



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**

In the last 10 years, there have been many great days, but the best day was the date that the 2020 Census numbers were released. For the first time in 60 years, our region gained population. That reflects not just the new businesses and industries calling Allegheny County home, but also the growth in long-standing companies and a more diverse and younger population as a result.

I'm proud of the deliberate investments we have made in our economic development

to grow opportunities, including equal access for all. That’s particularly evident in the growth and success we’ve seen at our county’s airports — both Pittsburgh International Airport and Allegheny County Airport — which are operated by the Allegheny County Airport Authority.

When I took office, I knew that in order to grow our region and opportunities, that our airports had to be a main focus because what’s good for PIT and AGC is good for our region. Easier access to our region means more jobs, more tourism and more economic development.

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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, our airports are 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.

The past few years have been challenging like no other because of the pandemic, and aviation experienced declines that the industry had never seen. Despite that, the Airport Authority continued to make progress on key initiatives and community outreach.

Notably, PIT became the first airport in the world to completely power itself with a microgrid made up of five natural gas-fired generators and nearly 10,000 solar panels. At the same time, Neighborhood 91 took a huge step forward in growing to become an advanced manufacturing global destination with Fortune 500 company Wabtec opening a new production facility in the development.

We’ve also seen huge growth and opportunity in cargo with international carriers capitalizing on PIT’s strengths and have two new cargo buildings in development. Likewise, throughout 2021 we also saw steady passenger growth with carriers returning service that had been suspended during the pandemic.

We also broke ground in the fall on the new terminal project at PIT, 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 airports’ assets for the region’s residents and businesses and to grow economic development. Airlines and businesses around the world are recognizing the renaissance that continues to evolve here.

Our airport team is truly redefining what it means to be an airport.

Sincerely,



RICH FITZGERALD
Allegheny County Executive





A Letter from the Chairman and the CEO

Welcome to the Allegheny County Airport Authority’s 2021 Annual Report.

Pittsburgh has always been a leader in aviation, and the progress our airports made in 2021 on a number of key initiatives — in the midst of a pandemic — epitomize that legacy.

In 2021, all of us worked through a second full year of the pandemic. The impact of COVID continued to ripple through every industry, including aviation. We now know that there is no new normal; there is only ongoing uncertainty that demands we be ready for anything and everything, and ready to pivot — quickly.

At ACAA, that’s what we’ve learned to do over and over again. We changed our organizational structure to meet the competitive markets we face. We changed our business strategy during a pandemic to focus on cargo airlines, we changed how we ask people to work so that they can be safe; and through it all, we’ve taken care of our team, our passengers, our partners — all with a goal to help drive economic benefit for all of our communities.

At the same time, we began to see recovery in our industry. Nonstop flights, seats and passengers surged through the year. Our passenger count at PIT finished 74 percent above 2020 levels as we moved closer to pre-pandemic numbers. International service started to return, including the announcement of the restarting of nonstop service to London on British Airways.

Our cargo growth continued to expand with new carriers selecting our airport as an international gateway. In fact, PIT just finished its busiest year in cargo since 2004. We are in the midst of designing and building two, new state-of-the-art cargo facilities that will enable our region to keep growing into an international logistics center.

Additionally, our Terminal Modernization Program continued to move forward. The airlines officially signed off on the project — by agreeing to pay for it — in the summer and we broke ground in the fall, bringing to life a vision of a new gateway for our region and a project that is committed to equal access to opportunity. This is a facility that is being built for and by the people of Pittsburgh and truly reflects the future of travel.

We also flipped the switch on a first-of-its-kind of microgrid that completely powers our airport in a way that no one else in the world is doing with nearly 10,000 solar panels and natural gas drilled on-site. Just down the road, Neighborhood 91,

Our team, working together, has weathered so much change and made progress. Change is constant, but we have built a culture to sustain this success.

our advanced manufacturing campus welcomed Fortune 500 company Wabtec as an anchor tenant.

Allegheny County Airport, located in West Mifflin, has already surpassed pre-pandemic levels

as private flying grows in popularity and new businesses, including a new pilot school, take hold there.


All of these achievements could not have been done without the team. Our team, working together, has weathered so much change and made progress. Change is constant, but we have built a culture to sustain this success.

What all this has done is made us more resilient, flexible and adaptable. We are ready for the future and what's to come in 2022 — all with a goal of moving our region forward.

