



AKRON-CANTON AIRPORT
Five-Year Strategic Plan
2020-2024

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Executive Summary

As air travel evolves at rapid pace, a renewed focus for organizational success is required that embodies the future investment of employees, facilities, and relationships with key stakeholders.

At Akron-Canton Airport (CAK), a new strategic plan is necessary to serve as a catalyst and promote the future direction of the organization.

The five-year strategic plan (2020-2024) will involve a transparent, inclusive approach to timely execution of objectives and initiatives throughout the organization. The strategy includes an analysis of CAK's competitive situation to others in the industry, a guiding policy for achieving the organization's goals (this document), and specific action plans for implementation. The strategic plan will cover multiple years and be routinely updated as the industry, economy and environment continue to evolve.

Mission Statement

To offer our Customers an exceptional travel experience while serving as a major driver in the economic growth of Northeast Ohio; an approach that manages our business sensibly plus remains socially and environmentally responsible.

Vision

By promoting superior customer service, maintaining fiscal responsibility, and constantly investing in the improvement of the travel experience through innovation and employee engagement, we will continue to be a better way to go.

Core Values

Accountability: Communicate openly and transparently, take ownership of our actions and have pride in the results we produce.

Growth: Anticipate, adapt and innovate based on industry trends in order to offer the air service our community needs, both through aeronautical and non-aeronautical efforts.

Integrity: Adhere to highest ethical standards fostering trust in each other and our relationships with our stakeholders and communities we serve in a quality environment.

Respect: Ensure that an attitude of care and consideration for ourselves and others is embedded in our work environment.

Safety: Ensure the highest degree of safety and security for our passengers, tenants, staff and all stakeholders.

About Akron-Canton Airport

The Akron-Canton Airport (CAK), located in Green, Ohio serves nearly 1 million passengers each year. Offering nonstop air service to 11 destinations and just one stop to the world, CAK connects Northeast Ohio residents to the places they need to go. Customers can choose from some of the largest domestic carriers including American Airlines, Delta Air Lines, Spirit Airlines and United Airlines for their travel needs.

“A Better Way to Go” has been the promise of CAK since the 2000s and continues to be a guiding light for the airport which sets itself apart by providing outstanding Customer service, engaged and transparent conversation and clean, efficient facilities.

The Akron-Canton Airport is a government agency formed by Summit and Stark Counties under Section 308 of the Ohio Revised Code. CAK is only Airport Authority in the State, allowing for significant flexibility and jurisdictional authority. The airport is governed by the Akron-Canton Regional Airport Board of Trustees. The eight board members serve four-year terms, serve with no compensation and at the discretion of the appointing county.

The Airport’s 90-minute proximity to over 4.8 million people in Northeast Ohio makes it a substantial economic engine.

Economic Impact

The Akron-Canton Airport is a vital asset to the community in which we serve; the existence of the Airport translates into additional jobs, payroll, business growth and expenditures, as well as local and state tax revenues for the region. Not to mention, the ability for our residents and businesses to connect to the world, right in their backyard.

In 2018, the greater Akron-Canton region took off with \$1.01 billion in total economic activity, \$212 million in total payroll generation, and \$85 million in total tax revenue generated from 4,486 jobs because of the Akron-Canton Airport.

By leveraging our assets in the Northeast Ohio region, we are promoting a better economy and quality of life for those around us. We strengthen our economy by helping to attract and retain business, conventions, and tourism through greater connectivity. As we look to the future, we continue the journey as an essential part of the community and look to reach new heights along the way.

Industry Analysis

The airline industry, like other vibrant sectors of the US economy, continues to evolve. Over the last five years, the US airline industry has shown record profits driven by industry consolidation, capacity discipline, lower fuel prices and continued fleet renewal.

However, the industry continues to be dependent on long lead time resources such as facility and aircraft availability and a workforce whose rules inherently impact the ability for airlines to react quickly to market opportunities.

Capacity restraint has been a major focus in the industry and has left communities competing for scarce resources. Stronger profitability and fleet transitions to larger aircraft provided a moderate uptick in seat capacity, but, in 2017, as fuel prices and labor costs began to increase, there was a renewed commitment by many airlines on capacity discipline moving forward.

Given the limited number of airlines to work with, in many cases there may be very few potentially viable service providers. With airlines primarily focused on major markets, smaller markets are generally in the position of having to be more aggressive to maintain/improve existing service or attain new service.

