

LYNCHBURG REGIONAL AIRPORT COMMISSION

Monday, June 21, 2021

4:00 p.m.

AGENDA FOR THE COMMISSION

1. Call to Order

CONSENT AGENDA

2. April 12, 2021 Commission Meeting Minutes
3. Lynchburg Regional Airport June 2021 Air Service Update
4. May 2021 Passenger Traffic Report

Consent Agenda Recommended Action: Receive and File

REGULAR AGENDA

5. Report of the Airport Director
 - A. A report regarding recent meetings with American Airlines' network planning and pricing officials and a presentation on LYH's air service levels and traffic trends
 - B. An update on construction of the airport's North GA Development Project
6. Miscellaneous business
 - A. Inquiries and/or comments by Commission Members
7. Reports of airport businesses
8. Hearings of citizens upon Commission matters
9. Next Commission meeting: August 23, 2021
10. Adjournment

LYNCHBURG REGIONAL AIRPORT

COMMISSION MEMBER UPDATE

Tuesday, June 15, 2021

REPORT

AIRLINE INDUSTRY RECOVERY BUILDS MOMENTUM

With the widespread availability of vaccine to combat the Coronavirus pandemic leading to relaxed restrictions on travel, the airline industry has been experiencing a healthy boost in passenger ticket sales throughout the spring and summer months. While the increased demand is primarily driven by leisure travel domestically, the nation's airports are experiencing some of their busiest days since the pandemic began last March. In fact, the Transportation Security Administration (TSA) reported that last Friday 2.03 million travelers were screened at U.S. airports, representing the first time in 15 months that the number of passenger screenings surpassed 2 million in a single day. While international and business travel remains depressed — and will continue to be for some time — a healthy domestic leisure market has at least returned to nearly pre-pandemic levels.

For its part, American Airlines has taken a more optimistic stance for a business travel recovery. American officials last week said that there were signs that business demand will start to pick up by September as the country continues to open up, with the third quarter encouraging and the fourth quarter building on that. In the meantime, however, American continues to focus on building its network.

Looking ahead at LYH, we had the opportunity to hold two separate Zoom meetings last month with both network planning and pricing officials at American to lobby for more flights and seat capacity in light of LYH's strong recovery in passenger demand for leisure travel. Unfortunately, we were told that in the near-term American higher-ups had decided that the spring and summer schedules would include a redeployment of most of CLT's dual-cabin regional jets to Washington and New York markets. As a result, there simply are not enough dual-cabin CRJs operating out of CLT to accommodate LYH market demand. Nonetheless, we are hopeful that our fall schedule will at least include additional frequencies of the 50-seat Embraer regional jets, and possibly even some dual-cabin CRJs. I'll have more details on our talks with American officials as part of my report to the Commission on Monday.

MAY PASSENGER TRAFFIC AT LYH CONTINUES TO CLIMB

Passenger traffic at LYH reached its highest point since the pandemic began in May, with a remarkable 451% increase in total passengers compared to the same month last year. Adding to the momentum that has been building throughout the year, May also was over 9% higher than just last month with total passengers reaching 14,202. Even more impressive, passenger load factors in May reached 80.2% while recording LYH's highest monthly load factor since December 2019. Of course, with 25% fewer departure seats available than in December 2019, it's clear that with more scheduled flights and seats to meet our growing demand the May numbers would have been even better.

SUPPLEMENTAL CARES FUNDING AWARDED TO LYH

As you will recall, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) which was passed by Congress earlier this spring included \$2 billion which was specifically earmarked to provide financial relief for the airport industry. The funds are intended to provide additional funds to airports to prevent and prepare for any operating expenses that arise due to the COVID-19 pandemic, and may be used for any purpose in which airport revenues may be lawfully used. LYH is slated to receive over \$1.26 million which must be spent within four years and funds will primarily be used for airport operating expenses. A formal grant offer was received on May 4, 2021 and recently approved by City Council.

