

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

September 24, 2024

I. CALL TO ORDER

Chairman James M. Holland called the regular monthly meeting of the Capital Region Airport Commission to order at 8:00 a.m. on September 24, 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, Fulton, Hazzard, Heston, Holland, Macfarlane, Miller, Nelson, Schneider, Trammell, and Ukrop. Present by invitation were Perry J. Miller, President and CEO; John B. Rutledge, Chief Operating Officer; Basil O. Dosunmu, Chief Financial Officer; Uday Nethula, Chief Human Resource Officer; Paul Barksdale, Environmental Services Manager; Troy M. Bell, Director – Marketing and Air Service Development; Regina Crockett, Accounting Manager; Richard Greatti, Director – Finance; Aaron Haynes, Marketing Specialist; Aaron Keller, Director – Operations & Security; Gil Llamas, Finance Manager; 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.

The invited guests were Roland Kooch, Jr., Senior Vice President, and Ben William, Vice President, both with Davenport & Company LLC, and Kevin White, Partner with Butler Snow LLP.

Commissioners Dibble and Whitehead were absent.

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

II. CLOSED SESSION

The Commission convened in a closed session at 8:03 a.m. Chairman Holland entertained a motion made by Commissioner Fulton and seconded by Commissioner Hazzard, 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 performance of the President and CEO and the officers and director members of the executive staff of the Commission as permitted by Virginia Code § 2.2-3711 (A)(1); and

2. Consultation with legal counsel regarding public record requests relating to chemical use or contamination at or potentially originating from the Richmond International Airport where such matters require the provision of legal advice by such counsel, as permitted by Virginia Code § 2.2-3711 (A)(8).

The motion passed unanimously.

III. OPEN SESSION

The Commission reconvened in an open session at 8:20 a.m. Chairman Holland entertained a motion made by Commissioner Hazzard and seconded by Commissioner Fulton, 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.

A. CONSIDERATION OF AGENDA AMENDMENTS

There was none.

B. COMMISSION CHAIRMAN'S COMMENTS

1. Certificate of Achievement for Excellence in Financial Reporting

Chairman Holland presented the 34th consecutive Certificate of Achievement for Excellence in Financial Reporting to Richard Greatti, Finance Director; Mrs. Regina Crockett, Accounting Manager; and Mr. Gil Llames, Finance Manager. This award is for the Commission's Annual Comprehensive Financial Report for the previous fiscal year, ending on June 30, 2023.

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States & Canada to government units whose comprehensive annual financial reports achieve the highest standards in government accounting and financial reporting.

C. APPROVAL OF AUGUST 27, 2024, MINUTES

At Chairman Holland's request, Commissioner Hazzard moved to approve the August 27, 2024, minutes, and Commissioner Fulton seconded the motion.

The motion passed unanimously.

D. PRESIDENT'S REPORT

1. Employee Service Awards

1. Paul Barksdale – 20 Years of Service

Mr. Rutledge presented Mr. Barksdale with his service and retirement award, as his last day is this Friday, September 27, 2024. Mr. Barksdale is one of the reasons this airport is clean and safe for the public. Besides being the Environmental Services Manager, Mr. Barksdale is amicably known as the airport's mayor. Mr. Rutledge thanked Mr. Barksdale for his remarkable service to the airport community.

Mr. Barksdale stated that it has been an honor to work for the Commission.

2. Thomas Poindexter, Jr. – 20 Years of Service

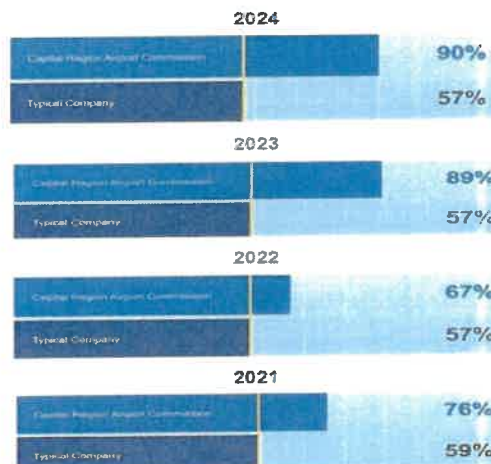
Mr. Rutledge recognized Mr. Poindexter, who was not present to receive his service award. Mr. Poindexter is a Vietnam Veteran working as a valet parking attendant, providing excellent service to early morning travelers.

2. Great Place to Work Update

Mr. Nethula presented the following:

- An overview of a Great Place to Work
- The employees' survey results and comparisons for the last four years.

