

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

May 27, 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 May 27, 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, Heston, Holland, Lynch, Macfarlane, Miller, Nelson, Roundtree, Schneider, and Ukrop. Present by invitation were Dr. Perry J. Miller, President and CEO; John B. Rutledge, Chief Operating Officer; Uday Nethula, Chief Human Resources Officer; Martin Rubinstein, Chief Growth Officer; Troy M. Bell, Director – Marketing and Air Service Development; Carol Gaddis, Director – IT and Innovations; Richard Greatti, Director – Finance; Aaron Haynes, Marketing Specialist; Aaron Keller, Director – Operations & Security; 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.

The invited guest was Roland Kooch, Vice President at Davenport and Company LLC.

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

Commissioner Dibble was absent.

II. CLOSED MEETING

There was none.

III. OPEN MEETING AGENDA

A. CONSIDERATION OF AGENDA AMENDMENTS

There were none.

B. CHAIRMAN'S COMMENTS

1. 2025-2026 Officer Nominating Committee Assignments

At Chair Holland's request, Commissioner Carroll provided the 2025-2026 Officer Nominating Committee's Report in Committee Chair Roundtree's absence.

- Charles Macfarlane, Chair – City of Richmond

- Tyrone Nelson, Vice Chair – Henrico County
- Susan Dibble, Treasurer – Hanover County

Commissioner Carroll stated that the committee did not finalize the Secretary's position because Chesterfield County operates on a seniority basis. This position should therefore be deferred to the next senior person, who would be himself.

Chair Holland agreed and nominated Commissioner Carroll for Secretary, representing Chesterfield County.

- Kevin Carroll, Secretary – Chesterfield County

Chair Holland thanked the Committee for its service and stated that the official vote for the officers will take place on June 24, 2025, and the new officers will assume their roles on July 1, 2025.

C. APPROVAL OF APRIL 29, 2025, MINUTES

At Chair Holland's request, Commissioner Fulton moved to approve the minutes of April 29, 2025. Commissioner Macfarlane seconded the motion, and the minutes were approved unanimously.

D. PRESIDENT'S REPORT

1. Aviation Activity Report

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

Passenger Traffic: For April 2025, Richmond International Airport (RIC) reports 404,851 passengers, a one percent decrease versus the April record set a year ago. For fiscal year-to-date 2025 (FYTD25), passenger traffic has also decreased one percent compared to the same period last year.

American Airlines was the month's market leader with a 30.0 percent share of passengers, followed by Delta (29.0%), and United (11.2%). In April, Southwest (+19.2%), JetBlue (+9.9%), and Delta (+4.7%) reported year-over-year growth at RIC.

Cargo: Total cargo, despite a substantial increase in mail volume, reports a decrease of 2.0 percent for the month but remains 6.4% ahead of last year for the fiscal year to date.

Operations: April aircraft operations increased 4.3 percent versus 2024 activity; for the month, only general aviation activity decreased while commercial and military operations reported healthy gains. For FYTD25, aircraft operations are up 0.6 percent.

Additional Comments

- **BermudAir** remains on schedule for the June 7th start of new twice-weekly **Richmond-Hamilton, Bermuda (BDA)**, service. To support route development, the airline, various entities in Bermuda, and Richmond Region Tourism plan to conduct familiarization efforts for media and travel industry partners on both ends of the route.
- **Spirit Airlines** will start new thrice-weekly service to **Detroit (DTW)** on June 12, following its recent launch of service to New York-LaGuardia (LGA) and joining the airline's long-time service to Ft. Lauderdale and Orlando.
- **Breeze Airways** announced service to **West Palm Beach (PBI), Florida**, beginning in September. Flights will operate on a twice-weekly frequency.
- During the first half of FY26, air carriers will offer **37 nonstop** destinations from RIC.
- Scheduled seat capacity and departures as of May 20, 2025, via Airline Data, Inc.:

Month	Seats	YOY Change	Departures	YOY Change
April 2025	502,260	-2.1%	4,322	+2.7%
May 2025	561,637	+1.1%	4,778	+3.7%
June 2025	571,824	+8.9%	4,911	+10.2%
July 2025	587,607	+10.6%	5,138	+13.9%
August 2025	563,581	+7.8%	5,020	+12.6%
September 2025	600,748	+23.2%	5,129	+22.7%

2. Other

President Dr. Miller noted two items:

A Commissioners' Retreat is being organized, and it would be beneficial to have a strong turnout. We need to finalize two dates from the following options: Wednesday, July 9th; Friday, July 11th; Monday, July 21st; and Friday, July 25th. Mrs. Linn will send out an email with these dates, and your prompt response will be greatly appreciated.

Global Entry representatives will be at the airport from July 14th through 18th by reservation only for applications and interviews. If commissioners do not have Global Entry, Dr. Miller strongly advocated for it, as it fulfills the TSA Precheck and Real ID requirements for travelers.

E. COMMISSION STANDING COMMITTEE REPORTS

1. Finance and Audit Committee

Finance Chairman Fulton stated that the committee had met and requested Mr. Dosunmu to review the monthly financials and proceed with the FY2026 Budget review.

a. Monthly Financial Update April 30, 2025

Mr. Dosunmu reviewed the following:

For the ten months of Fiscal Year 2025, year-to-date operating revenue reached \$56.1 million. This amount reflects an increase of about \$1.6 million, or 3.0%, compared to the budgeted figure. The parking and landing fee revenues are overperforming.

Year-to-date operating expenses totaled approximately \$33.0 million, which is \$5.6 million less than the budgeted amount, representing a 14.6% reduction. This is \$5.2 million, or 18%, above the same time last year. One of the main reasons for these lower expenses is that the Commission has allocated funding for 198 approved full-time positions. Currently, 168 of these positions are filled, leaving thirty vacancies.

Overall, the year-to-date gross margin is 41%, or approximately \$23.1 million of revenue added to the bottom line. This is approximately \$7.2 million above budget.

As of now, year-to-date interest income is \$6.4 million, which is nearly \$5.2 million above the budget and approximately \$550,000 higher than last year. The yield has slightly decreased to 4.1% for the month; however, we are still generating a healthy cash balance overall.

For FY 2025, enplanements were 1,968,564 passengers, reflecting a slight reduction of 19,357 passengers below budget.

b. Fiscal Year 2026 Proposed Budget Resolution

Before beginning the review of the Fiscal Year (FY) 2026 budget, Mr. Dosunmu expressed gratitude to the finance department and senior staff for their contributions.

