

LYNCHBURG REGIONAL AIRPORT COMMISSION
Monday, August 21, 2023
4:00 p.m.

AGENDA FOR THE COMMISSION

1. Call to Order

CONSENT AGENDA

2. June 12, 2023 Commission Meeting Minutes
3. Lynchburg Regional Airport September 2023 Air Service Update
4. June 2023 Passenger Traffic Report

Consent Agenda Recommended Action: Receive and File

REGULAR AGENDA

5. Report of the Airport Director
 - A. An update on LYH airline performance metrics, regional air service environment as related to schedules, staffing and equipment availability
 - B. A report regarding the outcome of a recent meeting with targeted airline network planning officials at Takeoff – Airline Network Planning Conference
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: November 13, 2023
10. Adjournment

LYNCHBURG REGIONAL AIRPORT

COMMISSION MEMBER UPDATE

August 16, 2023

REPORT

MAY AND JUNE PASSENGER TRAFFIC RESULTS

With air travel demand remaining strong and average airfares moderating, LYH June passenger traffic saw a 15.8% increase over last month with monthly seat capacity up over 21%. Passenger load factors maintained historically high levels, with May's flights over 87% full. Nonetheless, June traffic still remained somewhat depressed owing to AA last June offering LYH higher frequency and 28% more seats when the regional pilot shortage was not as pronounced as this year. On a more positive note, for the entire month of June American operated a total of 151 departing flights at LYH without a single cancellation!

AMERICAN AIRLINES' FALL SCHEDULE SHOWS IMPROVEMENT

Despite continuing challenges with maintaining adequate airline frequencies and seat capacity to meet continued local travel demand this summer, our most recent virtual meeting with American headquarters' network planning officials has resulted in a welcome boost in LYH flights going into the fall. Starting in September, for example, American will begin offering six daily departures to Charlotte, four days a week (with five flights the remaining days). And while American's mainline flight schedules continue to expand at the expense of its regional affiliates as they drain more pilots from their regional affiliates, smaller markets like LYH remain unable to offer larger, dual-class regional jets as those aircraft are relegated to longer routes. Nonetheless, we are being told that we should expect at least five to six daily departures on 50-seat EMB-145 regional jets throughout the rest of the year. I'll have more details on our American service levels and future schedules at Monday's Commission meeting.

UPCOMING LEASE AGREEMENTS TO BE PRESENTED TO CITY COUNCIL FOR APPROVAL

Transportation Network Companies (TNC's) – TNC's are commercial ground transportation providers that frequently use airport facilities to pick-up and drop-off passengers, but do not pay a use fee of any kind. To remedy that at LYH, an agreement with Uber and Lyft is in its final draft form and will be presented to City Council in the coming months for approval. This agreement will charge the TNC's a nominal \$2.00 fee per trip for patrons they carry to and from any location on the airport. Agreements of this type have become the standard at commercial service airports throughout the country in order to help recover costs associated with wear and tear on the use of the terminal roadway.

Virginia State Police Hangar – The existing hangar agreement with the Virginia State Police Aviation Unit is nearing the end of its term and due for renewal. The new agreement is in its final draft form which includes updated FAA-required language, and is scheduled to be presented to City Council for approval in the next few months. The new agreement is for a five-year term, followed by a five-year renewal option at the end of the original term.

American Airlines Use and Lease Agreement - The existing use and lease agreement with American Airlines is currently on a month-to-month term. The airport has been approached by American Airlines' properties officials to renew the agreement for a one-year period, followed by an additional three, one-year renewal options at the end of the original term. The agreement consists of rental space along with airfield/facility use charges.

Rental Cars RFP - The existing rental car agreements are currently on a month-to-month term, and we are in the process of preparing a Request for Proposals to solicit competitive bids for rental car services. The proposal for these services will be out in the coming months, and once proposals are received and the selection process completed, a new agreement will be drafted with updated FAA-required language for City Council approval. The new agreement will be for a 5-year term, with a 5-year renewal option at the end of the original term.