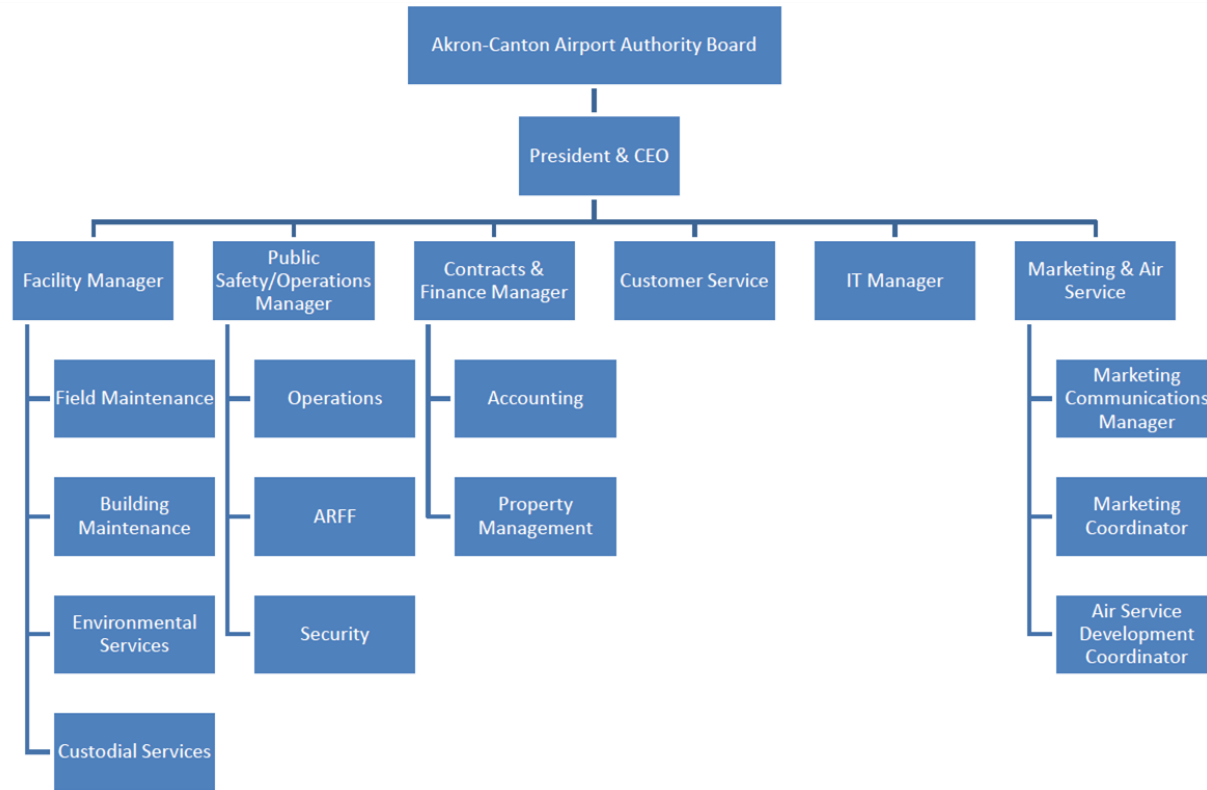
This places the responsibility on airports to monitor their market and be proactive with their ongoing air service development efforts, especially when performance issues are noted. When service improvements or new service is sought, of importance is that airports and communities know and understand their market.

Goals

Five years, five main goals in mind. The Akron-Canton Airport embarks on the journey to continue our outstanding commitment to customers and employees, while improving and innovating the facility:

- Continue growth with our current airline partners. Foster growth opportunities with new partners as well.
- Position the facility to accommodate future opportunities.
- Create the best first and last impression to all visitors.
- Cultivate an exceptional experience for our customers and continue to be a better way to go.
- Provide a warm and welcoming work environment for all team members.

Organizational Structure



Organizational structure needs

1. Human Resources Department Build-Out

- Immediate needs across all departments for training, hiring, and succession planning;
- More active human resource role for CAK Bookkeeper position, including any additional training required.

2. Business Development

- Focus on new developable space, promoting current properties, curating partnerships with site selectors, and local economic development entities;
- Focus on new revenue generating opportunities for the Airport.

Akron-Canton Airport Authority Board of Trustees

Akron-Canton Airport is the only commercial airfield in the State of Ohio governed by an Airport Authority. The Airport Authority is a political subdivision of the State.

Eight Trustees serve on the Authority Board. Four members are appointed by the Stark County Commissioners and four are appointed by the Summit County Executive and approved by council. The members serve staggered, four-year terms and are not paid for their service. Board members can be reappointed indefinitely.

