

# 2020 Annual Report

# Contents

Message from the Executive Director .....	3
COVID-19 Response.....	4
Highlights & Passenger Feedback .....	5
2020 Statistics.....	6
US Customs.....	7
2020 Completed Projects .....	8
2021 Capital Investments .....	9
Income Statement & Budget.....	10

## Vision

Rochester International Airport is the comprehensive, multimodal transportation choice for southeastern Minnesota and border regions of Wisconsin and Iowa.

## Mission

To provide a sustainable community asset that places the customer first, acts with agility and accountability, is responsive to stakeholders, empowers staff, and embeds safety and security in all we do.

## Core Values

Customer-first, Agility and Accountability, Responsive, Empowered, Safety and Security (RST CARES).

# RST | CARES

# Message from the Executive Director



2020 was poised to be a year of growth for Rochester International Airport. January and February surpassed prior years' passenger volumes and conversations with airlines about route expansion were underway...

But by March it became evident the COVID-19 pandemic would bring commercial aviation to a near halt. Passenger traffic dropped off dramatically as businesses restricted travel. April found us at rock bottom, with an astounding decrease of 96% in passenger traffic. Flight capacity was reduced and several tenants suspended or limited operations.

Agility was essential to preserve the airport and our partners. I am extremely proud of the RST Team. From quickly enacting cost-saving steps to implementing health and safety measures, our team maneuvered new challenges daily. As time passed, those with essential travel began to return. Patient travelers with critical needs continued to arrive at RST. Travel restrictions and case counts of the virus led to daily volatility nationwide. We recognized recovery of the industry

would be unstable and slow. 2020 impacted us all, personally and professionally, and most importantly we worked together to support each other as a team.

Amidst the struggles of 2020, there were some true bright spots in the year. RST secured \$11.4 million in state bonding, making it possible to move forward with the Runway Safety Improvements project. We are grateful for the collaboration of our partners at the City of Rochester, Mayo Clinic and officials at the local, state and federal level in making this happen.

RST was awarded a Small Community Air Service Development grant to secure western hub service early in 2020. Even during a pandemic, opportunity in the Rochester market attracted attention. SkyWest Airlines launched new nonstop service to Denver in October. The very first western service from RST connects to over 70 cities and makes access to Rochester easier.

Focusing on the positive was important in a year that upended the industry. As 2020 came to a close, the first shipment of COVID-19 vaccines landed at RST to be distributed to healthcare workers in our community. Optimism grew.

Entering into 2021, we will reconstruct both figuratively and literally. We will rebuild our air service, refocus on strategic initiatives and reconstruct our runway. We look forward to recovering from the pandemic as a stronger RST team.

Respectfully,

A handwritten signature in black ink, reading "John C. Reed". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John C. Reed A.A.E.  
Executive Director  
Rochester International Airport

# COVID-19 Response

## 2020 Passengers by Month

### *'Almost Without Precedent': Airlines Hit Hard by Coronavirus*

The effects could wipe out up to \$113 billion in worldwide revenues this year, a trade group said, a new blow to the industry.  
New York Times | March 5, 2020

