

**MINUTES OF THE MEETING OF THE MEMBERS  
OF THE CAPITAL REGION AIRPORT COMMISSION**

**January 31, 2023**

**I. CALL TO ORDER**

Chairman Wayne T. Hazzard called the regular monthly meeting of the members of the Capital Region Airport Commission to order at 8:00 a.m. on January 31, 2023. The meeting was conducted in the Commission Boardroom in the Terminal Building. A quorum was present.

The following members were present: Commissioners Carroll, Fulton, Hazzard, Heston, Holland, Hinson, Macfarlane, Nelson, Thornton, Trammell, Ukrop, Williams, and Winslow. Present by invitation were Perry J. Miller, President and Chief Executive Officer; John B. Rutledge, Chief Operating Officer; Basil O. Dosunmu, Chief Financial Officer; Regina Crockett, Manager – Accounting; Carol Gaddis, Director – IT and Innovations; Uday Nethula, Director – Human Capital and Diversity Officer; Steve Owen, Director – Finance; Russ Peaden, Director – Properties and Concessions; Susan Joy Linn, Recording Secretary; and Michael Guanzon, legal counsel from Christian & Barton, LLP. A special invited guest was Dennis Bickmeier, Executive Director of Henrico Sports and Entertainment Authority.

Commissioner Dibble was absent.

At Chairman Hazzard’s request, Commissioner Holland provided the invocation, and Chairman Hazzard led the Pledge of Allegiance to the flag of the United States.

**II. CLOSED MEETING**

There was none.

**III. OPEN MEETING**

**A. COMMISSION CHAIRMAN’S COMMENTS**

Chairman Hazzard welcomed Dennis Bickmeier, Executive Director of the Henrico County Sports and Entertainment Authority. Chairman Hazzard expressed looking forward to learning how the community attracts passengers to the region. As the year progresses, there will be more opportunities to learn what others are doing in that endeavor.

**B. CONSIDERATION OF AGENDA AMENDMENTS**

There were none.

**C. APPROVAL OF NOVEMBER 29, 2022, MINUTES**

At Chairman Hazzard’s request, Commissioner Thornton moved to approve November 29, 2022, minutes, and Commissioner Holland seconded the motion.

The motion passed unanimously.

**D. PRESIDENT’S REPORT**

**1. Henrico Sports and Entertainment Authority Update from Dennis Bickmeier, Executive Director**

Mr. Bickmeier thanked the Commission for the opportunity to present the following:

- General Assembly approved the creation of these types of authorities, and the Henrico Board of Supervisors voted to create the Sports and Entertainment Authority more than seven months ago. The authority is a political subdivision with its own board of directors. The current office location is down the hall from the Henrico Economic Development Authority. The catchy tagline was created “*Showtime? All the time*”.
- In 2021, Henrico hosted more than 160 tournaments generating \$59.1 million in revenue, and in 2022, \$64.4 million.
- In 2022, travel and tourism generated \$1.3 billion in revenue for the overall economy (Data compiled by Tourism Economics for VA Tourism Corp.). This number includes all jurisdictions involving youth and adult tournament play but does not include NASCAR or Dominion Energy Golf Classic.
- Introduction of the Sports and Entertainment Authority Team besides himself:
  - Dawn Miller, Manager Marketing, Communications & Special Events
  - Michael McCormack, Manager of Business Development & Client Relations
  - Jacquelyn Frame, Business Supervisor
  - Megan Hazzard, Manager – Business Development & Event Operations
  - Tom Yeager, Lead on all NCAA Bids coming up for 2027 – 2030
- Key 4 Pillars of Focus
  - Sports Tourism & Entertainment Events
  - Facility Development (New & Reimaging and Maintenance of Current)
  - Home-Grown Events (Henrico Baseball Classic)

