



2019

# ANNUAL REPORT



ALLEGHENY COUNTY AIRPORT AUTHORITY  
PITTSBURGH INTERNATIONAL AIRPORT  
ALLEGHENY COUNTY AIRPORT



**Rich Fitzgerald**

*Allegheny County Executive*

## A Letter from the County Executive

When I first took office as County Executive in 2012, Allegheny County and our region were beginning to enjoy signs of progress after decades of decline following the loss of the steel industry. I knew that in order to continue growth, that we had to focus on Pittsburgh International Airport, because what's good for PIT is good for our region. Easier access to our region means more jobs, more tourism and more economic development.

We were fortunate to bring CEO Christina Cassotis and her vision for the future of airports to Pittsburgh. Thanks to the work of her and her team, PIT is an integral part of our region's success story. Whether it be recruiting new airlines, adding new nonstop flights or lowering costs for airlines to operate here, Christina and her team are continually raising standards. These changes at PIT, along with banking, technology, medical industries and more, are fueling our region's success on a daily basis.

2019 was an exciting year for PIT. We've seen air service continue to climb, including the addition of nonstop service to London on British Airways—something this region hadn't had in 20 years. The airport's real estate development continues to attract and retain jobs to the region and the Terminal Modernization Program made significant progress as it readies for the start of construction later this year. This will be a facility truly built for the Pittsburgh region that will help position our market as the region's front door for decades to come.

All of this success is part of a larger strategy to maximize the airport's assets for the region's citizens and businesses and to grow economic development.

PIT is not the airport of yesterday. We are not the market of yesterday. Airlines and businesses around the world are recognizing the renaissance that continues to evolve here. That's why today's PIT is exploring and utilizing our city's robust technology and innovation scene/community and using that cutting-edge vision to meet the needs of travelers, businesses, tenants and partners now and beyond.

Christina, her team members, and the ACAA board are poised to define the terminal of tomorrow and help continue the redefining of our region. They are truly redefining what it means to be an airport.

Sincerely,

A handwritten signature in blue ink that reads "Rich Fitzgerald". The signature is fluid and cursive, written in a professional but personal style.

**Rich Fitzgerald**

*Allegheny County Executive*

# A Letter from the Chairman and the CEO



**David Minnotte**  
*Chairman,  
Allegheny County Airport Authority  
Board of Directors*



**Christina Cassotis**  
*CEO,  
Allegheny County Airport Authority*

The Pittsburgh region has always had a special connection to its airports. It's the community that has always helped to set the stage for the airport to be a leader in aviation.

And now, Pittsburgh International Airport has matched the region's renaissance and is once again fulfilling its vision to serve the community, inspire the industry and advance the region's role as a world leader.

Five years ago, we laid out an ambitious plan to move the airport forward. The incredible success we've achieved in that time has been part of a strategy that's been deliberate and has leveraged all areas of the Airport Authority to maximize its assets for the betterment of the region.

As part of that, we've implemented a strategy for success in 2019 and beyond. Our 5-year business plan, Smart Plan Forward, is focused on our core missions—safety and security, as well as air service. Beyond those core missions, we're focused on the key areas of a Smarter Terminal, Smarter Technology, Smarter Workforce, Smarter Development and Smarter Cargo.

This year we will continue the region's aviation legacy as we press forward with a vision for a new terminal—one that is optimized for the needs of the market and region today. However, it's important to take a step back and look at the progress we've achieved in the past year that is helping to fuel our momentum.

Our success begins with our dedicated airport team and our community partners. We have continued to engage and expand connections with the community, including organizations like VisitPITTSBURGH, universities, businesses, community groups and government agencies. The turnaround at Pittsburgh International Airport is the last piece of the puzzle in our regional renaissance.

Last year, Pittsburgh International Airport saw its highest volume of passenger traffic—9.8 million—in more than a decade. Airlines continued to add nonstop flights, including the return of British Airways after a 20-year hiatus, and our costs are the lowest they've been in nearly two decades.

