



2021
Annual Report

Contents

Message from the Executive Director	3
Highlights & Passenger Feedback.....	4-5
2021 Statistics.....	6
U.S. Customs.....	7
2021 Completed Projects	8
2022 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).



Message from the Executive Director



As in the previous year, the global pandemic proved to be a challenging factor that impacted Rochester International Airport in 2021. At the same time, leisure travel, cargo and general aviation helped lead the way forward towards recovery.

Worldwide travel activity was impacted by restrictions, lockdowns and quarantine measures that limited air traffic. Business travel remained stagnant overall in the region as remote meetings reduced the need for air travel. We saw 201,932 passengers come through RST an increase of 50% from 2020. RST was still down 46% from 2019 figures, and we continued to endure shifts in travel patterns.

The pandemic heightened the existing issue of a national pilot shortage. As demand continues to rebound airlines are working hard to quickly rebuild their pilot ranks. As a result of the pilot shortage, airlines have had to radically cut service and flight frequency from networks.

Leading the way back to travel in 2021 was the leisure travel market. In April, Sun Country Airlines announced new nonstop seasonal service to Phoenix and Ft. Myers from RST. This low-cost, leisure service will certainly stimulate travel recovery at RST. The new service began February 2022. We continue monitoring the work from anywhere trend as markets are starting to see the blend of business and leisure travel.

Cargo plays a vital role at RST with 3 FedEx planes operating daily, containing tens of thousands medical specimens every day that supports Mayo Clinic patient care. In 2021, RST saw 21,501,124 pounds of cargo, up 5.1% from the previous year all due to Mayo Clinic Laboratories processing 27 million tests of all types from hospitals and clinics around the world. General aviation has seen significant increases in corporate jet travel, air ambulance and international aircraft arrivals. Overall aircraft activity increased 18.2% with 56,105 operations in 2021.

RST broke ground on Phase 1 of Runway 2/20 reconstruction. A multi-year, multi-phase \$79.2 million project, highlights the collaboration between federal, state, and local partnerships. The RST runway improvement project will continue to result in new jobs in our area and ensure uninterrupted air access for travelers in our region.

RST is the gateway to the region and represents the front door to welcome air traveling patients to Mayo Clinic from around the world. We continue to find more ways to partner with Mayo Clinic in the overall customer experience that offers a consistently exceptional experience.

Despite the challenging landscape, RST remains steadfast in financial stewardship achieving a positive annual return thanks to federal coronavirus rescue grants along with proactive cost containment and a lean financial model attributed to not having debt to service.

Thank you to the extraordinary commitment and strong leadership provided by our board and commission leadership along with our employees. While 2021 again posed many challenges to the aviation industry, the RST Team has remained dedicated and looks forward to continued recovery in 2022

Respectfully,

A handwritten signature in black ink that reads "John C. Reed".

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

Highlights & Passenger Feedback

Sun Country Announcement



DEPARTING THIS WINTER

In April, Sun Country announced new nonstop service to Fort Myers and Phoenix departing from RST starting in 2022. Great news for leisure travelers seeking an affordable flight to sunny destinations.

“ It's a nice, clean, convenient airport. I appreciate the ease of the security line, the friendly TSA agents, and the shuttle services to the Mayo campus. ”



“ My daughter for surgery and I arrived at the airport and all areas in-between seemed everywhere be as nice as they have been a pleasure during a stressful time people beginning here at the airport. ”



“ Excellent assistance for those with medical needs. Friendly and helpful! ”

Groundbreaking Runway 2/20

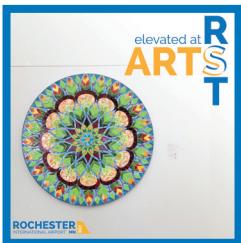


Federal, State and local partners gathered in May to celebrate the groundbreaking of the massive \$79.2 million Runway Improvements Project.



Arts Elevated

RST received over 100 submitted pieces of artwork for the rotation of the Arts Elevated exhibit. 27 pieces of art, valued at over \$27,000 are currently on display in the terminal, instilling a sense of place and support for local art community.



“ The employees at this airport are the friendliest, most helpful of any airport I've been in! ”

RST Cares

A new employee recognition program was launched in 2021, recognizing the care our employees extend to passengers daily. 12 winners were selected for going above and beyond.

