

LYNCHBURG REGIONAL AIRPORT
COMMISSION MEMBER UPDATE

Friday, June 5, 2015

REPORT

CONGRESSMAN GOODLATTE SELECTED FOR USCTA CONGRESSIONAL LEADERSHIP AWARD

Each year, the U.S. Contract Tower Association selects one U.S. senator and one congressman for its Congressional Leadership Award in recognition of outstanding efforts in support of the FAA Contract Tower Program. For 2015, I'm very pleased to report that Congressman Bob Goodlatte has been selected among all 435 members of the House of Representatives as the recipient of this year's award.

As you will recall, Congressman Goodlatte was very helpful throughout the initial FAA efforts to close 149 contract towers back in 2013, including Lynchburg Regional Airport's, and actively participated in efforts to support the program, including coordinating and circulating group letters to his fellow members of Congress. More recently, Congressman Goodlatte continued those efforts by taking a leading role in the House to circulate additional letters to key administration officials, as well as specific Congressional committees and subcommittees responsible for various aspects of the FAA contract tower program. Since last year's award time frame, these efforts have included:

- A July 2014 House group letter to FAA Administrator Huerta signed by 114 Members of Congress to help force the FAA's hand on its long-term planning for the program.
- A February 2015 House group letter to the Chairmen and Members of the House Transportation and Infrastructure Committee, and House Aviation Subcommittee asking for them to maintain their support of a strong FAA Contract Tower Program throughout the FAA reauthorization process.
- A March 2015 House group letter signed by 72 House Members to the Chairman and Ranking Member of the House Appropriations Committee urging that specific language be inserted into the final bill directing that such funds as necessary be included to ensure continued operation of all towers in the contract tower program.

PASSENGER TRAFFIC UP AND DOWN IN THE SPRING

Airline passenger traffic experienced a bit of a mixed bag this spring, with March traffic up by 6 percent and April traffic down by a sizable 13.5 percent. While the March increase was primarily attributed to a stable flight and capacity environment combined with a bit of market stimulation from a weather-impacted February, April's downturn was more the result of some downsizing of regional aircraft serving LYH. Due in part to seasonal maintenance requirements and the growing pilot shortage, LYH's overall seat capacity for the month experienced a hefty 13 percent decrease which, not coincidentally, contributed to a comparable decline in passengers (isn't it funny how it works that way). So, with April passenger load factors holding up remarkably well at 81.5 percent, we should see more of a return to normalcy with our May passenger statistics considering our full schedule of 50-seat Dash-8s have returned.

FREEDOMFEST AT LYH GOES SMOOTHLY

Built around a military appreciation theme, Freedom Aviation and Liberty University teamed up to hold their first "FreedomFest" on Saturday, May 30th. The weather was great, a wide selection of aircraft was on static display, and a steady stream of youngsters took their first airplane ride, courtesy of the Young Eagles program. Overall, event logistics and operations went very smoothly, and the organizers did a great job in planning and setting up for the event.

COUNCIL TO CONSIDER AIRPORT POLICE DEPARTMENT ORDINANCE

As you will recall, the airport was forced to pursue a state legislative solution to an April 2014 opinion by the Attorney General of Virginia that essentially stripped the Department of Criminal Justice Services (DCJS) of its authority to designate our type of police department. That legislation, in the form of House Bill 2035, was passed by the General Assembly in mid-March and subsequently signed by the governor on March 18, 2015. With the new state statute set to become effective July 1, staff has prepared a Council Report asking that Council approve a City Ordinance to formally establish the "renewed" airport police department. That action is currently scheduled for the July 14, 2015 City Council meeting.

NEW ATCT DESIGN PROCESS CONTINUES

A follow-on design development review meeting for LYH's new air traffic control tower (ATCT) at LYH was held on June 2, 2015, again with representatives from airport staff, RS&H engineers and FAA officials participating. With the design process now entering its last phase, the schedule calls for final plans to be submitted and reviewed by the FAA later this month in order to meet the FAA grant application deadline for receiving federal funding for the project in this fiscal year. The goal remains to have the project out for bid during the summer, with a target date for contractor selection and issuance of a notice-to-proceed by early fall. I will provide additional details on this development and an artist's rendering of the exterior design of the new tower at next Monday's Commission meeting.