Aircraft Rescue and Fire Fighting (ARFF) - The existing ARFF agreement is also currently on a month-to-month term. A Request for Proposals (RFP) process to solicit competitive bids for ARFF services will be used, with RFPs to be released in the coming months. Once bids are received and the selection process has been completed, a new

agreement will be drafted with updated FAA-required language and presented to City Council for approval. The new agreement will be for a five-year term, with a five-year renewal option at the end of the original term.

Centra Health Hangar – Centra currently leases a hangar on the airport in addition to paying ground rent for a mobile home living quarters for 24-hour, on-site medical emergency response crews. The airport is in discussions with Centra on constructing a new lean-to style facility on the public side of the existing hangar. This will allow Centra to consolidate its footprint and remove the existing mobile home to allow for future aeronautical use development in that portion of the airport. The effective date of the new agreement is anticipated to be towards the end of the calendar year and will include a five-year term, with a five-year renewal option at the end of the original term.

PASSENGER TERMINAL RESTROOM RENOVATION PROJECT CONTRACT AWARDED

Contractor WALL Construction, LLC has begun work on this project and is in the process of mobilizing crews and materials for the remodeling of six restroom facilities in the main terminal. With construction expected to take approximately seven months to complete, this project includes a complete remodeling of the original terminal restrooms with a new motif that incorporates features with a distinctive local flare and will include new touchless, high-efficiency fixtures, sinks and hand dryers. To ensure adequate passenger services are maintained throughout construction, air conditioned and heated portable restroom facilities will be available to the public.

RUNWAY 4 RUNUP PAD PROJECT

As part of the airport's annual AIP funding allocation for eligible capital projects, LYH has received an FAA grant for \$1,229,342.00 to complete this planned airfield improvement project. As you recall, this project includes a new runup pad at the south end of Taxiway "B" in order to reduce congestion due to the high number of LU School of Aeronautics' training aircraft using Runway 4. It involves construction of a dedicated pad that will match an existing pad serving the Runway 22 end of the airport's main runway. State entitlement funds will provide 10% matching funds for the 90% FAA grant. Construction is on schedule to begin in spring 2024.

HANGAR #2 UPDATE

As you may recall, the bids for our corporate hangar development project located at the mid-field parking apron were well above both the engineer's estimate and our planned budget. Due to the current climate of supply chain shortages for materials, inflated steel prices, etc., we have decided to move forward with Phase 1 site work to include removal of the old fire station building, expansion of the mid-field apron and utilities to the site. These are all eligible for 80% state funding, and hopefully will result in a build-ready hangar site that in the future can attract bids that are more reasonable once current inflationary construction pressures return to a more economically viable level.

AGENDA FOR THE COMMISSION MEETING

Monday's regular agenda will include reports on our airline performance metrics, regional air service climate and the outcome our recent meetings with airline network planning officials. 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
June 12, 2023
4:00 p.m.**

PRESENT:

Janice Crawford
Massie Ware
Greg Patrick
John Marcinik
Jones Stanley
Dan Deter
Mark Elliott

ABSENT:

Frank Rogers

STAFF PRESENT:

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

(1) CALL TO ORDER:

The meeting was called to order at 4:00 p.m. by Mr. Massie Ware. It was noted that Frank Rogers was not in attendance.

(2) APPROVAL OF JUNE 12, 2023 CONSENT AGENDA

Mr. Massie Ware confirmed that everyone had received the items from the Consent Agenda; the April 17, 2023 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. 3rd Quarter FY 2023 Financial Report

- Revenues are well above projected budget
- Up 18% over the same period last year
- Terminal revenue up 14.1% - strong recovery in RAC and Parking
- Interest and other revenue up \$121,000
- Transfer planned to airport capital budget: \$1.0 Million
- Projecting a \$443,000 YE operating surplus (w/o CARES)
- Expenses are in line with projected budget
- CARES/CRRSA related grant revenue: \$1.5 million remaining to be drawn down
 - i. COVID-related funds earmarked for (1) capital reserve and (2) revenue-generating capital projects

B. Air Service Strategic Plan Update

- Updated our Air Service Development Strategic Plan in late fall 2022
- Selected targeted ASD consultants in early 2023
 - i. Mead and Hunt – AA specific for new route/ungauged equipment

- ii. Headquarters meeting with AA scheduled June 7th
- iii. Crawford, Murphy & Tilly (CMT) for targeted (U)LCCs
- Next airline meeting opportunity early August – Take-Off

