

**MINUTES OF THE MEETING OF THE MEMBERS  
OF THE CAPITAL REGION AIRPORT COMMISSION  
March 25, 2025**

**I. CALL TO ORDER**

Chair James M. Holland called the Capital Region Airport Commission's regular monthly meeting to order at 8:00 a.m. on March 25, 2025. 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, Holland, Lynch, Macfarlane, Miller, Nelson, Schneider, and Ukrop. Present by invitation were Perry J. Miller, President and CEO; John B. Rutledge, Chief Operating Officer; Basil O. Dosunmu, Chief Financial Officer; Martin Rubinstein, Chief Growth Officer; Troy M. Bell, Director – Marketing and Air Service Development; Richard Greatti, Director – Finance; Doug Martin, ARFF Chief; 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.

Invited guests included Jacob Sotsky, Vice President with Jacobsen|Daniels; Vice Presidents Roland Kooch, and Ben Wilson, with Davenport and Company LLC; and Brett Wood, President of Wood Solutions Group.

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

Commissioners Dibble, Heston, and Roundtree were absent.

**II. CLOSED**

There were none.

**III. OPEN SESSION**

**A. CONSIDERATION OF AGENDA AMENDMENTS**

There were none.

**B. CHAIRMAN'S COMMENTS**

Chair Holland stated it was a wonderful day and good to see everyone.

**C. APPROVAL OF FEBRUARY 25, 2025, MINUTES**

At Chair Holland's request, Commissioner Fulton moved to approve the minutes of February 25, 2025. Commissioner Macfarlane seconded the motion, and the minutes were approved unanimously.

**D. PRESIDENT'S REPORT**

**1. Employee Service Recognition**

**a. Douglas L. Martin, Airport Rescue Fire Fighting (ARFF) – 20 Years**

Mr. Rutledge presented Chief Martin with his 20-year service award, noting that the chief was hired on March 31, 2005, as an airport firefighter. Since then, Chief Martin has been promoted to lieutenant, captain, and now chief. Mr. Rutledge expressed appreciation for Chief Martin's calm and steady leadership of the ARFF Department.

Chief Martin thanked the Commission.

**2. Aviation Activity Report**

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

**Passenger Traffic:** Richmond International Airport (RIC) reports 301,029 total passengers in February 2025, an 8.2 percent decrease from the month of February record set one year ago.

Delta Air Lines was the market leader for the month with a 28.3 percent share of passengers, closely followed by American (28.2%) and United (13.0%). Two airlines reported growth for the month, Southwest (+12.8%) and JetBlue (+3.5%).

For fiscal year-to-date 2025 (FYTD25), passenger traffic has decreased 0.6 percent compared to the same period last year.

**Cargo:** February's total cargo volume was 15.8 million pounds, a 5.1 percent year-over-year increase attributable to a 1.2 million pounds gain in mail volume. For FYTD25, total cargo has increased 7.7 percent.

**Operations:** Aircraft operations decreased 4.2 percent versus the same period a year ago, nearly in line with a non-leap year February calendar. For FYTD25, RIC reports a 0.3 percent decrease.

**Additional Comments**

- Airlines reported 100 cancelled flights in February, more than four times the total reported a year ago.

- **Spirit Airlines** announced new service to **New York-LaGuardia**. The RIC-LGA route is scheduled to operate on Mondays, Wednesdays, Fridays, and Saturdays.
- **BermudAir** continues to progress towards a June 7<sup>th</sup> start for twice-weekly **Richmond-Hamilton, Bermuda (BDA)**, service. Flights will operate on Wednesdays and Saturdays. BermudAir is pleased with the initial response from the market.
- During the second half of FY25, air carriers will offer **38 nonstop** destinations from RIC.
- Scheduled seat capacity and departures as of March 19, 2025, via Airline Data, Inc.:

Month	Seats	YOY Change	Departures	YOY Change
February 2025	412,435	-3.7%	3,615	+2.5%
March 2025	502,578	+1.6%	4,399	+10.0%
April 2025	502,550	-2.0%	4,324	+2.8%
May 2025	573,955	+3.3%	4,885	+6.1%
June 2025	579,288	+10.3%	4,934	+10.7%
July 2025	600,554	+13.1%	5,170	+14.7%

### 3. Other

Dr. Perry Miller stated that Mr. Rutledge and he traveled to the District of Columbia (DC) at the end of February and met with some members of the Virginia delegation, as well as representatives from the Federal Aviation Administration (FAA) and Airports Council International (ACI). All expressed support for the airport's efforts.

Also, earlier this month, Commissioners Macfarlane and Ukrop, Mr. Rubinstein, and himself met with the Secretary of Commerce and Trade, Caren Merrick, to discuss the community's need for international service. A commitment to seek funding for new international service was discussed, which will enable RIC to enhance its competitiveness in securing international services. The specific details are still under consideration.

Finally, Dr. Perry Miller, serving as a non-voting member of the Central Virginia Transportation Authority (CVTA), expressed his gratitude for Commissioner Carroll's support regarding a request made to CVTA for assistance with the airport's forthcoming project.

## E. COMMISSION STANDING COMMITTEE REPORTS

### 1. Finance and Audit Committee

Finance Chairman Fulton stated that the committee met and requested Mr. Dosunmu to review the monthly financials. The Commission needs to approve a few action items.

**a. Monthly Financial Update February 28, 2025**

Mr. Dosunmu reviewed the following:

Year-to-date operating revenue for the first eight months of Fiscal Year 2025 totaled \$44.7 million. This figure represents an increase of approximately \$1.5 million, or 3.5%, over the budgeted amount, primarily due to a rise in enplanements, which resulted in corresponding increases in parking and concession revenues. Compared to the previous year, this revenue was higher by less than \$300 thousand, or 0.6%.

Year-to-date operating expenses totaled approximately \$26.6 million, \$4.4 million less than budgeted or 14.3%. One of the primary reasons the expenses are below budget is that the Commission allocated funding for 198 approved full-time positions, of which 169 are currently filled, leaving 29 vacancies.

