

MINUTES OF MEETING
RHODE ISLAND AIRPORT CORPORATION
BOARD OF DIRECTORS
THURSDAY, MAY 6, 2021 AT 8:30 AM

Please note this was a virtual/online meeting. There was no public gathering location and all attendees attended virtually, from remote locations.

Documents related to the meeting were posted on our website prior to the start of the meeting, which were accessed by proceeding to the www.pvdairport.com and clicking on Board of Directors meeting button on the home screen. The best practices for virtual/online meeting experience were also be found in this folder.

Attendees joined the meeting using the link or dial in below information.

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The meeting of the Rhode Island Airport Corporation (RIAC) Board of Directors was called to order by Chair, Jon Savage at 8:30 a.m., in accordance with the notice duly posted pursuant to the Open Meetings Act (R.I.G.L. §42-46-1 et seq.).

BOARD MEMBERS PRESENT: Jonathan Savage; Deborah Thomas; Christopher Little; Gregory Pizzuti; Jeffrey Bogosian and Jonathan Roberts.

BOARD MEMBER ABSENT: Michael Traficante

ALSO PRESENT: Iftikhar Ahmad, President and CEO, and those members listed on the attendance sheet attached hereto.

Mr. Savage stated good morning everyone. This is Jon Savage, Chair of the Rhode Island Airport Corporation Board of Directors, and I am calling this meeting of the Board of Directors to order. Due to the extraordinary circumstances we are now facing this meeting will have no physical attendance at the offices of the Corporation so we may meet the requirements to maintain adequate social distancing and will be conducted through means of computer and telephone services in accordance with Executive Orders issued by the Governor and guidance provided by the Director of the Department of Administration and the Attorney General. **Mr. Savage** noted RIAC has provided remote access to the general public by providing computer access and call in information on the agenda posted both on the Secretary of State and the RIAC website, and that the meeting will be suspended in the event of a service interruption. Document related to today's agenda items are on the RIAC website, which can be accessed, by proceeding to the www.pvdairport.com and clicking on Board of Directors meeting button on the home screen.

Mr. Savage took a Roll Call of the Directors and asked each member of the Board to individually respond:

Beginning with myself, Chairman Jonathan Savage is here.
Treasurer Deborah Thomas
Secretary Christopher Little
Board Member Gregory Pizzuti
Board Member Jeffrey Bogosian
Board Member Jonathan Roberts

Mr. Savage acknowledged the presence of a quorum. **Mr. Savage** noted that all votes today will be roll call votes and noted any board member that has a functioning camera should turn it on and remain visible during the meeting. If any Board members without a camera available are participating via audio only, please advise if you need to take a break during the meeting to let us know so that we may keep an accurate record of the meeting.

To help keep the meeting on track, **Mr. Savage** introduced Alicia Seabury, Executive Assistant to Iftikhar Ahmad, President & CEO.

Ms. Seabury stated thank you Chair and before we address the Agenda items to note we are recording the meeting for purposes of documentation. Each speaker should identify themselves before they speak in each instance. For members of the public joining us today, **Ms. Seabury** noted the same rules apply as in all our meetings, that is, there will be a limited time available for public comment at the beginning of the meeting, and participation is limited to the public comment time period. **Ms. Seabury** noted further, please if you are not speaking, mute your line to minimize feedback. We have technical support on hand, so if you are having difficulties, please call 401-691-2239 or 401-691-2303. **Ms. Seabury** turned the meeting back over to **Mr. Savage**

1. **Approval of the Minutes:**

A motion was made by **Mr. Little** to approve the minutes of the Board of Director's Meeting of April 8, 2021. The motion was seconded by **Mr. Pizzuti**.

By the following roll call vote, the motion was passed unanimously.

YEAS: Jon Savage
Deb Thomas
Chris Little
Greg Pizzuti
Jeffrey Bogosian
Jonathan Roberts

NAYS: None

ABSTAIN: None

2. **Open Forum:**

Mr. Henry duPonte stated she would like to address the Board.