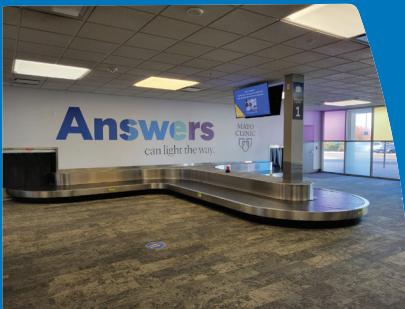


Our came here from the time we got to the time we left she said why can't people be people here. The trip has been a great health time because of the start and ending here. Thank you all! ”

“ Like that price is comparable to MSP. Much more convenient and easy than MSP! ”

Mayo Clinic Welcome

RST partnered with Mayo Clinic to design and install a vibrant welcome message for passengers arriving at RST. Patients are in Mayo Clinic care from the moment they land at RST.



Nice quiet lounge.
Feels like I'm
in first class!
Thanks!

”



Mayo Clinic Environmental Services partnership

RST PARTNERS WITH MAYO ENVIRONMENTAL SERVICES

To ensure our spaces meet the strictest CDC cleaning and disinfecting guidelines

RST collaborated with Mayo Clinic Environmental Services to ensure cleaning and disinfecting procedures met their standards, offering a safe travel environment.

“ Rochester is unique and loving. We come here in pain and the attention we received from the airport to the hospital and back to RST is above average. No, it is above exceptional. ”

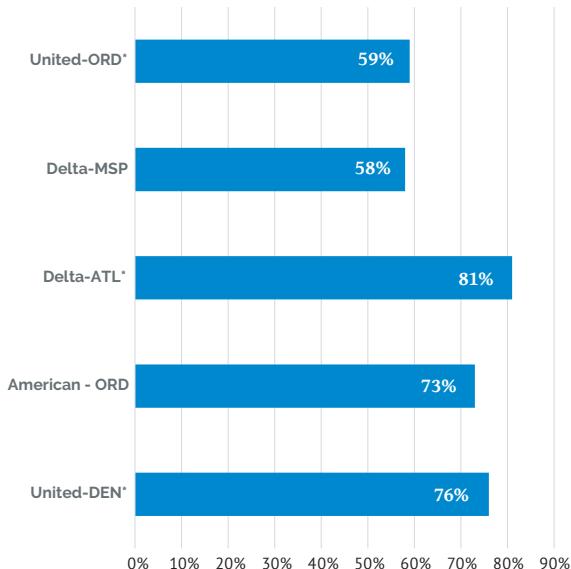
Cargo Volumes Increasing

FedEx increased operations at RST. Growth in small cargo charter operations also rose, resulting in cargo volumes reaching record levels.