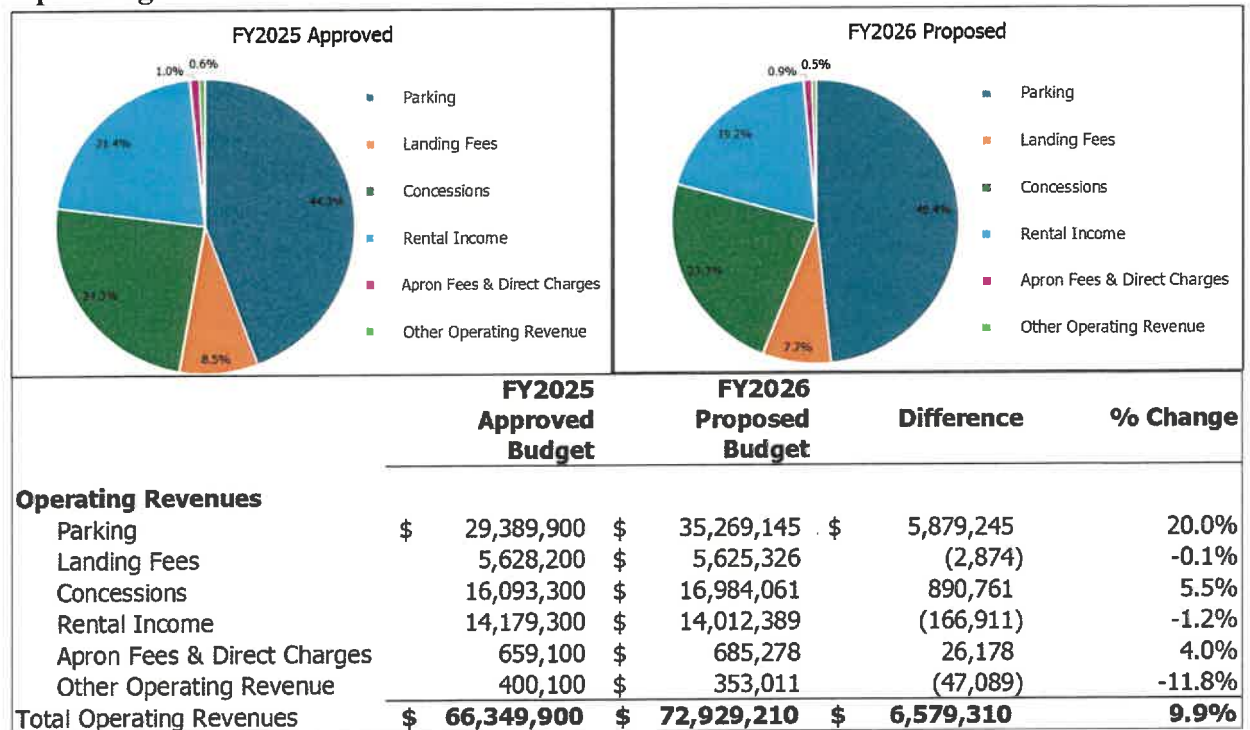
Dr. Miller expressed satisfaction in presenting the budget, noting that the staff has consistently taken a conservative approach to managing expenses and revenues, despite expected continued growth.

Dr. Miller also stated that the staff met with airline representatives regarding the new fiscal year's draft budget and rates & charges. In all his years of working with airlines, the first compliment was received and an assertion was made that RIC's presentation should become a model for airports.

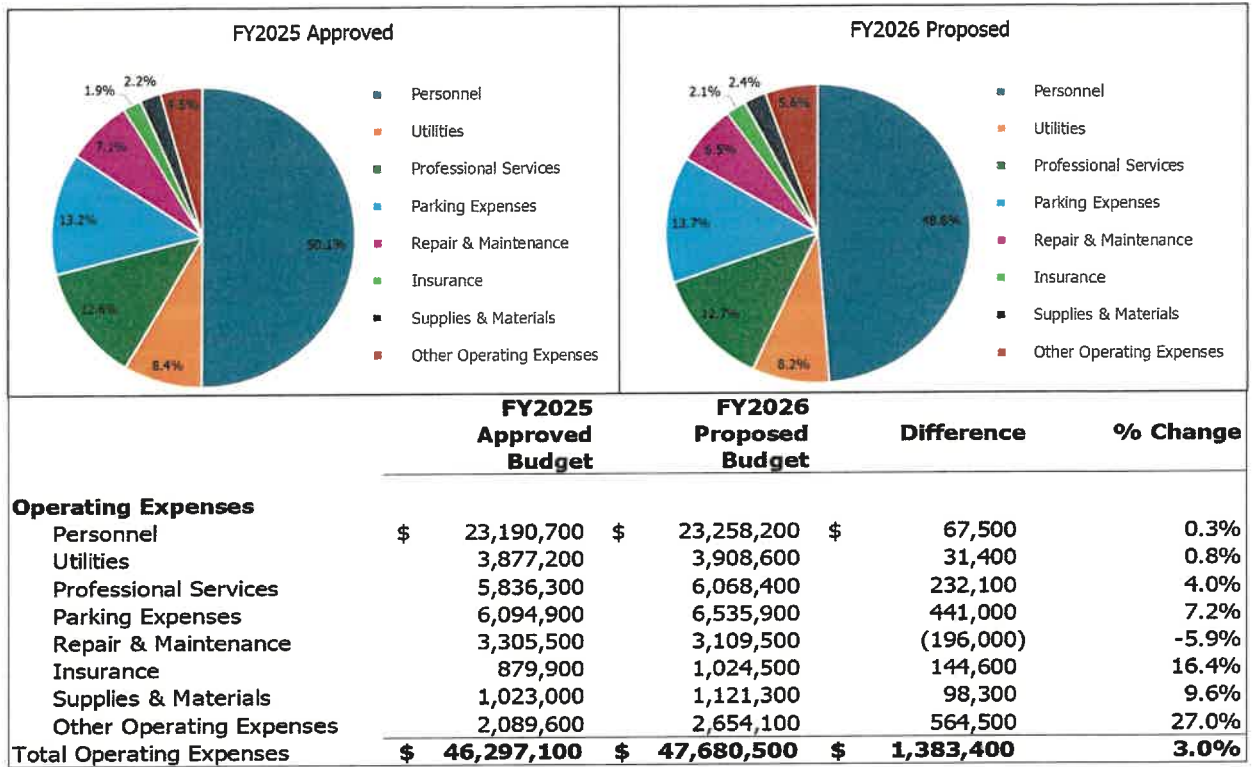
Operation & Metric Assumptions

- Passenger Enplanements – 2,472,000 (about 0.9%) above FY2025 Approved Enplanement Budget. The proposed FY2026 Enplanement Budget is two percent (2%) growth over the current FY2025 enplanement trend.
- Increase in Parking Revenues – Increased enplaned passengers and rates
- Increase in Concession Revenues – Increase in Retail, Food & Beverage, Ground Transportation, and Rental Car revenues as a result of increased enplaned passengers.
- 14 positions requested (11 Full Time & 3 Part Time), Cost-of-Living Adjustment (COLA), annual employee performance program, mid-point compensation adjustment.
- Increase in Utility costs for electricity, heating fuel, water, and sewer.
- Increase in Professional Services expenses for increase in security screening cost for aviation workers (new FAA regulation).
- Increase in Parking Operations.
- Increase in insurance, supplies & materials, and other operating expenses.

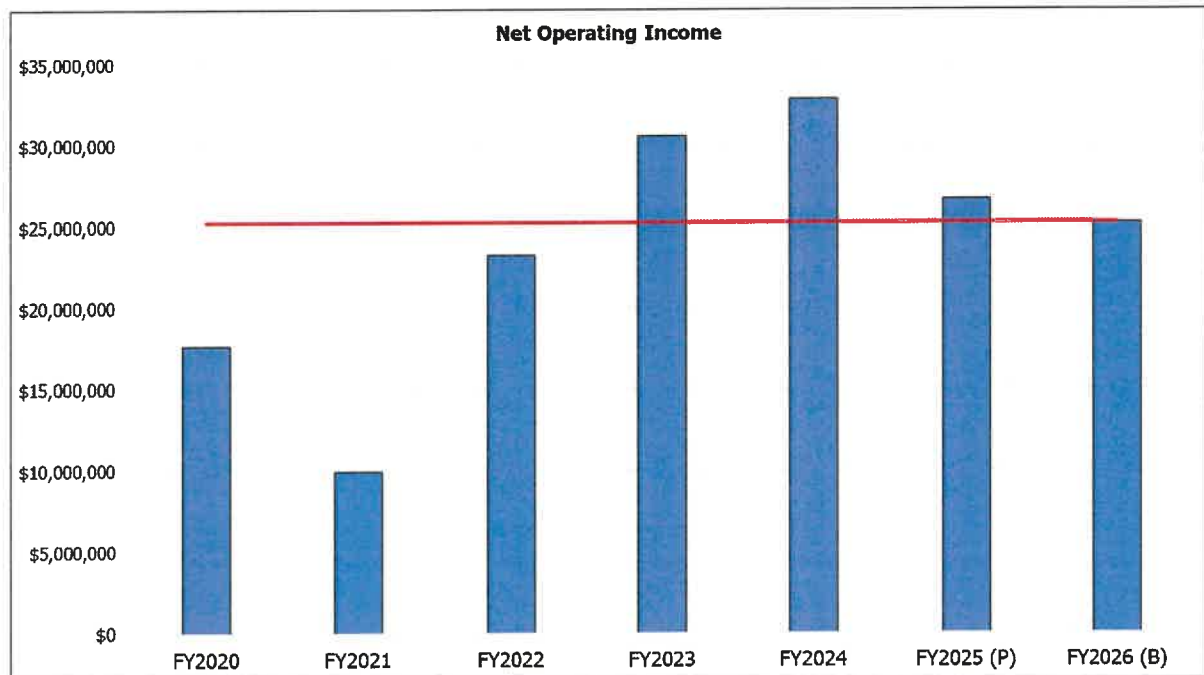
Operating Revenue:



