

LYNCHBURG REGIONAL AIRPORT COMMISSION
Monday, March 25, 2024
4:00 p.m.

AGENDA FOR THE COMMISSION

1. Call to Order

CONSENT AGENDA

2. November 13, 2023 Commission Meeting Minutes
3. Lynchburg Regional Airport April 2024 Air Service Update
4. February 2024 Passenger Traffic Report

Consent Agenda Recommended Action: Receive and File

REGULAR AGENDA

5. Report of the Airport Director
 - A. A report on the airport's FY 2024 2nd Quarter Financial Report and proposed FY 2025 Airport Operating Budget submission
 - B. A presentation regarding the 2023 year-end passenger traffic results and update on American Airline's 2024 current and spring flight schedules
 - C. A report regarding the outcome of recent meetings at the Mead and Hunt Air Service Development airline planners' conference
 - D. A report with regards to the status of American Airlines' Lease and Operating Agreement
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: June 3, 2024
10. Adjournment

LYNCHBURG REGIONAL AIRPORT

COMMISSION MEMBER UPDATE

Wednesday, March 20, 2024

REPORT

FEBRUARY 2024 PASSENGER TRAFFIC ON AN SLIGHT UPTICK

With February airline flights and available seats remaining at or near last year's levels, the ongoing regional airline pilot shortage continues to affect LYH's ability to offer increased seat capacity. Regardless, LYH's February passenger traffic did finish up for the month 4.8% over the same month last year on 1% fewer scheduled seats, with the resulting passenger loads remaining strong as American's flights departed LYH 90.7% full. This outstanding performance once again underscores the extent to which our region remains significantly underserved and American's regional network lift depressed.

MAJOR AIRLINES ADAPT TO SCHEDULE AND CREW "CAPTAIN" OPERATIONAL CHALLENGES

Looking ahead, domestic airlines have begun firming up their spring and summer peak travel schedules by adding upgaged equipment and additional frequencies, with an emphasis on the larger markets. As I recently reported — and which was confirmed by my recent airline network planners' meetings — the majors are scheduling larger aircraft in major markets in order to maximize the most passenger movement despite less equipment. Airlines are also reporting that a pronounced captain shortage is the latest hurdle being navigated as senior flight crew demand is currently at a premium. All carriers (legacy through ULCC) are luring captains with lucrative incentive packages causing a void for new entrant pilots trying to enter the regional airline pipeline. For American and other major network carriers, this "upgauging" has meant temporarily decreasing their reliance on regional feeder airlines where the pilot shortage is most prevalent. Airlines are forecasting this as a temporary situation and expect the shifting of pilots to level off by the end of this year and stabilize to a more normalized number.

Nonetheless, in the short-term for LYH the good news is these latest developments translate into an increased May schedule with five flights a day the entire month. This addition of a fifth daily roundtrip to Charlotte therefore translates into 156 scheduled flights and some 7,800 available seats for the month. This is a 9% increase in both scheduled flights and seats over April. In the meantime, we are continuing to work closely with American network planning officials on even higher service levels, and early indications are that LYH will see a return to six daily departures this summer. I'll have more on this at Monday's meeting.

LOCAL BUSINESS LEADERS MEET TO DISCUSS AIR SERVICE DEVELOPMENT INCENTIVES

On Monday, March 12, 2024, in preparation for the Mead and Hunt airline planners' conference in Phoenix, AZ, the city manager, economic development and tourism director and I met in a Team's meeting with four of our region's CEOs representing leading corporate and higher education institutions. This meeting was intended to gauge our area's corporate needs and interest in: (1) improved air service; (2) most needed destination(s); and (3) the extent to which providing financial incentives might be considered to partner in this endeavor. The outcome of the meeting was universally positive, with an initial total contribution of up to \$1 million (with a City match) and dependent on certain variables, i.e., destination, frequency, and individual company approval processes.