Allegheny County Airport (AGC) is also undergoing upgrades, both aesthetically and operationally. The recent renovations to the historic, Art Deco terminal are part of a larger plan to transform AGC into an industry-leading general aviation airport.

The progress we've made together with the community has been powerful and fast. We're looking forward to more success in 2020 and beyond.

Sincerely,

**David Minnotte**  
*Chairman,  
Allegheny County Airport Authority  
Board of Directors*

**Christina Cassotis**  
*CEO,  
Allegheny County Airport Authority*

# Board Members

## Allegheny County Airport Authority

The Allegheny County Airport Authority is moving into its third decade of overseeing Pittsburgh International and Allegheny County airports. Under a lease with an initial term of 25 years and two additional 25-year option terms, the ACAA, governed by a board appointed by the Allegheny County Executive, operates the two premier airports that serve the Pittsburgh region.



**David Minnotte** *Chairman*



**Matthew Smith** *Vice Chairman*



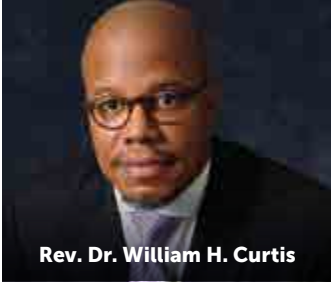
**Jan Rea** *Treasurer*



**Ashley Henry Shook** *Secretary*



**Lance Chimka**



**Rev. Dr. William H. Curtis**



**Cynthia Shapira**



**Rich Stanizzo**



**Randy Vulakovich**





**SMART PLAN FORWARD**



### SMART PLAN FORWARD

For the past five years, we've been transforming ACAA to restore our position as a leader in aviation and a catalyst for economic growth in our region. We've come a long way with smart people and targeted innovation, but we need to go further, faster and with even more intelligence and ingenuity than we've already exhibited.

That's why we're announcing our Smart Plan Forward—a plan with innovative ways of working, inspiring people and a clear destination; a Smarter Airport.

We are redefining what it means to be an airport. More than an airport operator, a Smarter Airport acknowledges the complex ecosystem of modernized physical space, cutting-edge technology and interdependent relationships among stakeholders—ACAA employees, airlines, retail tenants and our local community—that goes into delighting travelers and getting aircraft into the air safely, on time and to their destinations.

We're building our Smarter Airport now, and we will pioneer the next generation of aviation leadership in the process.



## DUAL IMPERATIVES

The Smart Plan Forward is led by two fundamental priorities that never change: Safety and Security and Air Service.

### Excellence in Safety and Security

Every process at Pittsburgh International Airport and Allegheny County Airport begins with an intense focus on the safety of passengers, employees and guests. ACAA staff members are continuously trained in best practices that create the safest possible environment for a dynamic, 24/7 operation.

Their dedication to minimizing risk and reporting potential problems was directly responsible for the Authority setting its record-low injury rate in 2019, below the average rate for the aviation industry.

In November 2019, PIT passed the annual Part 139 FAA inspection with a perfect score, an achievement reached by only a handful of U.S. airports each year. The inspection is incredibly detailed, reviewing operational elements from all over the airport, and for the first time, Pittsburgh International Airport had zero discrepancies, which is a significant accomplishment for an airport of any size.

This underscores the critical importance of building a culture where safety is front of mind for every worker and the positive ripple effect it can have that ultimately impacts everyone at the airport.

### Air Service Gains

Pittsburgh International Airport continued its recent trend of steady growth with both new destinations and expansion of existing service in 2019, offering a wider variety of options to both business and leisure travelers.

The most prominent of these gains was, of course, the British Airways flight to London Heathrow that launched in April. With four departures a week, this gives PIT year-round service to Europe, a crucial building block for future international growth.