Operating Expenses:



Net Operating Income



- FY2026 (B) (\$25,248,710)/Gross Margin (34.6%)

Department Capital Projects

	Dept #	Dept Name	Project	Budget
1	25	Grounds Maintenance	Irrigation Pump Improvements FY26	100,000.00
2	25	Grounds Maintenance	Irrigation Refurbishment and parts FY26	40,000.00
3	25	Grounds Maintenance	Security Gates and Fence FY26	50,000.00
4	25	Grounds Maintenance	Zero turn mower FY26	60,000.00
5	30	Electrical Maintenance	Airfield Replacement Parts	75,000.00
6	30	Electrical Maintenance	PBB Refurbishment	100,000.00
7	30	Electrical Maintenance	Airfield Sign Panel Replacement	50,000.00
8	30	Electrical Maintenance	GIS Development	100,000.00
9	40	Building Maintenance	Elevator and Escalator	100,000.00
10	40	Building Maintenance	Airline Relocation	100,000.00
11	41	Maint. Baggage Handling	Baggage System Replacements Parts FY26	100,000.00
12	41	Maint. Baggage Handling	Baggage Totes Replacement	12,000.00
13	42	Maint. Electronics Systems	PBX Upgrade to Voice/IP	100,000.00
14	42	Maint. Electronics Systems	Lenel Access Server and Workstation Replacement and Spare	45,000.00
15	42	Maint. Electronics Systems	Fiber Upgrade from Multimode fiber to Single Mode Fiber	100,000.00
16	43	Maint. HVAC	HVAC Refurbishment and repair	100,000.00
17	43	Maint. HVAC	Flow Meter Replacements	70,000.00
18	45	Environmental Services	Vacuum and part replacements (15)	19,000.00
19	45	Environmental Services	Microfiber Mops and Pads (10)	8,500.00
20	45	Environmental Services	Stackable Wheelchairs	10,000.00
21	50	Equipment Maintenance	2500 Pickup	70,000.00
22	50	Equipment Maintenance	Fire Truck Tires	50,000.00
23	50	Equipment Maintenance	IT Van	50,000.00
24	50	Equipment Maintenance	20ft Batwing Mower	25,000.00
25	50	Equipment Maintenance	Police Vehicle	55,000.00
26	50	Equipment Maintenance	Department Vehicle - Safety & Ops	40,000.00
27	60	Police	Glock 17 Replacement w/ Technology Update (light/MRDS)	40,000.00
28	60	Police	CJIS Compliant Document Scanning	18,000.00
29	64	ARFF	Wheeled Fire Extinguishers (15)	45,000.00
30	64	ARFF	Fire Extinguishers for Terminal Complex	10,000.00
31	64	ARFF	Accreditation	50,000.00
32	67	Landside Operations	Variable Message Board	25,000.00
33	68	Safety	Professional Consulting Services	-
34	75	Information Systems	Fueling System Upgrade	25,000.00
35	75	Information Systems	IDS Baggage Relay System	-
36	75	Information Systems	Office Equipment	100,000.00
37	87	Customer Experience	CRM Software Implementation	75,000.00
38	87	Customer Experience	VisitRichmond Renovation, Contribution	50,000.00
39	87	Customer Experience	Allocation fro IROPS CX Improvements	50,000.00
40	87	Customer Experience	Airline DR Construction Stating Barricades/Beautification	50,000.00
		Grand Total		2,167,500.00

Capital Projects Total

- Even though the capital projects listed amount to \$60.0M, only \$50.6M is funded with airport cash.

Dept #	Project Name (Alphabetized)	Budget	Notes/Comments
25	Airfield Painting FY26	200,000	Possible Doav funding - \$100,000 received in FY24
25	Landside Improvements FY24	400,000	
25	Glycol Pump Station Refurbishment	1,250,000	One pump =550,000 Henrico Cnty. 1 needed per concourse, B close to end of l
30	Parking Garages LED Upgrade Phase 3	1,500,000	Deferred from FY25 budget
30	Massey Building Parking Lot LED Upgrade	250,000	Deferred from FY25 budget
30	B Lot LED Lighting Upgrade	650,000	
30	Airport Drive Overhead Sign LED Lighting Upgrade	400,000	
40	B Concourse Roof Replacement	1,500,000	
40	Maintenance Roof Replacement	200,000	
41	BHS Security/Fire Door Design and Replacement (Increase)	900,000	
43	AHU Replacement - B concourse	6,300,000	Split between last fy & current fy budget reduced from 10,000,000
43	Cooling Tower Replacement	2,100,000	
43	North and South Garage Unit Replacement (stairwells)	2,200,000	
50	Canopy Extension for Runway - Delcing fluid storage area	300,000	
50	CNG Buses	900,000	Deferred from FY25 Budget request

64	ARFF Foam Transition to F-3 Foam	500,000	
67	Parking License Plate Reader Camera Upgrade	335,000	
67	Parking UCD Barcode Reader Upgrade	265,000	
67	Landside Project Development	200,000	Moved from 5530 - Consulting Services
70	ERP/EPM/HCMS Replacement	4,000,000	
72	Airport Drive Drainage Improvements	3,000,000	VDOT - Design
72	Existing Garages Signage Replacement	3,980,000	
72	Economy Lot B Improvements	1,900,000	
72	Master Stormwater Basin Improvements	3,000,000	
72	Central Receiving and Distribution Facility	5,000,000	
72	Consolidated Security Checkpoint (GMP Design)	12,000,000	
72	Richmond Jet - FBO Improvements	1,200,000	
72	Million Air - FBO Improvements	500,000	
75	IT Infrastructure Modernization - Implementation (Phase 2)	1,500,000	Will use Contingency funds to complete project (500,000 fy 25, 1.5 mil fy 26)
75	IT Master Plan - Common Use	900,000	
75	Enterprise Resource Planning Solution	500,000	
75	Daktronics Digital Signage Replacement	200,000	
75	Data Base DBA Support (Solvaria)	250,000	
83	HRIS (Cloud Service)	750,000	
87	Visual Standards	200,000	Reduced from \$500,000 by Martin R.
87	Curb to Gate LIDAR	750,000	Updated figure provided by Aaron K. down from \$1,000,000
		\$ 59,980,000	

Other O&M and Capital Reserve Funds

- **Reserve Fund - \$6,418,873**
- Contingency Fund to fund emergencies, unanticipated operational and capital needs, and other various need-based projects.
- This will include repairs, unusual weather storm damage, icing, etc. replacements to property, plant & equipment.

