

# **LYNCHBURG REGIONAL AIRPORT**

## ***COMMISSION MEMBER UPDATE***

Tuesday, November 13, 2012

### REPORT

#### **AIR CARRIER APRON AND TAXIWAY PROJECT UNDERWAY**

Despite the financial challenges the airport faced as a result of receiving only one bid for our multi-faceted airfield construction project, the initial phase that includes a complete pavement rehabilitation of the air carrier apron and adjoining taxiways received adequate FAA funding and is currently underway. The project is comprised of three phased sections of work consisting of an initial milling of the existing pavement surface, routing and grouting of remaining cracks in the cement base, followed by a new three-inch asphalt overlay. The \$3 million project is expected to be fully completed by mid-December, with the asphalt paving portion being finished before Thanksgiving.

Looking ahead, all portions of the project which were eligible for FAA discretionary funding were deferred to next year along with a request in our FAA-approved ACIP for additional discretionary funds in FY 2013. Hopefully, additional discretionary funds will be available next year in order to fund the remainder of the project.

#### **NEW GA RAMP PROJECT NOW SCHEDULED TO START FIRST OF YEAR**

In light of the difficulties faced in rebidding the airfield construction project and the resulting challenges in obtaining funding, the portion of the project that involved construction of an expanded general aviation ramp adjacent to Freedom Aviation was separated from the original project scope and rebid as a state-only project. This means that we are not utilizing any federal funding for this project and will instead rely on state entitlement funds for 80 percent of the project cost. Of course, that also means that we are required to fund the remaining 20 percent with airport funds. Adding to that, the low bid received amounted to some \$200,000 higher than the engineer's estimate, and that was after negotiating to revise some of the specifications to lower the total project cost from the original \$1 million bid amount. The real irony, however, is that the new ramp will be constructed of concrete since the price from the next higher bidder for an asphalt ramp came in around \$200,000 more than the concrete bid.

#### **PASSENGER TRAFFIC CONTINUES GROWTH TREND**

For the seventh straight month in a row airline passenger enplanements at LYH have posted increases, with year-to-date boardings up over 8 percent for the year. Overall, we are projecting that total passenger traffic will increase by at least that much for the full year to some 156,000 passengers. That amount will represent our third best year for passenger activity at LYH in the last 12. Even more encouraging, airline load factors in October reached a total of 86 percent, with regional jet load factors alone amounting to an impressive 89.5 percent.

#### **STILL AWAITING DOT RESPONSE TO AMEND SCASDP GRANT**

Although it has been over four months now since I submitted a formal request to the U.S. Department of Transportation to amend the airport's Small Community Air Service Development Program (SCASDP) grant to include more airlines, the DOT has yet to render a decision. As of my last contact with DOT officials in late September the request was still under review by the various departments at DOT. I am continuing to work with the Lynchburg Regional Chamber of Commerce to

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November 13, 2012

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solicit further assistance from Congressman Goodlatte and Senator Warner in obtaining a positive decision from the DOT.

**STRATEGIC PLAN DRAFT DEVELOPED**

Following the October 23, 2012 special Commission meeting to initiate an airport strategic planning process, I have developed an initial draft document based on the input and direction of the Commission members present at that meeting. You will find enclosed with this Commission package a copy of the draft for your review and comment at next Monday's Commission meeting. Keep in mind that some of the sections are still in outline form, but at this point I want to get confirmation from the Commission that the essence of what was agreed upon at the strategic planning meeting is complete and reflects the views of the Commission.

**LYH PASSENGER SURVEY CONDUCTED IN OCTOBER**

In the month of October, airport staff undertook a comprehensive survey of LYH airline passengers with a total of more than 800 departing passengers completing surveys. The survey was intended to update previous passenger surveys and to further profile the make-up and travel patterns of our airline customers. I plan to provide preliminary results of the survey results at next Monday's Commission meeting.

**FOURTH RENTAL CAR COMPANY TO COMMENCE OPERATING JANUARY 1**

Following formal approval by Lynchburg City Council on September 11, 2012, National Car Rental is slated to become LYH's fourth rental car company as of January 1, 2012. As you will recall, National was actually acquired recently by Enterprise and will be occupying the same counter and service facilities that Enterprise operated from previously at LYH.

