

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

November 28, 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 November 28, 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 CEO; John B. Rutledge, Chief Operating Officer; Basil O. Dosunmu, Chief Financial Officer; Troy Bell, Director – Marketing and Air Service Development; Erica Conley, Executive Assistant; Regina Crockett, Interim Director – Finance; Carol Gaddis, Director – IT and Innovations; 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.

Special invited guest was Jon Lugbill, Executive Director of Sports Backers.

Commissioners Dibble and Fulton were absent.

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

II. OPEN MEETING

A. COMMISSION CHAIRMAN’S COMMENTS

1. Recognition of Frank Thornton, Henrico County

Chairman Holland provided a plaque to retiring Commissioner Thornton for his eight years of dedicated leadership on the Commission and for being on the board of supervisors in the region.

Commissioner Thornton honorably accepted the plaque and accolades, stating that this is one of the most outstanding boards in the region.

B. CONSIDERATION OF AGENDA AMENDMENTS

There were none.

C. APPROVAL OF OCTOBER 31, 2023, MINUTES

At Chairman Holland's request, Commissioner Heston moved to approve the October 31, 2023, minutes, and Commissioner Ukrop seconded the motion.

The motion passed unanimously.

D. PRESIDENT'S REPORT

1. Jon Lugbill, Executive Director of Sports Backers

Mr. Miller read some of Mr. Lugbill's achievements during his brief introduction.

Sports Backers Update

- **Ukrop's Monument Avenue 10k Facts**
 - 20,000 participants in 2023, with 12% outside the region
 - April 20, 2024, will be the 25th Anniversary
 - 12th largest running event in America
- **Allianz Richmond Marathon**
 - 18,000 participants in 2023, with 60% outside the region
 - November 16, 2024, event will be the 47th Anniversary
 - 17th largest marathon in American
- **Dominion Energy Riverrock**
 - 100,000 attendees in 2023
 - Showcases Richmond's thriving outdoor scene
 - The May 17-19, 2024, event will be the 16th Anniversary
 - The largest Outdoor Sports and Music Festival in the Country
- **Bike Walk RVA**
 - 40,000 volunteers in the database
 - In the past 10 years, 140 miles of new infrastructure have been built
 - Advocates at the General Assembly for safe walking and biking infrastructure
 - Lead organization for the Fall Line Trail.
- **Fall Line Trail**
 - 43-mile Paved Spine Trail
 - Connects 7 Jurisdictions
 - Connects Major Population Centers
 - Construction of 10.7 miles from Bryan Park north to Ashland starting in 2024
 - Construction of 9.3 miles from Route 10/Chester south to Petersburg beginning in 2024.
- **Fall Line Vision Plan/Key Elements**
 - Trail connections

- Cultural connections
- Inspiring users to learn, explore, and discover
- Feel comfortable, safe, and separate from motor vehicles
- **Fitness Warriors**
 - 47 free group fitness classes every week in low-income areas
 - 80% of the fitness instructors are people of color
 - Fitness classes are offered in churches, community centers, and libraries
 - Provide free fitness instructor certification training in exchange for 6 months of volunteering at a class.
- **Kids on the Move**
 - 60 classes being led at low-income schools and community centers
 - Free entries are provided to Sports Backers youth events
 - Special training for 140 volunteer coaches
 - Free shoes and equipment provided as needed
- **Active Living Leadership Stars**
 - 20 high school seniors enter the program
 - 10 months of leadership training, mentoring, and volunteering
 - Capstone Project to inspire active living
 - A minimum of \$2,500 scholarship for each student-athlete upon graduation
- **Active Living Hub**
 - New site of Sports Backers headquarters following a \$1 million renovation
 - Trailhead for the Fall Line at 4921 Lakeside
 - Fitness and group training space
 - Opportunity for training programs and events on the Fall Line trail.

Chairman Holland thanked Mr. Lugbill for his presentation and its impact on the region.

2. Aviation Activity Report

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

Passenger Traffic: For October 2023, Richmond International Airport (RIC) reports 440,736 total passengers, the busiest month ever recorded at the Airport. Passenger traffic increased 13.3 percent compared to the same period a year ago. Notably, the previous record of 439,971 was set just three months ago in July.

Four airlines saw year-over-year traffic increases exceeding 20 percent, including Allegiant (+238.9%), Breeze (+57.3%), Spirit (+55.5%), and Southwest (+21.2). Delta claimed a 28.8 percent share of passenger traffic, followed by American (26.6%).

For calendar year 2023 to date, passenger traffic has increased 17.6 percent compared to the same period last year; fiscal year-to-date (FY24) passenger traffic is up 15.3 percent.