FY 2025 Proposed Budget Summary

Description	FY2025 Approved Budget	FY2026 Proposed Budget	Difference	% Change
Operating Revenues	\$ 66,349,900	\$ 72,929,210	\$ 6,579,310	9.9%
Operating Expenses	46,297,100	47,680,500	1,383,400	3.0%
Net Operating Income	\$ 20,052,800	\$ 25,248,710	\$ 5,195,910	25.9%
Add: Interest Income	1,391,400	1,532,100	140,700	10.1%
Less: Interest Expense	1,346,900	1,192,700	(154,200)	-11.4%
Less: Other, Net (Amort. Of Bond Issue Costs)	42,700	40,700	(2,000)	-4.7%
Net Income (Excluding Depr. Only)	\$ 20,054,600	\$ 25,547,410	\$ 5,492,810	27.4%
Fund Summary				
BOY Cash/Investment Balance (Estimated)	\$ 150,000,000	\$ 150,000,000	\$ -	0.0%
Add: Net Income	20,054,600	25,547,410	5,492,810	27.4%
Add: Projected Grant Fund (AIP & BIL) Carry forward	-	-	-	
Add: Projected Grant Fund (AIP & BIL)	900,000	25,210,600	24,310,600	2701.2%
Add: Projected Grant Fund (CDF)	-	-	-	
Add: Projected Grant Fund (DOAV)	320,000	3,084,200	2,764,200	863.8%
Add: Projected Grant Fund (PFC)	10,975,000	11,700,000	725,000	6.6%
Add: Projected Grant Fund (CFC)	300,000	7,000,000	6,700,000	
Add: Other	-	200,000	200,000	
Less: Department Capital	1,981,800	2,167,500	185,700	9.4%
Less: Capital Project	37,358,890	71,367,100	34,008,210	91.0%
Less: Bond & Debt Principal Payment	5,755,700	3,932,214	(1,823,486)	-31.7%
Less: Contingency Fund	3,657,100	6,418,873	2,761,773	
EOY Cash/Investment Balance (Estimated)	\$ 133,796,111	\$ 138,856,500	\$ 5,060,400	3.8%

Fund Balance Financial Forecast – 5 Years

- A 2% projected enplanement growth for FY2026-FY2029.
- Operating Revenue and Expenses are forecasted at a 2% growth rate.
- Department capital is consistent with historical trends at \$2 million.
- Capital project is based on the Airport Capital Improvement Program (ACIP), which is submitted annually to the Federal Aviation Administration (FAA).
- The goal is to keep the fund balance at a healthy level of about \$100M, which is almost a thousand days' cash on hand.

	FORECAST				
	FY2026 Proposed Budget	FY2027	FY2028	FY2029	FY2030
FUND BALANCE FINANCIAL FORECAST - 5 YEARS	1	2	3	4	5
Enplanement	2,472,000	2,521,400	2,571,800	2,623,200	2,675,700
Operating Revenues					
Parking	\$ 35,269,145	\$ 35,974,500	\$ 36,694,000	\$ 37,427,900	\$ 38,176,500
Landing Fees	5,625,326	5,737,800	5,852,600	5,969,700	6,089,100
Concessions	16,984,061	17,323,700	17,670,200	18,023,600	18,384,100
Rental Income	14,012,389	14,292,600	14,578,500	14,870,100	15,167,500
Apron Fees & Direct Charges	685,278	699,000	713,000	727,300	741,800
Other Operating Revenue	353,011	360,100	367,300	374,600	382,100
Total Operating Revenues	\$ 72,929,210	\$ 74,387,700	\$ 75,875,600	\$ 77,393,200	\$ 78,941,100
Operating Expenses					
Personnel	\$ 23,258,200	\$ 23,723,400	\$ 24,197,900	\$ 24,681,900	\$ 25,175,500
Utilities	3,908,600	3,986,800	4,066,500	4,147,800	4,230,800
Professional Services	6,068,400	6,189,800	6,313,600	6,439,900	6,568,700
Parking Expenses	6,535,900	6,666,600	6,799,900	6,935,900	7,074,600
Repair & Maintenance	3,109,500	3,171,700	3,235,100	3,299,800	3,365,800
Insurance	1,024,500	1,045,000	1,065,900	1,087,200	1,108,900
Supplies & Materials	1,121,300	1,143,700	1,166,600	1,189,900	1,213,700
Other Operating Expenses	2,654,100	2,707,200	2,761,300	2,816,500	2,872,800
Total Operating Expenses	\$ 47,680,500	\$ 48,634,200	\$ 49,606,800	\$ 50,598,900	\$ 51,610,800
Net Operating Income	\$ 25,248,710	\$ 25,753,500	\$ 26,268,800	\$ 26,794,300	\$ 27,330,300
Non-Operating Income/(Expenses)					
Interest Income	1,532,100	1,562,700	1,594,000	1,625,900	1,658,400
Interest Expense	1,192,700	1,216,600	1,240,900	1,265,700	1,291,000
Other, Net (Amort. Of Bond Issue Costs)	40,720	41,500	42,300	43,100	44,000
Projected Grant Fund (AIP & BIL) Carry forward	-	-	-	-	-
Projected Grant Fund (AIP & BIL)	25,210,600	16,312,500	6,637,500	10,350,000	15,000,000
Projected Grant Fund (CDF)	-	-	-	-	-
Projected Grant Fund (DOAV)	3,084,186	4,350,000	1,770,000	2,760,000	4,000,000
Projected Grant Fund (PFC)	11,700,000	84,000,000	-	-	-
Projected Grant Fund (CFC)	7,000,000	-	-	-	-
Other	200,000	-	-	-	-
Total Non-Operating Income/(Expenses)	\$ 47,493,466	\$ 104,967,100	\$ 8,718,300	\$ 13,427,100	\$ 19,323,400
Net Income (excluding Depreciation)	\$ 72,742,176	\$ 130,720,600	\$ 34,987,100	\$ 40,221,400	\$ 46,653,700
FUND BALANCE (Cash & Investments) Beginning	\$ 150,000,000	\$ 138,856,500	\$ 117,971,000	\$ 135,845,600	\$ 153,790,600
Long-Term Debt	(2,167,500)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Department Capital	(71,367,100)	(141,750,000)	(8,850,000)	(13,800,000)	(20,000,000)
Capital Project	(3,932,214)	(3,470,000)	(3,660,000)	(3,812,000)	(3,665,000)
Bond & Debt Principal Payment	(6,418,874)	(4,386,100)	(2,602,500)	(2,664,400)	(2,730,500)
FUND BALANCE (Cash & Investments) Ending	138,856,500	117,971,000	135,845,600	153,790,600	172,048,800

Before approval of the FY 2026 Budget, Mr. Kooch presented the Plan of Finance.

c. Plan of Finance

Background:

- Davenport & Company LLC, as Financial Advisor to the Capital Region Airport Commission (the “Commission”) has prepared the revised Plan of Finance Scenarios herein as a follow up to our Plan of Finance analysis dated May 14, 2024, that was presented during the FY 2025 Budget Development Process.
- The revised Plan of Finance Scenarios are based on the following:
 - Conservative enplanement forecast to address a potential recession in the economy.
 - FY 2024 Audited Financial Information.
 - FY 2025 Budget.
 - FY 2026 Proposed Budget.
 - Updated CIP for FY 2025 and Previously Approved Projects.
- Proposed CIP for FY 2026 and Planning Years FY 2027 through FY 2030

Enplanements Forecast

■ FY 2024 Actual Enplanements totaled 2,440,506.

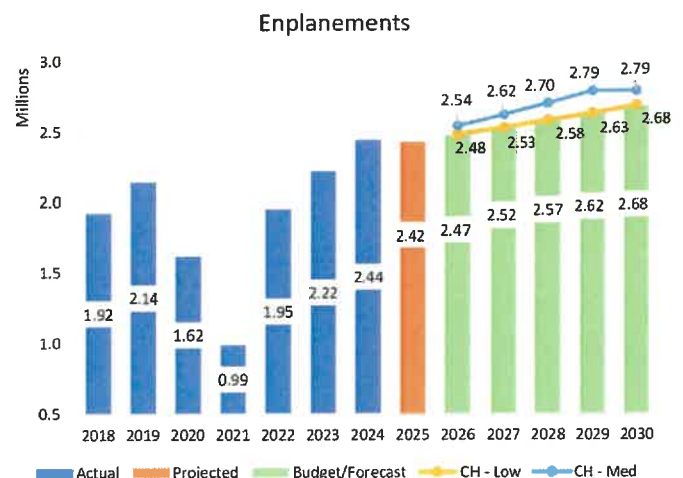
■ FY 2025 Projected Enplanements total 2,423,164.