PASSENGER TERMINAL PROJECTS UPDATE

The remodeling of six of the restroom facilities in the main terminal is in the final stages, with the pre-checkpoint restrooms now completed and open for the public's use. The remaining four restrooms located in the post-checkpoint, sterile area are almost done and will be opening in the coming months. As you will recall, this project

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involves a complete remodeling of the original terminal restrooms with a new motif that incorporates features with a distinctive local flare and includes new touchless, high-efficiency plumbing fixtures, sinks and hand dryers.

NEW EXPANDED SOUTH RAMP AND HANGAR DEVELOPMENT

As you may recall, Freedom Aviation has been working on a planned 19,600+/- sq. ft. conventional hangar development project located at the south parking apron as part of their new FBO agreement. I'm pleased to report that the new hangar has been completed and is open for business. As part of this project, the City also extended the existing south ramp to accommodate aircraft movement to and from the hangar site. Funding for the hangar construction was provided by the lessee, and the ramp extension and associated infrastructure by the airport was funded through 80% state entitlement funds with a 20% local match.

FAA GRANT TO FUND 2024 RUNWAY 4/22 RUNWAY REHABILITATION

Federal funding in the form of an FAA AIP grant (both entitlement and discretionary) will be used this year to rehabilitate Runway 4/22 and to replace/upgrade the existing main runway lighting to all LED fixtures. The project involves milling and overlaying the entire length of the runway. In addition to our annual FAA entitlement funds, we were able to secure discretionary dollars to provide the balance of the funds needed for the project. The FAA is earmarking a total of \$10,293,684 in AIP funds for the project which will require no local dollars to complete. State entitlements will provide 10% matching funds for the 90% FAA grants. Currently, the project is under design and will go out for bid in the summer, with construction to begin in the fall.

LYH HOSTS FOURTH ANNUAL UNITED WAY 5K AIRPORT RUNWAY RUN

Lynchburg Regional Airport is once again partnering with United Way to sponsor an annual "5K on the Runway" community event. Scheduled for Saturday, April 27th, the run will begin at 5:00 p.m. and be completed by 7:00 p.m. In an effort to maximize airport operations and the community's experience, we decided to adjust the timing of the event to the afternoon. At this point, the event's plan and safety/security protocols have been reviewed and approved by the FAA, with TSA review expected to be completed shortly. Coordination meetings with all parties, including tenants, will be held up to the time of the race. This event is a great way to involve the community and raise awareness of LYH and the aviation services the airport provides, and typically attracts considerable local/regional media coverage.

AGENDA FOR THE COMMISSION MEETING

The Commission Agenda for Monday's meeting includes a status update on the airport's FY 2023 1st Quarter Financial Report and proposed FY 2024 Airport Operating Budget submission, along with a presentation regarding the 2023 year-end passenger traffic results and update on American Airlines' 2024 current and spring flight schedules. I also plan to report on the outcome of recent meetings at the Mead and Hunt Air Service Development Airline Planners' Conference. Finally, I will have a brief report in regards to the status of the proposed renewal of the American Airlines' Lease and Operating Agreement. 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 (434) 455-6089.

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

**MINUTES OF THE
LYNCHBURG REGIONAL AIRPORT COMMISSION MEETING
Nov. 13, 2023
4:00 p.m.**

PRESENT:

Janice Crawford
Massie Ware
Kent White
John Marcinik
Jones Stanley
Mark Elliott

ABSENT:

Dan Deter
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
Nicole Valdez, Administrative 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 and Dan Deter were not in attendance.

(2) APPROVAL OF November 13, 2023 CONSENT AGENDA

Mr. Massie Ware confirmed that everyone had received the items from the Consent Agenda; the August 21, 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. LYH Air Service Trends

- (1) LYH fall schedules reflect seasonal variations...
 - (a) Monthly scheduled flights/seats peaked in October at 180 flights...9,000 seats
 - (b) October scheduled seats highest since pandemic began...but still down 27.6% vs Oct '19
 - (c) November/December seats higher over pandemic levels...but vs '19 even lower at 37.1% & 43.9%
 - (d) Constraints on availability of larger, dual-class RJs continues to reduce LYH service QSI
- (2) Domestic leisure demand softening system wide...fares moderating in response
- (3) Local domestic business travel demand system wide has generally stabilized but at reduced levels
- (4) International passenger demand continues to grow system wide

