Airglades International Airport
Request for Information from interested parties as Perishable Cargo Center operators

March 2019

Note: All data and projections are provided on a non-reliance basis for general information purposes only
Executive Summary

Airglades International Airport, LLC, referred to as AIA

- AIA is a purpose-built hub for air-cargo trade & handling between Latin America and the US
- AIA’s location and footprint present a greenfield opportunity to develop operations and infrastructure
- With broad-based local support and a slot in the FAA privatization program, AIA is diligently working to complete its privatization approval, raise financing, and sign user contracts by the end of the 3rd quarter of 2019
- AIA is actively engaging with your organization and others in the industry to find a potential operator for the Perishable Cargo Center (PCC)
- Responses will be kept confidential and AIA will be available to answer any questions or concerns you may have
AIA is being designed to optimize the supply chain for perishables imported from Latin America.

- **Flow of perishables and location of AIA**
  - Map of key Latin America-South Florida cargo routes

- **Description of AIA and Request for Information (RFI)**
  - AIA is an airport dedicated to the perishable cargo coming from Latin and Central America, e.g., flowers, seafood, fruits, and vegetables.
  - AIA will find itself at the center of a U.S logistics hub for inbound and outbound Latin American cargo.
  - Given the location at the center of the state, AIA is less prone to extreme weather events, while still close to major urban areas like Miami.
  - AIA is seeking responses from world-class stakeholders that are interested in operating our cargo center.
  - Responses will be kept confidential and AIA will be available to answer any questions or concerns you may have.
  - The following pages lay out the proposed facilities, diagram the activities, and describe the benefits to stakeholders at AIA.

SOURCE: Airglades International Airport, LLC
AIA’s location and footprint present a greenfield opportunity to develop operations and infrastructure

AIA is strategically located in the center of the state, close to major transportation routes...

- AIA is located 2 hours north of MIA, 1 hour east of RSW, and 1:10 hours west of PBI
- Easy access to Route 27 and coastal interstates feeding northern markets

...all while providing ample space to grow and develop operations and infrastructure

- ~800 acres available on-airport for development
- There is ample and uncongested area around AIA for growth

Disclaimer: AIA design is still preliminary and is subject to change
Due to competitive foreign markets and consumer preferences, the US is heavily reliant on imported fresh fruits, vegetables, flowers, and seafood.

### Imported Share of US Demand for Select Perishable Goods

<table>
<thead>
<tr>
<th>Product</th>
<th>Share (%)</th>
<th>(of total US demand)</th>
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<tbody>
<tr>
<td>Fresh Flowers</td>
<td>70+</td>
<td></td>
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<tr>
<td>Seafood</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>Fruits &amp; Veggies</td>
<td>50+</td>
<td></td>
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</tbody>
</table>

- **Fresh Flowers**: 70+% (of total US demand)
  
  Growing demand in the US for inexpensive / lower cost flowers primarily grown in Latin America (i.e., Colombia, Ecuador)

- **Seafood**: 90% (of total US demand)
  
  Strong demand in the US for seafood (e.g., salmon, cod) that is more readily available outside of the US (e.g., Chile)

- **Fruits & Veggies**: 50+% (of total US demand)
  
  Imported fresh produce (e.g., Peruvian asparagus) during off-season helps support the growing year-round demand in the US

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Latin America is an attractive provider of US-imported perishable goods due to low import tariffs (i.e., Andean Trade Preference Act), lower production costs, and favorable growing seasons.

Latin American perishable import growth varies by category, driven primarily by flowers

<table>
<thead>
<tr>
<th>Imported commodity</th>
<th>Share of 2017 air imports1 %</th>
<th>Miami Customs District share of perishable commodities imported to the US from Latin America by air, Millions of pounds, 2017</th>
<th>Total CAGR 2003-2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flowers</td>
<td>38</td>
<td>305 356 367 342 386 432 410 466</td>
<td>3.1% Flowers represent the greatest share of perishable imports and are growing at &gt;3% / yr.</td>
</tr>
<tr>
<td>Seafood</td>
<td>35</td>
<td>387 381 367 252 269 379 423 422</td>
<td>0.6%</td>
</tr>
<tr>
<td>Vegetables</td>
<td>16</td>
<td>136 132 169 198 209 229 251 195</td>
<td>2.6%</td>
</tr>
<tr>
<td>Fruits</td>
<td>9</td>
<td>51 59 75 79 77 91 104 107</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

1 For entire category (not just imports to MIA), excludes certain perishable products (incl. cereals, edible preparations) that compose ~2% of total perishable air imports from Latin America, excludes Mexico

SOURCE: USA Trade Online
The total volume of perishables imported to the US from Latin America is consistently imported through south Florida as the shortest air-bridge link.