**ITEMS FOR THE AGENDA**

I will be providing a presentation on the preliminary results of the recent survey of LYH airline passengers, followed by an update on our current federal and state capital projects and the status of the airport's fourth rental car company. In addition, our consultant from RS&H will be on hand to provide an update on the site selection process for the airport's new air traffic control tower. Finally, the airport's finance manager will present a report outlining proposed changes to certain airport rates and charges, followed by Commission member comments on the draft strategic plan developed from the October 23, 2012 special Commission meeting. In the meantime, if you have any questions or comments about the upcoming Commission meeting, give me a call at 455-6089 at my office, or I can be reached by cell at 444-3363.

Respectfully yours,

***Mark F. Courtney***

Mark F. Courtney, A.A.E.  
Airport Director

**LYNCHBURG REGIONAL AIRPORT COMMISSION**  
**Monday, November 19, 2012**  
**4:00 p.m.**

**AGENDA FOR THE COMMISSION**

1. Call to Order

**CONSENT AGENDA**

2. August 27, 2012 Commission Meeting Minutes
3. Lynchburg Regional Airport November 2012 Air Service Update
4. October 2012 Passenger Traffic Report

**Consent Agenda Recommended Action:** Receive and File

**REGULAR AGENDA**

5. Report of the Airport Director
  - A. A presentation regarding preliminary results of an airline passenger survey conducted in October.
  - B. An update on AIP and DOAV funded airfield projects currently underway or scheduled.
  - C. A report with regards to the status of adding a fourth rental car business at LYH.
6. A report by the site study engineer for the airport's new Air Traffic Control Tower, Nick Patterson of RS&H, on the status of the FAA site selection process and approval status.
7. Report of Finance Manager
  - A. A report with regards to proposed changes in certain airport rates and charges affecting the following airport user fees.
    1. An increase in airline terminal vehicle parking rates by \$1.00 per day.
    2. The establishment of a non-signatory commercial landing fee of \$2.00/1000 lbs.
    3. An increase of the airport's non-commercial fuel flowage fee to \$.09 per gallon.

**Commission Action:** Make recommendation to City Manager

8. Commission member comments regarding the initial draft of the airport strategic plan document developed by the airport director and confirmation of schedule to complete the process.
9. Miscellaneous business
  - A. Inquiries and/or comments by Commission Members
10. Reports of airport businesses

11. Hearings of citizens upon Commission matters

12. Adjournment

**Public Notice**

There will be a meeting of the 2013 Airshow Coordinating Committee immediately following the above Commission meeting in the same location. Since the Coordinating Committee is comprised of three members of the airport Commission, the meeting will be open to the public.

**MINUTES OF  
THE  
LYNCHBURG REGIONAL AIRPORT COMMISSION MEETING  
August 27, 2012  
4:00 p.m.**

**PRESENT:**

Janice Crawford  
Lynch Christian  
Stewart Hobbs  
David Laurrell  
Kimball Payne  
Jones Stanley  
Charles Nowlin

**ABSENT:**

Don Brown  
Bert Dodson

**STAFF PRESENT:**

Mark Courtney, Airport Director  
Rick Stein, Deputy Airport Director  
Wes Campbell, Airport Finance Director

**(1) CALL TO ORDER:**

Mrs. Janice Crawford called the meeting to order at 4:00 p.m.

**(2) APPROVAL OF AUGUST 27, 2012 CONSENT AGENDA**

Mrs. Crawford confirmed that everyone had received the items from the consent agenda; the June 18, 2012 Commission Meeting Minutes, the August 2012 Air Service Update and the July 2012 Passenger Traffic Report and asked if there were any questions or comments regarding the consent agenda items.

Mr. Courtney commented that overall, load factors were holding up well in July, coming in at 78%, although they were not quite as high as the 84% experienced in June. He said Air Wisconsin's jet service had a load factor of 86%, indicating that the 50-seater jets are at premium demand. Mr. Courtney stated that last week he had talked with Tim Lyons, the Pricing Director for US Airways, about holding some fares for our fall advertising campaign. From their conversation, Mr. Courtney learned that Lynchburg's revenue per available seat mile for the month of July was on par with Charlotte overall and revenue yield showed a 3% improvement over last July, and that profitability overall was good for July. Additionally, advanced bookings were 4% ahead for this August compared to last August. Mr. Courtney commented that US Airways is clearly not the pricing leader in Roanoke, and they are in a manner using Lynchburg as a means to draw traffic away from other airlines at Roanoke. As a result, it would be very difficult for US Airways to decide unilaterally to offer competitive fares out of Roanoke unless some other factor influenced such a decision. He said we are in a good position; we have high load factors, there are industry-wide fare increases, and although there are fewer seats available at the lower fares than there used to be, as long as our load factors stay up, that means the airline is profitable. There followed a general discussion.