B. SCASD Program Award and Next Steps

- (1) LYH selected among 20 proposals awarded this year
- (2) Grant agreement signed by City Manager, sent to DOT...awaiting full execution
- (3) Grant is good for 3-5 years...AA has three years to initiate proposed service
 - (a) Next Steps
 - i. Working with Mead & Hunt to prepare presentation for upcoming AA HQ network planning meeting
 - ii. Briefing/update planned with EDA and LRBA

C. Airline Network Planners Conference Meeting

- (1) Mead & Hunt sponsors the conference Feb. 28th to 29th, 2024
- (2) LYH will focus on SCASD grant award and AA's next steps
- (3) Meetings expected with other LYH targeted carriers invited by Mead and Hunt

D. FY 2023 YE Operating Budget

- (1) FY 2023 YE results
 - (a) Total Airport Revenue: \$5,967,956
 - (b) Total Expenses: \$4,704,894
 - (c) Transfer to airport capital budget: \$1 Million
 - (d) YE operating budget surplus: \$1,263,061 (\$326,536 w/o CARES)
 - (e) Total airport retained earnings: \$3,522,000

E. Bipartisan Infrastructure Bill Opportunity

- (1) Federal legislation includes \$5 billion for discretionary grant funding for airports
 - (a) Targets airline terminal projects and ATCT facilities – \$1 billion/yr for 5 years
 - (b) LYH applied for two years to fund restroom project
 - (c) This year's application is for security screening checkpoint expansion/upgrades
 - (d) Application meets all stated program goals
 - (e) Have planned meeting with FAA WADO for input
 - (f) Engaging with COL lobbying firm for legislative advisory services
 - (g) Planning meetings with Senators Warner/Kaine staff for application support

(4) REPORTS OF AIRPORT BUSINESSES

Mr. Massie Ware asked if there were any questions or comments from the citizens present. Massie Ware asked, with the runway project, will the airport close for a period of time. Andrew replied, no it will be done at night over a period of several weeks and do long pulls overnight. Jones asked if we will fix the bump on runway four? Andrew said yes, it will clean it up completely. Andrew Wallace asked if there will be funds for more ramp space? Andrew LaGala replied, what you are referring to would be covered by state grants not the DOT grants. Janice asked about the SCASD grant, AA has 3 years to spend grant? Andrew replied they have 3-5 years to execute that. This million is a revenue guarantee. I have an upcoming meeting with AA on Feb. 28th to discuss action points on SCASD grant. Andrew said its going to be mid to late 2024 when they get enough pilots. AA still chooses to believe that regional flights are feeding the system. Massie asked is there anything the Commission can do to support increased service? Andrew, yes but not right now, we will know after Feb. 28 meeting.

(5) HEARINGS OF CITIZENS UPON COMMISSION MATTERS

There were none.

(6) Next Commission Meeting: March 25, 2024

(7) ADJOURNMENT

There being no further business, the meeting was adjourned.

Lynchburg Regional Airport Commission

Effective April 2024

AIR SERVICE UPDATE

Summary For the month of April we have 5 daily departures on most days. We have five 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: 7,100 Scheduled Flights: 142

American Airlines In April we have 5 daily departures on most days, all are ER4 aircraft.