Overall, the year-to-date gross margin is 41% or about \$18.1 million of revenue to the bottom line. This is approximately \$6 million above budget.

The year-to-date interest income stands at \$5.2 million, nearly \$4.2 million above budget and approximately \$473 thousand higher than the prior year. The yield has slightly decreased to 4.3% for the month, but overall, a healthy cash balance is being generated.

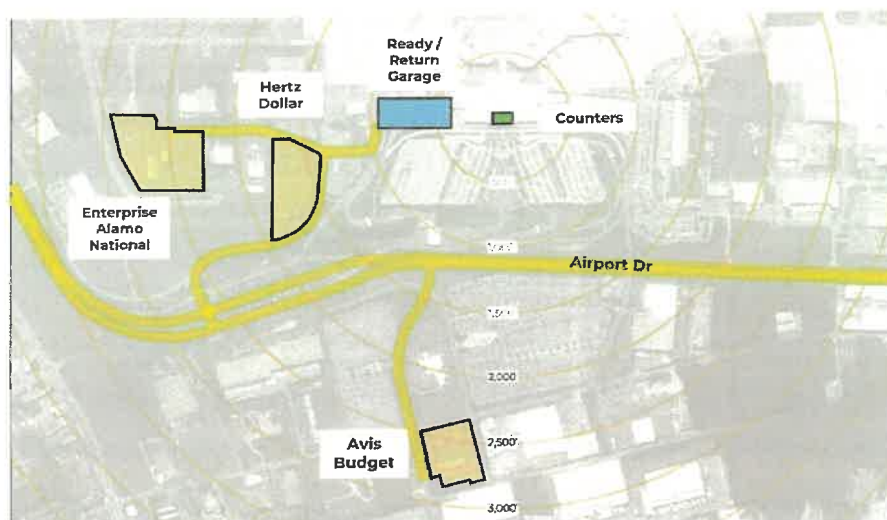
For FY 2025, enplanements were 1,569,046 passengers, reflecting a slight reduction of 12,280 passengers in the budget.

**b. Resolution approving Customer Facility Charge Increase**

Mr. Dosunmu introduced this item by stating that several meetings have been held with the rental car companies to understand their needs in supporting current customers and accommodating the airport's future growth. A few of the consultants today will review the evaluation process, outline the steps required to meet the demand, and discuss the best ways to fund this project.

Mr. Jacob Sotsky of Jacobsen|Daniels then presented on the Rental Car Ready/Return Garage Expansion:

### Current Rental Car Operations Overview



### Potential RAC Development Areas



#### Notes:

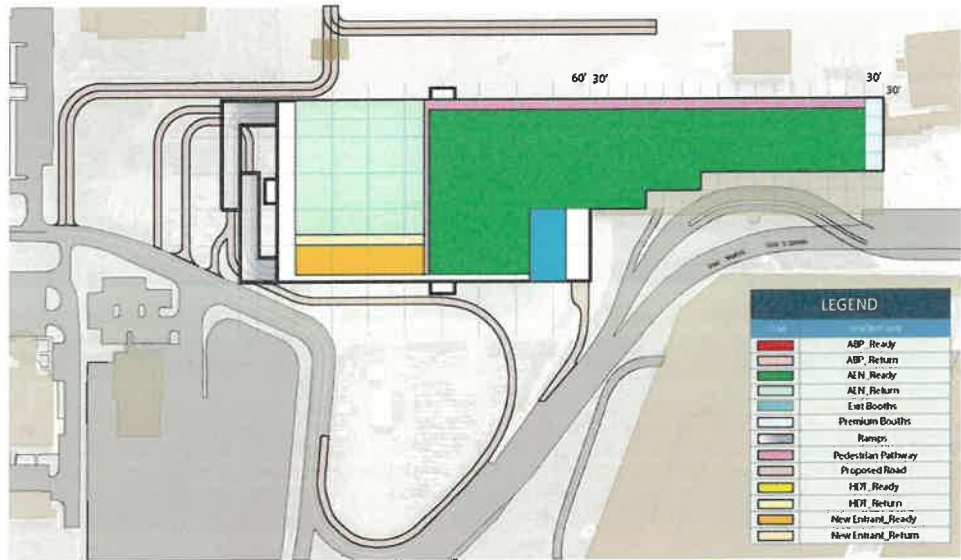
- Vacant and Potentially available areas for development / expansion
- Site geometry will influence efficiency + modulate requirements
- Parking Alternatives will require replacement parking to be provided as part of the solution

### Ready Return Garage Plan

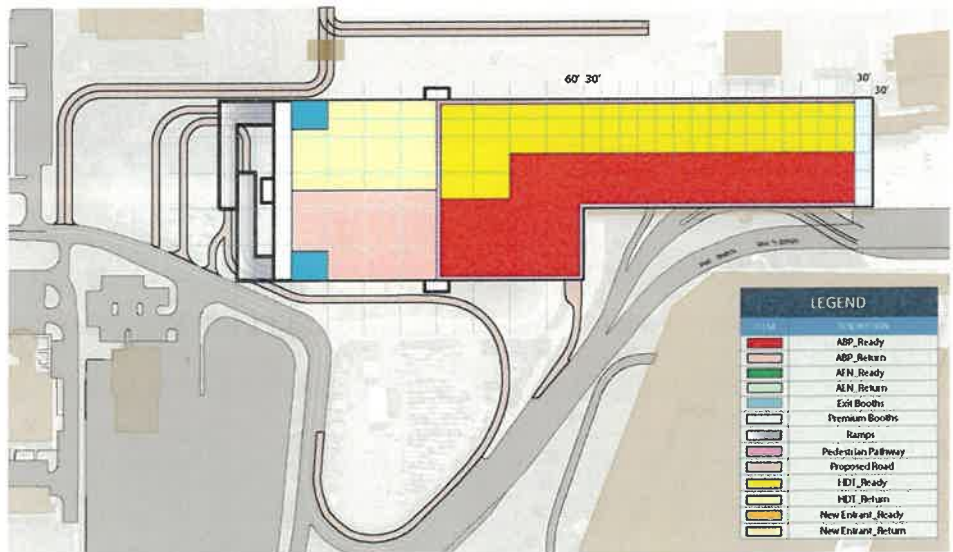
	2024 Existing Capacity	2024 Existing Demand	2044 PAL 4	Preferred Option <sup>h</sup>
<b>Ready / Return Area</b>				
Total RR Area (SF)	152,536	218,220	326,445	380,043
Ready Spaces:	241	404	605	765
Return Spaces:	216	292	436	431
Exit Booths:	6	10	13	13
Vehicle Circulation				27,263
Pedestrian Walkways				24,353
<b>Total Garage Area</b>	<b>152,536</b>	<b>306,404</b>	<b>448,124</b>	<b>453,618</b>
Additional Area Required		153,868	295,588	301,082