### Coronavirus: Airlines cancel thousands of flights

BBC | March 10, 2020



Cost-saving measures taken

Vaccine shipments begin arriving at RST for frontline healthcare workers

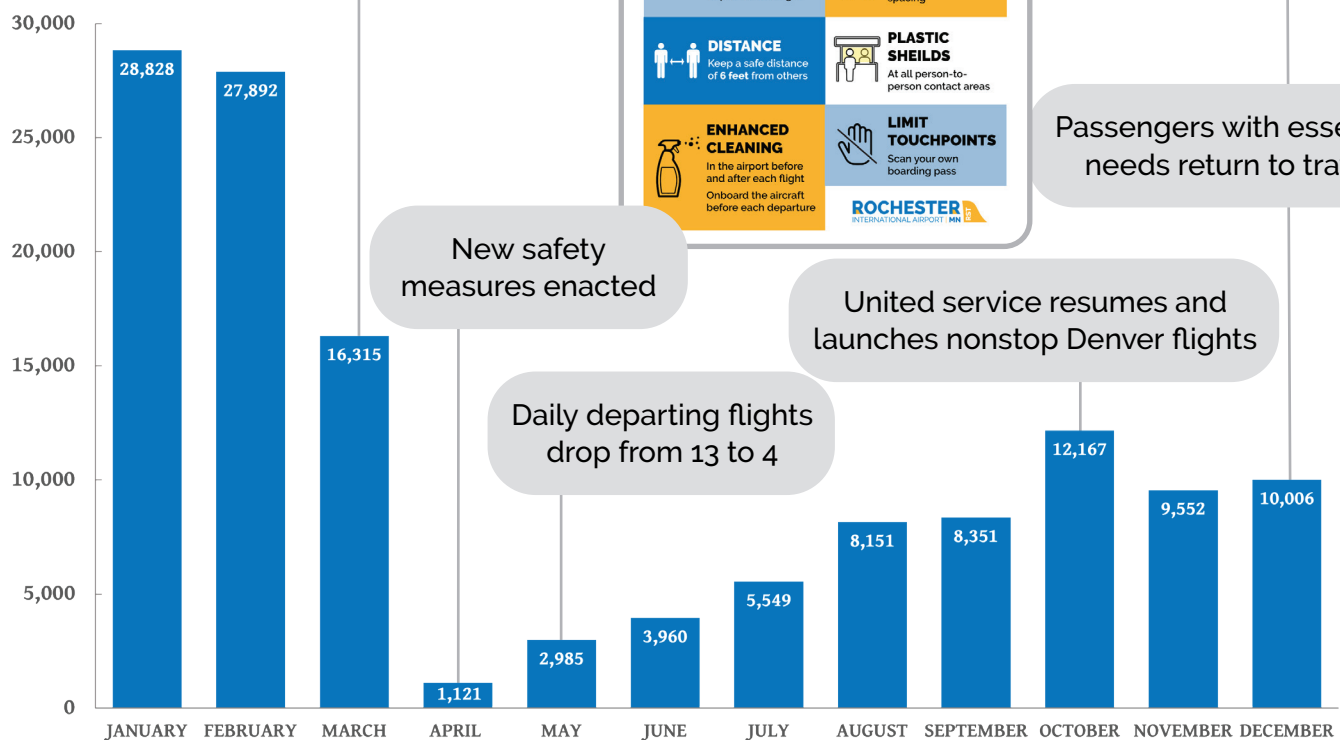


Passengers with essential needs return to travel

United service resumes and launches nonstop Denver flights

Daily departing flights drop from 13 to 4

New safety measures enacted



10% passenger increases over 2019

United suspends all flights

With passenger increases, services resume: ground transportation, Mayo information desk, Sky Caps, Restaurant

# Highlights & Passenger Feedback

## Arts Elevated

In partnership with the Greater Rochester Arts and Cultural Trust, RST established a program to provide an enhanced airport experience, lift spirits, and provide comfort and care to customers through dynamic showcases of local and regional artists. The inaugural exhibit showcased 27 works of art valued at over \$28,000.



I Love traveling out of RST.  
**Fast, Friendly, Safe service.**

## Security was so helpful.

I sometimes feel rushed when going through security after a medical procedure. Everyone was so nice giving me information!

**Convenient to Mayo Clinic**  
rather than driving down from MSP.



## Nonstop to Denver

United Airlines, operated by SkyWest Airlines, launched new nonstop daily flights to Denver International Airport on October 1, 2020. The new service, supported by a Small Community Air Service Grant, provides access to over 70 cities to the west.

