

**MINUTES OF THE MEETING OF THE MEMBERS  
OF THE CAPITAL REGION AIRPORT COMMISSION  
September 26, 2023**

**I. CALL TO ORDER**

Chairman James M. Holland called the regular monthly meeting of the Capital Region Airport Commission members to order at 8:00 a.m. on September 26, 2023. The meeting was conducted in the Commission Boardroom in the Terminal Building. A quorum was present.

The following members were present: Commissioners Carroll, Hazzard, Heston, Hinson, Holland, Macfarlane, Nelson, Thornton, Trammell, Ukrop, Williams, and Winslow. Present by invitation were Perry J. Miller, President and Chief Executive Officer; John B. Rutledge, Chief Operating Officer; Basil O. Dosunmu, Chief Financial Officer; Troy Bell, Director – Marketing and Air Service Development; Brad Christopher, Director – Maintenance; Regina Crockett, Interim Director – Finance; Carol Gaddis, Director – IT and Innovations; Kevin Mallory, Manager – Landside Operations; Uday Nethula, Human Capital & Diversity Officer; Russ Peaden, Director – Properties and Concessions; Susan Joy Linn, Recording Secretary; and W. David Harless, legal counsel from Christian & Barton, LLP.

The special invited guest was Cathie J. Vick, Chief Development and Public Affairs Officer of the Virginia Port Authority.

Commissioners Dibble and Fulton were absent.

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

**II. CLOSED MEETING**

There was none.

**III. OPEN MEETING**

**A. COMMISSION CHAIRMAN’S COMMENTS**

Chairman Holland welcomed and thanked everyone for their attendance and participation.

**B. CONSIDERATION OF AGENDA AMENDMENTS**

There was none.

**C. APPROVAL OF AUGUST 29, 2023, MINUTES**

At Chairman Holland's request, Commissioner Ukrop moved to approve the August 29, 2023, minutes, and Commissioner Thornton seconded the motion.

The motion passed unanimously.

**D. PRESIDENT'S REPORT**

**1. Cathie J. Vick, Chief Development and Public Affairs Officer of Virginia Port Authority**


Chairman Holland welcomed Ms. Vick and noted some of Ms. Vick's accomplishments in his introduction.


**Who is the Virginia Port Authority?**

- **6 Terminals across the Commonwealth of Virginia**
  - *Norfolk International Terminals* – a container terminal
  - *Virginia International Gateway* – a container terminal
  - *Portsmouth Marine Terminal* – transforming to be an offshore wind hub.
  - *Newport News Marine Terminal* – mostly does brake and bulk commodities.
  - *Virginia Inland Port* located in Front Royal, VA – there is no water, but is a rail intermodal facility with one import and one export train daily.
  - *Richmond Marine Terminal* is a 40-year lease with the City of Richmond utilizing the James River for daily barge services (eliminating approximately 50 thousand trucks annually off Route 64).
- **The “Virginia Model”** – is a political subdivision comprising three legal constructs with two strong components.
  - *VA Port Authority (VPA)* has a board of commissioners that report to the secretary of transportation under the governor of VA.
  - *VA International Terminal* is one entity that is the marine terminal's operator.
  - *Intermodal Chassis Pool* (Note: chassis – the bed on the back of a truck that carries the container)
    - It owns approximately 14,000 chassis, and 90% are less than five years old, locally made in Emporia, VA.
  - *Assets & Equipment* – An important element is keeping ahead of the maintenance to ensure a smooth operation.
  - *Integration of Technology*.











- At Virginia International Gateway (VIG), 1<sup>st</sup> port in North America uses semi-automated rail-mounted cranes that work all night unmanned, setting up the next day's pickups and communicating the box's exact location to the driver, reducing wait times to about 30-35 minutes in and out of the terminal.
- In 2020, integration also occurred to Norfolk International Terminals (NIT) south while keeping it fully operational.
  - More integration is about to occur north of NIT, a \$650 million investment moving it from traditional stacks to lower profile semi-automatic cranes with cantilevers, allowing for movement back to accommodate being near the Norfolk Naval Airbase.
  - Also, upgrading NIT's central rail yard automation reduces the wait times for movement.
- **Current picture of Richmond Marine Terminal utilizing the local Teamsters**
  - Improvements to this terminal are a \$6.1M investment:
    - Expanding gate complex
    - Adding a drop lot outside of the terminal area
    - Adding a 2<sup>nd</sup> wharf allows for an additional barge to have two working at a time instead of one
    - Increased lighting to extend the work schedule.