<sup>h</sup>/ The proposed layout is ~5K larger due to a reduction in circulation space as well as 60x60 grid utilization.

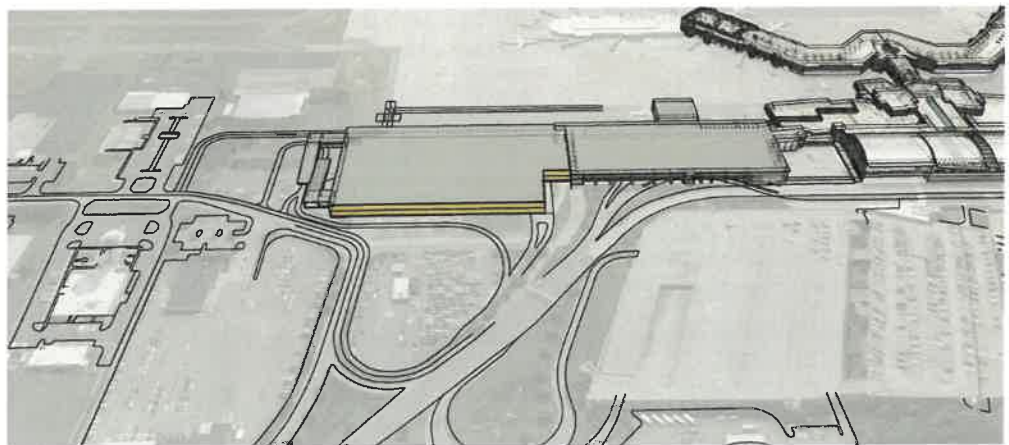
## Level 1 Ready Return Garage



## Level 2 Ready Return Garage



## Rendering of the Expanded Ready Return Garage





## Draft ROM Cost Estimate

Description	Area	Unit	Total Cost
Ready / Return (RR) Garage (2 Levels)	301,082	\$85	\$25,591,970
Site Development / Roadway Work	310,000	\$100	\$31,000,000
<b>Subtotal</b>			<b>\$56,591,970</b>
Direct Cost Development		10%	\$5,659,197
Phasing, Temporary Requirements, Traffic Control		3%	\$1,697,759
<b>Total Direct Cost</b>			<b>\$63,948,926</b>
Prime Contractor GC's, GR's, Insurance & Bond & Fee		23%	\$14,708,253
<b>Total Construction Cost</b>			<b>\$78,657,179</b>
A/E Design Fees & CA Services		10%	\$7,865,718
<b>Total Design &amp; Construction</b>			<b>\$86,522,897</b>
Owner Soft Cost		15%	\$12,978,435
Owner/Program Contingency		10%	\$8,652,290
<b>Total Estimated Cost</b>			<b>\$108,153,621</b>

### • Notes:

- Costs for similar facilities ranges from \$75-95/SF for a Ready Return Garage.
- Costs for Parking Structures are averaging up to \$80/SF.
- Site work price is inclusive of costs for relocating/reworking some roadways.

## CFC Credit Rating Considerations & Capital Funding Analysis

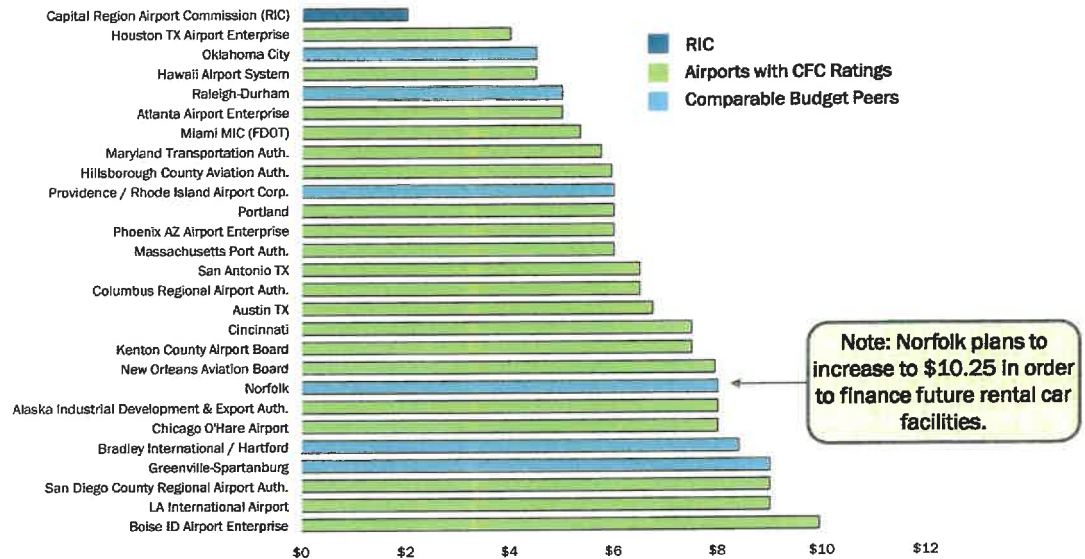
Mr. Kooch with Davenport and Company LLC, presented the following in conjunction with the Rental Car Garage Expansion.

