

# 2020

## Annual Report



ALLEGHENY COUNTY AIRPORT AUTHORITY  
PITTSBURGH INTERNATIONAL AIRPORT  
ALLEGHENY COUNTY AIRPORT

**ALLEGHENY COUNTY AIRPORT AUTHORITY BOARD MEMBERS**

The Allegheny County Airport Authority is in 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*



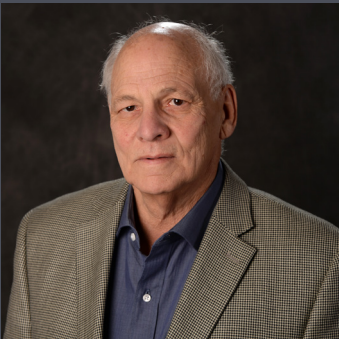
Lance Chimka



Rev. Dr. William H. Curtis



Cynthia Shapira



Rich Stanizzo



Randy Vulakovich



**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 keeping costs in line, Christina and her team are continually raising standards.

Across the country, 2020 was a challenging year like no other. Aviation experienced declines that the industry had never seen. Despite that, our airport continued to make progress on key initiatives and community outreach.

During the height of the pandemic, the airport partnered with the Greater Pittsburgh Community Food Bank and opened its parking lots to create some of the largest food distribution events in our region. At the same time, the airport made progress on key initiatives including

Neighborhood 91 by attracting new companies and moving forward on a microgrid project to become one of the most site-hardened airports in the world.

The airport’s new terminal project also moved forward despite a construction delay and is set to break ground in 2021. This will be a facility truly built for the Pittsburgh region, by the Pittsburgh region, that will help position our market 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, businesses and to grow economic development. Airlines and businesses around the world are recognizing the renaissance that continues to evolve here.

Christina and her team continue to lead through the pandemic recovery as we again grow our air service portfolio and move forward on the new terminal project. They are truly redefining what it means to be an airport.

Sincerely,

**RICH FITZGERALD**

*Allegheny County Executive*





## A LETTER FROM THE CHAIRMAN AND THE CEO

For many of us, 2020 seemed like a year without end. It was a time of tragedy and grief, with friends and loved ones lost to an unforgiving global pandemic. For some, it meant lost jobs, closed businesses and shelter-in-place orders.

And for those in the travel industry, 2020 was a year of vacant hotel rooms, grounded airplanes and empty airports.

But as we look forward to the end of the pandemic with encouraging news of vaccines and a declining infection rate, many of the changes imposed by COVID-19 are benefiting our industry and customers alike — and will aid in our recovery.

We've come quite a distance already. Early in the pandemic, passenger traffic fell by 96 percent, with revenue losses not far behind. And while traffic will take time to fully recover, there are many reasons for optimism in our industry and at Pittsburgh International Airport.

Airports across the world are rebuilding their air service portfolios,

and competition will be fierce for limited seats in a scaled-down industry. But, we've done this before, and we'll do it again.

After losing our hub, we reinvented ourselves into one of the nation's top origin and destination airports. We have strong relationships with our longtime airline partners, who are rebuilding their schedules.

Just as important is the transformational work we've done inside and outside our airport.

Safety and security are an airport's stock-in-trade, but the pandemic required us to add a third priority: public health. We started by taking care of our own people. If we can't keep ourselves healthy, our airports can't run.

Long before the pandemic, we were busy designing a new, future-forward airport terminal. The coronavirus delayed our construction schedule, but the pause allowed us to bring in public health experts to improve our design.

We are building an industry-leading example of what a post-pandemic airport looks like. Construction is set to begin in 2021, employing people who reflect the community we serve. Since the start of the pandemic, we have been testing and incorporating many of these advancements, in three primary areas:

- **Our personal space.** Social distancing is now the norm, whether at security checkpoints or gates. We're exploring a plan for digital queuing at the TSA checkpoint to improve the pre-security experience.
- And we're piloting touchless technology, from wave-to-call buttons for elevators, ticketing kiosks that talk to your smart phone and concessions that never require a touchpoint.

- **How we clean.** There was a time when airports worked hard to keep their facilities clean but keep their airport cleaners out of sight. No more. People want to see visible proof of our enhanced cleaning techniques and be assured that our team is constantly on the job. They are.

Our partnership with Carnegie Robotics introduced autonomous floor scrubbers that employ UV technology, a first for a U.S. airport. The four robots, named after aviation pioneers, are such a presence in our airport that travelers seek to have their photos taken alongside them. We're exploring other ways to use artificial intelligence and robotics to clean our facility better and more efficiently.

- **The air we breathe.** Tech giant Honeywell is developing a dashboard that will allow us to monitor, identify and correct problems with air quality issues as they occur. Too much carbon dioxide inside the terminal tells us we need to increase air flow or ease overcrowding. Honeywell and other innovators have taken up residence at xBridge, our new tech incubator at the end of Concourse B.

As part of our healthy design, our new terminal will include outdoor terraces to provide fresh air and outdoor space before and after security—a rarity for airports.