Sincerely,


DAVID MINNOTTE

Chairman,
Allegheny County Airport Authority
Board of Directors


CHRISTINA CASSOTIS
Chief Executive Officer,
Allegheny County Airport Authority





ACAA Thrives in 2021 Amidst a Pandemic Recovery

PILOTS CALL THEM “IN-FLIGHT ADJUSTMENTS.”

When your plane is cruising along at 32,000 feet and you suddenly hit turbulence, you can't just stop. That's not an option.

Instead, you check your instruments, tweak the trim, and maybe change your altitude or course a bit until you find smoother air. But you keep your eye on the horizon and stay focused on your destination.

The aviation industry hit record turbulence in 2020, in the form of the COVID-19 pandemic, and the Allegheny County Airport Authority was no exception. We spent most of that year making our version of in-flight adjustments to keep our airports safe and operational for our passengers, staff and partners.

But we never lost the horizon. We never stopped making progress toward our goals. And in 2021, we shifted from surviving to thriving, when we:

- **Unveiled a first-of-its-kind microgrid and began generating our own power.**
- **Broke ground on a \$1.4 billion new terminal and multi-modal center.**
- **Signed a new seven-year Airline Operating Agreement with our partners.**
- **Welcomed our first tenants to the Neighborhood 91 advanced manufacturing campus.**
- **Became one of the 16 debut cities served by new airline Breeze Airways.**
- **Joined Amazon Air's delivery network of about 40 airports nationwide.**
- **Moved nearly 250 million pounds of cargo, our busiest year since 2004.**

We did all this while driving a rebound in passenger traffic at Pittsburgh International Airport (PIT) to about 65 percent of our 2019 numbers and adding new airlines and destinations, as well.

And Allegheny County Airport (AGC) had one of its best years ever, as general aviation activity surged in 2021.

Our Smart Plan Forward provided a blueprint that allowed us to adapt during a disastrous downturn while still keeping our Dual Imperatives — Safety, Security and Public Health, and Air Service Development — as our top two priorities.

That plan has continued to guide us as the terminals got busier, concessions reopened and flights returned. But the biggest sign of our renewed success can be seen out on the West Ramp, where hundreds of workers are building a new terminal unlike any other in the world.

The Terminal Modernization Program officially broke ground in October, and it will set new standards for the industry. For design, efficiency and construction, yes, but also for an extraordinary commitment to hiring Disadvantaged Business Enterprise firms, a unique partnership with the Occupational Safety and Health Administration to ensure safety for everyone on the worksite and other policies specifically created to leverage this project as an opportunity to elevate the entire community.

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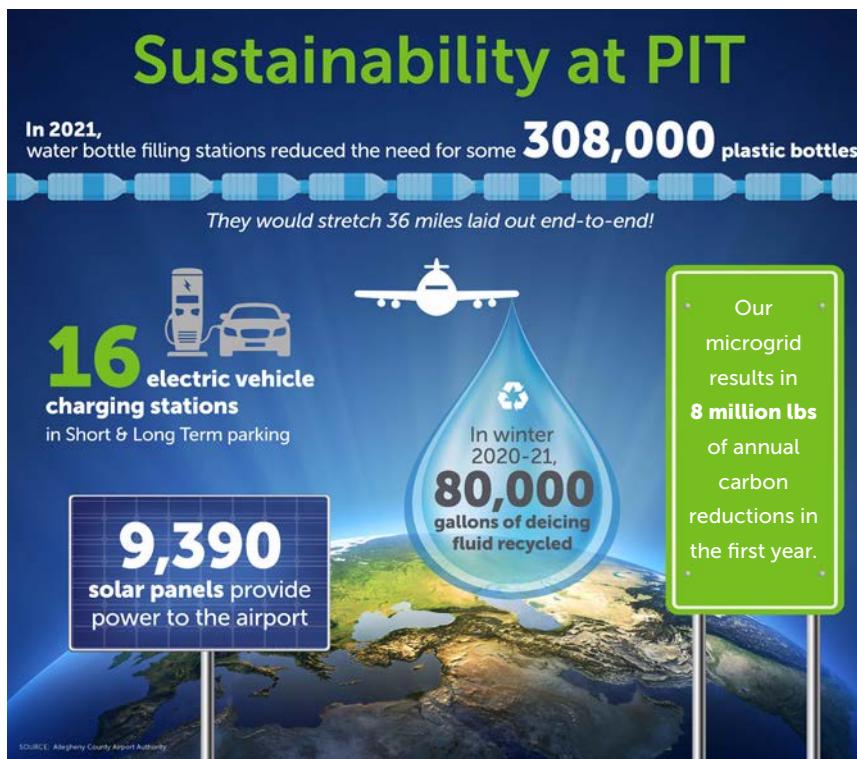
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progress toward our goals.
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The new terminal is scheduled to open in 2025 and embodies our vision of transforming Pittsburgh's airports to reflect and serve the community, inspire the industry, and advance the region as a world leader

The ACAA made it through the turbulence, and we are back to soaring high once again.