- Approximately 1.1% under FY 2025 Budget figure of 2,450,400

■ FY 2026 Proposed Budget for enplanements assumes 2,472,000 or growth of 2.0% over the FY 2025 Projected (0.9% over the FY 2025 Budgeted) figure(s).

- Additionally, the FY 2026 enplanement and future years’ assumptions are below Campbell Hill’s Low Forecast.

■ A conservative 2.0% growth assumption for future years to address a potential recession in the economy. This growth rate is slightly lower than the FAA’s Terminal Area Forecast of 2.3%.



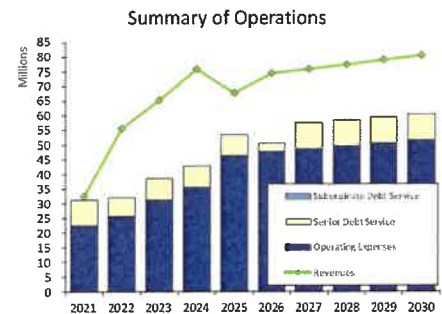
Key Revenue/Expense Assumptions

■ Revenue Assumptions:

- FY 2026 Proposed Budget of \$72.9 Million has been incorporated based on conservative enplanement estimate of 2,472,000.
- The FY 2026 Proposed Revenue Budget is approximately 9.9% above the FY 2025 figure.
- Future Enplanement growth
 - FY 2027 and thereafter is based on a conservative approach toward growth.
 - Assumption of 2.0% growth to address a potential recession in the economy.
- Revenue growth in FY 2027 and thereafter assumes revenues per enplanement are held constant (from FY 2026 Proposed Budget level) for all major revenue categories.
- Overall Revenue growth mirrors the 2% enplanement growth assumption.

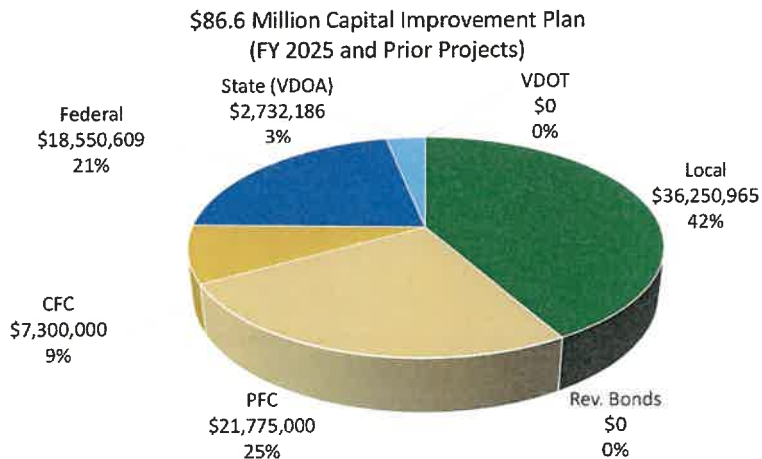
■ Expense Assumptions:

- FY 2026 Proposed Expense Budget of \$47.7 Million has been incorporated.
- The FY 2026 Proposed Budget is approximately 3.0% above the FY 2025 Budget figure. The increase is generally attributable to Parking, Insurance and other operating expenses.
- Expense growth in FY 2026 and thereafter assumes 2% inflation factor:
- Increase in Debt Service assumes new Revenue Bond issuance for Security Checkpoint Widening Project in FY 2027.



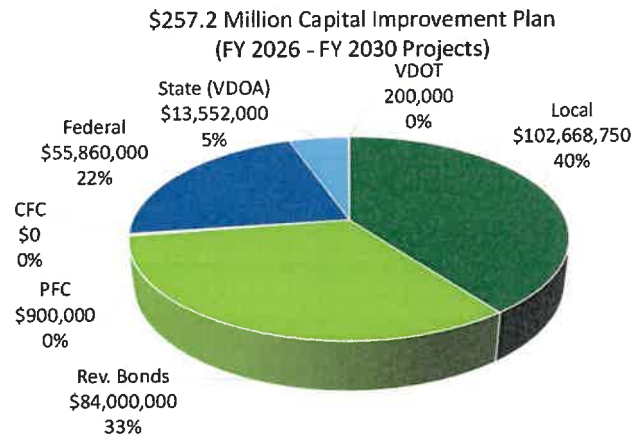
CIP Assumptions | FY 2025 and Previously Approved Projects

- Adopted FY 2025 CIP and increases to Prior Projects (approved in previous budgets) totals approximately \$86.6 Million.
- Local Commission Funds total \$36.3 Million
- Other Sources of Funding total \$50.3 Million



CIP Assumptions | FY 2026 through FY 2030 Projects

- Updated CIP: Current and planned projects from FY 2026 through FY 2030 totaling \$257.2 Million have been incorporated.
 - The present plan does not incorporate Parking Garage expansion.
 - GARB Revenue Bond Debt: Approximate \$84 Million Debt Funding for related to the Security Checkpoint Widening in FY 2027.
 - Other Major projects include:
 - East side Aprons 4 and 5 construction, Reconstruction of Taxiways H, J, K and T, Runway 2-20 Rehabilitation



Projected Results – Scenario A: Baseline General Airport Revenue Credit

- The Preliminary Results with respect to the General Airport Revenue Bonds is shown below:

General Airport Revenue Bonds	Actual	Actual	Actual	Budget	Prop Budget	Projection	Projection	Projection	Projection
	2022	2023	2024	2025	2026	2027	2028	2029	2030
Operating Revenues	55,595,888	65,337,876	75,966,927	67,741,300	74,461,310	75,950,400	77,469,600	79,019,100	80,599,500
Operating Expenses	25,634,160	31,196,559	35,542,039	46,297,100	47,680,500	48,634,200	49,606,800	50,598,900	51,610,800
Revenues Available	29,961,728	34,141,317	40,424,888	21,444,200	26,780,810	27,316,200	27,862,800	28,420,200	28,988,700
Total Debt Service	6,456,940	7,358,256	7,310,710	7,102,600	3,012,828	8,818,881	8,814,069	8,821,656	8,815,731
Coverage	4.64	4.64	5.53	3.02	8.89	3.10	3.16	3.22	3.29

Note: Projected Debt Service Coverage incorporates new Revenue Bonds in FY 2027.

- Debt Service Coverage for FY 2026 is budgeted at approximately 8.89x.
 - The minimum coverage target is 1.25x.
- Debt Service Coverage is projected to be in excess of 3.0x in future years due to incorporation of new Revenue Bond Debt (\$84 Million) for Security Checkpoint Widening project

Projected Results – Scenario A: Baseline

PFC Revenue Credit

- The Preliminary Results with respect to the PFC Revenue Credit is shown below:

PFC Revenue Bonds	2022	2023	2024	2025	2026	2027	2028	2029	2030
Enplanements (Net of Discount)	1,861,713	2,123,119	2,288,302	2,297,579	2,317,832	2,364,188	2,411,472	2,459,702	2,508,896
PFC Charge (Effective)	\$4.38	\$4.38	\$4.38	\$4.38	\$4.38	\$4.38	\$4.38	\$4.38	\$4.38
Interest Income	57	57	58	13,600	31,369	28,964	28,725	94,132	186,738
Revenues Available	8,154,360	9,299,319	10,022,820	10,076,996	10,183,471	10,384,109	10,590,973	10,867,625	11,175,700
Total Debt Service	0	0	0	844,271	1,191,913	3,011,913	3,012,023	3,012,289	3,012,592
Coverage	NA	NA	NA	11.94	8.54	3.45	3.52	3.61	3.71

- Debt Service on PFC Bond financing begins in FY 2025.
 - This financing was undertaken in the October 2024 (FY 2025) to cover cash flow spending beginning in FY 2025-FY2026 for PFC Projects in the current PFC Application (Passenger Boarding Bridge Replacement and Restroom Renovations).

Note: Debt Service Coverage factors in approximate \$30.2 Million of PFC Debt in issued in FY 2025.

- Total Debt Service assumes:
 - Interest only in FY 2025 & FY 2026. Interest rate of 3.95%
 - Repayment of principal begins in FY 2027 over 13 years.