## New Restaurant Operator

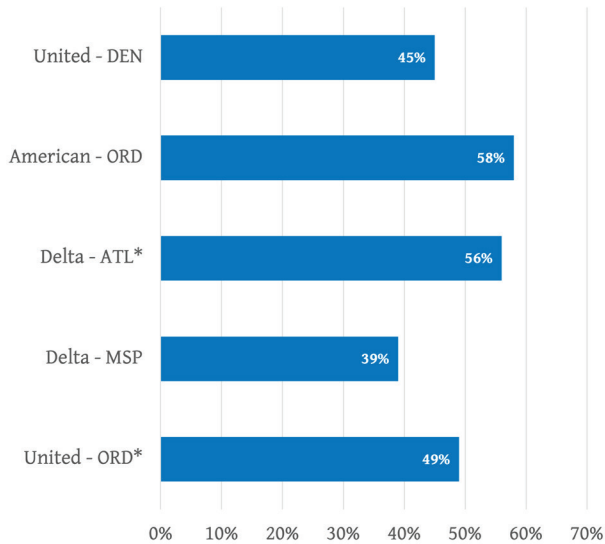
Tailwind Concessions was selected as the new food, beverage and retail provider at RST. With experience at 26 other like-size airports across the U.S., it is Tailwind Concessions' goal to enhance the airport experience for busy travelers, vacationers and airport personnel by providing exceptional concession services. Tailwind offers new upper-level gate locations and will remodel the main level location in the future.



The airport staff were extremely helpful and friendly.  
**I was given star treatment!**

