



Now you're going places.

# Richmond International Airport (RIC) Update



August 27, 2014





**Infrastructure Development**

**1. Runway 16/34 – Underway NOW**

- Approximate Cost - \$18MM
- Full Length Pavement Rehab
- Replacement/Repair of Stormwater Drainage System

**2. Snow Equipment Removal Bldg**

- Approx Cost – \$6.23MM
- Haley Builders, Ashland, VA

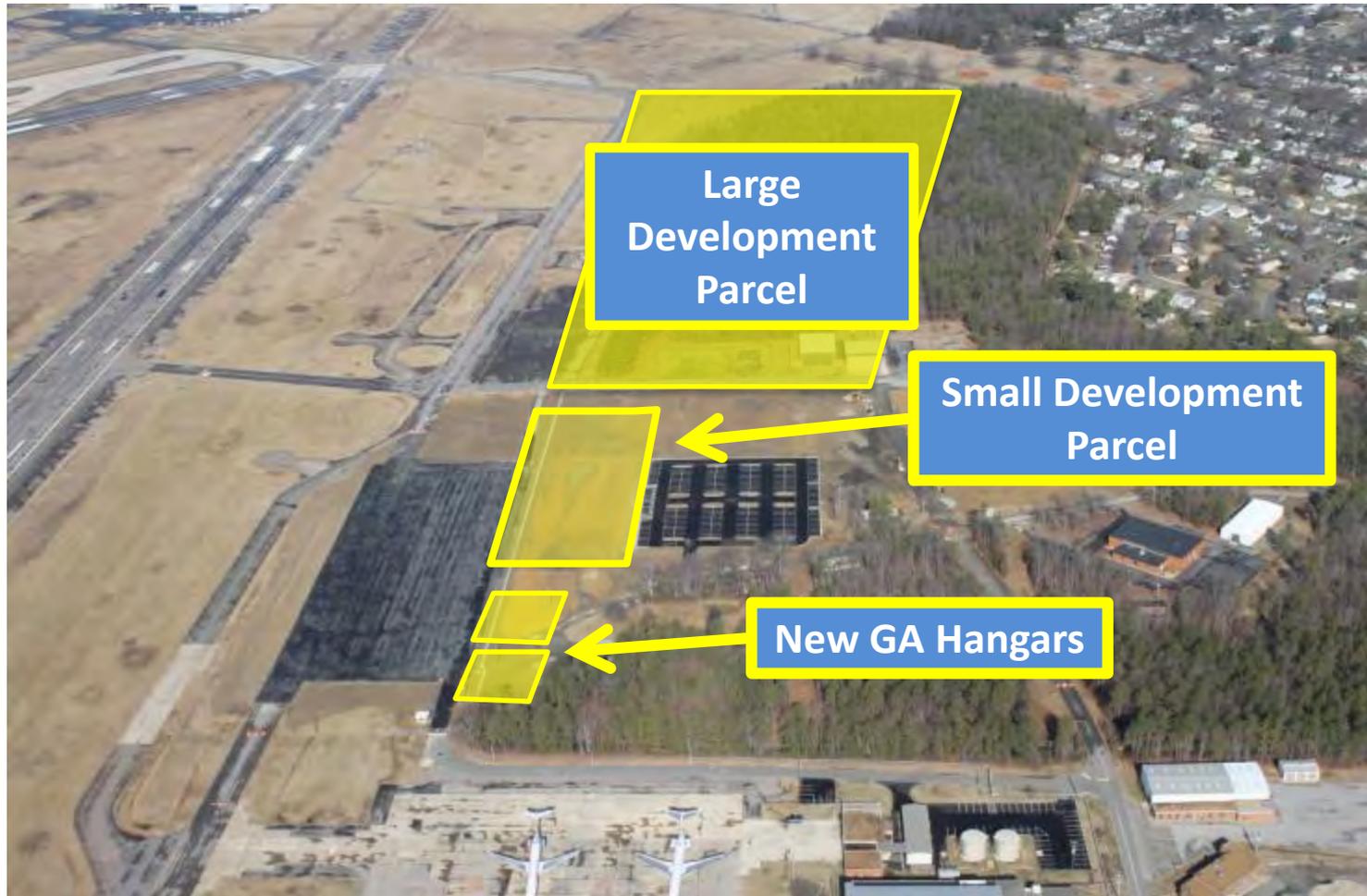
**3. Taxiway Mike**

- Approx Cost - \$29MM
- Group IV Taxiway
- Full Parallel to Runway 16/34
- American Infrastructure - VA