Mr. Courtney commented that according to the Official Airline Guide, it is estimated that there will be around 21,400 fewer domestic flights this August compared to last August, and nearly a million fewer seats available to book, which points to an industry that continues to shrink. There ensued further discussion.

There being no further questions or comments, Mrs. Crawford asked for a motion to receive and file. The motion was made, seconded and unanimously accepted by all.

(3) **REPORT OF THE AIRPORT DIRECTOR**

A. **A status report on current projects related to the airport's Air Service Strategic Plan including the International Air Travel Survey and SCASDP grant amendment request to the U.S. Dot.**

Mr. Courtney explained that there have been two major initiatives associated with our current air service development strategic planning process. The first initiative has been the International Business Air Travel Survey, which has been a labor of love. This project evolved as the result of a request from United regarding what sort of international traffic flow they could expect if they were to start serving Lynchburg. Because of this, we were looking at specifically those international destinations that United serves out of Dulles, and the survey targeted primarily our major employers. Mr. Courtney referred to the data appearing in his presentation. The category "ED1" consisted of major employers that were initially targeted. Category "ED2" consisted of other key employers in the area. The "Chamber" category reflects Lynchburg Chamber of Commerce members. He explained that the "Media" category includes those who responded as a result of the media coverage that the survey received from both WSET and the News and Advance. Mr. Courtney stated that just over 1,250 surveys were distributed, and a total number of 189 responses were received resulting in a response rate of about 15%, which for most surveys is reasonable. He said the number of responses received containing the international data was just 94, which is not bad because we were targeting business travelers.

Mr. Kim Payne asked if any of the recipients were duplicated and Mr. Courtney replied that duplications had been removed.

Interpreting the data, Mr. Courtney explained that the survey indicated that there would be "leakage" of approximately 50% for domestic travel in the upcoming year (i.e. the percentage of locally generated commercial air traffic expected to originate from an airport other than Lynchburg Regional Airport). This figure confirmed the findings of past surveys. Mr. Courtney pointed out that of those responding, 63% are driving to other airports for their international travel needs. For the "ED1" category, consisting of the major local employers, international leakage was at 71.6%, which means almost 72% are driving to other airports. Mr. Courtney emphasized that international travel is more lucrative for the airlines, and that many of those driving to other airports for this purpose are driving to Washington/Dulles. There followed a short discussion.

He said the total number of tickets that respondents expected to generate to the international destinations that United serves out of Washington/Dulles was almost 6,000, which is pretty significant when between 60 to 65% of those travelers are going to another airport. Mr. Courtney said that Beijing was the number one destination in terms of the number of tickets but indicated that this was somewhat skewed by the fact that there was a large travel consolidator whose numbers drove this total up. He said London was the second most popular destination with 839 tickets, followed by Paris with 804. Paris alone represents potential revenue of about \$3 Million based on our current average fares. When considering all the destinations, the result is a potential revenue stream of \$7 Million annually for United. Additional discussion ensued.

Mr. Courtney said he had not heard anything from the DOT regarding his formal request to DOT to amend the grant. He said had some discussion with Mr. Rex Hammond about our congressional strategy. Mr. Courtney said many of the proposals submitted for this year's grant program were for replacement service, the same type of service that we are asking our grant be amended to include. He speculated that the timing would be advantageous in making our case, and added that Mr. Hammond indicated that he is ready to press that particular aspect of it politically through our congressional offices. Mr. Courtney informed the group that after some effort, we were successful in getting Congressmen Goodlatte and Hurt to send our letter to the DOT secretary on August 16<sup>th</sup>. He said he was very disappointed that neither Senator Webb nor Senator Warner agreed to sign on to this particular joint letter, although they indicated through Goodlatte's staff member that they would consider sending their own letter. He suggested that at this point that we would have to have to wait for some type of response and have waiting in the wings some type of additional follow-up effort, particularly with our Senators, to try to get that appeal to the DOT. He stated that in light of the awards that they just made, he did not believe that we should be forced to hold a grant that isn't usable nor did he believe they should withdraw the grant. A general discussion followed.

**B. An update on FAA grant funding and construction schedule for the revised FY 2012 airfield and ramp rehabilitation/construction projects.**

This agenda item was inadvertently omitted and was not discussed.

**C. A report regarding FY 2013 state entitlement funds awarded and current entitlement fund balance.**

Mr. Courtney gave an update our state entitlement grant awards for this year that we, as a commercial service airport, are eligible to receive from the Department of Aviation. We received a total of \$584,735 whereas last year we received \$622,728. We were down 20% in passenger traffic and the funds awarded are calculated from a formula based on the number of passengers. He said he was pleased that our award only went down that slight amount despite being down 20% in total traffic enplanements. He said combined with our balance still on the books, we have a total of \$1.6 Million in state entitlement funds available, the majority of which is being earmarked for the new air traffic control tower in FY 2014.