VA LEASE NEGOTIATIONS WITH FREEDOM AVIATION CONTINUE

The process of negotiating a new lease with Freedom Aviation since its acquisition of Virginia Aviation has continued since my last report. While the negotiations have become somewhat protracted, at this point we are hopeful that we will be able to bring a final lease before City Council on July 14, 2015.

AIRPORT POSTS WEAPONS PROHIBITION NOTICES IN TERMINAL

As you will recall, at the last Commission meeting one of our regular attendees, Larry Weatherford, brought to the attention of the Commission the lack of any signage in the passenger terminal that provides a warning to the public of the state law that prohibits the carrying of firearms or any dangerous weapons in passenger terminals throughout the commonwealth. Accordingly, Larry volunteered to provide a draft notice for consideration by the airport to be posted in the terminal. I am pleased to report that this process and review has been completed, and new notices are currently posted at all entrances to the passenger terminal. Thanks to Larry for his insight and assistance with this project.

AGENDA FOR COMMISSION MEETING

The agenda for the June meeting will include a report recognizing Congressman Bob Goodlatte's selection for the 2015 USCTA Congressional Leadership Award, a report on upcoming airline meetings and an update on the airport's new air traffic control tower project. In addition to those items, the Commission will be asked to make a recommendation to the city manager concerning a proposed \$1 increase in the airline parking lot rates. As always, if you have any questions regarding next Monday's meeting, please feel free to give me a call at 455-6089, or by cell at 444-3363.

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

LYNCHBURG REGIONAL AIRPORT COMMISSION
Monday, June 15, 2015
4:00 p.m.

AGENDA FOR THE COMMISSION

1. Call to Order

CONSENT AGENDA

2. March 23, 2015 Commission Meeting Minutes
3. Lynchburg Regional Airport June 2015 Air Service Update
4. April 2015 Passenger Traffic Report

Consent Agenda Recommended Action: Receive and File

REGULAR AGENDA

5. Report of the Airport Director
 - A. A report in recognition of Congressman Bob Goodlatte being selected for the 2015 U.S. Contract Tower Association Congressional Leadership Award
 - B. A report on upcoming meetings/discussions with incumbent and potential new-entrant airlines
 - C. An update regarding design elements of the airport's new air traffic control tower, including exterior design, construction costs and proposed schedule for completion
6. Report of the Airport Finance Manager
 - A. A follow-up report regarding the proposed \$1 increase in daily parking rates for public parking at the airline terminal at Lynchburg Regional Airport.

Commission Action: Make recommendation to City Manager
7. Miscellaneous business
 - A. Inquiries and/or comments by Commission Members
8. Reports of airport businesses
9. Hearings of citizens upon Commission matters
10. Adjournment

**MINUTES OF
THE
LYNCHBURG REGIONAL AIRPORT COMMISSION MEETING
March 23, 2015
4:00 p.m.**

PRESENT:

Robert Day
Don Brown
Kimball Payne
Bert Dodson
Debra Allen
Lynch Christian
Charles Nowlin

ABSENT:

Mike Davidson
Stewart Hobbs

STAFF PRESENT:

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

(1) **CALL TO ORDER:**

The meeting was called to order at 4:00 p.m.

(2) **APPROVAL OF MARCH 23, 2015 CONSENT AGENDA**

Mr. Bert Dodson confirmed that everyone had received the items from the consent agenda; the January 26, 2015 Commission Meeting Minutes, the March 2015 Air Service Update and the February 2015 Passenger Traffic Report and asked if there were any questions, comments or changes regarding the consent agenda items.

Mr. Don Brown said he would like the January 26, 2015 Meeting Minutes changed to reflect that he was absent and so was Mr. Dodson.