Mr. duPonte noted he appreciated the board letting him speak at this meeting in this forum and he has some brief remarks. First is both Block Island and Westerly State Airports have been given a special designation by the FAA as primary non-hub airports in the National Airspace System Plan. The FAA allocates \$1M in Federal Airport Improvement Program funds specifically to those airports each year because Block Island and Westerly have a regional airline which enplanes over 10,000 passengers each year. **Mr. duPonte** noted since 2013, RIAC has been collecting these funds from the FAA and spending them at other airports including Quonset, Newport, North Central and Providence. The total FAA entitlement funds earmarked for Block Island and Westerly equal \$14M over the last seven years. The total CARES funds, which were awarded to RIAC last March, a year ago, for Block Island and Westerly was just over \$1M each. Over this period, RIAC has spent \$154,000 on Block Island and \$910,000 at Westerly for perimeter fencing and obstruction removal. **Mr. duPonte** noted this means that RIAC has spent approximately \$15M in FAA funds, which are allocated for airport improvements for the Block Island and Westerly State Airports and other airports like T. F. Green. **Mr. duPonte** noted he has written Mr. Andrade, Mr. McCurley, Ms. Fadden and Mr. Greco to ask about this without a response and asked Mr. Savage to be kind enough to look into this for them. **Mr. Savage** thanked **Mr. duPonte** for the request and asked if he has put that in writing to the board. **Mr. duPonte** noted he has written management and he has mentioned this to the board in February and March this year that Block Island and Westerly have been earmarked of funds. For example, to be used for our paving project. RIAC is now going to repave the existing airport parking apron on Block Island next fall and not add a single paved aircraft parking space at the only airport in the region which only has 25 paved parking places available for up to 100 aircraft, which would generally land here on a busy sunny day. **Mr. duPonte** noted I have been addressing this to RIAC management and the board numerous times since 2019 when the expended paved aircraft parking apron was dropped from the RIAC Capital Improvement Program with no notice to our community. **Mr. duPonte** stated he noted that RIAC has a superior court decision on the agenda that DOT has the statutory right to purchase avigation easements to remove obstructions at the state airports and we urge RIAC to ask DOT to exercise that power to get the avigation easements so that RIAC can remove the obstructions at Newport State Airport instead of displacing the threshold that you are planning to do in the near future. The displacing of threshold will strand Newport placed aircraft and also prevent charter and fractional ownership aircraft from using this field. **Mr. duPonte** noted RIAC knows DOT has been able to do this for years because on May 17, 2017, in the minutes of the RIAC board meeting, you voted to instruct DOT to condemn a property in Warwick because the owner was non-responsive with regard to easements and obstructions so you could get the runway certified for CAT 1, 2 and 3 landing approaches. Please use this power that you have always had, to get our airports free and clear and returned to full utility. **Mr. duPonte** noted lastly, we applaud your agenda item to reengage FlightLevel Aviation at the Block Island State Airport for another year and we know that you plan to restrict access to the parking area at the Block Island and Westerly State Airports in order to charge parking fees. He stated that RIAC charging fees at these airports requires a notice of rule making with a public comment period and possibly public hearings under the APA before you start to restrict parking at state owned facilities and to charge user fees. RIAC should be prepared to explain why they are only charging parking at Block Island and Westerly and not at the other general aviation airports.

Mr. Peter Eichleay stated he would like to address the Board.

Mr. Eichleay noted he is the owner and CEO of FlightLevel Aviation and they are just coming up on their third year serving as the FBO at the RIAC five and serving a partnership role with RIAC in managing the RIAC five airports. It has been a terrific relationship and a terrific experience notwithstanding some of the challenges of the pandemic year. He noted he wanted to get on the record to voice FlightLevel's support for the ramp rehabilitation project at Block Island. It is a pressing need and he knows it is slated for the fall, but it should move forward as planned when the grant money is available. **Mr. Eichleay** noted it is important that we use it and not risk losing it. He appreciates Mr. duPonte's comments and understand there has been a lot of talk about ramp expansion in addition to the rehabilitation at Block island and he thinks everyone is open to that possibility in the future, but as with all grants, there needs to be a really good justification for it. We have discussed this at length with RIAC in our weekly correspondences on how to handle that. **Mr. Eichleay** noted, for the board's benefit and some perspective, in our two and half summers at Block Island we have not had to turn customers away that he is aware of. There has been occasional reluctance about parking on the grass especially during busy holiday weekends, but the way we have coordinated and the agreed upon way to handle this, we are going to take this summer and we are going to do daily audits of the parking situation at Block Island so we have really good data to justify whatever decision we are going to recommend. Essentially, we are going to provide this data to RIAC, they are going to evaluate it and obviously our input will be provided as well. If the need is there, we are going to go in the direction the data leads. **Mr. Eichleay** noted grant money does not grow on trees and it needs to be prioritized across all the five airports based on whatever need is most pressing and what is going to have the most beneficial impact. As far as ramp space goes, the greatest need we have for ramp space is at Newport. On a weekly basis during the summer months, there are multiple days where we run out and it gets chaotic and hectic. To recap, we are 100% on board and supportive of the rehabilitation project slated in the fall and we want it to move forward. We will be keeping close tabs on the Block Island parking situation this summer so we can make a decision in 2022 as to how to move forward.

3. Report from the President and CEO:

Mr. Ahmad presented the President and CEO Report and reported on the following:

- **Mr. Ahmad** stated On April 23rd the ground transportation level restrooms floor slabs were poured and completed. The stud walls in the North Concourse restrooms are now being framed. The fire suppression system installation and the soffit framing have been completed and the finishing work on the ceilings should be completed in the coming weeks.
- **Mr. Ahmad** stated Phase 1 continues on the PVD runway 16-34 reconstruction project, with the placement of P-209 subbase in the taxiway shoulder areas. The preparation of the base pavement for surface course paving is ongoing. Electrical work continues with the edge lights and guidance signs. Phase 2 is ongoing with the stripping of loam on the infield areas in preparation for drainage infrastructure improvements. **Mr. Ahmad** noted all drainage structures have been delivered to the work area. Subgrade was prepared and verified for proper compactions. Cardi is placing and compacting P-154 subbase and quality assurance is ongoing during the placement of the P-154 subbase material.
- **Mr. Ahmad** stated Standard and Poor's recently increased its outlook on RIAC's General Airport Revenue Bonds and First Lien Special Facility Bond for the Interlink

from negative to stable. The current ratings are A- and stable for RIAC's General Airport Revenue Bonds. For the rental car interlink facility' special Facility Bonds, it is BBB+ and stable.