**D. A report with regards to the status of adding a fourth rental car business at LYH.**

Mr. Courtney gave an update on the progress with National Car Rental agreement. He said they have been provided with the draft agreement and presented with the proposal that is based on negotiations and agreement with the other rental car companies. The proposal states that their minimum annual guarantee for the first year will be based on 85% of Budget Rent-A-Car's actual commissionable revenue in 2011, which amounts to \$5,300 per month. This is more than the minimum annual guarantee they were paying when they were here as Enterprise Rent-A-Car. He said the lease is going to be advertised for public hearing and we are taking it to City Council for approval on September 11. There ensued a general discussion.

**(4) DISCUSSION OF PROPOSED FORMAT AND SCHEDULE FOR FUTURE SPECIAL COMMISSION MEETINGS RELATED TO THE AIRPORT UNDERTAKING A STRATEGIC VISION PROCESS.**

Mr. Courtney said that since the last meeting, he had met with Mr. Kim Payne and they had drafted a basic format and outline of the points they would like to see addressed at the first initial meeting, along with a timeline. He said Mr. Payne suggested that it would be beneficial to bring in a facilitator for the meeting. Mr. Courtney said that he had contacted Mrs. Christine Kennedy, the Executive Vice President for the Chamber of Commerce, who has a lot of facilitating experience and strategic planning experience in her role at the Chamber, and she agreed to be the facilitator at this first meeting. Mr. Courtney presented an overview of the expected process.

Mrs. Kennedy recommended that the mission and visioning process be completed prior to discussion of the SWOT analysis. Discussions were held regarding the date and time of the meeting, with the decision made to hold the meeting on October 23<sup>rd</sup> from 8:30 a.m. until 11:00 a.m.

Mr. Courtney said that he would send an e-mail to the other two Commission members and inform them of the meeting.

**(5) MISCELLANEOUS BUSINESS**

**A. Inquiries and/or comments by Commission Members.**

Mrs. Crawford asked if there were any inquiries or comments by Commission Members.

There were none.

**(6) REPORTS OF AIRPORT BUSINESSES**

Mrs. Crawford asked if there were any reports of airport businesses.

Mr. Dave Young said he would like to thank Mr. Courtney for the new parking area. He said they just got 130 new students in so they are going to be just slightly under 500 this semester with about 200 flying.

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

Mrs. Crawford asked if there were any questions or comments from the citizens present.

There were none present.

(8) **ADJOURNMENT**

There being no further business, the meeting was adjourned.

# Lynchburg Regional Airport Commission

Effective November 2012

**AIR SERVICE UPDATE**

**Summary** The number of daily departure seats is 300 and the daily departure frequency is 6.

<b>Carrier Profile</b>	<u>Airline</u>	<u>Destination</u>	<u>Departures</u>	<u>Seats</u>	<u>Equipment</u>
	US Airways	Charlotte	6	300	DH3/DH8/CRJ
<b>AIRPORT TOTAL:</b>			<b>6</b>	<b>300</b>	

**US Airways** For the month of November, all the equipment are 50-seaters.

<b>Destinations Served</b>	<u>Non-Stop</u>	<u>Departures</u>	<u>Total</u>
	Charlotte	6	6

<b>Aircraft Types</b>	<u>Aircraft</u>	<u>No. of Departures/Day</u>
	DH8 Dash 8	0 Daily
	DH3 Dash 8-300	3 Daily
	CRJ	3 Daily

# LYNCHBURG REGIONAL AIRPORT AIR TRAFFIC REPORT FOR OCTOBER 2012

## AIR TRAFFIC REPORT

	MONTH			YR TO DATE TOTALS		PERCENTAGE CHANGES			
	Oct-12	Sep-12	Oct-11	2012	2011	Oct-12 Sep-12	Oct-12 Oct-11	12 YTD 11 YTD	12 YTD 10 YTD
ENPLANED PASSENGERS	7,202	6,405	6,984	65,682	60,743	12.4%	3.1%	8.1%	
DEPLANED PASSENGERS	6,726	6,504	6,866	65,895	61,446	3.4%	-2.0%	7.2%	
TOTAL PASSENGERS	13,928	12,909	13,850	131,577	122,189	7.9%	0.6%	7.7%	
<b>AIRCRAFT OPERATIONS</b>									
(Landings and Takeoffs)									
Air Carrier	462	497	437	4,768	3,853	-7.0%	5.7%	23.7%	
General Aviation	8,013	8,493	8,122	83,559	69,761	-5.7%	-1.3%	19.8%	
Military	482	142	202	2,404	1,712	239.4%	138.6%	40.4%	
Total	8,957	9,132	8,761	90,731	75,326	-1.9%	2.2%	20.5%	