Engagement Levels



Participation Levels

2024 78%

2023 71%

2022 54%

2021 69%

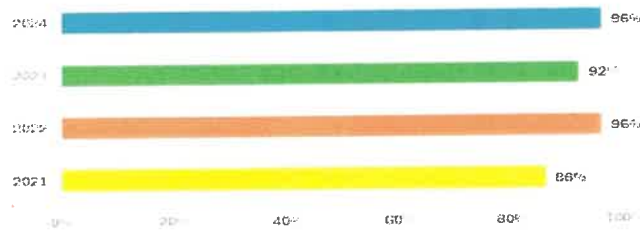
Great Place To Work.



High-Scoring Statements



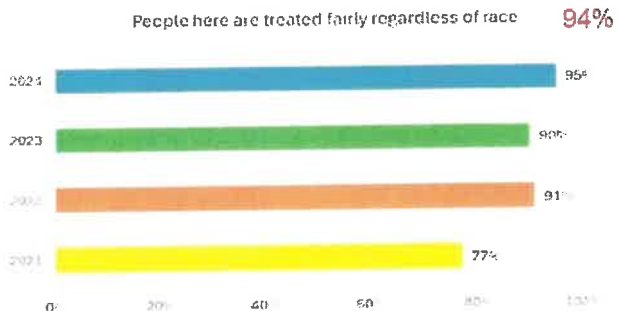
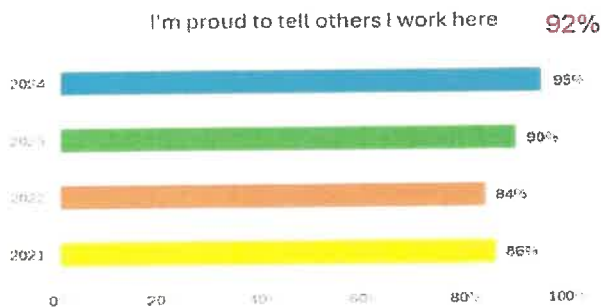
People here are treated fairly regardless of their sexual orientation **96%**



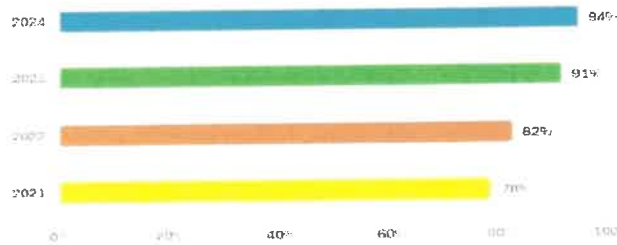
Great Place To Work.



High-Scoring Statements (Continued)



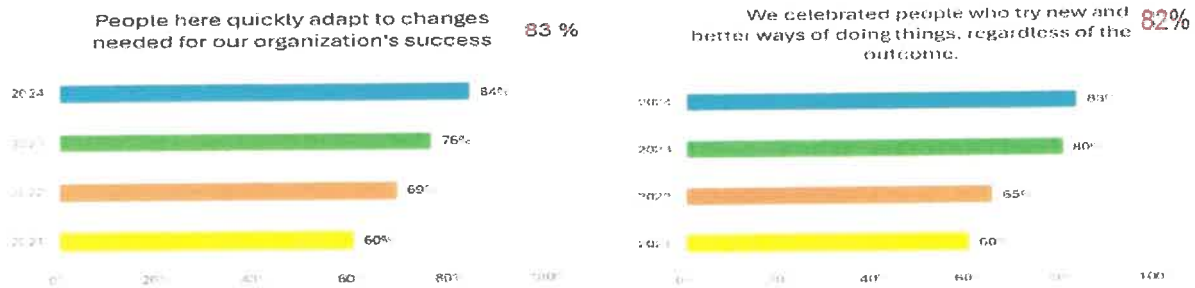
I am able to take time off work when necessary **91%**



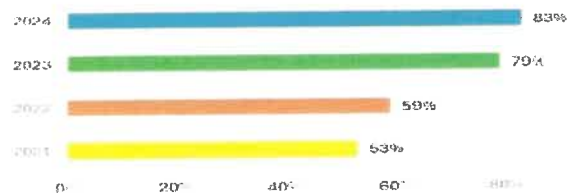
Great Place To Work.