- **Mr. Ahmad** stated RIAC staff continues to prepare for the reactivation of the PVD Pups program. Some of the Pups handlers have started the airport security badging renewal process. Program reintroduction sessions are being planned for mid-May. Pending the results of those sessions, some Pups teams may be able to resume volunteering at the end of May.
- **Mr. Ahmad** stated RIAC currently has 22 active volunteers and has identified three additional candidates to be on track to reach the goal of 25 volunteers by May 31st.
- **Mr. Ahmad** stated RIAC celebrated Volunteer Appreciation Week April 18th-24th. As part of the Volunteer Appreciation Week, food, treats, gift cards with a decorative ambiance in the Volunteer Center was provided for the volunteers to celebrate their selfless contribution.
- **Mr. Ahmad** stated in response to increased customer activity, Customer Service updated operating hours for food, beverage, ground transportation and retail outlets across all of our informational media platforms, including PVD website and PVD mobile app.
- **Mr. Ahmad** stated FlightLevel is working with The Ocean House to open a lounge/café at the GA Westerly Airport terminal. This will be a great use of space that has historically been designated for this purpose and has been a topic of conversation with stakeholders during the General Aviation Airports Strategic Business Plan meetings. They plan to begin upgrades to the interior space over the next couple of weeks and plan to be open for this upcoming season.
- **Mr. Ahmad** stated the State is about to make a change on passenger testing at PVD. Smart Tek will be taking over the administration of the free in-airport COVID-19 testing from the RI National Guard. The COVID-19 testing is free for arriving passengers, departing passengers and airport employees with schedules geared around flight activity. The testing will be provided through June 30th and there is an indication that it will likely extend beyond this date.
- **Mr. Ahmad** stated RIAC completed the "Climb Mount Everest Challenge" on April 25th. Based on latest report, the participants logged 4,275,013 steps. Prizes will be given to the top three (3) participants who had the most total steps over the five (5) week challenge. RIAC will soon be launching the hiking challenge in an effort to get people outside as the weather improves to continue our physical fitness initiative.
- **Mr. Ahmad** stated voting for the Travel + Leisure awards is open for voting until May 10th and the Conde Nast Traveler Reader's choice is open for voting through May 30th. RIAC continues to promote both of these through marketing and social media channels
- **Department Updates:**

(a) Air Service Update

Mr. Schattle noted, as you will recall, we developed a detailed forecast and sensitivity analysis based on the impacts of the COVID-19 pandemic back in March. For the fiscal year through February, actual enplanements were approximately 88% of our planned forecasted amounts. The model did not include a second or third wave. We exceeded our forecasted amounts each month from May through September and ranged between 68% and 98% of our forecasted amounts from October through February. **Mr. Schattle** noted with the reducing trends in the daily new cases, as you can see included in the chart, we expect the rest of the fiscal year will head back towards our forecasted amounts and planned activity levels.

Mr. Schattle noted for the month of February, the daily carrier seats were down approximately 64% and the daily carrier departures were down approximately 62% as compared to the prior year for the month of February. Our airline passenger activity levels for the month of February and total passengers were both down approximately 71% as compared to the prior year. **Mr. Schattle** noted for the fiscal year to date through February enplanements and passenger activity was down approximately 76%. As a reminder, RIAC monitors several important metrics throughout the country and region including TSA checkpoint activity to compare ourselves to other airports. For the fiscal year to date through March, PVD has operated slightly better than the region better than Boston and as you will recall, as presented over the last couple of months, the New England region was further impacted as compared to the entire country. **Mr. Schattle** noted we are continuing to monitor our enplanements levels and we are looking forward to moving forward from the second and third waves and we will continue to monitor and track as compared to other airports as well.

(b) Airport Financial Report Update

Mr. Schattle noted as we complete the eighth month of the fiscal year, we are continuing with our strategy based on a low CPE for the airlines that operate in Rhode Island. Overall operating revenues are down approximately 15%, which we are choosing to do as we continue to keep our low cost for the airlines that operate in Rhode Island by setting their rates to operate at lower levels. Revenue streams such as parking and concessions will continue fluctuate with activity levels. We will continue to monitor those revenue streams in line with our CPE strategy throughout the fiscal year and expect the deficit to diminish as activity levels continue to recover. Also included in our year to date revenue streams is approximately \$8M of CARES Act funding, which we are utilizing for operating expenses and debt service to help the airlines that operate in Rhode Island. **Mr. Schattle** noted we continue to focus on managing our operating expenses. Our operating expenses year to date through February are down approximately 10%. Some highlights include advertising expenses, which are down approximately 62% year to date and that is reflective of RIAC's efforts to manage those expenses while maintaining an impressive presence in the market. Communications and utility expenses are down approximately 25% and are reflective of our efforts to control those costs in line with activity levels as well as the positive results from our net metering initiatives. Contractual services are down approximately 8% as a result of our initiatives to manage these costs in line with operations. **Mr. Schattle** noted the federal governmental service costs related to customs and border protection has been removed in the current year saving approximately \$560,000. We are in the midst of a general aviation strategic business plan to address the subsidies at the general aviation airports. Our plan is focused on addressing the approximately \$6.3M subsidy for general aviation activities across our airport system at all six airports. The overall operating loss at the general aviation airports is approximately \$753,000 year to date

