

2022

Annual Report

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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



Rebuilding. It's not unique to Rochester International Airport, the airline industry, or nearly every other aspect of our world since the global pandemic. We are experiencing unprecedented challenges—most notably the pilot shortage—requiring us to work differently and ideate new solutions that bring us together. The airport is taking strides to improve the efficiency of our operations, establish additional lines of revenue, and sustain high-quality customer experience while continuing to develop air service during an uneven recovery.

Our first complete year operating parking was a test of the business plan's solvency—and it was a success. Parking revenue increased 80% year over year and directly contributed \$414,460 to our operational budget. Opportunities for continued revenue growth and improved customer experience are on the horizon as we compete to secure grant funding to create solar covered parking and to repave.

Cargo operations through FedEx continued to have another great year resulting in a 28% increase in landed cargo weight. Due to a nation-wide retraction in shipments, we're anticipating a decrease next year.

The second phase of Runway 2/20 Project—a multi-year, multi-phase \$79.2 million runway improvement project that ensures we meet FAA requirements for safety—is complete. Soon we'll kick off the third phase that will complete the Category II instrument landing system on Runway 31. Looking forward, completing the right of way and property purchases will allow RST to move forward with roadway and pipeline relocation. Both of which support the extension of Runway 2/20.

RST's commitment to provide excellent experiences for all travelers is evident in the remarkable responses we hear every day. You'll find a few of them featured on the next page. The care and connections made in our terminal truly set us apart and are crucial to our future success as we seek to rebuild commercial service and flight frequencies.

Thank you to our extraordinary leaders, who are tackling tough conversations required to build back the business at RST. Our dedicated board and commission, along with our employees, continue to innovate and approach residual pandemic problems with new solutions. I'm confident that with their vision coupled with our community's support, we'll rebuild faster and better than before.

Respectfully,

A handwritten signature in black ink, appearing to read "John C. Reed".

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

Highlights & Passenger Feedback

Runway 2/20 Project

“ Always an easy in and out! Love it! ”

RST's collaboration with federal, state, and local partners to invest in a \$79.2M runway improvement project completed its second of three phases including installation of a new Category II instrument landing system.

Great Planes and RCTC continue to partner with RST to create future pilots needed for the workforce. Three students tour our operations center below.



“ I am in your quiet room right now, overjoyed and safe and happy and very well taken care of from every one of your employees. ”

Cargo Volume

Cargo operations through FedEx continued to have another great year resulting in a 28% increase in landed cargo weight.

“ Beautiful airport. Clean and quiet. Not stressful at all. ”

Arts Elevated

A second installation of local art features 38 pieces, valued at over \$33,140, currently on display and for sale. This partnership with the Rochester Arts and Cultural Trust instills a sense of place in the terminal and supports our local art community.

“Everyone here is so friendly and helpful. I think the Rochester airport is a little jewel.”



Air Ambulance Helicopter Blessing

Mayo Clinic christened a new helicopter in its air ambulance fleet including a tail number with historical significance: N483WC.

N – North American aircraft
4 – Individuals who established Saint Mary's Hospital
83 – The year a tornado devastated the area
WC – Will and Charlie Mayo, the founding brothers

The employee recognition program honored twelve employees for going above and beyond – many nominated by passengers.

We celebrated the retirement of Kathy Anderson, the last original TSA member since inception.



