

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

**January 30, 2024**

**I. CALL TO ORDER**

Chairman James M. Holland called the regular monthly meeting of the Capital Region Airport Commission members to order at 8:00 a.m. on January 30, 2024. The meeting was conducted in the Commission Boardroom in the Terminal Building. A quorum was present.

The following members were present: Commissioners Carroll, Cooper, Dibble, Fulton, Hazzard, Heston, Holland, Macfarlane, Miller, Nelson, Schneider, Trammell, Ukrop, and Whitehead. Present by invitation were Perry J. Miller, President and CEO; John B. Rutledge, Chief Operating Officer; Uday Nethula, Chief Human Resources Officer; Basil O. Dosunmu, Chief Financial Officer; Troy M. Bell, Director – Marketing and Air Service Development; Tanika Brown – Police Chief; Erica Conley, Executive Assistant; Regina Crockett, Interim Director – Finance; Carol Gaddis, Director – IT and Innovations; Russ Peaden, Director – Properties and Concessions; Nagesh Tummala, Director – Capital Development; Susan Joy Linn, Recording Secretary; and W. David Harless, legal counsel from Christian & Barton, LLP.

Special invited guests present were former Commissioners Hinson, Williams, and Winslow.

At Chairman Holland's request, Commissioner Dibble provided the invocation. Chairman Holland then led the Pledge of Allegiance to the flag of the United States.

**II. OPEN MEETING**

**A. COMMISSION CHAIRMAN'S COMMENTS**

**1. Recognition of Former Henrico Commissioner Havey L. Hinson**

Chairman Holland recognized former Commissioner Hinson with a plaque and thanked him for his six years of dedicated leadership and service on the Commission.

Mr. Hinson expressed gratitude and briefly reminisced about knowing Booty Armstrong personally, after whom the boardroom is named, and the aviation friendships and joint commitment over the years in serving the region via the Airport.

- 2. Recognition of Former Chesterfield Commissioner C. James Williams, III**  
Vice Chairman Macfarlane provided a plaque to former Commissioner Williams, thanking him for his four years of dedicated leadership on the Commission and looking forward to their continued aviation friendship.

Mr. Williams honorably received the plaque and thanked the staff for its remarkable leadership regarding how well the Airport is run and expressed appreciation for the knowledge obtained while serving on the Commission.

- 3. Recognition of Former Chesterfield Commissioner Christopher M. Winslow**

Mr. Hazzard, former Commission chairman, recognized former Commissioner Winslow and thanked him for the four years of dedicated leadership on the Commission, especially for leading the finance and audit committee as its chair.

Mr. Winslow expressed appreciation for the plaque and kind words, stating that this organization has accomplished great things and resolved many issues, taking the Airport to new heights, no pun intended. Mr. Winslow looks forward to seeing what happens next.

- 4. Welcome to New Commissioners & Committee Assignment Changes**
- a. Roscoe D. Cooper, III, of Henrico County – Finance & Audit Committee**
  - b. Misty D. Whitehead of Henrico County – Planning & Construction Committee**
  - c. Jessica L. Schneider of Chesterfield County – Planning & Construction Committee**
  - d. Mark S. Miller, Ph.D., of Chesterfield County – Planning & Construction Committee**
  - e. Susan P. Dibble, Chair of Planning & Construction Committee**
  - f. Reva M. Trammell, Vice Chair of Planning & Construction Committee**
  - g. BK Fulton, Chair of Finance & Audit Committee**

**B. CONSIDERATION OF AGENDA AMENDMENTS**

There were none.

**C. APPROVAL OF NOVEMBER 28, 2023, MINUTES**

At Chairman Holland’s request, Commissioner Fulton moved to approve the November 28, 2023, minutes, and Commissioner Macfarlane seconded the motion.

The motion passed unanimously.

**D. PRESIDENT’S REPORT**

**1. Aviation Activity Report**

At Mr. Miller’s request, Mr. Bell gave the following:

A recap of December and Calendar Year 2023 activity at Richmond International Airport (RIC):

**Month of December:** For the month, the Airport reports a 12.7 percent increase in passengers (397,357 in 2023 vs. 352,719 in 2022). The December total is a new record for the month.

American Airlines was the market leader in December with a 28.3 percent share, followed by Delta (26.8%), and United (12.5%). Three airlines saw year-over-year traffic increases exceeding 30 percent, including Spirit (+52.8%), Breeze (+46.3%) and Southwest (+34.5%).