through February. **Mr. Schattle** noted the increase in operating expenses for the general aviation airports include increased payroll costs assigned to these cost centers for approximately \$566,000 and additional legal expenses of approximately \$158,000 in the fiscal year. **Mr. Schattle** noted the non-operating revenues and expenses are largely driven by the timing of grants and capital projects. We are undertaking several large capital projects including our runway 16-34 and the restroom project at T. F. Green Airport, which are grant funded with reimbursements through the FAA. As an example of the funding stream, we expect to receive between \$10 and \$15M in this fiscal year for the \$27.4M runway 16-34 project, which is funded over the two fiscal years. **Mr. Schattle** expanded on our grant applications and how RIAC is managed and how we coordinate with the FAA regarding grants. As Peter Eichleay mentioned earlier in the presentation, we do coordinate on an annual basis with the FAA and in that coordination, projects and grants are prioritized based on justifications. RIAC as a whole receives grant funding through the FAA in entitlement funds that allocated to be used by RIAC as a sponsor and not specific to any individual airports. It is expected that those funds are able to be used at multiple airports throughout the system. **Mr. Schattle** noted the revenue streams associated with the InterLink facility are largely driven by activity levels. The facility has strong liquidity, which will help manage us through the impacts of the COVID 19 pandemic and we are continuing and will continue to keep in close contact with the rental car companies to discuss facility charges and trends in the industry moving forward.

(c) Overtime Update

Mr. Greco noted the month of February saw us exceed last fiscal year's overtime. As you can see the main reason for exceeding 2020 overtime is due to a dramatic increase in the snow team's overtime. This was caused by five snow events that lasted over an eighteen day period. The snow team removed up to 18,800,000 cubic feet of snow during that time period as well as performing maintenance and repairing the airfield as needed between each snow event. In contrast, February 2020 saw a light wintery mix with minimal removal. **Mr. Greco** noted ARFF's increase in overtime continues due to a retirement and use of accrued leave. As stated last month, RIAC has hired a new crew member and he is happy to report he started on April 26th. The crewmember is currently going through on job training prior to attending the ARFF academy this month. After his graduation from the academy and fully qualified, he will fill the slot that was open by the retiree. **Mr. Greco** noted as stated previously, we have exceeded the overtime from 2020. In the breakdown of the year to date totals by department, you will see ARFF and snow are over the previous year due to the reasons previously noted.

(d) SAFE, CARES and EASE Campaigns

Mr. Goodman noted he is happy to provide this update on our SAFE education initiative to ensure people have the data they need to make an informed decision for themselves to return to air travel. Although this pandemic has brought hardships like never seen before, vaccinations are on the increase and the CDC has now issued new guidelines allowing travel for vaccinated individuals without quarantine or COVID testing resulting in increased vaccinations for those eager to travel and see loved ones. Meanwhile federal mandates for mask wearing in airports and on aircraft also continue, but these measures too are helping to maintain public confidence in the safety of air travel. **Mr. Goodman** noted at RIAC our communications team has worked hard to inform and educate the public, and we are now seeing individuals returning to T. F. Green Airport. We take pride in that we've done so without being pushy, recognizing everyone is different, and that when they are ready fly we're ready to welcome them back. We've engaged with local media outlets share all that T. F. Green Airport

is doing to keep the public safe and healthy – from enhanced cleaning, to face mask requirements, and free access to rapid testing for those both arriving and departing the state. **Mr. Goodman** noted and we can see that message is being heard to the point where the traveling public now provides first-hand accounts of their own confidence in the safety of air travel as seen in this recent news coverage. In addition to all of these efforts RIAC also continues to update our COVID information page to ensure that we can remain a valued source of the best and most up to date information for SAFE travels. **Mr. Roberts** noted we are seeing a real slow down in vaccine due to hesitancy and asked if there has been any thought or discussions around potentially providing or doing vaccines in coordinate with the State at the airport. He knows we do testing so he was curious about vaccines. **Mr. Ahmad** noted we have had those discussions with the State and they were at one time interested in doing so at the airport, but they made a decision contrary to that so they chose not to do that at the airport. **Mr. Roberts** noted things have changed dramatically over the last two weeks and suggested RIAC has another discussion or maybe a discussion with one of the hospitals to see if they have any interest. **Mr. Ahmad** noted that was a great suggestion and we will look into that.