**4. Collector/Access Road from Williamsburg Rd to East Side Development Area**

- Approx Cost – \$12 MM
- Bid Advert: 14SEP14

# Future Development: General Aviation Hangars and Large/Small East Side Parcels



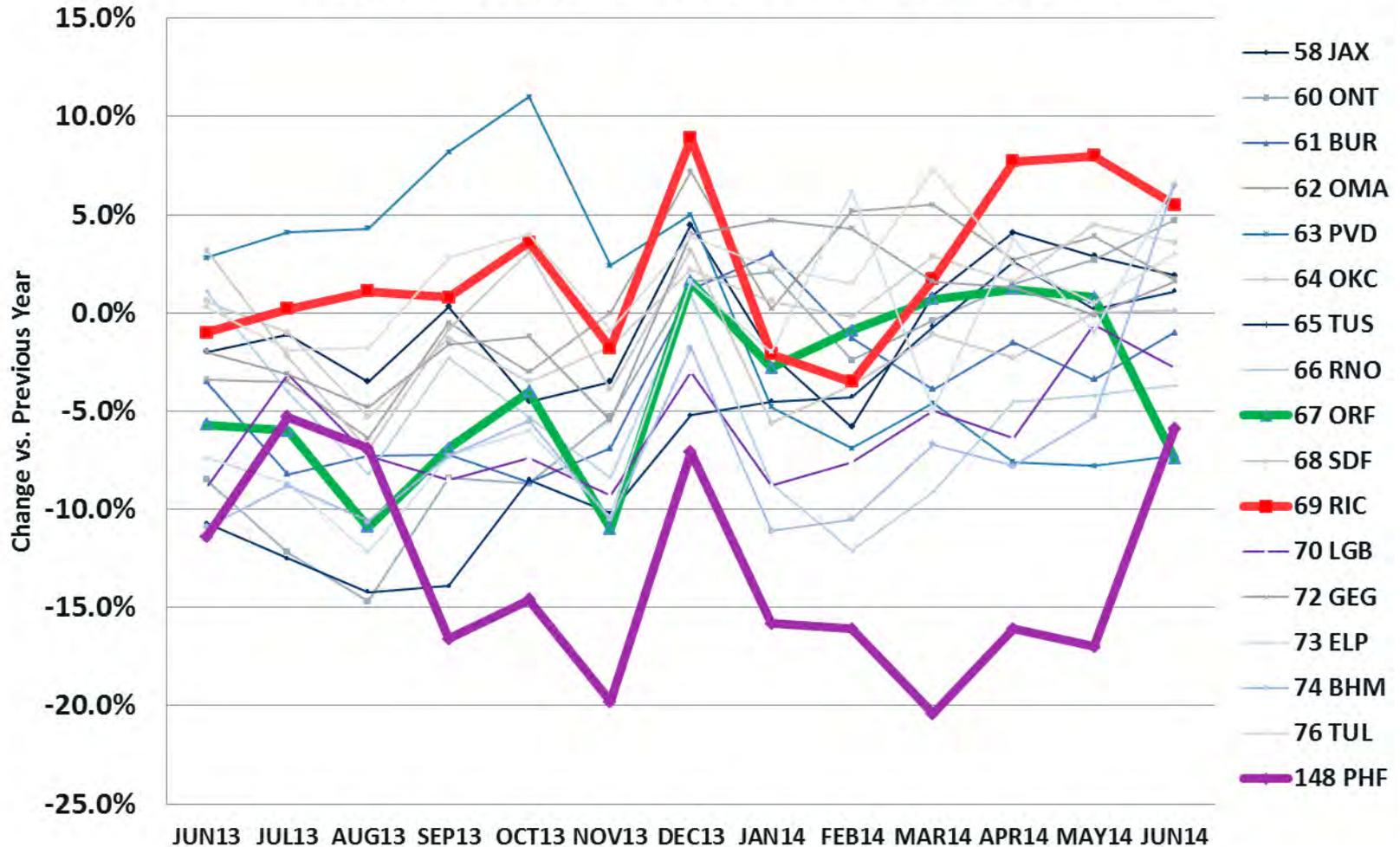
## Air Service Development



# Traffic Changes vs. Peer Airports

Based on FAA Rankings for Continental U.S. Airports

## Airport Passenger Traffic, June 2013-June 2014



# Comparing Peer Airports

RIC has Highest Average Monthly Passenger Gains JUN13-JUN14 and Best Capacity Growth

Airport	Passenger Traffic	Scheduled Seats
<b>RIC</b>	<b>2.2%</b>	<b>3.9%</b>
TUL	1.8%	0.6%
OMA	0.7%	2.8%
OKC	0.2%	-2.8%
GEG	-0.1%	-1.0%
PVD	-0.1%	-1.2%
JAX	-0.6%	-2.4%
SDF	-1.3%	-1.5%
ELP	-3.2%	-6.0%
BUR	-3.7%	-7.3%
ONT	-3.7%	-5.2%
ORF	-3.9%	-8.8%
RNO	-5.3%	-6.7%
LGB	-6.1%	-3.7%
TUS	-6.2%	-6.3%
BHM	-6.9%	-10.1%
PHF	-13.3%	-20.0%