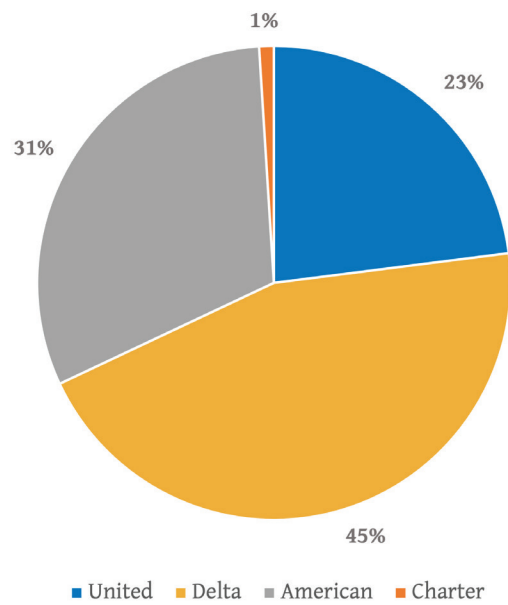
# 2020 Statistics

## Load Factor by Carrier & Route

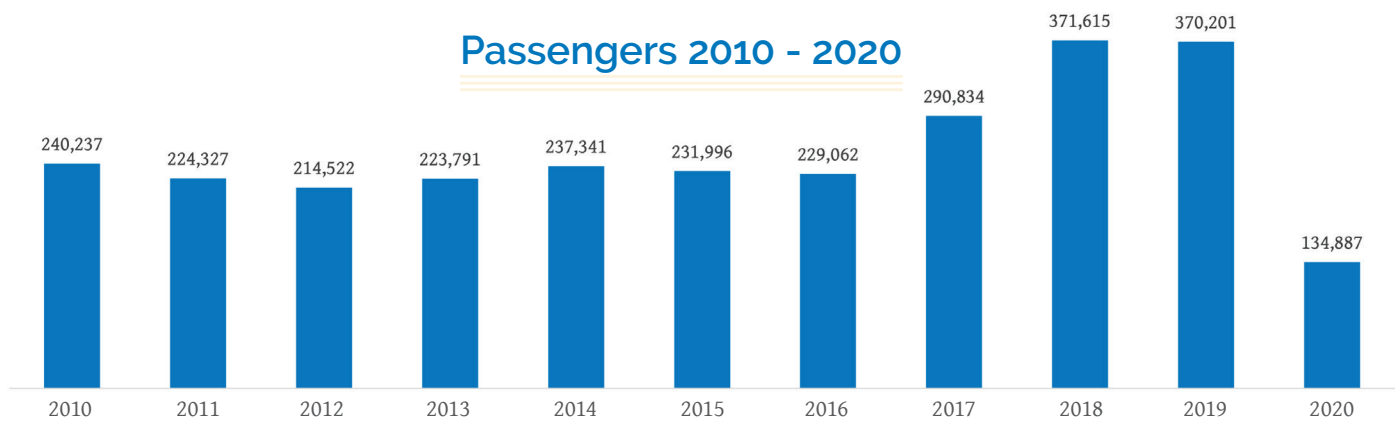


\*during operating months

## Market Share by Carrier



## Passengers 2010 - 2020



## TRAFFIC

2019

2020

### AIRLINE PASSENGERS

Delta Air Lines	181,877	↓	60,584
American Airlines	105,203	↓	41,774
United Airlines	80,383	↓	31,297
Charter Flights	2,738	↓	1,222

### TOTAL PASSENGERS

370,201 ↓ 134,887

### TOTAL CANCELLED FLIGHTS

97 ↓ 85

### AIR CARGO (POUNDS)

23,543,084 ↓ 20,458,706

### CONTROL TOWER OPERATIONS

49,734 ↓ 47,457



## RST: A Global Point of Entry

Rochester International Airport serves as a point of entry for international aircraft arriving in our region. International access for private aircraft is more critical than ever as the Destination Medical Center initiative expands. International access ensures our region will remain a global destination for those seeking world-class healthcare from around the world. International visitors typically have lengthy stays in our community, creating a large economic impact on not only medical but also the hospitality and retail industries.

## Customs Report

	2019	2020
<b>AIRCRAFT INBOUND</b>		
Private:	96	64
Charter:	84	46
Passengers/Crew:	1,022	758
<b>AIRCRAFT OUTBOUND</b>		
Private:	158	8
Charter:	64	46
Passengers/Crew:	1,025	360

International activity was greatly decreased in 2020 due to various international travel restrictions.



# 2020 Completed Projects

ITEM	FEDERAL	STATE	LOCAL	TOTAL
Passenger Boarding Bridge #5 - Construction Admin	\$195,390	\$10,855	\$10,855	\$217,100
Environmental for Rwy 2/20 Reconstruction Project	\$534,463			\$534,463
Runway 2/20 Planning Study	\$548,631			\$548,631
Passenger Terminal Carpet Replacement			\$182,264	\$182,264
Mobile Cart for Testing Fire Fighting Foam	\$33,070			\$33,070
<b>Totals</b>	<b>\$1,311,554</b>	<b>\$10,855</b>	<b>\$193,119</b>	<b>\$1,515,528</b>

## Passenger Boarding Bridge

A new jetbridge was installed on the east end of the terminal building. Gate 5 will serve commercial flights and will alleviate congestion issues when previously all existing gates had been in use and no space was available for aircraft.