Mr. Pimental noted as the head of the customer service team, he is pleased to share an update on the customer service campaign called CARES. As we experience a recovery in air travel at PVD, we continue to focus on introducing programs and amenities that improve the airport experience for our passengers. The CARES campaign, in parallel with many other RIAC led efforts, aims to position PVD as the preferred airport in our region and to welcome back passengers to the airport in a meaningful way. **Mr. Pimental** noted the initiative we are updating on this morning is the reactivation of the PVD Pups program. First launched in 2015, this program became immensely popular with our customers. Designed to bring a sense of comfort to passengers who may be anxious about flying or simply as a reminder of their beloved pet at home, the program grew to 25 teams. Pre pandemic, this program would frequently receive requests from travelers to meet them at the airport and also participated in community events such as parades, hospital and college visits and conferences being hosted in Rhode Island. Teams have also been part of several Make a Wish Foundation requests. **Mr. Pimental** the reintroduction of the program is underway. Teams were contacted last month to determine their interest in returning to the program with a majority indicated they plan to return. Many of the handlers have missed being part of the program and their dogs are looking forward to returning to their jobs. The first step in reactivating the program is the badging of the handlers. We currently have eight handlers in the badging process. A revised training program, given the many changes at the airport, is being created. Airport familiarization for the pups is scheduled for mid may. Upon successful training and familiarization, we plan to have the first PVD Pup teams welcoming our travelers by early June.

Ms. Wright noted T. F. Green Airport's EASE campaign is creating top of mind presence with passengers through different avenues of traditional marketing, brand awareness, and most recently we've launched a Spring/Summer digital campaign with Adara and Blis. The objective of the digital display ads are to capture travelers who might otherwise fly from other regional airports. Combined with a strategy that would also intercept known travelers, and those actively planning travel with digital display messaging that promotes T. F. Green Airport as the closer and easier way to fly. **Ms. Wright** noted Adara specializes in helping airports, destinations, airlines, hotels, and car rental companies with targeting travelers who are searching and booking travel in real-time. As we enter into a post COVID world reaching actual travelers is going to be critical for the success of many brands. Blis is a location-based advertising and analytics partner. They identify and harness real-world behavior through location data helping T. F. Green Airport understand, reach, and engage target audiences. The Spring/Summer

campaign is running from April through June and is estimated to reach 9.6 million impressions. **Ms. Wright** noted the first brand message is “when you’re ready to fly again, we are ready.” A simple but thoughtful message that builds confidence in travel post pandemic. The next messaging on Blis specifically targets folks who might have flown recently from other regional airports. With the messaging “An easier way to fly is close by.” There’s also a “Call to Action” button “Find a Flight” that appears on the advertisement which takes individuals to the “Book Now” kiwi widget on the PVD Airport’s website. **Ms. Wright** noted the third phase of the advertising campaign is “routes and services” messaging. The messaging highlights our routes and services by region and airline. The regions are categorized by 1. Mid-Atlantic and Atlanta 2. Midwest, and thirdly Florida. The campaign runs from May through June. In April, as part of our communication efforts, RIAC distributed the quarterly CEO Newsletter from Iftikhar Ahmad through constant contact. The newsletter reaches over 80,000 subscribers, bringing them vital updates, relevant airport news, and the latest information about T. F. Green Airport and the aviation community’s ongoing resilience and recovery. The newsletter has shown a successful open rate well above the industry standard. With an open rate of 28%, which is about 10% higher than industry standards. To put this in to perspective, a 28% open rate for Rhode Island Airport Corporation equates to approximately 22 thousand readers. **Ms. Wright** noted lastly, we’d like to announce that T. F. Green Airport has once again been nominated by Travel + Leisure and Conde Nast Traveler’s Reader’s Choice awards for 2021. The voting for T+L ends on May 10. Be sure to cast your vote. The results will appear in the October 2021 issue of Travel + Leisure magazine. There’s also time to cast your vote for Conde Nast Traveler’s reader’s choice awards. The Conde Nast Traveler survey ends on May 30th, vote for T. F. Green airport at pvdairport.com. We thank everyone in advance for their support, and for helping us gain national attention by winning these types of awards. Your support helps us restore the Rhode Island’s Tourism and Hospitality industry as quickly as possible which brings back air service, travelers, jobs and income to our state.

(e) Business Development Activity on General Aviation Economic Development Parcels