Welcome aboard. We've saved you a seat.



Committing to Sustainability at PIT

Sustainability at Pittsburgh International Airport begins with a commitment to improving existing facilities and building upon progress with the airport's Terminal Modernization Program as well as other key projects.

In 2019, the airport joined the 2030 District Challenge, where cities and municipalities commit to reducing their carbon footprint by 50% by 2030. The path to big change starts with both small and large efforts. From the installation of the world's first airport microgrid to the improvements in efficiency planned for our new terminal to replacing of LED lights and adding motion sensors to monitor usage; installing water bottle filling stations throughout the terminals that reduced the need for some 308,000 plastic bottles in 2021; offering sixteen electric charging stations for customers and replacing airside systems to be more energy efficient.

In summer 2021, we unveiled our microgrid, giving us the ability to power the terminal and airport campus independent of the traditional power grid. In partnership with People's Natural Gas, an essential utilities company, it is fueled by natural gas and accompanied by more than 9,000 solar panels. Its effects were immediate, allowing the airport authority to save approximately \$1M per year in electrical costs and utilizing clean energy for a yearly carbon reduction of over eight million pounds. The microgrid is inspiring change in the industry as well.

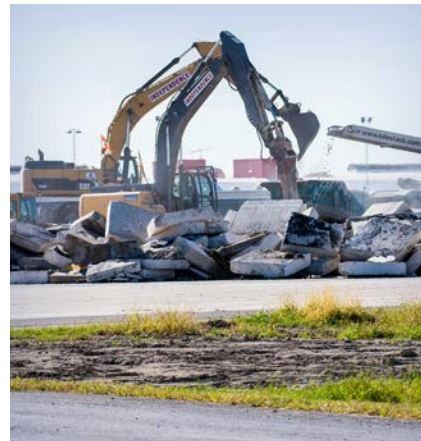
In 2021, the microgrid earned recognition as a World Changing Idea from *Fast Company Magazine*, winner of the American Association for Airport Executives (AAAE) Outstanding Sustainability Infrastructure Development, and winner of the Airports Council International (ACI) North America Environmental Achievement

Award for Innovation. It is inspiring change across the state, as Pennsylvania's Department of Environmental Protection is looking to the microgrid as they review other similar solar facilities in the state. And the microgrid continues to motivate and inspire the authority employees as they continue to make progress in carbon reductions and seek sustainable solutions throughout the campus.

Operating this facility as opposed to importing the energy from the grid results in the following annual carbon reductions:

- **7,850,000 lbs CO₂e**
(nearly 8 million pounds of carbon)

TERMINAL MODERNIZATION PROGRAM



SMARTER TERMINAL: Terminal Modernization Program

Construction Progressing on Airport of the Future

Four years and one pandemic after the Airport Authority announced a bold plan to reimagine the future of travel, Pittsburgh International Airport's Terminal Modernization Program (TMP) is officially underway.

The \$1.39 billion program includes construction of a new 811,000-square-foot terminal and multi-modal transportation complex between Concourses C and D. The new facilities will consolidate ticketing, security checkpoints and baggage claim for a more efficient and sustainable passenger experience. A new multi-modal transportation complex will add a 3,300-space parking garage, rental car facilities, new parking options and new entrance roadways and bridges.

The new facilities are designed to be right-sized for the needs of the Pittsburgh market, cost-efficient and flexible for the future, with new public health and safety features including outdoor terraces.

Deep foundations for the terminal are complete and steel installation began in March.



AIRLINE, COMMUNITY PARTNERS SIGNAL SUPPORT FOR MODERNIZATION

In March 2021, following a year-long pause due to impacts from COVID-19 that devastated aviation, airlines approved \$182 million for early

work to prepare the construction site. The Airport Authority then issued notices to proceed on more than \$19 million in contracts to local firms.

Airlines signaled their support for the program in June by signing a new lease agreement through 2028 – agreeing to cover the project's \$1.39 billion costs – that allowed the Airport Authority to secure long-term bond financing. In August, three financial rating agencies gave favorable long-term investment grade ratings to the Airport Authority in anticipation of the first bond sale. No local tax dollars are being used to fund the project.