Seasonal Service

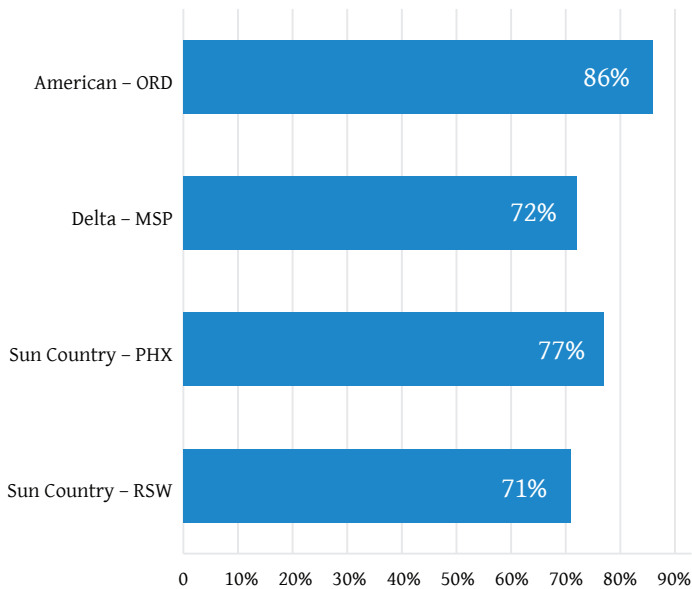
Sun Country nonstop service to Fort Myers and Phoenix was well received by 15,161 local leisure travelers seeking affordable flights to sunny destinations.

“I have over 1.3 million miles under my belt with travel throughout the US, Asia, Europe and would welcome flying out of this airport any day of the week. Convenient. Easy. Courteous staff on site. Great job RST!”

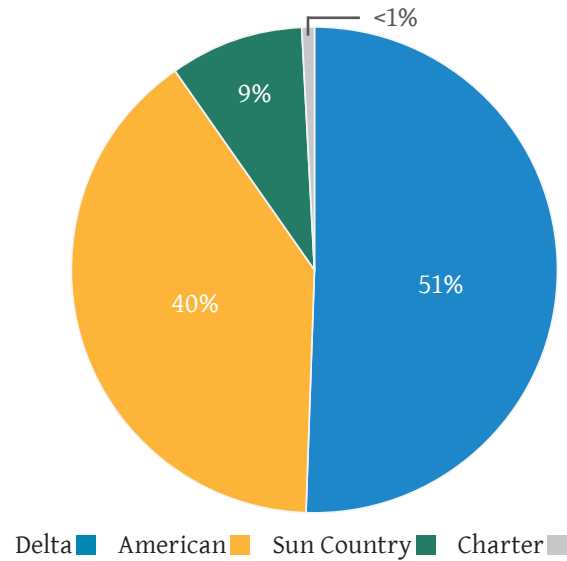
“Love the new bar and food area.”