Also this year, American, Delta, United, Southwest, Spirit and others added bigger planes or more flights to accommodate greater demand for travel to Nashville, Denver, Atlanta, San Francisco, Miami and Chicago, among other destinations. This expanded service was a catalyst for the sixth consecutive year of passenger growth and the most origin and destination travelers in the airport's history.

Additionally, the return of Condor's summer seasonal service to Germany underscores the robust Pittsburgh market and its numerous European connections.

*November 2019, PIT passed the annual Part 139 FAA inspection with a perfect score, an achievement reached by only a handful of U.S. airports each year.*



## SMARTER TERMINAL

The Terminal Modernization Program (TMP)—a bold effort to transform Pittsburgh International Airport—saw significant progress, design refinement and the start of key enabling projects in 2019.



The TMP will create a smarter airport and a more efficient, enjoyable passenger experience from curb to gate by consolidating landside and airside operations into one connected, adaptable facility.

New technologies that improve the passenger experience and increase efficiencies around check-in, wayfinding, security, baggage handling and other operational areas, as well as incorporating local art, concessions and other amenities that provide a sense of Pittsburgh are top design priorities for the new terminal and multi-modal complex.

The TMP's visionary design from the joint venture of architectural and engineering firms Gensler and HDR in association with Luis Vidal + Architects, based on regional assets of nature, technology and community, was unveiled in February 2019.

Construction management firms PJ Dick/Hunt and Turner have also joined the airport team to ensure safety and operational readiness during final design and construction of the new terminal and multi-modal complex. Early enabling projects, including closure of the airport's west ramp and removal of 12 passenger boarding bridges, began in 2019 in order to prepare the future construction site.

*The TMP is estimated to produce **11,000 direct and indirect jobs, including 1,450 direct construction jobs, and generate \$1.7 billion in economic activity, with no cost to local taxpayers.***

To engage local and minority-owned businesses to participate in design and construction, Industry Day events and the first-ever Vendor Product Pitch Fair were conducted in 2019, with more outreach events planned in 2020.

The TMP is estimated to produce 11,000 direct and indirect jobs, including 1,450 direct construction jobs, and generate \$1.7 billion in economic activity, with no cost to local taxpayers. Funding is provided through airline rates and charges, as well as airport revenues generated through parking, concessions, real estate income and natural gas drilling royalties, among other sources of funding. Cost estimates will be available as the project reaches final design.

Progress updates and the latest news and information are posted on a dedicated project website at [PITtransformed.com](http://PITtransformed.com).



## SMARTER TECHNOLOGY

Being the front door to a city *Fast Company* called a “smart city playground” requires the airport to not just keep pace, but help lead the way in innovation. The Airport Authority took another large step in that direction this year by establishing an “Internet of Things” lab with tech company Actility, the firm’s first such venture at a U.S. airport.

The airport also continued to find success in its ongoing relationship with Carnegie Mellon University, a formal partnership that began three years ago. In 2019, a partnership with CMU spinoff Sensors resulted in the installation of the most accurate tracking system powered by artificial intelligence in any airport worldwide, estimating wait times in security lines down to the minute.

The airport also served as a testing ground for an international team of researchers associated with CMU that developed an app called NavCog that helps vision-impaired travelers navigate their way through large, busy public facilities.





## SMARTER WORKFORCE

Pittsburgh International Airport does more than accommodate air travel. The facility is central to a regional growth plan focused on expanding the community's prosperity and boosting its quality of life.



While driving that plan forward is key to the future of the airport and its neighbors, the Authority also continues to invest in its most precious assets: its people.

The Authority and all seven labor unions representing the airport's 452-person workforce continue to demonstrate a shared commitment to each other's future and to serving the millions of people that rely on the Airport Authority to enhance their travel experiences every year.

Pittsburgh International Airport remained on *Travel + Leisure* magazine's list of top 10 domestic airports for the fourth year in a row, ranking No. 7 in 2019. Meanwhile, internal surveys showed employee engagement scores remain high, further reinforcing the team's collective vision of remaining a global aviation leader.