## AIR TRAFFIC REPORT

	MONTH			YEAR TO DATE TOTALS		CHANGES			
	Oct-12	Sep-12	Oct-11	2012	2011	Oct-12 Sep-12	Oct-12 Oct-11	11 YTD 10 YTD	
<b>NUMBER OF DAILY SCHEDULED FLIGHTS</b>									
US Airways Express - Piedmont	3	3	3			0.0%	0.0%	0.0%	
US Airways Express - PSA	0	0	1						
ACA - United Express	0	0	0						
ASA - Delta Connection	0	0	0						
Allegheny	0	0	0						
Shuttle America	0	0	0						
Air Midwest	3	3	2						
Total	6	6	6			0.0%	0.0%		
<b>NUMBER OF ACTUAL FLIGHTS</b>									
US Airways Express - Piedmont	99	76	58	520	1,467	30.3%	70.7%	-64.6%	
US Airways Express - PSA	0	0	0	296	22				
ACA - United Express	0	0	0	-	-				
ASA - Delta Connection	0	0	0	-	5	#DIV/0!	#DIV/0!	-100.0%	
Allegheny	0	0	0	-	-				
Shuttle America	0	0	0	-	-				
Air Wisconsin	69	84	113	905	191				
Total	168	160	171	1,721	1,685	5.0%	-1.8%	2.1%	
<b>NUMBER OF CANCELLED FLIGHTS</b>									
US Airways Express - Piedmont	3	3	0	13	48	0	0	3	-35
US Airways Express - PSA	0	0	0	6	-	0	0	0	6
ACA - United Express	0	0	0	-	-	0	0	0	0
ASA - Delta Connection	0	0	0	-	-	0	0	0	0
Allegheny	0	0	0	-	-	0	0	0	0
Shuttle America	0	0	0	-	-	0	0	0	0
Air Wisconsin	2	0	1	10	3	2	1	1	7
Total	5	3	1	29	51	2	4	4	-22