The Board is responsible for the strategic direction of the organization. The President & CEO reports directly to the Board of Trustees on the third Thursday of each month at 3:00 p.m.

The Board of Trustees has complete fiscal and organizational oversight for the Airport. Each member contributes a unique area of expertise to the Board, including real estate, finance, law, and managerial expertise.

Stark County

Tina R. Floyd
Christopher J. Holding
Ward J. Timken
John B. Wirtz

Summit County

Beth B. Boggins
Cathy C. Godshall
Robert G. Konstand
John M. Williams

Management Team

Renato “Ren” Camacho - President & Chief Executive Officer
Lisa Dalpiaz - Director of Marketing & Air Service Development
James Krum - Contracts & Finance Manager
Todd Laps - Public Safety & Operations Manager/Airport Security Coordinator
Bob Mohr - Information Technology Manager
David Regula - Customer Service Manager
Kevin Ripple - Facility Manager

Departmental Objectives

Marketing & Air Service

- Tell the Akron-Canton Airport’s story to local and national stakeholders;
- Create level-playing field for new air service;
- Play a role in community stewardship and advocacy through events and other activities that promote CAK as a vital community asset.

Facilities

- Create a seamless airport experience for our customers and an equitable space for our tenants through our facilities program;
- Modernize existing assets that are fiscally and environmentally responsive;
- Through Capital and maintenance enhancements, offer modern amenities and improved aesthetics that optimize the customer experience.

Operations

- Provide safety and security upgrades that will have an immediate and positive impact for CAK;
- Address federal and local concerns through continued partnerships, exercises, and coordinated regulatory plans.

Information Technology

- Foster innovation in the Airport environment that eases tension and maximizes enjoyment for our passengers;
- To support our business and facility needs, introduce new technological systems to keep customers connected.

Contract & Finance

- Upgrade existing revenue and asset management processes, making them more efficient and cost-effective;
- Enhance the ability to process payments electronically, which provides vendors a more economical option for dealing with Airport.

Customer Experience

- Create a seamless Airport experience for our customers, from leaving home, to the parking lot, to the gate;
- Provide equitable tenant spaces through our facilities improvements.
- Encourage sustainable initiatives, local cultural amenities, and healthier lifestyle options at CAK and throughout the Akron-Canton region.

Customer Experience

The Airport aims to cultivate an exceptional, seamless experience in meaningful ways. We continue to provide clean, efficient service to our customers, but in new and innovative ways. New initiatives include introducing local, healthier concession options for our customers and increasing local public art throughout terminal.

1. Cover the car rental return area with a new canopy system;
2. Expand Visitor Information presence and services available to the public;
3. Concessions overhaul and revamp;
4. Provide a visual experience throughout the terminal with rotating exhibits tied to area art events and make use of natural light to enhance walls through shading;
5. Flight Information Display (FID) System – direct feeds from the airlines, software upgrade, and other required updates;
6. WIFI upgrade throughout the Airport environment.

System Preservation

Our responsibility is to maintain a state of good repair for all infrastructure on a consistent basis for the safety and security of our customers, employees and stakeholders. We look to ensure our physical assets are categorized in a systematic way for preventive maintenance and future considerations. All systems and projects will also work towards the goal of keeping up with technological advances.

1. Install a closed-circuit television system (CCTV);
2. Install a perimeter road for security and fuel truck traffic;
3. Incorporate access control in keyed areas of the perimeter fence;
4. Replace sections of 40-year-old fencing;
5. Existing infrastructure study to implement modernization with top 4-5 projects;
6. Implement robust asset management program;
7. Arc Flash Program – to be compliant with NFPA 70E regulation;
8. Matrix Access Control System Server Software and reader control modules.

Revenue Generation

As a self-sustaining entity, our duty is to maintain fiscal responsibility on a consistent basis. In our plans to meet the financial demands of Capital projects, we will increase channels to generate aeronautical and non-aeronautical revenue streams.

1. Acquire property within the new Runway Protection Zone of Runway 23 to maintain a safe airfield environment;
2. Implement lease management software;
3. Implement online payment capability;
4. Create extensive data set to provide to air carriers (business and leisure);
5. Comprehensive data acquisition and compilation;
6. Apply for Small Community Air Service Development grant.