Destinations Served	<u>Non-Stop</u>	<u>Departures</u>	<u>Total</u>
	Charlotte	5 per day	142

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

LYNCHBURG REGIONAL AIRPORT AIR TRAFFIC REPORT FOR FEBRUARY 2024

	AIRLINE PASSENGERS (REVENUE ONLY)			YTD TOTALS		PERCENTAGE CHANGES			PERCENT OF AIRPORT TOTAL		
	Feb-24	Jan-24	Feb-23	2024	2023	Feb-24 Jan-24	Feb-24 Feb-23	24 YTD 23 YTD	Feb-24	Jan-24	Feb-23
ENPLANED											
US Airways - Piedmont	5,081	4,881	4,893	9,962	9,938	4.1%	3.8%	0.2%	100.0%	100.0%	100.0%
US Airways - PSA	-	-	-	-	-	-	-	-	-	-	-
Envoy	-	-	-	-	-	-	-	-	-	-	-
Charter	-	-	-	-	-	-	-	-	-	-	-
TOTAL ENPLANED	5,081	4,881	4,893	9,962	9,938	4.1%	3.8%	0.2%	100.0%	100.0%	100.0%
DEPLANED											
US Airways - Piedmont	4,938	5,042	4,669	9,980	9,990	-2.1%	5.8%	-0.1%	100.0%	100.0%	100.0%
US Airways - PSA	-	-	-	-	-	-	-	-	-	-	-
Envoy	-	-	-	-	-	-	-	-	-	-	-
Charter	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEPLANED	4,938	5,042	4,669	9,980	9,990	-2.1%	5.8%	-0.1%	100.0%	100.0%	100.0%
TOTAL AIRLINE PASSENGERS	10,019	9,923	9,562	19,942	19,928	1.0%	4.8%	0.1%			
AIRLINE FLIGHTS											
NUMBER OF DAILY SCHEDULED DEPARTURES											
US Airways - Piedmont	4	4	4	2024	2023						
US Airways - PSA	4	4	4								
Envoy											
Total Daily Scheduled Departures	4	4	4								
NUMBER OF CANCELLED DEPARTURES											
US Airways - Piedmont	0	5	0	5	1						
US Airways - PSA	0	0	0	-	-						
Envoy	0	5	0	5	1						
Total Cancelled Departures	0	5	0	5	1						
NUMBER OF ACTUAL DEPARTURES											
US Airways - Piedmont	112	118	115	230	244	-5.1%	-2.6%	-5.7%			
US Airways - PSA	0	0	0	-	-	-	-	-			
Envoy	0	0	0	-	-	-	-	-			
TOTAL ACTUAL DEPARTURES	112	118	115	230	244	-5.1%	-2.6%	-5.7%			
AIRCRAFT OPERATIONS											
(Landings and Takeoffs)											
Commercial Airline	331	350	343	681	758	-5.4%	-3.5%	-10.2%	3.2%	3.9%	3.8%
General Aviation	10,056	8,535	8,581	18,591	14,252	17.8%	-17.2%	30.4%	96.2%	95.4%	95.1%
Military	63	62	101	125	242	1.6%	-37.6%	-48.3%	0.6%	0.7%	1.1%
TOTAL AIRCRAFT OPERATIONS	10,450	8,947	9,025	19,397	15,252	16.8%	15.8%	27.2%	100.0%	100.0%	100.0%