Richmond Marine Terminal (RMT)

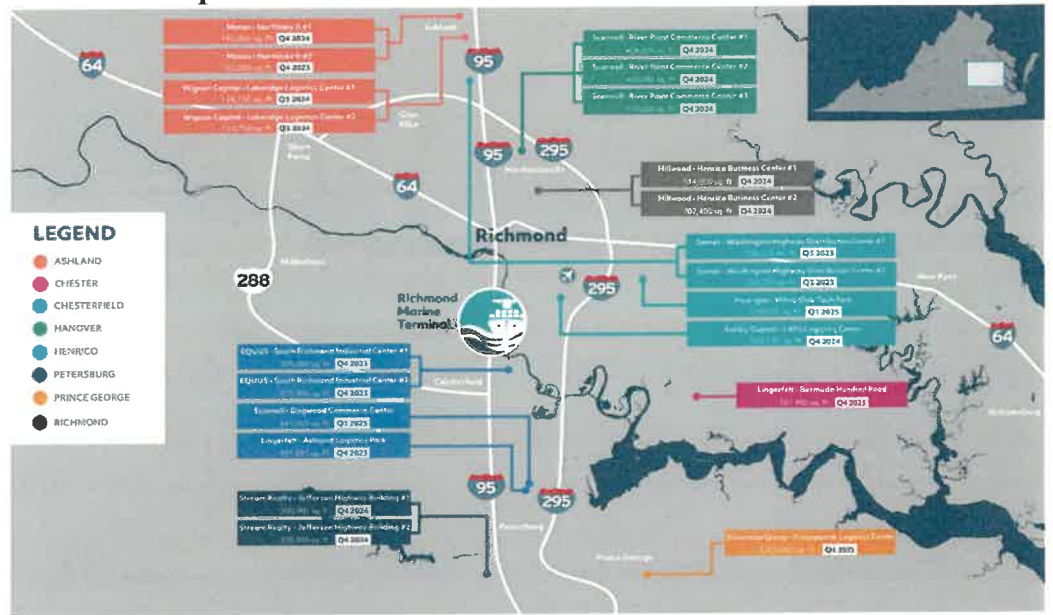




**TERMINAL SPECS**

-  121 Acres
-  3 Barges
-  Mobile harbor crane
-  83 Reefer Plugs & servicing on terminal
-  Up to 52K forklift capacity
-  19,640' Rail Track
-  Rail service via CSX; NS via local switch
-  1,570' Wharf
-  Available HRCF chassis supply on terminal
-  300,000 sq. ft. covered and uncovered storage space

- **Active Developments in Richmond**



- Since the pandemic, 23 new developers have been building spec development for distribution centers in the Commonwealth.

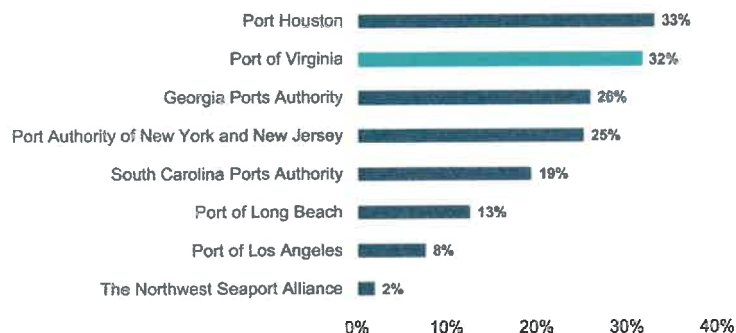
- **Expansive Rail Connectivity**

- Highest rail percentage on the east coast utilizing Norfolk Southern and CSX on-dock rail
- Reaching out as far as Kansas City in the Midwest
- The latest new line goes to Memphis, TN, increasing competition to Savannah, GA.

- **POV FY22 & FY23 Volumes**

	FY 2022	FY 2023	Change	% Change
<b>Total TEUs</b>	3,695,156	3,429,654	(265,503)	-7.2%
Export Loaded TEUs	1,045,765	1,094,012	48,247	4.6%
Export Empty TEUs	838,589	720,216	(118,374)	-14.1%
Import Loaded TEUs	1,768,850	1,568,081	(200,769)	-11.4%
<b>Total Rail Containers</b>	653,739	694,550	40,811	6.2%
<b>Total Truck Containers</b>	1,313,659	1,123,598	(190,061)	-14.5%
<b>Ship Calls</b>	1,471	1,650	179	12.2%

- **Container Port Growth Comparison (2020-2022)**



- **\$1.4 B Gateway Investment Program**
  - **Net-Zero Carbon Emissions by 2040**
    - Currently run at 69% clean electric and looking to be 100% by 2040.
- Chairman Holland thanked Ms. Vick for her presentation.

