



# Richmond International Airport (RIC) Fly-By Update



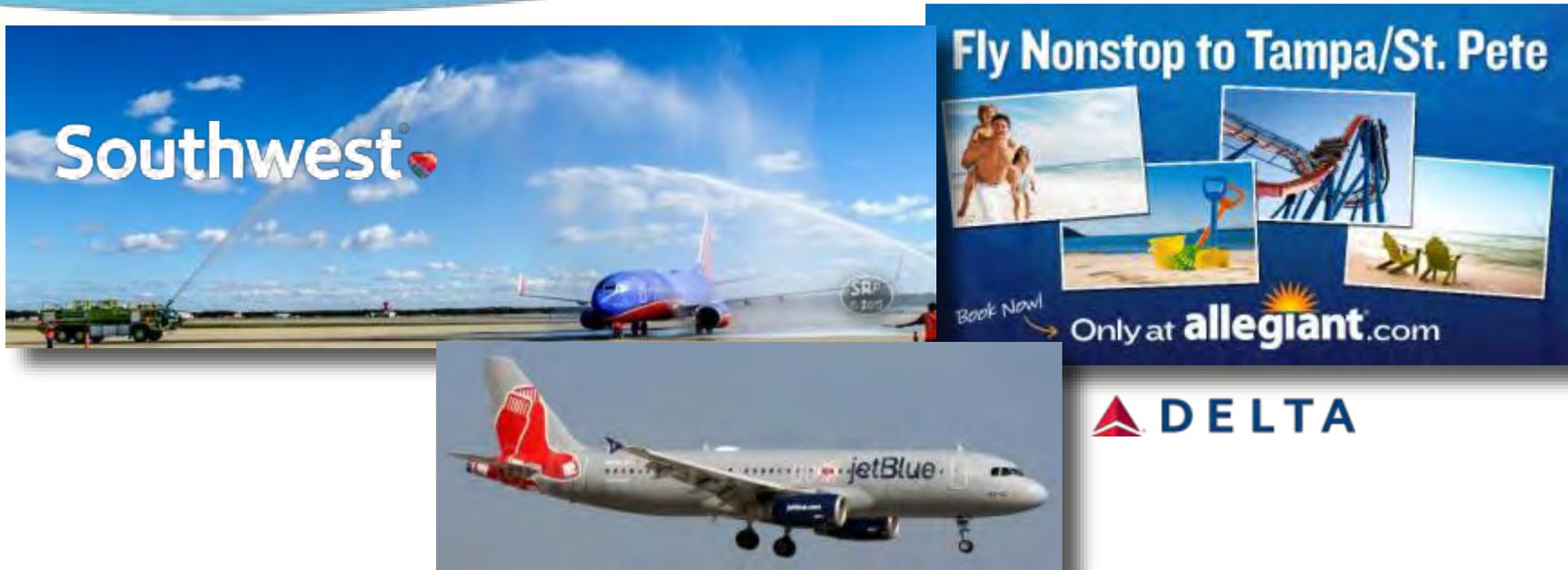
County of Hanover Board of Supervisors  
August 2015

- FY2015 Final Stats:
  - 3.43 million passengers (+5.6%)
  - 117 million lbs cargo (+2.3%)
  - 102,333 operations (+6.8%)
- 5 major airlines: American (AA/US), Delta, JetBlue, Southwest, United.
- Developable land for aero-industrial use (former VANG site).
- FTZ #207 Alternate Site Framework (ASF) re-organization complete.
- Economic impact: \$1.1 billion/yr.
- Per the ATRS, one of the world's most efficient small airports.