2022 Statistics

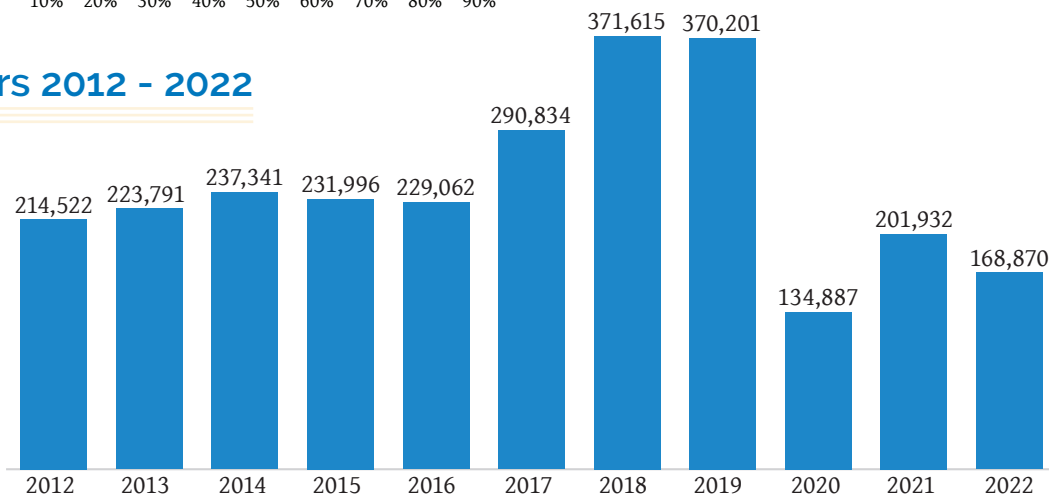
Load Factor by Carrier & Route



Market Share by Carrier



Passengers 2012 - 2022



Traffic

AIRLINE PASSENGERS

American Airlines

60,907



66,821

Delta Air Lines

96,142



85,817

Sun Country Airlines

1,046



1,071

Charter Flights

1,046



1,071

TOTAL PASSENGERS

201,932



168,870

TOTAL CANCELLED FLIGHTS

73



33

AIR CARGO (LANDED WEIGHT)

78,826,490



103,968,991

CONTROL TOWER OPERATIONS

56,105



54,057

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

2021

2022

AIRCRAFT INBOUND

Private	59	▲	114
Charter	69	▲	90
Passengers/Crew	670	▲	1,059

AIRCRAFT OUTBOUND

Private	59	▲	146
Charter	58	▲	77
Passengers/Crew	541	▲	1,246



2022 Completed Projects

Project	Federal	State	Bonding	Local	Total
*Runway 02/20 Phase 2 Construction (Taxiway B – Phase 2 of 6)	\$7,073,000				\$7,073,000
*Runway 02/20 Phase 2 Construction Admin (Phase 2 of 6)	\$772,000				\$772,000
*Runway 02/20 Phase 2 Road Relocation Design and Geotechnical Work	\$365,000				\$365,000
*Runway 02/20 Phase 2 Reimbursable Agreements 1 and 2	\$680,000				\$680,000
****Runway 02/20 Phase 2 Reimbursable Agreement 3			\$148,000		\$148,000
*Electrical Utility Relocation Expense for Runway 02/20 Project with RPU	\$187,000				\$187,000
Bobcat Skidloader		\$44,450		\$19,050	\$63,500
***Airfield Snow Blower	\$825,3000	\$45,850		\$45,850	\$917,000
Totals	\$9,077,000	\$44,450	\$148,000	\$19,050	\$9,288,500

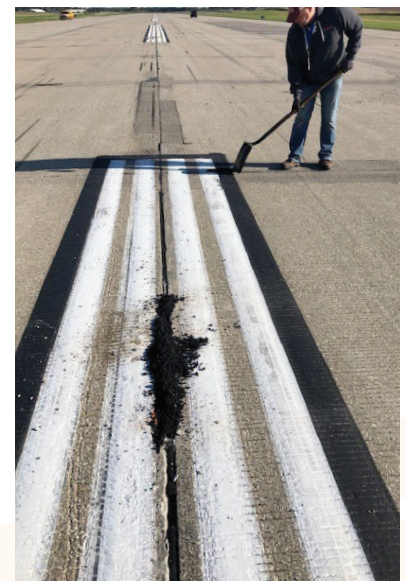
*FY2022 Projects were 100% FAA funded.

***FY2023 Projects were funded 90% FAA, 5% state, and 5% local.

****Projects were funded 100% by state bonding.

Phase 2 Runway 2/20 Project

The early phases of the project are complete with reconstruction of a center section of Runway 2/20 and the extension of Runway 2/20. Extension of this runway ensures uninterrupted operations during reconstruction of the intersection which will come in the project's future phases.