AIRPORT EXPLORES OPTIONS FOR TERMINAL PARKING LOT OPERATIONS

Despite the return of more normal levels of passenger demand, the passenger terminal parking lot continues to underperform in both volume and revenues due to continued depressed business travel demand. Overall, parking lot revenue in the first quarter of 2021 was down 62% over the same quarter in 2019, with the return of normal business travel levels uncertain. As a result, staff have determined that this presents a good opportunity to evaluate our current parking operations and management contract to identify potential cost savings, particularly in light of new automated technology that can reduce the personnel costs associated with traditional airport parking models.

In essence, the most likely form of parking management going forward would be a hybrid version, with a combination of fully automated ticketing and exit technology and an integrated customer service center that would enable user assistance at any time of the day or night. The conversion would require a complete replacement of all parking hardware and software under either a lease arrangement or outright purchase. I'll have more information as progress continues on the project in the months to come.

PASSENGER TERMINAL RESTROOM RENOVATION UPDATE

As reported previously, this much needed remodeling of six of the passenger terminal's restroom facilities includes new touchless, high-efficiency fixtures, sinks and hand dryers, with the overall motif incorporating features with a distinctive local flare. We are now at the mid-point of the design phase with completion of that expected by mid-July, followed by the bidding process starting in August. Actual construction should commence in mid-fall with one rest room at a time taking about one month, for a total construction time of approximately six months. To accommodate airport customers during construction, air conditioned and heated portable restroom facilities will be available to the public.

TERMINAL SECURITY CHECKPOINT AND EXIT LANE EXPANSION PROJECT

To minimize passenger inconvenience during upcoming construction projects in the terminal building, it was decided that the passenger security checkpoint upgrade and expansion project would be delayed until construction of the terminal restroom remodeling was completed. In the meantime, I have visited two airports with exit lane equipment of the design we are considering, with a visit to Charlottesville-Albemarle Airport scheduled shortly. I expect the design phase for this project to start in the fall with funding provided through the use of state entitlement funds at 100%.

AGENDA FOR THE COMMISSION MEETING

Monday's regular agenda will include a detailed briefing on the results of our recent meetings with network planning and pricing officials from American Airlines, along with a presentation on the airport's traffic performance and market trends over the past year. In addition, I will provide the latest update on the multi-phased North GA Development project that's about to start construction, including grant status and construction schedule. In the meantime, if you have any questions, or would like to discuss anything prior to the meeting, please feel free to call me at 455-6089.

Respectfully yours,
Andrew LaGala, A.A.E.
Airport Director

**MINUTES OF THE
LYNCHBURG REGIONAL AIRPORT COMMISSION MEETING
Monday April 12, 2021
4:00 p.m.**

PRESENT:

Massie Ware
Janice Crawford
John Marcinik
Reid Wodicka
Robert Day
Jones Stanley

ABSENT:

Debra Allen
Tyler Carraway

STAFF PRESENT:

Andrew La Gala, Airport Director
Cedric Simon, Assistant Airport Director Ops and Maint
Cathy Vance, Assistant Airport Director Finance and Admin
Carmen Singh, Marketing and Admin Coordinator
Wes Campbell, Finance Manager

(1) CALL TO ORDER:

The meeting was called to order at 4:00 p.m. by Mr. Massie Ware. It was noted that Debra Allen and Tyler Carraway were not in attendance.

(2) APPROVAL OF February 1, 2021 CONSENT AGENDA

Mr. Massie Ware confirmed that everyone had received the items from the Consent Agenda; the Feb. 1, 2021 Commission Meeting Minutes and asked if there were any questions, comments or changes regarding the consent agenda items. There were no comments.