**2. Aviation Activity Report**

At Mr. Miller’s request, Mr. Bell to provide the following:

**Passenger Traffic:** For August 2023, Richmond International Airport (RIC) reports revenue passenger traffic of 421,210, an all-time record for the month and a 16.7 percent increase over the total (361,020) for the same month a year ago. Delta Air Lines was the month’s market leader with a 28.8 percent share, followed by American (27.2%) and United (14.7%).

For the calendar year-to-date, passenger traffic has jumped 18.9 percent year over year, an increase of 493,817 passengers. For the first two months of FY24, passenger traffic increased 17.7 percent.

**Cargo:** In August, total cargo (the sum of freight and mail) increased to 19.1 million pounds, a 30.6 percent bump over August 2022. As in recent months, the mail component of total cargo reported little volume. For FY24 thus far, cargo is up 25.2 percent.

**Operations:** The Federal Aviation Administration (FAA) reports operations decreased 2.0 percent in August, with a drop in general aviation activity offsetting strong increases for air carriers and air taxis. Operations are up 2.2 percent through the first two months of FY24.

**Additional Comments**

- Upcoming route launches: **Breeze**, Ft. Myers (RSW), starting November 15<sup>th</sup>; **Spirit**, Ft. Myers (RSW) and Tampa (TPA), starting November 16<sup>th</sup> and 15<sup>th</sup>, respectively.
- August 2023 tops the previous August record (2019) by 22,618 passengers (approx. 5%).
- Scheduled seat capacity as of September 19, 2023 (via Airline Data, Inc.):

Month	Monthly	Change from Previous Year
August 2023	538,829	+18.4%
September 2023	499,540	+13.4%
October 2023	536,019	+14.4%
November 2023	509,788	+12.5%
December 2023	506,822	+13.9%
January 2024	505,730	+16.7%

3. **Other**

Mr. Miller presented and congratulated Mr. Dosunmu on his American Association of Airport Executives (AAAE) Accreditation certificate. Out of the AAAE's 10,000 members, less than 1% of its members are accredited.

Mr. Dosunmu thanked Mr. Miller and the staff for the support he received in obtaining this accreditation.

E. **COMMISSION STANDING COMMITTEE REPORTS**

1. **Finance and Audit Committee**

a. **Monthly Financial Update August 31, 2023**

Mr. Dosunmu reviewed the following:

The operating revenues for the first two months ending August 31, 2023, were \$11.1 million, \$790,143 thousand greater than the budget or 7.7%. Compared to the same time last year, this year's revenue is about \$1.2 million or 12.6% greater than last year's, mainly due to increased enplanements with corresponding parking and concession revenue.

Operating expenses year-to-date were about \$6.1 million, \$1.4 million less than budget or 18.9%, primarily due to personnel, parking, and other operating costs.

Comparing pure operating revenue for the first two months, the gross margin is 45% or \$5.0 million. The gross margin for the current budget is \$2.2 million above budget or \$400 thousand above the same time as last year.

The interest income for the end of August is a little over \$1.4 million, well above budget and the same time as last year.

Lastly, enplanements year-to-date were 52 thousand above budget or 63 thousand above the same time as last year.

b. **Parking Facilities & Shuttle Management Services**

Mr. Mallory reviewed the following:

Staff recommends to the Capital Region Airport Commission (the "Commission") the adoption of the following resolution:

**WHEREAS**, the service agreement between the Commission and the existing parking and shuttle management service provider providing

service at the Richmond International Airport (the “Airport”) will expire on October 31, 2023; and

**WHEREAS**, the Commission issued Request for Proposals #23-2436 (the “RFP”) on May 30, 2023, for Management and Operation of Parking Facilities and Shuttle Bus Service; and

**WHEREAS**, the RFP requested proposals for an agreement having an initial term of two (2) years, with options at the sole discretion of the Commission for up to three (3), one-year renewal periods;

**WHEREAS**, the Commission advertised the RFP opportunity via the Commonwealth’s eVA e-procurement site, and posted the RFP on its website and bulletin board starting May 30, 2023;