Low-Scoring Statements



Management involves people in decisions that affect their jobs and work environment. **75%**

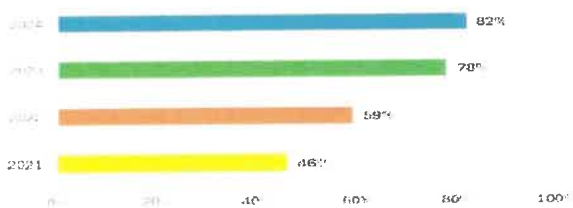


Great Place To Work

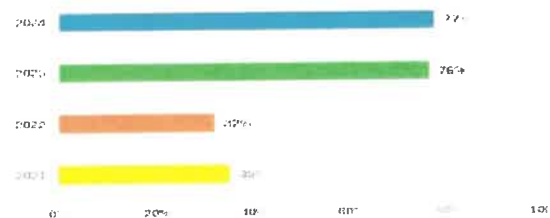


Low-Scoring Statements (Continued)

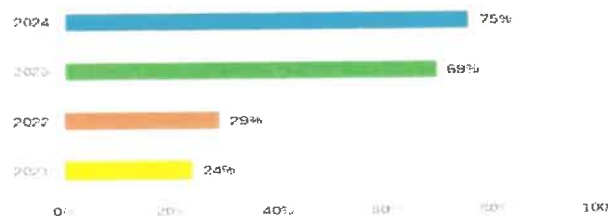
Promotions go to those who best deserve them. **76%**



People here are paid fairly for the work they do. **75%**



I feel I receive a fair share of the profits made by this organization **68%**



Great Place To Work



Average of all Statements

- ❖ **2024 Average of all statements: 89%**
- ❖ **2023 Average of all statements: 85%**
- ❖ **2022 Average of all statements: 72%**
- ❖ **2021 Average of all statements: 68%**

Great Place To Work.



Employee Comments

Is there anything unique or unusual about this company that makes it a great place to work? Please give specific examples.



Great Place To Work.



Employee Comments

If you could change one thing about this company to make it a better place to work, what would it be?



Great Place To Work.



In conclusion to the presentation, Chairman Holland recognized an anonymous letter the Commission received. The unsigned letter was determined to be invalid and have no credibility by the Commission. Chairman Holland requested that the author come and talk with the Chairman and air their concerns as there would be no retribution.

3. Aviation Activity Report

At Dr. Perry Miller's request, Mr. Bell gave the following report:

Passenger Traffic: For August 2024, Richmond International Airport (RIC) reports total passenger traffic of 426,278, a "best ever" count for the month and a 1.2 percent increase compared to the same month a year ago (421,210). For the fiscal year-to-date (FY25), passenger traffic is 0.5 percent ahead of the same period last year.

American Airlines was the month's market leader with a 29.6 percent share of passengers, followed by Delta (29.4%), and United (11.2%). Southwest (+27.7%), Allegiant (+12.2%) and American (+10.1%) reported the largest growth amongst RIC air carriers.

Cargo: In August, total cargo increased 4.7 percent to 20.0 million pounds, largely influenced by a surge in mail volume attributable to one of RIC's all-cargo carriers. Thus far in FY25, cargo is up 9.5 percent.

Operations: Airport operations decreased 0.2 percent in August, with the air carrier segment showing a decrease of 6.6 percent, a mix of schedule adjustments for passenger and cargo operators. For the first two months of FY25, operations are down 3.2 percent.

Additional Comments

- Several seasonal routes restart in October, including **Ft. Myers (RSW)**, **Phoenix (PHX)**, and **Providence (PVD)**.
- Upcoming route inaugurations include **Sarasota-Bradenton (SRQ)** on November 22nd and **New Haven (HVN)** on February 6th.
- During the first half of FY25, air carriers will offer **35 nonstop destinations** from RIC.
- Scheduled seat capacity and departures as of September 12, 2024 (Airline Data, Inc.):

Month	Seats	YOY Change	Departures	YOY Change
August 2024	522,794	-3.0%	4,457	-1.4%
September 2024	487,787	-2.4%	4,179	-1.6%
October 2024	519,061	-3.2%	4,561	+1.8%
November 2024	499,369	-0.1%	4,235	+3.1%
December 2024	511,756	+4.4%	4,371	+7.2%
January 2025	491,983	+11.4%	4,082	+12.7%

Mr. Bell also provided a RIC comparison to Norfolk International Airport as requested by a member of the Commission.

4. FBO Update

Dr. Perry Miller provided the following FBO update:

- Staff met with all the RFP respondents from the two FBO RFPs, which included 11 FBO representatives.
- From among the respondents, 3 expressed interest in a short-term lease or management agreement, depending on the terms of the arrangement.
- The remaining respondents had no interest in a short-term lease or management agreement, stating it was inconsistent with their business models; however, they did make recommendations of a few other companies who may be interested.
- Staff also met on three separate occasions with the commercial service airline representatives that serve RIC.
- Staff addressed the airport's short-term and long-term challenges as we envision RIC FBO operations, particularly regarding fuel.
- Airlines made it unequivocally clear that their foremost interest was ensuring that the fuel supply, fuel storage, and fuel delivery to the aircraft was secure to the maximum extent possible.