# New Service, Retained Route Initiations



American Airlines 

 **DELTA**

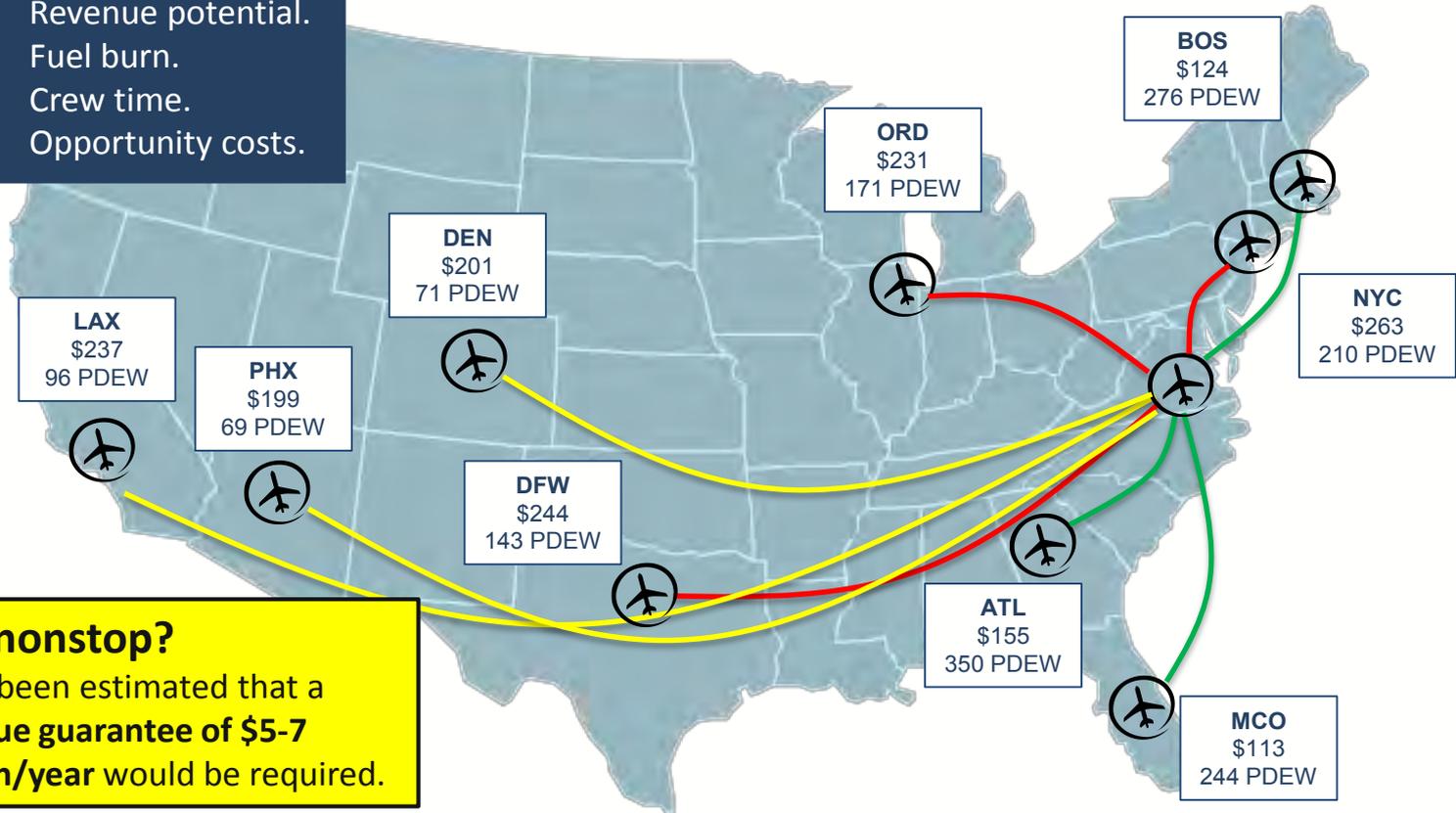
**jetBlue**  
AIRWAYS®

- **Southwest** transitioned **AirTran's Atlanta** flights to **Southwest** in early August.
- **JetBlue** will add additional Richmond-Boston service starting in November.
- **American** started **New York-LaGuardia** in April, joining Delta on the route.
- **Delta** commenced 2x **RIC-BOS** service in March, joining JetBlue and US Airways.