Mr. Dodson said being there are no questions, comments or changes, he called for a vote which was unanimously accepted by all and he declared the Consent Agenda accepted with the above changes as presented to receive and file.

(3) REPORT OF THE AIRPORT DIRECTOR

A. A report on LYH's year-end airline passenger traffic counts and aircraft operations results

Mr. Courtney gave a review of the passenger traffic and operations for calendar year 2014. We showed a slight increase in 2014 over 2013. He went on to further discuss the issue. He said operations wise he was projecting something like 117,000. There followed a general discussion.

B. A wrap-up of airport-related legislation before this year's session of the Virginia General Assembly

Mr. Courtney reported that of the three bills concerning airports, the most important one for us was House Bill 2035 authorizing an Airport Police Department. Last year the Attorney General's Office made a determination that the Department of Criminal Justice Services did not have the authority to designate private police departments such as the airport's and Liberty's and B&W's police departments.

Although there was a separate bill that covered private police departments, we had somewhat of a unique situation because the City of Lynchburg already has a police department. HB 2035, which specifically applied to Lynchburg Regional Airport to establish an airport police department and restore our former status, was passed by the House. He commended Delegate Byron, the patron of the bill, for getting it introduced and through the House as well as the Senate. The bill was signed by the Governor last week into law. Mr. Courtney stressed that it takes effect July 1, 2015. The very first sentence of the bill states that the City of Lynchburg may, by ordinance, establish an airport police department. He said unless the City Attorney or the City Manager makes a determination to the contrary, we need to take this to City Council in July to establish that ordinance. There ensued additional discussion.

C. A report with regards to future rental income being received from the Federal Aviation Administration for the use of the new Air Traffic Control Tower once completed

Mr. Courtney gave a brief summary of the circumstances leading up to the current situation regarding future rental income of the new ATCT.

Our current lease with the FAA Real Estate Division was for a three-year term, effective in September 2013 and expiring in September of 2016. He said since the technical-ops folks moved their offices out of the tower, the rent went down and we are currently receiving \$39,000 per year in rent.

At the kick-off meeting/telecom with FAA representatives participating, there was some discussion about a new lease, which Mr. Courtney brought up after the issue of the "minimum equipment list" was raised. He said right now all the equipment in the tower, including radios, office furniture, file cabinets, the refrigerator, etc. has been provided by the FAA. A determination was made as part of this project that we will be required to provide that minimum equipment and also maintain that equipment. There followed a brief discussion.

Mr. Courtney said he was told that all the equipment would be eligible under a reimbursable agreement with the FAA but the funds are provided by our own FAA AIP Grant funds. Since we are limited in the amount of grant funds we are somewhat restricted in our ability to afford the tower plus all the equipment. He said he was given estimates of \$15,000 to \$20,000 per year for servicing the equipment. He went on to further discuss the issue.

Mr. Courtney asked what the intentions were as far as a new lease, but none of those at that meeting/telecon knew the answer or was willing to give an indication of how it might go.

Mr. Courtney emailed one of the FAA representatives at the meeting in Air Traffic and provided him all the background information regarding the last time that the FAA Real Estate state office asserted that they did not have to pay rent for federal facilities; however, every year Congress puts into place an AIP reauthorization bill which contains language saying that airports do not have to provide free rent to the Federal Government for the facilities that they provide. But, there is also a US Statute that says for air traffic control purposes, the facility should be free, so there is a conflict.

Mr. Courtney talked to the supervisor at the Real Estate contracting office to the FAA and explained our situation and she has that they are still waiting for guidance regarding the FAA policy on paying rent for facilities at Contract Towers. He said she was supposed to get back with him this week.

Mr. Courtney contacted the president of the U.S. Contract Tower Association to discuss the issue, who indicated that the FAA is definitely working to eliminate paying rent for Contract Towers, as evidenced by the blanket rule that the equipment must be provided for and maintained by the airport. In short, Mr. Courtney said that it appears to be very likely that we will not receive rent for the new ATCT or any rent after September 2016. This is a loss of \$39,000 in annual rent revenue and an additional loss of several thousand dollars for maintaining the equipment.