C. AA Network Planning Meeting - June 7, 2023

1. Virtual meeting with Ryan Isemeyer/Senior Manager Network Planning AA HQ:
 - We expressed appreciation for AA service and support, discussed Lynchburg location and businesses, showed RASM data, discussed true market sizes.
 - We presented opportunities for ORD and DFW service, with an emphasis on ORD.
 - Discussed SCASD application strategy;
 - With LYH being 175 nm, AA tries to keep dual class RJ's greater than 500 miles
 - AA - 5x as the minimum for CLT-LYH.
2. Seats per Capita Comparison
 - Among markets served with only regional aircraft from CLT, LYH has one of the lowest seats per capita (counting total market seats) and below the market average of 0.70.
3. CLT-LYH Market Performance
 - LYH RASM performed at the CLT market average at 39.3¢.
 - Average load factor was 82%, slightly lower than the hub average of 85%.
 - Load factor was above 85% in March, April, May, August and October through December.
4. Airport Retention/Diversion Estimates
 - LYH's true market size is 554.3 PDEW, with 37% of passengers using LYH and 63% using alternate airports.

D. Top True Market Destinations- Domestic

- Key AA markets are in LYH's top 20 domestic markets, including Dallas, Chicago and Boston.
 - Dallas PDEW= 22.2
 - Chicago PDEW = 15.9
 - Boston PDEW = 15.6
- Several markets west of ORD and DFW are in the top 20, including Los Angeles, Las Vegas, Phoenix and San Diego.
 - Combined PDEW of all markets to the west of ORD and DFW in LYH's top 20 = 113.6
- Diverting Passenger Airline Use
 - When passengers divert from LYH, only 31% use AA.
 - 23% of passengers fly DL.
 - 18% fly UA.
 - When passengers fly from RDU, RIC or ROA, they find lower fares on average.
 - High % choose to fly non-stop
- Expanded Service to CLT
 - While load factors were slightly lower than the previous year, CLT-LYH shows strong demand and improving RASM
 - Flights beyond CLT to top true markets in the West had load factors 85% and above in calendar year 2022.

E. Report from Mark Courtney on the 2023 LYH SCASD Grant Proposal

(4) **REPORTS OF AIRPORT BUSINESSES**

Mr. Massie Ware asked if there were any questions or comments from the citizens present. There were none.

(5) **HEARINGS OF CITIZENS UPON COMMISSION MATTERS**

There were none.

(6) **Next Commission Meeting: November 13, 2023**

(7) **ADJOURNMENT**

There being no further business, the meeting was adjourned.

Lynchburg Regional Airport Commission

Effective September 2023

AIR SERVICE UPDATE

Summary For the month of September we have 6 daily departures on most days. We have six ER4 aircraft.

Carrier Profile	<u>Airline</u>	<u>Destination</u>	<u>Departures</u>	<u>Seats</u>	<u>Equipment</u>
	American Airlines	Charlotte	6	300	ER4

AIRPORT TOTAL: Monthly Seats: 7,950 Scheduled Flights: 159

American Airlines In September we have 6 daily departures on most days, all are ER4 aircraft.

Destinations Served	<u>Non-Stop</u>	<u>Departures</u>	<u>Total</u>
	Charlotte	6 per day	159

Aircraft Types	<u>Aircraft</u>	<u>No. of Departures/Day</u>
	CR9 CRJ-900	0
	ER4 Embraer 145	6
	CR7 CRJ-700	0