# Air Service News

## Consistent Growth, Retained and Expanded Offerings



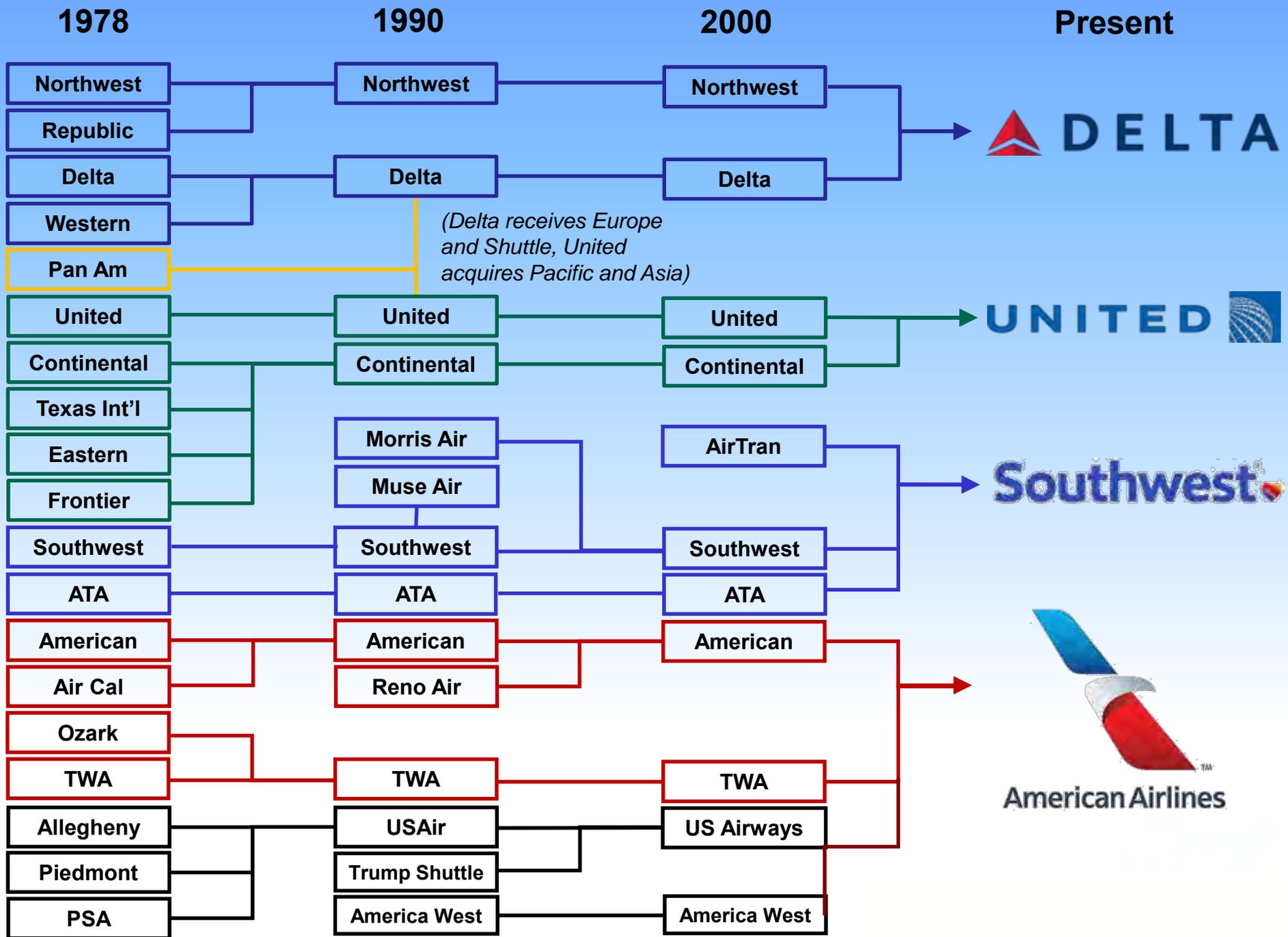
- **RIC** has reported **passenger growth for 17 consecutive months** due to increased economic activity, service retention, new offerings, and competitive fares.
- **Boston** has become Richmond's **#1 destination**, bypassing Atlanta, as **JetBlue** and **Delta** have added flights and offered very competitive pricing.
- The **transition** from AirTran to **Southwest** is complete, at RIC and system wide.
- **Allegiant Air** “pleased” with initial results, **schedule extended** into 2016.