(3) REPORT OF THE AIRPORT DIRECTOR

- A. Proposed FY2022 Airport Operating Budget
 - a. Revenues
 - 1. budgeted to increase \$1,398,750 (46.9%) to \$4,384,083
 - 2. (\$1,800,000 from CARES grant less \$401,250 revenue "loss")
 - b. Expenses
 - 1. budgeted to increase \$1,398,293 (49.5%) to \$4,221,277
 - 2. (\$1,395,000 from CARES grant to capital projects)
 - c. Projected Surplus
 - 1. net surplus estimated at \$162,806 (7th straight year of surplus)
 - 2. Commission action – voted, all in favor of recommending Council approval
- B. North GA Development Project Update
 - a. Apron/Taxi lane construction documents out for bid
 - b. FAA Grant application for Entitlement funds is scheduled for May 3rd
 - c. Sitework scheduled to be on the State amended (EUP) for the June VAB Meeting
 - d. Construction to commence Fall 2021

- C. Andrew LaGala concludes report with Commission Meeting Marketing Updates
- a. Several Marketing projects:
 1. In process of filming 15-30 second video promoting the airport
 2. Airport 5K on the Runway
 3. New trade show set up for events (pull up signs/table covers w/logo)
 4. LYH Weather Radio Sponsorships
 5. Billboards at full saturation in Lynchburg

(4) REPORTS OF AIRPORT BUSINESSES

Mr. Ware asked if there were any questions or comments from the citizens present. There were a few comments:

- It was noted by Janice Crawford that the 5K on the Runway event was successful and the team did an excellent job.

(5) HEARINGS OF CITIZENS UPON COMMISSION MATTERS

There were none.

(6) Next Commission Meeting: June 21, 2021

(7) ADJOURNMENT

There being no further business, the meeting was adjourned.

Lynchburg Regional Airport Commission

Effective July 2021

AIR SERVICE UPDATE

Summary For the month of July we have 5 daily departures every day, except on Saturdays' we will have only 4 departures. We have all ER4 aircraft.

Carrier Profile	<u>Airline</u>	<u>Destination</u>	<u>Departures</u>	<u>Seats</u>	<u>Equipment</u>
	American Airlines	Charlotte	5	250	ER4

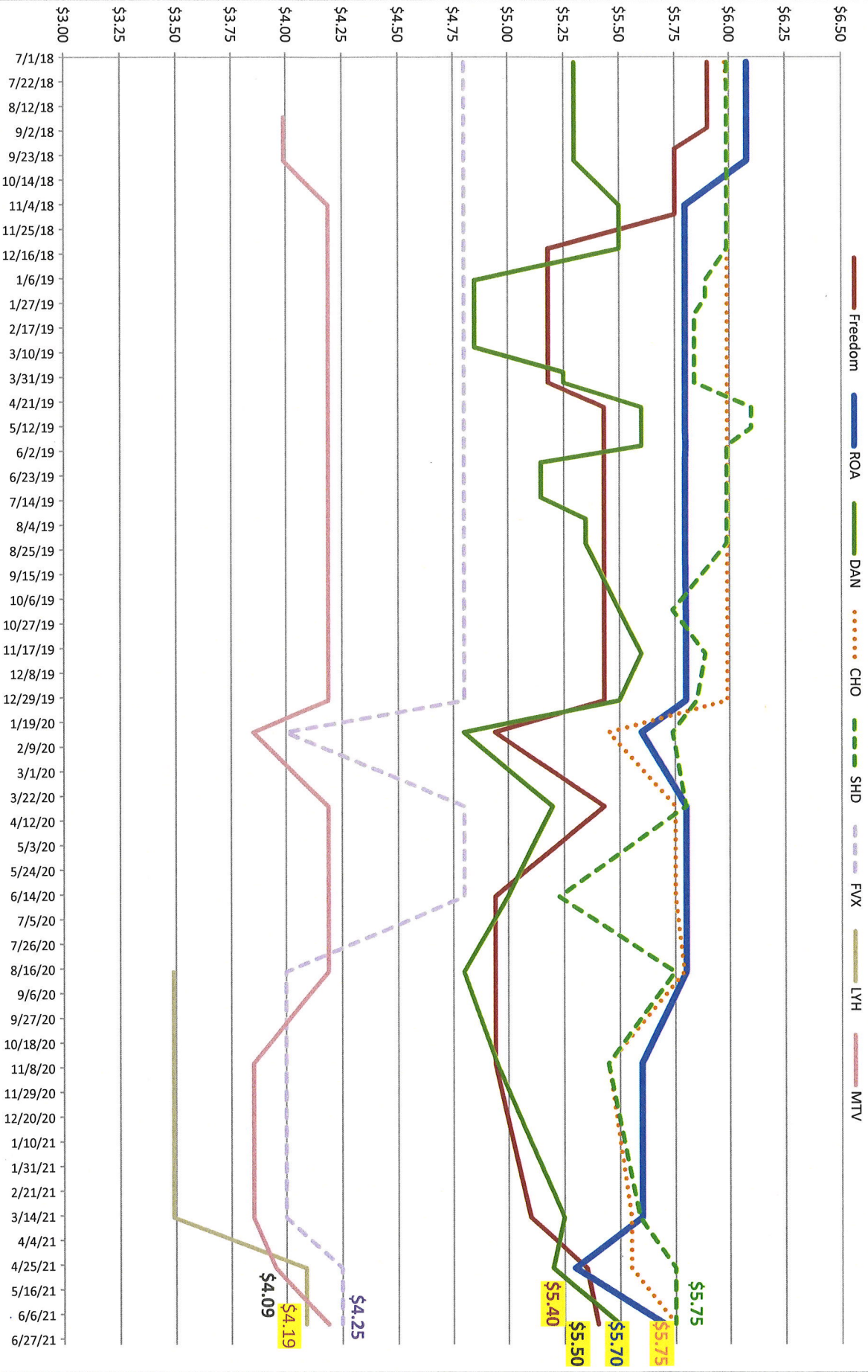
AIRPORT TOTAL: Monthly Seats: 8,850 Scheduled Flights: 177