In December, total cargo volume reported a 3.5 percent increase versus the same period a year ago while aircraft operations dipped 0.9%.

**Calendar Year:**

For calendar year 2023, Richmond International Airport established new annual records for passenger traffic (4,755,889) and cargo volume (206.6 million lbs.), topping previous marks set in fiscal year 2023 (FY23) at the end of June.

In 2023, aircraft operations increased 7.3 percent to 104,952 movements.

**Additional Comments**

- In addition to contributing to a new annual record, December marks 10 consecutive months of record passenger traffic at RIC.
- The previous December record, set in pre-pandemic 2019, benefited from a holiday calendar that moved two of the busiest travel days of the year – the Sunday and Monday after Thanksgiving – into December. Not the case in 2023.
- Scheduled seat capacity via Airline Data, Inc., reviewed on January 21, 2024:

Month	Monthly Seats	Change from Previous Year
December 2023	489,958	+10.1%
January 2024	441,516	+1.9%
February 2024	428,665	+1.7%
March 2024	495,028	+1.2%

April 2024	509,135	+7.7%
May 2024	539,277	+6.6%

2. **Airports Council International – Airport Service Quality (ACI-ASQ)**  
**Quarterly Survey Results**

Mr. Bell presented the following:



**RIC Joins ACI's Airport Service Quality Benchmarking Program**  
 Reporting Q4 2023 Survey Results; Q1 2024 Fieldwork Underway

- **ACI ASQ Departures is a benchmarking program** measuring passengers' experience while they are at the airport.
- The Departures survey's main objective is to provide airports with the research tools and consumer insights to **better understand passengers' views** with respect to the overall journey at the airport:
  - How passengers rate an airport's services.
  - How an airport compares to others around the world by traffic type, size, region, etc.
  - Which aspects are of particular importance for a specific airport.
  - How does the satisfaction impact passengers' emotional state and experience.
  - How passengers' perceptions and priorities are evolving over time.
- **335 airports worldwide** participated in Q4 2023, **52 in North America.**



## Summary of ACI ASQ Departures Q4 2023 Findings

Reporting Q4 2023 Survey Results; Q1 2024 Fieldwork Underway

- Benchmarking **Overall Satisfaction of participating airports:**
  - In North America, RIC is ranked #16 of 52 airports.
  - Worldwide, for airports with 2-5 million passengers, RIC is ranked #34 of 67.
  - Among all airports worldwide, RIC is ranked #127 out of 335.
- **Strengths** include ease of getting to the airport, signage to access the terminal, and ease of finding way throughout the airport. Additionally, the check-in experience and security screening received favorable ratings.
- Areas with **room for improvement** include shops and restaurants offerings, value for the money (VFM) in both, comfort and the availability of seating in gate areas, availability of charging stations, and entertainment and leisure options.
- ACI records compliance in ten categories for fieldwork collection; RIC was 10 for 10 – **all compliance measures achieved.**
- Survey fieldwork for Q4 2023 was conducted by VCU Wilder Fellows (Commission interns) Sofia Tortolero, Derrick Watkins, Jr., and Morgan Williamson.

14



Further discussion was had regarding the survey.

### 3. Other

Mr. Miller gave a few updates:

- Mr. Rutledge and Mr. Miller have meetings right after the Commission meeting in Washington, D.C., over the next several days with the VA delegation, U.S. Customs and Border Protection (USCBP), Federal Aviation Administration (FAA), and Transportation Security Administration (TSA). These meetings will strengthen the support of those in D.C. for RIC.
- The Federal Inspection Services (FIS) facility should be completed in the first quarter of 2024, which is one of the Airport's strategic priorities to facilitate international travel to and from Richmond.
- The expected TSA Security Checkpoint consolidation will streamline the process for TSA, enabling passengers to move freely between the two concourses and expanding concessions for passengers.

## E. COMMISSION STANDING COMMITTEE REPORTS

### 1. Finance and Audit Committee

Finance Chairman Fulton stated the committee did meet and Mr. Dosunmu will review the financial updates with the Commission.