- Additionally, for the future, the airlines collectively have an interest in owning or leasing their own fuel storage and then contracting it out to a third party for fueling.
- Staff extended to the airlines to have an airline representative to be part of the design team for the development of the fuel farm that is currently being contemplated.
- Staff also met with representatives of the National Air Transportation Association (NATA) and National Business Aviation Association (NBAA), from whom the Commission received letters of opposition; however, after the meetings, they are neutral on their position regarding how the fueling is managed.
- Between now and October's Commission meeting, staff will continue conversation with the commercial service airlines and the FBO representatives and will present to the Commission one or more recommended solutions to ensure continuity of service regarding fueling and FBO operations both now and after January 31, 2026.

5. **Other**

There was none.

E. **COMMISSION STANDING COMMITTEE REPORTS**

1. **Finance and Audit Committee**

Finance Chairman Fulton stated that the committee met and that Mr. Dosunmu would review the financial update with the Commission.

a. **Monthly Financial Update August 31, 2024**

Mr. Dosunmu reviewed the following:

Year-to-date operating revenue for the first 2 months of the Fiscal Year 2025 was \$11.8 million, approximately \$665 thousand or 6.0% greater than budgeted or 7.1% below the prior year, due to increased enplanements with corresponding parking and concession revenue.

Year-to-date operating expenses were about \$7.3 million, \$557 thousand less than budgeted or -7.1%, primarily due to vacant positions. It is \$1.1 million or 18.7% above the prior year. The Commission budgeted 198 approved full-time positions and currently has 171 filled with 27 vacancies.

Overall, the year-to-date gross margin is 39% or about \$4.6 million of revenue to the bottom line. This \$1.2 million is above budget or \$358 thousand below the prior year.

The year-to-date interest income is \$1.2 million, with an average annual interest rate of 4.7%, which is 453% above budget and about \$85 thousand below the prior year.

Enplanements for FY 2025 were 429,169 passengers or -2.0% below budget and about 0.2 % above the same time last year.

b. Passenger Facility Charge (PFC Plan of Finance RFP Overview)

Mr. Kooch provided the following presentation:

- Davenport & Company LLC, as Financial Advisor to the Capital Region Airport Commission (the “Commission”) has prepared the enclosed information with respect to the Commission’s Passenger Facility Charge (“PFC”) funded projects in its five-year Capital Improvement Plan (“CIP”).

Goals & Objectives

- Provide a history of the Commission’s PFC debt funding related to its PFC eligible projects.
- Present the Commission’s estimated PFC project cash flow spending for projects in the current CIP versus projected PFC revenues.
 - This cash flow comparison demonstrates the need for “Bridge” financing.
- Provide an overview of the Plan of Finance Approach for the PFC project cash flow spending.
- Provide a comparison of the proposals provided by financial institutions for PFC financing.
- Discuss next steps for the PFC Plan of Finance Approach

Commission’s Historic Use of PFC Debt

- 1996 PFC Revenue Bond Indenture Established.
 - PFC Revenue Bonds are solely repaid from PFC Revenues.
 - PFC Revenues are not pledged for the repayment of General Airport Revenue Bonds.
 - 1999 PFC Bonds totaling \$21 Million issued to finance PFC eligible projects.
 - Issued as Variable Rate Demand Bonds.
 - 2005 PFC Bonds totaling \$51 Million issued to refinance remaining 1999 PFC Bonds and finance PFC eligible projects.\ul> - Issued as Variable Rate Demand Bonds.
- 2016 PFC Bonds totaling \$13.1 Million issued to refinance the remaining 2005 PFC Bonds.
 - Issued as a Direct Bank Loan.
 - Fully Repaid in 2020; upon repayment the 1996 Master PFC Revenue

Bond Indenture was extinguished.

Adopted Five-Year CIP



- Adopted Five-Year CIP: Current and planned projects FY 2024 through FY 2028 totals approximately \$273.5 Million.

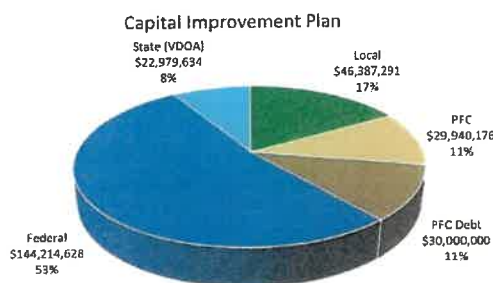
- The present plan does not include revenue bonds for Parking Garage expansion.