Social Responsibility

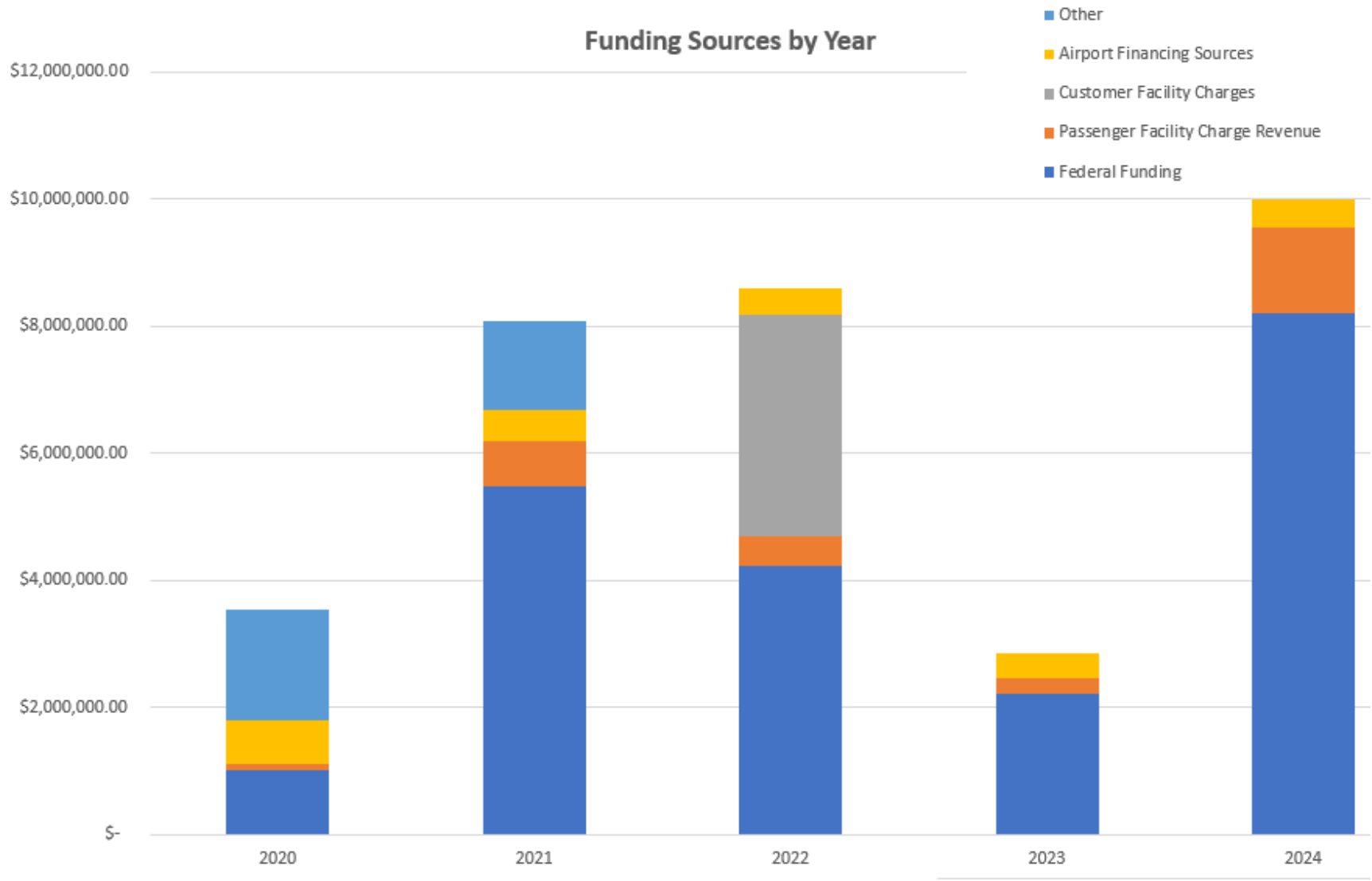
As we look to build a better community, the Airport aims to create opportunities that spark economic vitality and job opportunities. This effort will result in an improved quality of life. In addition to open, honest, and transparent communication, our social responsibility plans to incorporate sustainable features to our facilities and services to lessen the carbon footprint and other harmful impacts on our environment.

1. Electric Vehicle (EV) charging stations in our public parking lots;
2. Upgrade parking lot lighting to LED's, which are more cost-efficient and longer-lasting;
3. Engage the community in aviation workforce development opportunities;
4. Increase the viability of transportation options to get to CAK through initiatives with SARTA, local bicycle organizations, and Stark/Summit County park systems;
5. Increase recycling options, introduce additional landscaping, and other efforts to enhance the Airport's carbon footprint and impact on the environment.