# LYNCHBURG REGIONAL AIRPORT AIR TRAFFIC REPORT FOR OCTOBER 2012

## AIR TRAFFIC REPORT

Revenue Passengers Only	MONTH			YEAR TO DATE TOTALS			PERCENTAGE CHANGES			PERCENT OF AIRPORT TOTAL		
	Oct-12	Sep-12	Oct-11	2012	2011		Oct-12	Oct-11	12 YTD	Oct-12	Sep-12	Oct-11
<b>ENPLANED PASSENGERS</b>												
US Airways Express - Piedmont	4,115	2,782	2,453	19,137	52,527		47.9%	67.8%	-63.6%	57.1%	43.4%	35.1%
US Airways Express - PSA	0	0	0	10,680	487					0.0%	0.0%	0.0%
ACA - United Express	0	0	0	-	204		#DIV/0!	#DIV/0!	-100.0%	0.0%	0.0%	0.0%
ASA - Delta Connection	0	0	0	-	-		#DIV/0!	#DIV/0!	-100.0%	0.0%	0.0%	0.0%
Allegheny	0	0	0	-	-		#DIV/0!	#DIV/0!	-100.0%	0.0%	0.0%	0.0%
Shuttle America	3,087	3,623	4,531	35,865	7,525					42.9%	56.6%	64.9%
Air Wisconsin	0	0	0	-	-					0.0%	0.0%	0.0%
Charter	7,202	6,405	6,984	65,682	60,743		12.4%	3.1%	8.1%	100.0%	100.0%	100.0%
<b>Total</b>	<b>13,928</b>	<b>12,909</b>	<b>13,850</b>	<b>131,577</b>	<b>122,042</b>		<b>7.9%</b>	<b>0.6%</b>	<b>7.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>DEPLANED PASSENGERS</b>												
US Airways Express - Piedmont	4,243	3,246	2,144	20,333	52,458		30.7%	97.9%	-61.2%	63.1%	49.9%	31.2%
US Airways Express - PSA	0	0	0	11,280	907					0.0%	0.0%	0.0%
ACA - United Express	0	0	0	-	147		#DIV/0!	#DIV/0!	-100.0%	0.0%	0.0%	0.0%
ASA - Delta Connection	0	0	0	-	-		#DIV/0!	#DIV/0!	-100.0%	0.0%	0.0%	0.0%
Allegheny	0	0	0	-	-		#DIV/0!	#DIV/0!	-100.0%	0.0%	0.0%	0.0%
Shuttle America	2,483	3,258	4,722	34,282	7,787					36.9%	50.1%	68.8%
Air Wisconsin	0	0	0	-	-					0.0%	0.0%	0.0%
Colgan Air	0	0	0	-	-					0.0%	0.0%	0.0%
Charter	6,726	6,504	6,866	65,895	61,299		3.4%	-2.0%	7.5%	100.0%	100.0%	100.0%
<b>Total</b>	<b>13,928</b>	<b>12,909</b>	<b>13,850</b>	<b>131,577</b>	<b>122,042</b>		<b>7.9%</b>	<b>0.6%</b>	<b>7.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>TOTAL PASSENGERS</b>												
US Airways Express - Piedmont	8,358	6,028	4,597	39,470	104,985		38.7%	81.8%	-62.4%	60.0%	46.7%	33.2%
US Airways Express - PSA	-	-	-	21,960	1,394					0.0%	0.0%	0.0%
ACA - United Express	-	-	-	-	-					0.0%	0.0%	0.0%
ASA - Delta Connection	-	-	0	-	351		#DIV/0!	#DIV/0!	-100.0%	0.0%	0.0%	0.0%
Allegheny	-	-	-	-	-		#DIV/0!	#DIV/0!	-100.0%	0.0%	0.0%	0.0%
Shuttle America	5,570	6,881	9,253	70,147	15,312					40.0%	53.3%	66.8%
Air Wisconsin	0	0	0	-	-					0.0%	0.0%	0.0%
Colgan Air	0	0	0	-	-					0.0%	0.0%	0.0%
Charter	13,928	12,909	13,850	131,577	122,042		7.9%	0.6%	7.8%	100.0%	100.0%	100.0%
<b>Total</b>	<b>13,928</b>	<b>12,909</b>	<b>13,850</b>	<b>131,577</b>	<b>122,042</b>		<b>7.9%</b>	<b>0.6%</b>	<b>7.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## AIR TRAFFIC REPORT NON-REVENUE PASSENGERS ONLY

ENPLANED NON-REVENUE PASSENGERS	MONTH			YEAR TO DATE TOTALS			PERCENTAGE CHANGES			PERCENT OF AIRPORT TOTAL		
	Oct-12	Sep-12	Oct-11	2012	2011		Oct-12	Oct-11	12 YTD	Oct-12	Sep-12	Oct-11
US Airways Express - Piedmont	84	76	46	456	1,312		10.5%	82.6%	-65.2%	55.3%	45.2%	26.9%
US Airways Express - PSA	0	0	0	306	8					0.0%	0.0%	0.0%
ACA - United Express	0	0	0	-	7		#DIV/0!	#DIV/0!	-100.0%	0.0%	0.0%	0.0%
ASA - Delta Connection	0	0	0	-	-		#DIV/0!	#DIV/0!	-100.0%	0.0%	0.0%	0.0%
Allegheny	0	0	0	-	-		#DIV/0!	#DIV/0!	-100.0%	0.0%	0.0%	0.0%
Shuttle America	68	92	125	1,061	236					42.9%	56.6%	64.9%
Air Wisconsin	0	0	0	-	-					0.0%	0.0%	0.0%
Charter	152	168	171	1,823	1,563		-9.5%	-11.1%	16.6%	55.3%	45.2%	26.9%
<b>Total</b>	<b>152</b>	<b>168</b>	<b>171</b>	<b>1,823</b>	<b>1,563</b>		<b>-9.5%</b>	<b>-11.1%</b>	<b>16.6%</b>	<b>55.3%</b>	<b>45.2%</b>	<b>26.9%</b>

**Lynchburg Regional Airport  
Preliminary Strategic Plan (Draft #1)  
November 1, 2012**

The purpose of this strategic planning process is to identify and evaluate the current industry and economic conditions in which Lynchburg Regional Airport operates in order to better enable the airport to determine its direction and establish the best course of action in the coming years. As part of this process, the Lynchburg Regional Airport Commission held a special meeting on October 23, 2012 in order to initiate and agree on a strategic planning process and to affirm the airport's vision, mission and values. Based on a situation analysis review, the Commission then proceeded to identify and prioritize the various elements of a standardized SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. The session was facilitated by Christine Kennedy of the Lynchburg Regional Chamber of Commerce.