2023 Capital Investments

Project	Federal	State	Bonding	Local	Total
**General Aviation Apron Planning	\$191,944	\$10,663		\$10,665	\$213,272
**Supplemental Environmental Rwy 02/20	\$86,471	\$4,804		\$4,804	\$96,079
Terminal Sustainability Planning Services (Applied for Special FAA Funding)				\$179,000	\$179,000
Full Cat II Approach Final Completion Design and Construction Admin				\$529,100	\$529,100
Full Cat II Approach Final Completion Construction				\$5,682,357	\$5,682,357
**Runway 13/31 Safety Area Improvement Planning, Design, Construction Admin	\$466,200	\$25,900		\$25,900	\$518,000
**Runway 13/31 Safety Area Improvement Construction	\$2,099,968	\$116,665		\$241,665	\$2,458,298
*Runway 02/20 Change to Runway 03/21	\$63,000			\$7,000	\$70,000
Airfield Mower and Operations Pickups (2)		\$231,700		\$99,300	\$331,000
Totals	\$2,907,583	\$389,732		\$6,779,791	\$10,077,106

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

**FY2023 Projects are anticipated to be funded 90% FAA, 5% state, and 5% local.

CAT II Instrument Landing System

The Category II ILS system project allows aircraft to land during inclement weather with poor visibility. RST experiences Instrument Flight Rules (IFR) conditions 24% of the time. This is significantly higher than national average of 10%. Instrument approaches are required under IFR and CAT II ILS will considerably improve operational reliability of aircraft arriving at RST. The CAT II ILS will also allow RST to better receive diversionary aircraft from MSP, improving the state aviation system.



Income Statement & Budget

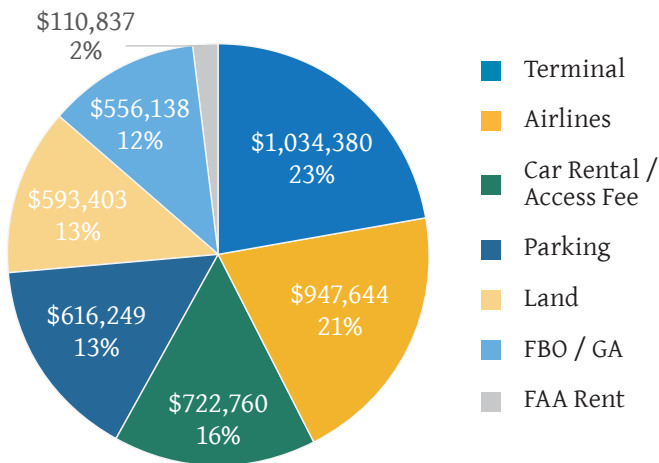
Rochester International Airport						
Financial Report						
December 31, 2022						
Cost Center	Revenue	Expense	2022 YTD Actual Net Income (Loss)	2022 Budgeted Net Income (Loss)	2022 YTD % of Budget	2021 YTD Actual Net Income (Loss)
AIRFIELD	\$ 716,011	\$ 424,172	\$ 291,839	\$ 370,584	79%	\$ 294,114
TERMINAL	\$ 1,595,369	\$ 614,855	\$ 980,513	\$ 1,043,368	94%	\$ 1,054,093
AERO (GA & FAA)	\$ 674,171	\$ 123,824	\$ 550,347	\$ 486,424	113%	\$ 508,959
NON AERO (LAND)	\$ 590,740	\$ 79,926	\$ 510,814	\$ 380,890	134%	\$ 393,777
ADMIN	\$ 2,516,100	\$ 3,188,626	\$ (672,526)	\$ 423,819	-159%	\$ 22,356
ARFF (MAINT & ARFF)	\$ 11,293	\$ 1,506,681	\$ (1,495,388)	\$ (1,388,541)	108%	\$ (1,367,702)
SECURITY	\$ 115,900	\$ 124,112	\$ (8,212)	\$ 14,500	-57%	\$ (8,514)
PARKING	\$ 616,249	\$ 132,464	\$ 483,785	\$ 455,000	106%	\$ 330,175
CUSTOMS	\$ 48,159	\$ 254,950	\$ (206,792)	\$ (122,500)	169%	\$ (178,360)
CITY COMMITMENT	\$ 580,716		\$ 580,716	\$ 580,682	100%	\$ 559,138
TOTAL ALL COST CENTERS	\$ 7,464,708	\$ 6,449,612	\$ 1,015,096	\$ 2,244,226		\$ 1,608,036
2022 ANNUAL BUDGET	\$ 7,288,522	\$ 5,044,116	\$ 2,244,406			
YTD AS % of BUDGET	102%	128%	45%			