Mr. Schattle noted RIAC is continuing ramping up activities on the economic development parcels at the general aviation airports. We are pleased to report and provide an update that two parcels at Quonset Airport have recently been approved by the board and are expected to generate approximately \$8.2M over the terms of those leases. Included on the slide is a rendering which identifies those two parcels at Quonset State Airport. We have engaged Hayes & Sherry, which is a qualified regional and national real estate expert and they are actively marketing the economic development parcels. They are seeking interest from solar developers and they are also seeking interest from hangar developers. **Mr. Schattle** noted we are seeing a lot of interest currently from the solar side. The hangar development and other types of development for leasing opportunities at the general aviation airports and the system as a whole will be a long term process and based on demand. As we are going forward, we are pleased to see the recent success at Quonset and we are pleased to see the interest in solar, but as a reminder, that this will be a long term process over many years. These economic development parcels will be a focus of ours and we will look to use the revenue from these streams to help address the subsidies at the system. **Mr. Schattle** noted Hayes & Sherry has also produced all the marketing materials. On the slide is an example of one used at North Central Airport. Those have been posted on the internet including their website, our website and other real estate websites. **Mr. Roberts** asked as RIAC brings these opportunities in, to speak about the impact to general aviation whether it be parking or any other impacts that could occur. Really good work on this, but he wants to make sure we understand and discuss that

as part of any opportunities that are brought before the board. **Mr. Schattle** thanked Board Member Roberts and noted we will do that as we bring opportunities back. As a reminder, at the Quonset State Airport, the northeast parcel, which is under award, is with QDC, and that is a non-aviation use which has been coordinated with the FAA. The other parcel that we brought to the board last month is down by the southwestern side of the airport and includes hangar developments and additional fuel capacity. As we continue to bring them back we will be sure to highlight the aviation and related benefits as well.

(f) Westerly Airport Court Decision Update

Mr. Greco noted RIAC is extremely excited on obtaining a favorable court decision confirming the Rhode Island Department of Transportation's ability to condemn aviation easements on behalf of RIAC. Litigation has been ongoing for over five years since 2016 to the cost of hundreds of devoted staff hours and over \$400,000 in financial costs. In tandem, RIAC continues to pursue legislative clarification via the Safe Airspace Bill. RIAC is also coordinating with the FAA to develop a system wide obstruction removal process utilizing a phased approach. This topic will be discussed further during the executive session.

(g) Construction Update on Terminal Restrooms Renovation

Ms. White noted construction of the 100% federally funded \$8.7M restroom project is being delivered in two phases to ensure open restrooms are always available within the vicinity of passengers. Airport terminals are a visitors first and last impression of the city and of the billions of dollars spent on airport capital projects, restrooms rank one of the most important elements to overall passenger satisfaction. This is why after 25 years, we are replacing and expanding ours with additional fixtures and amenities in each location as the first step in our multiyear terminal refresh program. **Ms. White** noted the images on the slide are of the north central concourse restroom, the left photo was during demolition in February compared to the photo on the right taken in April where all the plumbing work is installed and enclosed with new wall framing. Phase 1 of the restroom project includes the north central restroom bank on the north concourse and the family assist restroom at the south concourse. Phase 1 also includes the baggage claim restroom on level one of the terminal and these are all tracking to be complete this fall. **Ms. White** noted Phase 2 includes the restroom block at the far end of the north concourse and the large restroom block at the south concourse. Phase 2 also includes the restrooms on the ticket counter level and is tracked to be completed by spring of 2022.

(h) Construction Update on 16/34

Mr. Nguyen noted work continues on the Runway 16-34 Reconstruction Project. Phase 1 is 90% complete and continues with the placement of P-209 subbase in the Taxiway shoulder areas and the preparation of the base pavement for surface course pavement. Electrical work continues with the edge lights and guidance signs. Phase 2 is 30% complete and is ongoing with the weekly activities, including stripping loam in the infield areas in preparation for drainage infrastructure improvements. **Mr. Nguyen** noted all drainage structures have been delivered to the work area. Installation of drainage piping has begun to include the completion of one Best Management Practice, BMP-3A, storm water chamber. Subgrade was prepared and verified for proper compactions. Cardi is placing and compacting P-154 subbase and Quality Assurance is ongoing during the placement of the material. The project is on schedule with 49% completion.

4. **Action Items:**

- (a) **Approval to execute a Purchase and Sale Agreement with W SPH Investments, LLC in the amount of \$3,575,000 for the sale of 2119 Post Road, Warwick, Rhode Island, in substantially the form presented.**

Mr. Cloutier noted as depicted in the red shaded area on the slide, RIAC purchased in 2016, a 6.5 acre former airport parking operation for \$3M with the intent of remarketing the property for the purposes of restoring it to the City of Warwick's tax rolls for revenue generation purposes. Through Hayes & Sherry, RIAC has received a full price offer of \$3.575M for the parcel from W SPH Investments, LLC as single use proposed owner of the property. **Mr. Cloutier** noted W SPH will develop the property in accordance with zoning and other requirements of the City of Warwick as well as deed restrictions and other requirements of operating within the airport environment. The terms of the offer provide for a 60 day due diligence period followed by a 120 day permitting period. RIAC will receive an initial deposit of \$200,000 upon execution of the P&S and an additional \$200,000 at the expiration of the due diligence period with a scheduled closing 30 days after the expiration of the permitting period. **Mr. Cloutier** noted RIAC will include a standard protection of deed restrictions of avigation easements as well as prohibition against use of the property as an off-airport parking location. **Mr. Bogosian** asked if RIAC knows what the intention is for this particular property. The last purchaser that backed out, he thinks, was going to use it as a hotel. **Mr. Cloutier** noted the agreement does not stipulate any required use however, in developing the property the buyer would have to be subject to all approvals that are required by the City of Warwick as well as the deed restrictions of the airport. We have been informed by Hayes & Sherry, the buyer is a very qualified offerer and is in a strong position to complete the sale and the development activity on the property. **Mr. Savage** asked if RIAC is under any type of confidentiality agreement as pursuant to this offer. **Mr. Schattle** noted yes, the letter of intent has certain confidentiality provisions. **Mr. Savage** noted he is concerned that board members have not had adequate information along those lines and suggested to put this item off until after executive session as he wants time to talk to counsel.