Mr. Courtney reminded the group that the FAA still maintains the contract with Midwest Air Traffic Control Services which provides the actual personnel, their controller personnel and operations personnel, which is around \$600,000 per year for reduced hours. Mr. Courtney said he was advised by the head of the Contract Tower Association to just keep pushing the Congressional Policy that is in the legislation that says “we are not required” to provide free rent. There followed a general discussion.

Mr. Courtney said the reality is that we have an extra controller in our cab, solely because of Liberty University’s School of Aeronautics programs and the increased operations. He said they are increasing the hours and they may even add another person because of the workload so it is going to be even more expensive to man that tower.

He said the most obvious way to recover the lost rent would be through an increase in our fuel flowage fee, and make it specific to AV Gas. We could consider increasing the landing fee rates for US Airways, which have not increased it since 1997. At \$1.15 per 1,000 pounds of gross landed weight, we are very low by industry standards, and we have low passenger fees so we could increase that. Additional discussion ensued.

D. A report regarding a proposal by Republic Parking to rehabilitate the Economy Lot at the airline terminal at Lynchburg Regional Airport

Mr. Courtney said in the past for some of the parking lot equipment we have entered into agreements with Republic with a letter agreement that they would pay for upgrades in equipment and rehabilitation of the lot when they needed and then they would amortize the cost over ten or so years. Then, in the event that their lease was terminated for whatever reason, we would pay the unamortized portion or principle remaining of what they had to pay with a nominal interest rate that factored in. There followed a general discussion.

(4) REPORT OF THE AIRPORT FINANCE MANAGER

A. A report regarding proposed changes in parking rates for Republic Parking at the airline terminal at Lynchburg Regional Airport

Commission Action: Make recommendation to City Manager

Mr. Campbell passed out a handout and explained it. He said at the current \$8 and \$9 rates, the parking lot generates a gross revenue of about \$750,000. He said that is based on average numbers in our economy lot of roughly 171 cars per day that spend the night in the Economy Lot paying \$8 per day. He said in the Close-In Lot we have an average of 70 cars at the \$9 rate which generates \$229,000. During any typical day we have approximately 59 cars that stay longer than the first 30 minutes free and wind up paying an average \$1.25, which generates almost \$27,000 a year. He explained the figures shown on the handout in detail. He said we are proposing an increase in each lot by \$1 per day to \$9 and \$10 which would generate approximately a \$75,000 increase per year. There ensued additional discussion.

Mr. Courtney said he was asking for a recommendation to the City Manager. There followed a general discussion. Mr. Bert Dodson made a motion to discuss the issue and vote on it at the next meeting.

Mr. Courtney asked that the motion be clarified.

Mr. Dodson said the motion being that the Commission consider increasing the rate fees of \$1 in both lots for purposes of paying for the parking lot equipment and rehabilitation that Republic Parking has proposed beginning July 1, 2015.

There were some questions regarding the motion and Mr. Dodson said he withdrew the motion and they should start from scratch.

Mr. Don Brown said he would like to make a motion that we, as the Commission, recommend that they negotiate a \$1 increase on both lots and the staff should take that recommendation to see if they can implement it with whoever makes that decision.

Mr. Courtney said he would recommend that at this point we drop all motions, and staff goes back and negotiates a deal with Republic and brings that back to the Commission next time to consider the increase of \$1 per day. Mr. Courtney said he just wanted to make it clear to the Commissioners that there were two issues here. He said he still wanted to go forward with the \$1 increase in the parking rates so even if we have to have a substitute motion next time or a separate motion next time that authorizes that staff will be requesting that. There followed a general discussion.

(5) MISCELLANEOUS BUSINESS

A. Inquiries and/or comments by Commission Members.

Mr. Dodson asked if there were any inquiries or comments by Commission Members.

Mrs. Debbie Allen said she just had a question, at the last meeting Mr. Courtney had mentioned about looking ahead for two large hangars in midfield South Ramp. She said it was Freedom who was interested and perhaps another party that was interested. She asked if there was any update yet.