At a ceremony in October, more than 300 community members and industry partners joined CEO Christina Cassotis to mark the official start of major construction.

Officials noted that the new terminal and its adjoining transportation complex are the first to be built from the ground up in a post-pandemic environment, for Pittsburgh and by Pittsburgh,

with uncompromising values of public health, safety and sustainability.

Throughout construction, a minimum of 75 percent of waste generated will be recycled or reused, including 75,00 tons of concrete from existing airfield ramps that will be crushed and re-used as sub-base for the new terminal's roadways. Additional plans include rainwater harvesting and other water conservation efforts.

Additionally, airport officials have partnered with the OSHA and the Pittsburgh Regional Building Trades Council on a first-of-its-kind regional partnership to increase worker safety on the project. And, the airport is increasing efforts to better engage local disadvantaged businesses and minority workers to ensure that everyone has equal access to opportunities.

In November, contractors began drilling the first of 131 caissons and more than 1,400 augercast piles that will form the deep foundation structural support "legs" of the new terminal.

AIRPORT INNOVATIONS ON A NATIONAL STAGE

As milestones progressed throughout 2021, local and national interest in the Terminal



Modernization Program grew, drawing a number of officials and media to Pittsburgh International Airport. Among them, U.S. Rep. Conor Lamb (D-Pittsburgh) visited in March to discuss the \$1.9 trillion federal stimulus package announced earlier in the year.

Also that month, "Dateline" aired "COVID: One Year Later," and featured an interview with CEO Christina Cassotis, as part of a segment on the impact the pandemic has on air travel.

President Joe Biden visited Pittsburgh in April, where he announced his \$2 trillion "Build Back Better" infrastructure plan and specifically cited the new terminal project in his speech at the Carpenter's Training Center. A few months later, CEO Christina Cassotis personally escorted

U.S. Transportation Secretary Pete Buttigieg right past PIT's new UV floor scrubbing robots as he followed up on the region's infrastructure needs.





COMMUNITY COMMITMENT

Part of the design vision for the Terminal Modernization Program is the concept of community. The entire program is the result of years of collaborative planning and is leading up to a comprehensive showcase of the region’s resources, talent and spirit — an airport built for Pittsburgh and by Pittsburgh.

The modernization program, which is among

the largest in recent history in the Pittsburgh region, is expected to generate approximately \$2.5 billion in economic activity and more than 14,000 total direct and indirect jobs over the course of the project, which is set to open in 2025.

Construction materials will also be sourced and fabricated locally including some 16,000 tons of steel, 94,000 tons of concrete and 354,000 square feet of wood. The new terminal is on track to receive LEED Silver certification and will be completely powered by the airport’s onsite microgrid, which is comprised of 10,000 solar panels and five natural gas generators.

By the end of 2021, the Airport Authority Board of Directors awarded more than \$600 million in contracts — about 80 percent of all work — for the new terminal and multi-modal complex to businesses based in the Pittsburgh region.

As the first airport terminal in the U.S. to be designed and constructed post-pandemic, these tech-forward, public health-centered facilities truly represent the region’s DNA. With each milestone achievement, the vision for bringing Pittsburgh to the world and the world to Pittsburgh moves closer to reality.

Pittsburgh-based companies building the future of travel

2021 TMP CONTRACT AWARDS		
Structural Steel	Mascaro*	\$124.4M
Concrete and Foundations	Mascaro*	\$39.1M
Underground Utilities • Electric	Clista Electric*	\$1.7M
Underground Utilities • Plumbing	Independence Excavating*	\$1.4M
Exterior Enclosure	D-M Products*	\$15.9M
Architectural Enclosure	Mascaro*	\$39.8M
Baggage Handling System	Jervis Webb	\$86.9M
Vertical Transportation Systems • Construction	Schindler Elevator	\$12.9M
Vertical Transportation Systems • Maintenance	Schindler Elevator	\$16.8
General Works Package	Waller Corporation*	\$5.9M
Roadways and Bridges	Joseph B. Fay Company*	\$154.5M
Multi-Modal Garage and CSB	Rycon Construction*	\$107.2M
2022 TMP CONTRACT AWARDS		
Terminal Electrical	Lighthouse Electric Co.*	\$45.5M
Terminal Mechanical	W. G. Tomko*	\$31.4M
Terminal Plumbing & Fire Protection	W. G. Tomko*	\$13.9M
MMC Electrical	Wellington Electric*	\$12.8M
MMC Mechanical	SSM Industries*	\$2.3M
MMC Plumbing & Fire Protection	McKamish*	\$4.9M



AIR SERVICE AND CARGO



Air Service and Cargo

AIR SERVICE REBOUNDS IN 2021

As the world and airline industry began to recover from and adapt to the realities of the COVID-19 pandemic, Pittsburgh International Airport finished the year with a significant increase in passengers. More than 6.3 million travelers passed through PIT in 2021, up 74.1 percent from the year prior with leisure travel recovering most quickly of any travel segment.