- (b) **Approval to enter into a five-year lease agreement with Fund Management, Inc. for an aircraft hangar and associated facilities at T. F. Green Airport with an estimated total rent of approximately \$667,000 over the term, in substantially the form presented.**

Mr. Cloutier noted as an introduction to this item, the following lease is a great example of the financial value of the common aviation industry practice and FAA recommended best practice of including reversionary clauses as standard conditions in airport leases. With a reversion clause, the improvements constructed by the original lessee, become RIAC's property upon the termination of the original agreement and allow to enhance a revenue stream at the end of a lease term coming from the ability to collect rent, not only based on the ground rent usually included in the lease, but also the facilities and improvements that were constructed on the parcel. **Mr. Cloutier** noted presently, the lessee of the property in question at 596 Airport Road, depicted by the red box on the map as well as the photo on the slide, is Fund Management Inc. Fund Management has been a tenant here at the airport since May of 2005 when they assumed the original lease from Bank of America, which was originally transferred to Bank of America from Fleet Bank. The original lease term was for thirty years from June 1991 through May 2021 and generates presently a ground rent of \$3,900 per year. **Mr. Cloutier** noted under the new proposed lease term of five years, which was proposed by

Fund Management under RIAC's lease policy, which allows for continued occupancy by a previous tenant in good standing, that the new rent will be \$125,580 based on an aviation appraisal of \$11.50 per square foot applied to the 10,900 square foot office and hangar facility. Subsequently, because of the reversionary clause, we are collecting an additional \$121,000 per year under the new lease. Again, a good example of the reversion clause and that initial rent of \$125,000 per year will escalate by CPI or 3% and the value of the lease of a five-year period is \$667,000. **Mr. Roberts** noted he thinks there is room at T. F. Green to do other hangars and development and he is trying to understand if this rent along with the improvements would likely be what we could expect to get as you develop other parts of the airport down the road. **Mr. Schattle** noted as we enter into this lease, as following FAA rules and guidelines, we had a fair market value appraisal performed by an aviation appraiser. Future potential development would most likely build off a ground lease for long period of time and similar to the initial term of this and then transition over to a facility lease. We do base our rental values based on fair market value as appraised by an aviation expert. **Mr. Roberts** asked why this is only a five year lease, generally you would expect a longer lease than this. **Mr. Rodio** noted we are restricted by state statute. When it is not accompanied by a capital investment, a significant one, as this one is not, the building turns back over to RIAC and its facilities rental each term can only be five years.

A motion was made by **Mr. Bogosian** and seconded by **Mr. Little** to approve the recommendation.

By the following roll call vote, the motion was passed unanimously.

YEAS: Jon Savage
Deb Thomas
Chris Little
Greg Pizzuti
Jeffrey Bogosian
Jonathan Roberts

NAYS: None

ABSTAIN: None

(c) **Approval to execute an amendment to the Rhode Island General Aviation Airport Full Service Fixed Base Operator Agreement with FlightLevel Aviation to extend the current agreement to provide aviation related services at Block Island Airport for one year as a pass through arrangement with a total estimated operating expense of \$195,000 and to incorporate vehicle parking management and operations services at Block Island and Westerly Airports.**

Mr. Greco noted FlightLevel Aviation has been under contract with the Rhode Island Airport Corporation to perform fixed base operator services at the general aviation airports excluding Block Island Airport since July 1, 2018. RIAC staff attempted twice to solicit FBO services for Block Island Airport but given the season nature of the airport in which the majority of the revenue is generated between May and September, RIAC was unable to generate interest from firms to provide these services on a year round basis. As such, RIAC staff negotiated an amendment to the FBO agreement to add Block Island Airport for one year from

April 1, 2019 to March 30, 2020 and subsequently extended the agreement for three additional months so that the terms were consistent with the overall FBO agreement. **Mr. Greco** noted this amendment is to extend the FBO services that FlightLevel has been providing by one additional year from July 1, 2020 to June 30, 2021. At the same terms and conditions as the expiring term, FlightLevel will remit all fees derived from the airport to RIAC. In return, FlightLevel will provide the following primary services at Block Island, collection of airport fees, aircraft operator assistance, general cleaning services and general customer service. In addition, the amendment will add vehicle parking management and operations at Block Island and Westerly Airports. **Mr. Greco** noted the financial set up for these services will be similar to PVD with FlightLevel submitting 80% of the gross revenues to RIAC. Managing these parking operations will provide better utilization of the facilities, increase customer service and provide RIAC with additional revenues to help reduce the airport subsidies.