# Average Fares, Passenger Traffic for Select Destinations

## Considerations:

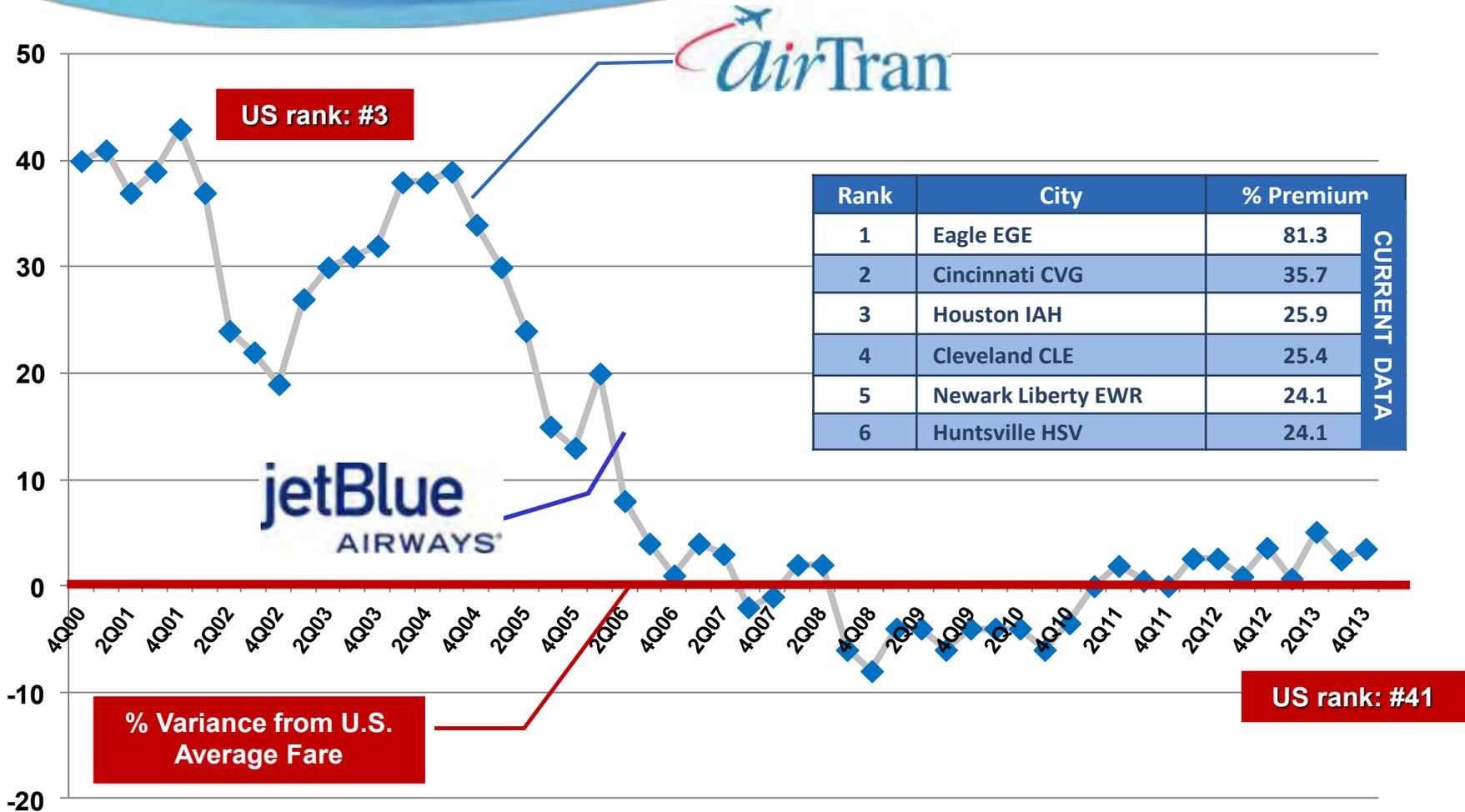
- Demand.
- Revenue potential.
- Fuel burn.
- Crew time.
- Opportunity costs.



**LAX nonstop?**  
 It has been estimated that a **revenue guarantee of \$5-7 million/year** would be required.

# Fare Premiums at RIC

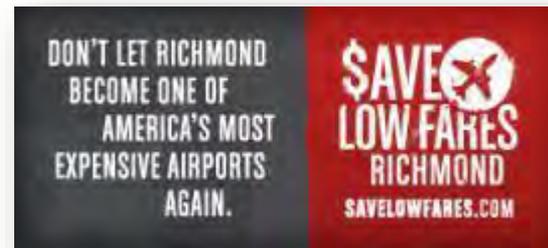
## USDOT Domestic Airline Fares 2000-Present



Updated through 4Q2013.

- **Economic development** and **fuel costs** drive air service development.
- Via **consolidation** and **capacity discipline**, domestic networks are shrinking.
- Since schedules are primarily built based on historic data, **better usage now** leads to opportunities for **increased flight frequencies** and **new route opportunities** in the future for Richmond Region travelers.
- **Only competition creates competitive fares**, thus it is important to include **all** carriers in your travel plans, including **LCCs Southwest and JetBlue**.
- If domestic service is going to be **dominated by four big brands**, we want each of these brands **well-represented in Richmond**:

- **American/US Airways**
- **Delta Air Lines**
- **United Airlines**
- **Southwest Airlines**



- Richmond travelers should be familiar with [www.SaveLowFares.com](http://www.SaveLowFares.com).