**Share of perishables imported to the US from LatAm sent via Miami Customs District, millions lbs**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total volume of perishables imported from Latin America to the US</th>
<th>Volume of perishables imported from Latin America sent to the US via MIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>903</td>
<td>89.2%</td>
</tr>
<tr>
<td>2004</td>
<td>945</td>
<td>87.4%</td>
</tr>
<tr>
<td>2005</td>
<td>1,037</td>
<td>87.7%</td>
</tr>
<tr>
<td>2006</td>
<td>903</td>
<td>89.4%</td>
</tr>
<tr>
<td>2007</td>
<td>903</td>
<td>89.9%</td>
</tr>
<tr>
<td>2008</td>
<td>979</td>
<td>89.8%</td>
</tr>
<tr>
<td>2009</td>
<td>1,226</td>
<td>89.8%</td>
</tr>
<tr>
<td>2010</td>
<td>1,201</td>
<td>87.6%</td>
</tr>
<tr>
<td>2011</td>
<td>1,211</td>
<td>86.1%</td>
</tr>
<tr>
<td>2012</td>
<td>1,226</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>1,201</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>1,211</td>
<td></td>
</tr>
</tbody>
</table>

1 Includes seafood, flowers/plants, vegetables, fruits, cereals and edible preparations of meat/seafood

2 Total volume of perishables imported via the US by air freight

SOURCE: USA Trade Online
With broad-based local support and a slot in the FAA privatization program, AIA is diligently working to complete its privatization approval, raise financing, and sign user contracts by the end of the 3rd quarter of 2019.

**Major milestones achieved**

- **2015**: Secured sole rights to purchase Airglades Airport from Hendry County
- **2016**: Conducted public hearings for the Airglades Environmental Assessment
- **2017**: Environmental approval received
- **2018**: Ongoing stakeholder engagement
- **2019**: Hired strategy, financial & legal advisory team
- **2020**: Start detailed engineering & construction
- **2021**: Secure financial close
- **2022**: Day 1 of operation

**Anticipated milestones for 2019**

- Understand needs from potential users
- Finalize operating model and design
- Arrange financing for construction
- Designate airport and facility operators
- Finalize agreements with all initial participants
- Secure all necessary government approvals

Disclaimer: AIA schedule is subject to change depending on FAA and governmental approvals

SOURCE: Airglades International Airport, LLC
AIA is a purpose-built hub for air-cargo trade & handling between Latin America and the US

Overview of value drivers

- **Significantly increases revenue potential**
  - Dramatically improves cool chain performance through optimized supply chain:
    - Increases perishable shelf life
    - Supports a premium service
  - Possesses space to grow volume beyond today’s regional capacity

- **Simplifies business operations and dramatically increases reliability**
  - Preserves confidentiality in more efficient setting
  - Flexes to allow customized operations post-transit
  - Increases certainty around key supply chain activities, e.g., air traffic, CBP arrivals inspections
  - Stabilizes long-term planning horizon
  - Addresses options to handle seasonality peaks

- **Noticeably reduces costs**
  - Provides abundant land at favorable prices
  - Reduces trucking transportation costs (less traffic, increased proximity to end customers)
  - Reduces flight costs from/to Latin America (shorter flight time, shorter aircraft waiting times)
  - Drives higher utilization of fixed costs through efficiency
  - Has lower utility costs

How does AIA generate value for the perishable industry?

SOURCE: Airglades International Airport, LLC
Projected volumes are expected to make AIA one of the main cargo airports in the US

AIA projected inbound perishable volumes (millions of pounds)

SOURCE: AIA benefit cost analysis submitted to FAA
Note: All data and projections are provided on a non-reliance basis for general information purposes only
Airglades core operations will be comprised of widebody freighters arriving from Central and South America

Projected daily freighter arrivals by aircraft type

- **Boeing 767 Series**
- **Airbus A330 Series**
- **Boeing B777 (Freighter)**
- **Boeing 747 Series**
- **McDonnell Douglas MD-11**
- **Boeing 757 Series**

In addition to core freighter traffic, AIA will potentially add incremental operations for non-core uses.