Cargo: October’s total cargo increased 28.8 percent to 18.3 million pounds. Cargo continues to report big gains, up 33.3 percent and 25.0 percent, respectively, for the calendar and fiscal years.

Operations: In October, aircraft operations increased 10.8% versus the same month a year ago. FAA counts thus far for fiscal year 2024 have outpaced the same period in FY23 by 4.9 percent.

Additional Comments

- RIC has reported record monthly passenger figures since March 2023, eight consecutive months and counting.
- New routes to Ft. Myers (RSW), Florida, and Tampa (TPA), Florida, launched in mid-November. With the start of these flights, Breeze and Spirit will serve both destinations, much as they currently compete on the Richmond-Las Vegas route.
- Scheduled seat capacity via Airline Data, Inc., reviewed on November 20, 2023:

Month	Monthly	Change from Previous Year
October 2023	536,387	+14.5%
November 2023	499,804	+10.3%
December 2023	490,116	+10.1%
January 2024	433,500	No change
February 2024	427,296	+1.4%

3. Other

Mr. Miller briefly updated the Commission on the following:

- **Power Together Event** – Approximately 165 attendees, including the following RIC tenants: American Airlines, Delta Air Lines, Enterprise, Delaware North, and Hudson News. The purpose was to communicate the Airport's business opportunities to Small, Woman-and minority-owned businesses (SWaM). Five Power University attendees participated in this year’s 17-week course and are now all certified Disadvantaged Business Enterprise (DBEs). Twelve new individuals showed interest in the next Power University event for 2024. Special thank you to Mr. Peaden for putting this community event together.

- **Wings for Autism** – Channel 6 News picked up this story of the Airport hosting 120 community members affiliated with the Autism Society of Central Virginia who shared the airport experience from the ticket counters to the boarding of a Delta airplane. This field trip allowed these families to know what to expect should they take an actual flight in the future. A special thank you to Althea Veney, the Commission’s Community and Engagement Coordinator, who assisted with this successful event.
- **Thanksgiving at RIC** – Several airport managers and Commission staff served over 400 RIC employees who worked on Thanksgiving Day with a Thanksgiving turkey meal, including all the fixings.

E. COMMISSION STANDING COMMITTEE REPORTS

1. Finance and Audit Committee

a. Monthly Financial Update October 31, 2023

Mr. Dosunmu reviewed the following:

Year-to-date operating revenue for the first four months of the Fiscal Year was \$22.8 million, approximately \$2.2 million greater than the budget or 10.7%. In comparison to the same time last year, it is about \$2 million greater, essentially due to increased enplanements with corresponding parking and concession revenue.

Year-to-date operating expenses were about \$11.6 million, \$2.6 million less than budget or 18.3%, primarily due to vacant positions.

The year-to-date gross margin is 49% or about \$11.2 million of revenue, compared to the \$6.4 million budgeted.

The year-to-date interest income is a little over \$2.4 million compared to the budget of \$93 thousand.

Enplanements for the first four months were 842,250 passengers or 11.5% above budget.

b. Altria Facility Lease

Mr. Peaden reviewed the following resolution:

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

Altria Client Services LLC, a Virginia limited liability company (“Altria”), desires to acquire a direct leasehold interest in a portion of the Commission’s property at Richmond International Airport (the “Airport”), located at 5720 Gulfstream Road, consisting of an approximately 41,038 square-foot corporate office/hangar building on an approximately 5.77-acre tract of land, which Altria currently subleases from Aero Industries, Incorporated, as prime lessee under an existing ground lease with the Commission, upon the expiration of the existing lease term, in connection with Altria’s continued operation of its corporate aviation hangar facility at the Airport.

The lease shall be in accordance with the following basic terms and conditions:

- Lease Commencement: March 1, 2024
- Initial Lease Term: Ten (10) Years
- Lease Options: Two (2) five (5) year extension options
- Initial Annual Rent: \$508,871.36, on a triple-net basis
- Escalation: 2% annually, with CPI adjustments every five (5) years, including option periods

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 a lease agreement with Altria Client Services LLC as described above, and to take all 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, all subject to review by legal counsel.

At Chairman Holland’s request, Commissioner Hinson moved to approve the Altria Facility Lease, and Commissioner Hazzard seconded the motion.

The motion passed unanimously.

2. Planning & Construction Committee

Committee Chairman Hinson stated that the Planning & Construction Committee did not meet this month.