Sensitivity Scenarios Analyzed – Preliminary Results

- Sensitivity Scenario B: Severe Economic Downturn** – Enplanements assumed to decline over two years (-8% FY 2027) and (-3% FY 2028) similar to the Commission's experience in the Great Recession.
 - Preliminary GARB Coverage Results are shown below:

General Airport Revenue Bonds	Actual 2022	Actual 2023	Actual 2024	Budget 2025	Prop Budget 2026	Projection 2027	Projection 2028	Projection 2029	Projection 2030
Operating Revenues	55,595,888	65,337,876	75,966,927	67,741,300	74,461,310	68,657,488	66,676,070	68,009,687	69,369,893
Operating Expenses	25,634,160	31,196,559	35,542,039	46,297,100	47,680,500	48,634,200	49,606,800	50,598,900	51,610,800
Revenues Available	29,961,728	34,141,317	40,424,888	21,444,200	26,780,810	20,023,288	17,069,270	17,410,787	17,759,093
Total Debt Service	6,456,940	7,358,256	7,310,710	7,102,600	3,012,828	8,818,881	8,814,069	8,821,656	8,815,731
Coverage	4.64	4.64	5.53	3.02	8.89	2.27	1.94	1.97	2.01

- The above projections do not incorporate any future budget adjustments or revenue increases (i.e., Parking Rates) that may improve results.

- Preliminary PFC Coverage Results are shown below:

PFC Revenue Bonds	2022	2023	2024	2025	2026	2027	2028	2029	2030
Enplanements (Net of Discount)	1,861,713	2,123,119	2,288,302	2,297,579	2,317,832	2,132,405	2,068,433	2,109,802	2,151,998
PFC Charge (Effective)	\$4.38	\$4.38	\$4.38	\$4.38	\$4.38	\$4.38	\$4.38	\$4.38	\$4.38
Interest Income	57	57	58	13,600	31,369	28,964	22,634	72,898	147,129
Revenues Available	8,154,360	9,299,319	10,022,820	10,076,996	10,183,471	9,368,899	9,082,371	9,313,829	9,572,879
Total Debt Service	0	0	0	844,271	1,191,913	3,011,913	3,012,023	3,012,289	3,012,592
Coverage	NA	NA	NA	11.94	8.54	3.11	3.02	3.09	3.18

Sensitivity Scenario C: Minimum Enplanement for 1.25x GARB Debt Service Coverage – Based on the FY 2025 Proposed Budget for expenses (approximately \$47.7 Million):

- Enplanements could potentially decrease 20% to an approximate

estimate of 1,969,000 (versus the budgeted level of 2,472,000) and the Commission is projected still to meet its 1.25x debt service coverage target in FY 2027 when the new Revenue Bonds come online.

- PFC Coverage would decrease to 2.69x in FY2027.

Chairman Holland thanked Mr. Kooch for the presentation.

WHEREAS, Staff has submitted to the Capital Region Airport Commission (the “Commission”) proposed annual operating and capital budgets (together, the “Budget”) for the Commission for the fiscal year beginning July 1, 2025, and ending June 30, 2026, which Budget has been reviewed by the Commission;

WHEREAS, it is necessary to adopt the Budget and approve the various expenditures, capital projects and appropriation of funds to cover the various elements included therein;

WHEREAS, the Commission, in exercising its independent judgment, has considered the Budget and the availability of funds and contemplated expenditures as set forth therein, and now desires to approve and adopt the Budget for fiscal year 2026.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Budget, consisting of the fiscal year 2026 annual operating and capital budgets of the Commission for the capital projects, funds and divisions described therein is hereby, approved and adopted as proposed on this date, May 27, 2025, subject to and contingent upon the availability of funds as indicated therein, such Budget to be in effect beginning July 1, 2025.
2. Staff of the Commission is hereby directed and authorized to do all things necessary or desirable to implement the Budget and the undertakings, projects and matters therein authorized.
3. This resolution shall be in effect on and after its adoption.

At Chairman Holland’s request, Commissioner Hazzard seconded the motion that was made by the Finance & Audit Committee to approve the FY2026 Budget.

The motion passed unanimously.

d. Lease Amendment – United Parcel Service Inc.

Mr. Peaden reviewed the following resolution:

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

WHEREAS, United Parcel Service, Inc. (“UPS”) and the Commission are parties to that certain Deed and Agreement of Lease dated May 25, 1993, as supplemented by Addendum No. 1 dated September 23, 1993, and by Addendum No. 2 dated January 7, 1994, and as amended by First Amendment of Deed and Agreement of Lease dated February 1, 1999, and by Second Amendment of Deed and Agreement of Lease dated October 8, 2018 (collectively the “Lease”), pursuant to which Lease UPS (i) leased certain land at the Richmond International Airport (the “Airport”) comprising 87,857 square feet, upon which UPS constructed certain air cargo handling and office facilities and related improvements (the “Improvements”), title to which Improvements has since vested in the Commission, and (ii) was granted certain use rights on a portion of the cargo apron at the Airport comprising 127,300 square feet, all for purposes of conducting specified air cargo activities.

WHEREAS, the Lease Term, as previously extended, expired on November 30, 2023, and UPS has been in holdover status since, during which holdover period UPS has continued to pay minimum annual rent in the amount payable during the last year of the Lease Term.

WHEREAS, the Commission and UPS desire to amend the Lease to extend the Lease Term upon the following terms:

Extension Term:	July 1, 2025 – June 30, 2030 (5 years)
Optional Additional Extension Term (subject to Commission approval):	July 1, 2030 – June 30, 2035 (5 years)
Annual Rent:	\$281,328.00
Rent Escalation:	No escalation during Extended Term; annual increases equal to the greater of 2% or CPI-U increases during Additional Extension Term, if exercised.
Catch-Up Rent Payments:	During the Extension Term, UPS shall pay a total of \$133,939.98, payable in 60 equal monthly installments of 2,232.34, as back rent for underpaid rent amounts during the holdover period of December 1, 2023, through June 30, 2025.

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

At Chairman Holland's request, Commissioner Nelson seconded the motion that was made by the Finance & Audit Committee to approve the United Parcel Service Lease Amendment.

The motion passed unanimously.

e. Cargo Ramp Use Agreement – StratAir LLC

Mr. Peaden reviewed the following resolution:

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

WHEREAS, StratAir, LLC ("StratAir") currently leases 40,000 square feet of concrete cargo apron space and 40,000 square feet of asphalt cargo apron space (collectively, the "Leased Premises") in the South Cargo Ramp Parking area within the Airport Operations Area under that certain Cargo Ramp Use Agreement originally entered into by and between the Commission and Majestic Terminal Services, Inc. dated June 1, 2020, subsequently assigned to StratAir by that Assignment and Assumption of Cargo Ramp Use Agreement dated November 8, 2020 (collectively the "Ramp Agreement"), which assignment was approved by the Commission on October 27, 2020.

WHEREAS, the Ramp Agreement expires on May 31, 2025.

WHEREAS, StratAir has requested an amendment to the Ramp Agreement to extend the term thereof through April 30, 2028, and to document an expansion of its 80,000 square-foot Leased Premises to support cargo flight operations by others by approximately 39,000 square feet of additional asphalt cargo apron.

WHEREAS, the initial Base Rent payable for the expanded Leased Premises shall be \$134,320.80 per annum, subject to annual increases equal to the greater of two percent (2%) or the increase in CPI-U, as provided in the Ramp Agreement.

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

At Chairman Holland's request, Commissioner Hazzard seconded the motion that was made by the Finance & Audit Committee to approve the StratAir Lease Amendment.