SOURCE: Analysis built using current fleet mix at MIA (freighter only).
All data and projections are provided on a non-reliance basis for general information purposes only.
AIA is designing an innovative and simplified Perishable Cargo Center (PCC) to inspect and process perishables quickly and reliably (1/2)

### Preliminary PCC operating model

- The PCC is a high-velocity cargo processing facility that aims to move product from aircraft to trucks and warehouses as quickly as possible without disrupting the cool-chain
- All USDA and CBP inspections will occur under one roof inside the building

### Activities inside the PCC

1. Aircraft pallets are unloaded from aircraft and placed inside a refrigerated cooler
2. Pallets are broken down into skids/pallets and stored until CBP/USDA clearance
3. CBP reviews samples and clears product
4. Product is moved into segregated cooled space where they are sorted by the operator at a customer level, and prepared for dispatch
5. Short-term storage available on elevated racks
6. Products are loaded directly from refrigerated dock into reefer trucks
AIA is designing an innovative and simplified Perishable Cargo Center (PCC) to inspect and process perishables quickly and reliably (2/2)

**Preliminary overview of AIA operations**

- **Key activities conducted in PCC**
  - CBP and USDA inspections
  - Palletization
  - Sorting by customer
  - Short-term storage

**Additional proposed features**

- Adjacent *Transition Facility* to provide surge capacity to guarantee smooth transition
- All inbound cargo moved at AIA will necessarily pass through the PCC
- The transition facility, distribution centers and warehouses on the landside of the PCC are likely to be operated by the consignees of the inbound/outbound cargo

**SOURCE:** Airglades International Airport, LLC
Preliminary PCC design aims to handle demand fluctuations, focus on fast product flows, and enhance movements within the cool-chain.
Contents

- Overview of Airglades and proposed operating model
- Request for Information details
- Airglades contacts
Airglades International Airport, LLC

REQUEST FOR INFORMATION DETAILS

Airglades is providing you with the opportunity to co-design and be the primary operator of the Perishable Cargo Center

Objective of the request for information

- We are providing your company with the opportunity to provide a written proposal by [April 5, 2019] to be the primary operator for the PCC
- This initial response should be focused on statement of interest and description of capabilities and proposed operating model
- Response should include the infrastructure and equipment required to operate at AIA and the proposed terms
- The AIA team will be available to support you throughout the process (see slide 24) and will provide sufficient time for response
- The responses will be used as a first screening for qualified and interested candidates
- All information shared will be kept confidential

Structure and overview of request for information

| Proposed operating model | Describe your proposed operating model at the airport and how it benefits perishable importers operating at AIA |
| Infrastructure required | Overview of facilities required and equipment for operating at AIA |
| Capabilities | Describe your capabilities and why AIA should choose you as the primary PCC operator (respondents should demonstrate their financial substance, not only technical capability) |
| Commercial proposal | Confirm willingness of (a) paying fixed fees to AIA or (b) paying royalty on revenues earned |

Respondent must confirm ability to scale/flex services to meet seasonal fluctuations
Briefly outline your approach to staffing, safety accreditation, allocation of responsibility for site security and obtaining relevant governmental authorizations
Confirm willingness of (a) designing, financing and building own facilities or (b) occupying AIA designed and built infrastructure
Propose alternative commercial model to AIA, such as a profit sharing agreement
A world-class operator for AIA will have superior operational capabilities and will be willing to partner to make AIA a success

*AIA believes the ideal PCC operator will have the following characteristics*:

**Superior operational capabilities**
- Substantial demonstrated experience in perishable cool-chain processing
- Referenceable experience operating in large airports and with cargo airlines
- Working experience with the Florida perishables industry, with the full spectrum of expected perishables (e.g., flowers, fish/seafood, vegetables, fruits)
- Experience and solid credentials with US Customs and USDA
- Demonstrated experience in process automation
- Experience in non-perishable cargo handling

**Ability to partner with AIA on market development**
- Strong and referenceable relationships with wholesalers and source industries
- Capacity and capability to proactively develop business and source traffic
- Willingness to co-design the PCC infrastructure and operating model
- Willingness to commit to a maximum cycle time for product processing
- Commitment to innovative growth and long-term cost efficiency improvement

**Solid financial and operational condition**
- Strong balance sheet
- Investment grade

*Note: AIA does not expect that one organization will have perfect marks on 100% the desired characteristics*
AIA wants to understand your capabilities and experience

Please respond if applicable to your organization

1. What are the main operational capabilities that make your organization an ideal part of AIA?

2. What similar facilities has your organization operated in the past?

3. What would make your organization the ideal PCC operator at AIA?

4. What technological advances and/or process innovations would your organization bring to AIA?

5. What is your organization’s experience in dealing with airlines, airports, customs, and other aeronautical authorities?