Taken individually, each program and accolade represent a significant accomplishment. Together, they signify a singular mission, which is to maximize the airport's resources—from the talents of its people to its physical assets—for the good of the entire region.

The Authority is proud to have representation from seven labor unions, including:

- Building and Construction Trades Council of Pittsburgh, AFL-CIO
- Construction General Laborers & Materials Handlers Union, Local 1058
- International Association of Firefighters, Local 1038
- International Association of Machinists and Aerospace Workers, District Lodge 98, Local Lodge 1060
- International Brotherhood of Teamsters, Local 249
- International Union of Operating Engineers, Local 95-95A
- Service Employees International Union, Local 32BJ

### SMARTER DEVELOPMENT

Thousands of developable acres can be found within minutes of Pittsburgh International Airport, forming what is referred to as "the airport corridor." Supported by the interstate system and the air transportation capabilities at PIT, it is one of the largest commercial development opportunities in Western Pennsylvania, and the Allegheny County Airport Authority is helping to lead the way by spurring business investment on its 8,800-acre property.

In October, the Airport Authority unveiled an unprecedented vision for the 195-acre Pittsburgh Airport Innovation Center, which will be the world's first development to condense and connect all components of the advanced manufacturing and 3D printing supply chain into one powerful production ecosystem.



The Neighborhood 91 concept is based on shared capital resources at the core of the development, and it will house a complete end-to-end network offering.

Argon gas supplier Arencibia has committed to be the anchor tenant. Arencibia is the industry leader in recycling gases throughout the aerospace and additive manufacturing supply chain, creating more efficiencies and saving money for companies.

The University of Pittsburgh is a key partner in the development of Neighborhood 91, both for its research and development, and workforce development. Pitt's strengths of applied additive manufacturing, supply chain research and capacity to pilot programs that augment the professional pipeline help fuel the neighborhood concept.



The name itself is a reference to Pittsburgh's 90 distinct neighborhoods. The 91st will be a key component to additive manufacturing into the future. Construction will begin in 2020.

### New Microgrid to Power PIT

Pittsburgh International Airport also announced another first in 2019: to become the first airport to be completely powered by its own microgrid on property, which will bring power resiliency and redundancy to enhance safety and ensure continued operations for passengers.



*The microgrid will be fueled in part by the airport's own natural gas wells and nearly 8,000 solar panels across eight acres.*

A microgrid is an independent electricity source that can operate autonomously. The airport's microgrid, which will be built, operated and maintained by Peoples Natural Gas, will be its primary power source. The microgrid will be fueled in part by the airport's own natural gas wells and nearly 8,000 solar panels across eight acres that will produce more than 20 megawatts of electricity, or the equivalent of powering more than 13,000 homes.

Plans are also being developed for a separate microgrid specifically designed to power businesses located in Neighborhood 91.

The terminal microgrid is expected to be operational in 2021.



## SMARTER CARGO

PIT aims to become an international logistics center that appeals to domestic and international cargo companies. Coupled with its real estate development options and an increase in international carriers with British Airways and Condor, which use wide-body aircraft, cargo has the potential to be a major economic driver for Western Pennsylvania.

International cargo service can further help the region increase its competitiveness by offering local businesses improved access to global markets while at the same time creating jobs through distribution channels. Pittsburgh's location halfway between Chicago and New York, as well as the speed and efficiency of cargo movements at PIT, positions PIT to redefine the speed at which air cargo moves from the airplane to the customer. In addition to regional benefits such as jobs, robust cargo service can provide important revenue streams to the airport through other charges, including landing and fueling fees.

Total domestic and international cargo (excluding mail) carried at PIT finished the year at 165.5 million pounds, up 6 percent from 2018, which was fueled in part by international freighter service from Qatar Airways Cargo. In December, the airport hit its high-water mark for the decade with 16 million pounds of cargo.