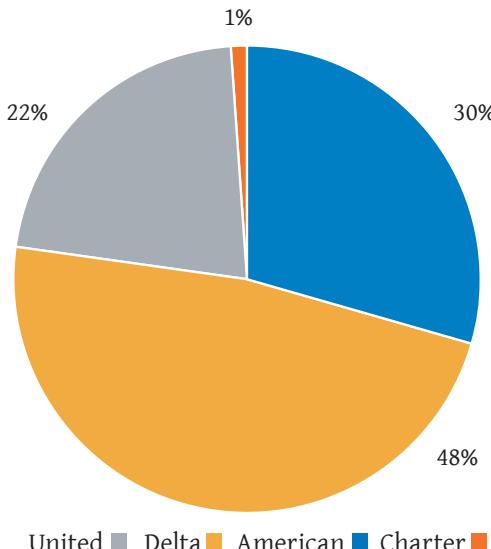


2021 Statistics

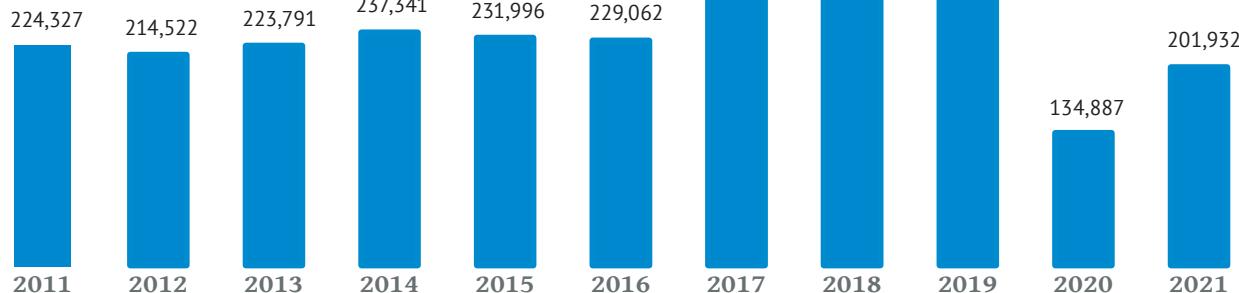
Load Factor by Carrier & Route



Market Share by Carrier



Passengers 2011 - 2021



TRAFFIC

2020

2021

AIRLINE PASSENGERS

Delta Air Lines	60,584	↑ 96,142
American Airlines	41,774	↑ 60,907
United Airlines	31,297	↑ 43,837
Charter Flights	1,222	↓ 1,046
TOTAL PASSENGERS	134,887	↑ 201,932
TOTAL CANCELLED FLIGHTS	85	↓ 73
AIR CARGO (POUNDS)	20,458,706	↑ 21,504,124
CONTROL TOWER OPERATIONS	47,457	↑ 56,105

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

2020

2021

AIRCRAFT INBOUND

Private:	64	59
Charter:	46	69
Passengers/Crew:	758	670

AIRCRAFT OUTBOUND

Private:	8	59
Charter:	46	58
Passengers/Crew:	360	541

General aviation activity increased significantly this year and operations are exceeding pre-pandemic levels.



2021 Completed Projects

ITEM	FEDERAL	STATE	LOCAL	TOTAL
Runway 2/20 Phase 1 Construction (Phase 1 of 6)	\$6,914,911			\$6,914,911
Runway 2/20 Phase 1 Construction Adminstration	\$984,059			\$984,059
Runway 2/20 Phase 2 Design	\$642,507			\$642,507
Fire Fighting Foam Test Cart	\$24,858			\$24,858
Totals	\$8,566,335	\$0	\$0	\$8,566,335

2021 infrastructure projects were 100% federally-funded due to federal relief aid established for pandemic recovery.

Runway Improvement Project

RST broke ground on a multi-year, multi-phase runway improvement project of Runway 2/20. Phase 1 focused on the reconstruction of the center section.



2022 Capital Investments

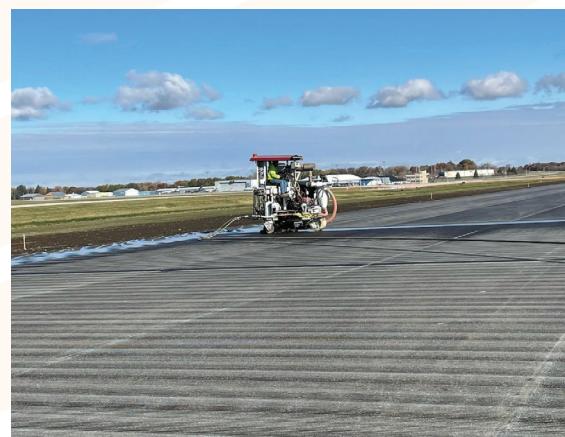
ITEM	FEDERAL	STATE	LOCAL	TOTAL
*Runway 2/20 Phase 2 Taxiway B Construction (Phase 2 of 6)	\$7,073,000			\$7,073,000
*Runway 2/20 Phase 2 Taxiway B Construction Admin (Phase 2 of 6)	\$772,000			\$772,000
**Runway 2/20 Phase 2 Land and Title Search Services	\$198,900		\$22,100	\$221,000
**Runway 2/20 Phase 2 Road Relocation/Design	\$321,300		\$35,700	\$357,000
**Runway 2/20 Phase 2 Land Easement Work	\$459,000		\$51,000	\$510,000
*Runway 2/20 Phase 2 Reimbursable Agreements 1 and 2 with British Petroleum	\$680,000			\$680,000
**Runway 2/20 Phase 2 Reimbursable Agreements 3 with British Petroleum	\$133,200		\$14,800	\$148,000
Terminal Generator Purchase and Installation			\$1,000,000	\$1,000,000
Totals	\$9,637,400	\$0	\$1,123,600	\$10,761,000

* FY2022 Projects were 100% FAA funded

** FY2023 Projects are anticipated to be 90% FAA and 10% local

Phase 2 Runway Improvements Project

Phase 2 will include the reconstruction of Taxiway B which runs parallel to Runway 2/20.