**a. Monthly Financial Update December 31, 2023**

Mr. Dosunmu reviewed the following:

Year-to-date operating revenue for the first six months of the Fiscal Year 2024 was \$34.5 million, approximately \$3.7 million or 12% greater than budgeted. Compared to last year, it is about \$4.6 million or 15.2% greater, essentially due to increased enplanements with corresponding parking and concession revenue. Essentially, 75% of the Airport's revenue is based on passenger traffic via parking and concessions.

Year-to-date operating expenses were about \$17 million, \$3.9 million less than budgeted or 18.5%, primarily due to vacant positions. Almost half of the Airport's operating costs is personnel, with 194 approved positions and 31 current vacancies.

The year-to-date gross margin is 51% or about \$17.6 million of revenue, compared to the \$7.6 million budgeted.

The year-to-date interest income is a little over \$3.5 million and about \$2.7 million above the same time last year.

Enplanements for the first half of FY 2024 were 1,256,272 passengers or 126,504 above budget and about 159,306 above the same time last year.

Lastly, the independent auditors, Robinson, Farmer, and Cox Associates completed the FY2023 audit for the year that ended June 30, 2023, and shared their findings with the Finance & Audit Committee this month. The audit was clean, with some recommendations. The final report should be completed by next month.

**b. Virginia Department of Aviation Lease Extension**

Mr. Peaden reviewed the following resolution:

The Finance and Audit Committee recommends that the Capital Region Airport Commission (the "Commission") adopt the following resolution:

**WHEREAS**, pursuant to that certain Amended and Restated Hangar Facility Lease Agreement dated as of April 30, 1992 (the "Lease"), the Commonwealth of Virginia by the Department of Aviation ("DOAV") currently ground leases from the Commission approximately four (4) acres of land for DOAV's headquarters building and a hangar housing aircraft owned by the Commonwealth of Virginia; and

**WHEREAS**, pursuant to the Lease, the Commission and DOAV agreed to a rental rate of \$1.00 per year for a term of thirty (30) years. A Land Use Inspection conducted by the Federal Aviation Administration found that the below market rental rate of \$1.00 per year was not consistent with federal policy. Pursuant to a Market Rent Analysis prepared by Airport Business Solutions dated January 30, 2023, the current market rental rate for the Leased Land is \$87,120.00; and

**WHEREAS**, the initial term of the Lease has expired and DOAV desires to exercise its first renewal right pursuant to Section 4.2(a) of the Lease and to further amend the Lease upon the following basic terms, with all other terms of the existing Lease to remain unchanged:

Commencement Date:	As of May 1, 2022
Extended Lease Term:	Ten (10) years, expiring April 30, 2032
Further Extension Options:	Two (2) further renewal options each for a five-year term, as already provided in the Lease
Annual Rent:	\$87,120.00, commencing on September 1, 2023, with annual CPI adjustments on May 1 of each year commencing May 1, 2024

**NOW, THEREFORE, BE IT RESOLVED BY THE CAPITAL REGION AIRPORT COMMISSION**, in accordance with Chapter 380, Virginia Acts of Assembly of 1980, as amended, that the President and CEO is hereby authorized to execute a lease amendment between the Commonwealth of Virginia, by the Department of Aviation and the Commission as described above, and to take all actions and execute all other documents necessary and appropriate to give effect to the Commission's actions as described herein and to otherwise carry out the effect of this Resolution, all subject to review by legal counsel.

At Chairman Holland's request, Commissioner Heston seconded the motion to approve the Department of Aviation Lease Extension that the Finance & Audit Committee had previously approved.

The motion passed unanimously.

**c. Amendment to Cargo Building Lease, Cargo Apron Use and Parking Agreement – Federal Express Corporation**

Mr. Peaden reviewed the following:

Staff recommends that the Commission adopt the following resolution:

**WHEREAS**, Federal Express Corporation (“FedEx”) and the Commission are parties to that certain Cargo Building Lease, Cargo Apron Use and Parking Agreement dated February 11, 2020 (the “Agreement”), pursuant to which FedEx currently leases certain premises, including the Cargo Building Space, Cargo Apron Portion, Cargo Vehicle Parking Area and Trailer Parking Area, all as defined in the Agreement (collectively, the “Leased Premises”).

**WHEREAS**, FedEx has requested an amendment to the Agreement to provide for an expansion of its Leased Premises to include approximately 8,250 square feet of raw, unimproved land (the “Additional Vehicle Parking Area”), to be improved by FedEx and used for the parking of employee and commercial vehicles upon the same terms as provided in the Agreement for the existing Cargo Vehicle Parking Area.