Financial Projections

Funding sources	Amount	Years
Airport Improvement Program	\$ 21,121,600	2020-2024
Passenger Facility Charge Revenue	\$ 2,878,450	2020-2024
Customer Facility Charges	\$ 3,500,000	2022
Airport Financing Sources	\$ 2,401,200	2020, 2021, 2022, 2024
Other	\$ 3,147,000	2020-2021
Total	\$ 33,048,250	2020-2024

Funding Sources by Year



Funding Source Definitions

Airport Improvement Program

AIP was created by the Airport and Airway Improvement Act of 1982 and is administered by the FAA. Federal funding set aside for this program is distributed for eligible non-revenue producing projects at an airport, including planning, airfield construction and navigational equipment, navigational aids (NAVAIDs), and environmental mitigation. AIP funds are distributed to different categories of public-use airports owned by public entities that are included in the National Plan of Integrated Airport Systems (NPIAS), with some exceptions made for public use airports under private ownership identified in the NPIAS. Airports supporting commercial airline service are classified as Primary (over 10,000 enplanements) or Non-Primary (from 2,500 up to 10,000 enplanements) based on the number of annual enplanements. Primary commercial service airports are further classified based on the percentage of annual passenger enplanements in comparison with all passenger enplanements that occur annually at airports in the U.S. Since the Airport boards more than 10,000 passengers annually but accounts for less than 0.05 percent of all annual enplanements in the United States, CAK is categorized as a non-hub primary airport. Both entitlement and discretionary AIP funds are available to Primary non-hub airports with entitlement amounts awarded based on the level of annual enplanements and discretionary amounts awarded on a project-by-project basis. Utilization of this funding source can be applied to most of the projects identified on the CIP plan, most notably those that require a significant amount of capital such as the ARFF facility and airfield improvements program. Longer-term Capital needs requiring a significant amount of funds will also benefit from this program such as taxiway rehabilitation, general aviation site development, terminal facilities expansions and others.

Passenger Facility Charge

Passenger Facility Charges (PFCs) allow an airport to collect a fee from each enplaned passenger to help fund projects that preserve or enhance safety, security, and capacity; reduce the impacts of aircraft noise; or provide enhanced competition between air carriers. This funding mechanism helps an airport raise local funds for improvement projects that can be used in conjunction with other federal and state resources. Currently, federal regulations allow an airport to collect a PFC fee up to \$4.50 per enplaned passenger. Fees collected from PFCs for each enplaned passenger at the Airport could be applied to safety and security improvement projects included on the CIP. In addition to helping the Airport meet the local share necessary to receive federal funding for the Airfield Improvements Program, PFCs could help finance most projects listed on the CIP including the acquisition of a new ARFF vehicle and de-icing area modifications to accommodate additional aircraft. Over the next 5 years (2020-2024), Airports Council International (ACI-NA) projects airports nationwide will require \$128B in infrastructure needs to keep them in a state of good repair. An increase in the \$4.50 limit per enplaned passenger (which is being discussed by industry and government officials) would benefit the Airport as additional local funds could be generated for improvement projects.

Customer Facility Charges

Customer Facility Charges (CFCs) are a local source of revenue set forth by an agreement with an airport and rental car concessionaires to collect a fee from rental car transactions to help finance the construction of car rental infrastructure such as service facilities and parking facilities. The level of these fees differs based upon an agreed level between the Airport and rental car concessionaires with method of collection ranging from a per transaction basis or a per transaction day basis. CFCs are not subject to federal or state requirements limiting the application of their use, or the fee amount that can be placed on a rental car transaction. CFCs were used to fund the construction of the rental car service facilities located to the south of the terminal building, and are a likely source of funding for other rental related facilities such as ready/return lot expansion and other improvements for the rental car concessionaires

Airport Financing Sources

Revenue earned from other Airport funding sources that help finance the day-to-day operations of the Airport could also be utilized for improvement projects listed on the CIP. These sources of revenue include rents from commercial air carriers, concessionaires, Fixed Based Operators (FBOs), and hangar tenants; landing fees collected from aircraft operations; and automobile parking charges. Funds raised from these sources are not subject to federal or State requirements limiting their applicability and can be utilized to fund all improvement projects at the Airport. Revenue available from these sources is most beneficial for projects that are not eligible to receive federal or state funding or are only able to take advantage of a limited portion of federal or state funds that are available. Funding gaps experienced in other improvement projects, such as the ability of PFCs and CFCs to meet the required local match, could also benefit from revenue earned through these additional resources. Projects on the Airport's CIP most likely to benefit from these additional funding sources, either because of ineligibility for federal or state funding or limited available funds, include the expansion and improvements of the Airport's revenue parking lots.