1978

1990

2000

Present

Northwest  
 Republic  
 Delta  
 Western

Northwest  
 Delta

Northwest  
 Delta



Pan Am

*(Delta receives Europe and Shuttle, United acquires Pacific and Asia)*

United  
 Continental  
 Texas Int'l  
 Eastern  
 Frontier

United  
 Continental

United  
 Continental



Morris Air  
 Muse Air

AirTran



Southwest  
 ATA

Southwest  
 ATA

Southwest  
 ATA

American  
 Air Cal

American  
 Reno Air

American



Ozark  
 TWA

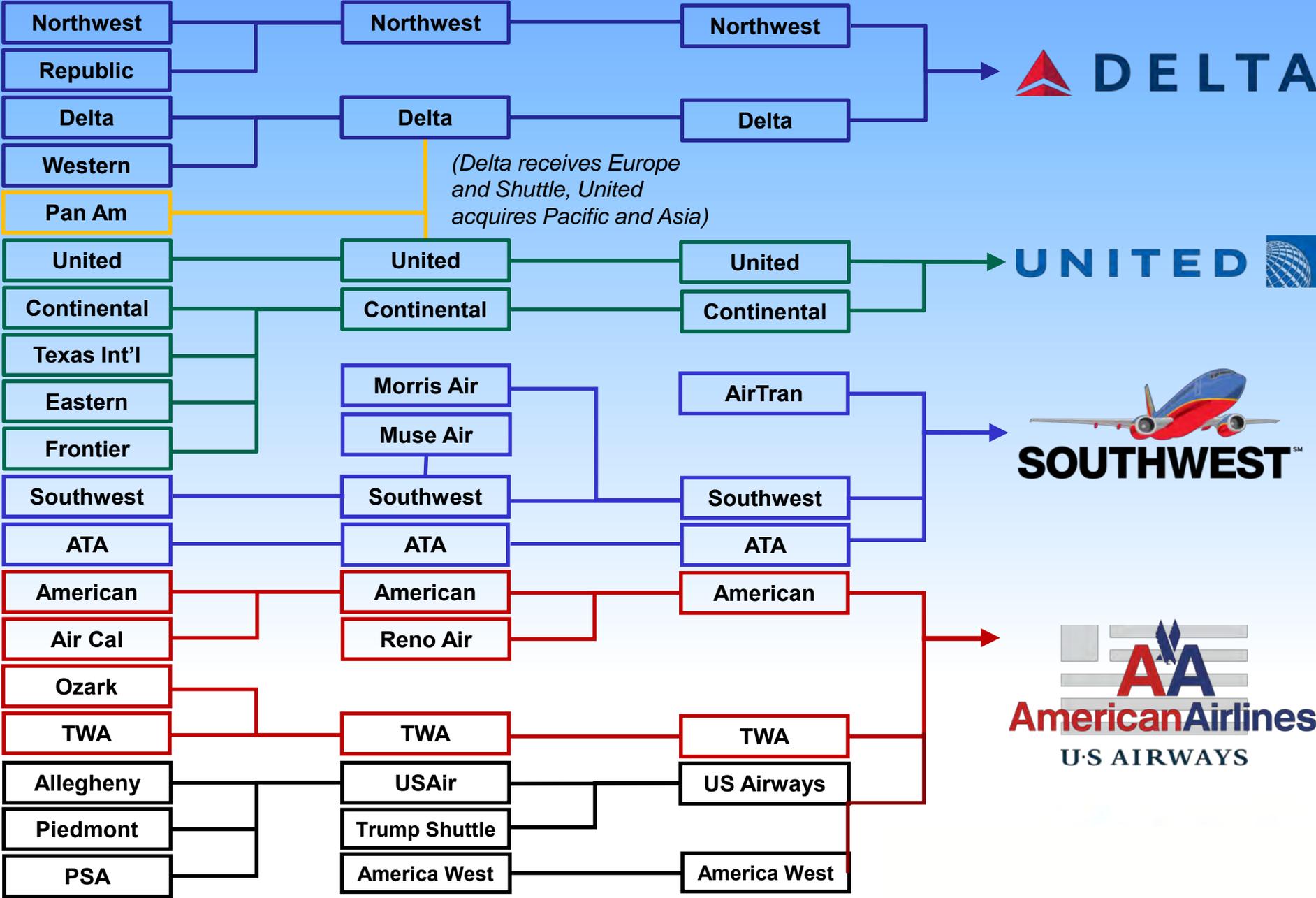
TWA

TWA

Allegheny  
 Piedmont  
 PSA

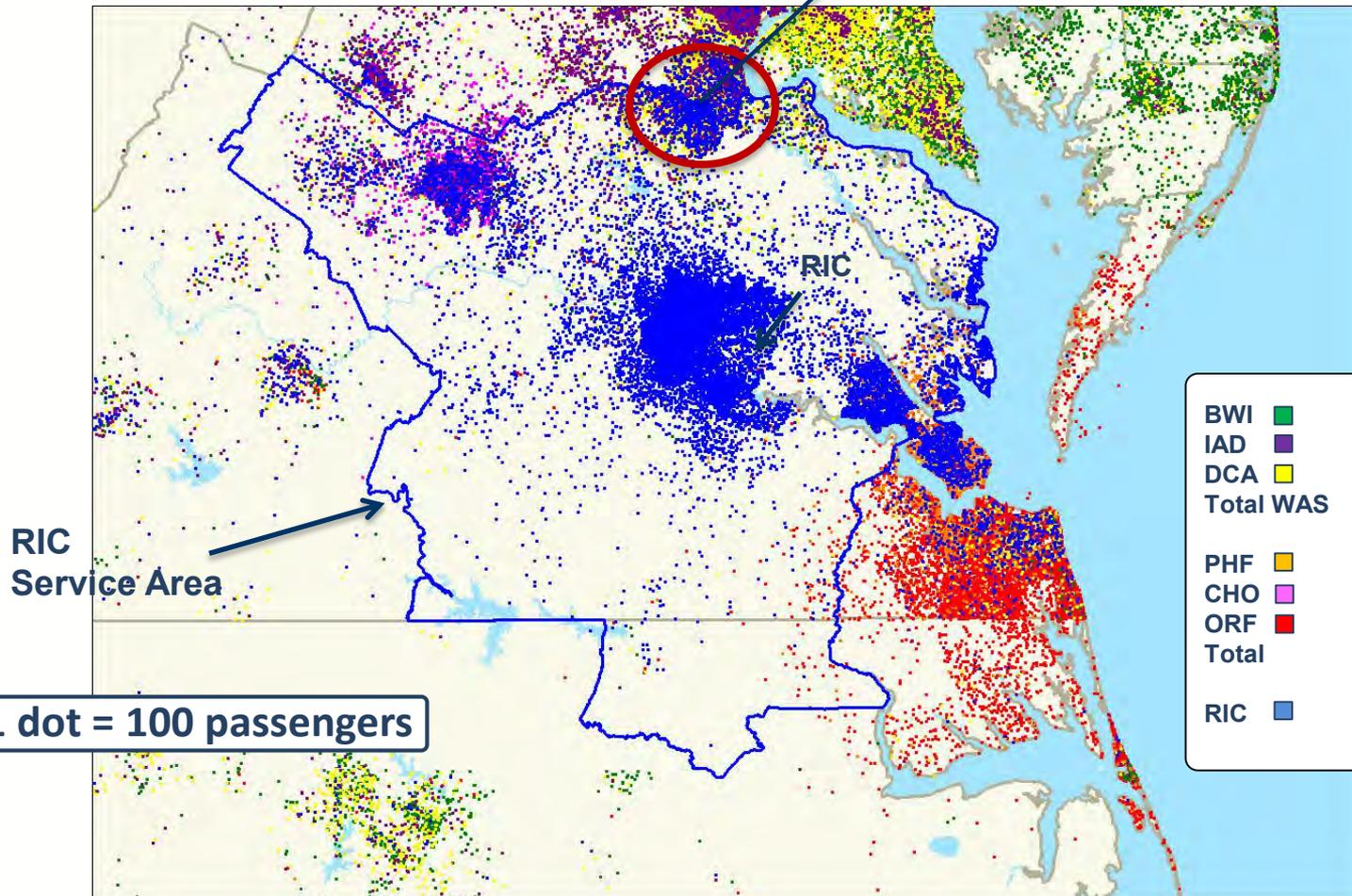
USAir  
 Trump Shuttle  
 America West

US Airways  
 America West



# Passengers Throughout RIC Service Area Use RIC

Fredericksburg



# Primary Catchment Area for RIC