A motion was made by **Mr. Pizzuti** and seconded by **Mr. Roberts** to approve the recommendation.

By the following roll call vote, the motion was passed unanimously.

YEAS: Jon Savage
Deb Thomas
Chris Little
Greg Pizzuti
Jeffrey Bogosian
Jonathan Roberts

NAYS: None

ABSTAIN: None

5. Executive Session:

At approximately 9:36 a.m., a motion was made by **Mr. Little** and seconded **Mr. Roberts** to go into Executive Session for the purpose of discussing the following items:

The Board will seek to go into Executive Session for the following stated purposes:

- (a) **Motion to approve the minutes of the Executive Session held on April 8, 2021 § 42-46-5(a)(2); and**
- (b) **Session pertaining to the following litigation matter, Harriet Kniffer, Jacqueline Abberton, Robert Rutter, Patricia Rutter, Frances Kelly v. Rhode Island Airport Corporation, State of Rhode Island Department of Transportation, WC-2016-0121 (§ 42-46-5(a)(2)); and**
- (c) **Motion to return to open session.**

At approximately 10:08 a.m., a motion was made by **Mr. Little** and seconded by **Mr. Bogosian** to return to Open Session.

By the following roll call vote, the motion was passed unanimously.

YEAS: Jon Savage
Deb Thomas
Chris Little
Greg Pizzuti
Jeffrey Bogosian
Jonathan Roberts

NAYS: None

ABSTAIN: None

6. Post Executive Session Actions and Announcements:

(a) Motion to seal the minutes of the Executive Session held on May 6, 2021.

A motion was made by **Mr. Bogosian** and seconded by **Mr. Little** to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-7.

By the following roll call vote, the motion was passed unanimously.

YEAS: Jon Savage
Deb Thomas
Chris Little
Greg Pizzuti
Jeffrey Bogosian
Jonathan Roberts

NAYS: None

ABSTAIN: None

(b) Report on actions taken in Executive Session.

During the Executive Session, a motion was made by **Mr. Little** and seconded by **Mr. Pizutti** to approve the sealed minutes of the Executive Session held on April 8, 2021.

By the following roll call vote, the motion was passed unanimously.

YEAS: Jon Savage
Deb Thomas
Chris Little
Greg Pizzuti
Jeffrey Bogosian
Jonathan Roberts

NAYS: None

ABSTAIN: None

4. Action Items:

- (a) **Approval to execute a Purchase and Sale Agreement with W SPH Investments, LLC in the amount of \$3,575,000 for the sale of 2119 Post Road, Warwick, Rhode Island, in substantially the form presented.**

Mr. Savage noted he appreciated everyone's indulgence in moving this to after the executive session. There was a related matter he need clarification from both the CEO and legal counsel. Having received that, he asked if the board members have any objections to moving forward with the vote on action item 4a Approval to execute a Purchase and Sale Agreement with W SPH Investments, LLC in the amount of \$3,575,000 for the sale of 2119 Post Road, Warwick, Rhode Island, in substantially the form presented. **Mr. Pizzuti** noted he would like to have a special session. **Mr. Savage** noted we will postpone any vote on this matter and we will either re-notice a special session for the board to meet or we will have it on the agenda at the next regularly scheduled meeting.

7. Future Meetings:

The next Board Meeting will be held on Thursday, June 10, 2021 at 8:45 a.m. in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

8. Adjournment:

Mr. Little moved to adjourn at approximately 10:10 am. **Mr. Pizzuti** seconded the motion.

YEAS: Jon Savage
Deb Thomas
Chris Little
Greg Pizzuti
Jeffrey Bogosian
Jonathan Roberts

NAYS: None

ABSTAIN: None

Respectfully submitted,

Jon Savage, Chair
Rhode Island Airport Corporation

PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
THURSDAY, MAY 6, 2021

<u>NAME</u>	<u>AFFILIATION</u>
Brian Schattle	RIAC
Alicia Seabury	RIAC
Donna Melone	RIAC
Dennis Greco	RIAC
Brittany Pagliarini	RIAC
Don Stubbs	RIAC
Stephen Hurst	RIAC
Wilmott Wil	RIAC
Steve Weston	RIAC
John Goodman	RIAC
Marion White	RIAC
Jaye Del Rosario	RIAC
Kellie Wright	RIAC
David Cloutier	RIAC
Duc Nguyen	RIAC
Nicole Williams	RIAC
Tim Pimental	RIAC
Joseph Rodio, Jr.	Rodio & Ursillo
Henry duPonte	Block Island State Airport Stakeholders Group
Mike DeVoy	CHA
John Gorham	Jacobs

PUBLIC ATTENDANCE SHEET
RHODE ISLAND AIRPORT CORPORATION
MEETING OF THE BOARD OF DIRECTORS
THURSDAY, MAY 6, 2021

NAME

AFFILIATION

Nick Burlingham

FlightLevel

Dave Lucas

FlightLevel

Peter Eichleay

FlightLevel

The minutes of the Executive Session of the Board Meeting on May 6, 2021 have been sealed in accordance with R.I.G.L. § 42-46-7(c).