American Airlines In July we have 5 daily departures most days.

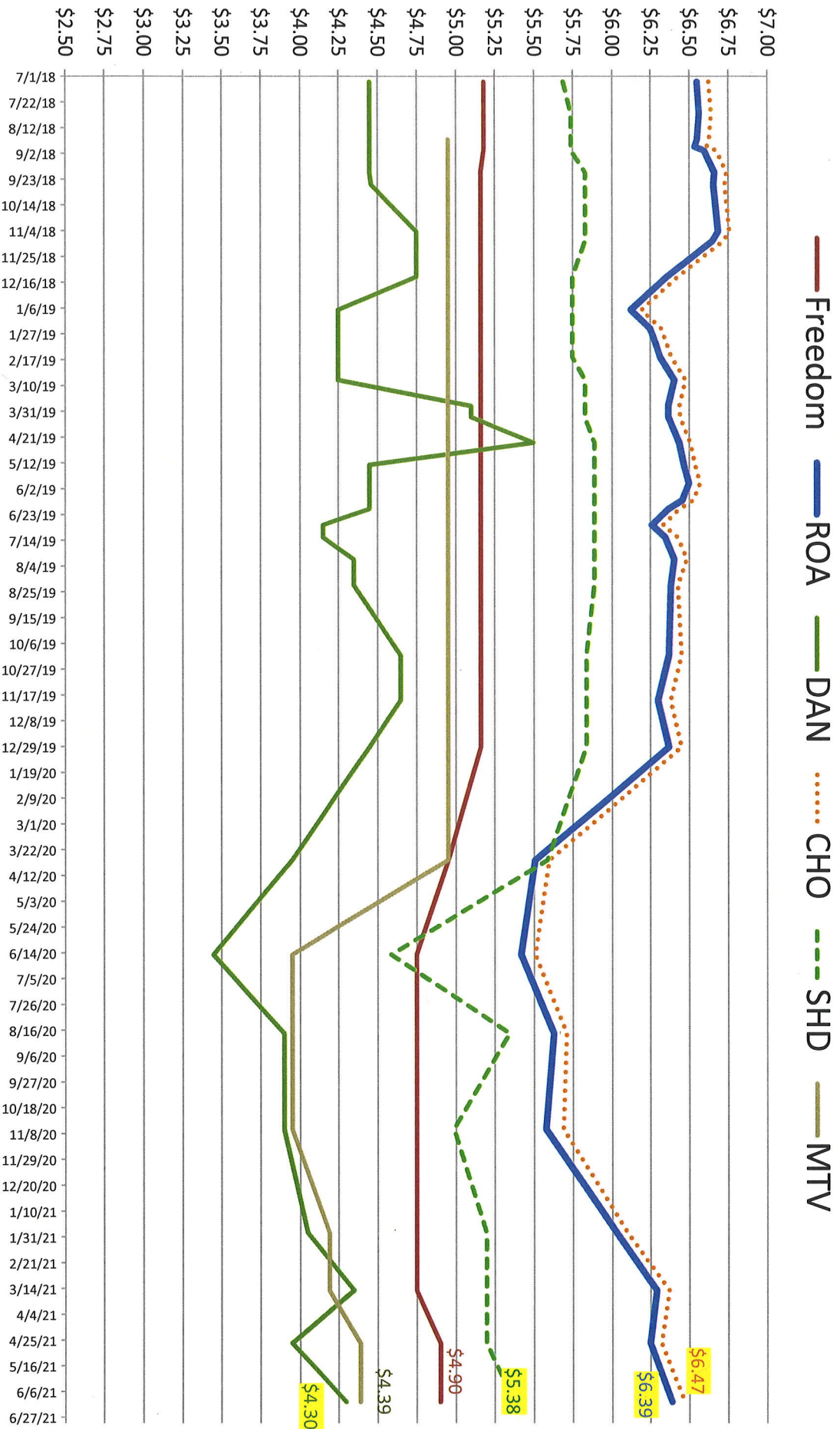
Destinations Served	<u>Non-Stop</u>	<u>Departures</u>	<u>Total</u>
	Charlotte	5 per day	145

Aircraft Types	<u>Aircraft</u>	<u>No. of Departures/Day</u>
	CR9 CRJ-900	0
	ER4 Embraer 145	5
	CR7 CRJ-700	0

100LL Fuel (Jul 1, 2018 – Jun 14, 2021)



Jet A Fuel (Jul 1, 2018–Jun 14, 2021)