Income Statement & Budget

Rochester International Airport Financial Report December 31, 2021						
Cost Center	Revenue	Expense	2021 YTD Actual Net Income (Loss)	2021 Budgeted Net Income (Loss)	2021 YTD % of Budget	2020 YTD Actual Net Income (Loss)
AIRFIELD	\$ 728,115	\$ 434,001	\$ 294,114	\$ 454,495	65%	389,599
TERMINAL	\$ 1,589,894	\$ 535,801	\$ 1,054,093	\$ 1,330,868	79%	1,046,638
AERO (GA & FAA)	\$ 596,921	\$ 87,962	\$ 508,959	\$ 488,250	104%	410,307
NON AERO (LAND)	\$ 468,065	\$ 74,288	\$ 393,777	\$ 381,164	103%	404,565
ADMIN	\$ 2,977,179	\$ 2,954,823	\$ 22,356	\$ (1,261,918)	-2%	410,742
ARFF (MAINT & ARFF)	\$ 16,125	\$ 1,383,827	\$ (1,367,702)	\$ (1,408,721)	97%	(1,525,603)
SECURITY	\$ 108,366	\$ 116,881	\$ (8,514)	\$ (40,017)	21%	(9,966)
PARKING	\$ 343,296	\$ 13,120	\$ 330,175	\$ 855,000	39%	211,640
CUSTOMS	\$ 27,582	\$ 205,942	\$ (178,360)	\$ (122,500)	146%	(164,612)
CITY COMMITMENT	\$ 559,159	\$ -	\$ 559,159	\$ 557,907	100%	548,657
TOTAL ALL COST CENTERS	\$ 7,414,701	\$ 5,806,645	\$ 1,608,056	\$ 1,234,528		1,374,287
2020 ANNUAL BUDGET	\$ 6,003,120	\$ 4,768,592	\$ 1,234,528			
YTD AS % of BUDGET	124%	122%	130%			

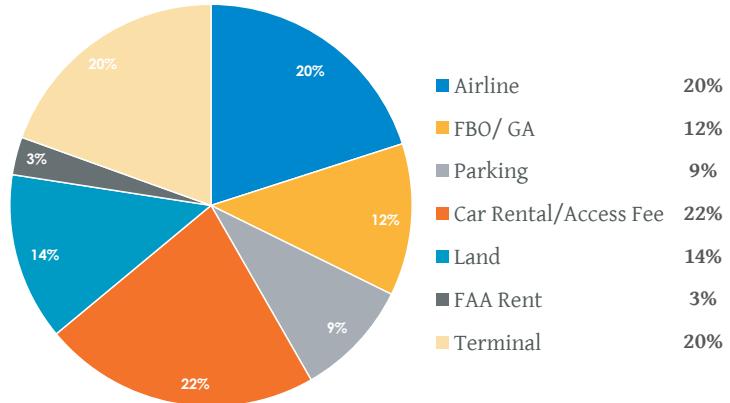
Rochester International Airport 2022 Budget		
Cost Center	Revenue	Expense
AIRFIELD	\$ 773,284	\$ 402,700
TERMINAL	\$ 1,617,221	\$ 573,853
AERO (GA & FAA)	\$ 573,323	\$ 91,899
NON AERO (LAND)	\$ 458,512	\$ 77,622
PARKING	\$ 660,000	\$ 205,000
ADMIN	\$ 2,254,500	\$ 1,830,681
SECURITY	\$ 115,000	\$ 100,500
ARFF (MAINT & ARFF)	\$ 217,000	\$ 1,605,361
CUSTOMS	\$ 39,000	\$ 156,500
CITY COMMITMENT	\$ 580,682	\$ -
TOTAL ALL COST CENTERS	\$ 7,288,522	\$ 5,044,116

Income Statement & Budget, Continued

Airport Revenues

- Diversified revenues are important for the financial stability of RST and is based on passenger activity. Revenue related to terminal, airline, car rental and access fees along with parking are based on passenger activity levels.

2021 Airport Revenue (Contracts & Leases)



Operating Costs and Excess Revenues

- While revenues have continued to grow in recent years, expense increased due to deferred maintenance items from 2020 in addition to increased cost for materials and issues in supply chain. RST received \$1.2 million in CARES Act funding in 2021 to support operations during the COVID-19 pandemic.

Rochester Airport Company					
	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual
Revenue	4,450,379	5,186,130	5,309,495	4,971,673	7,414,701
Expense	3,228,579	3,736,405	3,959,394	3,431,223	5,806,645
Net Income	1,221,800	1,449,725	1,350,101	1,540,450	1,608,056

Airport Fund Balance

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