Mr. Courtney responded that was a separate part of the ongoing negotiations with Freedom Aviation over the integration of the Virginia Aviation leaseholds, facilities to combine the two. He said they want to move forward, they are talking about one hangar and they may even be talking about two. He said he believed they are talking about two that may be a possible customer that he had.

Mrs. Allen agreed with this assessment.

Mr. Courtney said Mr. Young had given him indications that they want to move forward with the hangar in the original site down at the South Ramp (the new concrete ramp area) as quickly as possible. There followed a lengthy discussion.

A citizen, Mr. Larry Weatherford, said that the Commonwealth of Virginia passed a law years ago prohibiting open carry or concealed carry weapons or fighting instruments into the airport/air carrier terminal area. He said he believed the existing signs do not adequately address the prohibition about bringing weapons into the airport terminal area. He volunteered to draft a candidate notice that could be posted on the terminal doors for the Commission's review and approval. There followed a brief discussion.

(6) REPORTS OF AIRPORT BUSINESSES

Mr. Dodson asked if there were any reports of airport businesses.

There were none.

(7) HEARINGS OF CITIZENS UPON COMMISSION MATTERS

Mr. Dodson asked if there were any questions or comments from the citizens present.

There were no comments from citizens.

(8) ADJOURNMENT

There being no further business, the meeting was adjourned.

Lynchburg Regional Airport Commission

Effective June 2015

AIR SERVICE UPDATE

Summary The number of daily departure seats Sunday through Tuesday is 250; there are 300 daily departures seats Wednesday through Friday, and 287 on Saturday. The daily departure frequency is six Wednesday through Saturday, and five Sunday through Tuesday.

Carrier Profile	<u>Airline</u>	<u>Destination</u>	<u>Departures</u>	<u>Seats</u>	<u>Equipment</u>
	US Airways	Charlotte	6/6/5	300/287/250	DH3
AIRPORT TOTAL:			6	300	

US Airways During the month of June, there were five departures on Mondays and Tuesdays, and six departures on Wednesdays through Fridays. Five departures were scheduled for Sundays and six for Saturdays. All flights in June were 50-seat DH3s with the exception of one 37-seat DH8 flight on Saturday. The July schedule will be the same as June's except there will be one less departure on July 3 and on July 5 due to the holiday.

Destinations Served	<u>Non-Stop</u>	<u>Departures</u>	<u>Total</u>
	Charlotte	6	6 (W, Th, F, Sa)
	Charlotte	5	5 (Su, M, Tu)

Aircraft Types	<u>Aircraft</u>	<u>No. of Departures/Day</u>
	DH8 Dash 8	1 (Saturday)
	DH3 Dash 8-300	6 (W, Th, F, Sa)
	DH3 Dash 8-300	5 (Su, M, Tu)
	CRJ	0 Daily