# Changes & Challenges in the Airline Industry

Consolidation, Capacity Discipline, Revenue Focus, and Fleet Changes

- **Industry consolidation:** Four airlines carry > 80% of all domestic passengers.
- Since 2007, U.S. systemwide **departures have decreased by more than 14%** due to industry consolidation and unprecedented capacity discipline.
- **Forget market share, revenue is king.** Airlines cannot control energy costs and labor costs are locked in and rising, but they continuously analyze performance, route by route, to create the highest possible returns.
- **Fleet changes are underway.** Small regional jets ( $\leq 50$  seats) are rapidly being retired, replaced by 65-90 seat aircraft (E170, E190, CRJ700, CRJ900). Not every domestic route has sufficient demand to support larger aircraft.





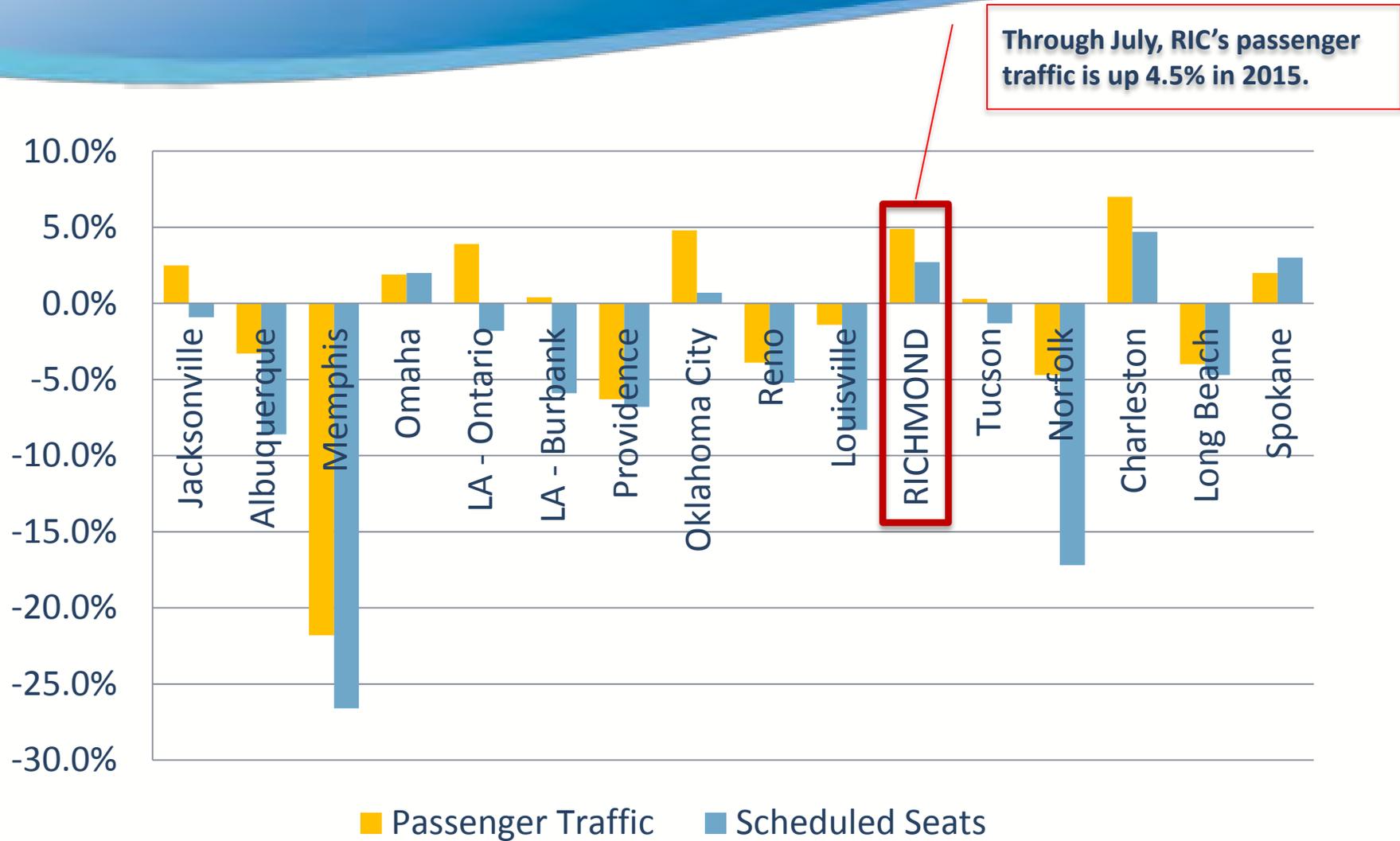
# Richmond's Top 10 Origin & Destination Markets