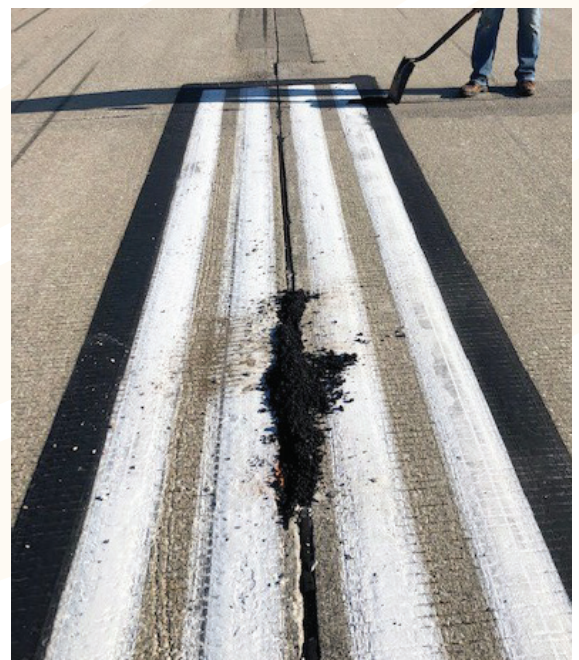
# 2021 Capital Investments

ITEM	FEDERAL	STATE	LOCAL	TOTAL
Runway 2/20 Reconstruction Phase 1 of 6	\$7,898,970			\$7,898,970
Runway 2/20 Design Phase 2	\$1,000,000			\$1,000,000
Runway 2/20 Design Phase 3 (reimbursables for the pipeline)	\$1,300,000			\$1,300,000
Runway 2/20 Phase 2 Construction Project	\$8,000,000			\$8,000,000
Runway 2/20 Land Acquisition	\$846,000	\$94,000*		\$940,000
Operations Vehicles (pickup and skidloader)		\$206,500	\$88,500	\$295,000
Backup Generator - Terminal Building and Parking Lot			\$1,000,000	\$1,000,000
FAA Reimbursable Agreement - Cat II Approach	\$850,000			\$850,000
Mobile Cart for Testing Fire Fighting Foam Rescue #4	\$25,000			\$25,000
<b>Totals</b>	<b>\$19,919,970</b>	<b>\$300,500</b>	<b>\$1,088,500</b>	<b>\$21,308,970</b>

\*State Share is anticipated to be State Bonding

## Runway Safety Improvements

RST will undertake a multi-year runway safety improvement project including the reconstruction of Runway 2/20 which has reached the end of its useful life. Improvements to associated taxiways and instrument landing systems will also occur. Reconstruction will begin in 2021.



# Income Statement & Budget

## Rochester International Airport Financial Report December 31, 2020

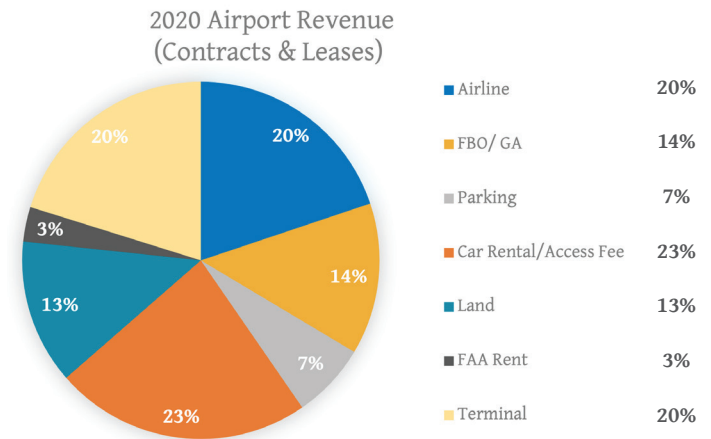
Cost Center	Revenue	Expense	2020 YTD Actual Net Income (Loss)	2020 Budgeted Net Income (Loss)	2020 YTD % of Budget	2019 YTD Actual Net Income (Loss)
AIRFIELD	\$ 700,824	\$ 311,225	\$ 389,599	\$ 440,676	88%	\$ 378,803
TERMINAL	\$ 1,526,463	\$ 479,825	1,046,638	\$ 1,232,289	85%	\$ 1,312,057
AERO (GA & FAA)	\$ 607,477	\$ 197,169	410,307	\$ 311,295	132%	\$ 446,108
NON AERO (LAND)	\$ 464,364	\$ 59,799	404,565	\$ 375,092	108%	\$ 362,875
ADMIN	\$ 2,851,496	\$ 2,440,754	410,742	\$ (1,463,807)	-28%	\$ (859,744)
ARFF (MAINT & ARFF)	\$ 9,050	\$ 1,534,653	(1,525,603)	\$ (1,418,379)	108%	\$ (1,302,805)
SECURITY	\$ 75,927	\$ 85,893	(9,966)	\$ 4,670	-213%	\$ 15,786
PARKING	\$ 241,125	\$ 29,485	211,640	\$ 842,000	25%	\$ 652,847
CUSTOMS	\$ 23,719	\$ 188,331	(164,612)	\$ (161,500)	102%	\$ (144,204)
CITY COMMITMENT	\$ 558,540	\$ -	\$ 558,540	\$ 557,907	100%	\$ 512,565
<b>TOTAL ALL COST CENTERS</b>	<b>\$ 7,058,984</b>	<b>\$ 5,327,133</b>	<b>\$ 1,731,851</b>	<b>\$ 720,243</b>		<b>\$ 1,374,287</b>
<b>2020 ANNUAL BUDGET</b>	<b>\$ 5,914,839</b>	<b>\$ 5,194,596</b>	<b>\$ 720,243</b>			
<b>YTD AS % of BUDGET</b>	119%	103%	240%			