We've been busy outside the airport, too. Neighborhood 91, part of the 195-acre Pittsburgh Airport Innovation Campus at the west end of our property, is the world's first development that connects all the components of additive manufacturing, including 3-D printing, into one production ecosystem.

Wabtec, a global Fortune 500 company based in Pittsburgh and founded by famed inventor George Westinghouse, is setting up shop in an 11,000-square foot building on the property. Others will follow in 2021.

A first-of-its kind microgrid will power the airport via onsite natural gas wells and solar panels. And construction of our new 75,000-square-foot cargo processing facility will expand the air cargo operations that became such a critical part of our COVID-19 response.

Above all, let's not forget Pittsburgh itself. Before the pandemic, this region was in the midst of a renaissance, with people coming from all over the world to do business and conduct research, to study and yes, to visit.

Anyone who knows Pittsburgh knows you can't keep this region down for long. There's too much energy and far too much momentum. There are simply too many reasons to come here, and too many other places people here want to go.

Our airport is the front door to this magnificent region, and we're ready for right now — and what's next.

Sincerely,

DAVID MINNOTTE

Chairman,  
Allegheny County Airport Authority  
Board of Directors

CHRISTINA CASSOTIS

Chief Executive Officer,  
Allegheny County Airport Authority





# Pivoting on a strong foundation of a Smart Plan Forward

**In a year that saw nearly 100 idled planes parked on normally busy** runways, hundreds of cars lined up to receive aid in a normally busy parking lot, and pioneering robots cleaning the terminals at Pittsburgh International Airport, Allegheny County Airport Authority leadership redefined what it meant to be an airport in the face of a pandemic.

Clearly 2020 was a year unlike any other in aviation and at the Airport Authority — which oversees Pittsburgh International Airport (PIT) and Allegheny County Airport (AGC) — the effect was equally devastating. After starting the year extremely strong in January and February, traffic at PIT — and around the world — plummeted more than 95 percent early in the pandemic. Revenue was not far behind. Congress acted to shore up the nation's air transportation system by designating airports and airlines in the first, and then subsequent, pandemic relief bills.

What was clear from the start was that our nation's air transportation system is a key piece of our national critical infrastructure. Even as PIT's passenger business slowed, its response accelerated. Global cargo continued and PIT saw critical medical equipment shipments arrive.

## SMART PLAN FORWARD

Key real estate developments moved forward. Public health, in line with Centers for Disease Control guidelines, became a central focus of the airport experience almost immediately — cleanings increased, masks and social distancing became mandatory and new technology to battle pathogens was developed at PIT.



In March 2020, to respond to rapidly changing conditions as a result of the pandemic, the airport shifted into Irregular Operations (IROPS). IROPS is typically reserved for severe weather, or aircraft incidents. But, in this instance IROPS was designated to address a pending global crisis. The shift to IROPS enabled a focus on critical systems necessary to keep critical aspects of the airport open while aligning resources with pandemic-level air travel.

As flights were canceled, airport operations staff evaluated areas of the airport that could be

balanced to accommodate the decrease in passenger traffic, including the closure of the Alternate Security Checkpoint as well as a number of shops and restaurants throughout the terminal.

And through it all, the Airport Authority was guided by its five-year business plan — the Smart Plan Forward.



## DUAL IMPERATIVES

01 SAFETY, SECURITY  
& HEALTH02 AIR SERVICE  
DEVELOPMENT

## SMART PLAN FORWARD

A leading-edge plan to connect the great city we are with the vibrant region we've become.

SMARTER  
TERMINAL

Modernize Pittsburgh International Airport to create operational efficiencies, welcome visitors properly, and make local residents proud.

SMARTER  
TECHNOLOGY

Create seamless connectivity of interrelated devices, objects, people, and processes to improve the overall airport experience.

SMARTER  
WORKFORCE

Enable, empower and equip our workforce to thrive in a digitally driven, operationally efficient environment.

SMARTER  
DEVELOPMENT

Grow our prime real estate into a global epicenter of advanced manufacturing and digital innovation.

SMARTER  
CARGO

Increase growth potential for air cargo companies by becoming a first-choice logistics center in the global supply chain of goods and materials.

The entrepreneurial vision set forth by the Smart Plan Forward illuminated a clear approach for the airport to leverage the physical space, cutting-edge technology and the community of stakeholders to mitigate the negative impacts of the pandemic and better position the airport for the return of travel.