Pittsburgh International Airport finished the year with a significant increase in passengers.

To meet the pent-up demand for leisure travel, airlines added additional capacity to popular warm weather destinations and skiing markets. This resulted in 21 new and resuming routes added or announced throughout the year, giving travelers more options to visit destinations quickly and affordably.



Growth came from a variety of airlines, from legacy carriers to low-cost and ultra-low cost airlines. Ultra-low cost carrier Allegiant continued its expansion at PIT by adding numerous leisure routes. Southwest also grew its Pittsburgh network by resuming old routes and adding new service. Legacy carriers also bolstered service to leisure markets and restored routes that were suspended during the pandemic.

In July, the airport welcomed start-up carrier Breeze Airways which began nonstop service to four cities: Charleston, SC, Hartford, CT, Norfolk/Virginia Beach, VA and Providence, RI. Additionally,

Sun Country Airlines announced in October that it will enter the Pittsburgh market with seasonal, nonstop service to Minneapolis, MN in 2022.

Business travel and international travel also saw signs of recovery. British Airways announced it will resume nonstop flights between Pittsburgh and London in June 2022. The flight, initially launched in 2019, returns following a nearly two year-long suspension that resulted from pandemic-related travel restrictions.

Southwest carried the most passengers at PIT in 2021. The airline flew over 1.7 million passengers, or 27 percent of the total 6.3 million at the airport. American, meanwhile, carried the second most with 1.5 million, or 24 percent of total passengers at PIT.





RECORD SETTING YEAR FOR PIT CARGO

With increased demand for moving goods around the world during the pandemic, cargo saw its busiest year at Pittsburgh International Airport, with freight reaching its highest levels since 2004. The airport continues to capitalize on its goal of becoming a premier international logistics center for air cargo.

Global supply chain disruptions caused demand for air freight to boom. Nearly 250 million pounds of cargo shipped from around the world touched down at PIT in 2021, a 30 percent increase over 2020 and a 26 percent increase from 2019. According to a study commissioned by the ACAA, cargo operations at PIT in 2021 generated more than \$950 million in direct and indirect economic impact to the region's economy.

In 2019, the U.S. Department of Transportation awarded PIT an \$18.69 million BUILD grant to support the construction of Cargo 4 — a 75,000-square-foot cargo processing facility and an adjacent surface parking lot that will enable expanded cargo operations. In addition, the state last year awarded its own \$2.5 million grant to assist the development of Cargo 4. Scheduled to open

in 2024, the new facility will allow PIT to accept freight from abroad and distribute it throughout North America, making Western Pennsylvania more competitive in the growing cargo industry and position the airport as a gateway for global logistics.

Pittsburgh's advantages in efficiency and geographic location has attracted airlines and freight forwarders for additional service. FedEx, UPS and Qatar Airways Cargo increased their service at PIT in 2021, while Cathay Pacific Cargo resumed flights. The airport also saw cargo flights throughout the year from Finnair, SpiceXpress, EuroAtlantic Airways, and Ethiopian Airlines Cargo.

In May, Amazon began cargo service to PIT and has since increased to two daily flights.