The motion passed unanimously.

f. U.S.A. Acting through the U.S. Department of Justice, FBI Lease

Mr. Peaden reviewed the following resolution:

Staff recommends, with the approval of the Finance & 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" for the purpose of operating the Richmond International Airport (the "Airport");

WHEREAS, the Commission has previously entered into a Deed and Agreement of Non-Commercial Aeronautical Lease with the United States of America, acting through the U.S. Department of Justice, Federal Bureau of Investigation ("FBI") dated August 1, 2009, as amended from time to time (the "Lease") for the use of certain areas at the Airport, which Lease shall expire pursuant to its terms on July 31, 2029;

WHEREAS, the FBI has requested to lease additional premises at the Airport, commonly known as the old Dominion hangar facility, including certain land; hangar, office, and ramp space; and parking area (the "Additional Premises"), for the remainder of the Lease term, on the terms set forth below, subject to escalations and adjustments as provided in the Lease:

Land – 135,166 Sq. Ft. @ \$0.35	\$47,308.10 per year
Hangar – 15,889 Sq. Ft. @ \$4.80	\$76,234.63 per year
Office Space – 3,904 Sq. Ft. @ \$12.80	\$49,981.82 per year
Ramp – 54,305 Sq. Ft. @ \$0.33	\$18,013.51 per year
POV Parking – 23,024 Sq. Ft. @ 0.75	\$17,268.00 per year

Total Revenue for Additional Premises: \$208,806.06 per year

The Commission shall provide maintenance and janitorial services for the Office Space, for which services the FBI will reimburse the Commission, subject to either party's right to terminate the agreement with respect to the provision of such services with thirty (30) days' written notice, all in accordance with the terms of the Lease.

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

1. The President and CEO is hereby authorized to execute a lease or amendment to the Lease with the FBI embodying the above terms and conditions, with such completions, changes, omissions or insertions as the President and CEO, upon advice of counsel, may deem appropriate.

2. The President and CEO is hereby authorized and directed to take all actions and to execute all other documents necessary and appropriate to carry out the transactions contemplated by this Resolution, subject to review by legal counsel.

At Chairman Holland's request, Commissioner Ukrop seconded the motion that was made by the Finance & Audit Committee to approve the FBI Lease Amendment.

The motion passed unanimously.

g. Foreign Trade Zone (FTZ) Usage Driven Application Lineage Logistics.

Mr. Peaden reviewed the following resolution:

Commission staff recommends, with the concurrence of the Finance and Audit Committee, that the Commission adopt the following resolution:

WHEREAS, the Capital Region Airport Commission (the "Commission"), as grantee of Foreign-Trade Zone #207, operates the FTZ under the "Alternate Site Framework," as approved by the U.S. Foreign-Trade Zones Board in 2014, which designation allows greater flexibility and responsiveness to serve single-operator/user locations. Under the Alternate Site Framework, a "usage driven" site is designated for a company ready to pursue conducting FTZ activity. The designation is tied to the specific company and limited to the space needed by the company; and

WHEREAS, Lineage Logistics, LLC ("Lineage") is a temperature-controlled warehousing and logistics company with over 480 locations in eighteen countries, including 223 U.S.-based locations, providing integrated

supply chain solutions essential for international trade, which has been in operation since 2008; and

WHEREAS, Lineage currently operates a warehouse facility totaling approximately 147,137 square feet on approximately nineteen acres located at 1135 West Hundred Road in Chester, Virginia (the “Chester Supply Chain Site”) from which it provides services to Altria Group Distribution Company (“AGDC”) and its affiliates and service recipients; and

WHEREAS, as the U.S. import tariff landscape continues to be highly volatile, AGDC is actively evaluating opportunities for duty deferral on imported materials and finished goods, and would benefit from the flexibility of storing dutiable products until they are needed for sale or production and potentially, based upon international customer requirements, the ability to sell and transfer title to products within an FTZ immediately prior to export; and

WHEREAS, Lineage is requesting that the Commission assist it in its application for FTZ usage driven status for approximately 77,523 square feet of space at its Chester Supply Chain Site, to allow it to provide product storage, staging and related services to AGDC prior to export; and

WHEREAS, Commission staff has met with Lineage representatives and Lineage is preparing the required documents and fees to initiate the application action, the annual fee for such usage driven status being \$12,000, as specified in the Commission’s FTZ schedule of rates and charges.

NOW, THEREFORE, BE IT RESOLVED, in accordance with Chapter 380, Virginia Acts of Assembly of 1980, as amended, that the Capital Region Airport Commission, Grantee of FTZ #207, hereby authorizes its President and CEO to make application to the Foreign-Trade Zones Board of the United States on behalf of Lineage, for a federal grant of authority, and further authorizes the President and CEO to execute the applicable agreement(s) to establish a foreign-trade usage driven site at Lineage’s Chester Supply Chain Site, to be used and operated by Lineage, subject to review by legal counsel.

At Chairman Holland’s request, Commissioner Nelson seconded the motion that was made by the Finance & Audit Committee to approve the FTZ Usage Driven Application for Lineage Logistics.

The motion passed unanimously.

h. FTZ Subzone Application – Lutron Electronics

Mr. Peaden reviewed the following resolution:

Commission staff recommends, with the concurrence of the Finance and Audit Committee, that the Commission adopt the following resolution:

WHEREAS, the Capital Region Airport Commission (the “Commission”), as Grantee of Foreign-Trade Zone #207, operates the FTZ under the “Alternate Site Framework,” as approved by the U.S. Foreign-Trade Zones Board in 2014; and

WHEREAS, Lutron Electronics Co., Inc. (“Lutron”) is a design and technology-centered company based in Coopersburg, Pennsylvania, that creates and markets innovative, high-quality products, including automated light and shade controls for homes and commercial applications; it has been in operation since the late 1950s; and

WHEREAS, Lutron currently operates a facility on 21.563 acres located at 11520 Sunshade Lane and 11560 North Lakeridge Parkway in Ashland, Virginia (the “Ashland Site”); and

WHEREAS, Lutron is requesting that the Commission, as Grantee of FTZ #207, assist it in its application for activation of an FTZ subzone for two buildings at the Ashland Site totaling 214,000 square feet, consisting of 54,000 square feet at 11520 Sunshade Lane, and 160,000 square feet at 11560 North Lakeridge Parkway (the “Proposed Subzone”), to allow it to provide warehousing, labeling, assembly, production, and distribution of electronic components, products, window coverings, automated shades, and accessories; and

WHEREAS, the Proposed Subzone will supply another Lutron subzone that is being established in Pennsylvania, and will be important for Lutron to remain competitive in the global economy; and

WHEREAS, Commission staff has met with Lutron representatives and Lutron is preparing the required documents and fees to initiate the application action. The application, activation, and annual operating fees for the subzone shall be as specified in the Commission’s FTZ schedule of rates and charges.

NOW, THEREFORE, BE IT RESOLVED, in accordance with Chapter 380, Virginia Acts of Assembly of 1980, as amended, that the Capital Region Airport Commission, Grantee of FTZ #207, hereby authorizes its President and CEO to make application to the Foreign-Trade Zones Board of the United States on behalf of Lutron, for a federal grant of authority, and further authorizes the President and CEO to execute the applicable agreement(s) to establish a foreign-trade subzone within FTZ #207 at Lutron’s Ashland Site, to be used and operated by Lutron, subject to review by legal counsel.

At Chairman Holland's request, Commissioner Macfarlane seconded the motion that was made by the Finance & Audit Committee to approve the FTZ Subzone Application for Lutron.

The motion passed unanimously.

i. Award of Specialty Coffee & Locally Themed Bar/Lounge Kiosk

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 November 22, 2024, the Commission issued Request for Proposals 24-2478 for Specialty Coffee and Locally Themed Bar/Lounge Kiosk Concessions (the "RFP"), which RFP was published to the Commonwealth of Virginia's eVA e-procurement marketplace website; and

WHEREAS, the RFP requested proposals for the design, construction and operation of a Specialty Coffee Kiosk and a Locally Themed Bar/Lounge Kiosk to enhance the food and beverage service offerings at Richmond International Airport (the "Airport"), to be located in Concourse A, near Gates A-8 and A-11, respectively; and

WHEREAS, on or before the submission deadline, as extended, of February 14, 2025, the Commission received a total of one (1) proposal; 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) proposed capital investments in facilities, including design and functionality of improvements and quality and durability of materials; (iii) experience and quality of past performance; (iv) financial considerations including perceived reasonableness of pro-forma operating statements, underlying assumptions supporting sales forecasts, ability to sustain projected sales, financial ability to undertake the terms and conditions of the contract, and projected revenues to the Commission; (v) 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 (vi) ability to meet the Commission's 100% SBEC participation goal for the project.