**WHEREAS**, proposals were timely submitted by the following five firms (“Proposers”):

- SP Plus Corporation (“SP Plus”)
- ACE Parking III, LLC (“ACE Parking”)
- LAZ Parking Mid-Atlantic, LLC (“LAZ Parking”)
- Republic Parking System, LLC
- ABM Aviation Partnership, LLC

**WHEREAS**, the President and CEO of the Commission assembled a committee composed of qualified staff of the Commission to evaluate the proposals and to rank the Proposers based on (1) demonstrated experience, ability, and qualifications, (2) services, methodology, and approach, (3) staff and available resources, (4) demonstrated experience in revenue enhancing initiatives, (5) the firm’s financial proposal to the Commission, and (6) references;

**WHEREAS**, after the Committee’s evaluation and ranking of the Proposers, representatives of the three top-ranked Proposers, SP Plus, LAZ Parking, and ACE Parking were interviewed by the Committee at the Airport on August 24, 2023; and

**WHEREAS**, following the conclusion of the interviews, the Committee further evaluated the three top-ranked Proposers, and selected SP Plus as the top-ranked Proposer, with ACE Parking ranking as the second-ranked Proposer.

**NOW THEREFORE, BE IT RESOLVED** by the Capital Region Airport Commission, pursuant to Chapter 380, 1980 Acts of the Virginia General Assembly, as amended, that the President and CEO of the Commission is authorized to finalize and execute a management services agreement with SP Plus Corporation for the Management and Operation of Parking Facilities and Shuttle Bus Service and to execute any subsequent extensions, all as provided in the RFP and subject to review by legal

counsel. If a satisfactory agreement cannot be reached with SP Plus Corporation, the President and CEO is hereby authorized to conclude such negotiations and to commence negotiations with the second-ranked Proposer, ACE Parking III, LLC, and execute an agreement with ACE Parking III, LLC, subject to review by legal counsel.

At Chairman Holland’s request, Commissioner Williams moved to approve the Parking Facilities & Shuttle Bus Management Services Agreement, and Commissioner Hazzard seconded the motion.

The motion passed unanimously.

**2. Planning & Construction Committee**

Committee Chairman Hinson stated that the Planning & Construction Committee did meet this month and reviewed the following as a committee.

**a. Award of Contract for Terminal Switchboard Replacement Project**

Mr. Rutledge reviewed the following:

The Commission advertised for bid on July 31, 2023, the Terminal Switchboard Replacement Project (the “Project”). In response, the Commission received One (1) bid on August 29, 2023, summarized below as to the bidders and bid prices:

<u>Bidder</u>	<u>Bid Price</u>
Ebenezer Electric LLC	\$2,200,000.00

Ebenezer Electric LLC of Woodbridge, VA submitted the low and only bid. The Engineer’s Opinion of Probable Costs (EOPC) for the project was \$2,260,000.00. The Ebenezer Electric LLC bid is less than the EOPC by a sum of \$60,000.00 or 2.65%.

Ebenezer Electric LLC is certified by the Commonwealth of Virginia as a Minority Business Enterprise (MBE).

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 with Chapter 380, Virginia Acts of Assembly of 1980, as amended, the following:

1. That a contract for the Terminal Switchboard Replacement Project in the amount of \$2,200,000.00 be awarded to Ebenezer Electric LLC as the lowest apparent responsive and responsible bidder. This award shall be subject to confirmation by the President and Chief Executive Officer, in consultation with the Commission’s design and construction



- professionals and legal counsel, that Ebenezer Electric LLC is a responsive and responsible bidder;
2. That this award shall be subject to the complete execution of a written agreement as provided in the Invitation For Bid (IFB) and fulfillment of all other conditions precedent set forth in the IFB, and the President and Chief Executive Officer is hereby authorized to execute such written agreement upon review by legal counsel;
  3. That the President and CEO, for and on behalf of the Commission, is authorized to enter into grant agreements with agencies of the United States and/or the Commonwealth of Virginia (collectively, "Grantors") for the acceptance and use by the Commission of funding, if any, that may be available from such Grantors for the Project; and

Since the Planning & Construction Committee approved the Award of Contract for the Terminal Switchboard Replacement Project, Commissioner Hinson seconded the motion at Chairman Holland's request, The motion passed unanimously.

**b. Authorization of Issuance of Task Order for Architectural Design Services for Proposed ARFF Station.**

Mr. Rutledge reviewed the following:

**WHEREAS**, the Commission entered into a Master Agreement for on-call architectural services with Gresham Smith ("Gresham") effective January 1, 2022. The Agreement provided for an initial term of one (1) year, and provided for four (4) optional 1-year renewals;

**WHEREAS**, the Commission executed on December 28, 2022, Amendment One which renewed the term of the Master Agreement from January 1, 2023, to December 31, 2023;

**WHEREAS**, the Commission executed on July 5, 2023, Amendment Two which decreased the available one-year renewals to three (3) renewal periods, and increased the maximum fee per task order to \$2,500,000 pursuant to recent amendments to Section 2.2-4303.1 of the Code of Virginia;

**WHEREAS**, Gresham submitted a proposal on June 19, 2023, for design services for the relocation of the Aircraft Rescue and Fire Fighting ("ARFF") Station. The cost contained in that proposal was \$2,027,172 (including direct costs);

**WHEREAS**, the Commission requested an Independent Fee Estimate (IFE) by Kutchins & Groh, LLC ("K&G") of the Gresham

proposed scope of work. K&G performed an IFE based on the scope (with fees redacted) provided by Gresham, and presented an IFE totaling \$1,901,976;

**WHEREAS**, thereafter the Commission's staff discussed and negotiated with Gresham a revised fee in the amount of \$1,843,802, which reflects a reduction of \$183,370, or 9.05%, of Gresham's original proposed fee. The revised proposal from Gresham also is 3.05% lower than the IFE prepared by K&G;

**WHEREAS**, Gresham's original task order contained surveying costs of \$46,190. In order to expedite the survey of the site, the Commission has already issued a separate task order to Gresham in that amount;

**WHEREAS**, the estimated construction cost for the ARFF Station is \$20,000,000. The design fee would be 9.22% of this estimated cost;

**WHEREAS**, Commission staff presently believes that this design expense will be funded, in part, under a future federal FAA Airport Improvement Program grant or Virginia Department of Aviation grant, but likely not before the entire construction is presented for grant consideration; and

**WHEREAS**, the authority of the President and Chief Executive Officer to enter into contracts on behalf of the Commission without the prior approval and authorization of the Commission is limited in amount to contracts not exceeding One Million Dollars (\$1,000,000) in amount.

**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 Chief Executive Officer is authorized to issue a task order in the amount of \$1,843,802 under the Master Agreement for on-call architectural services directing that Gresham Smith perform design services for the relocation of the Aircraft Rescue and Fire Fighting Station, all subject to review by legal counsel;
2. That the President and CEO, for and on behalf of the Commission, is authorized to enter into grant agreements with agencies of the United States and/or the Commonwealth of Virginia (collectively, "Grantors") for the acceptance and use by the Commission of funding, if any, that may be available from such Grantors for the expense of such design services; and

3. That the Commission authorizes its legal counsel to certify this action to such federal and state agencies and verify the Commission's authorization of the acceptance of grant agreements with such agencies and the receipt of the associated grant funds, if any, for the expense of such design services.

Since the Planning & Construction Committee approved the Authorization of Issuance of Task Order for Architectural Design Services for Proposed ARFF Station, Commissioner Hinson seconded the motion at Chairman Holland's request,

The motion passed unanimously.

**c. Construction Update**

Mr. Rutledge provided the following:

***Concourse A Apron Expansion & De-icing Facility***

- Approximately fourteen acres of concrete apron
- Includes De-icing Pad and Spent Aircraft De-icing Fluid collection system.
- Paving Complete
- Remaining items: Commissioning of Glycol Pump Station, Striping, Electrical Work, and Punch List.
- The contract value is \$20.1 million.
- Contractor: Hi-Way Paving Inc. of Hilliard, OH
- Federal Aviation Administration (FAA) and Virginia Department of Aviation (DOAV) funded.

***Federal Inspection Service (FIS) Facility***

- Contract Value: \$6.2 million
- Contractor: SorensenGross-Asturian Joint Venture, LLC, Springfield, VA.
- Total renovation of existing Federal Inspection Service Facility
- Substantial completion by the first of November, completion by the end of the year
- U.S. Customs and Border Protection (CBP) Upfit duration 30 to 60 days

***Taxiway E & Taxiway C Intersection Reconstruction***

- Taxiways E & C have a direct connection from Apron to Runway 2-20
- Elimination of direct connection, a point of emphasis with FAA regarding safety.
- Bids received for Taxiway E-Cancelled.