*The U.S. DOT announced an \$18.69 million BUILD Grant for the construction of a 75,000-square-foot cargo processing facility and parking lot to expand air cargo operations, making PIT the first airport to ever receive such a grant.*



In November, the U.S. Department of Transportation announced an \$18.69 million BUILD Grant to support the construction of a 75,000-square-foot cargo processing facility and adjacent surface parking lot to expand air cargo operations, making PIT the first airport to ever receive such a grant. The new building will allow for larger aircraft or new destinations for integrator carriers like FedEx or UPS, as well as future carriers to PIT that require sorting facilities and high volumes of truck access.





LEADING THE WAY



### MYPITPASS INSPIRES THE INDUSTRY

The myPITpass program has sparked a trend in the airport industry. Implemented in 2017 in partnership with the Transportation Security Administration, the program made PIT the first airport in the country since Sept. 11, 2001 to allow non-ticketed individuals beyond security checkpoints to shop, dine and greet loved ones. Those individuals must of course still be screened as they proceed through the checkpoint.

*Nearly **40,000 people** have used myPITpass since the program was instated.*

More than 100 non-traveling guests use myPITpass to visit the terminal each day, with daily averages of 150 to 160 guests in busier summer travel months. MyPITpass started the trend of "terminal tourism," and has been featured in national and international media. Nearly 50,000 people have used myPITpass since the program was instated, and in 2019, several other major airports created similar programs, including Seattle-Tacoma International, Tampa International and Detroit Metropolitan Wayne County.



my**PIT**pass



*PIT and the ACAA recycled 21,795 lbs of electronics in 2019.*

## ENVIRONMENTAL LEADERSHIP

The Allegheny County Airport Authority is committed to protecting and preserving the environment. We're proud to support conservation and sustainability initiatives year-round through a variety of programs and community service efforts.

With more than 9,000 acres of land at Pittsburgh International Airport and Allegheny County Airport in West Mifflin, Pa., the Airport Authority's Environmental and Workplace Safety team is responsible for overseeing environmental compliance, sustainability and workplace safety, in addition to executing other programs that ensure both airports operate under best practices of environmental management.

PIT has been recognized nationally for its industry-leading environmental and sustainability efforts.

In 2019, the airport continued this innovative approach by joining the Pittsburgh 2030 District Challenge, an initiative that supports 50% reductions in energy use, water consumption, and transportation emissions by 2030.

Beverage Disposal Stations were placed at security checkpoints, allowing passengers to separately dispose liquids from other recyclable containers reducing contaminated recyclable containers. Additionally, 11 bottle re-fillings stations kept close to 450,000 plastic bottles from being used.

## BLUE SKY NEWS LEADS INDUSTRY AS TRUSTED SOURCE OF AVIATION NEWS

After making its debut in November 2018, the ACAA's Blue Sky News digital publication quickly became a trusted source of news about aviation throughout the industry and around the world. Managed entirely by the Marketing, Communications and Customer Experience (MC/CX) team, the innovative approach earned the title of Best Overall Public Relations Program at mid-size airports from Airports Council International—North America in 2019.

Blue Sky News pulls back the curtain to show what thriving, dynamic airports look like in action. It takes the reader behind the scenes in the terminal, on the airfield and in the community to meet the people transforming the airports and the Western Pennsylvania region. Experts and partners share the technical aspects behind their work, insiders provide their perspective on the often-complex aviation issues of the day and both passengers and dedicated employees share heartwarming human interest stories.

The audience of Blue Sky News includes airline executives, industry peers, concessions providers, community partners, ACAA team members, airport stakeholders and the local, national and international media. Content is rooted in great storytelling: well-told narratives; clear, explanatory prose; and compelling photos, video and infographics reported in a journalistic style.

Those interested in reading Blue Sky News can visit the website [www.BlueSkyPIT.com](http://www.BlueSkyPIT.com), subscribe to the free Blue Sky News weekly newsletter, and follow Blue Sky News on social media.