Passengers, Passengers/Day Each Way (PDEW) & Average Fares

Rank	Origin/Destination	Passengers	PDEW	One-Way Avg Fare
1	Boston (BOS)	240,650	330	\$114
2	Atlanta (ATL)	239,410	328	\$158
3	Orlando (MCO)	184,710	253	\$120
4	New York/Newark (LGA/JFK/EWR)	158,550	217	\$274
5	Chicago (ORD)	125,680	172	\$259
6	Dallas/Fort Worth (DFW/DAL)	104,300	143	\$253
7	Fort Lauderdale (FLL)	97,690	134	\$137
8	Las Vegas (LAS)	74,910	103	\$211
9	Los Angeles (LAX+)	71,990	99	\$253
10	San Francisco (SFO)	64,480	88	\$244

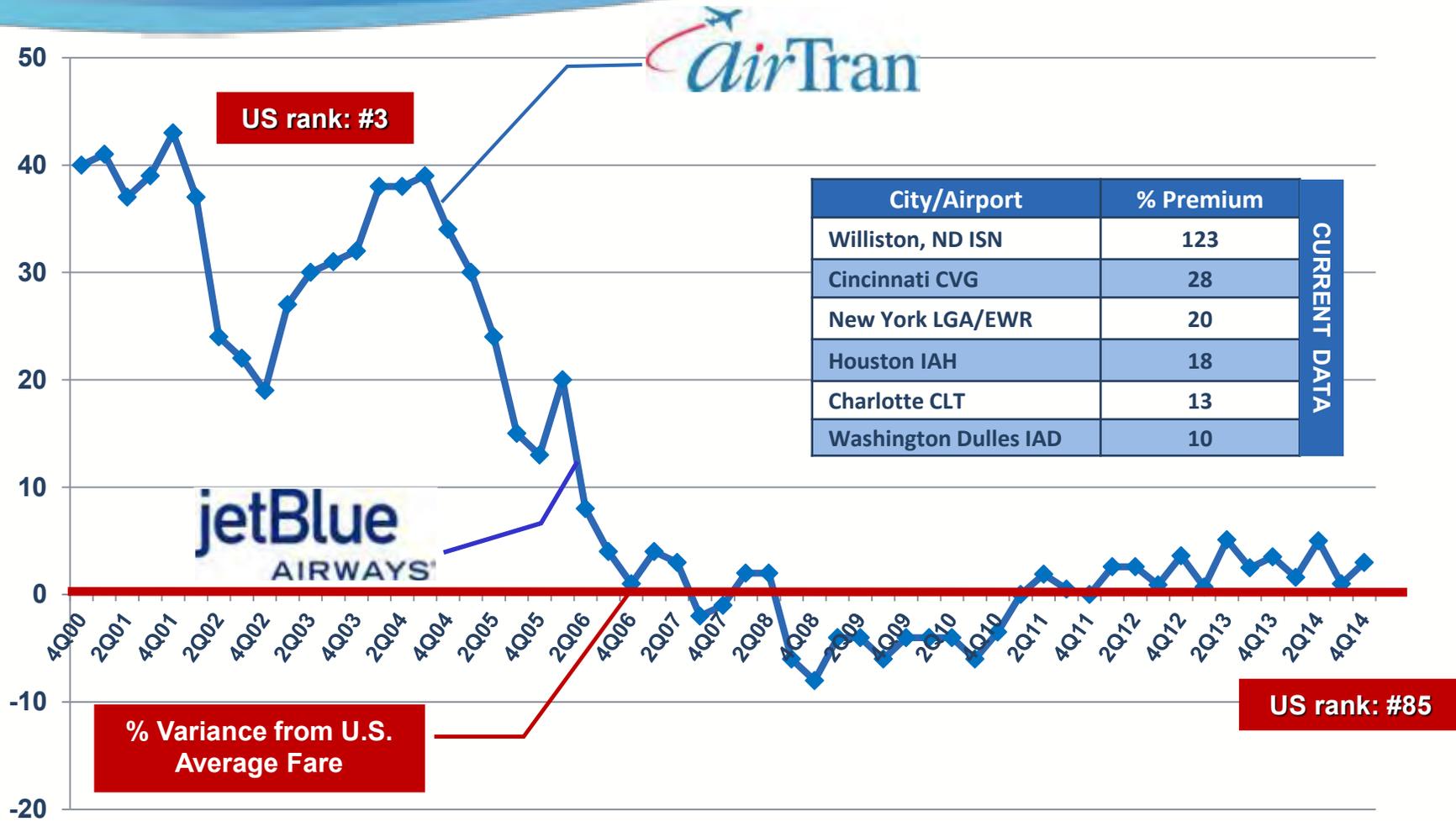
# Benchmarking vs. Peer Airports

Per FAA Enplanements Rankings: 10 Above, 5 Below (16 Total)



# Competition Still Matters: Fare Premiums

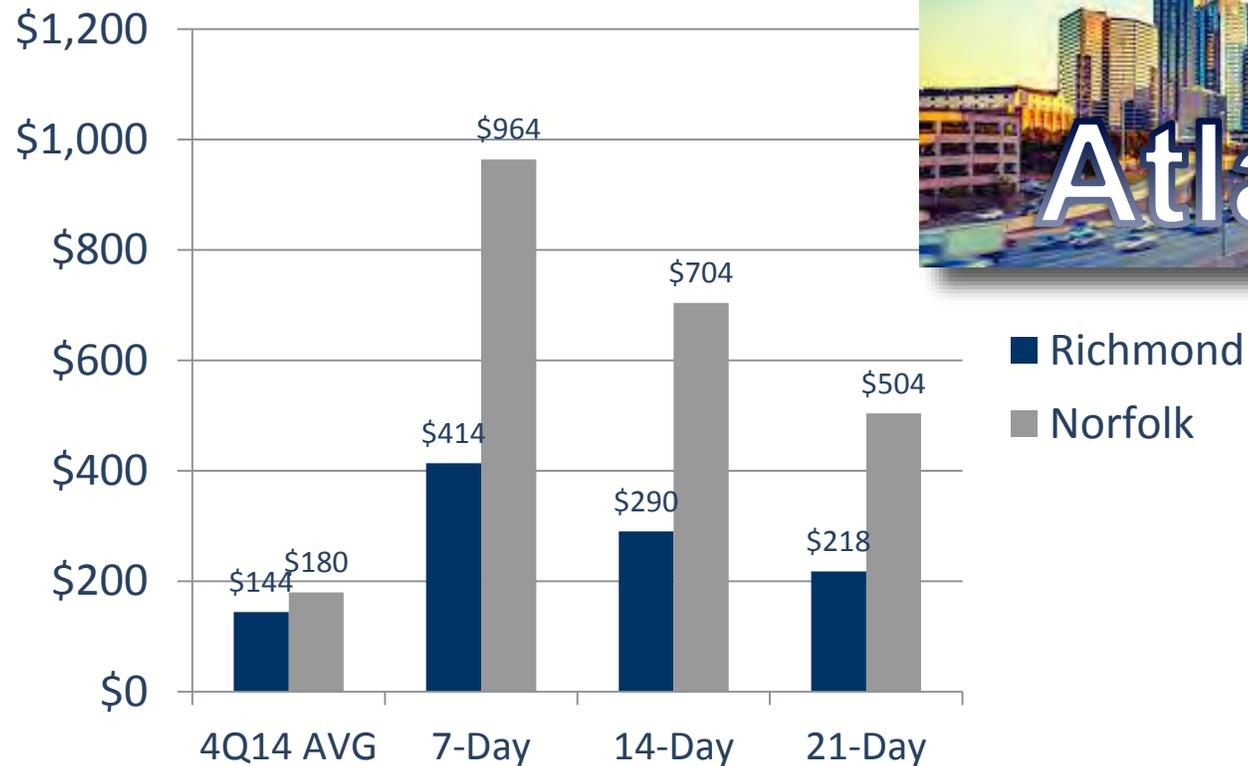
## USDOT Domestic Air Fares, 2000-Present



