MINUTES OF THE MEETING OF THE MEMBERS
OF THE CAPITAL REGION AIRPORT COMMISSION
September 30, 2025

I. CALL TO ORDER

Chairman Charles S. Macfarlane called the Capital Region Airport Commission's regular monthly meeting to order at 8:05 a.m. on September 30, 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, Heston, Macfarlane, Miller, Nelson, Roundtree, Schneider, and Ukrop. Present by invitation were Dr. Perry J. Miller, President and CEO; John B. Rutledge, Chief Operating Officer; Basil O. Dosunmu, Chief Financial Officer; Uday Nethula, Chief Human Resources Officer; Martin Rubinstein, Chief Growth Officer; Betty Jean Barlow, Valet Parking Attendant; Troy Bell, Director – ASD and Corp. Com.; Richard Greatti, Director – Finance; Ken Madrigal, Director – Marketing and Customer Experience; Nagesh Tummala, Director – Capital Development; Susan Joy Linn, Recording Secretary; and W. David Harless, legal counsel from Christian & Barton, LLP.

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

Commissioners Dibble, Fulton, Hazzard, Holland, and Lynch were absent.

II. CLOSED MEETING

There was none.

III. OPEN MEETING AGENDA

A. CONSIDERATION OF AGENDA AMENDMENTS

There were none.

B. CHAIRMAN'S COMMENTS

Chairman Macfarlane thanked everyone who participated in the social event last week and then shared the following comments:

- The Executive Committee will hold quarterly meetings, starting on October 28, 2025, following the full Commission meeting.

- The newly formed Branding/Visioning committee includes the following volunteers with representation from each jurisdiction:

  Jessica L. Schneider – Chesterfield County
  Grant J. Heston – City of Richmond
  Stephanie A. Lynch – City of Richmond
  Charles S. Macfarlane, Chair – City of Richmond
  Susan P. Dibble – Hanover County
  Robert S. (Bobby) Ukrop – Henrico County

  A kick-off meeting will take place in October, with the coordinated assistance of Ms. Linn.
- CapTech AI Insights and Innovations Event is scheduled for October 21st at 6 P.M. for anyone interested in learning how AI can be applied in business and public organizations. Ms. Linn will send the invitation to the Commission.
- With the importance of the 5-year Strategic Plan in setting the airport's goals, the Chair believes the Commission should review the vision, mission, and strategic priorities that were distributed and offer any comments to Dr. Perry Miller. A vote will be held next month.

With concerns about not having a quorum due to a Commission member's need for an early departure, Chair Macfarlane reprioritized the action items on the agenda to be handled first, then covered the remaining items.

C. APPROVAL OF AUGUST 26, 2025, MINUTES

At Chairman Macfarlane's request, Commissioner Heston moved to approve the minutes of August 26, 2025. Commissioner Nelson seconded the motion, and the minutes were approved unanimously.

D. PRESIDENT'S REPORT

1. Employee Recognitions

At Dr. Perry Miller's request, Mr. Rutledge presented the following employee service awards.

a. Betty Jean Barlow – 30 Years of Service

Mr. Rutledge honored Ms. Barlow with her 30-Year Service Award as a valet parking attendant. Ms. Barlow's previous experience of driving a school bus and her professionalism have built a loyal airport clientele. She exemplifies the Commission's vision of providing valet customers with exceptional experience. Mr. Rutledge thanked Ms. Barlow for her dedication and service to the Commission.

Ms. Barlow thanked the Commission.

2. **Aviation Activity Report**

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

Executive Summary
RIC set a new August passenger record with 437,346 travelers, up 2.6% year-over-year and 4.5% ahead fiscal year-to-date. Notably, JetBlue, Breeze, and United posted the highest growth rates and cargo and operations also grew, led by strong air carrier gains. New entrant Frontier prepares for October launches to Atlanta and Denver, and Breeze added Palm Beach service. Looking ahead, scheduled seat capacity indicates double-digit growth in the fall and winter.

Passenger Traffic

- Richmond International Airport (RIC) welcomed 437,346 passengers in August 2025, establishing a new monthly record for August. The total represented a 2.6 percent increase over August 2024 (426,278).
- For FY26 year-to-date, passenger traffic is tracking 4.5 percent ahead of the same period last year.
- Market share leaders: Delta (29.9%), American (27.3%), and United (12.8%).
- Fastest growth: JetBlue (+35.8%), Breeze (+26.0%), and United (+17.2%).

Cargo
Total cargo handled in August rose 0.5 percent to 20.1 million pounds, aided by higher mail volume. For FY26 year-to-date, cargo throughput is up 5.5 percent.

Aircraft Operations
Aircraft operations increased 6.2 percent in August, led by a 17.6 percent gain in the air carrier segment. Decreases were noted for air taxi, general aviation, and military categories. Through the first two months of FY26, aircraft operations are up 12.0 percent.