LYNCHBURG REGIONAL AIRPORT AIR TRAFFIC REPORT FOR MAY 2021

	AIRLINE PASSENGERS (REVENUE ONLY)			YTD TOTALS		PERCENTAGE CHANGES			PERCENT OF AIRPORT TOTAL		
	May-21	Apr-21	May-20	2021	2020	May-21 Apr-21	May-21 May-20	21 YTD 20 YTD	May-21	Apr-21	May-20
ENPLANED											
US Airways - Piedmont	7,118	6,275	95	25,422	9,973	13.4%	7392.6%	154.9%	100.0%	100.0%	7.1%
US Airways - PSA			1,237		9,345	#DIV/0!	-100.0%	-100.0%	0.0%	0.0%	92.9%
Envoy						NA	NA	NA	0.0%	0.0%	0.0%
Charter						NA	#DIV/0!	#DIV/0!	0.0%	0.0%	0.0%
TOTAL ENPLANED	7,118	6,275	1,332	25,422	19,518	13.4%	434.4%	30.2%	100.0%	100.0%	100.0%
DEPLANED											
US Airways - Piedmont	7,084	6,494	101	25,985	6,783	9.1%	6913.9%	283.1%	100.0%	100.0%	8.1%
US Airways - PSA			1,145		8,363	#DIV/0!	-100.0%	-100.0%	0.0%	0.0%	91.9%
Envoy						NA	NA	NA	0.0%	0.0%	0.0%
Charter					169	NA	#DIV/0!	-100.0%	0.0%	0.0%	0.0%
TOTAL DEPLANED	7,084	6,494	1,246	25,985	15,315	9.1%	468.5%	69.7%	100.0%	100.0%	100.0%
TOTAL AIRLINE PASSENGERS	14,202	12,769	2,578	51,407	34,833	11.2%	450.9%	47.6%			
AIRLINE FLIGHTS											
NUMBER OF DAILY SCHEDULED DEPARTURES											
US Airways - Piedmont	6	6	1	2021	2020	May-21 Apr-21	May-21 May-20	21 YTD 20 YTD			
US Airways - PSA			1								
Envoy											
Total Daily Scheduled Departures	6	6	2								
NUMBER OF CANCELLED DEPARTURES											
US Airways - Piedmont	0	1	3	11	48						
US Airways - PSA	0	0	1	-	51						
Envoy	0	0	0	-	0						
Total Cancelled Departures	0	1	4	11	99						
NUMBER OF ACTUAL DEPARTURES											
US Airways - Piedmont	177	174	9	775	329	1.7%	1866.7%	135.6%			
US Airways - PSA			59	-	270	#DIV/0!	-100.0%	-100.0%			
Envoy	0	0	0	24	0	NA	NA	NA			
TOTAL ACTUAL DEPARTURES	177	174	68	799	599	1.7%	160.3%	33.4%			
AIRCRAFT OPERATIONS											
(Landings and Takeoffs)											
Commercial Airline	442	442	176	1,928	1,636	0.0%	151.1%	17.8%	5.0%	4.9%	5.8%
General Aviation	8,352	8,367	2,770	36,656	27,491	-0.2%	201.5%	33.3%	93.9%	92.7%	91.3%
Military	102	221	87	715	479	-53.8%	17.2%	49.3%	1.1%	2.4%	2.9%
TOTAL AIRCRAFT OPERATIONS	8,896	9,030	3,033	39,299	29,606	-1.5%	193.3%	32.7%	100.0%	100.0%	100.0%



LYNCHBURG REGIONAL AIRPORT TRAFFIC STATISTICS FOR May 2021

May	PIEDMONT						ENVOY						PSA						TOTALS					
	Aircraft Type	Departures	Available Seats	Passengers Enplaned	Load Factor		Departures	Available Seats	Passengers Enplaned	Load Factor		Departures	Available Seats	Passengers Enplaned	Load Factor		Departures	Available Seats	Passengers Enplaned	Load Factor				
ERJ 140					0.0%					0.0%					0.0%		-	-	-	0.0%				
BR4 - 50	177	8,850	7,118	80.4%					0.0%		177	8,850	7,118	80.4%		0	-	-	0.0%					
CR7 - 65				0.0%					0.0%						0.0%					0.0%				
CR9 - 76				0.0%					0.0%						0.0%					0.0%				
Total	177	8,850	7,118	80.4%		-	-	-	0.0%		-	-	-	0.0%		177	8,850	7,118	80.4%					

Year-to-Date	PIEDMONT						ENVOY						PSA						TOTALS					
	Departures	Available Seats	Passengers Enplaned	Load Factor			Departures	Available Seats	Passengers Enplaned	Load Factor			Departures	Available Seats	Passengers Enplaned	Load Factor			Departures	Available Seats	Passengers Enplaned	Load Factor		
ERJ 140				0.0%						0.0%						0.0%			-	-	-	0.0%		
BR4 - 50	775	38,500	25,628	66.6%					0.0%		775	38,500	25,628	66.6%		0	-	-	0	0.0%				
CR7 - 65				0.0%					0.0%						0.0%						0.0%			
CR9 - 76				0.0%					0.0%						0.0%						0.0%			
Total	775	38,500	25,628	66.6%		-	-	-	0.0%		-	-	-	0.0%		775	38,500	25,628	66.6%					