

# MSP AIRPORT RATES AND CHARGES REVIEW

## RESILIENT COMMUNITIES PROJECT | RCP 43

### About the Partner

The Metropolitan Airports Commission (MAC) owns and operates Minneapolis-St. Paul International (MSP) Airport and six general aviation reliever airports in the Twin Cities metropolitan area. The MSP Airport serves 35 million passengers annually and supports more than 21,000 jobs directly tied to the operation of the airport. Of these jobs, 53% (11,200) are held by residents of Hennepin County, 25% (5,300) by residents of Ramsey County, and 10% (2,000) by residents of Dakota County, with the remaining 12% (2,700) living in other Minnesota counties or out of state. Of the 21,200 direct jobs, 96% are permanent and 85% are full time. The MAC's net operating revenue in 2024 is projected to be \$222,651,335, excluding depreciation and noise amortization. The 2024 projected budget results in \$92,268,844 of net revenue available to designate to capital projects within the system of seven airports. The MAC itself has 732 full-time equivalent positions.



### Project Description

The MAC's 2023–2027 Strategic Plan includes a focus area to "Optimize Financial Performance while Investing to Sustain Growth." Since 1929, the MAC has had a standardized policy for fees, rates, and charges for companies that operate at the Minneapolis–St. Paul (MSP) Airport. This project would specifically evaluate fees, rates, and charges for non-airline companies, which includes airport concessions and rentals/fees. Revenue from non-airline fees, rates, and charges exceeds \$260 million each year.

Although there have been updates to MAC's fees, rates, and charges since 1929, these updates have not traditionally included an external review or benchmarking with other airports. Given the strategic focus area to optimize financial performance, the MAC is interested in a thorough review of its existing fees, rates, and charges structure at MSP Airport.

This project would involve developing an understanding of the fees, rates, and charges the MAC assesses to non-airline companies operating at MSP; conducting a benchmarking review of rate structures at other large-hub airports; collating and presenting insights to the MAC; and developing and presenting recommended changes based on these insights, including a long-term strategy for periodically reviewing and updating the fees, rates, and charges structure.



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## Key Issues, Questions, and Ideas for Students to Explore

1. What fees, rates, and charges are in place at other large-hub airports (non-airline rates and charges) and how often are they updated?
2. Is the existing structure of rates and charges at MSP Airport fulfilling our strategic focus to optimize financial performance while investing to sustain growth, or is it in need of change?
3. If the recommendation is to charge airport tenants more or to charge less, what examples from other airports can be used to help explain and justify the changes to our tenants and other stakeholders?
4. Is there any correlation between rate structure and the level of customer service at airports?
5. Is there a recommended timing for implementation of new fees, rates, and charges or any other implementation considerations? Is there a recommended strategy for periodically reviewing and updating our fees, rates, and charges structure going forward?

## How Student Work Will Build Community Resilience

The project would add to the financial resilience of the MAC. Airports are naturally under external pressure to adapt to challenges like changing policies, global economics, growing expectations, and new technologies. Financial resiliency at the MAC will benefit the airport system in the Twin Cities metropolitan area, and by extension the businesses and individuals that use it.

### Potential Partners or Stakeholders

- None identified
- MAC can identify comparable large-hub airports

### Existing Plans and Reports

- MSP 2040 Long-Term Plan
- MAC's 2023–2027 Enterprise Strategic Plan

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