**Local food and beverages with big flavors and a huge followings are now being enjoyed by airport travelers.**

### CREATING A SENSE OF PLACE

Pittsburgh International Airport is often travelers' first impression of the region. From its emergence as a diverse culinary hub to its cultural attractions, sports teams and longstanding regional institutions, Pittsburgh's vibrancy shines through in the airport. Restaurants, retail outlets, art and even familiar voices on the train let travelers know they're in Pittsburgh.

Local food and beverages with huge followings are now being enjoyed by airport travelers. Primanti Bros. opened a restaurant in early 2019, followed by Wigle Whiskey's first-ever restaurant as well as Franktuary's first airport location. From Gaby et Jules macarons to the Strip Market, authentic tastes of Pittsburgh can be found everywhere in the terminals. Penn Brewery beers can be sampled in the terminal, and visitors can get a taste of Sarris Candies, Steel Cactus, Marathon Diner and other local brands.

The art at Pittsburgh International Airport is varied, featuring local and regional artists with national and international acclaim whose creations range from visual arts to live performances. One of the most notable pieces is "Pittsburgh," a mobile by internationally renowned artist Alexander Calder, which hangs magnificently in the rotunda of the Airside Terminal.

The airport also teamed with community partners to showcase the region's capabilities by creating Presley's Place, a sensory-friendly space intended to provide special needs travelers of all ages the opportunity to decompress while traveling. To develop the project, airport project leaders brought together advocacy groups, individuals and caregivers of children with neurodevelopmental challenges, to share their experiences and offer suggestions for the sensory room.

### CREATING A SENSE OF PLACE *Continued*

In 2019, the regional art spaces continued to rotate quarterly. Responsibility for curation is split between the Arts and Culture Manager and Art in the Airport Advisory Committee members, who work together to build a world-class program. Highlights of the PIT Art in the Airport Program in 2019 included:

*PIT and VisitPITTSBURGH took the artwork of more than a dozen regional artists to London for Art on the Bank.*

- PIT and VisitPITTSBURGH's collaboration in bringing the artwork of more than a dozen regional artists to London for Art on the Bank as part of a project designed to highlight the new British Airways flight and introduce travelers to the Pittsburgh arts and culture community.
- The installation of Rachel Mica Weiss' Recto Verso, the first in a series of suspended sculptures in the vaulted ceilings of the Airside concourses, which can now be found in Concourse B.
- The growth of the PIT Performing Arts program, which launched a series of "Unplugged" sessions on Saturdays during the summer, and has expanded to include dance, puppeteering, and light performances.
- The Artist-in-Residency Program, which took a new approach by offering two summer micro-residencies to Tereneh Idia Dega and Cheryl Capezzuti, whose work respectively culminated in a fashion exhibition and a series of larger-than-life puppet performances.



- A TMP Arts and Culture Plan was created and then accepted by the TMP Governance Committee, and as part of this process, all of the intended arts locations for the new terminal were identified.
- The airport also wrapped up its first yearlong Artist-in-Residency program, launched in 2018, by hanging a trio of "Industrial Paintings" created by Blaine Siegel with the collaboration of the airport's painting crew.

## PLANNING FOR TOMORROW AND BEYOND

Sitting at one of the highest points in Allegheny County and a mere nine miles from Downtown Pittsburgh, Allegheny County Airport (AGC) in West Mifflin is a key component in meeting the aviation needs of the region and is the gateway to Pittsburgh for corporate executives.

With several companies basing their corporate jets at hangars at AGC, total operations were 59,236 in 2019, which places AGC among the busiest airports in Pennsylvania.



An AGC Master Plan Update was completed in 2019. The AGC Master Plan Update documents the existing conditions and facilities at the airport, forecasts the expected aviation activity levels at the airport for the next 20 years and plans the facilities and infrastructure needed to support that activity. In addition, the proposed development ensures the Airport is operating under the most current Federal Aviation Administration guidelines, which support a safe and efficient airfield. Some major developments planned for AGC include the improvement of its Runway Safety Areas, airfield geometry adjustments and building redevelopment.

