

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

August 27, 2024

I. CALL TO ORDER

Chairman James M. Holland called the special meeting of the Capital Region Airport Commission to order at 8:00 a.m. on August 27, 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, 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; Basil O. Dosunmu, Chief Financial Officer; Troy M. Bell, Director – Marketing and Air Service Development; Richard Greatti, Director – Finance; Aaron Haynes, Marketing Specialist; Aaron Keller, Director – Operations & Security; Russ Peaden, Director – Properties and Concessions; Anthony Tangorra, Director – Customer Experience; Nagesh Tummala, Director – Capital Development; Susan Joy Linn, Recording Secretary; and W. David Harless, legal counsel from Christian & Barton, LLP.

Commissioner Fulton was absent.

Chairman Holland provided the invocation and led the Pledge of Allegiance to the flag of the United States.

II. CLOSED SESSION

There was none.

III. OPEN SESSION

A. CONSIDERATION OF AGENDA AMENDMENTS

At Chairman Holland's request, Commissioner Macfarlane proposed amending the agenda to remove Item III.D., which is the Resolution Declaring the Commission's Exercise of its Proprietary Exclusive Right to Provide Specified Aeronautical Activities and Services, from today's agenda. This amendment would allow the following proceedings to take place.

1. Commission staff will provide additional information relating to the resolution to the Commissioners.
2. Provide staff time to study and recommend to the Commission short-term options for the Airport’s fixed base operations, such as, for example, issuance of an RFP for a minimum of three (3) to five (5) year lease or management agreement for the operation of the two current FBO facilities.
3. Provide each Commissioner ample time to study and investigate whether to proceed with a proprietary exclusive operation or other alternative operation models in the future.

Commissioner Dibble seconded the motion, and the motion passed unanimously.

B. APPROVAL OF JULY 30, 2024, MINUTES

At Chairman Holland’s request, Commissioner Hazzard moved to approve the July 30, 2024, minutes, and Commissioner Nelson seconded the motion.

The motion passed with one abstention by Commissioner Carroll.

C. Terminal Drive Trench Drain and Concrete Repair Project

Mr. Tummala reviewed the following resolution:

The staff recommends that the Commission adopt the following resolution:

The Commission advertised for bid on April 23, 2024, the Terminal Drive Trench Drain and Concrete Repair Project (the “Project”). The scope of the Project work is to replace existing trench drains along the Arrivals (lower) Level of Terminal Drive which have reached the end of their useful service life. Additionally, this project aims to make concrete pavement repairs to portions of the Arrivals Level of Terminal Drive. This work will include full-depth patching, partial-depth repairs at existing transverse joints, crack sealing operations, and replacement of epoxy joint material at contraction and expansion joints. Finally, this project aims to eradicate all existing striping from the concrete pavement within the project limits and re-apply new pavement markings once concrete repair work is complete.

In response, the Commission received one (1) bid on May 23, 2024, summarized below as to the bidder and bid price:

<u>Bidder</u>	<u>Bid Price</u>
Finley Asphalt & Sealing LLC d/b/a Finley Asphalt & Concrete	\$2,243,524.56

Finley Asphalt & Sealing LLC (“Finley Asphalt”) is headquartered in Bristow, Virginia, and maintains an office in Ashland, Virginia. Finley Asphalt’s bid was responsive and

conformed with the Invitation for Bid requirements. However, the submitted bid price was 73% higher than the Engineer's estimate of \$1,300,403.18. Sixteen of thirty-one (16 of 31) unit bid prices were more than 100% higher than the Engineer's estimated unit prices.

Commission staff discussed with the bidder and its Engineer the reasons for the substantial difference between the proposed bid price and the Engineer's estimate. Based on those discussions, the Engineer issued changes for the variable expense items of working hours, work phasing, and pavement marking material resulting in an overall price reduction of approximately \$509,625 from \$2.24M to \$1,733,899.24. This represents a 23% reduction in the overall bid price.

The staff anticipates that the source of funding for the total cost of the Project will be Commission funds.

NOW THEREFORE, BE IT RESOLVED by the Capital Region Airport Commission, pursuant to Chapter 380, Virginia Acts of Assembly of 1980, as amended, the following:

1. That a contract for the Terminal Drive Trench Drain and Concrete Repair Project in the amount of \$1,733,899.24 be awarded to Finley Asphalt & Sealing LLC of Bristow, Virginia, as the lowest apparent responsive and responsible bidder. This award shall be subject to confirmation by the President and Chief Executive Officer, in consultation with the Commission's design and construction professionals and legal counsel, that Finley Asphalt & Sealing LLC is a responsive and responsible bidder;
2. That this award shall be subject to the complete execution of a written agreement as provided in the Invitation For Bid (IFB) and fulfillment of all other conditions precedent set forth in the IFB, and the President and Chief Executive Officer is hereby authorized to execute such written agreement upon review by legal counsel;
3. That the President and CEO, for and on behalf of the Commission, is authorized to enter into grant agreements with agencies of the United States and/or the Commonwealth of Virginia (collectively, "Grantors") for the acceptance and use by the Commission of funding, if any, that may become available from such Grantors for the Terminal Drive Trench Drain and Concrete Repair Project; and
4. That the Commission authorizes its legal counsel to certify this action to such federal and state agencies and verify the Commission's authorization of the acceptance of grant agreements with such agencies and the receipt of the associated grant funds for the Terminal Drive Trench Drain and Concrete Repair Project.

At Chairman Holland's request, Commissioner Hazzard moved to award the Terminal Drive Trench Drain and Concrete Repair Project to Finley Asphalt & Sealing LLC of Bristow, Virginia. Commissioner Dibble seconded the motion.

The motion passed unanimously.

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

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 Aero Industries enter 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 Center, 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.

IV. NEXT MEETINGS

The next Capital Region Airport Commission meeting will be held on Tuesday, September 24, 2024, at 8:00 a.m.

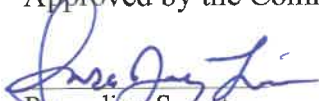
The Finance & Audit Committee meeting will be held on Tuesday, September 10, 2024, at 8:00 a.m.

The Planning & Construction Committee meeting will be held on Thursday, September 12, 2024, at 8:00 a.m., all in the Commission Boardroom in the Terminal Building.

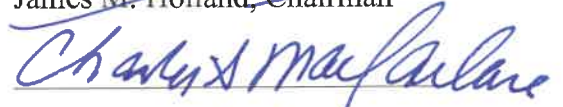
V. ADJOURNMENT

Chairman Holland adjourned the meeting at 8:39 a.m.

Approved by the Commission:


Recording Secretary

~~Charles MacFarlane~~ Chairmen
~~James M. Holland, Chairman~~



Date 9/24/24