LYNCHBURG REGIONAL AIRPORT AIR TRAFFIC REPORT FOR JUNE 2023

	AIRLINE PASSENGERS (REVENUE ONLY)			YTD TOTALS		PERCENTAGE CHANGES			PERCENT OF AIRPORT TOTAL		
	Jun-23	May-23	Jun-22	2023	2022	Jun-23	Jun-23	23 YTD	Jun-23	May-23	Jun-22
ENPLANED											
US Airways - Piedmont	6,590	5,517	4,456	33,174	29,216	19.4%	47.9%	13.5%	100.0%	100.0%	63.0%
US Airways - PSA	-	-	2,621	-	6,394	-	-	-	0.0%	0.0%	37.0%
Envoy	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%
Charter	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%
TOTAL ENPLANED	6,590	5,517	7,077	33,174	35,610	19.4%	-6.9%	-6.8%	100.0%	100.0%	100.0%
DEPLANED											
US Airways - Piedmont	6,063	5,412	4,447	32,198	27,716	12.0%	36.3%	16.2%	100.0%	100.0%	65.1%
US Airways - PSA	-	-	2,386	-	7,505	-	-	-	0.0%	0.0%	34.9%
Envoy	-	-	-	-	38	-	-	-	0.0%	0.0%	0.0%
Charter	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%
TOTAL DEPLANED	6,063	5,412	6,833	32,198	35,259	12.0%	-11.3%	-8.7%	100.0%	100.0%	100.0%
TOTAL AIRLINE PASSENGERS	12,653	10,929	13,910	65,372	70,869	15.8%	-9.0%	-7.8%			
AIRLINE FLIGHTS				YTD TOTALS	YTD TOTALS	PERCENTAGE CHANGES	PERCENTAGE CHANGES	PERCENTAGE CHANGES			
NUMBER OF DAILY SCHEDULED DEPARTURES	Jun-23	May-23	Jun-22	2023	2022	Jun-23	Jun-23	23 YTD			
US Airways - Piedmont	5	5	6								
US Airways - PSA											
Envoy											
Total Daily Scheduled Departures	5	5	6	3	24	20.8%	29.1%	13.4%			
NUMBER OF CANCELLED DEPARTURES	Jun-23	May-23	Jun-22	2023	2022	Jun-23	Jun-23	23 YTD			
US Airways - Piedmont	0	0	1	3	19	0.0%	0.0%	0.0%			
US Airways - PSA	0	0	1	-	5	0.0%	0.0%	0.0%			
Envoy	0	0	0	-	-	0.0%	0.0%	0.0%			
Total Cancelled Departures	0	0	2	3	24	0.0%	0.0%	0.0%			
NUMBER OF ACTUAL DEPARTURES	Jun-23	May-23	Jun-22	2023	2022	Jun-23	Jun-23	23 YTD			
US Airways - Piedmont	151	125	117	787	694	20.8%	29.1%	13.4%			
US Airways - PSA	0	0	58	-	149	0.0%	0.0%	0.0%			
Envoy	0	0	0	-	-	0.0%	0.0%	0.0%			
TOTAL ACTUAL DEPARTURES	151	125	175	787	843	20.8%	-13.7%	-6.6%			
AIRCRAFT OPERATIONS				YTD TOTALS	YTD TOTALS	PERCENTAGE CHANGES	PERCENTAGE CHANGES	PERCENTAGE CHANGES			
(Landings and Takeoffs)	Jun-23	May-23	Jun-22	2023	2022	Jun-23	Jun-23	23 YTD			
Commercial Airline	417	445	466	2,482	2,362	-6.3%	-10.5%	5.1%	5.1%	4.8%	5.0%
General Aviation	7,695	8,676	8,657	49,242	46,880	-11.3%	-11.1%	5.0%	93.2%	93.4%	93.6%
Military	142	169	124	755	712	-16.0%	14.5%	6.0%	1.7%	1.8%	1.3%
TOTAL AIRCRAFT OPERATIONS	8,254	9,290	9,247	52,479	49,954	-11.2%	-10.7%	5.1%	100.0%	100.0%	100.0%