- PFC eligible project funding totals approximately \$60 Million.

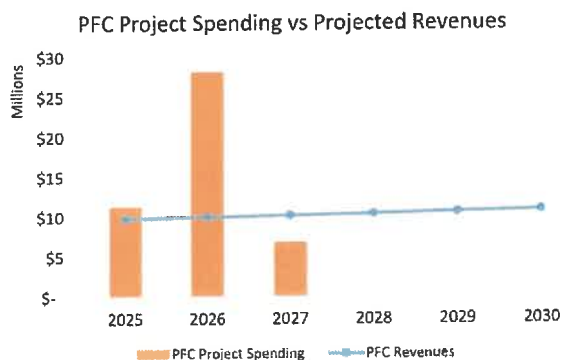
- PFC Debt: Approximately \$30 Million of financing is needed for cash flow related spending for two primary project purposes:

- Concourse A & B Passenger Boarding Bridges
 - Restroom Renovations

- Note: Future PFC Projects that are not in the current PFC Application have not been included in this analysis. As the Commission evaluates the need and timing of such projects, the Plan of Finance will be revised to include potential future use of additional financing as necessary.



PFC Project Cash Flow Spending vs Projected Revenues



- PFC project spending is expected to exceed current annual PFC revenue forecast in FY 2025 and FY 2026.

- As a result, it is estimated that the Commission will need to issue approximately \$30 Million of financing that would “bridge” the PFC project cash flow spending needs in FY 2025 and FY 2026.

PFC Financing Approach

- The \$30 Million PFC Financing is intended to be used as a “Bridge” financing to enable the Commission to implement the PFC eligible projects over the next two/three fiscal years.

- Anticipated structure incorporates the following:
 - PFC Revenue pledge.
 - Subordinate pledge of General Airport Revenues.
 - Two-year interest only period.
 - Mandatory repayment of principal over 13 years (15-year final maturity).
 - Debt Service coverage approximating 2.7x based on the 13-year repayment.
 - Ability to repay principal early without penalty, which could result in the repayment of all PFC Revenue Bonds in approximately seven (7) years or by FY 2032.
- Davenport issued Request for Financing Proposals for Financing Alternatives to banks and underwriters for the following approaches:
 - Direct Bank Loan;
 - Line of Credit; and
 - Variable Rate Demand Bonds (“VRDBs”).

- On behalf of the Commission, Davenport distributed an RFP to over 100 local, regional, and national banks/underwriters for a PFC Financing that would provide “Bridge” financing for based on the following three (3) options:
 - A fully amortizing Direct Bank Loan;
 - A variable rate Direct Bank Line of Credit; and
 - Publicly issued VRDBs.
- On or before the deadline on August 16, 2024, the Commission received seven (7) proposals from a total of eight (8) financial institutions:
 - Capital One; - Raymond James and T.D. Bank
(combined proposal);
 - Huntington; - Truist; and
 - JPMorgan; - Webster Bank.
 - M&T Bank;

Financing Schedule



Date	Activity
September 10	Finance and Audit Committee Meeting: Present results of RFP and recommended PFC financing alternative
September 24	Commission Meeting: Present results of RFP and recommended PFC financing alternative and obtain authorization to proceed. Hold TEFRA Public Hearing.
October/ November	Work with Commission Staff, Bond Counsel and Finance team members to finalize documents, numbers, and close on PFC financing.
October 8	Henrico County Board of Supervisors Meeting: TEFRA Approval.
November 21	Closing and funding of loan; investment of funds.

Municipal Advisor Disclosure



The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

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September 10, 2024

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c. Authorizing Resolution for PFC and Subordinate Lien Airport Revenue Bonds

Mr. White reviewed the following resolution:

Staff recommends, with the approval of the Finance and Audit Committee, that the Capital Region Airport Commission (the "Commission") adopt the following resolution:

WHEREAS, pursuant to Chapter 537, Virginia Acts of Assembly of 1975, as amended and continued by Chapter 380 of the Virginia Acts of Assembly of 1980, as amended (the “Act”), the Commission is authorized to issue its bonds, its notes or other evidence of borrowing for the purpose of financing all or any part of the cost of acquiring, constructing, and equipping certain projects; and

WHEREAS, by PFC Letter of Acknowledgment 24-09-C-00-RIC, the Federal Aviation Administration has acknowledged the Commission’s intention and authority to impose certain passenger facility charges (“PFCs”) and to use the revenues therefrom (“PFC Revenues”) to construct certain projects, and such letter further allows for the Commission to use revenue bonds payable by a pledge of PFC Revenues (“PFC Revenue Bonds”) to finance the costs of the following projects, including costs of issuance (collectively, the “Projects”):