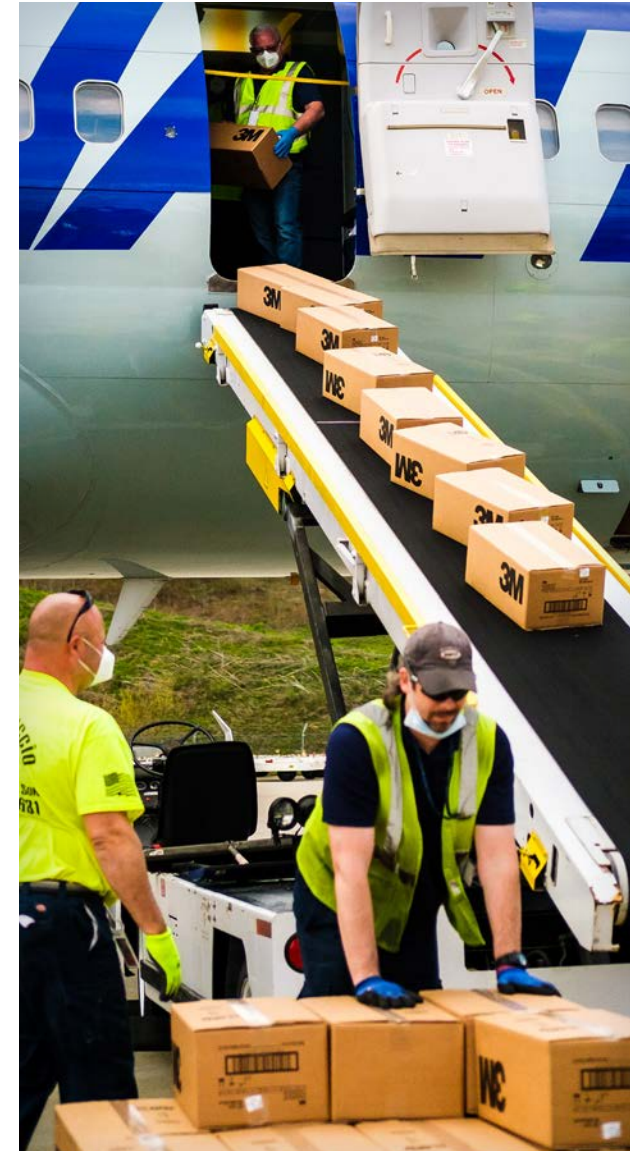


Through a partner lease agreement, Amazon is utilizing 50,000 square feet of space at the airport. The facility is managed by an Amazon logistics partner, Trego-Dugan Aviation and supported the creation of approximately 140 jobs.

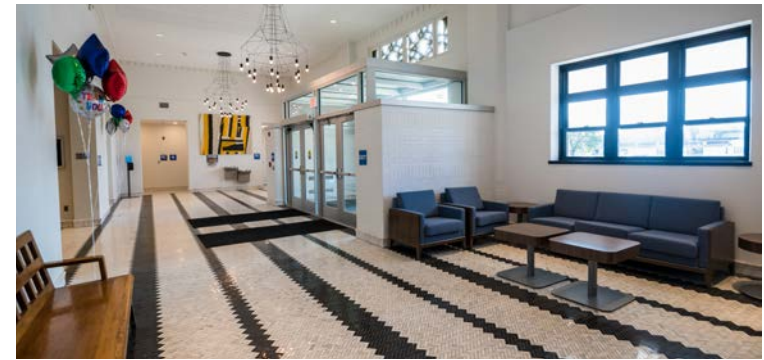
Cargo operations at PIT in 2021 generated more than \$950 million in direct and indirect economic impact to the region's economy.

Cargo volume has grown so rapidly at PIT that a new, 140,000-square-foot facility will be constructed to further expand capacity at the airport. In partnership with developer Aeroterm, the new facility will be the largest of its kind ever constructed at PIT and is expected to become operational in 2023.

With more nonstop options for travelers and unprecedented growth in air cargo, Pittsburgh International Airport continued to capitalize on its role serving not only as the front door to Pittsburgh, but as an economic driver to our region.



ALLEGHENY COUNTY AIRPORT



Thriving for Nearly a Century, AGC Sets Sights on Bright Future

Allegheny County Airport celebrated its 90th birthday in 2021 with a fresh new look and an eye to the future.

After a two-year, \$2 million grant-funded renovation project that improved the facility's restrooms and vestibule area and converted more than 4,600 square feet into event and conference space, this Art Deco beauty is ready to serve the region for another century.

Under the direction of DLA+ Architecture and Interior Design, the renovations preserved the building's historic style and maintained the black and white design while updating the terminal into a more modern and functional space.

"We are thrilled to complete these renovations and reveal an AGC that is ready for the future," Traci Clark, Vice President, AGC, said. "This transformation solidifies our position as a



national leader in general aviation while providing an exceptional experience for our tenants and creating a truly unique event space for the community." AGC celebrated the milestone with an event that brought together members of the community, local dignitaries and elected officials, aviation aficionados and others to showcase the new facility and amenities.

In addition to their 90th anniversary, the airport also celebrated a very successful year as it related to air traffic. 2021 was the busiest year for air traffic at AGC in more than a decade with operations totaling 62,800, which was a 17.9% increase compared to 2020. This growth came from numerous sources including flight training, and an increase in both leisure and business travel. AGC's performance in 2021 exceeded the most optimistic of industry forecasts and points to strong general aviation growth ahead.