### Background

- Davenport & Company LLC, as Financial Advisor to the Capital Region Airport Commission (the "Commission"), has been tasked with providing the enclosed information regarding the Commission's two potential upcoming capital projects to be funded by Customer Facility Charge ("CFC") revenues.
- On the following pages, Davenport has provided research related to the following:
  - CFC rates for peers of similar budget size;
  - CFC rates and credit ratings for airports with rated CFC revenue bonds by Moody's and Fitch, as the Commission's outstanding publicly issued airport revenue bonds are rated by both Moody's and Fitch; and,
  - Credit considerations for Moody's and Fitch related to CFC revenue bonds.
- Davenport has also included a Capital Funding Analysis of the following CFC Projects under consideration by the Commission:
  - **Pay-as-you-go Project:** Improvements to the existing Rental Car Ready/Return Garage with a cost estimate of approximately \$25 million; and,
  - **Debt Funded Project:** An expansion of the existing Rental Car Ready/Return Garage that has a preliminary cost estimate of approximately \$108 million.

## Customer Facility Charge (CFC) Peer Comparison

### CFC Rate Peer Comparison



Note: CFC rates were not found for Louisville, Tucson, and Cleveland.  
Source: CRAC Staff, Moody's & Fitch Rating Reports for Rated Peers, Fitch Peer Review of U.S. Airports for Hawaii, FY 2023 Audit for Oklahoma City and Bradley International, July 25, 2024, Meeting Report for Norfolk, FY 2024 Audit for Phoenix AZ, Providence, Greenville-Spartanburg, and Raleigh-Durham.

## Airports with CFC Ratings

Airport	Moody's	Fitch
Alaska Industrial Development & Export Auth.	Baa3	Not Rated
Atlanta Airport Enterprise	A2	A
Austin TX	A3	A
Boise ID Airport Enterprise	A3	BBB+
Chicago O'Hare Airport	Baa1	Not Rated
Cincinnati	Not Rated	A- (Positive)
Columbus Regional Airport Auth.	A3	A-
Hartford	Not Rated	BBB
Hawaii Airport System	A2	A+
Hillsborough County Aviation Auth.	A3	Not Rated
Houston TX Airport Enterprise	A3	A-
Kenton County Airport Board	A3 (Positive)	Not Rated
LA International Airport	A3	A
Maryland Transportation Auth.	A3	Not Rated
Massachusetts Port Auth.	A2 (Positive)	A+
Miami MIC (FDOT)	Not Rated	A
New Orleans Aviation Board	Baa1(Negative)	Not Rated
Phoenix AZ Airport Enterprise	A3 (Positive)	Not Rated
Portland	Not Rated	A
Rhode Island Airport Corp.	Baa1	Not Rated
San Antonio TX	A3	BBB+
San Diego County Regional Airport Auth.	A3	Not Rated

## Credit Considerations

- Current Level of CFC Charge
  - With a low CFC there is room to move toward a medium level CFC giving the ability to take on these types of projects.
- Local Authority and Willingness to Change CFC Levels



- The Commission body has the ability to raise the CFC which is a positive credit.
- Ability to Charge Rental Car Companies for CFC Shortfalls
  - Also known as contingency rent asking the question what the backstop is if revenues fall or go below debt coverage or insufficient to meet debt service coverage.
  - There are a lot of contingencies built into this program designed to keep it from that point as a strong security feature.
- Debt Service Coverage by Net Revenue
  - Debt service coverage should be kept above 1.5x of revenues available to make debt service.
- Leverage
- Reserves and Liquidity
- Size of Airport Passenger Base
- Diversity of Rental Car Brand Participation

#### **CFC Capital Funding Analysis**

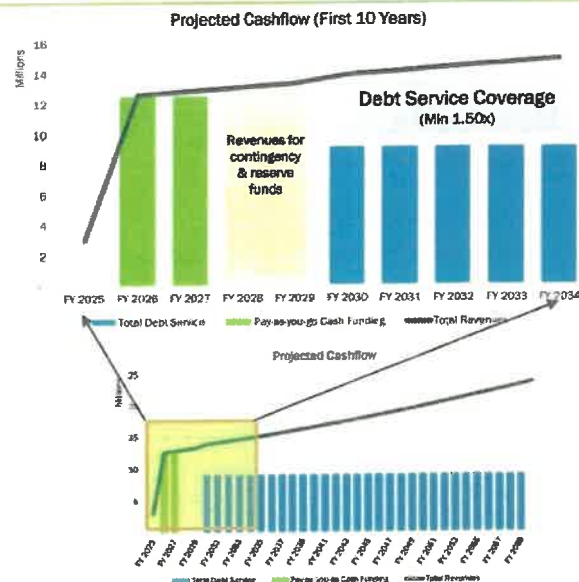
- The Commission is considering funding two Rental Car Ready/Return Garage projects using revenues from CFC charges:
  - **Pay-as-you-go Project:** Improvements to existing Rental Car Ready/Return Garage totaling \$25 million to be funded directly from CFC revenues.
  - **Debt Funded Project:** Expansion of existing Rental Car Ready/Return Garage that requires the Commission to obtain financing for a project fund of approximately \$108 million (assumed to begin after the Pay-as-you-go Project).
- The analysis herein assumes the Commission obtains financing for the Debt Funded Project of approximately \$108 million following the \$25 million Pay-as-you-go Project.
  - The Debt Funded Project assumes an issuance in late FY 2027 based on the following assumptions:
    - Estimated Interest Rate: 5.87% (current market estimate as of 2/18/2025).
    - Total Term: 32 Years
    - Capitalized Interest: During construction (FY 2028 and FY 2029).
    - Funding of a Debt Service Reserve Fund (DSRF) from Bond Proceeds and a Debt Service Coverage Fund from Revenues.