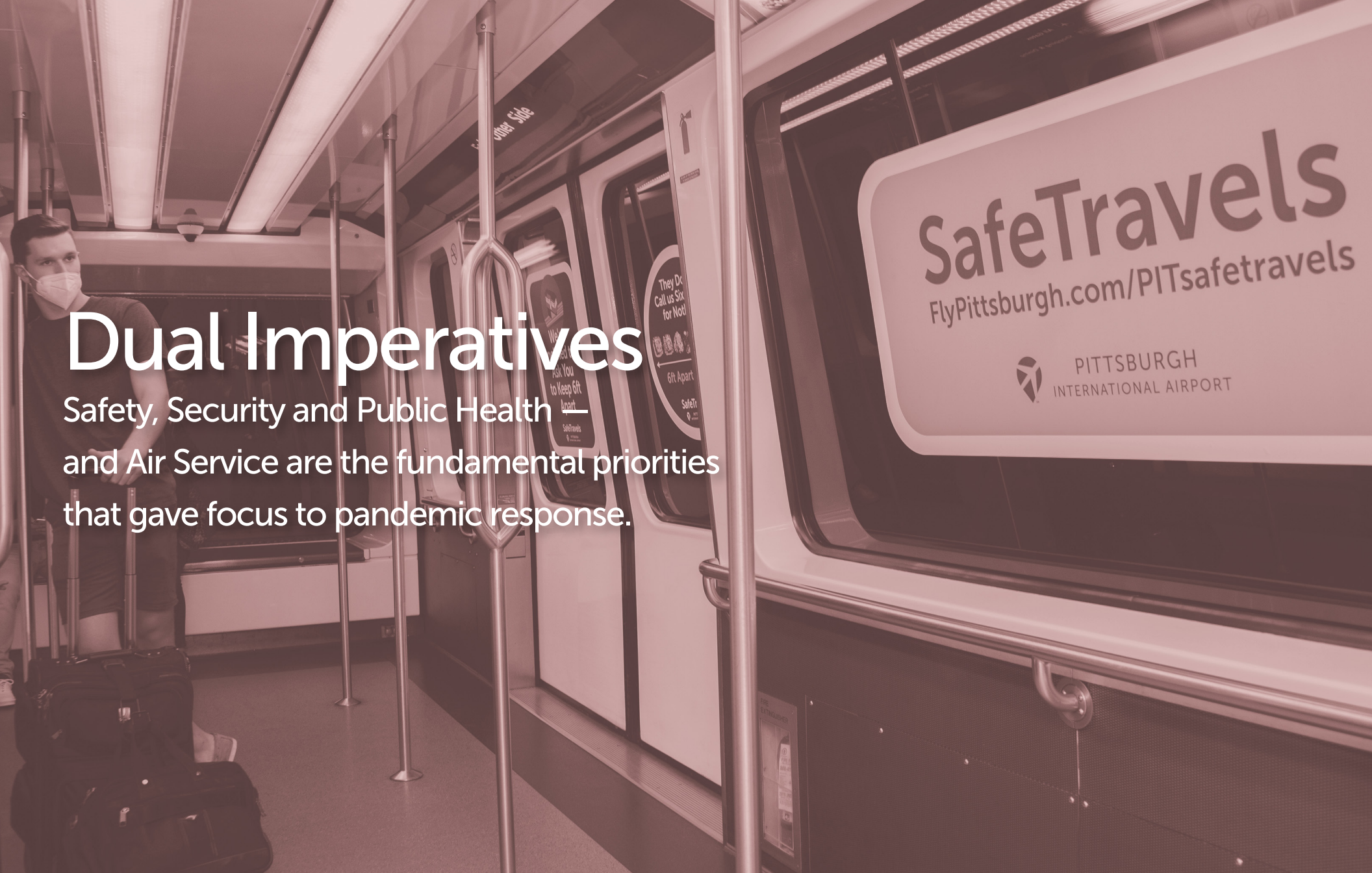
*Whether people are traveling now or planning a trip in the future when they feel more comfortable, Pittsburgh International Airport wants travelers to know that public health, safety and security are always its top priorities.*

Everything at the Airport Authority starts with safety, security and public health, followed by air service development. Those dual imperatives are always incorporated into all aspects of the organization.

As part of the nation's critical infrastructure, airports remained open during the pandemic. What Airport Authority leadership did and how they did it during the worldwide crisis, helped its airports continue to make progress on key initiatives. Establishing the dual imperatives of safety and security and air service established the essential framework for action. From that the airport embraced innovative solutions to help ensure the health and safety of the traveling public and for their workforce.







# Dual Imperatives

Safety, Security and Public Health —  
and Air Service are the fundamental priorities  
that gave focus to pandemic response.

## SAFETY, SECURITY AND PUBLIC HEALTH

### The safety and security of airport passengers, staff and guests

is the cornerstone of every process and procedure. In 2020, the Airport Authority enhanced these rigorous protocols to expand its focus on health.

In response to the pandemic, a health and safety program — Safe Travels — was implemented at both PIT and AGC for the protection of passengers and staff. Safe Travels was designed in accordance with guidelines from the Centers for Disease Control and Prevention to boost health and safety measures already in place to increase confidence in travel and reduce the potential for spreading germs.

.....  
*“Public safety and security are always the top priorities. We are enhancing already rigorous protocols to ensure that our passengers and staff are protected and that our terminal is ready for business. For those who want to travel — or have to — the airport has taken many precautions to give people confidence that the airport is safe.”*  
.....

— CHRISTINA CASSOTIS, CHIEF EXECUTIVE OFFICER, ACAA

Safe Travels measures included required face coverings while on airport property, practicing social distancing through guided markers in high-traffic areas, installing protective shields in high traffic areas, enhancing cleaning and disinfection, and implementing new touchless transaction technology, among others.

New vending machines were installed to provide access to additional personal protective equipment and sanitizing stations were provided in high traffic areas as an added layer of protection.

As part of the Safe Travels program, the airport used more than 2,000 social distancing decals, installed 130 plexiglass panels, and distributed more than 19,000 masks. And, the airport reconfigured seating at departure gates and provided guidance via health and safety public address announcements every 15 minutes.

In an example of innovation, PIT teamed up with Pittsburgh-based Carnegie Robotics to deploy a pair of autonomous floor scrubbers — essentially self-driving robots that clean floors in an ultra-efficient manner. Receiving national media coverage on the project, the airport became the first airport in the U.S. to use ultraviolet light on its cleaning robots.

Safe Travels continues to evolve with best practices and emerging technology. In December, the airport installed a high-tech handwashing station, the first of its kind in a U.S. airport. Additionally, a voluntary COVID testing site was opened in the Airside Terminal.

As part of a phased approach to accommodate evolving conditions, the airport continued to roll out additional improvements, including the reopening of concessions, alternate security checkpoints and the reactivation of walkways and train service.



## AIR SERVICE

**Like all airports, Pittsburgh International Airport was significantly**

impacted by COVID-19. Passenger traffic finished the year down 62.7 percent, in line with national averages related to the impact of the pandemic.

Despite these declines, leisure routes, specifically to Florida, continued to see success during the pandemic. Ultra-low cost carriers (ULCCs) experienced gains in market share as travel has shifted to leisure passengers.

In 2020, about one in five passengers at PIT traveled on a ULCC compared to one in ten in 2019. Still, legacy airlines carried the majority of the passengers at PIT through the year.

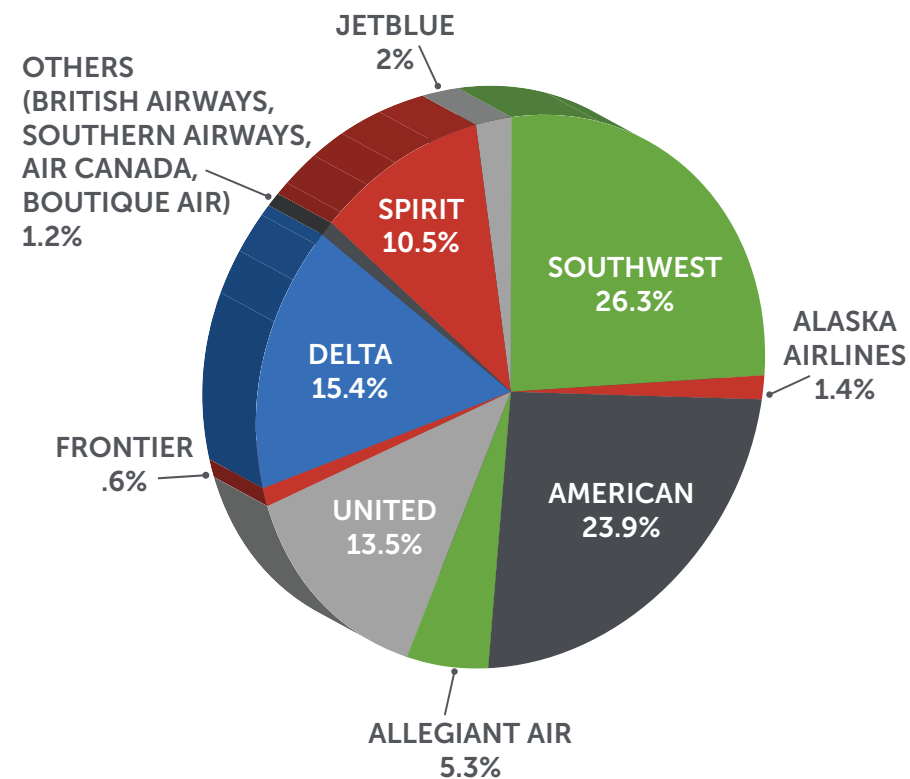
***“We are very bullish on Pittsburgh. Pittsburgh has a lot of things...think about tech, when you think about medical [and] the cost of living...when we’re thinking about where to put that next aircraft, you’re high on that list.”***  
***— DAVE HARVEY, VICE PRESIDENT, SOUTHWEST BUSINESS (BLUE SKY NEWS)***

As airlines continue to analyze the long-term impacts of the pandemic on business travel, carriers — both legacy carriers and ULCCs — anticipate continued growth in Pittsburgh.

Southwest Airlines flew the greatest number of passengers out of

PIT in 2020, flying approximately 956,000 passengers, or 26.3% of the total 3.65 million who flew in and out of the region.

### 2020 PASSENGER SHARE PERCENTAGES BY AIRLINE AT PIT





# Smarter Terminal

**Beyond the dual imperatives, the Smart Plan Forward outlines five**

key initiatives: Smarter Terminal, Smarter Technology, Smarter Workforce, Smarter Development, and Smarter Cargo.

The Terminal Modernization Program (TMP) is a billion-dollar project to create a new consolidated terminal that modernizes outdated former hub facilities, better serves passengers, fuels the region’s future development, lowers long-term costs for airlines and evokes the essence of Pittsburgh.

*“We know that travel is coming back, and that this is the right project for this region. We are ready to go out and build the first terminal in a post-pandemic environment and to make sure that it can survive whatever is coming next.”*

— CHRISTINA CASSOTIS, CHIEF EXECUTIVE OFFICER, ACAA

Construction was slated to start in 2020, but was delayed due to the COVID-19 pandemic. During the construction delay, the Airport Authority re-examined all aspects of the design to incorporate public health measures, including new health and safety conventions developed in response to the pandemic. As a result, the new terminal at Pittsburgh International will be the first airport built from the ground-up in a post-pandemic world.

The TMP design was informed and influenced by extensive collaboration and coordination between the Airport Authority and the

airlines serving the Airport as well as community input. As 2020 drew to a close, the TMP project received a major vote of confidence with a newly signed, short-term operating agreement that keeps the billion-dollar Terminal Modernization Program moving.

The agreement between the airport and the airlines serving it authorized \$150 million to finish the design of the TMP. The Airline Operating Agreement, or AOA, runs through 2021, committing the airlines to cover the airport’s operating costs. In exchange, the airport agrees to use airport-generated revenue such as parking and concession funds to lower airline rates.

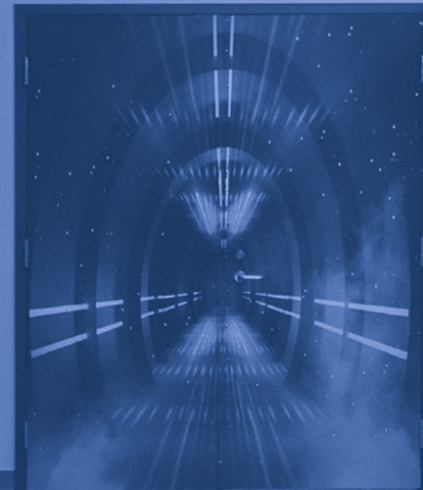
The TMP will balance airside and landside terminal operations to serve current and projected passenger demand and capacity requirements as well as to improve building system functionality for a terminal with systems reaching the end of life.

The TMP timeline has been revised to start in 2021 with completion by early 2025. **More information on this major capital initiative can be found at [PITtransformed.com](https://PITtransformed.com)**





# Smarter Technology



A proving ground for  
best-in-class innovations

**Fast Company** named PIT one of 2020's Most Innovative Companies in the World, the first time an airport has landed among the list of industry-changing firms.

PIT was recognized for its innovations in the travel industry and has grown into an ideas lab for concepts creating a Smarter Airport and pioneering the next generation of aviation leadership. To nurture this evolution, PIT has developed a 10,000 square foot innovation center, called xBridge, to incubate and inspire creative solutions to aviation challenges.

In 2020, national and local partners joined PIT in this learning laboratory, including Fortune 100 company Honeywell. The company is partnering with the airport to develop a live dashboard measuring air quality that will help airport staff identify and correct issues in real time.

Based on the success of xBridge pilot systems, PIT may expand the technology throughout the airport. Joining Honeywell, three local firms — Zensors, Carnegie Robotics and RE2 — selected xBridge as the ideal place to test and develop their products.







# Smarter Workforce

## Taking foundational steps to enable the Airport Authority's workforce

to perform as one team in an operationally-efficient organization was a critical step in enabling a cohesive pandemic response. By equipping the workforce with the tools necessary to perform in a digitally driven work environment, employees were connected in the face of irregular operations during the pandemic. The critical work at both PIT and AGC never stopped.

*Enable, empower and equip our workforce  
to thrive in a digitally driven,  
operationally efficient environment.*

As part of national critical infrastructure, the majority of the Airport Authority's workforce including maintenance, operations, tradesmen and women, customer service, airline services, security, first responders, and more continued to work 24/7 in the facilities throughout the pandemic. Airports can't be run from a living room and almost immediately from the outset of the pandemic new health protocols were implemented throughout the workforce as part of the Airport Authority's Pandemic Action Playbook. Airport leadership developed the playbook — something that would normally take months — in a matter days as the pandemic threat became clear early in 2020.

Some airport staff began working remotely in line with state recommendations in order to minimize staff where possible. In those cases, workers were equipped with digital tools and training to excel in their jobs.





## DIVERSITY AND INCLUSION

### While preparing and equipping a workforce to deal with the personal

and professional stress of the pandemic as a major focus, leadership also focused on building a workforce and ecosystem that better reflects the diversity of our region. The Airport Authority is committed to recruiting and selecting the best job candidates — while recognizing the benefit of diverse perspectives and experiences and seeking to build and sustain a diverse and inclusive workforce.

The Airport Authority participates in the Disability Inclusion Consortium, the Regional Economic Inclusion Summit, National Diversity Council — Leadership Conference and the Conference of Minority Transportation Officials. The organization also partnered with Vibrant Pittsburgh, a non-profit organization dedicated to building a thriving and inclusive Pittsburgh region by attracting, retaining and elevating a diversity of talent.

The airport supports opportunity for Disadvantaged Business Enterprises (DBE). To create measurable impact, the Airport Authority completed the first FAA DBE Compliance Audit and has implemented an industry-leading DBE Capacity Building program. This program will ensure enhanced DBE participation on all prime contractor teams and will focus on local participation on prime contracts, as well as design teams.

### 2020 Airport Authority key DBE metrics include:

- \$7.2 million paid to construction-related DBE's
- \$5.6 million paid to women-owned DBE's
- \$1.9 million paid to minority-owned DBE's
- \$5.7 million of gross concession revenue earned by Airport Concession Disadvantaged Business Enterprise (ACDBE)



# Smarter Development





**Pittsburgh is well known for its industrial prowess. It is a spirit that** lives on today, as the Airport Authority grows its prime real estate into a global epicenter of advanced manufacturing and digital innovation.

**NEIGHBORHOOD 91**

In 2019, the Airport Authority laid the foundation for Neighborhood 91, the world’s first development to condense and connect all components of the additive manufacturing/3-D printing supply chain into one production neighborhood concept.

In 2020, Neighborhood 91 attracted anchor tenant Wabtec, a Fortune 500 company, maintaining operations on six continents from its Pittsburgh headquarters. Wabtec is a leading provider of equipment, systems, digital solutions and value-added services for freight and transit rail. The company will lease more than 11,000 square feet in the first building, under development at Neighborhood 91.

With several other companies in various stages of agreement on 45,000 square feet of production space, Neighborhood 91 has already assembled key infrastructure for the additive manufacturing supply chain — powder storage, post-production, and more — continuing work throughout the pandemic.

**MICROGRID**

In 2020, PIT broke ground on a first-of-its-kind electrical microgrid that will completely power the facility. Once complete, the microgrid will be capable of producing enough energy to power more than 13,000 residential homes, an equivalent of more than 23 megawatts of electricity.

The microgrid project earned PIT a position as a finalist for Fast Company Magazine’s World Changing Ideas, lowering the cost of electricity to the airport and making PIT one of the most site-hardened airports in the world.

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*“Part of our mission is to be a world leader in aviation innovation and this project is about powering airports into the future. This project will bring power resiliency and redundancy to enhance safety and ensure continued operations for the traveling public.”*

— CHRISTINA CASSOTIS, CHIEF EXECUTIVE OFFICER, ACAA  
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The microgrid is being built, operated and maintained by Peoples Gas. The project will be unique as it will power both terminals, the airfield, the Hyatt hotel and a Sunoco gas station. The microgrid will be fueled in part by the airport’s own natural gas wells drilled on-site and nearly 10,000 solar panels covering eight acres.

**OTHER DEVELOPMENTS CONTINUE TO SUCCEED**

**Pittsburgh International Airport Non-Aeronautical Land Use to Date is Growing**

- 6,148 acres for non-aeronautical use
- 70 acres occupied by community parks in Findlay & Moon Townships
- 230 acres occupied by gas drilling operations
- 531 acres occupied by commercial real estate development
- 1,200 acres developed and 4649 remaining to be developed

**Development success has been significant**

- 29 buildings have been constructed totaling nearly 4 million square feet of commercial development
- More than \$400 million in private investment
- Over 6,500 jobs have been created or retained
- Generating more than \$3 million in gross revenue last year

**McClaren Business Park — Site 9**

- Developer: AL Neyer
- 400,000 square feet of light industrial development planned

**Northfield Business Park**

- Developer: AL Neyer
- Expansive site with capacity up to 750,000 square feet
- 90 plus acres
- Near 2 highways, 16 railways, 3 rivers, and airfield access

**Clinton Commerce Park — Site 12**

- Developer: The Buncher Company/AL Neyer
- Tenants: Pittsburgh Post-Gazette, Knepper Press, FedEx Smart Post, Berlin Packing, Nord-lock, Graybar, Haemonetics, American Tire, Shell Appalachian

**Dick’s Sporting Goods HQ**

- Developers: Horizon Properties
- Square Feet: 750,000
- Employment: 2,000 plus
- Hangar: 60,000 plus square feet
- Daycare building: 15,000 square feet

**Industry Drive — Site 8**

- Developers: Burns & Scalo, Horizon Properties, Oxford Developers
- Tenants: Allstate, Jacobs, Thermo Fisher, Under Armour, PerkinElmer

**Cherrington Commerce Park / Pittsburgh International Business Park — Site 2**

- Developers: Continental/Chaska
- Tenants: Service Link, Mastech Digital, Harbison Walker International

**Airside Business Park — Site 1**

- Developers: Elmhurst Group
- Tenants: Michael Baker International, McKesson, Mortgage Connect, A. Stucki, Rockwell Automation







# Smarter Cargo

**Cargo has become an increased focus of operations at PIT,** particularly throughout the pandemic. It’s an airport key business strategy to be a first-choice international logistics center for cargo. That goal is being realized.

PIT became the first airport to be awarded a U.S. Department of Transportation BUILD grant (announced in 2019) in support of advancing competitive advantage in cargo growth. The \$18.69 million grant will support the construction of Cargo 4 — a 75,000-square-foot cargo processing facility and an adjacent surface parking lot. The new facility will enable the airport to serve larger planes and offer opportunities for airlines to leverage sorting facilities and provide access to high-volume trucks. Construction on the project is expected to be completed in 2024.

Abundant space and an ideal geographic location make PIT an attractive location for cargo flights and has helped the airport to attract a key partnership with Ted Stevens Anchorage International Airport (ANC). The agreement will boost sales and marketing efforts at both airports, with a particular emphasis on cargo.

The efficiency of cargo handling at PIT and the airport’s ability to unload shipments and dispatch them within hours of arrival also attracted new and returning cargo flights. During the pandemic, National Airlines landed five FEMA charter flights at PIT, carrying critical medical supplies.

Qatar Airways Cargo flights returned to the airport, and the carrier landed weekly at PIT. Hong Kong-based Cathay Pacific also committed to three months of international cargo service through PIT.

*“It’s easy to get in and out of the airport. Other airports are congested; it could take a whole day for a trucking company to pick up freight. In Pittsburgh, everything can be done within three hours. It’s a matter of time and ease.”*

**— FRED RUGGIERO, VICE PRESIDENT OF CARGO, AMERICAS FOR CATHAY PACIFIC**

While global carriers added service, integrators FedEx and UPS surged, adding additional flights and larger planes. Despite the pandemic, cargo finished 2020 down only 4.8%. At this volume, it is expected that the current cargo facilities will be at maximum capacity in the near future, setting the stage for Cargo 4.





# A Focus on All Priorities

## ALLEGHENY COUNTY AIRPORT

While major commercial airlines bore the brunt of travel-related pandemic impacts, private flying recovered more quickly, finishing 2020 down only 10 percent, with 53,285 operations at Allegheny County Airport (AGC).

Air taxi traffic — a broad term that covers private business flights, typically operating out of smaller airports — has recovered remarkably well. In some cases, it's exceeding the levels it was at this time last year. At AGC, air taxi traffic includes business travel, private charters, medical transport and even an animal rescue operation, among other operations.

AGC is home to two full-service, fixed-base operators, Corporate Air and Lynx. The fixed-base operators have seen a rise in charter traffic from passengers looking to maintain social distance while needing to travel during the pandemic. Charters have also received a boost through the suspension of a 7.5% federal excise tax on air transportation through the CARES Act. Traffic at AGC also grew as a result of increased flight training during the pandemic.

In 2020, AGC hangar occupancy reached 90 percent as air traffic gained momentum in the region. The development of this area provides diversified non-flight revenue for one of the busiest general aviation airports in the state.

**During the past six years, the Airport Authority has invested \$21 million in infrastructure and equipment at AGC including:**

- Terminal renovation both inside and out
- Parking lot improvement
- Deferring and reducing expenditures, including closing a concourse
- Master Plan Update
- Improved airport operations staffing and hours of service

AGC will celebrate its 90th anniversary in 2021, building on momentum as critical infrastructure in the Pittsburgh region.







## ENVIRONMENTAL

The Airport Authority is committed to protecting and preserving the environment and supports conservation and sustainability initiatives year-round through a variety of programs.

In 2020, Pittsburgh International became the first airport to join the Pittsburgh 2030 District Challenge as an Affiliate. The 2030 District challenge is a coalition of more than 1,000 nationwide organizations pledging to reduce their energy and water consumption and transportation-related emission in half by 2030.

The airport microgrid project, with its nearly 10,000 solar panels, will play a key part in the energy savings, complementing a host of other sustainability programs at the airport, including recycling spent

aircraft deicing fluid, implementing an Electronics Recycling Program which includes airport tenants, and reducing food waste through partnering with 412 Food Rescue.

The airport Honey Bee Project project, designed to help grow the honeybee population, was recognized in 2020 by Governor Tom Wolf with the Governor's Award for Environmental Excellence.

With large amounts of available land, PIT is among the first U.S. airports that have added apiculture, or beekeeping programs, in the past several years. The airport has taken the initiative to develop sanctuaries for a struggling honeybee population, which has been threatened by stresses including exposure to pesticides, parasites and poor nutrition. PIT's beekeeping program has expanded to include nine apiaries that house around 110 colonies — adding up to nearly 4 million honeybees.

The environment and the airport have benefited from this program. In addition to honey and other products of the hive, the apiaries at PIT also produce queen bees which are sold to other beekeepers. And, PIT has seen a reduction in bee swarms on the airfield. Airport staff monitors the apiaries and has worked in conjunction with local research groups and universities to provide data and conduct research on swarms and promote honeybee health.







FINANCIAL REPORT

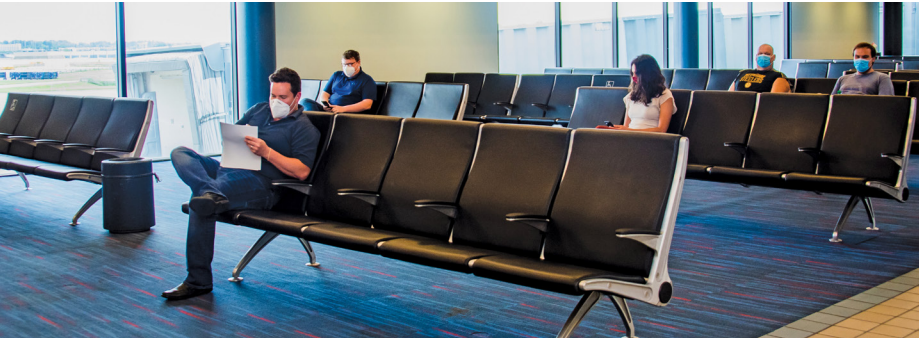
A combination of a strong position from recent-term gains and immediate fiscal and operational response provided a hedge against significant impacts from a global pandemic. The airport entered 2020 on the momentum of record O&D traffic, new flights, new airlines and new destinations. As the impact of the pandemic crisis began to grow, the Airport Authority worked swiftly to identify cost-saving opportunities and project deferments, including:

- Enacting necessary budget reduction measures, including cuts to department budgets, voluntary furloughs, and early retirements
- Delaying all non-mission critical operational and capital spending
- Deferring and reducing expenditures, including closing a concourse

The airport was also able to leverage aid from the Coronavirus Aid, Relief and Economic Security Act (CARES Act) to offset deficits in key areas. The CARES Act contained various provisions to assist airports throughout the nation with \$10 billion in financial assistance.

Pittsburgh International Airport received \$36,066,209. An additional \$157,000 was received for Allegheny County Airport.

Congress also passed the Coronavirus Response and Relief Supplemental Appropriation Act (“CRRSAA”) on December 27, 2020 in response to economic relief to eligible U.S. Airports and eligible concessions at those airports to prevent, prepare for, and respond to the pandemic.



The Airport Authority passed an operating budget of \$114.4 million for 2020 but later revised the budget downward by \$10 million as the effects of the pandemic wore on throughout the year.

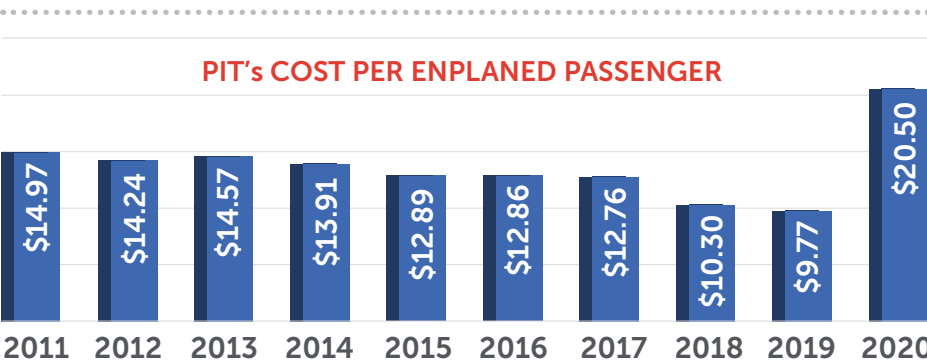
As the waves of disruption from the pandemic continue, the Airport Authority will continue to act aggressively to minimize impacts where possible.

The presence of abundant natural gas also provides opportunities. Total gas drilling bonus and rent payments received to-date are \$50.6 million over multiple years. Drilling on the first wellpad began in June 2016 with the Authority receiving monthly royalty payments equal to 18% of the production value. The Authority received \$5.2 million of these royalty payments during 2020. Net revenues from the natural gas lease are being used to reduce airline rates and charges and for capital expenditures, including economic development. That revenue must remain at the Airport, per federal law.

The Airport Authority received a total of \$10,601,842 in monetary assistance estimated to include: \$10,544,908 for PIT and \$57,000 for AGC.

The pandemic also snapped a seven year run at the Airport Authority of a decreasing Cost Per Enplaned Passenger, or CPE. An airport’s CPE is an industry 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. Because of the severe drop in passengers around the world, CPE calculations were thrown out of line across the industry. Still, PIT was able to keep its CPE in line with other airports across the country.

The 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.







ALLEGHENY COUNTY AIRPORT AUTHORITY  
PITTSBURGH INTERNATIONAL AIRPORT  
ALLEGHENY COUNTY AIRPORT

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