- FAA and DOAV funded.

***East Side Fixed Base Operator Development***

- Request For Proposal (RFP) to be reissued.
- The initial request is for one Fixed Base Operator (FBO).
- The Commission will build a portion of the apron.
- Anticipate East Side FBO's operational by January 1, 2026.

***Passenger Boarding Bridges Replacements***

- Replaces 12 of the 21 Older passenger boarding bridges
- Oldest bridges date back to 1988
- Received bids on September 12<sup>th</sup>
- Bid amount \$15.867,100 from AERO BridgeWorks
- Funded through FAA and Passenger Facility Charges (PFCs)

***Security Checkpoint Consolidation***

- Consolidate Checkpoints A & B into one consolidated checkpoint in "Connector" area.
- Ten lanes would provide capacity well into the future.
- Reconfigure/renovate old building interior spaces & existing office spaces.
- Complex Phasing Plan
- Benefits: Free flow of passengers between concourses, modern facilities, new technologies, and efficiency.
- Alternative construction delivery method? High-priority project for new Capital Development Director

***Williamsburg Road Mini-Storage Landscape Buffer***

- Buffer area adjacent to mini-storage buildings as exiting the Airport to the North
- Advertise for Bids October 2.

***Center Core Landscaping***

- Gresham Smith finishing the final design.
- Final cost estimate needed – budget adjustment required.
- Incorporate art consultant recommendations into the final design.
- Develop Safety & Phasing Plan

***Williamsburg Road – Airport Drive Intersection***

- Working on concepts for interior lighting of entry sign.
- Funds budgeted for final design.
- Funding for construction is to be requested with the FY 2025 Budget.
- Advertise for bids in Spring 2024 and begin construction in FY 2025.

***Rental Car Counter Relocation and Enclosed Walkway***

- Relocates Rental Car Counters from Door 3 area to expanded north baggage claim.
- Two levels of enclosed, climate-controlled walkways from the terminal to the rental car garage.
- Meetings with rental car companies are being scheduled.

***Completed, On-going & Future Projects***

- Airport Drive South Mill and Overlay – Complete
- Mid-Concourse Apron Rehab
- Solar Power Feasibility Study – Complete
- Concourse Automatic Transfer Switch (ATS) – Complete
- Concourse B Window Replacement – Complete
- Energy Audit – Complete
- Universal Electrical Vehicle Charging (EVC) in Valet Lot – Complete
- Interior Lighting LED Conversion Phase 3 – 95% Complete.
- Exterior Lighting LED Conversion under Elevated Roadway and in the North Parking Garage 1st floor – NTP issued.
- Fire Alarm Device Changeout – Under Construction
- Relocated Vehicle Wash near AMF – In Design
- Concourse A Restroom Renovations – In Design

**IV. NEXT MEETINGS**

The next meeting of the **Capital Region Airport Commission** will be held on Tuesday, October 31, 2023, at 8:00 a.m.

The **Finance & Audit Committee** meeting will be held on Tuesday, October 17, 2023, at 8:00 a.m.

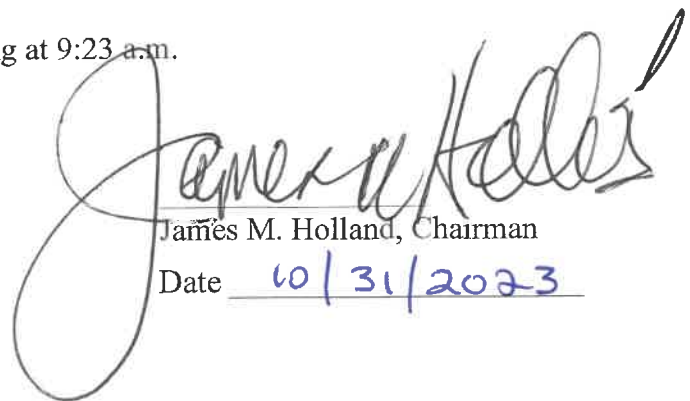
The **Planning & Construction Committee** meeting will be held on Thursday, November 16, 2023, at 8:00 a.m., all in the Commission Boardroom in the Terminal Building.

**V. ADJOURNMENT**

Chairman Holland adjourned the meeting at 9:23 a.m.

Approved by the Commission:

  
Recording Secretary

  
James M. Holland, Chairman  
Date 10/31/2023