- Growth & Development of Sports (Youth Participation, Schools, & Support of Existing Events)
- Central VA makes Henrico a convenient location on the East Coast, whether traveling by car, plane, or train. Everything works together from a hospitality standpoint: hotels, local restaurants, and venues to see when there is downtime.
- Richmond Region Tourism hosted 97 sporting events in 2022 with 250,228 attendees, with an estimated 94,416 traveling through RIC.
- Facilities:
  - Henrico Sports & Events Center opens in 2023 (185,000 sq.ft., 3,500 fixed stadium seats conducive for NCAA tournaments)
  - GreenCity Arena (17,000 seats indoors, start date 2023)
  - Outdoor Parks:
    - Glover Park – Currently: 4 multipurpose turf fields and, 8 sand volleyball courts. Coming soon: 6 tournament-quality turf baseball fields.
    - Dorey Park – New baseball stadium with 346 covered bleacher seats, 7 additional baseball/softball fields, 6 multipurpose fields, 5 event fields
    - Pouncey Tract Park – Coming soon: 12 additional pickleball courts, including championship-caliber courts, 2 multipurpose athletic fields
    - Belmont Golf Course – Reinvented in 2021, operated by the Youth Development organization First Tee.
- Communications with RIC on upcoming events will be generated, along with advertising and welcome signage for groups coming through the airport to build enthusiasm for sporting events.

**2. Other**

**a. FTZ Tariff Update**

Mr. Peaden provided the following update on the Commission’s foreign trade zone (FTZ). A recent study was done by Copper Hill based in NC. Copper Hill reviewed the Commission’s fees that were on file with the Foreign Trade Zone Board. The annual fees are in line with the fees of other FTZs in the area, except for the application fee, which is a little lower. Staff will continue to provide this utility at an amicable price, so there will be no

change, and the fees will be posted to the Foreign Trade Zone Board. Staff will more actively promote these fees to the community now that they have been reviewed.

**b. SEC-AAAE Annual Conference**

Mr. Miller announced Richmond hosting the Southeast Chapter (SEC) of the American Association of Airport Executives (AAAE) on April 30<sup>th</sup> – May 2<sup>nd</sup>, 2023, and showed the conference website. Chairman Hazzard will participate in the opening ceremony. Mr. Miller encouraged all the Commissioners to attend if available.

When Mr. Miller first started, Mr. Bell and Mr. Miller petitioned to bring the conference to Richmond and would like to see others follow. Currently, Mr. Miller is Chair of the SEC-AAAE and will soon be the Chair of the larger AAAE organization in June.

**c. Kiwanas Club**

Mr. Rutledge and Mr. Miller met with the Kiwanas Club yesterday, giving them an airport update. One observation provided to staff was that RIC is efficient and clean. The Kiwanas take routine surveys, and were asked to add the originating destination to their surveys to report where the athletes are coming from to increase potential marketing for the airport for future routes.

**d. Steve Owen**

Mr. Owen, who has been with RIC for almost 23 years, will leave RIC to go to the Richmond Metropolitan Transportation Authority.

**e. Baggage Delays**

Passengers have been experiencing baggage delays due to airline staffing issues and ground crews circumventing the Flight Information Display (FID) tracking system. As a result, an update to the tracking system is being installed, and training will occur to ensure that the baggage delivery will be monitored, making the airlines more accountable.

**3. Aviation Activity Report**

At Mr. Miller's request, Mr. Dosunmu presented the following:

For December, RIC reports passenger traffic of 352,719, an 8.5 percent year-over-year gain. For fiscal year-to-date 2023 (FYTD23), passenger traffic has increased 9.3 percent versus the same period a year ago.

For the 2022 calendar year, RIC exceeded four million passengers for the first time since 2019, a 92.9 percent recovery of pre-pandemic calendar 2019.

Breeze Airways is adding nonstop flight service to Los Angeles International Airport (LAX), starting May 18, 2023.

RIC continues to see increased seat capacity looking into April 2023.

**E. COMMISSION STANDING COMMITTEE REPORTS**

**1. Finance and Audit Committee**

**a. Monthly Financial Update December 31, 2022**

Mr. Dosunmu reviewed the following:

Year-to-date operating revenues for December were \$30.0 million, or about \$2.0 million greater than budget or 7.1%. Compared to the same time last year, about \$3.5 million or 13.2% more revenue was generated, mainly due to increased enplanements with corresponding parking and concessions revenues.