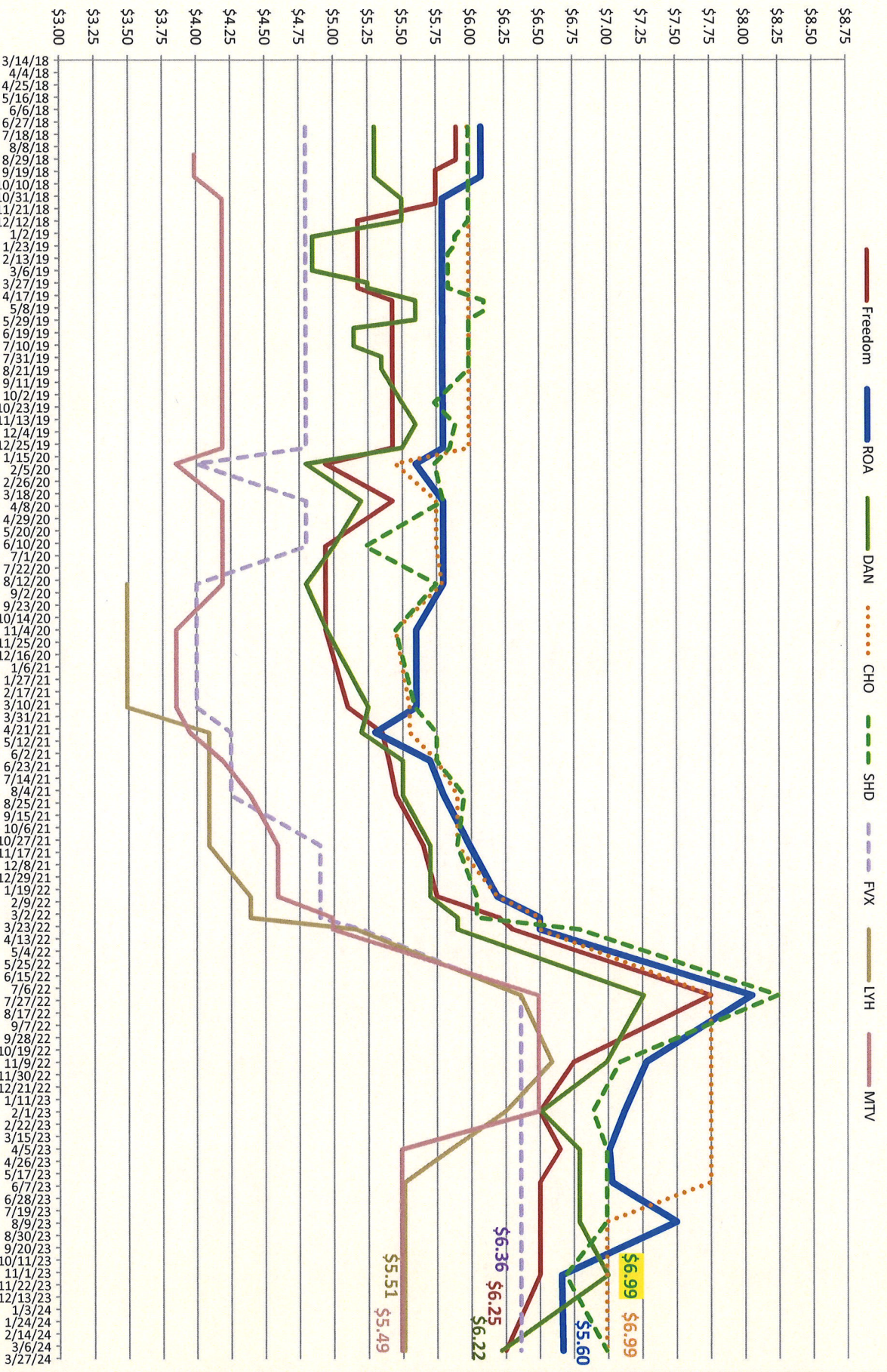


LYNCHBURG REGIONAL AIRPORT TRAFFIC STATISTICS FOR FEBRUARY 2024

February	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%
ER4 - 50	112	5,600	5,081	90.7%	0.0%				0.0%	112	5,600	5,081	90.7%	-	-	-	-	0.0%
CRJ - 65				0.0%	0.0%				0.0%				0.0%	-	-	-	-	0.0%
CRJ - 76				0.0%	0.0%				0.0%				0.0%	-	-	-	-	0.0%
Total	112	5,600	5,081	90.7%	0.0%	-	-	-	0.0%	112	5,600	5,081	90.7%	-	-	-	-	0.0%

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	230	11,400	9,962	87.4%	0.0%			0.0%	230	11,400	9,962	87.4%	-	-	-	0.0%
CRJ - 65				0.0%	0.0%			0.0%				0.0%	-	-	-	0.0%
CRJ - 76				0.0%	0.0%			0.0%				0.0%	-	-	-	0.0%
Total	230	11,400	9,962	87.4%	-	-	-	0.0%	230	11,400	9,962	87.4%	-	-	-	0.0%

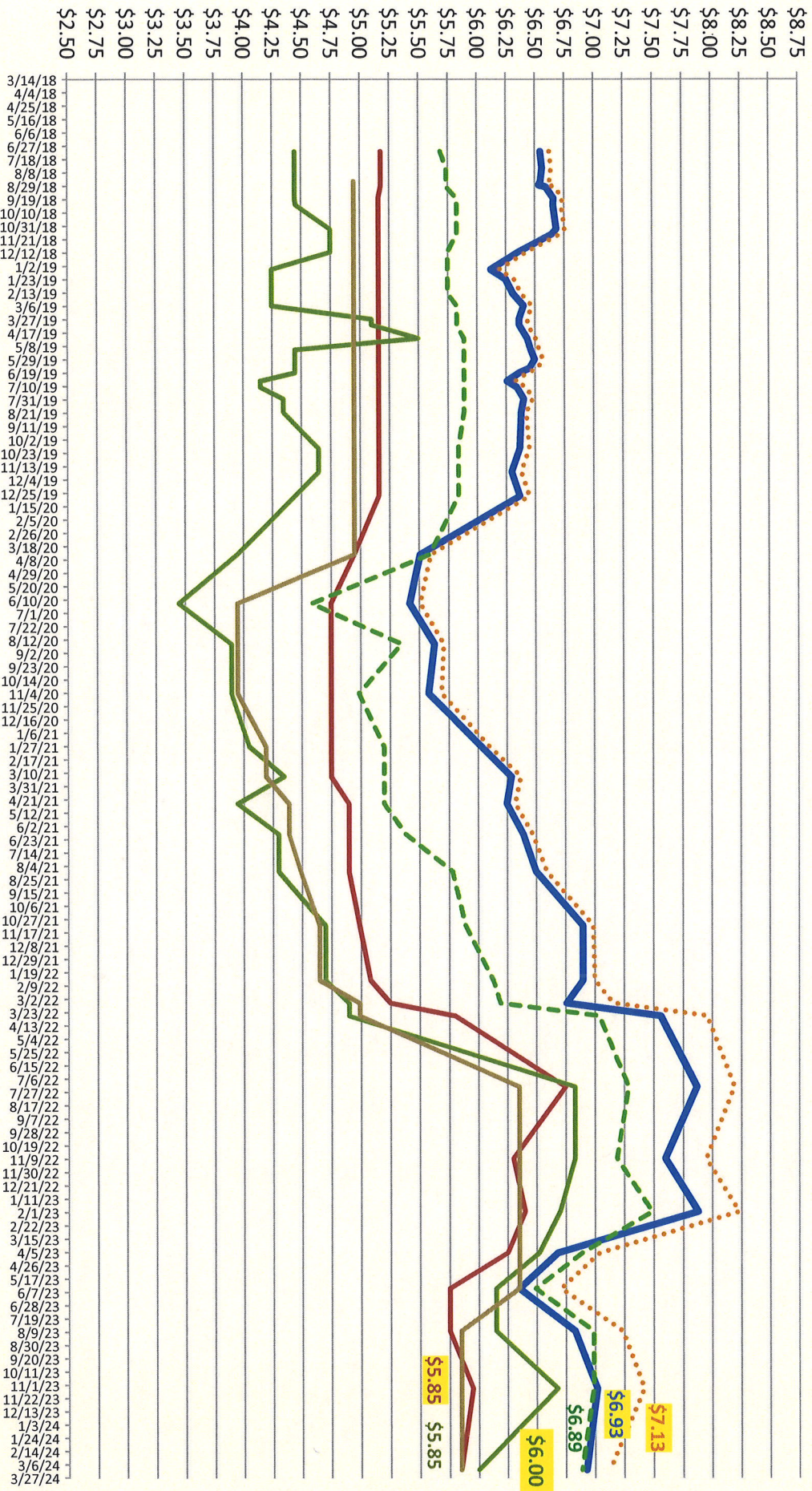
100LL Fuel (March 14, 2019– March 14, 2024)



← Indicates change from last report

Jet A Fuel (March 14, 2018– March 14, 2024)

— Freedom — ROA — DAN — CHO — SHD — MTV



← Indicates change from last report