## CFC Capital Funding Analysis Summary of Results



A	B
	Preliminary Estimate*
1 <b>Pay-as-you-go Project</b>	
2 Construction Draws Begin	FY 2026
3 Construction Draws End	FY 2027
4 Total Project Fund	\$25,000,000
5 <b>Debt Funded Project</b>	
6 First Out-of-Pocket Interest Payment	FY 2030
7 First Principal Payment	FY 2030
8 Final Maturity	FY 2059
9 Total Project Fund	\$108,153,621
10 Total Bonds (Par) Issued	\$129,015,000
11 Total Debt Service	\$264,515,510
12 Average Annual Debt Service	\$9,009,083
13 <b>Debt Service Coverage Ratio</b>	2.00x > 1.50x
14 <b>Estimated Leverage (FY 2027 Issuance)</b>	\$83
15 <b>Estimated CFC Rate</b>	\$8.25

\*Based on current market estimate as of 02/18/2025. Preliminary, subject to change.



Note: Based on market conditions as of 2/18/25. Preliminary, subject to change.

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Capital Region Airport Commission

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### Other Considerations

- Implementing a new higher adjusted CFC rate in the range estimated in this analysis beginning in FY 2026 allows the Commission to:
  - Fund the Pay-as-you-go Project;
  - Establish a collection rate history prior to the bond transaction for the Debt Funded Project; and,
  - Build up additional reserves prior to the planned Debt Funded Project.
- An increase in project costs or lower than projected CFC transaction days (i.e., rental car activity) could result in a further increase in the adjusted CFC rate.
- An increase in interest rates could also result in a further increase in the adjusted CFC rate (for every 50 basis point move in the market, the adjusted CFC rate increases/decreases by approximately \$0.50).
- The enclosed results are based on treasuries as of 02/18/25. Since that date, the 10-year treasury has decreased by 30 basis points as of 02/26/25.

Dr. Perry Miller noted that the Finance & Audit Committee reviewed this, and the following resolution was requested.

Staff recommends, with the approval of the Finance and Audit Committee, that the Commission adopt the following resolution:

**WHEREAS**, the Capital Region Airport Commission (the “Commission”) owns and operates the Richmond International Airport (the “Airport”), and pursuant to its enabling legislation (Chapter 380 of the 1980 Acts of Assembly, as amended (the “Act”)) is authorized to determine, fix and revise fees, rates and charges for the use of the Airport’s facilities; and

**WHEREAS**, the Commission has constructed and now operates and maintains a rental car ready and return garage, located on the Airport adjacent to the main terminal building, as well as other facilities such as terminal counter space for the use of the several rental car companies at the Airport (together, the “Rental Car Facilities”); and

**WHEREAS**, it is the general policy of the Commission to require that users of Airport facilities support the costs of such facilities and of the Airport’s development, and, accordingly, the Commission has imposed a rental car customer facility charge on airport rental car customers (“Customer Facility Charge”) on a transactional basis in order to sufficiently and equitably distribute the costs of the Rental Car Facilities among their respective users and provide funds for the capital costs and the operations and maintenance costs of such facilities; and

**WHEREAS**, the Commission has no taxing power and relies on grants and rentals, concession fees, and other revenues from Airport operations, to include rates, fees and charges, to pay for Airport development and operating costs, and Customer Facility Charges are “surcharges” on rental car customer transactions at and through the rental car garage that are imposed on and paid by the rental car patrons of the several on-airport rental car companies at the Airport for their use of the Rental Car Facilities at the Airport; and

**WHEREAS**, the terms of the current rental car concession agreement by which the on-airport rental car companies operate at the Airport provide for such companies to collect and remit to the Commission the Customer Facility Charge, the amount of which shall be determined by the Commission from time to time, and may be changed by the Commission at its discretion, with the input of the rental car companies; **and**

**WHEREAS**, the Commission expects to make significant capital investments in improvements to and an expansion of the Rental Car Facilities to improve customer experience and support growing demands; and

**WHEREAS**, pursuant to a peer comparison study prepared by Davenport & Co., the current Customer Facility Charge at the Airport is significantly less than customer facility charges at peer airports that operate on comparable budgets; and

**WHEREAS**, the President and CEO and other Commission executive staff have met with and solicited input from the current on-airport rental car companies, and considered analysis and recommendations from

Commission consultants Jacobsen Daniels, as to needed capital improvements to the Rental Car Facilities, and Davenport & Co., as to the funding thereof, and based upon the foregoing, the President and CEO has recommended that the Commission increase the Customer Facility Charge from \$2.00 per transaction day to \$8.25 per transaction day, effective July 1, 2025, in order to fund the planned improvements to and expansion of the Rental Car Facilities and the financing thereof.

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

1. That an increase in the Customer Facility Charge upon rental car transactions through the Rental Car Facilities at the Airport from \$2.00 per transaction day to \$8.25 per transaction day (the “Revised CFC Rate”) is hereby approved.
2. That the Revised CFC Rate shall only apply to rental car reservations that commence on or after July 1, 2025.
3. That the President and CEO is authorized and directed to reflect the Revised CFC Rate in the proposed Commission budget for fiscal year 2026, and to take all other actions necessary and appropriate to give effect to the Commission’s actions as described herein and to otherwise carry out the effect of this Resolution, including without limitation working with current on-airport rental car companies to ensure the orderly implementation and collection of the Revised CFC Rate, upon the advice of legal counsel.

At Chair Holland’s request, Commissioner Ukrop moved to approve the CFC rate increase. Commissioner Hazzard seconded the motion, which passed unanimously.