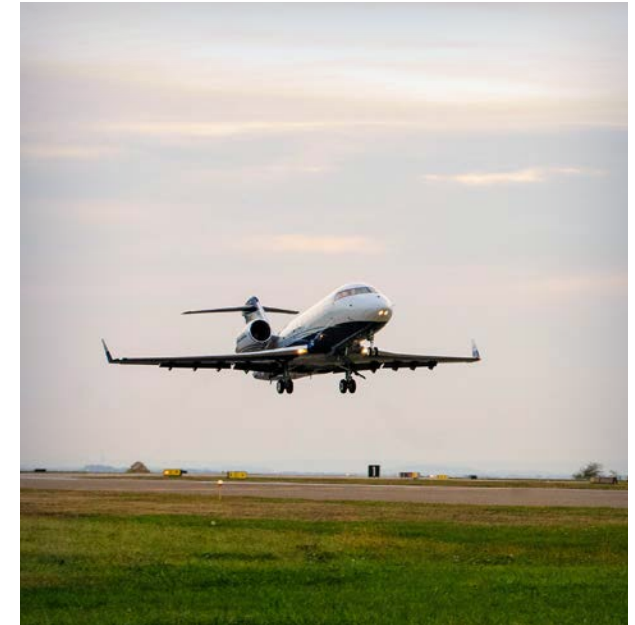
Another sign of growth in 2021 was the increase in hangar occupancy as more people were purchasing private aircraft. This has resulted in nearly 100% hangar occupancy with 65 of AGC's 67 hangars currently in use. AGC finished out 2021 with strong 4th quarter traffic due to high demand around the holidays and notably mild weather. Overall operations were up 17.6% for Q4 2021 compared to 2020 and 13.6% compared to 2019. December was a particularly good month for AGC with operations up 22.5% over 2020 and a staggering 34% increase over December 2019.

Sustaining this growth and preparing AGC for the future are the significant investments ACAA has made over the past two years and continues to plan for in 2022. This includes improvements to signage, equipment, ramps and runways, and upgrades to electrical feeds and IT servers. In addition, a Runway Safety Area project is underway which will increase airfield safety and accessibility.

While 2021 was a banner year for AGC, there's much to look forward to this year beginning with a branch opening of the nation's largest flight school in February. ATP, which has 70 locations nationwide and 33 airline partnerships, chose

AGC as their first Pennsylvania location because of its location, amenities, and forward-looking leadership at ACAA. In addition, AGC plans to open its newly renovated event and conference space for public use by Q4 of this year creating another revenue generation stream for the authority and a valuable community asset.

As the world adapts to living, working and traveling in the midst of a global pandemic, AGC will be an integral part of Western Pennsylvania's economic development and success.





THE ACAA DIVERSITY, EQUITY, AND INCLUSION STRATEGY IS GUIDED BY FOUR SIMPLE, COMMON-SENSE PRINCIPLES



1.

COMMITMENT

Dedication to ensuring diversity, equity, and inclusion at all levels of our organization.



2.

ACCESS

Providing all with a path to opportunities.



3.

INCLUSION

Moving beyond passive acceptance and toward conscious outreach.



4.

CHANGE AGENTS

Changing the paradigm to create a diverse, equitable, and inclusive workplace, creating a competitive advantage that helps attract and retain the most talented team members.



ALLEGHENY COUNTY
AIRPORT AUTHORITY

ACAA Diversity, Equity, and Inclusion Program

Through the management of Pittsburgh International and Allegheny County Airports, the Allegheny County Airport Authority's (ACAA) core responsibility is to connect communities — all with rich cultures, deep histories, and diverse people — to the world. Put simply — the airport's main function is to make the world open to all. ACAA is proud that diversity, equity, a focus on inclusion, and fairness are found in our team members, processes, and thinking. The authority is strengthening focus on Diversity, Equity, and Inclusion (DE&I) and by doing so, will be in a better position to serve customers, transform lives and pioneer the next generation of aviation and Pittsburgh leaders.

OUR STRATEGY — MOVING THE NEEDLE

ACAA's DE&I strategy outlines its progress, goals, and details how we will accomplish them. ACAA strives to be a role model for

DE&I, to be recognized as an industry leader by team members, travelers, local, regional and national stakeholders, industry peers, and the communities in which we operate.