WHEREAS, based upon its evaluation of the proposal received, the

evaluation committee has recommended acceptance of the proposal submitted by Lewmer Enterprises LLC (“Lewmer”), for The Beet Box Cafe, a juice bar and cafe kiosk, and Homegrown Local Bar & Marketplace, a locally themed bar and lounge kiosk with locally-sourced full-service food and bar offerings and grab-and-go items.

WHEREAS, pursuant to the RFP, concessionaire shall pay to the Commission a monthly concession fee based on a percentage of gross sales from its operations at the Airport, with a minimum annual guarantee; and

WHEREAS, Lewmer has proposed to pay to the Commission rent equal to (i) twenty percent (20%) of alcoholic beverage sales, (ii) twelve percent (12%) of food and non-alcoholic beverage sales, and (iii) fifteen percent (15%) of retail merchandise sales, with a minimum annual guarantee of Two Hundred Forty Thousand Dollars (\$240,000) for the first year, and 80% of prior year’s rent payments for each year thereafter; and

WHEREAS, the RFP provided for an expected contract term of five (5) years with the possibility of two (2) successive one (1) year extensions, at the sole discretion of the Commission, subject, however, to the Commission’s right to terminate without cause upon thirty (30) days’ written notice; and

WHEREAS, Lewmer has requested that the concession agreement allow for a total of five (5) years of possible term extensions; and

WHEREAS, Commission staff believes that it is in the interests of the Commission to authorize the President and CEO, in the exercise of his discretion and upon advice of legal counsel, to extend the concession agreement for up to (5) years following the initial five (5) year term, 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 as provided in the RFP with Lewmer Enterprises LLC, consistent with its proposal and in accordance with Commission staff’s recommended terms approved hereby, subject to

the fulfillment 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 Chairman Holland's request, Commissioner Carroll seconded the motion that was made by the Finance & Audit Committee to approve the Lewmer Enterprises LLC Lease and Concession Agreement.

The motion passed unanimously.

j. Award of Locally Themed Bar/Lounged Kiosk Concession

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 November 22, 2024, the Commission issued Request for Proposals 24-2479 for Locally Themed Bar/Lounge Kiosk Concession (the "RFP"), which RFP was published to the Commonwealth of Virginia's eVA e-procurement marketplace website; and

WHEREAS, the RFP requested additional passenger services and the addition of Specialty Coffee and Locally Themed Bar/Lounge at Richmond International Airport (the "Airport"); and

WHEREAS, on or before the submission deadline, as extended, of February 14, 2025, the Commission received a total of one (1) proposal; 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) proposed capital investments in facilities, including design and functionality of improvements and quality and durability of materials; (iii) experience and quality of past performance; (iv) financial considerations including perceived reasonableness of pro-forma operating statements, underlying assumptions supporting sales forecasts, ability to sustain projected sales, financial ability to undertake the terms and conditions of the contract, and projected revenues to the Commission; (v) 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 (vi) ability to meet the Commission's 25% ACDBE participation goal for the project.

WHEREAS, based upon its evaluation of the proposal received, the evaluation committee has recommended acceptance of the proposal submitted by Faber, Coe and Gregg of Florida, Inc. ("FC&G"), for a locally themed, bar and lounge kiosk concession with full-service food and bar offerings and grab-and-go items at the end of concourses A & B.

WHEREAS, pursuant to the RFP, concessionaire shall pay to the Commission a monthly concession fee based on a percentage of gross sales from its operations at the Airport, with a minimum annual guarantee; and

WHEREAS, FC&G has proposed to pay to the Commission rent equal to (i) twenty-two percent (22%) of alcoholic beverage sales, (ii) sixteen percent (16%) of food and non-alcoholic beverage sales, and (iii) eighteen percent (18%) of retail merchandise sales, with a minimum annual guarantee of Eight Hundred Forty Thousand Dollars (\$840,000); and

WHEREAS, the term of the 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 as provided in the RFP with Faber, Coe and Gregg of Florida, Inc., consistent with its proposal and in accordance with the terms approved hereby, subject to the fulfillment 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 Chairman Holland’s request, Commissioner Schneider seconded the motion that was made by the Finance & Audit Committee to approve the Faber, Coe, and Gregg of Florida Inc. Lease and Concession Agreement.

The motion passed unanimously.

2. **Planning & Construction Committee**

In Committee Chair Dibble’s absence, Chair Holland requested Mr. Tummala to proceed.

a. **Award of Contract for Garage Lighting Replacement Project**

Mr. Tummala reviewed the following resolution:

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

WHEREAS, on April 4, 2025, the Commission issued Invitation for Bid #25-2488 (the “IFB”), which IFB was published to the Commonwealth of Virginia’s eVA e-procurement marketplace website, to solicit bids for its Garage Lighting Replacement Project (the “Project”), to include the replacement of existing fluorescent, high pressure sodium and metal halide exterior light fixtures on the first floor of the public North Garage Expansion and the second floor of all public garages at Richmond International Airport with new LED fixtures in accordance with the drawings and specifications set forth in the IFB; and

WHEREAS, on or before the submission deadline of May 7, 2025, the Commission received a total of five (5) bids, three (3) of which were deemed responsive bids and two (2) of which were non-responsive, as summarized below:

Responsive Bidders	Bid Price
Strangways Enterprises, Inc. d/b/a Independent Lighting & Electrical (Virginia Beach, VA)	\$1,241,275.00
C&C Electrical Services, Inc. (Charles City, VA)	\$1,302,832.00
Ebenezer Electric, LLC (Woodbridge, VA)	\$1,478,150.00

Non-Responsive Bidders	Bid Price
Michele's Cleaning LLC (Henrico, VA)	\$750,000.00
Moon'k Films Devoted Production Studios (Arlington, VA)	No bid price

WHEREAS, Strangways Enterprises, Inc. d/b/a Independent Lighting & Electrical ("Independent Lighting"), of Virginia Beach, Virginia, submitted the lowest bid, and its bid conformed with the IFB requirements. The cost difference between the lowest bid and the second lowest bid is \$61,557.00, or approximately 5%, and the cost difference between the lowest bid and the highest bid is \$236,875.00, or approximately 19%; and

WHEREAS, Independent Lighting is registered as a certified Small Business Enterprise (SBE); and

WHEREAS, 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:

3. That a contract for the Garage Lighting Replacement Project in the amount of \$1,241,275.00 be awarded to Strangways Enterprises, Inc. d/b/a Independent Lighting & Electrical, of Virginia Beach, Virginia.

4. That this award shall be subject to the complete execution of a written agreement as provided in the IFB and fulfillment of all other conditions precedent as set forth in the IFB, and the President and CEO is hereby authorized to execute such written agreement, for and on behalf of the Commission, upon review by legal counsel.

5. 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 Hazzard moved to approve the Strangways Enterprises Inc. with the Garage Lighting

Replacement Project. Commissioner Ukrop seconded the motion, and it passed unanimously.

IV. NEXT MEETINGS

The next **Capital Region Airport Commission** meeting will be held on Tuesday, June 24, 2025, at 8:00 a.m.

The **Executive Committee** meeting will be held on Tuesday, June 10, 2025, at 8:00 a.m.

The **Finance & Audit Committee** meeting will be held on Tuesday, July 15, 2025, at 8:00 a.m.

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

V. ADJOURNMENT

Chair Holland adjourned the meeting at 9:30 a.m.

Approved by the Commission:


Recording Secretary

James M. Holland, Chairman


Date 6/24/2025