



NOTICE OF OPPORTUNITY FOR PUBLIC COMMENT

Please take notice that on Tuesday, July 30, 2024, at 8:00 a.m., at the regular monthly meeting of the Capital Region Airport Commission (“Commission”), I will present to the Commission for approval the accompanying Resolution. The Resolution, if adopted, declares the Commission’s exercise of its proprietary exclusive right to provide specified aeronautical activities and services at Richmond International Airport. Other materials relating to this matter that have been provided to the Commission for its consideration in advance of the July 30 meeting are available to members of the public at their request.

Before Commission action on this Resolution, there will be an opportunity for members of the public to speak to the Commission and comment on the Resolution. If you wish to speak before the Commission, you must notify Ms. Susan Linn by phone (804-226-3013) or by email (slinn@flyrichmond.com) on or before 12:00 p.m. on Monday, July 29, 2024, of your desire to address the Commission regarding this matter.

Anyone failing to notify Ms. Linn of the desire to speak before the Commission by this deadline will not be permitted to address the Commission.

Respectfully yours,
Perry J. Miller, Ph.D., A.A.E., I.A.P.
President & Chief Executive Officer

Posted July 24, 2024

Capital Region Airport Commission

Executive Summary

Resolution Declaring Commission's Exercise of its Proprietary Exclusive Right to Provide Specified Aeronautical Activities and Services

Item: III.E.1.c

WHEREAS, the Capital Region Airport Commission (the "Commission") was created by and pursuant to Chapter 537 of the Acts of Assembly of 1975, as amended, and continued by Chapter 380 of the Acts of Assembly of 1980, as amended (the "Enabling Act"); and

WHEREAS, pursuant to Section 2 of the Enabling Act, the General Assembly of the Commonwealth of Virginia has found and declared that "the ownership and operation by the Commission of modern and efficient air transportation and related facilities are proper and essential governmental functions and public purposes for which public moneys may be spent;" and

WHEREAS, pursuant to Section 3, subsection 5 of the Enabling Act, the General Assembly of the Commonwealth of Virginia has defined the "facilities" that the Commission may own and operate to be "any and all airports, terminals, runways, hangars, loading facilities, repair shops, parking areas, facilities for the preparation of in-flight meals, restaurants and accommodations for temporary or overnight use by passengers, and other facilities functionally related to the needs or convenience of passengers, shipping companies and airlines, and industrial and commercial facilities, purchased, constructed or otherwise acquired or operated by the Commission pursuant to the provisions of this act" and that "any facility may consist of or include any or all buildings or other structures, improvements, additions, extensions, replacements, machinery, or equipment, together with appurtenances, lands, rights in land, aviation rights, water rights, franchises, furnishings, landscaping, utilities, approaches, roadways, or other facilities necessary or desirable in connection therewith or incidental thereto;" and

WHEREAS, Section 8, subsection 5, of the Enabling Act expressly authorizes the Commission to "acquire, establish, construct, enlarge, improve, maintain, equip, operate and regulate any airports, air landing fields, structures, air navigation facilities and other property incidental thereto within the territorial limits of the participating political subdivisions;" and

WHEREAS, Section 8, subsection 6, of the Enabling Act expressly authorizes the Commission to "construct, install, maintain and operate facilities for the servicing and storage of aircraft and for the accommodation of cargo, freight, mail, express, etc., and for the accommodation and comfort of air travelers;" and

WHEREAS, Commonwealth Aviation Service, Inc., d/b/a Million Air-Richmond (“Million Air-Richmond”) is the lessee of real property and the improvements thereon at the Richmond International Airport (“Airport”) and conducts activities and provides aviation-related services to the public as a fixed base operator. The lease for the property and improvements on which Million Air-Richmond conducts activities and provides aviation-related services to the public expires on January 31, 2026; and

WHEREAS, Richmond Jet Center, Inc. (“Richmond Jet Center”) is the lessee of real property and the improvements thereon at the Airport and conducts activities and provides aviation-related services to the public as a fixed base operator. The lease for the property and improvements on which Richmond Jet Center conducts activities and provides aviation-related services to the public expires on January 31, 2026; and

WHEREAS, Aero Industries, Incorporated (“Aero Industries”) is the lessee of real property and the improvements thereon at the Airport and conducts fuel storage and distributions activities to and for the public. The lease for the property and improvements on which Richmond Jet Center conducts its services expires on January 31, 2026; and

WHEREAS, the Commission has the legal authority to provide itself any, or all, aeronautical services at the Airport instead of seeking private sector contractors to provide such services.

WHEREAS, with the simultaneous expiration of these three leases on January 31, 2026, the Commission is presented with a unique, once-in-a-generation opportunity to consider providing to the public some or all of the aeronautical services that are currently being provided by Million Air-Richmond, Richmond Jet, and Aero Industries; and

WHEREAS, the Commission has determined that if on and after February 1, 2026, the Commission provides some or all of the aeronautical services currently provided by Million Air-Richmond, Richmond Jet, and Aero Industries, (i) it will have greater control of, and may increase, the quality of aeronautical services to the public, (ii) it will receive revenue from such aeronautical services that may enable it to lower rates and charges for aeronautical users, including commercial service airlines, (iii) it will maximize future investment in a new terminal, hangars, and other facilities for general aviation purposes at the Airport, (iv) it will allow the Commission to ensure that services are provided to stakeholders at a reasonable price, and (v) it will afford the Commission flexibility in the coming years to respond and adapt to changes in the delivery of aeronautical services to the public, all factors that inure to the benefit and best interests of the public, the Commission and its stakeholders, and the Airport’s users, tenants, and airlines; and

WHEREAS, the Commission believes that entering long term ground lease or leases for real property with a third party fixed base operator or operators for the purpose of constructing and developing improvements thereon, and providing aeronautical services to the public, will deprive the Commission and the public of the aforementioned benefits for at least the next twenty (20) to twenty-five (25) years.

WHEREFORE, BE IT RESOLVED by the Capital Region Airport Commission, in accordance with Chapter 380, Virginia Acts of Assembly of 1980, as amended, and considering the following to be in the best interests of the public, the Commission and its stakeholders, and the Airport's users, tenants, and airlines, the Commission hereby declares its intention, effective February 1, 2026, to exercise its proprietary powers as operator of the Airport to be the exclusive provider of the following enumerated aeronautical activities at the Richmond International Airport:

- A. Public fuel and oil sales and service (currently described in the Commission's Minimum Standards § VI.A.) and all Commercial Activities listed in that section (and not listed elsewhere in the Minimum Standards);
- B. Fuel storage and handling except as provided in Minimum Standards § VI.B;
- C. Aircraft de-icing and washing of aircraft;
- D. Aircraft tie-down service;
- E. Marshaling and parking of general aviation aircraft;
- F. Crew escorting in secured and restricted areas;
- G. Oxygen, nitrogen, and compressed air services;
- H. Aircraft engine pre-heat service;
- I. Pilot weather and flight planning services;
- J. Aircraft ground power service;
- K. Aircraft lavatory service; and
- L. Apron servicing of, and assistance to, aircraft, including transient parking, storage and tie-down service, for both based and transient aircraft upon or within facilities except in connection with another Commercial Activity authorized by the Commission.

To the extent that the current Minimum Standards of the Commission are inconsistent with the above they are to be amended to provide that the above services and activities shall be provided to the public only by the Commission and not by any commercial aeronautical service provider.