LYNCHBURG REGIONAL AIRPORT AIR TRAFFIC REPORT FOR APRIL 2015

	MONTH				YEAR TO DATE TOTALS			PERCENTAGE CHANGES		
	Apr-15	Mar-15	Apr-14		2015	2014	Apr-15 Mar-15	Apr-15 Apr-14	15 YTD 14 YTD	
AIRLINE PASSENGERS (REVENUE ONLY)										
ENPLANED										
US Airways - Piedmont	6,110	6,561	3,615		22,343	11,968	-6.9%	69.0%	86.7%	
US Airways - Air Wisconsin	-	-	3,378		-	12,553	#DIV/0!	-100.0%	-100.0%	
US Airways - PSA	-	-	-		1,075	-	#DIV/0!	#DIV/0!	#DIV/0!	
Charter	-	-	-		-	-	-	-	-	
TOTAL ENPLANED	6,110	6,561	6,993		23,418	24,521	-6.9%	-12.6%	-4.5%	
DEPLANED										
US Airways - Piedmont	6,228	6,703	3,981		23,008	13,214	-7.1%	56.4%	74.1%	
US Airways - Air Wisconsin	-	-	3,292		-	11,901	#DIV/0!	-100.0%	-100.0%	
US Airways - PSA	-	-	-		1,265	-	#DIV/0!	#DIV/0!	#DIV/0!	
Charter	-	-	-		-	-	#DIV/0!	#DIV/0!	#DIV/0!	
TOTAL DEPLANED	6,228	6,703	7,273		24,273	25,115	-7.1%	-14.4%	-3.4%	
TOTAL AIRLINE PASSENGERS	12,338	13,264	14,266		47,691	49,636	-7.0%	-13.5%	-3.9%	
AIRLINE FLIGHTS										
NUMBER OF DAILY SCHEDULED DEPARTURES										
US Airways - Piedmont	3	3	3		31	26	0.0%	200.0%	19.2%	
US Airways - Air Wisconsin	3	3	3		-	23	#DIV/0!	#DIV/0!	-100.0%	
US Airways - PSA	0	0	0		2	-	#DIV/0!	#DIV/0!	#DIV/0!	
Charter	0	0	0		-	-	#DIV/0!	#DIV/0!	#DIV/0!	
Total Daily Scheduled Departures	6	6	6		33	49	0.0%	200.0%	-32.7%	
NUMBER OF CANCELLED DEPARTURES										
US Airways - Piedmont	3	8	1		31	26	-62.5%	200.0%	19.2%	
US Airways - Air Wisconsin	0	0	0		-	23	#DIV/0!	#DIV/0!	-100.0%	
US Airways - PSA	0	0	0		2	-	#DIV/0!	#DIV/0!	#DIV/0!	
Charter	0	0	0		-	-	#DIV/0!	#DIV/0!	#DIV/0!	
Total Cancelled Departures	3	8	1		33	49	-62.5%	200.0%	-32.7%	
NUMBER OF ACTUAL DEPARTURES										
US Airways - Piedmont	160	162	95		585	332	-1.2%	68.4%	76.2%	
US Airways - Air Wisconsin	0	0	82		-	306	#DIV/0!	-100.0%	-100.0%	
US Airways - PSA	0	10	0		31	-	-100.0%	#DIV/0!	#DIV/0!	
Charter	0	0	0		-	-	-	-	-	
TOTAL ACTUAL DEPARTURES	160	172	177		616	638	-7.0%	-9.6%	-3.4%	
AIRCRAFT OPERATIONS										
(Landings and Takeoffs)										
COMMERCIAL AIRLINE	447	449	558		1,726	2,016	-0.4%	-19.9%	-14.4%	
GENERAL AVIATION	9,132	7,277	11,816		30,091	38,651	25.5%	-22.7%	-22.1%	
MILITARY	122	65	272		434	803	87.7%	-55.1%	-46.0%	
TOTAL AIRCRAFT OPERATIONS	9,701	7,791	12,646		32,251	41,470	24.5%	-23.3%	-22.2%	



LYNCHBURG REGIONAL AIRPORT TRAFFIC STATISTICS FOR APRIL 2015

APRIL	PIEDMONT				AIR WISCONSIN				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
DHC-8-200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DHC-8-300	121	6,050											121	6,050		
DHC-8	39	1443											39	1,443		
CR7																
CRJ(50 SEAT)	-	-	6,110	81.5%	0	-	-	-	-	-	-	-	-	-	-	-
Total	160	7,493	6,110	81.5%	-	-	-	#####	-	0	0	#DIV/0!	160	7,493	6,110	81.5%

Year-to-Date	PIEDMONT				AIR WISCONSIN				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
DHC-8-200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DHC-8-300	523	26,150											523	26,150		
DHC-8	62	2,294											62	2,294		
CR7																
CRJ(50 SEAT)	-	-	0	78.6%	0	-	-	-	31	1,550	1,075	69.4%	31	1,550	23,418	78.1%
Total	585	28,444	22,343	78.6%	-	-	-	#####	31	1,550	1,075	69.4%	616	29,994	23,418	78.1%