### **Goal**

The primary goal of this effort is to help the airport be better attuned to its stakeholders and customers by targeting those airport activities that represent the best opportunity for growth, while continuing to serve as a full-service airport with aviation facilities and services that meet the needs of Region 2000. It is the intent of this planning process that airport staff will in turn develop specific goals which support and expand upon the overall strategic vision as contained in this initial plan.

### **Background and History**

Lynchburg Regional Airport (LYH) is the primary commercial service airport serving a four-county area surrounding the City of Lynchburg in central Virginia. The airport was opened in 1931 on a site southwest of the City of Lynchburg occupied by the City's Prison Farm. American Airlines began mail and passenger service shortly thereafter and, except for a brief period between 1937 and 1942, continued to provide regular scheduled airline service for a number of years. In 1948, Piedmont Airlines initiated Douglas DC-3 service between Norfolk and Cincinnati with numerous intermediate stops.

Major capital improvements were made to the airport in the 1960s, including the construction of a new terminal building, control tower, general aviation hangars/offices and improved airfield upgrades including a runway extension to 5,799 feet. Since that time, numerous additional aeronautical facilities have been constructed, the most prominent of which was construction of a new 38,000 square foot airline passenger terminal and apron in 1992. A new general aviation terminal was completed in 2003, followed by several new hangar facilities and the extension of Runway 4-22 from 5,799 feet to a length of 7,100 feet.

Today, the airport is home to a wide range of airport tenants that includes US Airways, four rental car companies, two fixed base operators, an avionics shop, the Liberty School of Aeronautics, two flight schools, the Virginia State Police Aviation Unit, Centra Health's medical helicopter unit and a sport aircraft sales business. Airline passenger activity at LYH is up 7.7 percent so far in 2012, with a total passenger count for the year expected to top 156,000. The airport has 76 based aircraft and expects to handle approximately 110,000 aircraft operations in 2012 which will represent a 21 percent increase over the prior year. The airport directly supports 199 jobs and generates a total of some \$101 million in total economic activity to the region.

A major event took place in July 2008 in the wake of ever-increasing LYH airfares that culminated with LYH reaching the unenviable distinction of having the fourth highest average airfares in the country (among those with 50,000 passengers or more). In response to a disturbing drop in passenger load factors at LYH following a series of fare increases as a result of dramatic spikes in fuel prices in 2008, US Airways introduced an unprecedented low-fare style pricing structure that reduced LYH fares by an average of 57 percent. The ensuing stimulation in air travel demand, combined with overall fares which were very competitive with other area airports served by low-fare carriers, caused passenger traffic levels to explode, with traffic rising by some 71 percent over a two-year period. This advantageous fare structure remains in place today.

### **Situation Analysis**

**(To be expanded upon in subsequent draft)**

- Market Area Economic Outlook
- Airport Performance Metrics
  - Air Service Levels
  - Passenger Traffic Trends
  - Aircraft Operations
  - Fuel Sales
  - Based Aircraft and Hangar Demand
- Industry Trends
  - Airline/Air Service
  - Business and General Aviation
  - Flight Training
  - Maintenance
  - Other Tenants
- Capital Projects and Infrastructure Condition
  - Availability of Federal, State and PFC Funding
  - Airport's CIP
- Airport Budget
  - Revenues
  - Expenses
  - City Subsidy

### **Airport Vision, Mission and Values**

The initial focus of the Commission as part of the strategic planning process was to review the airport's Vision, Mission and Values in order to agree and affirm the basic functional essence of Lynchburg Regional Airport. The vision statement is the overarching guide as to what the airport desires to be as an entity. The mission statement defines what the organization is, what it does, and who it serves, while the values describe what is important in the process of providing those services. Consequently, the airport Commission agreed upon the following:

#### **Vision**

To operate and maintain a commercial service airport with superior facilities and services to make LYH the airport of choice.

**Mission**

Lynchburg Regional Airport shall endeavor to provide a full-range of quality aeronautical services in order to serve the aviation needs of the greater community while operating in a self-sustainable manner. The airport shall strive to be pro-active in optimizing scheduled airline service, supporting general aviation and maintaining its facilities. It shall be customer service focused, emphasize safety continuously, be financially responsible, and maintain a competitive airport business environment while at all times operating in the public interest.

**Values**

The following were determined to constitute the airport’s core values.