- (a) Passenger boarding bridge replacement - \$24,000,000; and
- (b) Terminal restroom rehabilitation - \$6,000,000; and

WHEREAS, the Commission has been advised by Davenport & Company LLC, as financial advisor (the “Financial Advisor”), that based on current market expectations, purchasers of PFC Revenue Bonds also demand a subordinate pledge of general airport revenues; and

WHEREAS, the Commission has been advised by Butler Snow LLP, as bond counsel (“Bond Counsel”), that the Commission may provide for such a financing of the Projects, and any projects which may in the future be approved to be financed through the pledge of PFC Revenues and the subordinate pledge of general airport revenues, by the execution and delivery of (i) a Master Indenture of Trust dated as of November 1, 2024 (the “PFC Indenture”), between the Commission and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), securing Passenger Facility Charge and Subordinate Lien Airport Revenue Bonds (the “Bonds”), and (ii) a Fifteenth Supplemental Bond Resolution (the “Supplemental Bond Resolution”) dated as of November 1, 2024, to the Commission’s Airport Revenue Bond Resolution dated November 21, 1984, as amended and supplemented, granting a subordinate pledge of general airport revenues to further secure the Bonds; and

WHEREAS, on behalf of the Commission, the Financial Advisor distributed a Request for Proposals dated July 12, 2024, for the purchase or placement of approximately \$30,500,000 in Bonds which would have the revenue pledges described above, and from the responses received, the Financial Advisor has determined that the proposal of Huntington Public Capital Corporation (“Huntington”) to purchase such Bonds provides the best value to the Commission; and

WHEREAS, the Commission has been provided with the forms of (i) the PFC Indenture, (ii) the Supplemental Bond Resolution, and (iii) a First Supplemental Indenture of Trust dated as of November 1, 2024 (the “Indenture Supplement”), between the Commission and the Trustee, to which is attached the form of Bonds that would be sold to Huntington (the “Series 2024 Bonds”) (collectively, the “Bond Documents”); and

WHEREAS, Bond Counsel has advised that, based on the nature of the Projects, the Series 2024 Bonds will be tax-exempt to the holders thereof but subject to the alternative minimum tax under the Internal Revenue Code of 1986, as amended (the “Code”); therefore, (i) a public hearing with respect to the Series 2024 Bonds and the Projects was properly noticed pursuant to the Code and held at this meeting, and (ii) in accordance with the Code, Bond Counsel will proceed to request approval of the Series 2024 Bond issue from a governmental unit within the Commonwealth of Virginia that has jurisdiction over the entire area of the Projects.

NOW, THEREFORE, BE IT RESOLVED BY THE CAPITAL REGION AIRPORT COMMISSION:

1. The governing body of the Commission (the “Board”) finds and determines that the purposes of the Commission and the Act will be furthered by the Commission’s issuance of the Series 2024 Bonds in a maximum principal amount of \$30,500,000 pursuant to the Bond Documents, its sale of the Series 2024 Bonds to Huntington, and its use of the proceeds thereof to pay the costs of the Project and issuance costs. Accordingly, the Board authorizes such issuance, sale, and use of proceeds in accordance with the terms of the Bond Documents, subject to the parameters of this Resolution and the approval of the Series 2024 Bonds by the governmental unit referenced in the last Recital above.

2. The Board adopts the Supplemental Bond Resolution simultaneously with its adoption of this Resolution and approves all of the Bond Documents on behalf of the Commission; provided that the Series 2024 Bonds shall be in an aggregate principal amount not to exceed \$30,500,000, shall bear interest at a fixed rate not to exceed 3.95% (subject to adjustment only if the Series 2024 Bonds are not issued by December 1, 2024, or if there occurs an event of default by the Commission or an event of taxability of the Series 2024 Bonds), shall be subject to prepayment, either in whole or in increments of up to \$3,000,000 per year, without penalty, and shall have a final maturity date no later than December 31, 2039. Subject to such parameters, the Chairman, the Vice Chairman, and the President and CEO, any of whom may act (the “Authorized Officers”), is authorized to make such changes, completions, insertions and omissions to the Series 2024 Bonds and the other Bond Documents as he or she may approve and

determine appropriate, and the execution of such Bond Documents by any of the Authorized Officers shall constitute conclusive evidence of such approval and determination.

3. The Authorized Officers, any of whom may act, are authorized and directed to execute and deliver the Bond Documents to the other parties thereto, including the execution and delivery of the Series 2024 Bonds by manual or facsimile signature, and to deliver the Series 2024 Bonds to the Trustee for authentication; and the Secretary or any Assistant Secretary of the Commission is authorized and directed to have the seal of the Commission affixed or printed on the Series 2024 Bonds and to attest such seal by his or her manual or facsimile signature.