3. Executive Committee

a. Resolution of Authority

Mr. Holland reviewed the following:

WHEREAS, the Commission’s Enabling Act, 1980 Acts of Assembly, Chapter 380, as amended (hereinafter “Enabling Act), in Section

8 authorizes the Commissioners of the Commission to appoint such committees as they may deem advisable and fix the duties and responsibilities of such committees;

WHEREAS, in Article VI of its Bylaws, as amended through July 26, 2022 (“Bylaws”), the Commission has created the Executive Committee as a standing committee of the Commission to conduct the affairs of that standing committee and whose actions shall be subject to the final authority of the Commission;

WHEREAS, Section 8 of the Enabling Act further authorizes the Commissioners to grant to the President and Chief Executive Officer (“CEO”) of the Commission such powers and duties as they may wish to delegate to the CEO, including powers and duties involving the exercise of discretion;

WHEREAS, in Article V of its Bylaws, the Commission has provided that the CEO shall have such other powers and perform such other duties as may be delegated to him or her by the Commission, including powers and duties involving the exercise of discretion.

WHEREAS, in Article III of the Bylaws, the Commission has provided that regular Commission meetings shall be held on the last Tuesday of each month other than December, and the Commission thereby has no scheduled meeting for December 2023.

WHEREAS, the Commission deems the necessity and importance of empowering the Executive Committee, and the CEO and President under the supervision of the Executive Committee, to act on behalf of the Commission as to any matters that may come before the Commission on or before the Commission’s next meeting.

NOW, THEREFORE, BE IT RESOLVED, pursuant to 1980 Acts of Assembly, Chapter 380, Section 8, the Commission authorizes the Executive Committee, and the CEO with the Executive Committee’s supervision and approval, to consider and act on its behalf as to any matters that may affect the business of the Commission between the date of the adoption of this Resolution and the next meeting of the Commission; *provided, however*, that such actions by the Executive Committee and the CEO are subject to ratification and approval by the Commission at its next meeting or at such earlier special meeting of the Commission as may be called by the Chairman or Vice-Chairman as provided by the Bylaws.

At Chairman Holland’s request, Commissioner Hazzard moved to approve the Resolution of Authority, and Commissioner Hinson seconded the motion.

The motion passed unanimously.

III. CLOSED MEETING

The Commission convened in closed meeting at 9:15 a.m. Chairman Holland entertained a motion made by Commissioner Macfarlane and seconded by Commissioner Hinson, to go into closed meeting pursuant to Virginia Code § 2.2-3712 (A), the chair will now entertain a motion to go into closed meeting to consider the following matters:

1. Discussion and consideration of the disposition of publicly held real property for the construction of one or more general aviation fixed base operations, and which are currently subject to an outstanding request for proposals, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, as permitted by Virginia Code § 2.2-3711 (A)(3); and

2. Consultation with legal counsel retained by the Commission regarding specific legal matters pertaining to the disposition of publicly held real property for the construction of one or more general aviation fixed base operations, and the outstanding request for proposals pertaining to the same, and that require the provision of legal advice by such counsel, all as permitted by Virginia Code § 2.2-3711 (A)(8).

The motion passed unanimously.

IV. RE-OPENED MEETING

The Commission reconvened in open meeting at 9:29 a.m. Chairman Holland entertained a motion made by Commissioner Nelson and seconded by Commissioner Macfarlane, pursuant to Virginia Code § 2.2-3712 (D) that (i) only public business matters lawfully exempted from open meeting requirements, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Commission and that a statement to this effect will appear in the minutes of this meeting.

The motion passed unanimously.

V. NEXT MEETINGS

The next meeting of the **Capital Region Airport Commission** will be held on Tuesday, January 30, 2024, at 8:00 a.m.

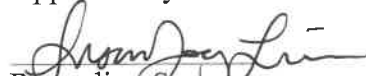
The **Finance & Audit Committee** meeting will be held on Tuesday, January 16, 2024, at 8:00 a.m.

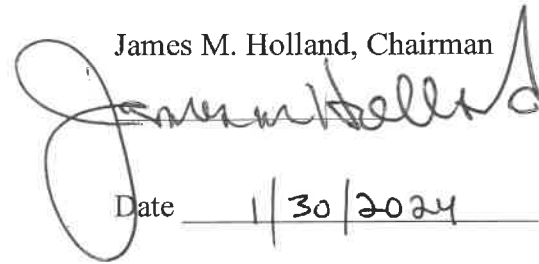
The **Planning & Construction Committee** meeting will be held on Thursday, January 18, 2024, at 8:00 a.m., all in the Commission Boardroom in the Terminal Building.

VI. ADJOURNMENT

Chairman Holland adjourned the meeting at 9:31 a.m.

Approved by the Commission:


Recording Secretary

James M. Holland, Chairman

Date 1/30/2024