**c. Resolution Authorizing Parking Fee Increases at Richmond International Airport**

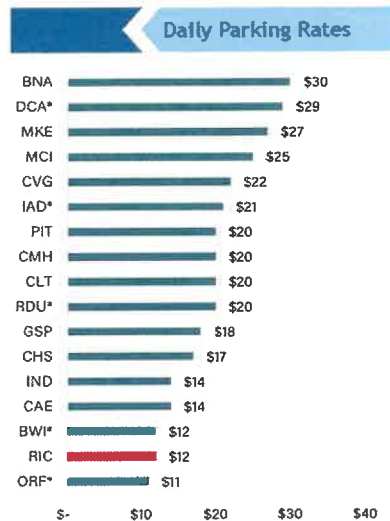
Mr. Brett Wood with Wood Solutions Group presented the following:

**Key Considerations**

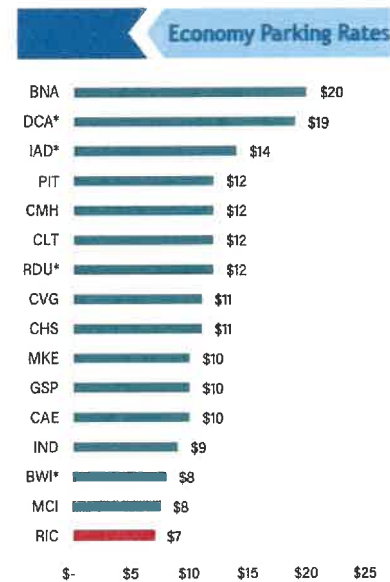
- Market rate assessment shows RIC is significantly below its peers when comparing typical parking products.
- Rates have not been adjusted in 22 years.
- Recent parking assessment identified significant investments in parking system to improve customer experience and support growing parking needs
  - General facility condition improvements
  - Parking guidance system
  - Parking reservations system

- License plate recognition system upgrades
- Dynamic signage upgrades/expansion
- Rideshare, valet, and employee parking relocations
- Parking system expansion (New Economy A Parking Garage)
- Improvements are projected to cost \$132M - \$158 over 5 years.

## Parking Rate Assessment



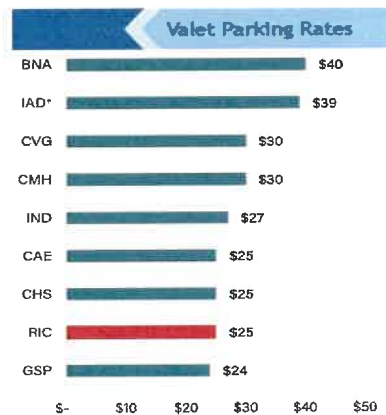
Airport	Location
BNA	Nashville, TN
BWI*	Baltimore, MD
CAE	Columbia, SC
CHS	Charleston, SC
CLT	Charlotte, NC
CMH	Columbus, OH
CVG	Cincinnati, OH
DCA*	Washington, DC
GSP	Greenville-Spartanburg, SC
IAD*	Washington, DC
IND	Indianapolis, IN
MCI	Kansas City, KS
MKE	Milwaukee, WI
ORF*	Norfolk, VA
PIT	Pittsburgh, PA
RDU*	Raleigh-Durham, NC



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BNA	Nashville, TN
BWI*	Baltimore, MD
CAE	Columbia, SC
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CLT	Charlotte, NC
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MKE	Milwaukee, WI
ORF*	Norfolk, VA
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Airport	Location
BNA	Nashville, TN
BWI*	Baltimore, MD
CAE	Columbia, SC
CHS	Charleston, SC
CLT	Charlotte, NC
CMH	Columbus, OH
CVG	Cincinnati, OH
DCA*	Washington, DC
GSP	Greenville-Spartanburg, SC
IAD*	Washington, DC
IND	Indianapolis, IN
MCI	Kansas City, KS
MKE	Milwaukee, WI
ORF*	Norfolk, VA
PIT	Pittsburgh, PA
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Airport	Location
BNA	Nashville, TN
BWI*	Baltimore, MD
CAE	Columbia, SC
CHS	Charleston, SC
CLT	Charlotte, NC
CMH	Columbus, OH
CVG	Cincinnati, OH
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IND	Indianapolis, IN
MCI	Kansas City, KS
MKE	Milwaukee, WI
ORF*	Norfolk, VA
PIT	Pittsburgh, PA
RDU*	Raleigh-Durham, NC

## Parking Rate Recommendations

Product	Current Rates	2025 Proposed Rates
Valet Parking	\$25 per day	\$30 per day (\$3 per hour after the first 24 hours)
Daily Parking	\$12 per day (first hour free, \$3 per hour)	\$15 per day (\$3 per hour)
Hourly Parking	\$24 per day (first hour free, \$2 per hour)	\$40 per day (first hour free, \$4 per hour)
Economy Parking	\$7 per day	\$10 per day

- Aligns RIC rates with average rates from peer analysis
- Significant increase in the hourly rate prevents customers from using it as a daily product
- Price differential between hourly and daily incentivizes customers to utilize valet.

## Parking Rate Recommendations

Product	2025 Proposed Max Daily Rates	2026 Proposed Max Daily Rates		2027 Proposed Max Daily Rates		2029 Proposed Max Daily Rates		2031 Proposed Max Daily Rates		2033 Proposed Max Daily Rates		2035 Proposed Max Daily Rates	
	Drive-up	Drive-up	Pre-Book	Drive-up	Pre-Book	Drive-up	Pre-Book	Drive-up	Pre-Book	Drive-up	Pre-Book	Drive-up	Pre-Book
Valet Parking	\$30	\$36	\$30	\$38	\$32	\$41	\$34	\$43	\$36	\$46	\$38	\$48	\$40
Daily Parking	\$15	\$18	\$15	\$20	\$17	\$23	\$19	\$25	\$21	\$28	\$23	\$30	\$25
Hourly Parking	\$40	\$40	\$40	\$42	\$42	\$44	\$44	\$46	\$46	\$48	\$48	\$50	\$50
Economy Parking	\$10	\$12	\$10	\$13	\$11	\$14	\$12	\$16	\$13	\$17	\$14	\$18	\$15



- Requesting approval for bi-annual rate increases for 10 years to maintain consistent position with peers and keep up with inflation.
  - Commission re-validation prior to each bi-annual increase approval
  - Commission turnover of >50% triggers a new rate analysis and recommendations
- When the parking reservations system is implemented, drive-up customers are charged a maximum 20% premium, potentially less. This will incentivize rapid adoption of the reservation system. Communicated as a discount for booking in advance.
- “Max” pricing structure to allow RIC CEO to fluctuate rates and offer discounts under the max rates to drive customer behavior related to parking product selection.