Rochester International Airport		
2023 Budget		
Cost Center	Revenue	Expense
AIRFIELD	781,092	399,602
TERMINAL	1,660,010	563,998
AERO (GA & FAA)	593,889	91,169
NON AERO (LAND)	476,852	77,822
ADMIN	2,281,760	1,866,953
ARFF (MAINT & ARFF)	219,170	1,635,281
SECURITY	116,150	102,500
PARKING	686,400	216,163
CUSTOMS	40,560	164,730
CITY COMMITMENT	506,628	-
TOTAL ALL COST CENTERS	7,362,511	5,118,218

Income Statement & Budget, Continued

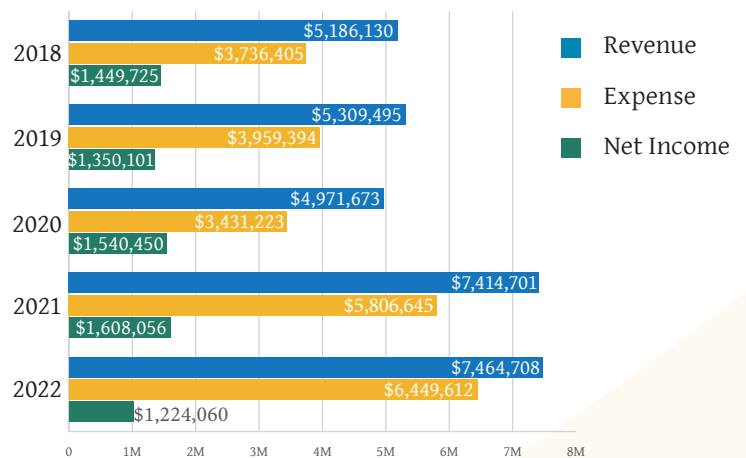
2022 Airport Revenues

► Diversified revenues are important for the financial stability of RST. While airline revenue continues to be a driving factor for RST, we have seen significant growth in Car Rental, FBO/GA, Land, and Parking revenue as compared to 2021.



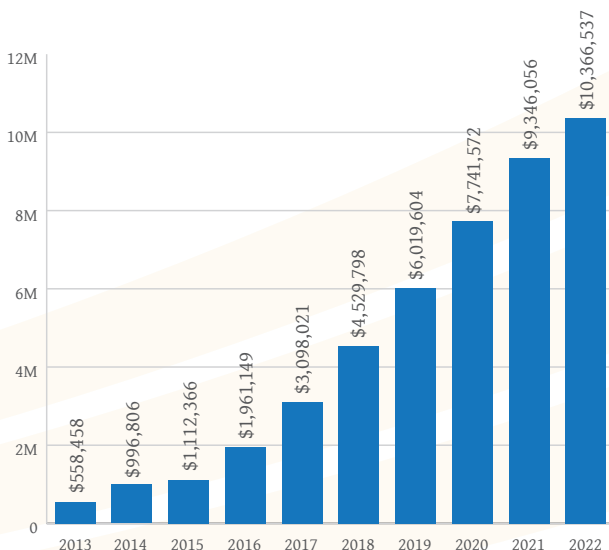
Operating Costs + Excess Revenues

► Revenues have continued to rebound to pre-pandemic numbers while expenses have continued to increase due to higher costs of services and materials. Revenues were supplemented by \$1.2 million of ARPA funding to support operations.



Airport Fund Balance

► Airport Fund balance has continued to grow due to strategic initiatives, cost reduction measures, and use of federal grant funds.



Parking Lot Transactions

► RST took over parking operations in 2022 which contributed \$414,460 in revenue to our operational budget.