**WHEREAS**, annual rent for the Additional Vehicle Parking Area shall be at a rate of \$0.35 per square foot, subject to the rent provisions of the Agreement, including without limitation the escalation provisions set forth in Section 4.3 of the Agreement, with the first such escalation occurring on August 1, 2024.

**NOW, THEREFORE, BE IT RESOLVED BY THE CAPITAL REGION AIRPORT COMMISSION**, in accordance with Chapter 380, Virginia Acts of Assembly of 1980, as amended, that the President and CEO is hereby authorized to execute and enter into on behalf of the Commission an amendment to the Agreement as described above, and upon such additional terms and conditions as the President and CEO, upon advice of legal counsel, may deem appropriate, consistent with the provisions set forth above, and to take all actions and to execute all other documents necessary and appropriate to carry out the transaction contemplated by this Resolution, subject to review by legal counsel.

At Chairman Holland’s request, Commissioner Fulton seconded the motion to approve the Federal Express Corporation Lease Amendment that the Finance & Audit Committee had previously approved.

The motion passed unanimously.

**2. Planning & Construction Committee**

Committee Chair Dibble stated that the Planning & Construction Committee did not meet this month.



### **III. CLOSED MEETING**

The Commission convened in closed meeting at 9:11 a.m. Chairman Holland entertained a motion made by Commissioner Ukrop and seconded by Commissioner Schneider, to go into closed meeting pursuant to Virginia Code § 2.2-3712 (A), the chair will now entertain a motion to go into closed meeting to consider the following matters:

1. Discussion and consideration of the disposition of publicly held real property for the construction of one or more general aviation fixed base operations, and which are currently subject to an outstanding request for proposals, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, as permitted by Virginia Code § 2.2-3711 (A)(3);

2. Consultation with legal counsel retained by the Commission regarding specific legal matters pertaining to the disposition of publicly held real property for the construction of one or more general aviation fixed base operations, and the outstanding request for proposals pertaining to the same, and that require the provision of legal advice by such counsel, all as permitted by Virginia Code § 2.2-3711 (A)(8);

3. Consultation with legal counsel retained by the Commission regarding specific legal matters pertaining to the theft of motor vehicles from the Commission's public parking structures and facilities, and that require the provision of legal advice by such counsel, all as permitted by Virginia Code § 2.2-3711 (A)(8); and

4. Discussion of security plans and procedures for persons and property within the Commission's public parking structures and facilities as permitted by Virginia Code § 2.2-3711 (A)(19).

The motion passed unanimously.

### **IV. RE-OPENED MEETING**

The Commission reconvened in open meeting at 9:41 a.m. Chairman Holland entertained a motion made by Commissioner Nelson and seconded by Commissioner Hazzard, pursuant to Virginia Code § 2.2-3712 (D) that (i) only public business matters lawfully exempted from open meeting requirements, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Commission and that a statement to this effect will appear in the minutes of this meeting.

The motion passed unanimously.

**V. PUBLIC COMMENT SESSION**

Chairman Holland opened the Commission meeting for public comments, which were limited to three minutes per respondent.

Mr. Stephen Edward, an Army trainee, approached the podium seeking the Commission's and staff's support regarding his stolen Corvette that took place in November from the Airport's parking garage. As of today, there has been no news on the whereabouts of his vehicle.

Commissioner Trammell thanks Mr. Edward for bringing this to the Commission's attention as the investigation remains ongoing.

**VI. NEXT MEETINGS**

The next meeting of the Capital Region Airport Commission will be held on Tuesday, February 27, 2024, at 8:00 a.m.

The Finance & Audit Committee meeting will be held on Tuesday, February 13, 2024, at 8:00 a.m.

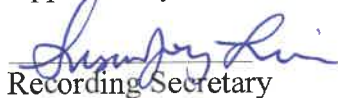
The Planning & Construction Committee meeting will be held on Thursday, February 15, 2024, at 8:00 a.m., all in the Commission Boardroom in the Terminal Building.

**VII. ADJOURNMENT**

At Chairman Holland's request, Commissioner Carroll motioned to adjourn the meeting at 9:50 a.m. Commissioner Whitehead seconded the motion.

The motion passed unanimously.

Approved by the Commission:

  
Recording Secretary

James M. Holland, Chairman



Date 2/27/2024