Additional Comments

- Frontier Airlines is on track to launch new to Atlanta and Denver beginning October 17.
- RIC recently participated in Breeze's SNAP Summit (Salt Lake City, mid-September), engaging with network planning and marketing leadership.
- During the first half of FY26, air carriers will serve 37 nonstop destinations from RIC.
- Scheduled seat capacity and departures as of September 19, 2025, via Airline Data Inc.:

Month	Seats	YOY Change	Departures	YOY Change
August 2025	549,387	+5.1%	4,856	+9.0%
September 2025	505,682	+3.7%	4,582	+9.6%
October 2025	579,705	+11.8%	5,101	+12.0%
November 2025	570,139	+16.5%	4,901	+17.1%
December 2025	570,560	+15.3%	4,877	+14.5%
January 2026	504,197	+12.2%	4,340	+12.5%

3. **<u>Strategic Plan – Wheels Up 2030</u>**

As previously stated, a postponement of the Vision, Mission, and Strategic Priorities & Objectives with the Commission to provide the Commission members with more time to review before the next meeting's vote.

4. **<u>Other</u>**

Dr. Perry Miller had the following updates:

- Next month the Federal and State Commission lobbyists have been invited to provide an update. They have been working on the idea that international flights will work at RIC, and the appropriate amount of project funding will continue to be provided.
- The book "Start with Why" by Simon Sinek has been distributed to all supervisors and above, and a copy is supplied to the Commission to enjoy. The book offers insight into navigating uncertainty and will continue to develop the airport's leadership culture.
- The imminent Government shutdown is supposed to happen tonight. Many airport services are provided by essential personnel who must continue to work to keep the airports viable, such as the Transportation Security Administration (TSA), U.S. Customs and Border Protection (CBP), Federal Aviation Administration (FAA), Air Traffic Control Towers (ATCT), Federal Bureau of Investigation (FBI), and other law enforcement agencies. These are employees who will continue to work but go without pay. Depending on the length of the shutdown, the Commission will reach out to its concessionaires to provide meals and also to the Greater Richmond Transit Company (GRTC) to establish a park-and-ride location for employees who live in the most densely

populated areas. As with the last shutdown, the airport did not experience any major disruptions.

E. COMMISSION STANDING COMMITTEE REPORTS

1. Finance and Audit Committee

a. Monthly Financial Update August 31, 2025

Mr. Dosunmu reviewed the following:

For the second month of Fiscal Year 2026, operating revenue was $13.4 million. This amount reflects an increase of approximately $500 thousand, or 4.1%, compared to the budgeted figure. The parking, concessions, landing, and apron fees have exceeded revenue expectations.

Operating expenses totaled approximately $8.1 million, which is $1.1 million less than the budgeted amount, or 12.1%. One of the main reasons is personnel expenses. There are 207 approved FTE, 174 filled, and 33 vacancies.

Overall, the year-to-date gross margin is 39%, or approximately $5.2 million of revenue added to the bottom line. This is approximately $1.6 million above budget.

For August, interest income has reached nearly $1.2 million, exceeding the budget by $900 thousand. The annual yield is currently at 3.5%, a healthy interest income.

Lastly, for August, the enplanements were 450,213 passengers, which are above budget by about 12,394.

b. Foreign-Trade Zone (FTZ) Usage Driven Application – QubicaAMF Worldwide, LLC

Mr. Rubinstein 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, QubicaAMF Worldwide, LLC ("QubicaAMF") is a global bowling products company with over 10,000 bowling centers in over 95 countries. It has been in business for over 100 years, and maintains its U.S. headquarters at 8100 AMF Drive, Mechanicsville, Virginia, in Hanover County. FTZ usage driven site designation will allow QubicaAMF to utilize zone activities and support its growing business needs related to import, manipulation, distribution, and export activities through duty deferral, weekly entry, and duty elimination; and

WHEREAS, QubicaAMF is seeking sponsorship from the Commission, as Grantee of Foreign-Trade Zone #207, and is requesting that the Commission assist QubicaAMF in its application for usage driven status for an approximately 35.7 acre (1,554,492 square-foot) industrial (M-2) zoned site owned by QubicaAMF in Hanover County, located at 8100 AMF Drive, Mechanicsville, Virginia (the "Mechanicsville Site"), on which QubicaAMF operates an approximately 354,000 square-foot warehouse facility; and

WHEREAS, Commission staff have met with QubicaAMF representatives and QubicaAMF is preparing the required documents and fees to initiate the application action. The annual fee for the usage driven status is $12,000, as specified in the Commission's FTZ schedule of rates and charges; and

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 QubicaAMF, 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 QubicaAMF's Mechanicsville Site, to be used and operated by QubicaAMF, subject to review by legal counsel.