### **Elasticity Evaluation and Revenue Impacts**

- Parking Rate Elasticity analysis determined that the impact on demand to park at the airport as a result of the rate increases will be minimal and temporary
  - Off-airport parking competitor is expected to increase rates in turn with each RIC increase
- Rate increases are projected to produce an additional \$6.1M in parking revenues per year in years 1 & 2, increasing with each bi-annual rate increase
  - 2024 Parking Revenue: \$30.2M

Dr. Perry Miller stated that the Finance & Audit Committee also reviewed this, and the following resolution was requested.

Staff recommends, with the approval of the Finance and Audit Committee, that the Commission adopt the following resolution:

**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 is authorized to fix, revise, charge and collect fees, rents, rates and charges for the use and services of its facilities and to make and enter into all contracts, leases and arrangements necessary or incidental to the exercise of its powers; and

**WHEREAS**, the Commission finds that in order to pay Commission obligations incurred in connection with the operation and maintenance of the Richmond International Airport (the “Airport”); to protect the public and preserve order; to provide for the public safety, health and welfare; and to maximize and maintain revenues necessary for the maintenance, administration and operation of the Airport, it is necessary and proper to fix charges and fees for the use of Airport property and facilities and to regulate those persons, firms and corporations who desire to use Airport property and facilities for the purpose of conducting

business operations, either directly or indirectly, for the purpose of serving customers (picking up or discharging) on Airport property or for the purpose of otherwise using the Airport for business or commercial purposes; and

**WHEREAS**, the Commission receives no tax revenue and relies on fees, rates and charges to meet the Airport's operating expenses, and under federal law, including applicable FAA Grant Assurances, the Airport is required to be self-sustaining; and

**WHEREAS**, the Commission expects to make significant capital investments in the Airport parking facilities and operations, as well as various other improvements to Airport facilities and operations to improve customer experience and support growing demands; and

**WHEREAS**, current market rate assessments show parking rates at the Airport are significantly below rates for comparable parking products at other airports; and

**WHEREAS**, the current Airport parking rates are as follows:

Product	Current Max Daily Rate
Valet Parking	\$25 per day (\$2 per hour after first 24 hours)
Daily Parking	\$12 per day (first hour free, \$3 per hour)
Hourly Parking	\$24 per day (first hour free, \$2 per hour)
Economy Parking	\$7 per day (\$1 per hour)

**WHEREAS**, the Commission's parking consultants have recommended a multi-year increase in Airport parking rates, and the addition of a parking reservation or "pre-booking" option offering discounted rates from the posted drive-up rates, with maximum proposed daily drive-up rates as set forth in the following schedule:

Product	2025 Proposed Max Daily Rates	2026 Proposed Max Daily Rates	2027 Proposed Max Daily Rates	2029 Proposed Max Daily Rates	2031 Proposed Max Daily Rates	2033 Proposed Max Daily Rates	2035 Proposed Max Daily Rates
Valet	\$30	\$36	\$38	\$41	\$43	\$46	\$48
Daily	\$15	\$18	\$20	\$23	\$25	\$28	\$30
Hourly	\$40	\$48	\$50	\$53	\$55	\$58	\$60
Economy	\$10	\$12	\$13	\$14	\$16	\$17	\$18

**WHEREAS**, in order to bring Airport parking fees closer in line with other airports, keep up with inflation, and offset costs associated with planned improvements to parking and other facilities and operations at the Airport, the President and CEO, in consultation with staff and the Commission's parking consultants, has requested that the Commission authorize the President and CEO to (i) increase rates for each of the parking options at the Airport from time to time over a multi-year period, upon

consultation with the Commission's Finance and Audit Committee, with drive-up parking rates not to exceed the proposed maximum daily rates set forth in the schedule above; and (ii) implement a prepaid parking reservation or "pre-booking" system offering variable-rate discounts to the corresponding drive-up parking rates based on real-time parking supply and demand, such that prepaid reserved parking rates shall in no event exceed the corresponding drive-up parking rates.

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

1. That the President and CEO is authorized, for and on behalf of the Commission, to implement rate increases for each of the parking options at the Airport from time to time over a multi-year period, with drive-up parking rates not to exceed the proposed maximum daily rates set forth in the schedule above, subject, however, to prior consultation with the Commission's Finance and Audit Committee.

2. That the President and CEO is authorized, for and on behalf of the Commission, to implement a prepaid parking reservation or "pre-booking" system offering variable-rate discounts to the corresponding drive-up parking rates based on real-time parking supply and demand, such that the prepaid reserved parking rates shall in no event exceed the corresponding drive-up parking rates.

3. That the President and CEO is authorized and directed, for and on behalf of the Commission, to take all other actions and execute all 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, upon the advice of legal counsel.

At Chair Holland's request, Commissioner Cooper moved to approve the Parking Rate Increases Resolution. Commissioner Schneider seconded the motion, which passed unanimously.

**d. Award of Specialty Retail Vending Contracts**

Mr. Peaden 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**, on August 29, 2024, the Commission issued Request for Proposals 24-2477 for Specialty Retail Vending Concessions (the "RFP"), which RFP was published to the Commonwealth of Virginia's eVA e-procurement marketplace website; and

**WHEREAS**, the RFP requested automated vending concepts for passenger services, food and beverage, and non-food and beverage retail offerings (the “Vending Services”) at Richmond International Airport (the “Airport”); and

**WHEREAS**, on or before the submission deadline of October 31, 2024, the Commission received a total of twelve (12) proposals; and

**WHEREAS**, the President and CEO of the Commission assembled an evaluation committee to evaluate and rank the proposals based on (i) perceived strength and quality of proposed brands and concepts; (ii) experience and quality of past performance; (iii) financial considerations including perceived reasonableness of pro-forma operating statements, underlying assumptions supporting sales forecasts, and ability to sustain projected sales; and (iv) strength of management and operations, including experience of management teams, proposed staffing, labor and training practices, maintenance and operations plans, and procedures for providing high quality customer service; and

**WHEREAS**, based upon its evaluation and ranking of the proposals received, the evaluation committee has recommended acceptance of the proposals submitted by the following:

<b>Proposer</b>	<b>Concept</b>
Prepango LLC (“Prepango”)	Retail to-go and on-the-go food vending, focusing on fresh and healthy options
Capcelea & Johnson, LLC (“C&J”)	Automated hot pizza and refrigerated beverage assortment
Tricopian, Inc. d/b/a Fuel Rod (“Fuel Rod”)	Reusable, portable chargers for mobile devices
Smarte Carte, Inc. (“Smarte Carte”)	Self-service luggage carts and massage chairs

**WHEREAS**, pursuant to the RFP, each concessionaire shall pay to the Commission a monthly concession fee based on a percentage of gross sales from its operations at the Airport, plus fixed rent at a rental rate of twelve and no/100 dollars (\$12.00) per square foot for any onsite storage space that may be required during the term of the agreement; and

**WHEREAS**, Prepango has proposed a concession fee of ten percent (10%) and estimates annual fees to the Commission in the amount of one hundred seventy-five thousand dollars (\$175,000); and

**WHEREAS**, C&J has proposed a concession fee of ten percent (10%) and estimates annual fees to the Commission in the amount of ninety-nine thousand dollars (\$99,000); and

**WHEREAS**, Fuel Rod has proposed a concession fee of ten percent (10%) and estimates annual fees to the Commission in the amount of fifteen thousand dollars (\$15,000); and

**WHEREAS**, Smarte Carte has proposed a concession fee of ten percent (10%) and estimates annual fees to the Commission in the amount of one hundred thirty-eight thousand five hundred dollars (\$138,500); and

**WHEREAS**, the term of each concession agreement shall be for five (5) years, with the possibility of two (2) successive one (1)-year extensions, at the sole discretion of the Commission, all subject, however, to the Commission's right to terminate without cause upon thirty (30) days' written notice.

**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 the President and CEO of the Commission is authorized to finalize and, upon review by legal counsel, execute on behalf of the Commission, a Lease and Concession Agreement for Specialty Retail Vending as provided in the RFP with each of Prepango, LLC, Capcelea & Johnson, LLC, Tricopian, Inc. d/b/a Fuel Rod, and Smarte Carte, Inc. consistent with their respective proposals and in accordance with the terms approved hereby, subject to the fulfillment by each of the foregoing of all other conditions precedent as set forth in the RFP.

2. That the President and CEO is authorized, for and on behalf of the Commission, to take all other 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, subject to review by legal counsel.

At Chair Holland's request, Commissioner Schneider seconded the motion made by the Finance & Audit Committee to award the Specialty Retail Vending Contracts.

The motion passed unanimously.

2. **Planning & Construction Committee**

a. **Authorization of Issuance of Task Order to Gresham Smith for Architectural Design Services for Consolidated Security Checkpoint Project**

Mr. Tummala reviewed the following resolutions.

Staff recommends that the Capital Region Airport Commission (the “Commission”) adopt the following resolution:

**WHEREAS**, the Commission entered into a Master Agreement for on-call architectural services with Gresham Smith (“Gresham”) effective January 1, 2022, as amended (the “Master Agreement”); and

**WHEREAS**, at Commission staff’s request, Gresham submitted a proposal to provide architectural, interior design, and wayfinding services, together with other services to be provided by its team of nine (9) subconsultants including surveying; geotechnical services; civil, structural, mechanical, electrical, plumbing, fire protection, and special systems and security engineering services; and cost estimating services (collectively, the “Services”) for the consolidation of the two existing security checkpoints into one checkpoint area that will accommodate up to ten (10) lanes with the ability to expand to fourteen (14) lanes in the future, and the addition of new landside and airside restrooms, vertical circulation, meet and greet spaces, concessions, support and administrative spaces, and a full-service cafeteria (collectively, the “Project”); and

**WHEREAS**, Gresham submitted a proposal to provide the Services at a cost of \$3,629,060, which proposal was negotiated by Commission staff resulting in a revised fee of \$2,366,404; and

**WHEREAS**, the revised fee proposal from Gresham is within the acceptable range of the Independent Fee Estimate prepared by the Commission’s consultant, Kutchins and Groh, LLC; and

**WHEREAS**, Gresham’s proposal includes certified WBE, MBE, DBE and SWaM subconsultants resulting in participation of 20.27%; and

**WHEREAS**, Commission staff anticipates the source of funding for a portion of the cost of the Services will be FAA Airport Terminal Program 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 the President and CEO is authorized, for and on behalf of the Commission, to issue a task order in the amount of \$2,366,404 under the Master Agreement directing that Gresham Smith perform the above-described Services for the Project, subject to review by legal counsel.

2. That the President and CEO is authorized, for and on behalf of the Commission, to enter into grant agreements with federal and state agencies for the acceptance and use by the Commission of funding that may be available from such agencies for the expense of the Services.

3. That the Commission's legal counsel is authorized 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 expense of the Services.

4. That the President and CEO is authorized, for and on behalf of the Commission, to take all other 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, subject to review by legal counsel.

At Chair Holland's request, Commissioner Nelson moved to approve the issuance of Gresham Smith's Task Order for the Architectural Design Services for the Consolidated Security Screening Checkpoint Project. Commissioner Cooper seconded the motion, which passed unanimously.

#### IV. NEXT MEETINGS

The next Capital Region Airport Commission meeting will be held on Tuesday, April 29, 2025, at 8:00 a.m.

The Finance & Audit Committee meeting will be held on Tuesday, May 13, 2025, at 8:00 a.m.

The Planning & Construction Committee meeting will be held on Thursday, April 17, 2025, at 8:00 a.m., all in the Commission Boardroom in the Terminal Building.

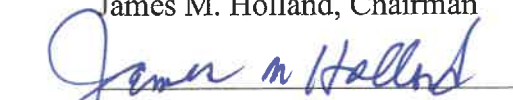
#### V. ADJOURNMENT

At Chair Holland's request, Commissioner Schneider moved to adjourn the meeting at 9:24 a.m. Commissioner Cooper seconded the motion, which unanimously passed.

Approved by the Commission:

  
Recording Secretary

James M. Holland, Chairman

  
Date 4/29/25