Year-to-date operating expenses were \$14.7 million, \$1.4 million less than budget or 8.7%. In comparison to \$3.5 million or 31.3% above last year's operating expenses, the increase was primarily due to additional personnel added to the 2023 budget.

Overall, comparing pure operating revenue, the year-to-date gross margin is 51% or about \$15.3 million for the first six months of the fiscal year (FY). It is about \$3.4 million above budget or 28.6%. The Commission has a healthy financial outlook.

Lastly, the year-to-date interest income is \$765 thousand compared to the budget of \$40 thousand, keeping a healthy cash balance.

**b. Capital Budget Adjustment**

Mr. Dosunmu reviewed the following resolution and added the last additional item to the presented capital budget adjustment – Advertising for \$375,000 to the resolution (seen as the red item in the table below):

Staff recommends the Commission’s adoption of the following resolution.

**BE IT RESOLVED**, in accordance with Chapter 380, Virginia Acts of Assembly of 1980, as amended, that the Commission approves adjustments to its Capital Budget in the amounts and for the projects described below, all subject to review by legal counsel.

<u>Project</u>	<u>Current Budget</u>	<u>New Budget</u>	<u>Increase (Decrease) Other Funds*</u>	<u>Increase (Decrease) Commission Funds</u>
Rebuild Chiller #3	\$100,000.00	\$125,000.00		\$25,000.00
Central Plant HVAC Refurbishment	\$50,000.00	\$120,000.00		\$70,000.00
Valet Lot EV Charging	\$75,000.00	\$125,000.00		\$50,000.00
Runway/Taxiway Rehab	\$80,000.00	\$150,000.00		\$70,000.00
Energy Audit	\$0.00	\$125,000.00		\$125,000.00
Roadway Repairs & Overlays	\$3,520,444.00	\$3,920,444.00		\$400,000.00
Video Camera Infrastructure Improvements	\$100,000.00	\$300,000.00		\$200,000.00
Digital Daktronics Signage Replacement	\$200,000.00	\$500,000.00		\$300,000.00
Landside Facilities Wayfinding	\$100,000.00	\$200,000.00		\$100,000.00
Information Technology Enhancements	\$0.00	\$1,000,000.00		\$1,000,000.00
Advertising	\$0.00	\$375,000.00		\$375,000.00
<b>Total Additions</b>	<b>\$4,225,444.00</b>	<b>\$6,940,444.00</b>	<b>\$0.00</b>	<b>\$2,715,000.00</b>

\*Other Funds include Federal, State, CFC and PFC.

**Net Commission Funds: \$2,715,000.00**

**(To be applied from existing unallocated funds in the Equipment & Capital Outlay Account.)**

At Chairman Hazzard’s request, Commissioner Ukrop moved to approve the updated revised capital budget adjustment, and Commissioner Winslow seconded the motion.

The motion passed unanimously.

Mr. Miller stated that next month, a review of the Capital Improvement Projects (CIP) funds will be presented to allow for transparency and which coincides with the Strategic Plan Serve 2025.

Mr. Rutledge updated the Commission on the Federal Inspection Services (FIS) facility.

- Notice to proceed was issued in April.
- Demolition and framing is ongoing.
- Substantial completion is slated for September.
- By the first of the year, the FIS will be operational.

#### IV. NEXT MEETINGS

The next meeting of the Capital Region Airport Commission will be held on Tuesday, February 28, 2023, at 8:00 a.m.

The Finance & Audit Committee meeting will be held on Tuesday, February 14, 2023, at 8:00 a.m.

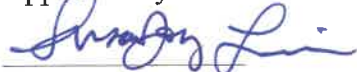
The Planning & Construction Committee meeting will be held on Thursday, March 16, 2023, at 8:00 a.m., all in the Commission Boardroom in the Terminal Building.

#### V. ADJOURNMENT

Before adjournment, Mr. Miller introduced the new Director of IT and Innovations, Ms. Carol Gaddis. Ms. Gaddis came from the Hartsfield-Jackson Atlanta International Airport.

Chairman Hazzard adjourned the meeting at 9:04 a.m.

Approved by the Commission:

  
Recording Secretary

  
Wayne T. Hazzard, Chairman

Date 2-28-23