Businesses routinely charter aircraft, transport supplies and products, and have customers who arrive via Allegheny County Airport. Flight training instructions are also a dynamic part of AGC, as both the Pittsburgh Flight Training Center and the Pittsburgh Institute of Aeronautics, which offer associate degrees in specialized technologies for aviation, are located at the facility.

AGC's offerings include:

- Two full-service, fixed-base operators: Lynx and Corporate Air
- Two paved and lighted runways and a helipad
- FAA Air Traffic Control Tower operated 24/7; FAA offices located in Terminal Building
- 24/7 Air Rescue and Fire Fighting Facility
- 100 LL & Jet A fuel available
- High/low bottled and bulk oxygen available
- Administration Office, Security and Operations Office located in Terminal Building
- 35 T-hangars
- 10 corporate hangars
- 13 private hangars
- Tie-down area
- On-site weather forecasts
- Avionic repairs, installations and sales
- Rental cars





**STRONG FINANCIALS**

### STRONG FINANCIALS

For seven straight years, the overall cost of doing business for airlines at Pittsburgh International Airport has fallen.

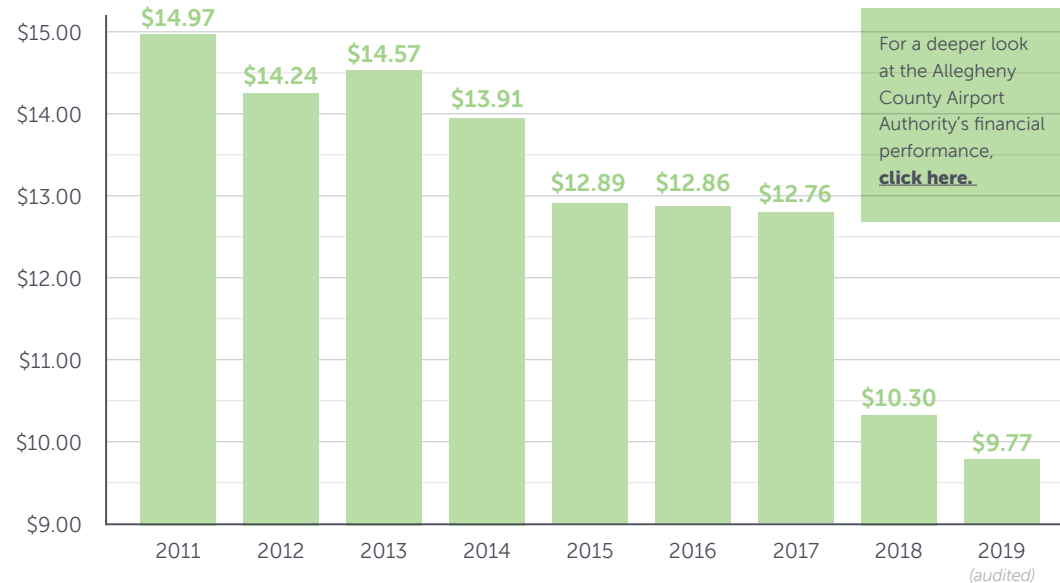
The Authority is currently evaluating the effects of the COVID-19 pandemic regarding results of operations, cash flows and our financial condition. The 2020 operating budget is also being re-evaluated. First quarter enplanements for 2020 were down considerably and Q2 was expected to see reduced traffic as well.

An airport's CPE is the industry standard benchmark for comparing an airport's costs to airlines. It is not a ticket fee charged to passengers, but rather the total of all airport costs to airlines divided by the carriers' number of departing passengers.

The Allegheny County Airport Authority receives no local taxpayer funding. Its revenue is generated through parking, concessions, real estate development, natural gas royalties and other user-generated dollars.



Cost Per Enplaned Passenger



## STAY CONNECTED WITH US

[flypittsburgh.com](http://flypittsburgh.com)



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