Rochester International Airport 2021 Budget			
Cost Center	Revenue	Expense	Net Income (Loss)
AIRFIELD	\$ 871,895	\$ 417,400	\$ 454,495
TERMINAL	\$ 2,036,638	\$ 705,770	\$ 1,330,868
AERO (GA & FAA)	\$ 567,050	\$ 240,300	\$ 326,750
NON AERO (LAND)	\$ 457,984	\$ 76,820	\$ 381,164
PARKING	\$ 875,000	\$ 20,000	\$ 855,000
ADMIN	\$ 249,261	\$ 1,511,179	\$ (1,261,918)
SECURITY	\$ 131,000	\$ 171,017	\$ (40,017)
ARFF (MAINT & ARFF)	\$ 217,385	\$ 1,626,106	\$ (1,408,721)
CUSTOMS	\$ 39,000	\$ -	\$ 39,000
CITY COMMITMENT	\$ 557,907	\$ -	\$ 557,907
<b>TOTAL ALL COST CENTERS</b>	<b>\$ 6,003,120</b>	<b>\$ 4,768,592</b>	<b>\$ 1,234,528</b>

# Income Statement & Budget, Continued

## Airport Revenues

► Diversified revenues are important for the financial stability of RST. While airline revenue is the largest share, Parking and Car Rental/Access Fees significantly contribute to Airport Revenue.



## Operating Costs and Excess Revenues

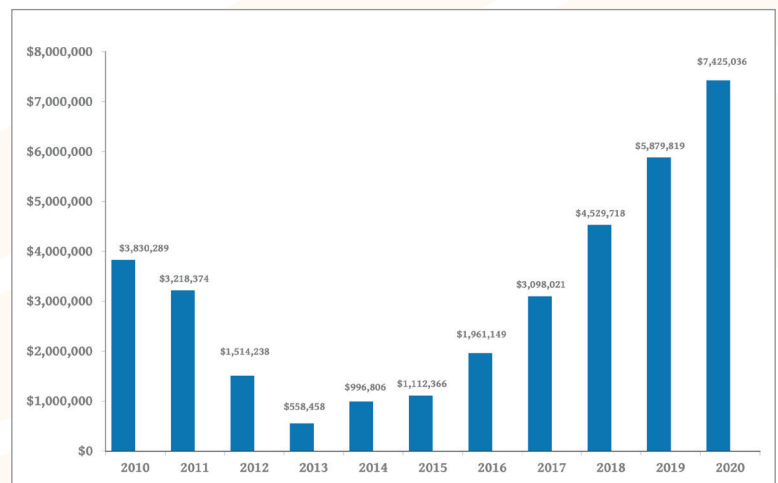
► While revenues have continued to grow in recent years, expenses have remained in check. Net Income is representative of the excess revenues returned to the airport fund balance.

► RST received \$1,294,456 in CARES Act funding in 2020 to support operations during the COVID-19 pandemic.

Rochester Airport Company					
	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual
Revenue	4,203,421	4,450,379	5,186,130	5,309,495	4,971,673
Expense	2,836,773	3,228,579	3,736,405	3,959,394	3,431,223
Net Income	1,366,648	1,221,800	1,449,725	1,350,101	1,540,450

## Airport Fund Balance

► In recent years, strategic initiatives, cost reduction measures and increased revenues have resulted in a growing airport operations fund balance.





FLY**RST**.COM