4. The Series 2024 Bonds shall be limited obligations of the Commission and, except to the extent payable from the proceeds of the sale of the Series 2024 Bonds or the income, if any, derived from the investment thereof, will be payable exclusively from the pledge of PFC Revenues and the subordinate pledge of general airport revenues granted by the Bond Documents. Neither the Commonwealth nor any of its political subdivisions, including the Commission, shall be obligated to pay the principal of, premium, if any, or interest on the Series 2024 Bonds or other costs incident to them except from the revenues and any other money or property pledged for such purpose, and neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions is pledged to the payment of the principal of, premium, if any, or interest on the Series 2024 Bonds or other costs incident to them. The issuance of the Series 2024 Bonds does not directly, indirectly, or contingently obligate the Commonwealth or any of its political subdivisions to levy any taxes for the payment of the Series 2024 Bonds. The Commission has no taxing power.

5. The Authorized Officers, any of whom may act, are authorized and directed to execute, deliver and file all such further documents, certificates and instruments, including Internal Revenue Code Form 8038, and to take all such further actions, either directly or through agents of the Commission, as they may consider necessary or desirable in connection with the finalization, execution and delivery of the Bond Documents, the issuance and sale of the Series 2024 Bonds, and the financing of the Projects.

6. In accordance with Section 1.150-2 of the Treasury Regulations governing tax-exempt bonds, the Commission hereby declares its official intent to reimburse expenditures made on the Project up to 60 days prior to the date hereof with proceeds of the Series 2024 Bonds, so long as they are issued within the period permitted by such regulations.

7. All prior acts of officers and agents of the Commission in conformity with the purposes and intent of this Resolution and in furtherance of the negotiation and preparation of the Bond Documents, the sale of the Series 2024 Bonds, and the financing of the Projects, are ratified, approved, and confirmed.

8. This Resolution shall take effect immediately on its adoption.

CERTIFICATE

The undersigned Secretary of the Capital Region Airport Commission does hereby certify that the foregoing is a true, complete and correct Resolution adopted by a vote of a majority of the Commissioners of the Capital Region Airport Commission, present at a regular meeting of the Capital Region Airport Commission duly called and held September 24, 2024, at which a quorum was present and acting throughout, and that the same has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS the following signature this ____ day of _____, 2024.

(SEAL)

Secretary, Capital Region Airport Commission

Chairman Holland stated that the meeting is now in Open Public Session and asked if anyone in attendance wished to comment on this bond resolution.

There were none, and at Chairman Holland's request, Commissioner Carroll seconded the resolution for the PFC and Subordinate Lien Airport Revenue Bonds, previously motioned by the Finance & Audit Committee.

The motion passed unanimously.

d. Air Carrier Incentive Program

Mr. Bell reviewed the following resolution:

WHEREAS, the Capital Region Airport Commission (the "Commission") as owner and operator of Richmond International Airport (the "Airport") has determined that the promotion of new air carriers at the Airport and new air service between the Airport and new and existing destinations for the benefit of the traveling public is an important goal of the Commission;

WHEREAS, the Commission has sought to increase competition, through promotion of improved access and competitive fares to and from new and existing destinations to cover its costs of operation and support increased economic development;

WHEREAS, the Commission finds increased competition will enhance the competitiveness of air fares for the flying public and significantly reduce passenger leakage to less convenient airports;

WHEREAS, the Commission finds that it is appropriate to provide incentives for airlines to begin service to unserved domestic and international destinations;

WHEREAS, on February 25, 2020, the Commission adopted the *Capital Region Airport Commission Richmond International Airport (RIC) Air Service Incentive Program* and associated Matrix table (collectively, “Air Service Incentive Program”) setting forth its policy with respect to availability of Commission incentives for marketing and promotion of new air carriers at the Airport and new air service between the Airport and new and existing destinations;

WHEREAS, the Commission amended its Air Service Incentive Program on February 23, 2021, and specifically amended the matrix;

WHEREAS, the Commission again amended its Air Service Incentive Program on July 27, 2021, to extend its effective date until June 30, 2024, and

WHEREAS, on December 7, 2023, the Department of Transportation, Federal Aviation Administration, issued new policies regarding Air Carrier Incentive Programs (“ACIPs”), that in effect require that the Commission adopt new Air Carrier Incentive Program guidelines and associated matrix setting forth its approved levels of marketing and operational incentives for air carriers.

WHEREFORE, BE IT RESOLVED by the Capital Region Airport Commission, in accordance with Chapter 380, Virginia Acts of Assembly of 1980, as amended, the following:

1. That the Commission hereby adopts as its Air Carrier Incentive Program the terms and conditions outlined in the attached *Capital Region Airport Commission/Richmond International Airport Air Carrier Incentive Program* and associated Matrix table.

2. If state or federal matching funds through grants are available and are approved to be applied under this policy, the total Commission monies available for air carrier marketing incentives, as previously described, may be utilized by the Commission as the local match of grant funds.

3. Expenditures under this policy are subject at all times to the availability of Commission funds.

The President and CEO is hereby authorized to amend the terms and conditions of the Air Carrier Incentive Program, except as to funding levels, without the prior action of the Commission to conform the same with state and federal laws and regulations or other contractual obligations entered into with air carriers eligible for such incentives, all upon the advice of legal counsel.

At Chairman Holland's request, Commissioner Fulton seconded the Air Carrier Incentive Program, previously motioned by the Finance & Audit Committee.

The motion passed unanimously.

2. Planning & Construction Committee

a. Award of Contract for Taxiways C & E Intersection Relocation

Mr. Tummala reviewed the following resolution:

The staff recommends that the Commission adopt the following resolution:

The Commission advertised for bid on July 1, 2024, for the Taxiways C & E Intersection Relocation Project (the "Project"). The Project scope of work is:

The construction of a new stub Taxiways A2 and A3 east of the existing Concourses A & B apron between Taxiways A and U, consisting of new concrete taxiway pavement and asphalt shoulders; modification of the existing storm drainage system impacted by the project; installation of taxiway centerline lighting, taxiway edge lighting, and airfield signage; demolition of existing asphalt and concrete pavement as required by the new pavement geometry; and demolition of existing taxiway centerline lighting, taxiway edge lighting, and airfield signage as required by the new geometry.

In response, the Commission received three (3) bids on August 1, 2024, summarized below as to the bidders and bid prices:

Bidder	Bid Price
Atlantic Contracting & Material Co, Inc.	\$20,885,625.00

Hi-Way Paving, Inc.	\$20,020,010.80
Independence Excavating, Inc.	\$19,882,475.40

Independence Excavating, Inc. of Independence, Ohio, submitted the lowest bid. This bid conformed with the Invitation for Bid requirements. The cost difference between the lowest bidder (Independence Excavating) and the second lowest bidder (Hi-Way Paving) is \$137,535.40 (0.69% lower). The cost difference between the lowest bidder (Independence Excavating) and the highest bidder (Atlantic Contracting & Material) is \$1,003,149.60 (5.05% lower). The Engineer's estimate was \$23,847,894.46. The Cost difference between the lowest bidder (Independence Excavating) and the Engineer's estimate is \$3,965,419.06 (19.94% lower).

The bid by Independence Excavating includes four (4) of nine (9) subcontractors who are MBE & WBE certified. They are Andre Tyree Trucking; JR Caskey; Tye Bar LLC, and Bullzeye Equipment. These subs cost a total of \$2,200,000.00 (11.07% of the bid amount). The DBE participation Goal for this project is 11%.

The staff anticipates that the source of funding for the total cost of the Project will be FAA Bipartisan Infrastructure Law funds with matching Virginia Department of Aviation entitlement 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 Taxiways C & E Intersection Relocation Project in the amount of \$19,882,475.40 be awarded to Independence Excavating, Inc. of Independence, Ohio, 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 Independence Excavating, Inc. 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 Taxiways C & E Intersection Relocation 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 Taxiways C & E Intersection Relocation Project.

At Chairman Holland’s request, Commissioner Carroll seconded the Award of Taxiways C & E Intersection Relocation to Independence Excavating, Inc., previously motioned by the Planning & Construction Committee.

The motion passed unanimously.

Chairman Holland asked Vice Chairman Macfarlane to finish the Commission meeting due to a prior obligation.

b. Capital Projects Update

Due to time constraints, there was no update on capital projects.

IV. NEXT MEETINGS

The next **Capital Region Airport Commission** meeting will be held on Tuesday, October 29, 2024, at 8:00 a.m.

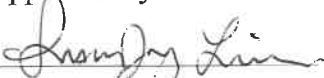
The **Finance & Audit Committee** meeting will be held on Tuesday, November 12, 2024, at 8:00 a.m.

The **Planning & Construction Committee** meeting will be held on Thursday, November 14, 2024, at 8:00 a.m., all in the Commission Boardroom in the Terminal Building.


V. ADJOURNMENT

Vice Chairman Macfarlane adjourned the meeting at 9:39 a.m.

Approved by the Commission:


Recording Secretary

James M. Holland, Chairman


Date 10/29/24