INITIATIVES

Disadvantaged Business Enterprise:

In 2019, Pittsburgh International Airport established a goal of awarding 14 percent of airport construction contracts to Disadvantaged Business Enterprises (DBE) with a commitment to make ACAA as diverse as all our local neighborhoods and travelers who come through



our airports, and the global regions we serve. In 2021, ACAA continued to create initiatives in removing barriers to small diverse companies.

Breaking Down Barriers to Entry:

In the past, the feedback has been that DBE firms were not equipped financially or logistically to take on large-scale airport projects — or those small companies could not compete. ACAA took steps to remedy that as part of its new terminal project by breaking down large contracts into smaller pieces that allow smaller companies to compete.

ACAA IS ACTIVELY WORKING AND RECRUITING DBE FIRMS IN THE REGION. IN 2021:

- *We were committed to finding new and different DBEs to broaden the scope of existing firms and create opportunities for new DBE businesses.*
- *We went into the communities in Pittsburgh to give them opportunities to meet with us without going to the airport.*
- *We ran our own bonding classes that allowed firms to learn skills that can increase their capabilities and complete all requirements to compete for contracts on a level playing field.*
- *We built a dedicated team to enhance our DE&I and DBE initiatives.*
- *A recent FAA audit found that ACAA not only complied with requirements but exceeded them such that the FAA cited our program as an example for others.*
- *We are moving the needle in our region. Other agencies are now calling us seeking to find how we are achieving success.*

New learning module on DE&I: ACAA launched an all ACAA team members Online Module: Diversity, Equity & Inclusion. Our all-team member course is designed to allow team members at all levels to step into the shoes of individuals with identities that are different from their own and learn about how others can experience the same workplace in very different

ways. The course will teach key definitions and concepts, including Identities & Perspectives, Unconscious Bias, and Microaggressions in an immersive and accessible way. Team members will also learn the foundation for being an ally and advocate to support.



Financial Overview

At the outset of 2021, the Authority continued to rebuild from the adverse effects of the pandemic. The path forward embraced prioritizing the projects and services that deliver on the Authority's mission to become a global aviation leader driving innovation, regional growth, and prosperity by investing in employees, customers, airlines, and partners.

From a financial perspective, this included utilizing economic relief funds, optimizing non-aeronautical revenue, and completing strategic financing to support the organization's capital projects.

As effects from the pandemic continued into 2021, the Authority was able to leverage federal funds to offset reductions in revenue caused by decreases in passenger traffic due to the pandemic.

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, signed into law on March 27, 2020, included \$10 billion in funds to be awarded as economic relief to eligible U.S. airports affected by the COVID-19 pandemic. The Authority was awarded \$36.2 million.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRSSA), signed into law on December 27, 2020, included nearly \$2 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports. From this second relief package, the Authority was awarded \$10.6 million, which includes tenant financial relief.

The American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021 and included \$8 billion in funds to be awarded as economic assistance to eligible U.S. airports. The Authority was awarded \$35.8 million from this third relief package, which also includes tenant financial relief.

To support the progress of the Terminal Modernization Program

(TMP), the Authority obtained a line of credit with PNC to pay certain costs of the TMP and for cash flow purposes. The Authority also successfully completed a bond sale in the summer 2021, with proceeds exceeding one billion dollars at a 35-year final maturity, to support the project's overall cost.

Leading up to the sale, three bond rating agencies gave favorable long-term investment grade ratings to the Authority:

- **Kroll Bond Rating Agency** rated the Authority A+ stable, citing positive passenger growth prior to the pandemic and the strength of the management team.
- **Fitch Ratings** rated the Authority A stable, citing low default risk and strong capacity for payment of financial commitments.
- **Moody's Investors Service** rated the Authority A2 stable, citing the solid market position of the airport and region, a diverse carrier base and additional non-operating revenue sources.

As passenger traffic began its return to normal levels, the Authority's Cost Per Enplaned Passenger, or CPE, was lowered to \$12.33, returning closer to pre-pandemic levels. 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.

The Authority passed an operating budget of \$109.9 million for 2021 and remained in line with budgeted expectations throughout the year.

The Authority receives no local taxpayer funding and funds its annual budget through aeronautical and non-aeronautical revenue. The non-aeronautical revenue is generated through parking, concessions, real estate development, natural gas royalties and other user-generated fees.

The Authority closed the books on a strong financial year to continue delivering on its mission for the benefit of the Pittsburgh region.

To review ACAA's Annual Comprehensive Financial Report, visit <https://flypittsburgh.com/acaa-corporate/about/reports-financials/>



ALLEGHENY COUNTY AIRPORT AUTHORITY
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