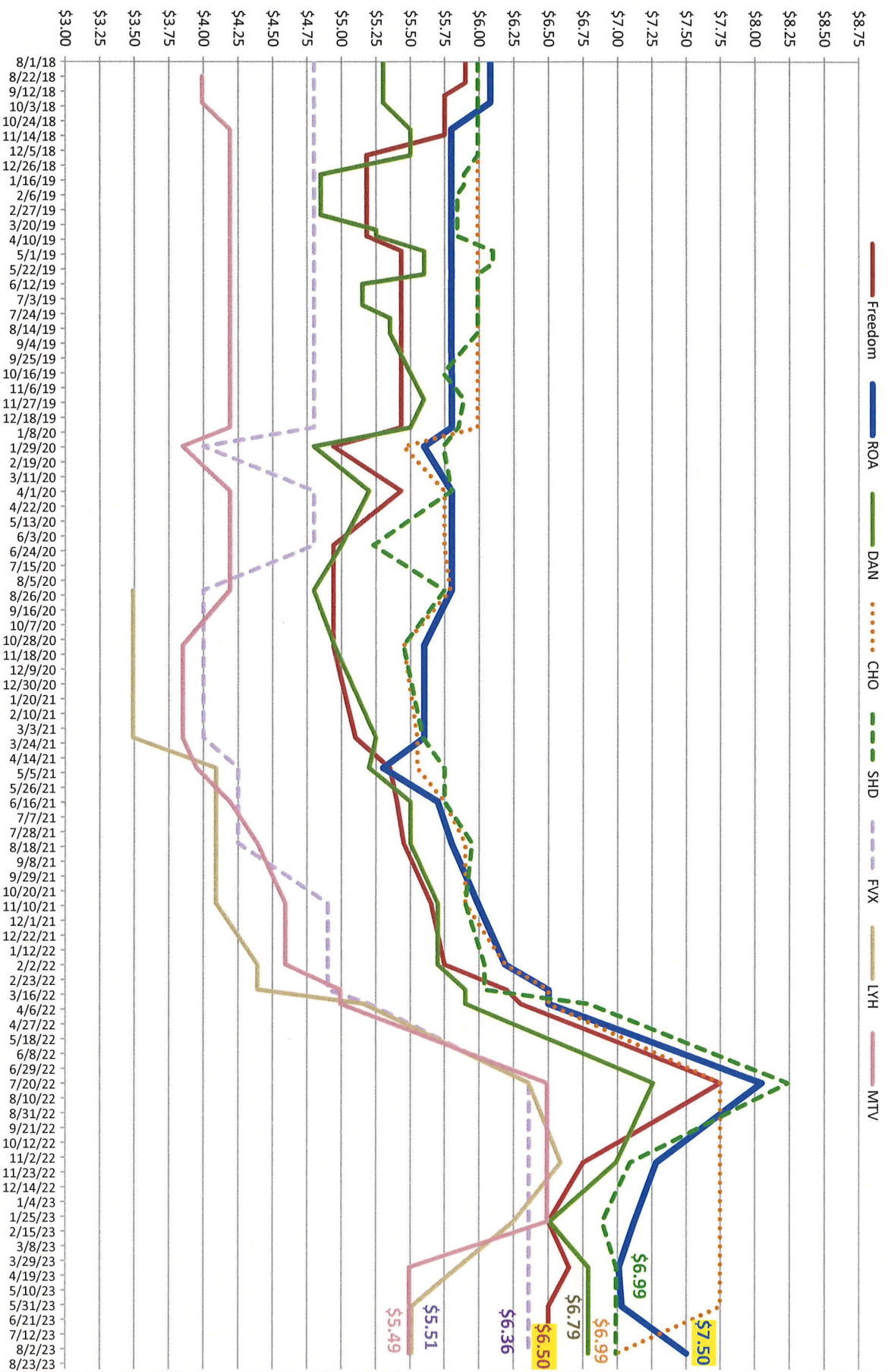


LYNCHBURG REGIONAL AIRPORT TRAFFIC STATISTICS FOR JUNE 2023

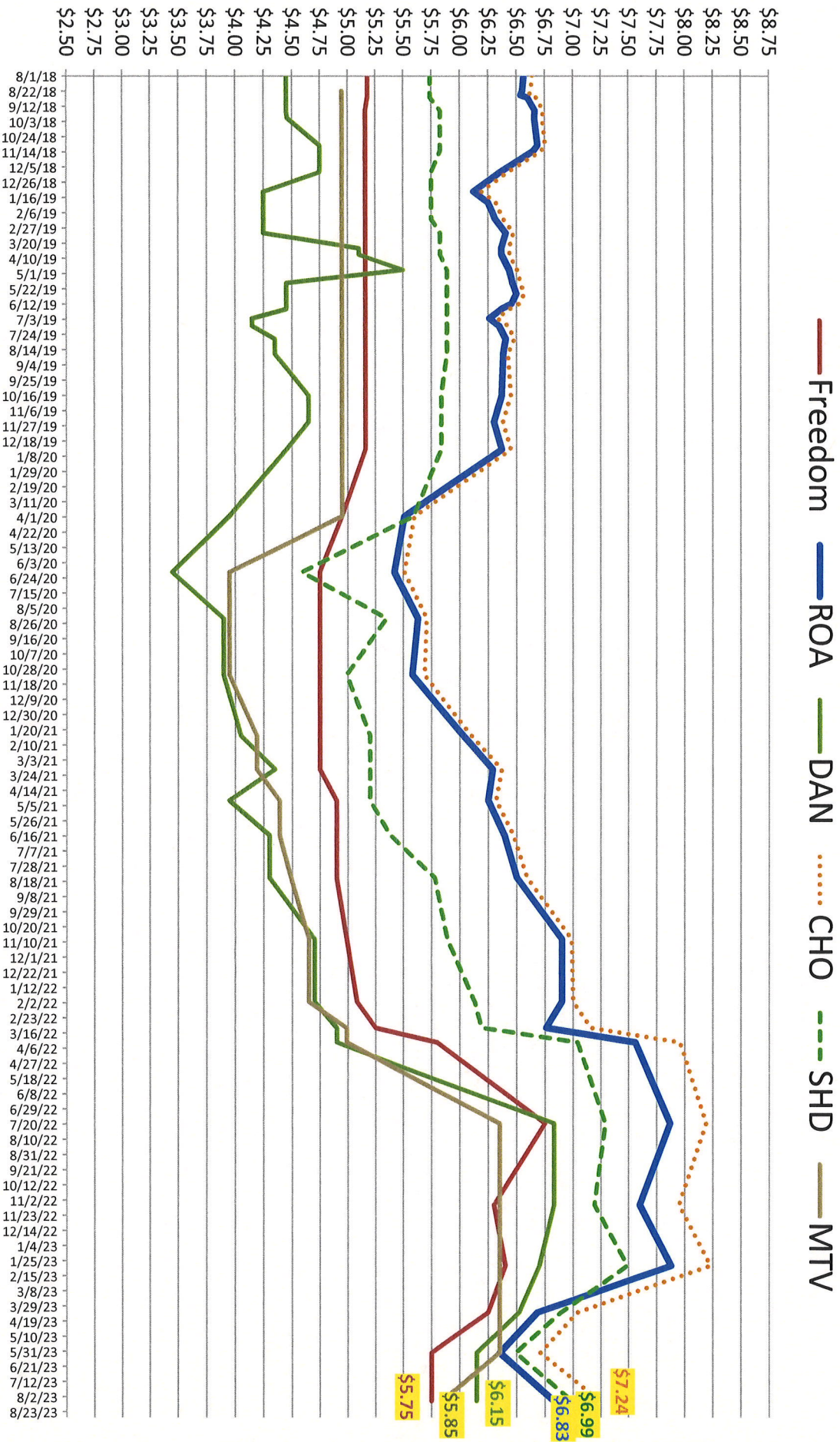
Aircraft Type	PIEDMONT				ENVOY				PSA				TOTALS			
	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor
ERJ 140				0.0%				0.0%				0.0%	-	-	-	0.0%
ER4 - 50	151	7,550	6,590	87.3%				0.0%				0.0%	151	7,550	6,590	87.3%
CR7 - 65				0.0%				0.0%				0.0%	-	-	-	0.0%
CR9 - 76				0.0%				0.0%				0.0%	-	-	-	0.0%
Total	151	7,550	6,590	87.3%	-	-	-	0.0%	-	-	-	0.0%	151	7,550	6,590	87.3%

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%
ER4 - 50	787	39,199	33,171	84.6%				0.0%				0.0%	787	39,199	33,171	84.6%
CR7 - 65				0.0%				0.0%				0.0%	-	-	-	0.0%
CR9 - 76				0.0%				0.0%				0.0%	-	-	-	0.0%
Total	787	39,199	33,171	84.6%	-	-	-	0.0%	-	-	-	0.0%	787	39,199	33,171	84.6%

100LL Fuel (Aug 1, 2018 - Aug 7, 2023)



Jet A Fuel (Aug 1, 2018 – Aug 7, 2023)



8/7/2023



← Indicates change from last report