Updated through 4Q2014.

# Competition Matters: Atlanta Snapshot

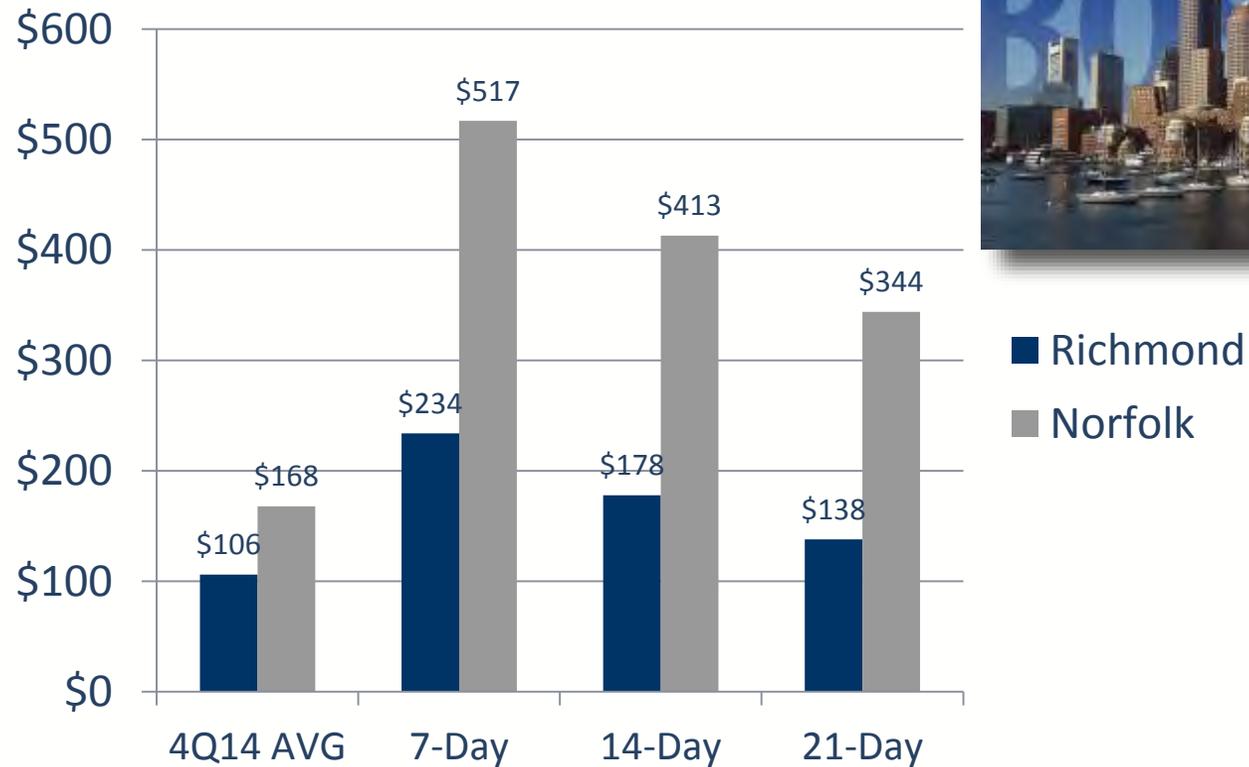
## One-Way Fares from Richmond (with) & Norfolk (without)