1. Honesty
2. Fairness
3. Respect
4. Integrity
5. Ethicality
6. Responsiveness
7. Accountability

**Internal and External (SWOT) Analysis**

Following a consensus of the airport Commission as to vision, mission and values, the next step in the preliminary strategic planning process was to identify the airport’s operating environment from the perspective of its strengths, weaknesses, opportunities and threats. In turn, Commission members identified the following:

<b>Strengths</b>
<ul style="list-style-type: none"> <li>• Competitive airfares</li> <li>• Convenience</li> <li>• Excellent and modern facilities</li> <li>• Proximity to hotels (geographic location)</li> <li>• Diversified aeronautical services</li> <li>• Easy/close-in parking</li> <li>• Great rental car return</li> <li>• Certificated air carrier services (full service commercial)</li> <li>• Strong staff and commission</li> <li>• Easy to land and take off from flight perspective (lower minimums)</li> <li>• ATC tower</li> <li>• Diverse tenants</li> <li>• Good mix of business and leisure travel</li> <li>• Longest runway in this part of the state</li> </ul>

- Strong business base to support Lynchburg and international (corporate presence)
- Good marketing of airport

- | <b>Weaknesses</b>  |
|--|
| <ul style="list-style-type: none"> <li>• Lack of airline choices (destinations/access)</li> <li>• No northern hub</li> <li>• Closeness to competing airports</li> <li>• No independent authority</li> <li>• Marginal service area population that hinders service growth</li> <li>• Runway capacity at peak times for general aviation</li> <li>• Land use due to terrain</li> </ul> |

- | <b>Opportunities</b>  |
|---|
| <ul style="list-style-type: none"> <li>• Second airline – Amend grant. Sell our geographical location as part of marketing</li> <li>• Explore aeronautical growth opportunities (air freight, Federal Express)</li> <li>• Elimination of city subsidy sooner – explore other revenue possibilities (easing taxpayer burden)</li> <li>• Explore expansion of Brookneal as port of LYH operations</li> <li>• Capitalize upon Liberty University’s aeronautical program growth</li> <li>• Additional General Aviation T-Hangars</li> <li>• Development of commerce park to support airport</li> <li>• Explore regional airport authority</li> <li>• Additional non-aeronautical facility (e.g. hotel – explore aviation theme)</li> <li>• Capitalize on regional growth</li> </ul> |

- | <b>Threats</b>  |
|---|
| <ul style="list-style-type: none"> <li>• Elimination of smaller RJ’s (70 seats or less) and phase out of turbo-props (30-40 seaters)</li> <li>• Airline industry consolidation (regionalization)</li> <li>• Loss of competitive airfares</li> </ul> |

- Potential loss of all commercial service
- Perception by airlines of our geographic location
- Loss of local, state and federal funding

**Opportunities to Explore**

After listing and reviewing the full list of strengths, weaknesses, opportunities and threats, Commission members were then led through a process to prioritize and rank the opportunities that were recommended to be pursued by the airport. The City Manager and airport staff have further proposed that, throughout the process of translating these objectives into strategic goals and action plans, financial self-sufficiency and elimination of the airport’s operating subsidy provided by the City be an overarching priority of this airport strategic planning process. The list of selected goals in priority order is listed below:

1. Secure second airline - Emphasize geographic location, grant funds, international travel demand
2. Explore aeronautical growth opportunities (passenger and non-passenger support)
3. Explore expansion of Brookneal as part of LYH operations
4. Capitalize on Liberty University’s expansion of aeronautical programs
5. Explore additional non-aeronautical growth (e.g. hotel facility)
6. Eliminate City subsidy sooner due to other revenue possibilities

**Weaknesses to Address**

1. Lack of airline choices /options
2. No northern hub
3. Closeness to competing airports
4. No independent authority
5. Marginal service area population than hinders growth
6. Lack of destination traffic potential

**Strategic Goals**

The following comprise the primary goals and strategies to be undertaken in order accomplish the identified opportunities.

**GOAL:** Secure a second global network air carrier.

STRATEGY:

STRATEGY:

**GOAL:** Explore aeronautical growth opportunities (passenger and non-passenger support)

STRATEGY:

STRATEGY:

**GOAL:** Explore expansion of Brookneal as part of LYH operations

STRATEGY:

STRATEGY:

**GOAL:** Capitalize on Liberty University's expansion of aeronautical programs

STRATEGY:

STRATEGY:

**GOAL:** Explore additional non-aeronautical growth (e.g. facility hotel)

STRATEGY:

STRATEGY:

**GOAL:** Eliminate of City subsidy sooner due to other revenue possibilities

STRATEGY:

STRATEGY: