadway improvements to the George Bean Parkway and adjacent access roads by the FDOT. At September 30, 2007, approximately 49.65% of the project was complete. These transactions resulted in a gain on the conveyance of the easements of $2,329,700 and capital contributions of $1,750,400 at September 30, 2007, reported as other contributions of $4,080,100 for FY2007. At September 30, 2008, approximately 74.9% of the project was complete, resulting in other capital contributions of $2,500,900 for FY2008. In FY2007, the aircraft maintenance facility vacated by US Airways during its bankruptcy proceedings reverted to the Authority under the terms of the bond documents associated with the facility. As a result, an independent appraisal was performed to determine a value for the facility so it could be recorded as an Authority asset. To record this transaction, other contributions of $11,000,000 were recognized during FY2007.

Net Non-Operating Revenues and Expenses for FY2008 increased $279,700 over the prior year. This variance is due to several offsetting factors, lower investment income, lower commercial paper interest and an increase in capitalized interest for the year. This expense category for FY2007 decreased $637,000 over the prior year due to an increase in investment income, offset by interest expense on bonds and commercial paper.

Summary of Statements of Net Assets

A summarized comparison of the Authority's total assets, total liabilities and net assets at September 30, 2008, 2007, and 2006 is as follows:

	2008	2007	2006	Change 2007 to 2008	Change 2006 to 2007
Assets					
Current assets	$ 287,274,975	$ 180,386,352	$ 189,013,769	$ 106,888,623	$ (8,627,417)
Capital assets, net	1,207,749,538	1,136,597,018	1,123,522,798	71,152,520	13,074,220
Other non-current assets	8,840,400	6,400,033	7,442,229	2,440,367	(1,042,196)
Total Assets	1,503,864,913	1,323,383,403	1,319,978,796	180,481,510	3,404,607
Liabilities					
Current liabilities	88,826,979	71,269,801	71,381,404	17,557,178	(111,603)
Non-current liabilities	771,607,513	650,981,939	702,861,027	120,625,574	(51,879,088)
Total liabilities	860,434,492	722,251,740	774,242,431	138,182,752	(51,990,691)
Net Assets					
Invested in capital assets, net of debt	551,461,322	511,654,817	450,832,456	39,806,505	60,822,361
Restricted	37,938,438	60,022,900	59,388,898	(22,084,462)	634,002
Unrestricted	54,030,661	29,453,946	35,515,011	24,576,715	(6,061,065)
Total Net Assets	$ 643,430,421	$ 601,131,663	$ 545,736,365	$ 42,298,758	$ 55,395,298

Current assets at September 30, 2008 totaled $287,275,000, an increase of $106,888,600 compared to September 30, 2007. This increase is primarily attributable to the issuance of the 2008 Series A and B Bonds on May 7, 2008. The construction funds from this bond issue were invested and will provide funding for certain capital projects. The issuance of the 2008 Bonds is

more fully discussed under the "Debt Management" section. Current assets at the end of FY2007, at $180,386,400 decreased $8,627,400 from the prior years balance. This reduction is due to the expected use of monies from the surplus and bonds construction funds for capital projects. Net capital assets increased $71,152,500 in FY2008 over FY2007 and $13,074,200 in FY2007 over FY2006. Both years' variances reflect the completion of major projects and the commencement of new capital spending under the capital improvement program. The FY2007 increase also includes the impact of recording the maintenance hangar and the road improvements received through other contributions as discussed in the "Summary Statement of Net Assets" section.

Current liabilities, with a balance of $88,827,000 at September 30, 2008 are $17,557,200 more than the balance at the end of FY2007. An increase in the balance in the construction accounts payable of $12,635,500 at September 30, 2008 over the prior year reflects the increase in spending in the capital program. The current maturities of revenue bonds payable increased $2,350,000 at the end of FY2008 compared to the prior year. The balance of current liabilities at September 30, 2007 was $71,269,800, $111,600 lower than the prior year due to several offsetting items. A reduction in construction payables of $3,195,600 is offset by an increase in the current bond maturities and an increase in accrued expenses. At September 30, 2008 non-current liabilities totaled $771,607,500, $120,625,600 more than the balance at the end of FY2007. This increase is due to the issuance and paydown of long term debt and commercial paper, more fully discussed in the "Debt Management" section. Non-current liabilities in FY2007 decreased $51,879,100 compared to FY2006, due to $38,710,000 in bonds becoming current, the paydown of commercial paper of $18,000,000 and a draw on the commercial paper of $7,000,000.

Airline Rates and Charges

Effective October 1, 1999, the Authority entered into a new airline-airport use and lease agreement (Airline-Airport Agreement) with the signatory airlines, which had a seven-year term and incorporated the lease and use of the terminal complex and the airfield at the Airport. During FY2006, this agreement, with the same basic terms, was extended for an additional three years. Negotiations are currently underway with the signatory airlines to extend the agreement to September 30, 2010. The Airline-Airport Agreement establishes a "compensatory" rate-making methodology where the signatory airlines pay fees and charges based on the Authority's cost of providing facilities and services to the airlines.

Rates and charges are calculated on an annual basis and reviewed and adjusted, if necessary, throughout each fiscal year to ensure that sufficient revenues are generated to satisfy all requirements of the Authority's Trust Agreement. At the end of each fiscal year, the Authority will recalculate rates and charges based on audited financial data and a settlement will take place with the signatory airlines. Included in the Airline-Airport Agreement are rates and charges calculations with specific rebates of debt service coverage and sharing of net remaining revenues. This net revenue sharing component was established at 15% of net revenues, as defined, in fiscal years 2000 and 2001, 16% for fiscal year 2002, 17% for fiscal year 2003, 18% for fiscal year 2004, 19% for fiscal year 2005, and 20% in fiscal year 2006. The net revenue sharing component remains at 20% for the additional three years of the agreement. Non-signatory rates and charges do not provide for a 25% debt service coverage reduction or the net

revenue sharing component; thus, the Authority charges two distinct rates to airlines operating at the airport based on the cost of providing services for facilities utilized.

The table below summarizes passenger airline rents, landing fees, net revenue sharing and cost per enplaned (departing) passenger for FY2008 and FY2007. Cost per enplaned passenger is a standard industry measurement, and the goal of the Authority is to maintain a competitive cost per enplanement at the Airport.

Passenger Airline Costs	**FY2008**	**FY2007**
Airline landing fees	$ 11,776,463	$ 11,737,908
Landside terminal rentals	20,545,606	19,834,198
Airside building rentals	18,957,708	19,305,002
Total airline fees and charges	51,279,777	50,877,108
Less airline revenue sharing	(9,500,893)	(9,338,914)
Net airline fees and charges	$ 41,778,884	$ 41,538,194
Enplaned passengers	9,350,806	9,628,144
Airline cost per passenger	$4.47	$4.31

Capital Improvement Program

During FY2008, the Authority continued to develop facilities and improvements to meet the demands of the aviation system and community expectations for the Airport's market area. Major projects commenced in FY2008 include the expansion of the Economy Parking Garage, budgeted at $80,000,000, the Cargo Building and Ground Support Equipment Facilities, budgeted at $26,000,000, and the extension of the Cargo Road, budgeted at $21,350,000. The issuance of the 2008 A&B Bonds provided the majority of funding for these projects. Significant projects started in FY2007 include the construction of Taxiway V and reconstruction of Taxiway W, budgeted at $28,742,300, the George Bean Parkway Flyover Bridge, budgeted at $13,205,600, and the Airside F Shuttle Replacement, budgeted at $12,913,000.

In FY2008, two major projects started in prior years, the George Bean Parkway Widening and Rehabilitation and the Airside F Shuttle Car Replacement projects were completed, at costs of $18,929,000 and $10,004,000, respectively. These projects were funded with a mix of Authority funds, PFCs and state grants. During FY2007, two major projects were completed that were funded by the issuance of debt in FY2005. The economy public parking garage, with a cost of $76,024,300, is a 5,600-space parking structure that provides long-term parking for passengers at the Airport. A new rental car garage was constructed on the Red Side of the terminal and the check-in counters were relocated from the terminal footprint to the lower level of the service building, at a total project cost of $33,473,700. The counter relocations will provide for the ultimate expansion of the baggage claim areas in the future.

Current and prior year capital spending includes projects approved in prior years that are still underway. In FY2008 and FY2007, the Authority expended $125,083,700 and $70,155,600, respectively, towards the acquisition and construction of capital assets.

PFC Application #7, authorizing PFC collections in the amount of $98,840,500, was approved by the Federal Aviation Administration during FY2007, bringing the total collection authority for all PFC applications to $745,495,500. Through September 30, 2008, $388,261,900 has been collected under these approved applications. Expenditures under the PFC applications through September 30, 2008 total $583,627,800. Expenditures in excess of collections are funded from the issuance of PFC-backed revenue bonds, commercial paper, or from Authority funds that will be reimbursed from PFCs.

Typically, airports in the United States develop master plans that define the airports' ultimate configuration at full development during 20-year time spans, thereby establishing airport complex requirements. The last update to the Authority's Master Plan was completed in February 2006. Master plans do not normally provide detailed information to determine funding strategies. The Authority periodically prepares (or updates) a Strategic Business Plan to provide a 10-year detailed funding analysis of operating expenses, revenues, and projected airline charges and establish development and financial goals along with measurement criteria. The plan's overriding objective is to place the Authority in a healthy financial position without overburdening the air carriers, while maintaining competitive airline rates and charges. Funding strategies and recommendations will ensure airport facilities and improvements are brought on line when needed, based on established trigger points; are funded in a manner that preserves the Authority's competitive cost structure; and maintain maximum flexibility under changing circumstances.

The last update to the Strategic Business Plan was completed in FY2006, although a feasibility study (which is similar in nature to the Strategic Business Plan) was completed in conjunction with the issuance of the 2008 Bonds. In response to the recent slowdown in passengers and the weak economy, management prepared a sensitivity analysis that was presented to the Authority Board in November 2008. This analysis provided management's assessment of various scenarios of slowdowns in passenger activity and the resulting impact to Tampa International Airport. Under the scenarios presented, completion of the north terminal complex would not be expected until 2018 or beyond, dependent upon future passenger growth.

Debt Management

At the end of the current fiscal year, the Authority had general airport revenue bonds outstanding in the total amount of $731,225,000. Of this total, $41,060,000 is current and will mature on October 1, 2009. All of the Authority's long-term bonds were issued as insured debt.

On May 7, 2008, the Authority issued the Tampa International Airport Revenue Bonds 2008 Series A and Series B in the amounts of $133,000,000 and $16,725,000, respectively; and the 2008 Series C and Series D Refunding Bonds in the amount of $34,780,000, and $11,250,000, respectively. The 2008 A and B Bonds were issued to finance portions of the FY2008 capital program. The proceeds, along with State Grants and Authority funds are being used to fund the expansion of the economy garage, construction of the cargo building and ground support equipment facilities and the extension of the cargo road. Due to the events surrounding the

municipal insurers and the volatility of the insured variable rate debt market, the 2008 C and D Bonds were issued to refund the outstanding variable rate 2006 Series C and D Bonds. Details regarding these bond issues are more fully provided in Note 8 of the accompanying financial statements.

On September 21, 2001, the Authority entered into a Reimbursement Agreement with Landesbank Baden-Württemberg, acting through its New York Branch (the Bank). Under the agreement, the Authority is allowed to issue an aggregate principal amount of commercial paper notes not-to-exceed $105,000,000 outstanding at any one time through 2006. During FY2005, the Authority negotiated an extension to the Reimbursement Agreement until 2015. Proceeds from the initial issuance of the notes were used for authorized projects in the capital improvement program. It is the Authority's intent to utilize PFC collections to repay both interest and principal on the current outstanding amounts.

On January 17, 2008, and on June 28, 2007, the Authority issued additional Series B Commercial Paper Notes in the amount of $13,000,000 and $7,000,000, respectively, to fund portions of the projects approved in PFC Application #7. During FY2008 and FY2007, the Authority made principal payments of $3,000,000 and $18,000,000, respectively, on the outstanding balance. The balance of the commercial paper notes at September 30, 2008 was $ 70,000,000.

The Authority's bond covenants require that revenues available to pay debt service, as defined in the Trust Agreement, exceed 1.25 times the annual debt service amount. The debt service coverage ratio for FY2008 and FY2007 was 1.74 and 1.79, respectively.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives and expends. Questions concerning this report or requests for additional information should be addressed to Ann Davis, Senior Director of Finance, Tampa International Airport, P.O. Box 22287, Tampa, FL 33622. Information of interest may also be obtained on Authority's website at TampaAirport.com.

HILLSBOROUGH COUNTY AVIATION AUTHORITY

STATEMENTS OF NET ASSETS
SEPTEMBER 30, 2008 AND 2007

ASSETS	2008	2007
Current Assets		
Unrestricted:		
Cash and cash equivalents	$ 65,771,610	$ 40,027,871
Restricted:		
Cash and cash equivalents	49,974,450	59,788,559
Investments	160,014,456	65,217,538
Accounts receivable, net	1,492,340	3,590,780
Passenger facility charges receivable	4,097,513	4,395,262
Government grants receivable	2,464,772	3,377,708
Accrued interest receivable	981,769	1,504,508
Prepaid insurance and other assets	2,478,065	2,484,126
Total restricted assets	221,503,365	140,358,481
Total current assets	287,274,975	180,386,352
Noncurrent Assets		
Capital assets:		
Land	168,645,717	150,891,787
Construction in progress	123,820,829	42,296,821
Building, equipment, and improvements	1,576,995,228	1,546,644,049
	1,869,461,774	1,739,832,657
Less accumulated depreciation	(661,712,236)	(603,235,639)
Total capital assets, net	1,207,749,538	1,136,597,018
Debt issue costs (net of accumulated amortization of $5,066,175 and $4,540,155, respectively)	8,674,959	6,232,320
Other receivables	165,441	167,713
Total noncurrent assets	1,216,589,938	1,142,997,051
Total Assets	1,503,864,913	1,323,383,403

(Continued)

HILLSBOROUGH COUNTY AVIATION AUTHORITY

STATEMENTS OF NET ASSETS
SEPTEMBER 30, 2008 AND 2007

LIABILITIES AND NET ASSETS	2008	2007
Current Liabilities		
Payable from unrestricted assets:		
Accounts payable – construction	$ 2,240,056	$ 1,235,009
Accrued airline revenue sharing	9,500,893	9,338,914
Total current liabilities payable from unrestricted assets	11,740,949	10,573,923
Payable from restricted assets:		
Accounts payable – construction	15,846,827	4,216,326
Accounts payable – trade	2,054,161	3,140,326
Accrued expenses	7,167,794	5,546,393
Accrued interest payable	151,112	534,393
Current maturities of revenue bonds payable	41,060,000	38,710,000
Current maturities of commercial paper notes	5,000,000	5,000,000
Deferred revenue and other liabilities	5,806,136	3,548,440
Total current liabilities payable from restricted assets	77,086,030	60,695,878
Total current liabilities	88,826,979	71,269,801
Noncurrent Liabilities		
Long-term portion of revenue bonds payable, net	702,959,922	592,601,597
Commercial paper notes payable	65,000,000	55,000,000
Other liabilities	3,647,591	3,380,342
Total noncurrent liabilities	771,607,513	650,981,939
Total Liabilities	860,434,492	722,251,740
NET ASSETS		
Invested in capital assets, net of related debt	551,461,322	511,654,817
Restricted	37,938,438	60,022,900
Unrestricted	54,030,661	29,453,946
TOTAL NET ASSETS	$ 643,430,421	$ 601,131,663

(Concluded)

See accompanying Notes to Financial Statements

HILLSBOROUGH COUNTY AVIATION AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007

	2008	2007
Operating Revenues		
Airfield	$ 12,447,693	$ 12,403,010
Terminal building	39,521,557	38,865,500
Airside buildings	19,250,500	19,520,517
Commercial landside	92,299,833	91,201,653
Cargo	2,062,612	2,045,284
Auxiliary airports	990,001	950,618
General aviation	1,504,016	1,403,300
Federal reimbursements	1,223,514	1,329,243
Other	7,615,767	7,702,578
Total operating revenues	176,915,493	175,421,703
Operating Expenses		
Airfield	8,051,617	7,978,596
Terminal building	25,949,422	25,199,891
Airside buildings	20,646,480	20,769,387
Commercial landside	20,759,663	19,650,616
Cargo	548,157	558,315
Auxiliary airports	1,399,795	1,326,797
General aviation	802,361	848,266
Passenger transfer system	3,742,037	3,689,915
Roads and grounds	7,805,706	7,611,943
Other	2,063,245	2,059,665
Total operating expenses	91,768,483	89,693,391
Signatory Airline Net Revenue Sharing	9,500,893	9,338,914
Operating Income before Depreciation and Amortization	75,646,117	76,389,398
Depreciation and Amortization	72,717,198	70,830,576
Operating Income	2,928,919	5,558,822
Non-Operating Revenues and Expenses		
Investment income	7,889,816	9,727,731
Bonds and commercial paper interest expense	(31,227,010)	(32,785,225)
Total nonoperating expenses – net	(23,337,194)	(23,057,494)
Change in Net Assets Before Contributions	$ (20,408,275)	$ (17,498,672)

(Continued)

HILLSBOROUGH COUNTY AVIATION AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007

	2008	2007
Capital Contributions		
Passenger Facility Charges	$ 36,684,255	$ 38,926,174
Federal and state grants	23,521,878	18,887,727
Other contributions	2,500,900	15,080,069
Total Capital Contributions	62,707,033	72,893,970
Change in Net Assets	42,298,758	55,395,298
Total Net Assets, Beginning of Year	601,131,663	545,736,365
Total Net Assets, End of Year	$ 643,430,421	$ 601,131,663

(Concluded)

See accompanying Notes to Financial Statements.

HILLSBOROUGH COUNTY AVIATION AUTHORITY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007

	2008	2007
Cash Flows from Operating Activities		
Operating cash receipts from customers	$ 180,315,364	$ 174,266,626
Cash payments to suppliers for goods and services	(66,784,924)	(66,783,582)
Cash payments to employees for services	(33,781,176)	(31,910,319)
Cash Receipts from Federal Reimbursements	1,223,514	1,329,243
Net cash provided by operating activities	80,972,778	76,901,968
Cash Flows from Capital Activities and Related Financing Activities		
Proceeds from the issuance of revenue bonds	149,709,716	–
Proceeds from issuance of revenue refunding bonds	47,167,372	–
Proceeds from issuance of commercial paper notes	12,985,375	6,992,125
Payments of bond and commercial paper issuance costs	(3,850,710)	–
Principal and interest paid on revenue bond refunding	(47,883,272)	–
Principal paid on revenue bond maturities and commercial paper	(36,790,000)	(54,890,000)
Interest paid on revenue bonds and commercial paper notes	(36,961,068)	(35,632,897)
Acquisition and construction of capital assets	(125,083,735)	(70,155,620)
Net proceeds from direct financing lease and other assets	2,273	14,115
Federal and state grants	24,434,814	17,738,419
Passenger Facility Charges	36,982,004	38,644,771
Net cash provided (used) in capital and related financing activities	20,712,769	(97,289,087)
Cash Flows from Investing Activities		
Purchases of investment securities	(283,149,321)	(77,222,266)
Proceeds from maturities of investment securities	190,284,011	77,286,423
Income received on investments	7,109,393	9,547,838
Net cash (used) provided by investing activities	(85,755,917)	9,611,995
Net Change in Cash and Cash Equivalents	15,929,630	(10,775,124)
Cash and Cash Equivalents – Beginning of year	99,816,430	110,591,554
Cash and Cash Equivalents – End of year	$ 115,746,060	$ 99,816,430

(Continued)

HILLSBOROUGH COUNTY AVIATION AUTHORITY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND 2007

	2008	2007
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	$ 2,928,919	$ 5,558,822
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	72,717,198	70,830,576
Decrease (increase) in accounts receivable	2,098,440	(108,082)
Decrease (increase) in prepaid insurance and other assets	6,061	(489,309)
Decrease in accounts payable – trade	(1,086,165)	(949,323)
Increase in accrued expenses, deferred revenue, and other liabilities	4,308,325	2,059,284
Net cash provided by operating activities	$ 80,972,778	$ 76,901,968
Noncash Activities		
Unrealized gain on investments	$ 1,931,608	$ 108,894
Amortization of bond premium – net	(3,779,423)	(4,000,868)
Amortization of deferred loss on bond refundings	1,667,482	1,768,782
Other capital contributions	2,500,900	15,080,069

(Concluded)

See accompanying Notes to Financial Statements.

1. GENERAL

Description – The Hillsborough County Aviation Authority (the Authority) was created in 1945 as an independent special district governed by the Hillsborough County Aviation Authority Act, Chapter 2003-370, Laws of Florida (the Act). The Act provides that the Authority has exclusive jurisdiction, control, supervision and management over all public airports within Hillsborough County. As such, the Authority is authorized to issue revenue bonds to finance the construction of aviation-related projects. Revenue bonds issued by the Authority are payable solely from revenues of the Authority and are not obligations of the City of Tampa, Hillsborough County, or the State of Florida. Pursuant to the general laws of Florida, the Authority owns and operates Tampa International Airport (the Airport) and three general aviation airports (collectively, the Airport System).

In connection with the Authority's issuance and sale of $67,000,000 principal amount of Revenue Bonds dated October 1, 1968, the Authority entered into the 1968 Trust Agreement. Since the date of its execution, the Authority has, concurrently with each revenue bond issue beginning in 1981, made various amendments and modifications to the terms of the original 1968 Trust Agreement. Many of these amendments were contingent upon the receipt of the requisite consent of the bondholders. Some amendments were prepared in "conceptual" form, awaiting definitive language to be prepared at the discretion of the Authority. During fiscal year 1999, the Authority received the requisite bondholder consent for all the definitive amendments, and the 1968 Trust Agreement, as amended, was codified and restated (the Trust Agreement). In fiscal year 2006, in association with the issuance of the 2006 Revenue Refunding Bonds (see Note 8 – Debt and Other Non-Current Liabilities) the Trust Agreement was again codified and restated to implement the conceptual amendment relating to the issuance of variable rate debt.

Pursuant to the provisions of the Trust Agreement, the Authority entered into lease agreements with certain airlines (the Signatory Airlines) serving the Airport. These lease agreements provide the basis of determining airline facility rentals and landing fees on an annual basis. The agreements, in effect since 1970, with the Signatory Airlines serving Tampa International Airport (the Prior Agreements) expired on September 30, 1999. Effective October 1, 1999, the Authority executed Airline-Airport Use and Lease Agreements with the Signatory Airlines (the Agreements), which had terms of seven years and would have expired on September 30, 2006. In fiscal year 2006, the Authority and Signatory Airlines extended the Agreements with basically the same terms for an additional three years (See Note 3 – Rate-Making Policy).

Basis of Presentation – The Authority operates the Airport System as a single enterprise fund with multiple cost centers to account for the costs of services. Costs are recovered in the form of charges to users for such services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The Authority's financial statements are presented in accordance with accounting principles generally accepted in the United States. The Authority applies all applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989, and all applicable pronouncements required by the Governmental Accounting Standards Board (GASB). The Authority's significant financial and accounting policies utilized in formulating these financial statements are as follows:

Cash and Cash Equivalents – The Authority classifies investments in short-term repurchase agreements and investments with original maturities less than three months from the date of purchase as cash equivalents.

Investments – The Authority follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires the adjustments of the carrying values of investments to fair values to be presented as a component of investment income. The Authority invests in overnight repurchase agreements and short-term direct treasuries that are recorded at cost. Since the term of the instruments is of such short duration, the Authority believes cost approximates their fair values. Investments in the Local Government Investment Pool operated by the Florida State Board of Administration (SBA) is a "2a-7-like" pool in accordance with GASB 31; therefore, the investments are not presented at fair value but at the actual pooled share price, which approximates fair value. The SBA also operates the Fund B Surplus Funds Trust Fund (Fund B), which is accounted for as a fluctuating net asset value pool in accordance with GASB 31. Investments are also held in collateralized time deposits, which are restricted in their use and may only be liquidated based on their face values. These deposits are collateralized by U.S. government obligations at 102% of their face values, and the collateral is marked to market at least weekly. The deposits are recorded at their face values, which are their fair values. U.S. Treasury notes and bonds are stated at fair value, based on available market data. Investment income is credited or charged with any unrealized gain or loss, based on the change in fair value.

Restricted Assets and Liabilities – The Trust Agreement requires the segregation of certain assets into restricted accounts and limits their use to specific items as defined by the document. Current liabilities payable from restricted assets are the liabilities that are to be retired by the use of restricted assets.

Accounts Receivable – The Authority considers the need for an allowance for doubtful accounts based on the expected collectibility of outstanding balances.

Grants – Grants received from federal and state governmental agencies that are restricted for the acquisition or construction of capital assets are recorded as capital contributions when earned. Grants are earned when costs relating to such capital assets, which are reimbursable under the terms of the grants, have been incurred. Depreciation on assets acquired or constructed with government grant monies is included in Depreciation and Amortization in the accompanying Statements of Revenues, Expenses, and Changes in Net Assets. Operating grants received from the Federal Aviation Administration (FAA), the

Transportation Security Administration, and Florida Department of Transportation that are used to partially offset security costs for the implementation of federally mandated security requirements and other related operating and maintenance costs are recorded separately from capital grants and are included as Operating Grants and Reimbursements in the Statements of Revenues, Expenses, and Changes in Net Assets.

Passenger Facility Charges (PFCs) – PFCs are imposed at $4.50 per enplaned passenger, of which the Authority receives $4.39. The remitting airline retains $0.11 for administrative processing costs. PFCs are restricted for use on pre-approved projects. PFCs are recorded as Capital Contributions in the accompanying Statements of Revenues, Expenses, and Changes in Net Assets.

Debt Issue Costs, Bond Discounts and Premiums, and Deferred Loss on Bond Refundings – Debt issue costs and bond discounts and premiums are deferred in the year of issuance and amortized using the effective interest method over the life of the issue. Losses on bond refundings are deferred and amortized over the shorter of the remaining life of the original issue or the life of the new issue.

Interest Costs – Interest costs incurred during periods of construction are capitalized as a component of the assets to which these costs relate for all projects except those funded through the rate-making process (see Note 3), grants and PFCs. In situations involving qualifying assets financed with the proceeds of tax-exempt debt, the amount of interest capitalized is reduced by any interest income earned on the temporary investment of such monies. Interest is capitalized throughout the construction period and is amortized on a straight-line basis over the estimated useful life of the respective asset after the project is substantially completed.

Capital Assets – Capital assets are recorded at cost and are depreciated using the straight-line method typically over their estimated useful lives as follows:

Structures and improvements	10-40 years
Runways, taxiways and aprons	10-30 years
Equipment, furniture and fixtures	3-15 years

On an annual basis, the Authority evaluates the useful lives of capital assets and writes off net capitalized costs of assets with no future value. Net capitalized costs written off are included in Depreciation and Amortization in the accompanying Statements of Revenues, Expenses, and Changes in Net Assets.

Pension Plans – Pension expenses includes amortization of prior service costs over a period of 30 years. The Authority's policy is to fund accrued pension costs, which include normal costs and amortization of prior service costs for regular employees and amounts determined by the Florida Retirement System.

Revenue Classifications – The components of the major operating revenue classifications are as follows:

Airfield – Fees for landing of cargo and passenger aircraft.

Terminal Building – Airline space rentals in passenger terminal building, privilege fees for the operation of terminal complex concessions of food and beverage, general merchandise and duty-free store, and other miscellaneous fees in terminal building.

Airside Buildings – Rentals of facilities space at airsides and other miscellaneous fees at the airside buildings.

Commercial Landside – Automobile parking fees, rent-a-car privilege fees and space rental, privilege fees for the operation of the hotel and permit fees of off-airport rental cars and limousine/cab.

Cargo – Cargo space rentals, apron rentals, fuel flowage fees, and other grounds rental.

Auxiliary Airports – Fees from services at all airports operated by the Authority, other than Tampa International Airport.

General Aviation – Fees from services for general aviation activities at Tampa International Airport.

Other – Fees from aviation supporting facilities provided to tenants, rentals from nonaviation properties, reimbursement for utilities, and other miscellaneous income.

Reclassifications – Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

Recent Accounting Pronouncements –

In fiscal year 2008, the Authority implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB No. 45 provides standards for the measurement, recognition, and display of other postemployment benefit expenditures, assets, liabilities, including applicable note disclosures and required supplementary information. The implementation of this standard was not material to the Authority's financial position or results of operations and is further described in Note 10 of the financial statements.

GASB Statement No. 47, *Accounting for Termination Benefits*, was issued in June 2005. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of GASB No. 47 are required to be implemented simultaneously with the requirements of GASB No. 45, which is effective for the Authority in fiscal year 2008. For all other termination benefits, GASB No. 47 was effective for the Authority in fiscal year 2006; however, since the Authority does not have other termination benefits, the adoption of this statement had no effect on amounts reported in the financial statements. GASB No. 47 establishes accounting standards for voluntary and involuntary termination benefits and addresses recognition, measurement, and disclosure requirements.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues*, was issued in September 2006 and is effective for the Authority in fiscal year 2008. The Statement establishes criteria for

government agencies on the reporting of receivables, and provides guidance in recognizing other assets and liabilities for sales of receivables or future revenues. The adoption of this statement had no effect on the amounts reported in the financial position or results of operations.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations,* was issued in November 2006, and is effective for the Authority in fiscal year 2009. The Statement provides accounting and financial reporting standards for pollution remediation obligations as well as disclosure requirements. The Authority does not expect the adoption of GASB No. 49 to have an impact on its financial position or results of operations.

In fiscal year 2008, the Authority implemented GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*. GASB No. 50 amends Statements 25 and 27 to require pension plans to disclose specific details that align with the financial reporting requirements for other postemployment benefits (OPEB). The implementation of this standard is further documented in Note 10.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets,* was issued in June 2007, and is effective for the Authority in fiscal year 2010. Intangible assets are required to be classified as capital assets under the Statement 51. The Statement also provides guidance on the useful life and amortization of intangible assets. The Authority does not expect the adoption of GASB No. 51 to have an impact on its financial statements.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments,* was issued in November 2007, and is effective for the Authority in fiscal year 2009. Endowments are required to report their land and other real estate investments at fair value under Statement 52. Additionally, governments are required to report the change in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. The Authority does not expect the adoption of GASB No. 52 to have an impact on its financial statements, because the Authority does not currently have land or other real estate held as endowment investments.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, was issued June 2008, and is effective for the Authority in fiscal year 2010. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local government. Derivative instruments are required to be reported at fair value**.** The Authority does not expect the adoption of GASB No. 53 to have an impact on its financial statements, because the Authority does not currently have any derivative instruments.

3. RATE-MAKING POLICY

The Trust Agreement states the Authority, not taking into consideration any money received from federal and state grants, PFCs, ad valorem taxes, and certain other monies, will fix and establish or revise, as needed, rental rates and other charges for use of the services and

facilities of the Airport System, which will be sufficient in each fiscal year to make payments and deposits, as required under the Trust Agreement. Currently, all bonds and outstanding debt of the Authority are issued under the Trust Agreement, and these covenants are reiterated in each Official Statement of bonds issued.

The Agreements incorporate the lease and use of the Terminal Building, Airsides A, C, E, F, any future Airside Buildings, and the Airfield at the Tampa International Airport. The Agreements establish a "compensatory" rate-making methodology where the airlines pay the Authority fees and charges based on the Authority's cost of providing facilities and services. The costs to be allocated to the Signatory Airlines include operating and maintenance expenditures, debt service, debt service coverage of 25%, Trust Fund minimum deposit requirements, and a return on investment for Authority funds used for capital projects. The new Agreements incorporate all of the covenants contained in the Trust Agreement governing the issuance of Airport Revenue Bonds. They also provide the Signatory Airlines with a net revenue sharing provision. The amounts due to the Signatory Airlines under this provision for the years ended September 30, 2008 and 2007, were $9,500,893 and $9,338,914, respectively. The net revenue sharing is presented as a separate item after Operating Expenses on the Statements of Revenues, Expenses, and Changes in Net Assets. Depreciation and amortization is excluded from the rate making process.

4. CASH AND INVESTMENTS

Included in the Authority's cash balances are amounts deposited with the Florida State Board of Administration's Local Government Investment Pool (SBA) as well as amounts deposited with commercial banks in interest bearing demand accounts. The State of Florida collateral pool is a multiple financial institution pool with the ability to assess its members for collateral shortfalls if a member institution fails. Required collateral is defined under Chapter 280 of the Florida Statutes, Security for Public Deposits Act (the Public Deposit Act). Under the Public Deposit Act, the Authority's deposits in qualified public depositories are considered totally insured. The qualified public depository must pledge at least 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. Additional collateral, up to a maximum of 125%, may be required, if deemed necessary under the conditions set forth in the Public Deposit Act. Obligations pledged to secure deposits must be delivered to the State Treasurer or, with the approval of the State Treasurer, to a bank, savings association, or trust company, provided a power of attorney is delivered to the State Treasurer.

SBA Local Government Investment Pool – The SBA is governed by a Board of Trustees (Trustees) comprised of the Governor, the Chief Financial Officer, and the Attorney General of the State of Florida. The Florida Local Government Investment Pool (Investment Pool) is one of various trust funds managed by the SBA. On November 29, 2007, the Trustees voted to suspend deposits and withdrawals into and from the Investment Pool. This action was taken to cease transactions that resulted in the Investment Pool's assets decreasing from approximately $27 billion to $14 billion in a month's time. During this time period, some local governments initiated withdrawals due to fears associated with securities held by the SBA that were downgraded below the credit quality guidelines set for initial purchase as well as some limited defaults.

On November 30, 2007, the SBA, through direction of the Trustees, secured the services of BlackRock on an interim basis to provide an independent financial review of the Investment Pool and to recommend a strategic course of action. As a result, the Investment Pool was split into two funds: approximately 86% was placed in Fund A and the holdings in this fund were subsequently assigned a rating of AAAm by Standard & Poor's on December 21, 2007. Fund A was reopened on December 6, 2007 for deposits and limited withdrawals. The remaining 14% of the original pool was placed in Fund B. The objective regarding Fund B was to maximize the collection of Fund B's principal and interest and to allow all or as much principal as possible to be returned to participants. Federated was selected by the Trustees to manage the Investment Pool in March 2008.

Since the time the fund was closed in November 2007, the SBA implemented authorized withdrawals on a periodic basis from both funds as investments matured or interest was received. As of November 30, 2007, the Authority had a total of approximately $63 million deposited in the Investment Pool. Throughout fiscal year 2008, under the SBA established withdrawal guidelines, the Authority withdrew funds to use for normal operating and capital project activities. As of September 30, 2008, the Authority had $8,257,646 remaining in Fund A, now known as the Local Government Surplus Funds Trust Fund Investment Pool (LGIP) and $2,284,941 remaining in Fund B, now known as the Fund B Surplus Funds Trust Fund. At September 30, 2008, the weighted average days to maturity of the LGIP was 8.5 days and the weighted average life of Fund B was 9.36 years.

As of September 25, 2008 guidelines issued by the SBA for withdrawals from the LGIP allowed up to 65% of the original balance to be withdrawn, with plans to increase the LGIP to 100% liquidity by the calendar year end of 2008. Deposits and withdrawals directly into and from Fund B remain suspended; however transfers of principal and interest payments collected on existing securities held in Fund B are periodically being made from that Fund to the LGIP accounts of Fund B participants in proportion to their original adjusted Fund B balances. These amounts are available as 100% liquid balance.

At September 30, 2008 and 2007, all cash and cash equivalent and investments, were as follows:

	2008	2007
U.S. Treasury securities	$ 153,294,332	$ 53,693,432
Local government investment pool	10,542,587	61,014,414
Guaranteed investment contracts	4,435,183	11,524,105
Investment in money market funds	5,245,792	5,118,194
Investments subtotal	173,517,894	131,350,145
Cash in deposit accounts	102,242,622	33,683,823
Total cash and investments	$ 275,760,516	$ 165,033,968
Reconciliation to statement of net assets:		
Cash and cash equivalents – unrestricted	65,771,610	40,027,871
Cash and cash equivalents – restricted	49,974,450	59,788,559
Investments	160,014,456	65,217,538
Total cash and investments	$ 275,760,516	$ 165,033,968

The Authority is authorized to invest in securities as described in its investment policy and the Trust Agreement. As of September 30, 2008, the Authority held the following investments as categorized below in accordance with GASB No. 40.

Investment Maturities

Investment Type	Less Than 1 Year	1 to 5 Years	6 to 10 Years	11 to 15 Years	Total
U.S. Treasury securities	$ 94,484,992	$ 22,509,736	$ 26,874,827	$ 9,424,777	$ 153,294,332
Local government investment pool	8,257,646	–	2,284,941	–	10,542,587
Guaranteed investment contracts	4,435,183	–	–	–	4,435,183
Investment in money market funds	5,245,792	–	–	–	5,245,792
	$ 112,423,613	$ 22,509,736	$ 29,159,768	$ 9,424,777	$ 173,517,894

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the investments of current operating funds to maturities of less than one year. The Authority's investment policy also requires the investment portfolio to be structured to provide sufficient liquidity to pay

obligations as they come due. To the extent possible, investment maturities are matched with known cash needs and anticipated cash flow requirements. Investments of other non-operating funds will have terms appropriate to the needs for funds. Additionally, maturity limitations for investments related to the issuance of debt are outlined in the Trust Agreement.

Credit Risk – The Authority's banking and investment policy is to apply the prudent-person rule: investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence would make, not for speculation, but for investment, considering the probable safety of the principal as well as the probable income to be derived. The Authority will also strive to maximize the return on the portfolio while minimizing risk. The Authority's policy allows investments in the SBA, money market funds with the highest credit quality from a nationally recognized rating agency, direct obligations of the U.S. Treasury, deposits secured by the Public Deposit Act and Federal agencies and instruments. Repurchase agreements are only allowed for deposits secured by the Public Deposit Act or direct obligations of the U.S. Treasury.

Custodial Credit Risk – For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investments are either held in the name of the Authority or held in trust under the Authority's name.

Concentration of Credit Risk – Concentration of credit risk means the magnitude of a government's investment in a single issuer. Excluded from this definition are investments issued or explicitly guaranteed by the U.S. government and external investments pools. The Authority's funds are held in U.S. Treasuries, investments collateralized by U.S. Treasuries, the SBA's Local Government Investment Pool or institutions that are members of the State of Florida collateral pool.

5. RESTRICTED ASSETS

The Trust Agreement, among other things, requires all airport revenues, excluding PFCs, grants, bond proceeds and their earnings, and revenues from certain nontrust funded projects, be deposited in the Revenue Fund, the establishment of certain trust accounts, and defines the priority and flow of cash receipts. Certain of these trust accounts require specified balances and are restricted as to use. Bond proceeds issued for construction are held by a trustee appointed by the Authority per the bond agreement. Debt Service and Debt Reserve accounts are held by a trustee designated by the Trust Agreement and are pledged as collateral for debt service. A summary of the balances in these accounts as of September 30, 2008 and 2007, is as follows:

	2008	2007
Restricted for debt service:		
Bond Principal, Interest, and Redemption Sinking Fund	$ 6,223,652	$ 1,519,918
Bond Reserve Fund	79,455,358	66,356,090
Restricted to acquisition of property and equipment:		
Equipment Fund	249,537	340,091
Construction Funds	83,291,129	19,350,634
Restricted to operating expenses:		
Operating Reserve Account	15,397,421	15,553,556
Operation and Maintenance	7,277,418	7,864,113
	191,894,515	110,984,402
Other restricted funds:		
Revenue Funds	20,188,563	18,980,930
Escrow and Forfeiture Deposits	379,937	136,053
Capital Acquisition	6,562,285	7,772,970
Prepaid Insurance and Other Assets	2,478,065	2,484,126
	29,608,850	29,374,079
Total restricted assets	$ 221,503,365	$ 140,358,481

6. LEASES

The Authority is the lessor of various properties at Tampa International Airport. Among these properties are the concession areas, restaurants and lounges, airsides and rental car areas. All leases are cancelable. In 1981, the Authority constructed an airline reservation center. The facility is under a direct financing lease with Continental Airlines, Inc. In connection with the lease agreement, the Authority received $222,000 in 2005 under the agreement. The term of the direct financing lease was completed as of September 30, 2005. Continental Airlines continues to operate in the facility under an amended lease that expires September 30, 2009.

7. CAPITAL ASSETS

Capital asset activity for the years ended September 30, 2008 and 2007 is summarized as follows:

	Balance October 1, 2007	Additions and Reclasses	Deletions and Reclasses	Balance September 30, 2008
Land	$ 150,891,787	$ 17,753,930	$ –	$ 168,645,717
Construction in progress	42,296,821	141,368,719	(59,844,711)	123,820,829
Equipment	18,560,671	1,316,058	(1,428,927)	18,447,802
Buildings and improvements	1,528,083,378	43,844,074	(13,380,026)	1,558,547,426
	1,739,832,657	204,282,781	(74,653,664)	1,869,461,774
Less accumulated depreciation				
Equipment	(14,128,286)	(1,759,027)	1,452,099	(14,435,214)
Buildings and improvements	(589,107,353)	(70,106,411)	11,936,742	(647,277,022)
	(603,235,639)	(71,865,438)	13,388,841	(661,712,236)
Total capital assests – net	$ 1,136,597,018	$ 132,417,343	$ (61,264,823)	$ 1,207,749,538

	Balance October 1, 2006	Additions and Reclasses	Deletions and Reclasses	Balance September 30, 2007
Land	$ 145,774,192	$ 6,176,967	$ (1,059,372)	$ 150,891,787
Construction in progress	41,931,023	96,229,072	(95,863,274)	42,296,821
Equipment	17,509,895	1,245,619	(194,843)	18,560,671
Buildings and improvements	1,457,899,761	76,145,603	(5,961,986)	1,528,083,378
	1,663,114,871	179,797,261	(103,079,475)	1,739,832,657
Less accumulated depreciation				
Equipment	(12,563,904)	(1,913,751)	349,369	(14,128,286)
Buildings and improvements	(527,028,169)	(67,599,217)	5,520,033	(589,107,353)
	(539,592,073)	(69,512,968)	5,869,402	(603,235,639)
Total capital assests – net	$ 1,123,522,798	$ 110,284,293	$ (97,210,073)	$ 1,136,597,018

Depreciation expense and amortization of capitalized interest during the years ended September 30, 2008 and 2007, were $71,533,831 and $69,350,901, respectively. These amounts are included in Depreciation and Amortization in the accompanying Statements of Revenues, Expenses, and Changes in Net Assets.

Net capitalized costs written off for assets that were disposed of during the years ended September 30, 2008 and 2007, were $198,515 and $443,719, respectively. These amounts are included in Depreciation and Amortization in the accompanying Statements of Revenues, Expenses, and Changes in Net Assets.

8. DEBT AND OTHER NON-CURRENT LIABILITIES

Revenue Bonds – All revenue bonds issued by the Authority are parity bonds and have been issued under the terms of the Trust Agreement and supplements thereto. The bonds are payable solely from revenues, as defined in the Trust Agreement, after the payment of the cost of operation and maintenance expenses.

During the years ended September 30, 2008 and 2007, the Authority redeemed serial revenue bonds in the amounts of $33,790,000 and $36,890,000, respectively. Total interest cost incurred on outstanding bonds during the years ended September 30, 2008 and 2007, was $34,591,177 and $33,028,165, respectively. Of these interest amounts, $2,610,390 and $828,784 was capitalized, respectively. Amortization of bond issue costs was $978,280 and $1,031,016 and in fiscal years 2008 and 2007, respectively.

On May 7, 2008, the Authority issued the Tampa International Airport Revenue Bonds 2008 Series A and Series B in the amounts of $133,000,000 and $16,725,000, respectively; and 2008 Series C and Series D Refunding Bonds in the amount of $34,780,000 and $11,250,000, respectively. The Series A Bonds were issued with a discount of $52,655, at rates of 5.375% to 5.500% and maturities from 2024 to 2038. The Series B Bonds were issued with a premium of $37,372, at a rate of 5.00% and maturities from 2024 to 2038.

In light of the recent events surrounding municipal bond insurers and the current volatility of the insured variable rate debt market, the Authority refunded the 2006 Series C and Series D Bonds with fixed rate bonds to mitigate the uncertainty of the financial market. The proceeds from the 2008 Series C Bonds were used to current refund the 2006 Series C Bonds maturing October 1, 2026 and after, outstanding in the principal amount of $35,990,000. The issue proceeds of $35,493,371, less issuance cost and insurance premium of $373,021 were deposited in an irrevocable trust to pay all interest, principal and call premium on the 2006 Series C Bonds on their call date of October 1, 2008. The final maturity of the refunding bonds was the same as refunded bonds. Based on the estimated rates of similarly marketed variable rate bonds in the month after the 2006 Series C Bonds were called, the refunding resulted in a decrease in debt service over 16 years of $2,375,069, with a calculated net present value savings of $1,914,712, discounted at an effective interest rate of 4.73%.

The 2008 Series D Bonds were used to current refund the 2006 Series D Bonds maturing, October 1, 2026 and after, in the principal amount of $11,855,000. The issue proceeds of $11,674,000, less issuance costs and insurance premium of $119,987 were deposited in an irrevocable trust to pay all interest, principal and call premium on the 2008 Series D Bonds on their call date of October 1, 2008. The final maturity of the refunding bonds was the same as refunded bonds. Based on the estimated rates of similarly marketed variable rate bonds in the month after the 2006 Series D Bonds were called, the refunding resulted in a decrease in debt service over 16 years of $1,129,125, with a calculated net present value savings of $866,027, discounted at an effective interest rate of 4.73%.

The total principal maturities and debt service requirements for all revenue bonds through the year 2038, as of September 30, 2008, are as follows:

	Principal	Interest	Total Debt Service
2009	$ 41,060,000	$ 38,174,000	$ 79,234,000
2010	42,985,000	36,121,381	79,106,381
2011	45,070,000	33,905,344	78,975,344
2012	45,420,000	31,589,444	77,009,444
2013	47,650,000	29,279,019	76,929,019
2014-2018	261,855,000	107,662,681	369,517,681
2019-2023	88,175,000	54,814,694	142,989,694
2024-2028	46,805,000	37,620,313	84,425,313
2029-2033	48,795,000	25,340,824	74,135,824
2034-2038	63,410,000	10,724,200	74,134,200
	$ 731,225,000	$ 405,231,900	$ 1,136,456,900

Revenue bond information and activity as of and for the years ended September 30, 2008 and 2007, is presented below. All principal payments are due October 1, while interest on the fixed rate bonds is due semiannually on April 1 and October 1. Since all debt service payments required under the Trust Agreement are deposited with the Trustee as of September 1, it is the Authority's policy to record the October 1 principal and interest payments as of the close of business on the preceding September 30.

	2008		2007	
	Balance Outstanding	Amounts Due Within One Year	Balance Outstanding	Amounts Due Within One Year
Revenue and Revenue Refunding Bonds:				
1996B Series, 6.0%	$ 9,085,000	$ –	$ 9,085,000	$ –
1999A Series, 4.875% to 5.25%	8,280,000	2,625,000	10,780,000	2,500,000
2001A Series, 5.5%	40,260,000	4,870,000	44,875,000	4,615,000
2003A Series, 5.0% to 5.5%	170,415,000	13,380,000	183,155,000	12,740,000
2003B Series, 4.25% to 5.25%	43,735,000	–	43,735,000	–
2003C Series, 4.0% to 5.25%	71,950,000	5,015,000	76,775,000	4,825,000
2003D Series, 3.75% to 5.5%	47,595,000	2,160,000	49,660,000	2,065,000
2005A Series, 5.0% to 5.25%	79,425,000	2,495,000	81,805,000	2,380,000
2005B Series, 3.5% to 5.125%	35,065,000	2,035,000	37,030,000	1,965,000
2006A Series, 4.0% to 5.0%	18,170,000	120,000	18,285,000	115,000
2006B Series, 4.0% to 5.0%	13,985,000	95,000	14,075,000	90,000
2006C Series, Variable	–	–	35,990,000	5,580,000
2006D Series, Variable	–	–	11,855,000	1,835,000
2008A Series, 4.0% to 5.5%	133,000,000	–	–	–
2008B Series, 4% to 5.0%	16,725,000	–	–	–
2008C Series, 4% to 5.75%	32,900,000	6,230,000	–	–
2008D Series, 4% to 5.5%	10,635,000	2,035,000	–	–
	731,225,000	$ 41,060,000	617,105,000	$ 38,710,000
Unamortized deferred loss on bond refunding	(9,516,837)		(10,762,497)	
Unamortized bond premium – net	22,311,759		24,969,094	
Total revenue bonds payable	$ 744,019,922		$ 631,311,597	

	Balance September 30, 2007	Additions	Refunding	Paydowns	Balance September 30, 2008
1996B Revenue Bonds	$ 9,085,000	$ –	$ –	$ –	$ 9,085,000
1997A Revenue Bonds	–	–	–	–	–
1999A Revenue Bonds	10,780,000	–	–	(2,500,000)	8,280,000
2001A Revenue Refunding Bonds	44,875,000	–	–	(4,615,000)	40,260,000
2003A Revenue Bonds	183,155,000	–	–	(12,740,000)	170,415,000
2003B Revenue Bonds	43,735,000	–	–	–	43,735,000
2003C Revenue Refunding Bonds	76,775,000	–	–	(4,825,000)	71,950,000
2003D Revenue Refunding Bonds	49,660,000	–	–	(2,065,000)	47,595,000
2005A Revenue Bonds	81,805,000	–	–	(2,380,000)	79,425,000
2005B Revenue Refunding Bonds	37,030,000	–	–	(1,965,000)	35,065,000
2006A Revenue Refunding Bonds	18,285,000	–	–	(115,000)	18,170,000
2006B Revenue Refunding Bonds	14,075,000	–	–	(90,000)	13,985,000
2006C Variable Revenue Refunding Bonds	35,990,000	–	(35,990,000)	–	–
2006D Variable Revenue Refunding Bonds	11,855,000	–	(11,855,000)	–	–
2008A Revenue Bonds	–	133,000,000	–	–	133,000,000
2008B Revenue Bonds	–	16,725,000	–	–	16,725,000
2008C Revenue Refunding Bonds	–	34,780,000	–	(1,880,000)	32,900,000
2008D Revenue Refunding Bonds	–	11,250,000	–	(615,000)	10,635,000
	$ 617,105,000	$ 195,755,000	$ (47,845,000)	$ (33,790,000)	$ 731,225,000

	Balance September 30, 2006	Additions	Refunding	Paydowns	Balance September 30, 2007
1996A Revenue Bonds	$ 795,000	$ –	$ –	$ (795,000)	$ –
1996B Revenue Bonds	9,085,000	–	–	–	9,085,000
1997A Revenue Bonds	6,120,000	–	–	(6,120,000)	–
1999A Revenue Bonds	13,155,000	–	–	(2,375,000)	10,780,000
2001A Revenue Refunding Bonds	49,315,000	–	–	(4,440,000)	44,875,000
2003A Revenue Bonds	195,290,000	–	–	(12,135,000)	183,155,000
2003B Revenue Bonds	43,735,000	–	–	–	43,735,000
2003C Revenue Refunding Bonds	81,415,000	–	–	(4,640,000)	76,775,000
2003D Revenue Refunding Bonds	51,620,000	–	–	(1,960,000)	49,660,000
2005A Revenue Bonds	84,070,000	–	–	(2,265,000)	81,805,000
2005B Revenue Refunding Bonds	38,925,000	–	–	(1,895,000)	37,030,000
2006A Revenue Refunding Bonds	18,385,000	–	–	(100,000)	18,285,000
2006B Revenue Refunding Bonds	14,160,000	–	–	(85,000)	14,075,000
2006C Variable Revenue Refunding Bonds	36,050,000	–	–	(60,000)	35,990,000
2006D Variable Revenue Refunding Bonds	11,875,000	–	–	(20,000)	11,855,000
	$ 653,995,000	$ –	$ –	$ (36,890,000)	$ 617,105,000

Tax Exempt Subordinated Commercial Paper Notes (Commercial Paper Notes) – On September 21, 2001, the Authority entered into a Reimbursement Agreement with Landesbank Baden-Württemberg, acting through its New York Branch (the Bank). Under this agreement, the Authority is allowed to issue an aggregate principal amount, not to exceed $105,000,000 outstanding at any one time, of Commercial Paper Notes collateralized by the Bank's credit. Under the original agreement, the Commercial Paper Notes may be renewed until 2006 in up to 180-day increments and are subordinated to the Authority's general revenue bonds. During fiscal year 2005, the Authority negotiated an extension to the Reimbursement Agreement until 2015. At September 30, 2008, there was $70,000,000 of Commercial Paper Notes outstanding with interest rates from 1.65% to 1.78%. Total interest costs incurred on outstanding Commercial Paper Notes during the years ended September 30, 2008 and 2007, were $1,944,021 and $2,746,905, respectively. Amortization of Commercial Paper Notes issue costs in fiscal years 2008 and 2007, were $6,572 and $4,940, respectively.

Commercial paper information and activity as of and for the years ended September 30, 2008 and 2007, is presented below:

	Balance October 1, 2007	Additions	Paydowns	Balance September 30, 2008	Amounts due within one year
Commercial paper notes payable	$ 60,000,000	$ 13,000,000	$ (3,000,000)	$ 70,000,000	$ 5,000,000

	Balance October 1, 2006	Additions	Paydowns	Balance September 30, 2007	Amounts due within one year
Commercial paper notes payable	$ 71,000,000	$ 7,000,000	$ (18,000,000)	$ 60,000,000	$ 5,000,000

Other non-current liabilities consist of compensated absences (See Note 11), arbitrage liability and deferred revenues. Other non-current liability information and activity for the years ended September 30, 2008 and 2007, is presented below:

	Balance October 1, 2007	Additions	Reductions	Balance September 30, 2008
Compensated absences	$ 3,220,325	$ 230,225	$ (32,232)	$ 3,418,318
Arbitrage payable	55,517	121,356	–	176,873
Deferred revenue	104,500	–	(52,100)	52,400
Total other liabilities	$ 3,380,342	$ 351,581	$ (84,332)	$ 3,647,591

	Balance October 1, 2006	Additions	Reductions	Balance September 30, 2007
Compensated absences	$ 2,964,993	$ 296,898	$ (41,566)	$ 3,220,325
Arbitrage payable	245,751	137,621	(327,855)	55,517
Deferred revenue	106,600	50,000	(52,100)	104,500
Total other liabilities	$ 3,317,344	$ 484,519	$ (421,521)	$ 3,380,342

Special Purpose Revenue Bonds – Under provisions of the Trust Agreement, Special Purpose Revenue Bonds may be issued by the Authority for the purpose of construction and acquisition of special purpose facilities. Special Purpose Revenue Bonds are not an obligation of the Authority, and are issued on the credit of the facility user. Special Purpose Revenue Bonds were issued in prior years by US Airways and Delta Airlines for the construction of aircraft maintenance facilities and by the fixed base operator of the general aviation facility at the Airport for the construction of an aircraft hangar, maintenance and storage facility.

On January 16, 2003, in connection with its bankruptcy proceedings, US Airways rejected the ground lease portion of the maintenance facility they occupied and subsequently vacated the facility. Under the terms of the bond documents associated with the agreement, the Authority must use its best efforts for a two-year period to re-let the facility. The initial two-year period was extended to February 28, 2006, and the Authority subsequently approved another extension that allowed the bondholders an additional year to re-let the facility. After this time period, the ground lease was terminated and the maintenance facility became the property of the Authority (see Note 9). During FY2008, this facility was leased to an aircraft maintenance company. Semiannual interest payments due on the bonds (principal outstanding in the amount of $27,620,000) since January 15, 2003, have not been made by US Airways and the bonds are in default**.**

The Delta facility was closed for aircraft maintenance in 2005, and on June 29, 2006, Delta rejected the lease associated with the facility. On July 5, 2006, under a draw on a letter of credit, the bondholders received full payment of the outstanding principal and accrued interest for the $16,544,349 portion of the issue. The remaining outstanding principal balance of $8,011,311 is in default. During October 2008, the Authority made an offer of $3,500,000 to the bondholders to settle the outstanding debt on the facility. If this offer is accepted, the facility would become the property of the Authority.

At September 30, 2008 and 2007, a total of $38,825,893 and $39,024,388, respectively, of Special Purpose Revenue Bonds are outstanding. The Special Purpose Revenue Bonds have been excluded from the accompanying financial statements.

9. CONTRIBUTIONS

The Authority has received capital contributions by means of federal and state grants, passenger facility charges, and other as follows:

	2008	2007
Passenger facility charges	$ 36,684,255	$ 38,926,174
Federal grants	9,531,266	7,605,119
State grants	13,990,612	11,282,608
Other contributions	2,500,900	15,080,069
Total capital contributions	$ 62,707,033	$ 72,893,970

During fiscal year 2007, the aircraft maintenance facility vacated by US Airways during its bankruptcy proceedings reverted to the Authority under the terms of the bond documents associated with the facility. As a result, an independent appraisal was performed to determine a value for the facility so it could be recorded as an Authority asset. To record this transaction, other contributions of $11,000,000 were recognized during the year. The Authority also granted an easement of approximately 33 acres to the Florida Department of Transportation (FDOT) for construction of and improvements to the major interchanges into the airport. The value of the easements was $3,164,300, determined by an independent appraisal. The Authority has agreed to accept payment for conveyance of the easement in the form of specific roadway improvements to the George Bean Parkway and adjacent access roads by the FDOT. At September 30, 2007, approximately 49.65% of the project was complete. These transactions resulted in a gain on the conveyance of the easements of $2,329,721 and capital contributions of $1,750,348 reported as other contributions of $4,080,069 for the year ended September 30, 2007. As of September 30, 2008, approximately 74.90% of the project was completed, accordingly the Authority recognized additional gains in fiscal year 2008 as an other contribution of $2,500,900.

10. PENSION AND OTHER POST EMPLOYMENT BENEFITS

Florida Retirement System – All Authority full-time employees are eligible to participate in the Florida Retirement System (FRS). The FRS is a cost-sharing multiple employer retirement system, administered by the Division of Retirement, Department of Management Services of the State of Florida. The Florida Retirement System has two plan options, a defined benefit pension plan and a defined contribution plan. The FRS Annual Report provides financial statements and required supplementary information for the FRS. The report is compiled by and is available from the State of Florida, Division of Retirement, 2639-C North Monroe Street, Tallahassee, FL 32399-1560.

Defined Benefit Pension Plan (the Pension Plan) – The Pension Plan is qualified under Section 401 (a) of the Internal Revenue Code. Benefits and contributions are established by Chapter 121, *Florida Statutes,* and may only be amended by an act of the Florida Legislature. The Pension Plan provides retirement, disability, and death benefits and an annual cost-of-living adjustment to plan members. Regular participants who retire at or after age 62, with 10 years of service (or six years of service on or after July 1, 2002) or after thirty years of service, regardless of age, are entitled to a retirement benefit, payable monthly for life, equal to their years of service times a percentage value (ranging from 1.60% to 1.68%) multiplied by their average final compensation. Special risk participants who retire after age 55, with ten years of service (or six years of services on or after July 1, 2002), or after twenty-five years of service, regardless of age, receive a similar benefit (ranging from 2.00% to 3.00%). Senior Management Service Class (SMSC) participants, who retire at or after age 62, with seven years of SMSC service; or with ten years of service (or six years of services on or after July 1, 2002) and age 62; or with thirty years of service regardless of age, receive a similar benefit (2.0%) multiplied by their average final compensation. Alternatively, SMSC participants may elect to participate in a local annuity plan. Average final compensation is the employee's average salary over their highest five fiscal years' earnings. Vested employees may retire after vesting, but before normal retirement, and receive reduced retirement benefits.

Effective July 1, 1998, the Florida Legislature established a Deferred Retirement Option Program (DROP). This program allows eligible employees to defer receipt of monthly retirement Pension Plan benefit payments while continuing employment with an FRS employer for a period not to exceed 60 months after electing to participate. Deferred Pension Plan monthly benefits are held in the FRS Trust Fund and accrue interest.

Defined Contribution Retirement Plan – Beginning December 1, 2002, the FRS offered a second retirement plan option, the FRS Investment Plan. Under the FRS Investment Plan the employer pays all contributions, which are a percentage of salary based on the FRS Membership Class. The employer contributes to an account in the employee's name. The employee makes investment elections within the investment funds chosen by the SBA. The retirement benefit is based on the account balance, and the benefit is vested after one year of service. If an employee leaves the job, he or she can keep the benefit in the FRS, or transfer his or her account to another retirement plan. The employee can also elect to cash out the benefit when leaving, but the distribution is subject to tax penalties for taking early withdrawal. The employee in this plan is not eligible for DROP. All employees in the FRS Pension Plan were given a choice of switching from the FRS Pension Plan to the FRS Investment Plan within a designated time period.

FRS members are required to contribute monthly amounts on behalf of their employees, regardless of which plan the employee may participate in, at actuarially determined rates expressed as percentages of covered payroll. The contribution percentage of payroll rate as of September 30, 2008 was 9.85% for regular participants, 20.92% for special risk participants, and 10.91% for DROP participants. Total contributions for fiscal years 2008, 2007 and 2006 were $3,622,313, $3,413,887, and $2,971,436, respectively. The Authority's contributions represented less than one percent of total contributions required of all participating members. The total contributions for fiscal years 2008, 2007, and 2006 were 100% of the required amount.

Other Post Employment Benefits (OPEB) – In addition to pension benefits, the Authority offers other post employment benefits of health, dental and life insurance. Employees that retire under the FRS have the option to continue to participate in the group insurance plans of the Authority. The retirees and their dependents are offered the same coverage as is provided to current employees. The plan is a single-employer defined benefit healthcare plan administered by the Authority through the health care insurance provider. The dental insurance plan is fully contributory and there is no OPEB liability associated with this benefit.

Effective October 1, 2007, the Authority implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* At September 30, 2008 the Authority had a net OPEB obligation of $125,000, which is included in accrued expenses in the statement of net assets.

Funding Policy – Benefit provisions and contribution obligations have been established and may be amended by the Authority Board. The required contributions are based on the projected pay-as-you-go financing requirements. Under the group health plan, retirees are required to pay the same monthly premium cost that is applicable to the active employee,

less a subsidy of $5 times the number of years continuously employed with the Authority at the time of retirement. The maximum amount of the subsidy is $150. This subsidy is recognized as an expense in the period in which it occurs, and expenses were approximately $48,000 in fiscal year 2008. The retiree and dependents may also participate in the dental and life insurance plans, but must pay the full cost of the premiums associated with these plans. Employees are eligible for a flat $10,000 life insurance benefit upon retirement, which reduces to $5,000 at age 70. If a retiree does not participate in these plans upon retirement, he or she is not eligible to participate in the future. As of September 30, 2008, the Authority provided post employment health benefits to 73 recipients. A summary of monthly required contributions for retirees for the fiscal year ending September 30, 2008 is provided as follows:

Monthly Required Contributions for Retirees in FY 2008

	HMO	PPO	Dental
Retiree only (Under 65)	$346.77	$483.02	$27.63
Retiree + 1 Dependent (Under 65)	$709.14	$898.78	$41.29
Retiree & Family (Under 65)	$1,055.86	$1,554.82	$41.29
Retiree only (65+)	$346.77	$415.76	$27.63
Retiree + 1 Dependent (65+)	$709.14	$831.52	$41.29
Retiree & Family (65+)	$1,055.86	$1,554.82	$41.29
Life insurance contributions	$0.22 per $1,000 of coverage per month		

In addition, pursuant to Section 112.0801, Florida Statutes, the Authority is required to offer the option of continuing health care, hospitalization, dental care and vision care insurance benefits to retired former employees and their eligible dependents at a cost not to exceed that of active employees. Although the retiree pays the cost for any such continuation, the premiums charged are based on a blending of the experience among younger active employees and older retired employees. Since the older retirees have higher costs, this results in the Authority subsidizing a portion of the cost of the retiree coverage. The current funding rate is 0.8% of annual covered payroll and for the year ended September 30, 2008 totaled approximately $95,000.

Annual Cost – The annual OPEB cost and Net OPEB obligation of the employer is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. Beginning in the year ended September 30, 2008, the Authority's annual OPEB cost (expense) is calculated based on the actuarially determined annual contribution. Expense for the year ended September 30, 2008 was $268,000. The following table shows the components of the Authority's annual OPEB cost of the year ended September 30, 2008, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation:

Annual required contribution (ARC)	$ 268,000
Interest on net OPEB	–
Adjustment to annual contribution	–
Annual OPEB cost (expense)	268,000
Contributions made	(143,000)
Increase in net OPEB obligation	125,000
Net OPEB obligation – beginning of year	–
Net OPEB obligation – end of year	$ 125,000

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 is as follows:

Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
$268,000	53.36%	$125,000

Funded Status and Funding Progress

The Authority's funded status of the plan as of August 1, 2007, the most recent actuarial valuation date is as follows:

Actuarial accrued liability (AAL)	$ 2,955,000
Actual value of assets	–
Unfunded actuarial accrued liability (UAAL)	$ 2,955,000
Funded ratio	0.0%
Covered payroll	$ 32,578,300
Unfunded actuarial accrued liability (UAAL) as a percentage of covered payroll	9.07%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events in the future. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Covered payroll is the 2007-2008 budgeted regular salaries for active employees.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations. A summary of actuarial methods and assumptions is listed as follows:

Actuarial valuation date	August 1, 2007
Actuarial cost method	Unit Credit
Amortization method	Level Percentage of projected payroll Maximum 30 years
Asset valuation method	N/A
Actuarial assumptions:	
Annual discount rate	5%
Projected salary increase	4%
Healthcare inflation rate	11% initial 6% ultimate

11. COMMITMENTS AND CONTINGENCIES

Construction and Maintenance Contracts – In connection with the Authority's ongoing capital and maintenance programs, certain construction and long-term maintenance contracts have been executed for services that are incomplete. These contracts are typically cancelable by either party with advance notice ranging from 30 to 180 days.

Compensated Absences – The Authority provides for compensated absences to its employees through employee benefit programs. Under the programs, employees are provided compensated absences for sick and vacation time, as well as related retirement amounts. The amount owed under the program was $3,974,789 at September 30, 2008. Expected amounts that will be paid out in the subsequent fiscal year are recorded as Accrued Expenses in the Statement of Net Assets. Amounts expected to be paid out past the subsequent fiscal year are included with other non-current liabilities in the Statement of Net Assets.

Contingencies – The Authority is involved in litigation and claims as defendant or plaintiff arising in the ordinary course of operations. In the opinion of management, based on the advice of counsel, the range of potential recoveries or liabilities will not materially affect the financial position of the Authority.

12. SUBSEQUENT EVENTS

The recent events in the financial marketplace and the downturn of the economy, both from a worldwide and United States perspective has, and will continue to have, an impact on Tampa International Airport. The information below is a brief overview of the recently taken measures regarding these circumstances.

On November 6, 2008, management presented a recently completed study, entitled Sensitivity Analysis Report (Report) to the Authority Board. The Report was internally prepared during a 60-day timeframe by a working group of senior staff to evaluate the effect of declines in passengers and the downturn in the economy on the current airline-airport agreement business model and the resulting financial impact to the Authority for the fiscal

years 2009 through 2016. The results of the Report depicted a range of possible outcomes under varying conditions and included recommendations in response to the outcomes in the areas of cost control measures, service levels and capital budgeting. The Report demonstrates a commitment by the Authority to be prepared to respond to rapidly changing circumstances to ensure the continued successful financial viability of the organization.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT

The following are summaries of certain provisions of the Codified and Restated Trust Agreement effective as of September 1, 2006 (the "2006 Trust Agreement") as supplemented and amended prior to the date hereof, and as supplemented by a Supplemental Trust Agreement dated as of June 1, 2009 (the "2009 Supplemental Trust Agreement" and collectively with the 2006 Trust Agreement, the "Trust Agreement"). These summaries do not purport to be complete, comprehensive or definitive and are qualified in their entirety by reference to the Trust Agreement. For further information reference is made to the Trust Agreement, which is available for inspection at the offices of the Authority. Unless otherwise indicated, Section numbers refer to the codified Trust Agreement. See Appendix D - "PROPOSED AMENDMENTS TO CERTAIN PROVISIONS OF THE TRUST AGREEMENT" for a description of certain "conceptual" amendments to the Trust Agreement which the Authority and the Trustee may, without additional bondholder consent, prepare and incorporate definitive amendments to the Trust Agreement to the extent they are consistent with the conceptual amendments.

Definitions

Following are the definitions of certain words and terms having initial capitals used in this Official Statement:

"Act" means collectively Chapter 2003-370, Laws of Florida, Acts of 2003, and acts amendatory thereof and supplemental thereto.

"Accrued Aggregate Debt Service Requirement" shall mean, as of any date of calculation and for such period or periods referenced in the Trust Agreement, an amount equal to the sum of the amounts of accrued and unpaid Debt Service Requirement with respect to all Series of Bonds then Outstanding for the period in question, calculating the accrued Debt Service Requirement separately with respect to each such Series, provided, however that principal and interest on Bonds, the interest on which has been fixed to maturity, shall be deemed to accrue annually on the basis of a year containing twelve thirty day months

"Additional Bonds" means the Bonds of the Authority authenticated and delivered under and pursuant to the provisions of the Trust Agreement.

"Airport Consultant" means the airport consultant or firm of airport consultants retained by the Authority to perform and carry out the duties imposed on such Airport Consultant by the Trust Agreement and meeting the requirements of the Trust Agreement.

"Airport System" collectively means Tampa International Airport, the Peter O. Knight Airport, the Plant City Airport and the Vandenberg Airport, and shall also include any additions, extensions and improvements thereto constructed or acquired from the proceeds of Additional Bonds or from any other sources.

"Authority" means the Hillsborough County Aviation Authority.

"Available PFC Revenues" means (i) with respect to the pledge and deposit requirements under the Trust Agreement, the actual net PFC Revenues collected by the Authority, after all deposit requirements under and with respect to Senior PFC Indentures and (ii) for any historical or projected twelve month period relating to compliance with the parity Additional Bonds test under the Trust

Agreement or for purposes of determining compliance with the Rate Covenant under the Trust Agreement, the actual net PFC Revenues collected or projected to be collected by the Authority during such period, less an amount equal to 100% of the Maximum Bond Service Requirement on the Senior PFC Indebtedness, if any, Outstanding at the time of such calculation. PFC Revenues may only be treated as Available PFC Revenues to the extent they are then included in the definition of Revenues and are pledged under the Trust Agreement.

"Authorized Officer" of the Authority shall mean any person or persons designated by the Board of the Authority by resolution to act on behalf of the Authority under the Trust Agreement. The designation of such person or persons shall be evidenced by a written certificate containing the specimen signature of such person or persons and signed on behalf of the Authority by its Chair or Executive Director.

"BMA Municipal Swap Index"* means the "USD-BMA Municipal Swap Index" as such term is defined in the 2000 ISDA Definitions, as amended, published by the International Swaps and Derivatives Association, Inc., or if such index is no longer published, any successor index that the Trustee, in consultation with the Authority, deems substantially equivalent thereto.

"Bonds" means, collectively except where the context refers to particular Bonds, the Tampa International Airport Revenue Bonds, 1996 Series B issued in the original aggregate principal amount of $25,430,000, of which $9,085,000 is currently outstanding (the "1996 Bonds"); the Tampa International Airport Revenue Refunding Bonds, 1999 Series A issued in the original aggregate principal amount of $27,245,000, of which $8,280,000 is currently outstanding (the "1999A Bonds"); the Tampa International Airport Revenue Refunding Bonds, 2001 Series A issued in the original aggregate principal amount of $65,640,000, of which $40,260,000 is currently outstanding (the "2001A Bonds"); the Tampa International Airport Revenue Bonds, 2003 Series A issued in the original aggregate principal amount of $195,290,000, of which $170,415,000 is currently outstanding (the "2003A Bonds"); the Tampa International Airport Revenue Bonds, 2003 Series B issued in the original aggregate principal amount of $43,735,000, all of which are currently outstanding (the "2003B Bonds"); the Tampa International Airport Revenue Refunding Bonds, 2003 Series C issued in the original aggregate principal amount of $94,375,000, of which $71,950,000 is currently outstanding (the "2003C Bonds"); the Tampa International Airport Revenue Refunding Bonds, 2003 Series D issued in the original aggregate principal amount of $57,030,000, of which $47,595,000 is currently outstanding (the "2003D Bonds"); the Tampa International Airport Revenue Bonds, 2005 Series A (AMT) issued in the original aggregate principal amount of $84,940,000, of which $79,425,000 is currently outstanding (the "2005A Bonds"); the Tampa International Airport Revenue Refunding Bonds, 2005 Series B (Non-AMT) issued in the original aggregate principal amount of $39,225,000, of which $35,065,000 is currently outstanding (the 2005B Bonds and together with the 2005A Bonds, the "2005 Bonds"); the Tampa International Airport Revenue Refunding Bonds, 2006 Series A (AMT) issued in the original aggregate principal amount of $18,385,000, of which $18,170,000 is currently outstanding (the "2006A Bonds"); the Tampa International Airport Revenue Refunding Bonds, 2006 Series B (AMT) issued in the original aggregate principal amount of $14,160,000, of which $13,985,000 is currently outstanding (the "2006B Bonds"); the Tampa International Airport Revenue Bonds, 2008 Series A (AMT) issued in the original aggregate principal amount of $133,000,000, all of which are currently outstanding (the "2008A Bonds"); the Tampa International Airport Revenue Bonds, 2008 Series B (Non-AMT) issued in the original aggregate principal amount of $16,725,000, all of which are currently outstanding (the "2008B Bonds"); the Tampa International Airport Revenue Refunding Bonds, 2008 Series C (AMT) issued in the original aggregate principal amount of $34,780,000, of which $32,900,000 is currently outstanding (the "2008C Bonds"); the

* The BMA Municipal Swap Index is now known as the "SIFMA Municipal Swap Index" and is to be provided by Municipal Market Data.

Tampa International Airport Revenue Refunding Bonds, 2008 Series D (Non-AMT) issued in the original aggregate principal amount of $11,250,000, of which $10,635,000 is currently outstanding (the "2008D Bonds"); the 2009A Bonds; and any Additional Bonds hereafter issued under the Trust Agreement, but shall not include Special Purpose Bonds.

"2009A Bonds" means the Hillsborough County Aviation Authority Tampa International Airport Revenue Bonds, 2009 Series A (PFC), authorized to be issued pursuant to the 2009 Supplemental Trust Agreement.

"2008 Bonds" means, collectively, the 2008A Bonds, the 2008B Bonds, the 2008C Bonds and the 2008D Bonds.

"Bondholder" or "Holder of Bonds" or any similar term means any person who shall be the registered owner of any Outstanding Bond or Bonds as reflected on the registration books maintained by the Trustee as registrar under the Trust Agreement.

"Bond Insurer" means, collectively, Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto which has issued a bond insurance policy insuring the 1996 and the 1999A Bonds, AMBAC Indemnity Corporation, a Wisconsin domiciled insurance company, or its successor in interest, which has issued a bond insurance policy insuring the 2005 Bonds, Financial Security Assurance Inc., a New York domiciled insurance company, or any successor thereof, which has issued a bond insurance policy insuring the 2001A Bonds, MBIA Insurance Corporation, a New York stock insurance company, or any successor thereto which has issued a bond insurance policy insuring the 2003A Bonds, the 2003B Bonds, the 2003C Bonds, the 2003D Bonds, the 2006A Bonds and the 2006B Bonds, and Assured Guaranty Corp., a Maryland-domiciled insurance company, or any successor thereof, which has issued financial guaranty insurance policies insuring the 2008 Bonds, and in each case so long as Bonds insured by them remain Outstanding, and any additional bond insurance company or companies issuing a policy or policies which insure the payment of the principal of and interest on any Additional Bonds.

"Bond Obligation" means, as of the date of computation, the sum of: (i) the principal amount of all Bonds then Outstanding paying interest at least annually, and (ii) if capital appreciation bonds are issued pursuant to a Supplemental Trust Agreement, the compounded amount of such capital appreciation bonds as provided in such Supplemental Trust Agreement pursuant to the Trust Agreement.

"Bond Counsel" means any attorney at law or firm of attorneys of nationally recognized standing in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions.

"Bond Year" means the annual period beginning on the first day of October of each year and ending on the last day of September of the following year; provided that when such term is used to describe the period during which deposits are to be made to amortize the principal and interest on the Bonds maturing or becoming subject to mandatory redemption, the principal and interest maturing or becoming subject to redemption on October 1 of any year shall be deemed to mature or become subject to redemption on the last day of the preceding Bond Year.

"Book Entry Bond" shall mean a Bond issued to, and (except as otherwise provided in the Trust Agreement) restricted to being registered in the name of, a Securities Depository for the Participants in such Securities Depository or Beneficial Owners.

"Book Entry System" means the system of registration and beneficial ownership contemplated in the Trust Agreement.

"Business Day" means, except as otherwise provided in a Supplemental Trust Agreement with respect to a Series of Bonds issued hereunder, any day except Saturday, Sunday or any day on which banking institutions located in the states of New York or Florida are required or authorized to close or on which the New York Stock Exchange is closed.

"Cede" means Cede & Co., as nominee of DTC.

"Credit Facility" shall mean, with respect to the Bonds of a Series or a maturity within a Series, an insurance policy, letter of credit, surety bond or any other similar obligation acquired or secured by the Authority, under which the Credit Provider is unconditionally obligated to pay when due, the principal of and interest on such Bonds as the same become due, directly or after the Authority has defaulted in the payment thereof. The term "Credit Facility" shall not include any secondary market facilities to which the Authority shall not have expressly consented.

"Credit Provider" shall mean person or entity that is designated in a Supplemental Trust Agreement as a Credit Provider with respect to a Series of Bonds or portion thereof issued under the Trust Agreement, and that provides a Credit Facility to secure such Bonds.

"Debt Service Requirement" for any period shall mean, as of any date of calculation and with respect to any Series, an unpaid amount equal to the sum of (i) interest accruing during such period on Bonds of such Series, except to the extent that such interest is to be paid from deposits into the Interest Account in the Sinking Fund made from the proceeds of Bonds (including amounts, if any, transferred thereto from the Construction Fund) and (ii) that portion of each Principal Installment for such Series coming due on the next respective Principal Installment due date within each applicable Fiscal Year (including for this purpose the first day of the following Fiscal Year and excluding the first day of the current Fiscal Year) that would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date to next succeeding the Principal Installment due date. If there shall be no such preceding Principal Installment due date, then principal shall be deemed to accrue daily from a date one year preceding the next succeeding due date of such Principal Installment, or from the date of issuance of the Bonds of such Series, whichever date is later.

The calculation of the Debt Service Requirement shall be subject to the following rules:

(1) Interest and Principal Installments for such Series shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof.

(2) Tender option features of any Option Bond shall be ignored for purposes of this calculation.

(3) If the calculation of the Reserve Requirement for any separate account in the Reserve Fund created for a specific Series of Bonds takes into account the Debt Service Requirement, then, for purposes of such calculation, the Debt Service Requirement shall be calculated only with respect to the Bonds of the Series secured thereby.

(4) With respect to Bonds which are Variable Rate Bonds:

(A) the interest rate on such Bonds for any period prior to the date of calculation shall be the actual interest borne by such Bonds from the last Interest Payment Date through the date of calculation; and

(B) for any forward looking period after the date of calculation, (1) if the interest on such Variable Rate Bonds was intended at the time of issuance to be excluded from the gross income of the holders thereof for federal tax purposes, the interest rate on such Bonds shall be assumed to be the average of the BMA Municipal Swap Index for the twelve full months preceding the date of calculation, plus 0.25% per annum, or (2) if the interest on such Variable Rate Bonds is expected at the time of issuance to be included in the gross income of the holders thereof for federal tax purposes, the interest rate on such Bonds shall be assumed to be the LIBOR Swap Rate on the date of calculation, plus 0.25% per annum.

(5) If the Authority has entered into a Qualified Hedge Agreement with respect to Derivative Bonds, the interest on such Bonds (but only during the related Derivative Period) shall be calculated by adding (x) the amount of interest payable by the Authority on such Derivative Bonds pursuant to its terms (applying, as appropriate, the assumptions for Variable Rate Bonds set forth above) and (y) the Qualified Hedge Payments payable by the Authority under the related Qualified Hedge Agreement(s), based on a notional amount equal to the principal amount of the Derivative Bonds and the interest rate assumptions stated therein (applying, as appropriate, the assumptions for Variable Rate Bonds set forth above to any variable rate payable by the Authority under such Qualified Hedge Agreement(s), whether or not such variable rate is the BMA Municipal Swap Index or LIBOR Index), and subtracting (z) the Qualified Hedge Receipts payable by the counterparty(ies) under the related Qualified Hedge Agreement(s), using the same notional amount and the interest rate assumptions stated therein (applying, as appropriate, the assumptions for Variable Rate Bonds set forth above to any variable rate to be made by such counterparty(ies) under the related Qualified Hedge Agreement(s), whether or not such variable rate is the BMA Municipal Swap Index or LIBOR swap rate); provided, however, that (A) Derivative Non-Scheduled Payments and Derivative Non-Scheduled Receipts due or that may become due under any Qualified Hedge Agreement(s) shall not be taken into account and (B) from and after the expiration or termination of a Qualified Hedge Agreement relating to Derivative Bonds, the amount of interest payable on such Derivative Bonds shall be the interest calculated pursuant to the terms of such Derivative Bonds as if such Qualified Hedge Agreement had not been executed.

(6) Payments arising from mandatory redemption (other than from Sinking Fund Installments) shall be ignored.

"Derivative Bond" means one or more Bonds of a Series for which the Authority shall have entered into a Qualified Hedge Agreement, as identified in a Supplemental Trust Agreement with respect to such Bonds or pursuant to a certificate of an Authorized Officer filed with the Trustee.

"Derivative Non-Scheduled Payments" means (without duplication) payments due from the Authority (other than Qualified Hedge Payments) under a Qualified Hedge Agreement, including without limitation (i) any termination payments (whether as a result of optional, elective, early or mandatory termination), (ii) any periodic payments not based on notional amounts or indices to keep such Qualified Hedge Agreement in effect, and (iii) any payments in respect of fees, costs, indemnities, interest or expenses with respect to such Qualified Hedge Agreement.

"Derivative Non-Scheduled Receipts" means (without duplication) payments due to the Authority (other than Qualified Hedge Receipts) under a Qualified Hedge Agreement, including without limitation, (i) any termination payments (whether as a result of optional, elective, early or mandatory termination), (ii) any periodic payments not based on notional amounts or indices to keep a Qualified Hedge

Agreement in effect, and (iii) any payments in respect of fees, costs, indemnities, interest or expenses with respect to such Qualified Hedge Agreement.

"Derivative Period" means the period during which a Qualified Hedge Agreement is in effect with respect to related Derivative Bonds.

"DTC" means The Depository Trust Company, New York, New York or any substitute securities depository appointed pursuant to the Trust Agreement.

"DTC Participant" means one of the entities which is a member of the Securities Depository and deposits securities, directly or indirectly, in the Book Entry System.

"Fitch" means Fitch Ratings, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority by notice to the Trustee.

"Fiscal Year" means the period beginning with and including October 1 of each year and ending with and including the next September 30.

"Gross Revenues" or "Revenues" shall mean Qualified Hedge Receipts and all rates, fees, rentals or other charges or income received by the Authority or accrued to the Authority from the operation of the Airport System, all as calculated in accordance with sound accounting practice, and other moneys pledged in the Trust Agreement. Such term shall not, however, include gifts, grants, either federal, state or any other public body, ad valorem taxes or moneys paid to the Authority by the City of Tampa or County of Hillsborough, moneys derived by the Authority from Special Purpose Facilities, except ground rentals, or any other moneys not derived from the operation of said Airport System as defined in the Trust Agreement. "Gross Revenues" or "Revenues" shall include any Available PFC Revenues for the 2003C Bonds and the 2009A Bonds until Available PFC Revenues have been released from the pledge in accordance with the Trust Agreement.

"Interest Payment Date" means April 1 and October 1 of each year, and such other dates specified as such in the Supplemental Trust Agreement pertaining to each Series of Bonds issued under the Trust Indenture.

"LIBOR Index" means "USD-LIBOR-BBA" as such term is defined in the 2000 ISDA Definitions, as amended, published by the International Swaps and Derivatives Association, Inc. with a designated maturity of one (1) month.

"LIBOR Swap Rate" means, the fixed rate, determined by the Authority as of the date of calculation, that would be paid by a party to an interest rate swap agreement to receive payments based upon the LIBOR Index assuming (i) a maturity date on such swap agreement equal to the maturity date of the applicable Variable Rate Bonds, (ii) the notional amount of such swap agreement amortizes in the same manner and on the same timing as the scheduled amortization of the principal amount of such Variable Rate Bonds and (iii) the payment dates under the interest rate swap agreement match or are substantially similar to the payment dates of such Variable Rate Bonds.

"Liquidity Facility" means a letter of credit, standby bond purchase agreement, line of credit, loan guaranty or similar agreement, by a Liquidity Provider to provide liquidity support to pay the tender price of Option Bonds of any Series or subseries tendered for purchase in accordance with the provisions of any

Supplemental Trust Agreement authorizing the issuance of Option Bonds, in a form reasonably acceptable to any Credit Provider providing a Credit Facility securing such Option Bonds.

"Liquidity Provider" means the provider of a Liquidity Facility, and its successors and permitted assigns, each having been approved by the Credit Provider, if any, providing a Credit Facility securing the Option Bonds to which such Liquidity Facility pertains.

"Maximum Bond Service Requirement" means, as of any particular date of calculation, the largest Bond Service Requirement for any remaining Bond Year, except that with respect to any Bonds for which Sinking Fund Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed from Sinking Fund Installments to be made in prior Bond Years.

"Operating Expenses" means the current expenses, paid or accrued, of operation, maintenance and ordinary current repairs of the Airport System and shall include, without limiting the generality of the foregoing, insurance premiums, administrative expenses of the Authority relating solely to the Airport System, including engineering, architectural, legal, airport consultants and accounting fees and expenses, and fees and expenses of the Trustee, and such other reasonable current expenses as shall be in accordance with sound accounting practice. "Operating Expenses" shall include the fees, costs and expenses of the Trustee, Liquidity Provider, Credit Provider, Tender Agent, Auction Agent, Remarketing Agent and other agents employed by the Authority in connection with one or more series of Bonds issued under the Trust Agreement, but shall not include any allowance for depreciation or renewals or replacements or obsolescence of capital assets of the Airport System, or any operating expenses of Special Purpose Facilities or airside buildings where the lessees thereof are obligated to pay such operating expenses.

"Option Bonds" shall mean Bonds which by their terms may be tendered by and at the option of the Holder thereof for payment or purchase by or on behalf of the Authority prior to the stated maturity thereof, or the maturities of which may be extended by and at the option of the Holder thereof.

"Outstanding," "Bonds outstanding" or "Outstanding Bonds," when used with reference to Bonds, shall mean as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Trust Agreement except:

(i) Bonds cancelled (or, in the case of Book Entry Bonds, to the extent otherwise provided in the Trust Agreement, portions thereof deemed to have been cancelled) by the Trustee after purchase in the open market or because of payment at or redemption prior to maturity;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which cash funds or direct obligations of the United States of America or any combination, equal to the principal amount or redemption price thereof, as the case may be, together with interest to the date of maturity or redemption date, shall be held in trust under the Trust Agreement and irrevocably set aside for such payment or redemption (whether at or prior to the maturity or redemption date) in accordance with the provisions of the Trust Agreement, provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in the Trust Agreement or the applicable Supplemental Trust Agreement or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(iii) Bonds which are deemed paid pursuant to the Trust Agreement or in lieu of which other Bonds have been authenticated under the Trust Agreement;

(iv) Bonds deemed to have been paid as provided in Section 12.01 of the Trust Agreement; and

(v) Bonds (or, in the case of Book Entry Bonds, to the extent otherwise provided in the Trust Agreement, portions thereof) deemed to have been purchased pursuant to the provisions of any Supplemental Trust Agreement in lieu of which other Bonds have been authenticated and delivered as provided in such Supplemental Trust Agreement.

"PFC Act" means the Aviation Safety and Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX, Subtitle B, §§ 9110 and 9111, recodified as 49 U.S.C. § 40117, as amended from time to time.

"PFC Approvals" means the Records of Decision of the Federal Aviation Administration, made pursuant to the PFC Act and the PFC Regulations, relating to passenger facility charges imposed by the Authority, as the same may be issued and amended from time to time.

"PFC Bonds" means the 2003A Bonds (after the projects to be funded by the proceeds thereof have received PFC Approvals for imposition and use) and any Additional Bonds so designated as PFC Bonds by the Authority at the time of issuance and delivery thereof, the proceeds of which are used solely to fund PFC Projects (following PFC Approval thereof), fund the Reserve Requirement with respect thereto, and pay the costs of issuance thereof (or to refund 2003A Bonds or Additional Bonds meeting such requirements).

"PFC Projects" means those projects for which the imposition and use of PFCs have been approved by one or more PFC Approvals.

"PFC Regulations" means Part 158 of the Federal Aviation Regulations (14 CFR Part 158), as amended from time to time, and any other regulation issued with respect to the PFC Act.

"PFCs" or "Passenger Facility Charges" means the passenger facility charges authorized to be charged by the Authority pursuant to the PFC Act and the PFC Regulations, the imposition and use of which has been approved by the Federal Aviation Administration pursuant to PFC Approvals.

"PFC Revenues" means all revenues received by the Authority from PFCs imposed by the Authority at Tampa International Airport pursuant to the PFC Act, the PFC Regulations and the PFC Approvals, including any interest earned thereon after such revenues have been remitted to the Authority as provided in the PFC Regulations.

"Principal Installment" shall mean, as of any payment date of any Series of Bonds hereunder, (i) the unpaid principal amount of Serial Bonds of such Series scheduled to become due on such principal payment date for which no Sinking Fund Installments have been established, and (ii) the unsatisfied principal amount (determined as provided in Section 5.02(E) of any Sinking Fund Installments due on such payment date established for Term Bonds of such Series.

"Qualified Hedge Agreement" shall mean any agreement evidenced by any form of master agreement published by the International Swaps and Derivatives Association, Inc., including any schedule thereto, any credit support annex thereto, and any confirmation(s), entered into by the Authority as a debt management tool with respect to the Bonds or a portion thereof issued hereunder such as an interest rate swap, collar, cap, or other functionally similar agreement, between the Authority and a counterparty whose long-term unsecured debt at the time of entering into such agreement is rated, or whose obligations are guaranteed by an entity whose long-term unsecured debt at the time of entering into such agreement is rated in one of the two (2) highest rating categories (without regard to gradations) by at least two (2)

nationally recognized securities rating agencies, which agreement requires that if such counterparty or guarantor, as the case may be, does not maintain a rating in one of the three (3) highest rating categories (without regard to gradations) from at least two securities rating agencies, one of the following shall occur (a) such counterparty shall provide a new guarantor, or some form of credit facility from any entity, whose long-term unsecured debt is then rated in one of the three (3) highest rating categories (without regard to gradations), or (b) such counterparty shall be obligated to post collateral for the benefit and protection of the Authority under the terms of a credit support annex or comparable agreement; provided that the Qualified Hedge Receipts to be paid by the counterparty to the Authority thereunder have been pledged to the payment of the Bonds.

"Qualified Hedge Payments" shall mean the net payment obligations of the Authority arising under a Qualified Hedge Agreement under which the Authority has expressly granted a lien on Revenues securing such obligations on a parity with the lien thereon granted to Bondholders hereunder, which net payments are calculated on the basis of interest on a notional amount which may correspond with the principal amount of certain Bonds issued hereunder or a particular Series or maturity thereof, based upon a fixed or a variable rate index or formula. Qualified Hedge Payments include only regularly scheduled payments under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other payments under such agreement (for example, any Termination Payment, fee for extension, indemnification obligations or other Derivative Non-Scheduled Payments payable to the counterparty).

"Qualified Hedge Receipts" shall mean the net payment obligations of the counterparty to the Authority arising under a Qualified Hedge Agreement which are calculated on the basis of interest on a notional amount which may correspond with the principal amount of certain Bonds issued hereunder, or a particular series or maturity thereof, based upon a fixed or variable rate index or formula. Qualified Hedge Receipts include only regularly scheduled payments under a Qualified Hedge Agreement determined by reference to interest on a notional amount and shall not include any other payments under such agreement (for example, any Termination Payment, fee for extension, indemnification obligations or other Derivative Non-Scheduled Payments payable to the counterparty).

"Reimbursement Obligations" shall mean obligations issued by the Authority to Credit Providers or Liquidity Providers pursuant to Section 2.12 in connection with the execution of any Credit Facility or Liquidity Facility, to evidence the Authority's obligations to repay advances or loans made thereunder.

"Reserve Fund Credit Enhancement" means an irrevocable letter of credit, insurance policy, surety bond or other credit enhancement issued to satisfy, in whole or in part, the Authority's deposit requirements with respect to the Reserve Fund, approved by each applicable Bond Insurer, and issued by a financial institution acceptable to the Bond Insurer, whose claims paying ability is rated at least "AA" or "Aa" by Standard & Poor's or Moody's Investors Service, Inc., respectively.

"Reserve Requirement" shall mean, with respect to each Series of Bonds for which a separate Reserve Account has not been established, the largest amount of principal, interest and required deposits into the Redemption Account which mature or become due on all such Bonds Outstanding under the Trust Agreement in any succeeding year, and with respect to each Series of Bonds for which a separate Reserve Account is established pursuant to the terms thereof, the aggregate amount required to be deposited in such separate Reserve Account, as specified in the respective Supplemental Trust Agreement entered into in connection with the issuance of such Additional Bonds thereunder. If, pursuant to any such Supplemental Trust Agreement, the Authority is authorized to fund the initial designated amount, or deficiencies therein, over time, the Reserve Requirement for any period shall include only the incremental portion of the deposit requirement for that series of Additional Bonds as specified in the Supplemental Trust Agreement authorizing the issuance of such Additional Bonds.

"Securities Depository" shall mean the Depository Trust Company, New York, New York, or its nominee, and its successor and assigns.

"Senior PFC Indebtedness" means bonds, notes or other indebtedness of the Authority issued under a Senior PFC Indenture to pay all or a portion of the cost of PFC Projects, meeting the requirements set forth in the Trust Agreement and expressly stated to have a lien on PFC Revenues prior and superior to the lien on PFC Revenues created thereunder.

"Senior PFC Indenture" means any indenture, trust agreement, resolution or other bond document under and pursuant to which the Senior PFC Indebtedness is authorized and issued.

"Serial Bonds" means the Bonds of an issue of Bonds or any part of an issue of Bonds, except Special Purpose Bonds, maturing in annual installments and the principal of which is payable from moneys deposited in the Principal Account.

"2009 Supplemental Trust Agreement" means the 2009 Supplemental Trust Agreement entered into between the Trustee and the Authority with respect to the issuance of the 2009A Bonds, dated as of June 1, 2009.

"Term Bonds" means the Bonds of an issue of Bonds or any part of an issue of Bonds, except Special Purpose Bonds, maturing on one principal maturity date and the principal of which is payable from fixed amounts provided to be deposited in each year in the Redemption Account for the payment of such principal on or prior to maturity.

"Trustee" means The Bank of New York (successor to JPMorgan Chase Bank, N.A.), New York, New York, or its successor hereafter appointed in the manner provided in the Trust Agreement.

Covenant as to Rates and Charges

The Authority will fix, revise from time to time when necessary, maintain and collect such fees, rates, rentals and other charges for the use of the products, services and facilities of the Airport System, or concessions granted in connection therewith, that will always provide Revenues in each Fiscal Year that will be sufficient to pay, in accordance with the provisions of the Trust Agreement (i) all amounts required to be deposited in the Reserve Fund, the Operation and Maintenance Fund and the Operating Reserve Account in the Revenue Fund, including in each case all accounts therein, plus (ii) One Hundred Twenty-Five percent (125%) of the Bond Service Requirement for such Fiscal Year. The Authority covenants that it shall not permit such fees, rates, rentals and other charges to be reduced so as to be insufficient to provide Revenues for such purposes. For purpose of determining compliance with this requirement, the Authority may include Available PFC Revenues in an amount not to exceed One Hundred Twenty-Five Percent (125%) of the amounts required to be deposited into the Interest Account, Principal Account and Redemption Account in the Sinking Fund for such year on the Outstanding PFC Bonds, or such lesser amount as may be required under the PFC Act, PFC Regulations and PFC Approvals as in effect from time to time.

For the purposes of this requirement, moneys remaining in the Surplus Fund (other than moneys set aside for the payment of Derivative Non-Scheduled Payments) at the end of any Fiscal Year which the Authority elects to redeposit into the Revenue Fund in the following Fiscal Year may be considered as Revenues in the Fiscal Year in which they are so redeposited for purposes of satisfying the Rate Covenant set forth above; provided, however that without regard to the use of such funds, the Authority shall always establish its rates and charges so that Revenues collected in the current Fiscal Year, without regard to carry over amounts from the Surplus Fund, will be at least sufficient to pay 100% of the yearly deposit

requirements into the Operation and Maintenance Fund, the Sinking Fund, the Reserve Fund and subordinated indebtedness accounts.

Additional Covenants with Respect to PFC Revenues

The Authority covenants that so long as Available PFC Revenues are used in the calculation of the Authority's compliance with the Rate Covenant or are used in part to satisfy the requirements of the Additional Bonds Test, it will comply with all provisions of the PFC Act and the PFC Regulations applicable to the Authority and all provisions of the PFC Approvals, and will not take any action or omit to take any action with respect to the PFC Revenues, the 2003 PFC Projects, the 2009 Project, the Airport System or otherwise if such action or omission would, pursuant to the PFC Regulations, cause the termination of the Authority's ability to impose Passenger Facility Charges or prevent the use of the PFC Revenues as contemplated by the Trust Agreement. The Authority covenants that all moneys in the PFC Revenue Fund and the PFC Capital Fund will be used in compliance with all provisions of the PFC Act, the PFC Regulations and the PFC Approvals applicable to the Authority. Without limiting the generality of the foregoing, the Authority covenants that, to the extent necessary to comply with the foregoing covenants:

(a) it will diligently seek approval to impose and use PFC Revenues for the PFC Projects comprising the 2003 Project and the 2009 Project (as described in the Trust Agreement) within the time periods set forth in the PFC Regulations and will begin implementation of such PFC Projects within the time periods set forth in the PFC Regulations;

(b) it (i) will impose a Passenger Facility Charge to the full extent approved by the FAA for Tampa International Airport and (ii) will not unilaterally decrease the level of the Passenger Facility Charge to be collected from any passenger;

(c) it will not impose any noise or access restrictions at Tampa International Airport not in compliance with the Airport Noise and Capacity Act of 1990, Pub. L 101-508, Title IX, Subtitle D, if the imposition of such restriction may result in the termination or suspension of the Authority's ability to impose or use Passenger Facility Charges at Tampa International Airport prior to the charge expiration date or the date the total approved passenger facility charge revenue has been collected;

(d) it will take all action necessary to cause all collecting air carriers to collect and remit to the Authority all Passenger Facility Charges at Tampa International Airport required by the PFC Regulations to be so collected and remitted; and

(e) it will contest any attempt by the FAA to terminate or suspend the Authority's ability to impose, receive or use Passenger Facility Charges at Tampa International Airport prior to the charge expiration date or the date the total approved Passenger Facility Charge revenue has been collected.

Limitations on the Issuance of Senior PFC Indebtedness

The Authority covenants that it will not issue Senior PFC Indebtedness payable from PFC Revenues having a lien thereon superior to the lien thereon created by the Trust Agreement unless (i) the Authority is not in default thereunder at the time of issuance thereof, (ii) the Authority shall have delivered to the Trustee a certificate to the effect that it is in compliance with the PFC Act, the PFC Regulations and the PFC Approvals and that the Senior PFC Indebtedness is being issued for the purpose of funding the cost of PFC Projects, and (iii) the Authority shall have delivered to the Trustee on or immediately prior to the issuance of such Senior PFC Indebtedness a statement of the Airport Consultant that in his opinion, the PFC Revenues to be received by the Authority during the Fiscal Year in which

such Senior PFC Indebtedness is issued and for each Fiscal Year thereafter through the Period of Review, shall not be less than One Hundred Twenty-Five percent (125%) of an amount equal to the largest amount of principal, interest and the required deposits into a redemption account or amortization fund that will mature or become due in any succeeding Fiscal Year on account of all Senior PFC Indebtedness and PFC Bonds then outstanding (including the Senior PFC Indebtedness proposed to be issued but excluding any Senior PFC Indebtedness or PFC Bonds to be defeased by the issuance of such Senior PFC Indebtedness).

For purposes of determining compliance with the foregoing requirements, the following rules will apply:

(i) The Airport Consultant may assume (a) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of such Series will be in effect for the entire forecast period, and (b) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at Tampa International Airport pursuant to such legislation prior to the date of the Airport Consultant's Report; and

(ii) The Airport Consultant, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three Fiscal Years immediately preceding the year the report of the Airport Consultant is issued.

The PFC Revenues pledged are junior and subordinate to senior lien pledges of PFC Revenues made by the Authority subsequently to secure Senior PFC Indebtedness, provided that the requirements for the issuance thereof as set forth in the Trust Agreement are met. The Authority may cause the Trustee to release its pledge of Available PFC Revenue at any time provided that before the lien is effectively released, the Authority shall have delivered to the Trustee (i) a certificate of the Authority that there are no PFC Bonds outstanding or (ii) (A) a report from the Airport Consultant that the Authority has been in compliance with the Rate Covenant set forth in the Trust Agreement for a period of 24 consecutive months out of the last 36 full calendar months preceding the date of the Report during which all then currently outstanding PFC Bonds have been outstanding, without taking into account any PFC Revenues in the calculation of Revenues and (B) evidence that the release will not, in and of itself, cause any of the national rating agencies then maintaining ratings on Bonds Outstanding to reduce or withdraw their then current ratings on such Bonds.

Collection and Disposition of Revenues

Annual Budget. The Trust Agreement provides for the annual preparation and adoption by the Authority of a detailed budget for the succeeding Fiscal Year in compliance with the Act, which budget shall contain the estimated expenditures in such succeeding Fiscal Year for operation and maintenance, for the replacement of capital assets or any unusual or extraordinary maintenance or repairs, for the building and constructing of permanent improvements, alterations, buildings and other structures, including runways, taxi strips and aprons of the Airport System, and any other matters required by the Act. The Annual Budget is used in determining the required transfers to certain of the funds created under the Trust Agreement and referred to below.

Revenue Fund. Under the Trust Agreement, all Revenues derived from the Airport System (but not including PFC Revenues, gifts, grants, either Federal, state, or any other public body, ad valorem taxes or any other moneys or funds not derived from the operation of the Airport System) shall be deposited with the Authority in the Revenue Fund. The moneys in the Revenue Fund shall be disbursed

and applied by the Authority on the first day of each month only in the following manner and order of priority.

All available PFC Revenues must be deposited by the Authority upon receipt into the PFC Revenue Fund and applied as described below under "Interest Account and Qualified Hedge Account," "Principal Account" and "Redemption Account."

Operation and Maintenance Fund. The moneys in the Revenue Fund shall first be used for deposits into the Operation and Maintenance Fund on the first day of each month an amount equal to one-twelfth (1/12th) of the amount provided in the Annual Budget of the Authority then in effect for Operating Expenses of the Airport System. The moneys in the Operation and Maintenance Fund shall be used by the Authority only for Operating Expenses, including fees of the Trustee, Special Trustee(s), Paying Agents, Liquidity Provider, Credit Support Provider, Tender Agents, Auction Agents, Remarketing Agents, and other agents employed by the Authority in connection with one or more Series of Bonds issued under the Trust Agreement. Any moneys remaining in such Fund at the end of each Fiscal Year may be transferred by the Authority and deposited in the Revenue Fund.

Interest Account and Qualified Hedge Payment Account. The moneys in the Revenue Fund shall next be deposited pro rata into the Interest Account and the Qualified Hedge Payment Account in the Sinking Fund, after making the deposits provided for above, and the Trustee shall deposit in said Interest Account on the first day of each month an amount which together with funds deposited therein under the section entitled "Disposition of Available PFC Revenues" is necessary to make the funds on deposit therein equal to interest component of the Accrued Aggregate Debt Service Requirement for such month with respect to the Bonds (including any net Qualified Hedge Payment then due or to become due within such month); provided, however, that such deposits into the Interest Account shall not be required to be made to the extent that sufficient moneys are then on deposit in the special fund in the Interest Account either from the proceeds of the Bonds or from any other source.

The moneys in the Interest Account shall be used only for the payment of the interest on the Bonds, both Serial Bonds and Term Bonds, and the Trustee shall transfer to the Paying Agents the necessary moneys to pay all such interest becoming due on each interest payment date not later than such interest payment date. The moneys in said Qualified Hedge Payment Account shall be used only for the payment of Qualified Hedge Payments, and the Trustee shall transfer to the counterparty under the respective Qualified Hedge Agreement the necessary moneys to pay such Qualified Hedge Payment on the next respective payment date.

Principal Account. Such moneys shall next be used for deposits into the Principal Account in the Sinking Fund, after making the deposits provided for above, and the Trustee shall deposit in the Principal Account on the first day of each month, an amount which together with funds deposited therein under the section entitled "Disposition of Available PFC Revenues" be necessary to make the funds on deposit therein equal the scheduled principal component of Serial Bonds included within the Accrued Aggregate Debt Service Requirement for such month.

The moneys in the Principal Account shall be used only for the payment of the principal on Serial Bonds, and the Trustee shall transfer to the Paying Agents the necessary moneys to pay all such principal becoming due on the Serial Bonds on each principal maturity date prior to such principal maturity date.

Reserve Fund. Such moneys shall next be used for deposits into the Reserve Fund, after making the deposits provided for above, and the Trustee shall deposit in the Reserve Fund, and pro rata into each separate Reserve Account created therein pursuant to Supplemental Trust Agreements entered into with respect to each Series of Additional Bonds issued under the Trust Agreement, on the first day of each

month, an amount which, together with funds currently deposited in the Reserve Fund and each such Reserve Account, will be sufficient to make the funds on deposit therein equal to the aggregate Reserve Requirement; provided, however, that no further deposits shall be required to be made into the Reserve Fund or into any separate Reserve Account therein whenever and as long as the amount then on deposit therein is equal to the Reserve Requirement for each respective Series of Bonds then Outstanding.

The moneys in the Reserve Fund shall be used only for the payment of the interest on all Bonds, including both Serial Bonds and Term Bonds, the principal of Serial Bonds and the required deposits into the Redemption Account for Term Bonds as the same mature or become due, whenever the moneys in the Interest Account, Principal Account and Redemption Account are insufficient therefor. If separate accounts in the Reserve Fund have been established for Additional Bonds, deficiencies in the Interest Account, Principal Account and Redemption Account with respect to such Additional Bonds shall be payable solely from the funds deposited in each respective special Reserve Account created with respect to such Additional Bonds, or from the respective Reserve Fund Credit Enhancement acquired with respect thereto, and not from other funds deposited in the Reserve Fund. Funds on deposit in the Reserve Fund in excess of the Reserve Requirement (taking into account the several Reserve Requirements for each Series of Bonds Outstanding under the Trust Agreement) may be withdrawn at the Authority's request and deposited (i) into the Sinking Fund to pay principal, interest or redemption premium on Bonds next coming due, (ii) into the Redemption Account for redemption of Bonds from which such surplus funds were derived or (iii) into the Revenue Fund provided that the Authority first receives an opinion from bond counsel that the use of such funds will not adversely affect the excludability from gross income for federal income tax purposes of interest on any Series of Bonds then Outstanding under the terms of the Trust Agreement (other than any Series of Bonds issued with the intent that interest thereon be includable in gross income for federal income tax purposes). All deficiencies in the Reserve Fund shall be restored from the first Revenues and other moneys pledged under the Trust Agreement which are available after making all prior required deposits into the Operation and Maintenance Fund, the Interest Account, the Principal Account and the Redemption Account upon the terms and conditions set forth in the Trust Agreement.

Upon the issuance of a series of Additional Bonds, or at any time in replacement of moneys then on deposit in the Reserve Fund, in lieu of making a cash deposit to the Reserve Fund, or in substitution therefor, the Authority subject to certain conditions described in the Trust Agreement, may deliver to the Trustee a Reserve Fund Credit Enhancement in an amount which, together with moneys, securities or other Reserve Fund Credit Enhancements on deposit in or credited to the Reserve Fund and any special Reserve Account created with respect to Additional Bonds, equals or exceeds the largest amount of principal, interest and required deposits into the Redemption Account with respect to the Bonds which will mature or become due in any succeeding year.

Redemption Account. Moneys shall next be used for deposits into the Redemption Account in the Sinking Fund, after making the deposits provided for above, and the Trustee shall deposit in the Redemption Account on the first day of each month, an amount which, together with funds deposited therein under the Section entitled "Disposition of Available PFC Revenues" shall be necessary to make the funds on deposit therein equal the Sinking Fund Installment portion of the Accrued Aggregate Debt Service Requirement for such month with respect to Term Bonds maturing within such Fiscal Year.

A separate subaccount shall be set up and maintained in the Redemption Account for each separate issue of Additional Bonds; provided, however, that the separate account for any Additional Bonds issued for the completion of any project shall be the same separate subaccount as for the Bonds originally issued to finance such project.

Funds in the Redemption Account may be used to purchase Term Bonds before such funds are applied to the redemption thereof.

Alternative Method of Satisfying Sinking Fund Installment. The Authority may satisfy its obligations above with respect to the Sinking Fund Installments, on or before the 45th day next preceding each principal payment date on which Term Bonds are to be retired pursuant to the Sinking Fund Installments, by delivering to the Trustee for cancellation, Term Bonds of the Series and maturity required to be redeemed on such principal payment date in any aggregate principal amount desired. Upon such delivery, the Authority will receive a credit against the amounts required to be deposited into the Interest Account and Redemption Account on account of such Term Bonds in an amount equal to 100% of the principal amount thereof so purchased and cancelled and the interest accruing thereon to the next succeeding Interest Payment Date.

All Additional Bonds which are Term Bonds issued under the Trust Agreement shall be on a parity with the Term Bonds initially issued under the Trust Agreement and all deposits into the Redemption Account for different parity Term Bonds shall rank equally.

Subordinated Indebtedness. Moneys shall next be used for the payment of debt service on, and other requirements with respect to, debt obligations of the Authority (including reimbursement obligations to credit providers) having a lien on the Revenues which, by their terms, is expressly made junior and subordinate to the lien thereon in favor of the holders of Bonds issued under the Trust Agreement.

Operating Reserve Account. Moneys shall next be used for deposits into the Operating Reserve Account in the Revenue Fund, after making the deposits provided for above, and the Authority shall deposit in the Operating Reserve Account on the first day of each month, the amount necessary, together with the moneys then on deposit in such Account, to make the amount then on deposit therein equal to one-sixth (1/6) of the annual amount of Operating Expenses of the Airport System provided in the Annual Budget of the Authority then in effect. The Authority covenants that it will prior to or simultaneously with the issuance of the Bonds initially authorized under the Trust Agreement, deposit in the Operating Reserve Account, from moneys legally available therefor other than the proceeds of the Bonds, an amount equal to one-sixth (1/6) of the amount of Operating Expenses estimated by the Airport Consultant to be provided for in the first Annual Budget of the Authority adopted after the issuance of such Bonds.

The moneys in the Operating Reserve Account shall be used only for the payment of Operating Expenses of the Airport System when the moneys in the Operation and Maintenance Fund are insufficient therefor, and the moneys in the Account may be used by the Authority upon requisition of the Authority stating that such moneys are necessary to pay the Operating Expenses of the Authority and that the moneys in the Operation and Maintenance Fund are insufficient therefor. Any withdrawals from the Operating Reserve Account for such purposes shall be restored to the Operating Reserve Account from the first Revenues available after all deposits required above, including any deficiencies for prior required deposits, have been fully made. Any moneys in such Account in excess of the maximum amount required to be on deposit therein at the end of each Fiscal Year, shall be transferred to and deposited in the Revenue Fund.

Surplus Fund

After making all the deposits or payments provided for above, including all deficiencies for prior required payments, the Authority shall on the first day of each month, withdraw all moneys then remaining in the Revenue Fund and deposit the same into the Surplus Fund.

Moneys in the Surplus Fund may be used by the Authority first for the payment of all Reimbursement Obligations and Derivative Non-Scheduled Payments then due, and then to reduce airline rental payments described above, or may be used by the Authority for any other lawful purpose; provided, however, that without regard to the use of such funds, the Authority shall always establish its rates and charges under the Trust Agreement so that Revenues collected in the current Fiscal Year, without regard to carry over amounts from the Surplus Fund, will be at least sufficient to pay 100% of the yearly deposit requirements into the Operation and Maintenance Fund, the Sinking Fund, the Reserve Fund and subordinated indebtedness accounts.

In the event any of the deposits or payments required above are not made when due, then such deficiencies shall be added to the deposits or payments to be made on the next deposit or payment date.

In the event of the issuance of any Additional Bonds pursuant to the Trust Agreement, all deposits or payments into the Interest Account, Principal Account, Redemption Account, and Reserve Fund shall be increased to the extent necessary, and all Additional Bonds shall be on a parity and rank equally with the Bonds initially issued under the Trust Agreement.

Disposition of Available PFC Revenues

So long as Available PFC Revenues are pledged under the Trust Agreement, all Available PFC Revenues received by the Authority shall be deposited into the PFC Revenue Fund and shall be set aside or disposed of on the first business day of each month as set forth below:

(A) The moneys in the PFC Revenue Fund shall first be transferred to the Trustee for deposit into the Interest Account, the Principal Account and the Redemption Account, respectively, that portion of each monthly deposit requirements therein that are attributable to the debt service requirements with respect to the PFC Bonds;

(B) The moneys in the PFC Revenue Fund shall next be used to fund any deficiency in the Reserve Fund (or any special account therein) allocable to or set aside for the benefit of PFC Bonds or any separate series thereof;

(C) The moneys in the PFC Revenue Fund shall next be used for the payment of debt service on, and other required deposits with respect to, PFC Indebtedness of the Authority (including reimbursement obligations to credit providers) having a lien on the PFC Revenues which, by their terms, is expressly made junior and subordinate to the lien thereon in favor of the holders of Bonds issued under the Trust Agreement;

(D) The moneys in the PFC Revenue Fund shall next be applied to replenish funds in the Revenue Fund that were used to pay or to satisfy the monthly deposit requirements with respect to the principal of, interest on or redemption premiums with respect to PFC Bonds that were paid or allocated from non-PFC Revenues because PFC Revenues at the time of such deposit requirements were insufficient or ineligible for such purposes; and

(E) After making the deposits or payments provided in subsections (A) through (D), above, including all deficiencies for prior required payments, the Authority shall on the first business day of each month, withdraw all moneys then remaining in the PFC Fund and not otherwise set aside for such purposes and deposit the same into the PFC Capital Fund.

Funds in the PFC Capital Fund may be used by the Authority for any lawful purpose in accordance with the PFC Act, the PFC Regulations and the PFC Approvals.

Issuance of Additional Bonds

To the extent necessary to provide funds to pay the cost of constructing or acquiring additions, extensions and improvements to the Airport System, Additional Bonds may be issued under and secured by the Trust Agreement at one time or from time to time. Such Additional Bonds shall be dated and shall bear interest at a rate or rates not exceeding the legal rate, and shall mature in such years and amounts all as shall be determined by resolution of the Authority.

Before such Additional Bonds shall be authenticated and delivered by the Trustee, there shall be filed with the Trustee, in addition to documents evidencing appropriate proceedings by the Authority, the following:

(A) A statement signed by the Executive Director or Senior Director of Finance of the Authority to the effect that the Authority's Revenues for the last Fiscal Year preceding the issuance of such Additional Bonds for which audited statements are available (provided that the last day of the latest audited Fiscal Year falls within the 24 month period immediately preceding the issuance of such Additional Bonds), were not less than the sum of (i) all amounts required to be deposited in the Operation and Maintenance Fund, the Reserve Fund, including in each case all accounts therein, and any funds required to be set aside for the payment of subordinated indebtedness in such Fiscal Year, plus (ii) One Hundred Twenty-Five percent (125%) of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of the Bonds of each Series then Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds to be defeased by the issuance of such Additional Bonds); or

(B) A statement of the Airport Consultant that in his opinion, the Revenues to be derived from the Airport System during the Fiscal Year in which such Additional Bonds are issued and for each Fiscal Year thereafter through the Period of Review referred to below, taking into account, among other factors, increases in rates, fees, rentals and charges, shall not be less than the sum of (i) all amounts required to be deposited into the Operation and Maintenance Fund and the Reserve Fund, including in each case all accounts therein, and any funds required to be set aside for the payment of subordinated indebtedness during the Period of Review, plus (ii) One Hundred Twenty-Five percent (125%) of the Maximum Bond Service Requirement in any succeeding Fiscal Year on account of the Bonds of each Series then Outstanding (including the Additional Bonds proposed to be issued but excluding those Outstanding Bonds to be defeased by the issuance of such Additional Bonds).

For purposes of the Trust Agreement, the Period of Review shall be that period beginning on the first day of the Fiscal Year of the Authority in which such Additional Bonds are issued and ending on the last day of the Fiscal Year during which either of the following two events shall occur: (i) the fifth anniversary of the date of issuance of such Additional Bonds or (ii) the third anniversary of the later to occur of the scheduled completion date of the project to be financed with proceeds of such Additional Bonds or the date on which capitalized interest with respect to such project has been exhausted, whichever date described in clause (i) or clause (ii) is later.

For purposes of this requirement, moneys remaining in the Surplus Fund at the end of any Fiscal Year which the Authority elects to redeposit into the Revenue Fund in the following Fiscal Year may be considered as Revenues in the Fiscal Year in which they are, or are projected to be so redeposited; provided that without regard to the use of such funds, the Authority shall have collected, or shall be projected to collect, as the case may be, sufficient rates and charges under its Rate Covenant so that the actual or projected Revenues, as the case may be, for the Fiscal Year or years in question, were, or are projected to be, at least sufficient to pay 100% of the yearly deposit requirements into the Operation and

Maintenance Fund, the Sinking Fund, the Reserve Fund and subordinated indebtedness accounts, without regard to carry over amounts from the Surplus Fund.

If Available PFC Revenues are included in determining compliance with the foregoing requirements, the following rules will apply:

(i) The Airport Consultant may assume (a) that the rate of the levy of Passenger Facility Charges constituting a part of the PFC Revenues in effect on the date of issuance of such Series will be in effect for the entire forecast period, and (b) a higher rate to the extent legislation has been enacted to permit an increase in Passenger Facility Charges if the Authority has taken all action required to impose and use such increased charges at Tampa International Airport pursuant to such legislation prior to the date of the Airport Consultant's report;

(ii) The Airport Consultant, in making its forecast shall assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three Fiscal Years immediately preceding the year the report of the Airport Consultant is issued;

(iii) Available PFC Revenues, so long as they are pledged as Revenues under the Trust Agreement, may be taken into account in determining compliance with the requirements therein, in an amount equal to the lesser of (x) the Available PFC Revenues reflected in the statement of the independent certified public accountant and (y) the lowest amount of Available PFC Revenues the Authority estimates, based on its then existing PFC Approvals, will be available during the Period of Review; and

(iv) The amount of Available PFC Revenues included in determining compliance with the requirements of clause (A) or (B) above shall be limited to Available PFC Revenues in an amount not to exceed 125% of the Maximum Bond Service Requirement on the Outstanding PFC Bonds, and the PFC Bonds, if any, proposed to be issued, or such lesser amount as may be required under the PFC Act, PFC Regulations and PFC Approvals as in effect from time to time.

The Trustee will not authenticate and deliver Additional Bonds until it shall have first received the statement required by subparagraphs (A) or (B) above.

Refunding and Completion Bonds.

The Authority may issue Additional Bonds under the Trust Agreement without complying with the requirements set forth above:

(A) To complete projects specifically authorized and theretofore funded with Additional Bonds under the Trust Agreement, provided that the aggregate principal amount of such completion Bonds does not exceed 15% of the aggregate principal amount of the Bonds or portions of Bonds issued to fund such projects; and

(B) To refund any Bond or Bonds Outstanding under the Trust Agreement, provided that prior to the issuance of refunding Bonds, the Airport Consultant or another qualified independent consultant must deliver to the Trustee a statement stating (i) that, in each Fiscal Year, the debt service with respect to the refunding Bonds will be equal to or less than the debt service with respect to the Bonds to be refunded, or (ii) (a) that the aggregate debt service with respect to all Bonds Outstanding after the issuance of the refunding Bonds (excluding the Bonds to be refunded and including the refunding Bonds) will be equal to or less than the aggregate debt service with respect to all Bonds Outstanding prior to the

issuance of the refunding Bonds, and (b) that the Maximum Bond Service Requirement with respect to all Bonds Outstanding after the issuance of the refunding Bonds (excluding the Bonds to be refunded and including the refunding Bonds) will be equal to or less than the Maximum Bond Service Requirement on all Bonds Outstanding prior to the issuance of the refunding Bonds. For purposes of the foregoing, if the Outstanding Bonds or the proposed refunding of Additional Bonds, or both, include Variable Rate Bonds, the assumed interest rate thereon for purposes of the foregoing calculations will be determined in accordance with the procedures set forth in the definition of Debt Service Requirement, determined on or as of the date of calculation.

Sale of Property

The Authority has covenanted that until the Bonds and the interest thereon shall have been paid or provision for such payment shall have been made, and except as otherwise permitted by the terms of the Trust Agreement, it will not sell or otherwise dispose of or encumber the Airport System, or any part thereof, and it will not create or permit to be created any charge or lien on the Revenues derived therefrom or other moneys pledged pursuant to the Trust Agreement other than with respect to Additional Bonds and with respect to subordinated indebtedness issued in compliance therewith. The Authority may, however, from time to time, sell for fair and reasonable value, any of the property comprising a part of the Airport System determined by a resolution duly adopted by the Authority to be no longer necessary, useful or profitable in the operation thereof. If the property to be sold shall consist of movable facilities, such proceeds may be used for the acquisition of other movable facilities, or if not so used, the proceeds derived from the sale of such movable facilities shall be used in the manner provided in the Trust Agreement for the proceeds of the sale of real estate. The proceeds derived from the sale of any real property, including any improvements thereon, may be deposited in the Surplus Fund, and any of such proceeds not so used shall be deposited in the Redemption Account in the Sinking Fund and used as provided in the Trust Agreement for such Redemption Account.

Special Purpose Bonds

The term "Special Purpose Facilities" is defined as hangars, aircraft overhaul, maintenance or repair shops, motels, hotels, storage facilities and garages, cargo handling buildings, and other similar facilities, which in each case, except for motels or hotels, are not located in the Airport terminal complex, and the cost of construction and acquisition of which facilities are financed with the proceeds of Special Purpose Bonds issued pursuant to the Trust Agreement.

Any Special Purpose Bonds issued shall be revenue bonds payable solely from rentals or other charges derived by the Authority under and pursuant to a lease or leases relating to the Special Purpose Facilities entered into by and between the Authority, as lessor, and such person, firm or corporation, either public or private, as shall lease, as lessee, the Special Purpose Facilities from the Authority. Special Purpose Bonds may be issued by the Authority notwithstanding the limitations, restrictions and conditions relating to the issuance of pari passu Additional Bonds or other obligations. Before any Special Purpose Facilities shall be constructed or acquired by the Authority, the Authority shall adopt a resolution describing in reasonable detail the Special Purpose Bonds to finance the cost of construction or acquisition of such Special Purpose Facilities and prescribing the rights, duties, remedies and obligations of the Authority and the holders, from time to time, of such Special Purpose Bonds.

Special Purpose Bonds shall not be issued by the Authority unless the Airport Consultant shall have filed with the Authority a certificate, executed by the Airport Consultant, certifying: (1) the estimated rentals or other charges to be derived by the Authority under and pursuant to the leases, loan agreements, promissory notes or other payment arrangements relating to the Special Purpose Facilities then being finance with such Special Purpose Bonds will be at least sufficient to pay the principal of and

interest on such Special Purpose Bonds as they mature and become due, all costs of operating and maintaining such Special Purpose Facilities not paid for by the lessee thereof and all sinking fund, reserve or other payments required by the resolution authorizing the Special Purpose Bonds as they become due; and (2) the construction and operation of such Special Purpose Facilities will not decrease the Revenues to be derived by the Authority from the Airport System. Special Purpose Bonds shall not be issued by the Authority until the Authority has entered into a lease which lease shall be for a term at least as long as the period during which such Special Purpose Bonds are Outstanding and unpaid and which shall provide for annual payments to the Authority, in addition to all rentals and other charges for the use of the Special Purpose Facilities, of ground rent in an amount which is determined by the parties to such lease to be a fair and reasonable rental for the land on which said Special Purpose Facilities are constructed.

Insurance

The Authority covenants that it will insure or cause to be insured the properties or facilities of the Airport System against physical loss or damage under procedures, in amounts and subject to such exceptions as may be approved by the Airport Consultant, and also such public liability insurance and war risk insurance to the extent obtainable in such amounts as are necessary and desirable in accordance with procedures recommended by the Airport Consultant.

Airport Consultant

The Authority will employ, from time to time, as necessary to comply with the requirements of the Trust Agreement, an Airport Consultant to inspect the Airport System and to make reports and recommendations with respect thereto and with respect to the rentals and other charges for the use of the Facilities and Services of the Airport System.

Audits and Reports

The Authority covenants that it or the Trustee or, where applicable, the Special Trustee, will keep an accurate record of the Revenues derived from the Airport System, and any other moneys pledged under the Trust Agreement, and of the application of such revenues or other moneys pledged. Such records shall be open to inspection of Bondholders and their agents and representatives at all reasonable times.

The Authority further covenants that within four (4) months after the close of each Fiscal Year it will cause an audit to be made of its books and accounts relating to the Airport System during the preceding Fiscal Year by an independent and recognized certified public accountant not in the regular employ of the Authority.

Remedies of Bondholders

The Trust Agreement defines events of default as including, among other things, the failure to pay the principal of and any redemption premium on any of the Bonds when the same shall become due and payable, whether at maturity or upon call for redemption, the failure to pay interest within 30 days after the same shall become due and payable and the default, after 30 days' written notice thereof by the Trustee, in the due and punctual performance of any other of the covenants or provisions in the Bonds or in the Trust Agreement.

In the event of such default, the Trustee may proceed, and upon the written request of the holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds shall proceed, subject to the provisions of the Trust Agreement relating to indemnity, to protect and enforce its rights

and the rights of the Bondholders by such suits, actions or special proceedings in equity or at law or by proceedings in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Trust Agreement or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. Such remedies include the right of acceleration under certain circumstances.

The Trust Agreement permits the holders of a majority in principal amount of the Bonds then Outstanding, subject to the provisions of the Trust Agreement relating to indemnity, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Trust Agreement.

No holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any right under the Trust Agreement unless such holder previously shall have given to the Trustee written notice of the event of default on account of which such suit, action or proceeding is to be taken, and unless the holders of not less than twenty-five percent (25%) in principal amount of the Outstanding Bonds shall have made written request of the Trustee and shall have afforded the Trustee a reasonable opportunity either to exercise its granted powers or to institute such action, suit or proceeding, and unless there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

The Trustee is under no obligation to take any remedial action under the Trust Agreement unless it shall first be indemnified against all costs, expenses, outlays and counsel fees and other reasonable disbursements and against all liability.

Modification of Trust Agreement

The Authority and the Trustee may, without the consent of the Bondholders, from time to time and at any time, enter into such Supplemental Trust Agreements as shall not be inconsistent with the terms and provisions of the Trust Agreement (which Supplemental Trust Agreements shall thereafter form a part thereof):

(a) To cure any ambiguity or formal defect or omission in the Trust Agreement or in any Supplemental Trust Agreement; or

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders or the Trustee; or

(c) To make any other changes or modifications to or to otherwise amend the Trust Agreement in any manner that does not materially adversely affect the interests or rights of any of the holders of the Bonds issued pursuant to the terms thereof and then Outstanding. In addition, no such amendment shall affect the payment of debt service on the Bonds when due unless the Bond Insurer shall have first consented to such amendments.

The holders of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the Authority and the Trustee, as the case may be, of such Supplemental Trust Agreements as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, any of the terms or provisions contained in the Trust Agreement or in any Supplemental Trust Agreement; provided, however, that no such modification shall permit (a) an extension of the

maturity or the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or pledge of the Revenues derived from said Airport System or other moneys pledged ranking prior to the lien or pledge created by the Trust Agreement for the Bonds, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Trust Agreement.

If at any time the Authority shall request the Trustee to enter into any Supplemental Trust Agreement for any of the purposes permitted in the preceding paragraph, the Trustee shall, at the expense of the Authority, cause notice of the proposed execution of such Supplemental Trust Agreement to be published in a financial newspaper or journal published in the English language in the City of New York, New York, and, on or before the date of the publication of such notice; the Trustee shall also cause a similar notice to be mailed, postage prepaid, to all registered owners of Bonds then Outstanding at their addresses as they appear on the registration books and to all other Bondholders who have filed their names and addresses with the Trustee for such purposes. Failure of the Trustee to mail such notice shall not affect the validity of such Supplemental Trust Agreement when consented to and approved as provided above.

Whenever, at any time within one year after the date of the first publication of such notice, the Authority shall deliver to the Trustee an instrument or instruments purporting to be executed by the holders of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Trust Agreement described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee, thereupon, but not otherwise, the Trustee may execute such Supplemental Trust Agreement in substantially such form, without liability or responsibility to any holder of any Bond, whether or not such holder shall have consented thereto.

Pursuant to Supplemental Trust Agreements, Bond Insurers have been given the right to consent to amendments to the Trust Agreement on behalf of the Registered Owners of the Bonds that they insure.

Defeasance

If all the Bonds have become due and payable, have been duly called for redemption or irrevocable instructions to call such Bonds for redemption have been given by the Authority to the Trustee, and the whole amount of the principal, interest and premium, if any, due and payable upon all of the Bonds then Outstanding shall be paid, or sufficient money shall be held by the Trustee or the Paying Agents which, when invested in direct obligations of the United States of America maturing not later than the maturity dates of such principal, interest and redemption premiums, if any, will, together with the income realized on such investments, be sufficient to pay all such principal, interest and redemption premiums, if any, on said Bonds at the maturity or earlier redemption thereof, and provisions have also been made for paying all Qualified Hedge Payments, Reimbursement Obligations and Derivative Non-Scheduled Payments in accordance with their terms and all other sums payable under the Trust Agreement by the Authority, then and in that case the right, title and interest of the Trustee and any Special Trustee shall thereupon cease, determine and become void, and the Trustee and the Special Trustee shall turn over to the Authority any surplus in any account in the Sinking Fund and all balances remaining in any other funds or accounts other than the moneys held for redemption or payment of Bonds or coupons; otherwise the Trust Agreement shall be, continue and remain in full force and effect.

Miscellaneous

The Authority covenants that it will comply with the requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code, and any other requirements which, in bond counsel's opinion, are necessary to preserve the exclusion of interest on the Bonds from the gross income of the holders thereof for federal income tax purposes throughout the term of the issue. The Authority's covenants include the obligation to pay the amounts required to be paid to the United States pursuant to Section 148(f) of the Code (the "Rebate Amount") and to refrain from taking any action that would cause the Bonds to become arbitrage bonds under Section 148 of the Code.

The Authority covenants that it will establish and enforce reasonable rules and regulations governing the use and operation of the Airport System, and that it will at all times maintain the Airport System in good order and condition, except for normal wear and tear and to make or cause to be made all necessary and appropriate repairs and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Airport System.

The Authority covenants that it will not render or cause to be rendered any free service of any nature by the Airport System; provided, however, that the foregoing limitation shall not be applicable to space, services, privileges or facilities furnished to the Authority, or to the United States of America to the extent required under applicable laws under contracts which involve the granting of Federal aid to the Authority and to the extent required by applicable laws under instruments of transfer from other contracts with the United States of America.

Neither the Bonds nor the Trust Agreement create or constitute an indebtedness of the Authority, the County, the City or any other political subdivision in said County within the meaning of any constitutional or statutory debt limitation or provision, and it is expressly agreed that the Bonds and the obligations evidenced thereby shall not constitute nor be a lien upon any property of the Authority, the County, the City or any other political subdivision of said County, except the Revenues derived from the Airport System and other moneys pledged. No holder of the Bonds shall ever have the right to require or compel the exercise of the ad valorem taxing power of the Authority, the County, the City or any other political subdivision of the State of Florida, for the payment of the principal of or any interest on any Bonds or the making of any payments required by the Trust Agreement.

Nothing contained in the Trust Agreement shall be deemed to prevent the Authority from issuing any bonds or notes which are not secured by the Trust Agreement to finance the construction of any legally permissible airport or aviation-related facilities, or additions, extensions or improvements thereto, which are not a part of the Airport System, as long as the Airport Consultant shall state that in his opinion such airport or aviation facilities, or additions, extensions or improvements thereto, will not materially and adversely affect the Revenues to be derived from the Airport System, or the rights, security and remedies of the holders of Bonds issued pursuant to the Trust Agreement.

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APPENDIX D

PROPOSED CONCEPTUAL AMENDMENTS TO CERTAIN PROVISIONS OF THE TRUST AGREEMENT

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APPENDIX D

PROPOSED CONCEPTUAL AMENDMENTS TO CERTAIN PROVISIONS OF THE TRUST AGREEMENT

All capitalized terms not otherwise defined herein shall have the meaning as given in the Trust Agreement.

Conceptual Amendments

The following are summaries of certain "conceptual" amendments to the Trust Agreement which the holders of the 2009A Bonds, by acceptance of their respective Bonds, shall have consented to and which conceptual amendments will become effective without additional bondholder consent, upon preparation and adoption of definitive provisions. The Authority and the Trustee may, without additional bondholder consent, prepare and incorporate definitive amendments to the Trust Agreement to the extent they are consistent with the conceptual amendments.

(a) The Trust Agreement may be amended to authorize and permit the issuance of zero coupon bonds, deep discount bonds, commercial paper, variable rate obligations, tender bonds, designated maturity bonds and other similar or dissimilar project financing vehicles, and derivative products related to such financing including hedges, caps, collars, swaps and similar products. It is contemplated within this general authorization that debt may mature and become payable as frequently as daily. Definitive provisions reflecting the intent of this paragraph will contain the methodology or techniques for calculating annual bond service requirements and similar provisions relating to the Rate Covenant, amounts deposited into the Reserve Fund, tests with respect to the issuance of Additional Bonds, the Bond Obligation to be used for voting and consent purposes, and the like. Provisions may also be added with respect to liquidity facilities required in connection with the issuance of such financing techniques. Any such changes in the Additional Bonds test, the methodology for calculation of the debt service requirements in any year, the Authority's Rate Covenant or the reserve funding requirements that arise from the issuance of such debt products shall be subject to the consent of the Bond Insurer, which consent will not be unreasonably withheld.

(b) The definition of "Gross Revenues" or "Revenues" may be amended to specifically exclude, in addition to the moneys theretofore excluded from the definition of that term, all the revenue sources available to the Authority that are not directly related to the handling of passengers and greeters to, from and around the airport facilities or the granting of rights in or with respect to the core terminal facilities. (Airline landing fees and parking revenues, and fees generated from leases and concessionaire agreements in or with respect to core terminal facilities, shall, for all purposes of the Trust Agreement, be treated as Gross Revenues.) Any such amendment shall provide that before it shall become effective, the Authority shall submit to the Trustee (i) a certificate to the effect that the remaining Revenues in the year in which the exclusion is to be made will be sufficient to meet the Authority's Rate Covenant in such year as described in the Trust Agreement and (ii) a certificate from an Airport Consultant reasonably acceptable to the Bond Insurers to the effect that, based on its projections and subject to customary assumptions and limitations, the deletion of such revenues from the lien of the Trust Agreement will not adversely affect the Authority's ability to meet the Authority's Rate Covenant in each of the five Fiscal Years following the effective date of such amendment.

(c) The Trust Agreement may be amended to provide that separate Construction Accounts may be established for each series of Additional Bonds and that the provisions with respect to such

Construction Accounts as set forth in Supplemental Trust Agreements executed in connection with such Additional Bonds may supersede any of the requirements for the Construction Fund contained in the Trust Agreement.

(d) The flow of funds contained in the Trust Agreement may be amended in the following respects:

(i) The Authority shall be free to add additional funds and accounts (including without limitation, accounts with respect to Subordinated Indebtedness and liquidity and credit enhancement products), to arrange the priority of such funds and accounts, and to delete funds and accounts, or modify their funding requirements, in each case with respect to such funds and accounts that are funded subsequent to the funding of the Reserve Fund (and subsequent to the funding of any accounts created for the payment of liquidity reimbursements and subordinated indebtedness if such accounts have been added); provided, however, that the deposit requirements with respect to the Operating Reserve Account as set forth in the Trust Agreement shall not be reduced or eliminated. In addition, the Authority shall not be restricted as to the amounts it may deposit in the Surplus Fund. If the flow of funds is modified pursuant to the foregoing, the Authority may in connection therewith, make concurrent amendments to the Authority's Rate Covenant to take into account the addition, deletion or modification of such funds or accounts; provided, however, that the Authority shall always be obligated to charge rates that will provide revenues sufficient to pay Operating Expenses and debt service on the Bonds when required or due, and to fully fund at least once each year the deposit requirements into the Operating Reserve Account and any capital replacement fund then in effect.

(ii) The specific provisions for deposits into the Sinking Fund may be added to comply with the funding requirements for commercial paper, variable rate obligations, demand obligations and similar types of financing structures that may be authorized pursuant to the Supplemental Trust Agreements.

(iii) Provisions of the Trust Agreement related to the Reserve Account may be amended to permit separate reserve accounts for each issue of Additional Bonds, and the funding requirements with respect thereto, all as specified in the Supplemental Trust Agreements executed in connection with such Additional Bonds. Following such amendment, the holders of Bonds of a Series will have a lien only on the reserve account created and funded with respect to such Bonds. It is intended that such Supplemental Trust Agreements may provide for the deferred funding of such reserve accounts, or contemplate reserve insurance, letters of credit, surety bonds or other reserve credit facilities in lieu of a cash reserve, and that the existence, sizing criteria and other matters with respect to reserves for any issue of Additional Bonds shall all be specified in each such Supplemental Trust Agreement.

(e) The Trust Agreement may be amended to permit the Authority to invest any of the funds and accounts held under or pursuant to the terms of the Trust Agreement, other than the Sinking Fund and the Reserve Fund, in any investments (and with such collateralization, if any, and maturity), as may be permitted for political subdivisions under the law of the State of Florida. The Reserve Fund including any subaccounts created therein with respect to the 2009A Bonds and all other Bonds outstanding prior to the issuance of the 2009A Bonds under the Trust Agreement shall remain subject to the investment limitations currently contained in the Trust Agreement.

(f) The Trust Agreement may be amended (i) to eliminate the right of acceleration for any Bonds outstanding and (ii) to permit the Bond Insurer with respect to any series of Additional Bonds, to exercise rights and remedies on behalf of the holders of Bonds it insures, in the manner and to the extent permitted pursuant to the terms of the Supplemental Trust Agreement executed in connection with the issuance of such Additional Bonds.

(g) The Trust Agreement may be amended to eliminate the preference in favor of the Trustee with respect to moneys held by it under the Trust Agreement, for payment of the fees and costs of the Trustee under the Trust Agreement and to allow the Authority to change the Trustee at any time without the consent of the holders of the Bonds.

(h) The Trust Agreement may be amended to permit any other amendments to the Trust Agreement that would not materially adversely affect the Authority's ability to meet the Authority's Rate Covenant; provided, however, that no such amendment that affects the payment of debt service on the Bonds when due shall be made without the consent of the Bond Insurer.

(i) The definition of "Special Purpose Facility" contained in the Trust Agreement may be amended to include any capital project generally relating to airport operations or ancillary services, wherever such projects may be located.

(j) The Trust Agreement may be amended to provide that the Authority may treat the Bond Insurer as the holder of all Bonds outstanding under the Trust Agreement that are insured by it, for all purposes of the Trust Agreement, or for any limited purpose specified in the Supplemental Trust Agreement executed in connection with such insured Additional Bonds.

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE – AIRPORT USE AND LEASE AGREEMENT

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE-AIRPORT USE AND LEASE AGREEMENT

In 1998, the Authority completed negotiations with certain airlines serving the Airport for a new Airline-Airport Use and Lease Agreement (the "Airline Agreement"). The Airline Agreement, which had an original seven-year term extending from October 1, 1999 through September 30, 2006, and recently extended to September 30, 2009 (the "Term"), defines the operational and financial relationship between the Authority and the airlines executing the Airline Agreement (the "Signatory Airline" or "Airlines"). The following sections present summaries of certain provisions of the new Airline Agreement.

Certain Definitions (Additional words and phrases used in this summary, and not defined here, shall have the meanings as defined in the Airline Agreement or the Trust Agreement, or shall have their usual and customary meaning.)

Air Transportation Business shall mean that business operated by Signatory Airlines at the Airport for the commercial transportation by air of persons, property, mail, parcels and/or cargo.

Air Transportation Company shall mean a legal entity engaged in the business of scheduled or non-scheduled commercial transportation by air of persons, property, mail, parcels and/or cargo.

Airfield shall mean those portions of the Airport, excluding the Terminal Aircraft Aprons and the Cargo Aircraft Aprons, provided for the landing, taking off, and taxiing of aircraft, including without limitation, approach and turning zones, clear zones, aviation 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.

Airfield Cost and Revenue Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment), all direct and indirect O&M Expenditures, and operating Revenues for the Airfield.

Airline Premises shall mean those areas in the Terminal Complex assigned to Signatory Airlines as Exclusive Use Premises, Preferential Use Premises, or Common Use Premises.

Airline Supported Areas shall mean the direct and indirect O&M Expenditures and Investment Service charged to the Airfield Cost and Revenue Center and the Terminal Complex Cost and Revenue Center.

Airport shall mean Tampa International Airport, owned and operated by Authority, including all real property easements or any other interest therein as well as all improvements and appurtenances thereto, structures, buildings, fixtures, and all tangible personal property or interest in any of the foregoing, now or hereafter owned leased or operated by Authority.

Airport System shall mean all real property or any interest therein, including improvements thereto, structures, buildings, fixtures, and other personal property, which are located on the Airport, Peter O. Knight Airport, Plant City Airport, Vandenberg Airport, or any airport hereafter owned, leased or operated by Authority.

Airside Buildings shall mean the building or buildings at the Airport through which passenger aircraft are loaded or unloaded.

Capital Expenditure shall mean an expenditure, equal to or greater than $50,000, made to acquire, purchase or construct a single capital item or project for the purpose(s) of improving, maintaining or developing the Airport System, and shall include expenses incurred for development, study, analysis, review, design, or planning efforts.

Common Use Premises shall mean those non-exclusive areas of the Airport (excluding Public Space), used in common by Signatory Airlines, along with other authorized users of the Airport, along with all facilities, improvements, equipment and services which are, or hereafter may be, provided for such common use.

Cost and Revenue Centers shall mean those areas or functional activities of the Airport System used for the purposes of accounting for Revenues, O&M Expenditures, and Investment Service.

Cost Centers shall mean those areas or functional activities of the Airport System used for the purposes of accounting for O&M Expenditures and Investment Service.

Coverage shall mean twenty-five percent (25%) of the Debt Service payable on Bonds in each Fiscal Year.

Exclusive Use Premises shall mean those portions of the Terminal Complex assigned exclusively to Signatory Airlines.

Fiscal Year shall mean the annual accounting period of the Authority for its general accounting purposes which, at the time of entering into this Airline Agreement, is the period of twelve consecutive months, ending with the last day of September of any year.

Investment Service shall mean, with respect to any Fiscal Year, the sum of (1) Debt Service (exclusive of capitalized interest) and Other Debt Service payable by Authority in that Fiscal Year; plus (2) Return on Authority Investment; plus (3) Coverage; less (4) a reduction for any interest earnings in the Debt Service Reserve Fund; less (5) a reduction for any interest earnings in the Redemption Account attributable to amounts transferred from the Surplus Fund.

Landing Fee shall mean a fee expressed in tenths of a cent per thousand pounds of the Maximum Gross Landed Weight of each type of Airline's aircraft and shall be multiplied by the total of all Maximum Gross Landed Weight for all Chargeable Landings of each type of aircraft landed at the Airport by Signatory Airlines.

Majority In Interest of Airlines (MII) shall apply only to the Airfield Cost and Revenue Center and shall mean at least fifty percent (50%) of the Signatory Airlines who together have landed sixty percent (60%) of the total Maximum Gross Landed Weight by all Signatory Airlines at the Airport during the immediately preceding Fiscal Year.

Operating Expenditures (O&M Expenditures) shall mean all Operating Expenses, plus all expenditures with a unit cost less than $50,000 for the cost of moveable equipment consisting of, but not limited to, fire fighting equipment, trucks, tractors and automotive equipment and other similar moveable equipment and for the purpose of paying the cost of rebuilding, reconstructing, altering, replacing and renewing the facilities of the Airport System, and construction and acquisition of improvements to capital assets of the Airport System.

Operating Expenses shall mean the current expenses, paid or accrued, of operation, maintenance, and ordinary current repairs of said Airport System and shall include, without limiting the generality of

the foregoing, insurance premiums, administrative expenses of the Authority relating solely to the Airport System, including engineering, architectural, legal, airport consultants, and accounting fees and expenses, and fees and expenses of the Trustee, and such other reasonable current expenses as shall be in accordance with sound accounting practice. Operating Expenses shall not include any allowance for depreciation or renewals or replacements or obsolescence of capital assets of the Airport System, or any operating expenses of Special Purpose Facilities buildings where the lessees thereof are obligated to pay such operating expenses.

Operating Reserve Requirement (O&M Reserve Requirement) shall mean the Trust Agreement requirement that a reserve be created and maintained at an amount at least equal to one-sixth of the annual budget then in effect for Operating Expenses.

Passenger Transfer System shall mean the passenger transfer equipment and facilities, including the stations located in the Terminal Building and the Airside Buildings.

Passenger Transfer System Cost Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment) and all direct, indirect and general administrative O&M Expenditures for the Passenger Transfer System. The costs of the Passenger Transfer System will be allocated to the Airside Buildings and an average rental rate developed based on total Airside Buildings rentable square feet. The Passenger Transfer System costs will then be differentiated to reflect the level of service provided each separate Airside Building based on the number of cars serving the Airside Building.

Preferential Use Premises shall mean those portions of the Terminal Complex and Terminal Aircraft Aprons assigned to Signatory Airlines, to which Signatory Airlines shall have priority over other users.

Recognized Net Investment shall mean Authority's cost of an improvement, equal to or greater than $50,000, or an acquisition made on or for the Airport System (including without limitation the cost of construction, testing, architects' and engineers' fees, consultants' fees, construction management fees, inspection and surveillance by Authority engineer, condemnation, relocation expenses, brokers fees), reduced by the amount of any federal or state grant or PFC received by Authority therefor, shall be considered Recognized Net Investment beginning in the Fiscal Year in which the improvement or acquisition is completed.

Return on Authority Investment shall mean the return on Recognized Net Investment made by Authority after September 30, 1999 with its own Authority funds (not Bond proceeds; not proceeds from insurance resulting from casualty damage to or destruction of improvements on the Airport System; not federal or state grant funds; and not PFCs) for new capital improvements or acquisitions on the Airport System equal to the total of the annual amortization of the amount of each item of Recognized Net Investment over twenty-five (25) years in principal and interest amounts which together represent equal annual payments, with interest computed at Authority's True Interest Cost. For the Fiscal Year of acquisition or completion, only one-half of the annual amortization shall be recognized.

Revenue Fund shall mean that fund for the deposit of Revenues, as defined under the Trust Agreement, derived from the operation of the Airport System.

Revenues shall mean income accrued by Authority in accordance with generally accepted accounting practices, including investment earnings, from or in connection with the ownership or operation of the Airport System or any part thereof or the leasing or use thereof.

Scheduled Air Carrier shall mean any Air Transportation Company performing or desiring to perform, pursuant to published schedules, seasonal or non-seasonal commercial air transportation services over specified routes to and from the Airport and holding the necessary authority from the appropriate federal or state agencies to provide such transportation.

Signatory Airline shall mean an Air Transportation Company that leases at least one hold room in an Airside Building and space in the Terminal Building deemed sufficient by the Executive Director to support its operation, and has an agreement with the Authority substantially similar to this Airline Agreement. A wholly- owned (100 percent) subsidiary of a Signatory Airline, or the Signatory Airline's parent, will be treated as a Signatory Airline for the purposes of this Agreement provided that Airline shall guarantee payments required of its wholly-owned subsidiaries. An all-cargo Air Transportation Company shall be considered a Signatory Airline if it guarantees a minimum of 30,600 annual units of Maximum Gross Landed Weight throughout the Term of this Airline Agreement, leases facilities on the Airport from the Authority for a term at least equal to the Term of this Airline Agreement, and has an agreement with the Authority substantially similar to this Airline Agreement.

Terminal Building shall mean the passenger terminal building, and the mechanical and electrical service building, excluding the Airside Buildings.

Terminal Complex shall mean the Terminal Building and the Airside Buildings connected by means of the Passenger Transfer System, together, as they and any other passenger handling facilities exist at the Airport prior to and after completion of any improvements or expansion.

Terminal Complex Cost and Revenue Center shall include all Investment Service (allocated by its proportional share of Recognized Net Investment), all direct, indirect and general administrative O&M Expenditures, and operating Revenues for the Terminal Building and all of the Airside Buildings. Subsets of the Terminal Complex Cost and Revenue Center will consist of the Terminal Building and the Airside Buildings. Costs associated with the Passenger Transfer System Cost Center will be allocated to the Airside Buildings.

Trust Agreement shall mean the Trust Agreement dated October 1, 1968, as supplemented, amended and codified from time to time authorizing the issuance by Authority of Bonds or other financing obligations with respect to the Airport System.

Rentals, Fees, and Charges

Rates and charges for the Signatory Airlines are based primarily on formulas in the Airfield Cost and Revenue Center and Terminal Complex Cost and Revenue Center that are devised to recover the costs of operating, maintaining, and developing the necessary and required facilities in each respective Cost and Revenue Center. Within the Terminal Complex Cost and Revenue Center, rates and charges are calculated separately for both the Terminal Building and the Airside Buildings at the Airport. Expenditures and Revenues of the Authority are categorized into Cost and Revenue Centers or Cost Centers. Cost and Revenue Centers include those areas or functional activities of the Airport System used for the purposes of accounting for Revenues, O&M Expenditures, and Investment Service. Cost Centers include those areas or functional activities of the Airport System used for the purposes of accounting for O&M Expenditures and Investment Service.

Rates and charges are calculated on an annual basis, and reviewed and adjusted, if necessary, throughout each Fiscal Year to ensure that sufficient Revenues are generated to satisfy all requirements of the Trust Agreement. At the end of each Fiscal Year, the Authority will recalculate rates and charges based on audited financial data to determine any over/under payment situations that need to be rectified.

Included in the rates and charges formulas are specific rebates of Debt Service Coverage and sharing of net remaining Revenues that are provided for only after all Trust Agreement requirements are met. The Airline Agreement also provides for Extraordinary Coverage Protection in which the Signatory Airlines shall pay in any Fiscal Year in which Revenues less O&M Expenditures and the O&M Reserve Requirement are projected to be less than the Debt Service Coverage requirement in the Trust Agreement, an amount sufficient for the Authority to satisfy this Trust Agreement requirement.

Two other key financial provisions in the Airline Agreement impacting the overall costs to Signatory Airlines are a Debt Service Coverage Rebate that will serve to reduce Signatory Airline rentals, fees, and charges in both the Airfield Cost and Revenue Center and Terminal Complex Cost and Revenue Center; and a "revenue sharing" provision that is based on a percentage distribution to the Signatory Airlines (15 percent in Fiscal Year 2001; 16 percent in Fiscal Year 2002; 17 percent in Fiscal Year 2003; 18 percent in Fiscal Year 2004; 19 percent in Fiscal Year 2005; and 20 percent in Fiscal Year 2006) of net remaining Revenues of the Airport System after satisfaction of all Trust Agreement requirements in each Fiscal Year. The extension of the Airline Agreement continues the 20 percent to the Signature Airlines through 2009.

When estimating the rates for rentals, fees, and charges for the ensuing Fiscal Year, the Authority shall also estimate the amount of Debt Service Coverage from the current Fiscal Year that will be available to reduce Signatory Airline rates for rentals, fees, and charges for the ensuing Fiscal Year.

Capital Expenditures

The Authority and Signatory Airlines recognize that Capital Expenditures to preserve, protect, enhance, expand, or otherwise improve the Airport System, or part thereof, will be required during the Term of the Agreement. The following Capital Expenditures shall be permitted to be undertaken by the Authority at any time and shall not be subject to consideration by the Signatory Airlines:

A. New development, planning or expansion projects in the Airfield Cost and Revenue Center that have a gross project cost equal to or less than $10.0 million.

B. Renovation projects in the Terminal Complex Cost and Revenue Center with gross project cost equal to or less than $10.0 million.

C. Renovation projects in the Terminal Complex Cost and Revenue Center with a gross project cost exceeding $10.0 million that have been approved in writing by at least one Signatory Airline leasing space in the Terminal Complex; provided, however, that recovery of the cost of any extraordinary finishes or equipment shall be treated as an Extraordinary Service Charge pursuant to Section 7.03.

D. New or expanded facilities in the Terminal Complex Cost and Revenue Center that have been approved in writing by at least one Signatory Airline leasing space in the Terminal Complex; provided, however, that recovery of the cost of any extraordinary finishes or equipment shall be treated as an Extraordinary Service Charge pursuant to Section 7.03.

E. Projects required by the FAA, the Department of Transportation or similar governmental authority, other than the Authority, having jurisdiction over the Airport.

F. Projects to repair casualty damage to Airport property, which must be rebuilt or replaced in order for the Authority to meet its obligations pursuant to this Airline Agreement, the Trust Agreement, or agreements with other lessees at the Airport.

G. Special Purpose Facilities for which, in all cases, the tenant(s) or other user(s) thereof shall be required to pay directly or reimburse Authority for all costs, including finance costs, associated with such facilities during the Term of this Agreement.

H. Reasonable improvements or additions, including the associated costs therefor, necessary to settle lawful claims, satisfy judgments, or comply with judicial orders against Authority by reason of its ownership, operation, maintenance, or use of the Airport.

I. Expenditures of an emergency nature which, if not made within forty-eight (48) hours, would result in the closing of any portion of the Airport.

J. Projects undertaken in Cost Centers and Cost and Revenue Centers other than the Airfield Cost and Revenue Center and the Terminal Complex Cost and Revenue Center.

K. Expenditures with a unit cost less then $50,000 for the cost of moveable equipment consisting of, but not limited to, fire fighting equipment, trucks, tractors and automotive equipment and other similar moveable equipment and for the purpose of paying the cost of rebuilding, reconstructing, altering, replacing and renewing the facilities of the Airport System, and construction and acquisition of improvements to capital assets of the Airport System in which the total costs allocated to the Airfield Cost and Revenue Center and Terminal Complex Cost and Revenue Center, combined, are less than $1.5 million in any Fiscal Year during the Term of this Airline Agreement.

Assignment, Subletting, and Handling Agreements

In the event that a Signatory Airline shall, directly or indirectly, assign, sell, hypothecate, or otherwise transfer this Airline Agreement, or any portion of Airline Premises, without the prior written consent of the Authority, the Authority may terminate this Airline Agreement upon thirty (30) days written notice.

A Signatory Airline shall not sublease Airline Premises without the prior written consent of the Authority, which consent may be withheld if the Authority has substantially similar space available but unleased, or if the Authority can make such space available for lease within a reasonable time. Failing in this, such prior consent shall not be unreasonably withheld.

In the event a Signatory Airline agrees to ground handle any portion of the operations of another Air Transportation Company, the Signatory Airline shall provide the Authority advance written notice of such proposed activities, including a description of the type and extent of services to be provided. A Signatory Airline shall not ground handle any Air Transportation Company which does not have consent of the Authority for the operation of its Air Transportation Business at the Airport, and a handling agreement between the Signatory Airline and the Air Transportation Company.

Availability of Adequate Facilities

The parties acknowledge the objective of the Authority to offer access to all Air Transportation Companies desiring to serve the Airport and to provide adequate gate positions and space in the Terminal Complex. Recognizing that physical and financial limitations may preclude timely expansion of the Terminal Complex and Terminal Aircraft Apron areas to meet the stated requests of Signatory Airlines and/or such other Air Transportation Companies for additional facilities, the Authority states in the Airline Agreement its intent to pursue the objective of achieving an optimum balance in the overall

utilization of the Terminal Complex and Terminal Aircraft Apron areas to be achieved, if necessary, through sharing, from time to time, of gate positions and other passenger handling facilities.

It is the policy of the Authority, to the extent practicable, to solve space problems in the following manner: first, through the Authority's leasing of unleased premises in the Terminal Complex; second, through the use of Authority-approved subleases; third, through accommodation on Preferential Use Premises; fourth, through the expansion of the Terminal Complex, unless in the opinion of the Authority, physical, financial, or time limitations make expansion impractical; fifth, through the reassignment of Preferential Use Premises; and sixth, through accommodation on Exclusive Use Premises.

Subordination to Trust Agreement

This Agreement and all rights granted to Signatory Airlines hereunder are expressly subordinated and subject to the lien, covenants (including the Rate Covenant), and provisions of the pledges, transfer, hypothecation, or assignment made by the Authority in the Trust Agreement. The Authority and Signatory Airlines agree that to the extent required by the Trust Agreement or law, the holders of the Bonds or their designated representatives shall have the right to exercise any and all rights of the Authority hereunder.

The Authority shall notify Signatory Airlines in advance of any amendments or supplements to the Trust Agreement that would materially alter the terms and provisions of this Airline Agreement or materially impact the levels of rentals, fees, and charges paid by Signatory Airlines ("Material Amendments").

For any Material Amendments or supplements desired solely by the Authority for its own purposes, the Authority and Signatory Airlines shall use their best efforts to agree on the implementation. However, in the event the Authority and Signatory Airlines cannot agree on the implementation of any Material Amendments or supplements desired solely by the Authority for its own purposes, a Signatory Airline, in addition to cancellation rights provided elsewhere in the Airline Agreement, shall have the right to cancel the Airline Agreement upon thirty (30) days advance written notice.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by the Hillsborough County Aviation Authority (the "Issuer") in connection with the issuance of its Tampa International Airport Revenue Bonds, 2009 Series A (PFC) (the "Bonds"). The Bonds are being issued pursuant to the Resolution No. 2009-67 adopted by the Issuer on June 4, 2009 (the "Resolution") and a Codified and Restated Trust Agreement effective as of September 1, 2006 (the "2006 Trust Agreement"), by and between the Issuer and The Bank of New York Mellon (successor trustee to JPMorgan Chase Bank, N.A. which was successor trustee to The Chase Manhattan Bank National Association), New York, New York, as Trustee, as supplemented and amended by a Supplemental Trust Agreement dated as of June 1, 2009 (the "2009 Supplemental Trust Agreement" and, collectively with the 2006 Trust Agreement, the "Trust Agreement"). The Issuer covenants and agrees as follows:

SECTION 1. PURPOSE OF THE DISCLOSURE AGREEMENT. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12.

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution which apply to any capitalized term used in this Disclosure Agreement, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer, and which has filed with the Issuer a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system as described in Securities and Exchange Commission Release No. 34-59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Listed Events" shall mean any of the event listed in Section 5(a) of this Disclosure Agreement.

"Participating Underwriters" shall mean the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean the continuing disclosure requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the Issuer's fiscal year (presently ends September 30), commencing with the report for the 2009 Fiscal Year, provide to EMMA an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report only if they are not available by that date so long as they are provided when they become available. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to EMMA an Annual Report by the date required in subsection (a), the Issuer shall send a notice to EMMA in substantially the form attached as Exhibit A.

(c) If the Dissemination Agent is other than the Issuer, the Dissemination Agent shall file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to EMMA.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Issuer's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3 (a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) An update of the following financial information and operating data from the Official Statement which are in tabular form:

1. Airline Passenger Traffic;

2. Top Markets for Tampa International Airport; and

3. Airline Market Shares of Enplaned Passengers.

Relating to information to be provided to EMMA, the information provided under Section 4(b) may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from EMMA. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers or their failure to perform;

6. Adverse tax opinions to or events affecting the tax-exempt status of the Bonds;

7. Modifications to rights of the holders of the Bonds;

8. Bond calls (other than scheduled mandatory redemption);

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds; and

11. Ratings changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible, determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with EMMA. Notwithstanding the foregoing, notice of Listed Events described in Sections 5(a)(8) and (9) need not be given under this Section 5 any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. TERMINATION OF REPORTING OBLIGATION. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

SECTION 7. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner

for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement. The initial Dissemination Agent shall be the Issuer.

SECTION 8. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (1) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. ADDITIONAL INFORMATION. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. DEFAULT. In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement; provided, however, the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer to comply with the provisions of this Disclosure Agreement

shall be an action to compel performance. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution.

SECTION 12. BENEFICIARIES. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date as of June 30, 2009

Stephen J. Mitchell, Chairman

Countersigned:

Louis E. Miller, Executive Director

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Hillsborough County Aviation Authority, Florida

Name of Bond Issue: $_____ Tampa International Airport Revenue Bonds, 2009 Series A (PFC)

Date of Issuance: June 30, 2009

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds issued pursuant to the Resolution No. 2009-67 duly adopted by the Issuer on June 4, 2009, authorizing the issuance of the Bonds, as required by Sections 3 and 4 of the Continuing Disclosure Agreement dated _____, 2009. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

ISSUER

By: _____
Name: _____
Title: _____

APPENDIX G

FORM OF BOND COUNSEL OPINION

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_____, 2009

PRELIMINARY – SUBJECT TO CHANGE

Hillsborough County Aviation Authority
Tampa International Airport
Tampa, Florida 33607

Re: Hillsborough County Aviation Authority $48,095,000 Tampa International Airport Revenue Bonds, 2009 Series A (PFC)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Hillsborough County Aviation Authority (the "Authority") in connection with the issuance and sale by the Authority of its Tampa International Airport Revenue Bonds, 2009 Series A (PFC), in the aggregate principal amount of $48,095,000 (the "2009 Bonds").

All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them under the Codified and Restated Trust Agreement effective as of September 1, 2006 (the "Codified Trust Agreement"), as supplemented and amended from time to time including by a Supplemental Trust Agreement dated as of June 1, 2009 (the "Supplemental Trust Agreement"), each by and between the Authority and The Bank of New York Mellon, New York, New York, as Trustee. The Codified Trust Agreement, as so supplemented and amended, and the Supplemental Trust Agreement are collectively referred to herein as the "Trust Agreement."

The description of the 2009 Bonds in this opinion and other statements concerning the terms and conditions of the issuance of the 2009 Bonds do not purport to set forth all of the terms and conditions of the 2009 Bonds or any other document relating to the issuance thereof, but are intended only to identify the 2009 Bonds and to describe briefly certain features thereof.

The 2009 Bonds are dated the date of their delivery, have been issued in fully registered form and bear interest from that date at the rates described in, and shall be subject to the terms and conditions set forth in, Resolution No. 2009-67 of the Authority pertaining to the 2009 Bonds adopted on June 4, 2009 (the "Resolution"). The 2009 Bonds have been designated by the Authority as "PFC Bonds" for all purposes under the Trust Agreement.

The 2009 Bonds are being issued for the purpose of paying the cost of certain capital improvements to the Airport System, refunding certain outstanding commercial paper of the Authority, funding a segregated reserve account with respect to the 2009 Bonds, and paying certain costs of issuance incurred with respect thereto.

Pursuant to the Trust Agreement, the principal of and all interest on the 2009 Bonds are payable from and secured by a lien upon and pledge of the Revenues derived by the Authority from the operation of the Airport System to the extent and in the manner described in the Trust Agreement. The Authority has pledged to the Trustee as "Revenues" under the Trust Agreement for the benefit and security of PFC Bonds, including the 2009 Bonds, but subject to the limitations in the Supplemental Trust Agreement, all Available PFC Revenues to the extent provided in the Trust Agreement. The 2009 Bonds are payable from such Revenues on a parity with the Hillsborough County Aviation Authority Tampa International Airport Revenue Bonds, 1996 Series B, the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 1999 Series A, the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2001 Series A, the Hillsborough County Aviation Authority Tampa International Airport Revenue Bonds, 2003 Series A and B, the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2003 Series C (Non-AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2003 Series D (AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Bonds, 2005 Series A (AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2005 Series B (Non-AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2006 Series A (AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2006 Series B (Non-AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Bonds, 2008 Series A (AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Bonds, 2008 Series B (Non-AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2008 Series C (AMT), the Hillsborough County Aviation Authority Tampa International Airport Revenue Refunding Bonds, 2008 Series D (Non-AMT) and with Additional Bonds hereafter issued pursuant to the terms of the Trust Agreement.

The 2009 Bonds and the obligations evidenced thereby do not constitute a general indebtedness of the Authority, Hillsborough County, the City of Tampa, or any other political subdivision of the State of Florida within the meaning of any constitutional, statutory or charter provision or limitation and shall not constitute a lien on any property of the Authority other than such Revenues and other funds pledged pursuant to the Trust Agreement. Bondholders do not have the right to require or compel the exercise of the ad valorem taxing power of any entity to pay the 2009 Bonds.

In rendering the opinions set forth below, we have examined certified copies of the Trust Agreement and are relying on the covenants and agreements of the Authority contained therein, including, without limitation, the covenant of the Authority to comply with the applicable requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder, to the extent necessary to preserve the exclusion of interest on the 2009 Bonds from gross income for federal income tax purposes.

We have also examined certified copies of the proceedings of the Authority, and other information submitted to us relative to the issuance and sale by the Authority of the 2009 Bonds. In addition to the foregoing, we have examined and relied upon such other agreements, documents, certificates and opinions, including certificates and representations of public officials, and officers and representatives of various other parties participating in this transaction, as we have deemed relevant and necessary in connection with the opinions set forth below. Reference is made to the opinion of even date herewith of Gigi Skipper Rechel, General Counsel of the Authority, on which we rely as to the due creation and valid existence of the Authority, the due adoption of the Resolution, the due authorization, execution and delivery of the Trust Agreement, the 2009 Bonds and all documents associated with the issuance thereof, and the compliance by the Authority with all conditions precedent to the sale and delivery of the 2009 Bonds. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in such agreements, documents, certificates, representations and opinions, and have relied solely on the facts, estimates and circumstances described and set forth therein.

In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies. The opinions set forth below are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America.

Based upon and subject to the foregoing, we are of the opinion that:

(1) The 2009 Bonds are valid and legally binding special obligations of the Authority, payable solely from the Revenues and other funds pledged therefor in the manner and to the extent described in the Trust Agreement.

(2) Under existing law, the interest on the 2009 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, except that no opinion is expressed as to the exclusion from gross income of interest on any 2009 Bond for any period during which such 2009 Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of a project financed with the proceeds of the 2009 Bonds, or a "related person" to such a "substantial user."

Interest on the 2009 Bonds will not be treated as an item of tax preference for purposes of the federal alternative minimum tax imposed by the Code. Further, interest on the 2009 Bonds is not required to be taken into account in determining the adjusted current earnings of a corporation for purposes of computing the alternative minimum tax. Interest on the 2009 Bonds, therefore, will not be included in the alternative

minimum taxable income of either corporate or non-corporate holders of the 2009 Bonds.

The opinions expressed in the preceding two paragraphs are conditioned upon compliance by the Authority with its covenants relating to certain arbitrage rebate and other tax requirements contained in Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code (including, without limitation, its covenants to comply with the requirements contained in Section 148 of the Code, to the extent necessary to preserve the exclusion of interest on the 2009 Bonds from gross income for federal income tax purposes. Failure of the Authority to comply with such requirements could cause the interest on the 2009 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2009 Bonds.

Other provisions of the Code may give rise to adverse federal income tax consequences to particular holders of the 2009 Bonds. The scope of the foregoing opinions is limited to matters addressed above and no opinion is expressed hereby regarding other federal tax consequences that may arise due to ownership of the 2009 Bonds.

We express no opinion regarding any state tax consequences of acquiring, carrying, owning, or disposing of the 2009 Bonds. Owners of the 2009 Bonds should consult their tax advisors regarding the applicability of any state tax consequences of owning the 2009 Bonds.

Our opinions expressed herein are predicated upon current facts and circumstances, and upon present laws and interpretations thereof. We assume no affirmative obligation to update our opinions expressed herein if such facts, circumstances or laws or interpretations thereof change after the date of this opinion that may adversely affect the opinions contained herein or the exclusion from gross income of interest on the 2009 Bonds for federal income tax purposes even if such changes come to our attention.

All opinions as to legal obligations of the Authority set forth above are subject to and limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws, in each case relating to or affecting the enforcement of creditors' rights, (b) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief, and (c) judicial discretion which may be exercised in applicable cases to adversely affect the enforcement of certain rights or remedies.

This opinion shall not be deemed or treated as an offering circular, prospectus or official statement, and is not intended in any way to be a disclosure document used in connection with the sale or delivery of the 2009 Bonds.

In addition, in rendering the opinions set forth above we have not been requested to pass upon, and have not passed upon, the validity of any Use and Lease Agreement or other agreements

between the Authority and air carriers, rental car companies and concessionaires utilizing the Airport System.

We have not been engaged or undertaken to review, confirm or verify and therefore express no opinion as to the accuracy, completeness, fairness or sufficiency of any of the statements in the Official Statement relating to the 2009 Bonds, including the appendices thereto or other offering material relating to the 2009 Bonds (except to the extent stated in the Official Statement). In addition, we have not been engaged to and therefore express no opinion regarding the perfection or priority of the lien on Revenues or other funds created by the Trust Agreement, or as to the compliance by the Authority or the underwriters with any federal or state statute, regulation or ruling with respect to the sale or distribution of the 2009 Bonds.

This letter is solely for your benefit and may not be relied upon by, or published or communicated to, any other person without our express written consent. Our opinion is limited solely to the matters stated herein, and no opinion is to be implied or is intended beyond the opinions expressly stated herein.

Sincerely,

HOLLAND & KNIGHT LLP

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HILLSBOROUGH COUNTY AVIATION AUTHORITY, FLORIDA • TAMPA INTERNATIONAL AIRPORT REVENUE BONDS, 2009 SERIES A (PFC)

Tampa International Airport®

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