- Both **Southwest** and **Delta** provide nonstop service between **Richmond** and **Atlanta**.
- **Delta** is the **sole provider** for nonstop flights between **Norfolk** and **Atlanta**.

# Competition Matters: Boston Snapshot

## One-Way Fares from Richmond (with) & Norfolk (without)



- Both **JetBlue** and **Delta** provide nonstop service between **Richmond** and **Boston**.
- All travel between **Norfolk** and **Boston** **requires a connection**.



**East Side Development**



# East Side Projects Underway



-  Taxiway Mike
-  East Side Access Road
-  Clearing & Grubbing
-  Snow Removal Equipment Building

## Reconstructing Taxiway M (Mike)



- **Cost: \$31.9 million**
- **Allan Myers - VA, Glen Allen, VA**
- **Complete: October 2016**
- **9000' x 75' Group IV (767) Aircraft standard, full parallel to RWY 16/34.**

## Building the East Side Access Road

- **Cost: \$10.3 million**
- **E.J. Wade Construction, Cold Harbor, VA**
- **Complete: April 2016**
- **7000' of four-lane roadway from Williamsburg Road to Falcon Road (former VANG entrance), including installation of public water and sewer.**





# Snow Removal Equipment Building



- **Cost: \$6.8 million**
- **Haley Builders, Ashland, VA**
- **Complete: Fall 2015**
- **33,000 sqft building to house snow removal equipment, vehicle wash down bays, de-icing materials storage, and bunk and break room facilities for snow teams.**

**Amenities**



# Welcome Signage, Soon-to-Be 100% CNG, and Hudson Re-Branding

- RIC is purchasing **six new CNG shuttles**, allowing the airport to offer an “100% CNG-powered “ parking shuttle fleet once complete.
- **Hudson News** has re-branded its anchor store in the Atrium and now carries locally-made **Good Meadows** products in grab and go coolers.
- Working with VDOT, new “**Welcome to Virginia**” signs are being installed on north (near Williamsburg Road – completed) and south (near Charles City Road – in progress) Airport Drive exit points.





- The Transportation Security Administration (TSA) offers TSA PreCheck lanes at both checkpoint areas at RIC.
- Initially, travelers had to go to Hampton Roads or DC/Dulles to enroll.
- A pilot (“mobile”) enrollment center was first offered at RIC in October, then again in January. Both periods were popular, proving local demand.
- A permanent enrollment center opened on February 9th, adding RIC to the list of 31 airport locations across the U.S.
  - Weekday hours: 8:30-12:30 and 1:00-5:00PM.
  - Pre-registration encouraged, walk-ins welcome.
  - Located next to the JetBlue ticket counter.



**TSA Pre✓<sup>®</sup> keeps you moving forward with confidence and peace of mind**

Richmond International Airport (located next to JetBlue ticket counter)

Weekdays 8:30 a.m. to 12:30 p.m. and 1 to 5 p.m.

Learn more at [tsa.gov](http://tsa.gov)



Thank You!