At Chairman Macfarlane's request, Commissioner Schneider seconded the motion made by the Finance & Audit Committee to approve the FTZ Usage Driven Application for QubicaAMF. The motion passed unanimously.

c. Extension of Hangar Facility Lease with Martinair INC.

Mr. Rubinstein 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, the Commission entered into a lease dated January 16, 2013, as amended (the "Hangar Facility Lease") with Martinair, Inc. ("Martinair"), for a hangar facility at the Airport;

WHEREAS, the Hangar Facility Lease will expire on January 31, 2026;

WHEREAS, the Commission and Martinair desire to extend the term of the Hangar Facility Lease through January 31, 2031, with two additional five (5) year renewal options which, if exercised, would extend the term through January 31, 2041; and

WHEREAS, the initial annual rent will be established by an appraisal, with annual escalations thereafter equal to the greater of 2% or the increase in CPI.

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 and directed to execute an extension amendment to the Hangar Facility Lease as described above, with such completions, changes, omissions or insertions as the President and CEO, upon advice of legal counsel, may deem appropriate, and 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 Macfarlane's request, Commissioner Carroll seconded the motion made by the Finance & Audit Committee to approve the Martinair Inc. Hangar Facility Lease Extension. The motion passed unanimously.

d. Frontier Airlines Non-Signatory Airline Operating Agreement

Mr. Rubinstein reviewed the following resolution:

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

WHEREAS, Frontier Airlines, Inc. ("Frontier"), has expressed a desire to initiate direct nonstop service between Richmond International Airport and Atlanta and Denver airports, on a non-signatory basis;

WHEREAS, Frontier intends to operate these routes initially on a bi-weekly basis using Airbus A320 and/or A321 aircraft; and

WHEREAS, the Commission desires to enter into a Non-Signatory Airline Operating Agreement with Frontier, which agreement will allow for termination by the Commission upon not less than thirty (30) days' notice.

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 authorized to execute a Non-Signatory Airline Operating Agreement with Frontier Airlines, Inc., subject to review by legal counsel.

At Chairman Macfarlane's request, Commissioner Roundtree seconded the motion made by the Finance & Audit Committee to approve Frontier Airlines' Non-Signatory Operating Agreement. The motion passed unanimously.

e. Lease Amendment – United Parcel Service, INC.

Mr. Rubinstein 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, and by Third Amendment of Deed and Agreement of Lease dated July 1, 2025 (collectively the "Lease"), pursuant to which Lease UPS (i) leases certain land comprising 87,857 square feet and air cargo handling and office facilities and related improvements thereon (the "Leased Premises") at the Richmond International Airport (the "Airport"), and (ii) is granted certain use rights on a portion of the cargo apron at the Airport (the "Cargo Apron Area") comprising 127,300 square feet, all for purposes of conducting specified air cargo activities; and

WHEREAS, UPS and the Commission are parties to that Letter of Agreement dated January 1, 2019 (the "License Agreement"), pursuant to which UPS licenses from the Commission approximately 30,500 square feet of land (as more particularly described in the License Agreement, the "Licensed Premises") for short-term vehicular parking and empty air cargo container storage;

WHEREAS, UPS and the Commission desire to amend the Lease to expand the Cargo Apron Area by approximately 63,650 square feet, subject to confirmation by survey that is underway, to accommodate an additional aircraft, and to amend and incorporate into the Lease the parties' agreement with respect to UPS's use of the Licensed Premises; and

WHEREAS, the initial annual rent for the additional Cargo Apron Area will be charged at $1.45 per square foot, subject to escalation as provided in the Lease, and UPS will pay a monthly licensing fee in the initial amount of $1,299.77 ($15,597.20 annually) for the Licensed Premises, subject to 2% annual escalations.

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 Macfarlane's request, Commissioner Heston seconded the motion made by the Finance & Audit Committee to approve the United Parcel Service, Inc. Lease Amendment. The motion passed unanimously.

2. Planning & Construction Committee

Chair Macfarlane stated the Planning & Construction Committee did not meet this month.

IV. NEXT MEETINGS

The next **Capital Region Airport Commission** meeting will be held on Tuesday, October 28, 2025, at 8:00 a.m.

The **Executive Committee** meeting will be held on Tuesday, October 28, 2025, at 9:30 a.m. following the Commission meeting.

The **Finance & Audit Committee** meeting will be held on Wednesday, November 12, 2025, at 8:00 a.m.

The **Planning & Construction Committee** meeting will be held on Thursday, November 13, 2025, at 8:00 a.m., all in the Commission Boardroom in the Terminal Building.

V. ADJOURNMENT

Chair Macfarlane adjourned the meeting at 8:50 a.m.

Approved by the Commission:

Recording Secretary

Charles S. Macfarlane, Chairman

Charles S. Macfarlane

Date 10/28/25