6. What connections or working relationships does your organization have in the Florida perishables community? Please describe

7. Does your organization have any specific proposals to manage fluctuations in demand inherent to the perishables industry?

8. Please share your proposed structures to charge relevant stakeholders at AIA (depending on your proposed operating model) Include any options

9. Briefly outline your approach to staffing, safety accreditation, allocation of responsibility and obtaining relevant governmental authorizations
AIA wants to understand what role you wish to play at AIA

Please respond if applicable to your organization

10. What role, if any, would your organization like to play in the design of the PCC facility?

11. Do you see a role for your organization in the execution of the facility development? State your preference.

12. Would your organization be interested in potentially offering other services on-airport? E.g., handling outbound cargo logistics, operating secondary cool-storage warehouses, etc..

13. Would you perform the role of the “Cargo ground handler” unloading from the aircraft and into the PCC? Or would you outsource that to a 3rd party?

14. What type of commercial agreements would you consider entering with AIA? How would you consider variable fees vs fixed operating fees or any other?

15. Describe your willingness and capabilities to actively participate in market and customer development for AIA traffic?

16. What are the key performance metrics that you would track as a measure of operating performance and customer service?
AIA will help you through the transition and has some questions regarding your views on AIA

Please respond if applicable to your organization

17. On a scale of 1-10, how excited is your organization about AIA? Please provide justification.

18. What might hold your organization back from bidding to be the PCC operator at AIA?

19. What type of support would your organization expect from AIA in order to present a competitive bid and then move forward with a successful partnership?
Airglades International Airport, LLC

**AIA will follow up with participants and answer questions during a period of two weeks**

**Overview of the Request for information (RFI)**

- All responses will be kept confidential and should be on a best-efforts basis
- Written responses should be sent to aiainfo@airgladesairport.com or mdevoe@airgladesairport.com by April 5, 2019
- All responses will be non-binding and for discussion purposes only. AIA is not bound to accept any proposals and the terms of any agreement will be discussed later, and will be conditional on many factors
- While progressing quickly, this will be an iterative process and we strongly urge you to reach out with any questions

**Expected timeline**

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<tbody>
<tr>
<td>RFI process is launched</td>
<td>22 Mar 2019</td>
<td>AIA follows up with participants to answer questions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RFI responses are submitted by participants</td>
<td></td>
<td></td>
<td>5 Apr 2019</td>
<td></td>
</tr>
<tr>
<td>AIA schedules one-on-one follow up meetings and agrees on next steps</td>
<td></td>
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</tbody>
</table>

**SOURCE:** Airglades International Airport, LLC
Contents

- Overview of Airglades and proposed operating model
- Request for Information details

Airglades contacts
AIA will support you throughout the process

Frederick Ford is the President and Airport Manager of AIA. Ford has been involved in the development of the Airport from the beginning. His strong relationships with all stakeholders in the industry, government and state have been key in the success of its the development. Ford has worked in the aviation and airport industry for over 40 years and has served in many highly influential roles including:

- CEO of Hillford Associates’ air cargo facility development at Dallas/Fort Worth International Airport
- Director of the Chicago-Rockford International Airport during its construction as a cargo reliever to Chicago O’Hare International Airport

Marilyn J. DeVoe is the Vice President of Operations and Aviation at AIA. Prior to working at AIA, DeVoe had a long career at American Airlines (AA) and held many influential roles including:

- Vice President of American Airlines’ Miami hub, the airline’s largest international hub and gateway to Latin America
- Vice President for American Airlines’ Dallas/Fort Worth hub
- Vice President of American Airlines’ Customer Services Planning

DeVoe has a bachelor’s degree in Finance from the University of Rhode Island. In 2016, she was honored by the World Trade Organization for significant contributions in advancing international trade and business in Florida. In 2015, the Greater Miami Aviation Association awarded her the Amelia Earhart award. In 2014 she was named as a “Woman Worth Watching” by the Profiles in Diversity Journal and the Dallas Business Journal also named her one of the “25 Most Influential Women in Business”

Hernan Galindo is the Vice President of Business Development at AIA. His role entails building relationships with the customers of AIA and understanding their needs for operating at AIA. Prior to working at Airglades with AIA, Galindo held various relevant significant roles in the airline cargo industry including:

- Former Senior Vice President of Swissport Cargo Services, Latin America & Caribbean Cargo
- Former President and founder of Aerofloral introduced B747 freighter operations from Miami to main cargo markets in Latin America
- Former Director of Cargo Development at Arrow Air; Avianca Airlines
- Various Sr. Management positions in finance, sales, maintenance and airport operations